

Q2, 2005

# Interim report

## January – June 2005



Spintab

# Spintab

## JANUARY-JUNE 2005 IN SUMMARY

- Operating profit rose to SEK 2,321 million (2,138)
- Net interest income increased to SEK 2,547 million (2,380)
- Loan Losses amounted to SEK 0 million (- 25)

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

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

### Profit

Operating profit amounted to SEK 2,321 million (2,138), of which SEK 135 million are explained by changes in accounting rules according to IAS 39 "Financial instruments; Recognition and measurements". The return on equity was 17.8 percent (16.6). Net interest income was higher than the corresponding period of 2004 and amounted to SEK 2,547 million (2,380). The higher Net interest income is mainly a result of a higher lending volume. The new accounting rules has not implied any changes in the restated profit from the previous year, since Spintab has utilized the opportunity to begin in applying IAS 39 from 2005 onwards.

### Commissions payable

Commissions payable have increased by SEK 14 million, mainly owing to the positive development of the cooperation with the independent savings banks and partly owned banks.

### Net profit on financial items at fair value

Net profit on financial items at fair value are affected positively with SEK 73 million due to changed accounting rules according to IAS 39 and amounted

to SEK 70 million (0).

### Operating expenses

Operating expenses amounted to SEK 43 million (33). The increase is due to IT investments.

### Loan losses

Loan losses amounted to SEK 0 million (- 25). Provisions for anticipated loan losses totaling SEK 165 million (257) as of June 30, 2005. Specifications of loan losses and claims are shown in Notes 2 and 3.

### Lending

Spintab's loan to the public rose by a net of SEK 29,011 million (30,815) during the last four quarters, amounting to SEK 445,898 million (416.887) as of June 30, 2005.

Loans for private homes rose by SEK 27,853 million and agricultural loans by SEK 2,470 million. Loans for commercial properties decreased by SEK 1,312 million.

Spintab's total market share was approximately 30 percent (30) as of June 30, 2005, according to statistics from Statistics Sweden.

### Funding

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

### Shareholders' equity

Because of the new valuation rules for financial instruments, the closing shareholders' equity balance as of December 31, 2004 has been reduced by SEK 1,130 million. The opening shareholders' equity balance for 2005 thereby amounted to SEK 17,710 million. A specifica-

tion of adjustments is provided in the note Changes in shareholders' equity.

### Capital adequacy

As of June 30, 2005 the capital adequacy ratio was 10.4 percent (10.7), of which the primary capital ratio was 8.4 percent (8.5).

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

As a result, capital ratios have not been significantly affected by the accounting changes brought on by the introduction of the new international accounting standards, IFRS.

### Interest rate risk

An increase in market interest rates of one percent as of June 30, 2005 would have reduced the value of Spintab's interest-bearing assets and liabilities, including derivatives, by SEK 343 million (515).

A one-percent increase in market interest rates would have reduced net profit on financial items at fair value by SEK 63 million (1).

### Accounting change

From 2005 listed companies in the EU must prepare their consolidated accounts according to the International Financial Reporting Standards (IFRS) adopted by the EU. The standards are issued by the International Accounting Standards Board (IASB) and become mandatory for listed companies as they are approved by the EU.

To achieve uniform reporting in the

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

The interim report for the Group has been prepared according to IAS 34 "Interim Financial Reporting", due to which the report follows the same accounting principles as the most recent annual report with the exception of the changes described in the report. The transitional effects in the balance sheet are shown in detail on page 12. The effects of the changes in accounting principles on shareholders' equity are shown in the shareholders' equity table. Comparative figures have not been affected by IFRS.

Spintab's operations largely comprise financial instruments reported according to IAS 39. IAS 39 is therefore the standard with the greatest impact on reported values compared with previous principles. Spintab is utilizing the opportunity in IFRS 1 that permits voluntary exemptions from the presentation of one year's comparative information for financial instruments comprised by IAS 32 and IAS 39.

The change in accounting principles has the following effect on the balance sheet and profit and loss account:

- ◆ Derivatives, which were previously reported according to the

principle for deferred hedge accounting, are now taken up in the balance sheet at fair value. Fair value changes are reported directly against profit.

