

Q3, 2004

Interim report

January – September 2004



Spintab

Spintab

JANUARY-SEPTEMBER 2004 IN SUMMARY

- Net interest income is continuously stable and amounted to SEK 3,773 million (3,631)
- Lending rose to SEK 421,374 million (392,071)
- Loan losses amounted to SEK -35 million (80)

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

Spintab provides long-term financing for housing, municipal investments, and agricultural and forestry properties. The Spintab Group is quality certified according to ISO 9001 and is environmentally certified according to ISO 14001.

Profit

Operating profit before appropriations and taxes amounted to SEK 3,407 million (3,091). The higher profit is mainly a result of higher net interest income, lower loan losses and lower expenses than the corresponding period of 2003. Net interest income is higher than the corresponding period of 2003, amounting to SEK 3,773 million (3,631). The higher net interest income is mainly a result of a higher lending volume. The return on equity was 17.0 percent (16.2).

Commissions payable

Commissions payable have increased by SEK 3 million or 1 percent, mainly owing to the stable development of the cooperation with the independent savings banks and partly owned banks.

Operating expenses

Operating expenses has been reduced and amounted to SEK 48 million (102).

Loan losses

Recoveries from previous years provisions exceed new loan losses and provisions. Loan losses amounted to SEK -35 million (80). Provisions for antici-

pated loan losses totaling SEK 246 million (389) as of September 30, 2004. Specifications of loan losses and claims are shown in Notes 2 and 3.

Lending

Spintab's loan to the public rose by a net of SEK 29,303 million (32,751) during the last four quarters, amounting to SEK 421,374 million (392,071) as of September 30, 2004.

Loans for private homes rose by SEK 26,917 million and loans to the agricultural sector by SEK 2,791 million. Loans to commercial properties decreased by SEK 405 million.

Spintab's total market share was approximately 30 percent (30) as of August 31, 2004, according to statistics from Statistics Sweden.

Funding

54 percent of the total funding has been raised from the international money and capital markets.

Shareholders' equity

A conditional shareholders' contribution of SEK 1.0 billion was received from the parent company during 2004.

Capital adequacy

As of September 30, 2004 the capital adequacy ratio was 10.5 percent (11.3), of which the primary capital ratio was 8.3 percent (8.7).

Interest rate risk

An increase in market interest rates of one percentage point as of September 30, 2004 would have reduced the value of Spintab's interest-bearing assets and liabilities, including derivatives, by approximately SEK 562 million (351).

An increase of one percentage point in market interest rates would have increased net profit on financial opera-

tions by SEK 1 million (0).

Taxes

Profit for the period has been charged with estimated tax, which is 28%.

Accounting change

The interim report is prepared according to the Swedish Financial Accounting Standards Council's recommendation RR 20, Interim reports, and complies with the same accounting principles as the most recent annual report. From January 1, 2004 recommendation RR 29, Employee Benefits (IAS 19), enters into force. The new recommendation details how various forms of employee compensation should be reported and differs from current Swedish accounting practices primarily in the reporting of defined-benefit pension plans. In accordance with the recommendation, however, Spintab will continue to report its defined-benefit pension plans as defined-contribution plans. This is because the information required for defined-benefit reporting is unavailable.

Financial reporting

Spintab's year-end report of 2004 will be released on February 11, 2005.

Spintab Group – Key financial highlights 2000–2004

	2004*	2003*	2003	2002	2001	2000
Lending						
Loans to the public, SEK m.	421,374	392,071	398,752	367,645	340,997	321,332
Doubtful, restructured and non-performing loans, net SEK m.	464	383	457	656	631	886
Profitability						
Operating profit , SEK m.	3,407	3,091	4,255	3,839	3,487	3,116
Interest margin, %	0.95	1.01	1.01	1.01	1.02	0.94
Investment margin, %	1.10	1.18	1.17	1.22	1.22	1.17
Expense ratio, %	0.02	0.04	0.04	0.04	0.05	0.07
Income/expense ratio before loan losses	0.01	0.03	0.03	0.04	0.04	0.06
Income/expense ratio after loan losses	0.0	0.06	0.04	0.07	0.09	0.13
Return on equity, %	17.0	16.2	16.5	15.9	14.5	13.1
Earnings per share, SEK	106.65	96.78	133.17	120.18	109.17	97.87
Capital						
Capital base, SEK m.	23,487	22,877	22,723	20,048	21,879	21,922
Equity, SEK m.	21,107	19,877	17,654	16,251	16,245	16,224
Number of shares at beginning/end of period, million	23	23	23	23	23	23
Equity per share, SEK	917.70	864.22	767.57	706.59	706.30	705.39
Capital adequacy ratio, %	10.5	11.3	11.0	10.8	13.1	13.2
Primary capital, %	8.3	8.7	8.5	8.8	9.7	9.8
Credit quality						
Loan losses, SEK m.	- 35	80	18	129	194	246
Loan loss level, %	- 0.01	0.03	0.005	0.04	0.06	0.08
Provision ratio for doubtful claims, %	70.3	91.4	70.2	73.4	77.4	61.5
Share of doubtful claims, according to loans to the public, %	0.05	0.01	0.04	0.04	0.04	0.10

