

LANDSHYPOTEK AB

YEAR-END REPORT 2012

- **LENDING amounted to MSEK 58,885**

Loans outstanding increased MSEK 3,305 (5.9 percent) to MSEK 58,885 in 2012. Demand for credit from Sweden's farmers and foresters remains high. The pace of growth rate is somewhat lower than in previous years. The primary driver for demand was the structural transformation presently occurring in Swedish agriculture and forestry.

- **OPERATING PROFIT amounted to MSEK 258.3 (513.9). OPERATING PROFIT excluding "Net result of financial transactions" and the sale of the operating property, totalled MSEK 307.2 (282.6)**

The decline in profit of MSEK 255.6 was primarily attributable to profit for 2011 including a capital gain from the sale of one operating property of MSEK 235.0. The "Net result of financial transactions" was MSEK 45.7 lower in the results for 2012 than in the preceding year.

Excluding "Net result of financial transactions" and the sale of the operating property, operating profit increased by MSEK 24.6. This was attributable to the increase in net interest income. Investments in a new business system and an increase in recognised loan losses gave rise to higher costs compared with the preceding year.

- **THE YEAR'S PROVISIONS FOR LOAN LOSSES AMOUNTED TO MSEK 32.8.**

The year's provisions for suspected loan losses amounted to MSEK 32.8 (19.3), which corresponded to 0.06 percent of Landshypotek's total loans outstanding. Confirmed loan losses totalled MSEK 6.6 (5.9).

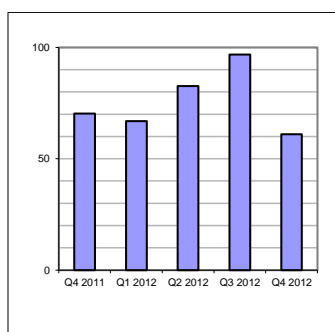
- **THE CAPITAL ADEQUACY RATIO amounted to 34.9 percent without taking into account the transitional rules linked to Basel I.**

The capital adequacy ratio amounted to 9.5 percent according to the transitional rules.

Landshypotek AB

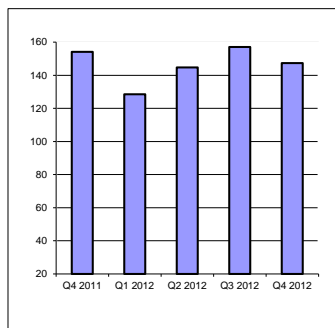
Landshypotek AB
(Corporate Registration
Number 556500-2762) hereby
submits its Year-end Report
for 2012.

Operating profit excluding “Net result of financial transactions”



Operating profit for 2012, excluding “Net result of financial transactions” amounted to MSEK 307.2.

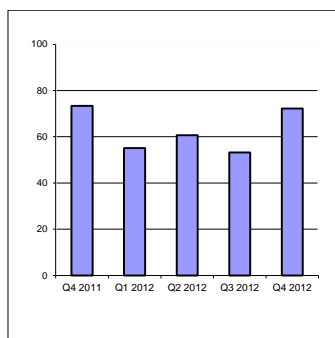
Net interest income



Net interest income for 2012 amounted to MSEK 577.8.

The amount of the Company’s net interest income is determined by the volume of loans outstanding, the margin between the interest rates on deposits and lending and the return obtained on the equity invested in lending operations.

Costs



Costs for 2012 amounted to MSEK 241.2, an increase of MSEK 24.4 or approximately 11% year-on-year.

Landshypotek is a member-owned company tasked with providing competitive financing to Sweden’s farm and forest owners. With loans outstanding of slightly more than SEK 58.9 billion, Landshypotek accounts for 28.6 percent of total lending for agricultural and forestry properties in Sweden and is thus the market leader. Lending is characterised by adequate property collateral which, historically, has resulted in extremely low loan losses. Landshypotek has 110 employees at 18 offices throughout Sweden.

Operating profit 2012

Summary of income statement

| MSEK | 2012 | 2011 |
|---|-----------|-----------|
| | Jan - Dec | Jan - Dec |
| Net interest income | 577.8 | 505.0 |
| Other operating income | -56.2 | 234.5 |
| <i>of which Net result of financial transactions</i> | -49.1 | -3.4 |
| <i>of which Capital gain from the sale of operating property</i> | - | 235.0 |
| Expenses | -241.2 | -216.7 |
| <i>Cost income ratio adjusted for property sales and financial transactions</i> | 0.42 | 0.43 |
| Loan losses | -22.1 | -8.9 |
| <i>Loan loss level, %</i> | 0.04% | 0.02% |
| Operating profit | 258.3 | 513.9 |
| <i>Operating profit not including Net result of financial transactions and the sale of operating property</i> | 307.4 | 282.6 |

Consolidated operating profit for 2012 amounted to MSEK 258.3, down MSEK 255.6 compared with 2011 (MSEK 513.9). The decline in profit was primarily attributable to profit for 2011 including a capital gain from the sale of one operating property of MSEK 235.0. The “Net result of financial transactions” was MSEK 45.7 lower in the results for 2012 compared with the preceding year.