- ◆ Financial liabilities in foreign currency, which are financially hedged with derivatives and were previously valued at the currency's acquisition rate, are now valued at the currency's closing day rate. Fair value changes are reported directly against profit.

- ◆ According to previous accounting principles, cash instruments also constituted hedging instruments to hedge interest rate risks, as a result of which realized exchange rate differences on hedged items and hedging instruments were accrued over the remaining maturity of the hedged item. Such exchange rate differences are now reported directly against profit.

- ◆ For some liabilities where the interest rate risk has been hedged with derivatives, hedge accounting at fair value will be applied. Hedge accounting means that the hedged risk component in the liability is valued at fair value. Fair value changes are reported directly against profit.

- ◆ As in previous reports, loan receivables are reported at accrued acquisition value as long as they are not considered uncertain, in which case they are instead valued at their estimated recovery value.

### Changes in IAS 39

The EU did not approve IAS 39 as issued by IASB and made a significant change in the autumn of 2004 when the recommendation was introduced in EU legislation. The so-called fair value option was eliminated with respect to the valuation of liabilities, whereby liabilities, with the exception of those categorized as trading and liabilities reported as hedges, will be valued at accrued acquisition value. The option of valuing financial liabilities at fair value is important if Spintab is going to accurately report the results from operations involving fixed-rate financial instruments. If it is unable to value lending, matching funding and related derivatives at fair value, there will be situations where reported results may be more volatile than economic conditions would imply.

In June, 2005, IASB issued a revised "fair value option", which is expected to be approved by the EU Commission in September 2005. If the EU approves IAS 39, the reported profit and the company's financial position for 2005 may change.

### Financial reporting

Spintab's interim report for the first nine months of 2005 will be released on October 27, 2005.

## Spintab Group – Key financial highlights 2001–2005

	2005*	2004**	2004***	2003****	2002****	2001****
<b>Lending</b>						
Loans to the public, SEK m.	445,898	416,887	428,628	398,752	367,645	340,997
Doubtful, restructured and non-performing loans, net SEK m.	335	454	375	457	656	631
<b>Profitability</b>						
Operating profit, SEK m.	2,321	2,138	4,602	4,255	3,839	3,487
Interest margin, %	0.92	0.92	0.96	1.01	1.01	1.02
Investment margin, %	1.03	1.06	1.11	1.17	1.22	1.22
Expense ratio, %	0.02	0.02	0.02	0.04	0.04	0.05
Income/expense ratio before loan losses	0.02	0.02	0.01	0.03	0.04	0.04
Income/expense ratio after loan losses	0.02	0.00	0.00	0.04	0.07	0.09
Return on equity, %	17.8	16.6	17.0	16.5	15.9	14.5
Earnings per share, SEK	72.65	66.96	144.04	133.17	120.18	109.17
<b>Capital</b>						
Capital base, SEK m.	25,472	23,487	23,673	22,723	20,048	21,879
Equity, SEK m.	19,381	20,194	18,840	17,654	16,251	16,245
Number of shares at beginning/end of period, million	23	23	23	23	23	23
Equity per share, SEK	842.65	878.00	819.13	767.57	706.59	706.30
Capital adequacy ratio, %	10.4	10.7	10.3	11.0	10.8	13.1
Primary capital, %	8.4	8.5	8.2	8.5	8.8	9.7
<b>Credit quality</b>						
Loan losses, SEK m.	0	- 25	- 46	18	129	194
Loan loss level, %	0	- 0.01	- 0.01	0.005	0.04	0.06
Provision ratio for doubtful claims, %	93.1	80.4	73.3	70.2	73.4	77.4
Share of doubtful claims, according to loans to the public, %	0.02	0.04	0.04	0.04	0.04	0.04

\* As of June 30, 2005

\*\* As of June 30, 2004 according to IFRS. Profit according to IFRS corresponds to profit for June 30, 2004 according to the previous accounting principles, since IAS39 is applied from January 1, 2005.

\*\*\* Profit for 2004 according to IFRS corresponds to profit for 2004 according to the previous accounting principles, since IAS39 is applied from January 1, 2005.

\*\*\*\* According to previous accounting principles. To meet the requirements according to IFRS, 2001-2003 would have to be adjusted according to IAS39. See the accounting principles for a more detailed description of the differences.