* as of September 30

Profit and loss account

Group

SEK million	Note	Jan-Sept 2004	Jan-Sept 2003	Change %	July-Sept 2004	July-Sept 2003	Change %
Interest receivable		15,763	16,502	- 4	5,147	5,536	- 7
Interest payable		- 11,990	- 12,871	- 7	- 3,754	- 4,330	- 13
NET INTEREST INCOME		3,773	3,631	4	1,393	1,206	16
Commissions receivable		25	28	- 11	8	9	- 11
Commissions payable		- 395	- 392	1	- 133	- 134	- 1
Net profit on financial operations	1	2	- 2	-	2	0	-
Other operating income		15	8	88	4	2	100
TOTAL INCOME		3,420	3,273	4	1,274	1,083	18
Staff costs		- 15	- 17	- 12	- 5	- 5	0
Other administrative expenses		- 26	- 77	- 66	- 7	- 26	- 73
Depreciation of tangible fixed assets		- 7	- 8	- 13	- 3	- 3	0
Other operating expenses		0	0	-	0	0	-
TOTAL EXPENSES BEFORE LOAN LOSSES		- 48	- 102	- 53	- 15	- 34	- 56
Loan losses	2	35	- 80	-	10	0	-
OPERATING PROFIT		3,407	3,091	10	1,269	1,049	21
Tax on profit for the period		- 954	- 865	10	- 356	- 293	22
PROFIT FOR THE PERIOD		2,453	2,226	10	913	756	21
Earnings per share, SEK*		106.65	96.78		39.70	32.87	

*Based on 23 million shares

Profit and loss account

AB Spintab

SEK million	Note	Jan-Sept 2004	Jan-Sept 2003	Change %	July-Sept 2004	July-Sept 2003	Change %
Interest receivable		15,446	16,223	- 5	5,025	5,447	- 8
Interest payable		- 11,990	- 12,885	- 7	- 3,745	- 4,336	- 14
NET INTEREST INCOME		3,456	3,338	4	1,280	1,111	15
Commissions receivable		20	23	- 13	7	8	- 13
Commissions payable		- 354	- 357	- 1	- 119	- 121	- 2
Net profit on financial operations	1	2	- 2	-	2	0	-
Other operating income		15	8	88-	4	3	33
TOTAL INCOME		3,139	3,010	4	1,174	1,001	17
Staff costs		- 13	- 16	- 19	- 4	- 5	- 20
Other administrative expenses		- 26	- 75	- 65	- 8	- 25	- 68
Depreciation of tangible fixed assets		- 7	- 8	- 13	- 3	- 3	0
Other operating expenses		0	0	-	0	0	-
TOTAL EXPENSES BEFORE LOAN LOSSES		- 46	- 99	- 54	- 15	- 33	- 55
Loan losses	2	36	- 81	-	10	0	-
OPERATING PROFIT		3,139	2,830	11	1,169	968	21
Tax on profit for the period		- 876	- 792	11	- 327	- 271	21
PROFIT FOR THE PERIOD		2,253	2,038	11	842	697	21
Earnings per share, SEK*		97.96	88.61		36.61	30.30	

*Based on 23 million shares

Balance sheet

SEK million	Not	GROUP			AB SPINTAB		
		Sept 30 2004	Sept 30 2003	Dec 31 2003	Sept 30 2004	Sept 30 2003	Dec 31 2003
Assets							
Treasury bills		100	-	-	100	-	-
Loans to credit institutions	3	47,193	38,774	30,831	71,816	60,817	53,595
Loans to the public	3	421,374	392,071	398,752	394,673	368,162	374,026
Other assets		5,511	6,370	5,009	7,075	7,752	6,736
TOTAL ASSETS		474,178	437,215	434,592	473,664	436,731	434,357