Excluding “Net result of financial transactions” and the sale of the operating property, operating profit totalled MSEK 307.2 (282.6). The improvement in underlying operating profit was due to the MSEK 72.9 increase in net interest income and MSEK 1.5 increase in commission income. Earnings were negatively impacted by increased costs of MSEK 24.4 and an increase in net loan losses recognised of MSEK 13.2.

Net interest income

Net interest income for 2012 was MSEK 577.8, up 14 percent compared with the year-earlier period (MSEK 505.0). The amount of the Company’s net interest income is determined by the volume of loans outstanding, the margin between the interest rates on deposits and lending and the return obtained on the equity invested in lending operations.

Net interest income rose in 2012, due to the combination of higher lending and increased margins between interest rates on deposits and lending.

Other operating income

Other operating income amounted to negative MSEK 56.2 for the period. The fee of MSEK 23.7 payable to the stabilization fund, the loss of MSEK 49.1 from the “Net result of financial transactions,” net commission income of MSEK 14.5 and income from property of MSEK 2.1 were recognised under other operating income.

Operating income was down MSEK 290.8 compared with 2011. The main reason for the decline is that profit for 2011 included a capital gain of approximately MSEK 235.0 from the sale of an operating property. Therefore, the “Net result of financial transactions” was MSEK 45.7 lower in the results for 2012. Income from property (excluding property sales) was down MSEK 9.8.

The “Net result of financial transactions” was negative MSEK 49.1 in 2012 and comprised an unrealised result of negative MSEK 24.8 and a realised result of negative MSEK 24.3.

In the annual accounts for 2012, the unrealised result primarily comprised remeasurement of currency interest-rate derivatives of negative MSEK 20.0. Realised results arise principally as a consequence of the repurchase of bonds issued. The repurchase is performed to extend the tenor of Landshypotek’s liabilities, whereby bonds with a short remaining tenor are repurchased and replaced with bonds with a significantly longer tenor. These repurchases further strengthen Landshypotek’s balance sheet and lower the average borrowing costs moving forward.

To gain an understanding of the total effect of market valuations, the remeasurements recognised directly in equity must also be taken into account. Net, after taxes recognized, remeasurements in equity amounted to negative MSEK 108.7 (130.4) in 2012.

Costs

Costs in 2012 amounted to MSEK 241.2 (216.7). The increase in costs of MSEK 24.4 or 11 percent is planned and primarily related to the ongoing work to implement a new business system. The new business system makes it possible to offer new products and services, and thereby develops Landshypotek’s business opportunities.

Loan losses and doubtful credits

Net recognised loan losses totalled MSEK 22.1 (8.9), which corresponded to 0.04 percent of Landshypotek’s total loans outstanding.

Confirmed loan losses totalled MSEK 6.6 (5.9). Provisions for suspected loan losses amounted to MSEK 32.8 (19.3). Recoveries of previously confirmed losses, or previously suspected losses, amounted to negative MSEK 17.3 (neg: 16.3).

At 31 December 2012, doubtful credits amounted to MSEK 83.1 (52.1), corresponding to 0.14 percent (0.09) of loans outstanding. Individual testing and analysis is applied for all customers categorised as doubtful credits before any provision is made. Landshypotek’s method for making provisions is unchanged.

From a portfolio perspective, loan losses and the percentage of doubtful credits continue to be at a very low level. Over the year, there was an increase in provisions for suspected losses and doubtful credits. Viewed over our total sector, Landshypotek has not identified any general trend towards a decline in solvency. Over the year, some business areas and geographical areas experienced reduced profitability, which negatively impacted the solvency of individual customers, for example, the low settlement prices for the dairy sector and uneven harvests for cereal farmers across the country.

Those operators who, for various reasons, elected to sell their agricultural properties have found the property market for some areas and/or areas of operation to be more slow-moving than in previous years. The lower rate of turnover in combination with fewer interested parties in agricultural properties has had a limited impact on provisions for suspected loan losses.