## Profit and loss account

### Group

SEK million	Note	Jan-June 2005	Jan-June 2004	Change %	April-June 2004	April-June 2004	Change %
Interest receivable		9,891	10,616	- 7	4,897	5,264	- 7
Interest payable		- 7,344	- 8,236	- 11	- 3,694	- 4,079	- 9
<b>NET INTEREST INCOME</b>		<b>2,547</b>	<b>2,380</b>	<b>7</b>	<b>1,203</b>	<b>1,185</b>	<b>2</b>
Commissions receivable		16	17	- 6	8	8	0
Commissions payable		- 276	- 262	5	- 135	- 129	5
Net profit on financial operations at fair value	1	70	0	-	90	0	-
Other operating income		7	11	- 36	3	4	- 25
<b>TOTAL INCOME</b>		<b>2,364</b>	<b>2,146</b>	<b>10</b>	<b>1,169</b>	<b>1,068</b>	<b>9</b>
Staff costs		- 11	- 10	10	- 5	- 4	25
Other administrative expenses		- 29	- 19	53	- 19	- 11	73
Depreciation of tangible fixed assets		- 3	- 4	- 25	- 1	- 2	- 50
Other operating expenses		0	0	-	0	0	-
<b>TOTAL EXPENSES BEFORE LOAN LOSSES</b>		<b>- 43</b>	<b>- 33</b>	<b>30</b>	<b>- 25</b>	<b>- 17</b>	<b>47</b>
Loan losses	2	0	25	-	0	25	-
<b>OPERATING PROFIT</b>		<b>2,321</b>	<b>2,138</b>	<b>9</b>	<b>1,144</b>	<b>1,076</b>	<b>6</b>
Tax on profit for the period		- 650	- 598	9	- 320	- 301	6
<b>PROFIT FOR THE PERIOD</b>		<b>1,671</b>	<b>1,540</b>	<b>9</b>	<b>824</b>	<b>775</b>	<b>6</b>
Earnings per share, SEK		72.65	66.96		35.83	33.70	

Based on 23 million shares

The operating profit according to previous accounting principles as of June 30, 2004 corresponds to the operating profit as of June 30, 2004 according to IFRS.

## Profit and loss account

### AB Spintab

SEK million	Note	Jan-June 2005	Jan-June 2004	Change %	April-June 2005	April-June 2004	Change %
Interest receivable		9,869	10,421	- 5	4,883	5,160	- 5
Interest payable		- 7,592	- 8,245	- 8	- 3,792	- 4,083	- 7
<b>NET INTEREST INCOME</b>		<b>2,277</b>	<b>2,176</b>	<b>5</b>	<b>1,091</b>	<b>1,077</b>	<b>1</b>
Commissions receivable		12	13	- 8	6	6	0
Commissions payable		- 246	- 235	5	- 120	- 115	4
Net profit on financial operations at fair value	1	- 3	0	-	0	0	-
Other operating income		7	11	- 36	4	4	-
<b>TOTAL INCOME</b>		<b>2,047</b>	<b>1,965</b>	<b>4</b>	<b>981</b>	<b>972</b>	<b>1</b>
Staff costs		- 10	- 9	11	- 5	- 4	25
Other administrative expenses		- 28	- 18	56	- 17	- 10	70
Depreciation of tangible fixed assets		- 3	- 4	- 25	- 2	- 2	0
Other operating expenses		0	0	-	0	0	-
<b>TOTAL EXPENSES BEFORE LOAN LOSSES</b>		<b>- 41</b>	<b>- 31</b>	<b>32</b>	<b>- 24</b>	<b>- 16</b>	<b>50</b>
Loan losses	2	1	26	- 96	1	26	- 96
<b>OPERATING PROFIT</b>		<b>2,007</b>	<b>1,960</b>	<b>2</b>	<b>958</b>	<b>982</b>	<b>- 2</b>
Tax on profit for the period		- 562	- 549	2	- 268	- 275	- 3
<b>PROFIT FOR THE PERIOD</b>		<b>1,445</b>	<b>1,411</b>	<b>2</b>	<b>690</b>	<b>707</b>	<b>- 2</b>