SEK million	GROUP			AB SPINTAB		
	Sept 30 2004	Sept 30 2003	Dec 31 2003	Sept 30 2004	Sept 30 2003	Dec 31 2003
Liabilities						
Amounts owed to credit institutions	69,988	37,852	39,054	69,988	37,852	39,054
Debt securities in issue						
Bonds	267,334	273,019	273,664	267,334	273,019	273,664
Commercial paper, other	101,696	93,180	84,699	101,696	93,180	84,699
Other liabilities	9,030	7,857	14,247	8,851	7,694	14,147
Subordinated liabilities	5,023	5,430	5,274	5,023	5,430	5,274
TOTAL LIABILITIES	453,071	417,338	416,938	452,892	417,175	416,838
Untaxed reserves	-	-	-	138	138	138
Shareholders' equity						
Subscribed capital	11,500	11,500	11,500	11,500	11,500	11,500
Restricted reserves	3,353	3,353	3,353	3,100	3,100	3,100
Profit brought forward	3,801	2,798	- 262	3,781	2,780	- 281
Profit for the period	2,453	2,226	3 063	2,253	2,038	3,062
TOTAL SHAREHOLDERS' EQUITY	21,107	19,877	17,654	20,634	19,418	17,381
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	474,178	437,215	434,592	473,664	436,731	434,357

Group receivables from

Parent Company	44,552	34,986	27,477	44,471	34,876	27,394
Subsidiaries	-	-	--	26,430	23,713	24,751

Group liabilities to

Parent Company	91,801	60,692	63,884	91,801	60,692	63,884
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Contingent liabilities

Warranties - other	1,296	-	-	1,296	-	-
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Asset pledged

Assets pledged for own liabilities	3,430	5,780	3,552	3,430	5,780	3,552
Securities pledged as collateral for forward contracts	100	-	--	100	-	-

Commitments

Loans to the public, amount granted but not utilized	6,273	6,822	8,344	5,507	6,234	7,767
Interest rate and currency - related contracts	357,517	316,109	289,798	357,517	316,109	289,770
Conditional shareholders' contribution	2,400	1,400	1,400	2,400	1,400	1,400

Notes

1 Net profit on financial operations

This item consists mainly of gains and losses in connection with securities trading within the framework of Spintab's investment guidelines.

2 Loan losses, net

January – September SEK million	GROUP		AB SPINTAB	
	2004	2003	2004	2003
Claims assessed individually				
The period's write-off for established loan losses	85	156	84	156
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	- 71	- 130	- 71	- 130
The period's provisions for anticipated loan losses	19	54	19	54
Recoveries from previous years' established loan losses	- 9	- 17	- 9	- 17
Recovered provisions for anticipated loan losses	- 62	- 55	- 62	- 54
THE PERIOD'S NET EXPENSE	- 38	8	- 39	9
Collective provisions for claims assessed individually				
Allocation to/withdrawal from collective provisions	10	65	10	65
Collectively assessed homogenous groups of claims with limited value and similar credit risk				
The period's write-off for established loan losses	11	15	11	15
Recoveries from previous year's established loan losses	- 2	- 1	- 2	- 1
Allocations to/ withdrawal from loan loss reserve	- 16	- 7	- 16	- 7
THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED CLAIMS	- 7	7	- 7	7
THE PERIOD'S NET LOAN LOSS EXPENSE	- 35	80	- 36	81

3 Claims

(Loans to credit institutions and loans to the public)

SEK million	GROUP			AB SPINTAB		
	Sept 30 2004	Sept 30 2003	Dec 31 2003	Sept 30 2004	Sept 30 2003	Dec 31 2003
Accrued acquisition value (before accounting for provisions)	468,813	431,234	429,921	466,733	429,366	427,957
Specific provisions for individually assessed claims	- 122	- 177	- 208	- 120	- 175	- 206
Collective provisions for claims assessed individually	- 99	- 166	- 89	- 99	- 166	- 89
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	- 25	- 46	- 41	- 25	- 46	- 41
TOTAL PROVISIONS	- 246	- 389	- 338	- 244	- 387	- 336
BOOK VALUE	468,567	430,845	429,583	466,490	428,979	427,621
Total provision ratio for doubtful claims, %	70.3	91.4	70.2	71.7	92.1	70.7
Provision ratio for individually identified doubtful claims, %	42.0	52.3	51.7	42.6	52.6	52.0
Doubtful claims						
Book value of doubtful claims	204	203	233	196	199	228
Doubtful claims as % of total lending	0.05	0.01	0.04	0.05	0.01	0.04
Unsettled claims for which interest has been entered as income						
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	230	315	193	209	301	180
Restructured and reclassified claims						
Book value of claims restructured during the financial period before restructuring	96	100	124	96	100	124
Book value of claims restructured during the financial period after restructuring	63	38	45	63	38	45
Book value of doubtful claims returned in status to normal claims during the financial period	15	81	97	15	81	97