# Balance sheet

SEK million	Note	GROUP			AB SPINTAB		
		June 30 2005	June 30 2004	Dec 31 2004	June 30 2005	June 30 2004	Dec 31 2004
<b>Assets</b>							
Treasury bills		50	-	50	50	-	50
Loans to credit institutions	3	47,597	39,540	43,492	72,616	63,750	68,511
Loans to the public	3	445,898	416,887	428,628	417,277	390,737	401,224
Other assets		27,318	5,901	5,435	14,335	7,444	7,572
<b>TOTAL ASSETS</b>		<b>520,863</b>	<b>462,328</b>	<b>477,605</b>	<b>504,278</b>	<b>461,931</b>	<b>477,357</b>

SEK million		GROUP			AB SPINTAB		
		June 30 2005	June 30 2004	Dec 31 2004	June 30 2005	June 30 2004	Dec 31 2004
<b>Liabilities</b>							
Amounts owed to credit institutions		82,680	54,999	70,022	82,511	54,999	70,022
Debt securities in issue							
Bonds		293,127	268,740	285,001	286,112	268,740	285,001
Commercial paper, other		110,392	107,430	83,204	104,381	107,430	83,204
Other liabilities		10,034	5,929	15,514	6,134	5,796	15,436
Subordinated liabilities		5,249	5,036	5,024	5,025	5,036	5,024
<b>TOTAL LIABILITIES</b>		<b>501,482</b>	<b>442,134</b>	<b>458,765</b>	<b>484,163</b>	<b>442,001</b>	<b>458,687</b>
Untaxed reserves		-	-	-	-	138	-
Shareholders' equity							
Subscribed capital		11,500	11,500	11,500	11,500	11,500	11,500
Restricted reserves		3,250	3,353	3,250	3,100	3,100	3,100
Unrestricted reserves		2,960	3,801	776	4,070	3,781	654
Profit for the period		1,671	1,540	3,313	1,445	1,411	3,416
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>19,381</b>	<b>20,194</b>	<b>18,840</b>	<b>20,115</b>	<b>19,792</b>	<b>18,670</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>520,863</b>	<b>462,328</b>	<b>477,605</b>	<b>504,278</b>	<b>461,931</b>	<b>477,357</b>

<b>Group receivables from</b>							
Parent Company		50,328	37,149	38,584	48,030	37,123	38,288
Subsidiaries		-	-	-	26,651	25,953	25,877
<b>Group liabilities to</b>							
Parent Company		98,098	78,182	93,185	96,924	78,182	93,185
<b>Contingent liabilities</b>							
Other guarantees		1,246	1,296	1,296	1,246	1,296	1,296
<b>Asset pledged</b>							
Assets pledged for own liabilities		3,717	5,602	-	3,717	5,602	-
Securities pledged as collateral for forward contracts		50	-	50	50	-	50
<b>Commitments</b>							
Loans to the public, amount granted but not utilized		4,939	8,067	6,228	4,013	7,364	5,428
Interest rate and currency - related contracts		352,408	360,489	341,829	352,408	360,489	341,829

## Changes in shareholders' equity

SEK million	GROUP				AB SPINTAB			
	Subscribed capital	Other reserves	Non-restricted reserves	Total	Subscribed capital	Other reserves	Non-restricted reserves	Total
<b>CLOSING EQUITY BALANCE DEC.31, 2004</b>	<b>11,500</b>	<b>3,250</b>	<b>4,090</b>	<b>18,840</b>	<b>11,500</b>	<b>3,100</b>	<b>4,070</b>	<b>18,670</b>
Adjustment according to IAS 39			- 1,130	- 1,130			-	-
<b>OPENING BALANCE JAN.1, 2005</b>	<b>11,500</b>	<b>3,250</b>	<b>2,960</b>	<b>17,710</b>	<b>11,500</b>	<b>3,100</b>	<b>4,070</b>	<b>18,670</b>
Profit for the period			1,671	1,671			1,445	1,445
<b>CLOSING BALANCE JUNE 30, 2005</b>	<b>11,500</b>	<b>3,250</b>	<b>4,631</b>	<b>19,381</b>	<b>11,500</b>	<b>3,100</b>	<b>5,515</b>	<b>20,115</b>
Of which conditional shareholder's contribution			2,400	2,400			2,400	2,400
<b>CLOSING BALANCE DEC.31, 2003</b>	<b>11,500</b>	<b>3,353</b>	<b>2,801</b>	<b>17,654</b>	<b>11,500</b>	<b>3,100</b>	<b>2,781</b>	<b>17,381</b>
Conditional shareholder's contribution			1,000	1,000			1,000	1,000
Profit for the period			1,540	1,540			1,411	1,411
<b>CLOSING BALANCE JUNE 30, 2004</b>	<b>11,500</b>	<b>3,353</b>	<b>5,341</b>	<b>20,194</b>	<b>11,500</b>	<b>3,100</b>	<b>5,192</b>	<b>19,792</b>
Of which conditional shareholder's contribution			2,400	2,400			2,400	2,400

The introduction of IFRS did not cause any difference between the closing equity balance as of Dec 31, 2003 and opening equity balance as of Jan 1, 2004. Equity balance as of June 30, 2004 according to previous accounting principles corresponds to equity balance as of June 30, 2004 according to IFRS.

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

TABLE 1

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

## Statement of cash flows

January – June SEK million	GROUP		AB SPINTAB	
	2005	2004	2005	2004
<b>LIQUID ASSETS AT BEGINNING OF PERIOD*</b>	<b>17,332</b>	<b>2,408</b>	<b>17,036</b>	<b>2,325</b>
Liquid assets FARMS Securitisation Ltd.	188	-	-	-
<b>Operating activities</b>				
Operating profit	2,321	2,138	2,006	1,960
Adjustment for non-cash items	- 4,152	- 4,554	- 3,593	- 4,600
Taxes paid	-112	-	- 112	-
Increase/decrease in loans to credit institutions	- 1,763	- 5,448	- 2,938	- 6,836
Increase/decrease in loans to the public	- 17,270	- 18,135	- 16,053	- 16,711
Increase/decrease in holdings of securities classified, as current assets	-	-	-	-
Increase/decrease in borrowings from the public including retail bonds	-	-	-	-
Increase/decrease in amounts owed to credit institutions	12,489	15,945	12,489	15,945
Change in other assets and liabilities, net	- 8,458	- 1,022	- 8,457	- 676
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>- 16,945</b>	<b>- 11,076</b>	<b>- 16,658</b>	<b>- 10,918</b>
<b>Investing activities</b>				
Change in fixed assets	-	0	-	- 100
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>- 100</b>
<b>Financing activities</b>				
Issuance of interest-bearing securities	70,384	102,688	70,384	102,688
Redemption of interest-bearing securities	- 69,394	- 106,050	- 69,394	- 106,050
Shareholders' contribution	-	1,000	-	1,000
Increase/decrease in other funding	17,463	18,571	17,463	18,571
Group contribution paid	- 4,344	- 4,250	- 4 344	- 4,250
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>14,109</b>	<b>11,959</b>	<b>14,109</b>	<b>11,959</b>
Cash flow for the period	- 2,836	883	- 2,549	941
<b>LIQUID ASSETS AT END OF PERIOD*</b>	<b>14,684</b>	<b>3,291</b>	<b>14,487</b>	<b>3,266</b>
*of which securities pledged:				
at beginning of period	50	-	50	-
at end of period	50	-	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, and mortgage bonds eligible for refinancing with Sveriges Riksbank (the central bank), taking into account repos and short-selling.



# Notes

## 1 Specification of net profit on financial items at fair value

### Group

SEK million	Jan - June 2005	Jan - June 2004	April - June 2005	April - June 2004
<b>Capital gains/losses</b>				
Interest-bearing instruments classified as held for trading and derivatives	- 3	0	0	0
Other interest-bearing instruments at fair value	341	0	219	0
<b>Total</b>	<b>338</b>	<b>0</b>	<b>219</b>	<b>0</b>
<b>Unrealized changes in value</b>				
Interest-bearing instruments classified as held for trading and derivatives	- 268	-	- 130	-
Other interest-bearing instruments at fair value	0	-	1	-
<b>Total</b>	<b>- 268</b>	<b>-</b>	<b>- 129</b>	<b>-</b>
Changes in exchange rates	0	0	0	0
<b>TOTAL NET PROFIT ON FINANCIAL ITEMS AT FAIR VALUE</b>	<b>70</b>	<b>0</b>	<b>90</b>	<b>0</b>