3 Specification: Loan receivables

Group Sector/Branch mkr	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	320,028	- 14		- 25	319,989	48	197
Real estate management	86,090	- 96	- 99		85,895	148	33
Other corporate lending	8,177	- 12			8,165	8	
Municipalities	7,325				7,325		
TOTAL	421,620	- 122	- 99	- 25	421,374		
Credit institution	47,193				47,193		
TOTAL	468,813	- 122	- 99	- 25	468,567	204	230

Changes in shareholders' equity

SEK million	GROUP				AB SPINTAB			
	Subscribed capital	Other reserves	Non- restricted equity	Total	Subscribed capital	Other reserves	Non- restricted equity	Total
OPENING BALANCE JAN. 1, 2004	11,500	3,353	2,801	17,654	11,500	3,100	2,781	17,381
Conditional shareholder's contribution			1,000	1,000			1,000	1,000
Profit for the period			2,453	2,453			2,253	2,253
CLOSING BALANCE SEP. 30, 2004			6,254	21,107			6,034	20,634
OPENING BALANCE JAN. 1, 2003	11,500	3,353	1,398	16,251	11,500	3,100	1,380	15,980
Conditional shareholder's contribution			1,400	1,400			1,400	1,400
Profit for the period			2,226	2,226			2,038	2,038
CLOSING BALANCE SEP. 30, 2003			5,024	19,877			4,818	19,418

Condensed statement of cashflows

January – September	GROUP		AB SPINTAB	
SEK million	2004	2003	2004	2003
LIQUID ASSETS AT BEGINNING OF PERIOD*	2,408	2,887	2,325	2,796
Operating activities				
Operating profit	3,407	3,091	3,129	2,830
Adjustment for non-cash items including taxes paid	- 2,111	- 1,921	- 2,192	- 2,201
Increase/decrease in loans to credit institutions	- 6,177	- 23,688	- 8,022	- 21,823
Increase/decrease in loans to the public	- 22,621	- 24,507	- 20,647	- 21,587
Increase/decrease in holdings of securities classified, as current assets	- 100	-	- 100	-
Increase/decrease in borrowings from the public including retail bonds	-	201	-	201
Increase/decrease in amounts owed to credit institutions	30,934	21,984	30,934	21,984
Change in other assets and liabilities, net	- 314	- 1,341	30	- 873
CASH FLOW FROM OPERATING ACTIVITIES	3,018	- 26,181	3,132	- 21,469
Investing activities				
Change in fixed assets	-	- 2	- 100	- 302
CASH FLOW FROM INVESTING ACTIVITIES				
Financing activities				
Issuance of interest-bearing securities	126,198	116,215	126,198	116,215
Redemption of interest-bearing securities	- 130,001	- 89,317	- 130,001	- 89,317
Shareholders' contribution	1,000	1,400	1,000	1,400
Increase/decrease in other funding	14,342	6,954	14,342	6,954
Group contribution paid	- 4,250	- 3,830	- 4,250	- 3,830
CASH FLOW FROM FINANCING ACTIVITIES	7,289	31,422	7,289	31,422
Cash flow for the period	10,307	5,239	10,321	9,651
LIQUID ASSETS AT END OF PERIOD*	12,715	8,126	12,646	12,447
*of which securities pledged:				
at beginning of period	-	100	-	100
at end of period	100	-	100	-

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

SPECIFICATION OF DERIVATIVES IN THE GROUP ON SEPTEMBER 30, 2004

SEK million	INTEREST RATE-RELATED		FOREIGN EXCHANGE-RELATED	
	Fair value	Book value	Fair value	Book value
Derivatives with positive values	1,014	359	895	142
Derivatives with negative values	3,690	1,658	5,517	- 73

Other derivatives

Credit default swap with fair value SEK 0 million and book value SEK - 1 million.

The above figures include accrued coupon interest. All derivatives are covered by hedge accounting, since they are held to eliminate interest and currency risks. The reported differences between book and fair value are matched by equivalent offsetting differences between the book and fair values in Spintab's lending and funding.

SPINTAB'S RATINGS

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

Stockholm, October 29, 2004



Jan Lilja
President

This interim report has not been reviewed by the company's auditors.

For further information, please contact

Mr. Jan Lilja, President
Phone +46-8-5859 1019

Ms. Pia Sundeck, Head of Accounting
Phone +46-8-5859 2645

AB Spintab (publ)

Corporate identification no:
556003-3283

**The Company has its registered
office in Stockholm**

Visiting address:

Regeringsgatan 13

Postal address: 106 11

Stockholm

Telephone: 08-5859 21 00

Telefax: 08-10 79 70

www.spintab.se