### AB Spintab

SEK million	Jan - June 2005	Jan - June 2004	April - June 2005	April - June 2004
<b>Capital gains/losses</b>				
Interest-bearing instruments classified as held for trading and derivatives	- 3	0	0	0
Other interest-bearing instruments at fair value	-	0	-	0
<b>Total</b>	<b>- 3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Unrealized changes in value</b>				
Interest-bearing instruments classified as held for trading and derivatives	-	-	-	-
Other interest-bearing instruments at fair value	-	-	-	-
<b>Total</b>	<b>- 3</b>	<b>-</b>	<b>-</b>	<b>-</b>
Changes in exchange rates	0	0	0	0
<b>TOTAL NET PROFIT ON FINANCIAL ITEMS AT FAIR VALUE</b>	<b>- 3</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2 Loan losses, net

### Group

SEK million	Jan - June 2005	Jan - June 2004	April - June 2005	April - June 2004
<b>Claims assessed individually</b>				
The period's write-off for established loan losses	28	50	8	27
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	- 24	- 50	- 7	- 29
The period's provisions for anticipated loan losses	2	12	1	9
Recoveries from previous years' established loan losses	- 2	- 1	- 1	0
Recovered provisions for anticipated loan losses	- 15	- 47	- 11	- 33
<b>THE PERIOD'S NET EXPENSE</b>	<b>- 11</b>	<b>- 36</b>	<b>- 10</b>	<b>- 26</b>
<b>Collective provisions for claims assessed individually</b>				
Allocation to/withdrawal from collective provisions	5	23	6	14
<b>Collectively assessed homogenous groups of claims with limited value and similar credit risk</b>				
The period's write-off for established loan losses	7	8	4	4
Recoveries from previous year's established loan losses	- 1	- 1	- 1	0
Allocations to/ withdrawal from loan loss reserve	0	- 19	1	- 17
<b>THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED CLAIMS</b>	<b>6</b>	<b>- 12</b>	<b>4</b>	<b>- 13</b>
<b>THE PERIOD'S NET LOAN LOSS EXPENSE</b>	<b>0</b>	<b>- 25</b>	<b>0</b>	<b>- 25</b>

### AB Spintab

SEK million	Jan - June 2005	Jan - June 2004	April - June 2005	April - June 2004
<b>Claims assessed individually</b>				
The period's write-off for established loan losses	27	49	7	26
Reversal of previous provisions for anticipated loan losses reported in the period's accounts as established	- 24	- 50	- 7	- 29
The period's provisions for anticipated loan losses	2	12	1	9
Recoveries from previous years' established loan losses	- 2	- 1	- 1	0
Recovered provisions for anticipated loan losses	- 15	- 47	- 11	- 33
<b>THE PERIOD'S NET EXPENSE</b>	<b>- 12</b>	<b>- 37</b>	<b>- 11</b>	<b>- 27</b>
<b>Collective provisions for claims assessed individually</b>				
Allocation to/withdrawal from collective provisions	5	23	6	14
<b>Collectively assessed homogenous groups of claims with limited value and similar credit risk</b>				
The period's write-off for established loan losses	7	8	4	4
Recoveries from previous year's established loan losses	- 1	- 1	- 1	0
Allocations to/ withdrawal from loan loss reserve	0	- 19	1	- 17
<b>THE PERIOD'S NET EXPENSE FOR COLLECTIVELY ASSESSED CLAIMS</b>	<b>6</b>	<b>- 12</b>	<b>4</b>	<b>- 13</b>
<b>THE PERIOD'S NET LOAN LOSS EXPENSE</b>	<b>- 1</b>	<b>- 26</b>	<b>- 1</b>	<b>- 26</b>

### 3 Claims

(Loans to credit institutions and loans to the public)

SEK million	GROUP			AB SPI NTAB		
	Juni 30 2005	Juni 30 2004	Dec 31 2004	June 30 2005	June 30 2004	Dec 31 2004
Accrued acquisition value (before accounting for provisions)	493,660	456,684	472,317	490,056	454,742	469,930
Specific provisions for individually assessed claims	- 56	- 123	- 93	- 54	- 121	- 91
Collective provisions for claims assessed individually	- 85	- 112	- 80	- 85	- 112	- 80
Provisions for collectively valued homogenous groups of claims with limited value and similar credit risk	- 24	- 22	- 24	- 24	- 22	- 24
<b>TOTAL PROVISIONS</b>	<b>- 165</b>	<b>- 257</b>	<b>- 197</b>	<b>- 163</b>	<b>- 255</b>	<b>- 195</b>
<b>BOOK VALUE</b>	<b>493,495</b>	<b>456,427</b>	<b>472,120</b>	<b>489,893</b>	<b>454,487</b>	<b>469,735</b>
Total provision ratio for doubtful claims, %	93.1	80.4	73.3	97.1	82.2	74.0
Provision ratio for individually identified doubtful claims, %	45.1	45.4	43.6	46.4	46.2	43.8
<b>Doubtful claims</b>						
Book value of doubtful claims (unsettled)	97	175	151	90	167	148
Doubtful claims as % of total lending	0.02	0.04	0.04	0.02	0.04	0.04
<b>Unsettled claims for which interest has been entered as income</b>						
Book value of unsettled claims not included in doubtful claims and for which accrued interest has been entered as income	207	249	193	190	234	174
<b>Restructured and reclassified claims</b>						
Book value of claims restructured during the financial period before restructuring	30	69	184	30	69	184
Book value of claims restructured during the financial period after restructuring	23	8	122	23	8	122
Book value of doubtful claims returned in status to normal claims during the financial period	52	12	49	52	12	49

#### Specification: Loan receivables

Sector SEK million	Accrued acquisition value before provisions	Specific provisions for claims assessed individually	Collective provisions for claims assessed individually	Provisions for collectively valued homogenous groups	Book value for claims taking provisions into account	Book value of doubtful claims	Book value of non-performing loans where interest is entered as income
Private individuals	343,681	- 8		- 24	343,649	44	184
Real estate management	87,216	- 44	- 85		87,087	46	23
Other corporate lending	8,086	- 4			8,082	7	
Municipalities	7,080				7,080		
<b>TOTAL</b>	<b>446,063</b>	<b>- 56</b>	<b>- 85</b>	<b>- 24</b>	<b>445,898</b>	<b>97</b>	<b>207</b>
Credit institution	47,597				47,597		
<b>TOTAL</b>	<b>493,660</b>	<b>- 56</b>	<b>- 85</b>	<b>- 24</b>	<b>493,495</b>	<b>97</b>	<b>207</b>

### Specification of derivatives in the Group on June 30, 2005

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

SEK million	Interest rate-related	Foreign exchange-related	Others
	Book value	Book value	Book value
Derivatives with positive values	2,345	12,707	0
Derivatives with negative values	4,050	1,271	-

### Financial position as of January 1, 2005

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

	IFRS Dec 31, 2004	Restatement IAS 39	IFRS Jan 1, 2005
<b>SEK million</b>			
<b>Assets</b>			
Treasury bills and other bills eligible for refinancing with central banks	50	-	50
Loans to credit institutions	43,492	1,460	44,952
Loans to the public	428,628	-	428,628
Other assets	5,435	1,810	7,245
<b>TOTAL ASSETS</b>	<b>477,605</b>	<b>3,270</b>	<b>480,875</b>
<b>Liabilities</b>			
Amounts owed to credit institutions	70,022	- 1,058	68,964
Debt securities in issue			
Bonds	285,001	- 3,613	281,388
Commercial paper, other	83,204	- 1,848	81,356
Other liabilities	15,514	11,180	26,694
Subordinated liabilities	5,024	- 261	4,763
<b>TOTAL LIABILITIES</b>	<b>458,765</b>	<b>4,400</b>	<b>463,165</b>
Shareholder's equity	18,840	- 1,130	17,710
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>18,840</b>	<b>- 1,130</b>	<b>17,710</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>	<b>477,605</b>	<b>3,270</b>	<b>480,875</b>

**Spintab's ratings**

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

Stockholm, August 18, 2005



Jan Lilja  
President and Chief Financial Officer

**Auditors' review**

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

Stockholm, August 18, 2005

Deloitte & Touche AB

Earnst & Young AB

Jan Palmqvist  
Authorized Public Accountant

Lars Träff  
Authorized Public Accountant

Ulf Järlebro  
Authorized Public Accountant  
Appointed by the Swedish  
Financial Supervisory Authority

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## **AB Spintab (publ)**

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