Comparison with the third quarter of 2012

Compared with the third quarter of 2012, operating profit for the fourth quarter of 2012 rose MSEK 3.8.

Excluding the “Net result of financial transactions,” operating profit for the fourth quarter of 2012 amounted to MSEK 61.1, down MSEK 35.7 compared with the year-earlier period (MSEK 96.8). The decline in profit was attributable to lower net interest income, higher costs and higher provisions for anticipated loan losses.

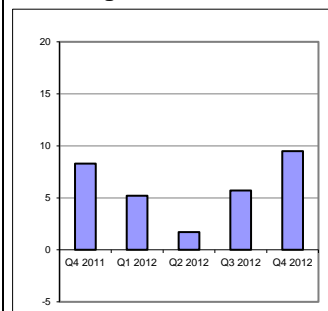
Market overview

Market trend

2012 was a favourable year for arable farming. Arable farmers reported healthy harvests and some even reported record harvests. However, some areas of Sweden were hit by considerable precipitation and flooding, which negatively affected harvests. In general, beef and arable farmers maintained healthy profitability. Dairy farmers were under pressure for the majority of the year. Settlement prices increased in the fourth quarter. However, compound feed prices remained at high levels. The international dairy market experienced the same difficult conditions but stabilised in the late autumn.

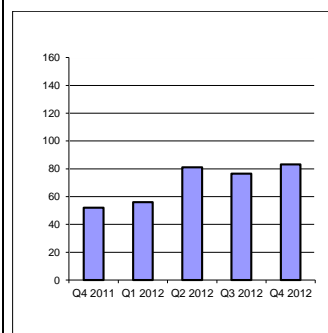
Following a period of financial difficulty, pork producers had an improved 2012. Settlement prices rose, however, the prices of grain, feed and other input goods also rose. Thus, profitability did not improve in pace with the rising settlement prices. In addition, the strong SEK negatively impacted profitability through the increased import of meat.

Net recognised loan losses



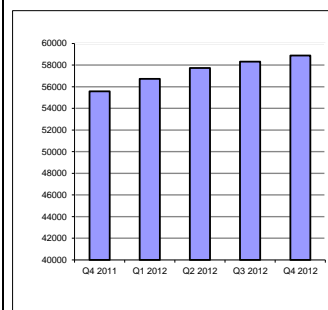
In 2012, net recognised loan losses totalled MSEK 22.1.

Doubtful credits



Doubtful credits amounted to MSEK 83.1 on 31 December 2012.

Lending volume



Landshypotek’s lending for the year increased 5.9% to SEK 58.9 billion.

The profitability within forestry has deteriorated due to lower timber and pulpwood prices. Pulpwood prices declined in the first part of the year but recovered in the last quarter.

Price levels for agricultural properties remained stable in 2012. The price of prime land continued to increase while a certain decrease can be noted for land in less favourable locations and for smaller isolated farms. Price levels for forestry have slightly declined. It now takes longer to sell a farm than earlier.

Landshypotek's performance

Landshypotek increased its net lending by SEK 3.3 billion during the year, corresponding to lending growth of 5.9 percent, compared with 7.4 percent in 2011. Demand for credit from Sweden's forestry and agriculture sector declined in 2012 compared with 2011. However, demand for credit remained healthy and the annual credit growth for agriculture and forestry amounted to about 8 percent. The primary driver for credit demand was the structural transformation presently occurring in Swedish agriculture and forestry. Through developed market presence and broader product range Landshypotek has the ambition to grow in line with the market.

Financing

Borrowing

Landshypotek's ambition is to borrow funds on the best possible terms given a low risk profile: The following also applies:

- borrowing is well diversified as regards programmes, currencies and investors
- borrowing has a tenor that corresponds well to the tenor of assets
- substantial concentrations of borrowings maturing during a short duration are avoided.

Landshypotek operates with considerable flexibility and actively raises funds via national and international bond markets, as well as striving to always respond to investors' concerns regarding tenors and interest-rate structure.

Landshypotek works continuously with investor relations to ensure levels of awareness and interest are maintained in the company.

During the year, Landshypotek issued covered bonds to a value of approximately SEK 25.7 billion. In addition, senior bonds to a value of approximately SEK 1.8 billion and a subordinated loan to a value of SEK 0.5 billion were issued.

In general, the finance market for Nordic banks functioned smoothly in 2012. Landshypotek has been very successful in its financing activities and demand for Landshypotek's bonds has been favourable.

| Programme (MSEK) | Issued 31-12-2012 | Maximum amount | Issued 31-12-2011 |
|--------------------------|-------------------|----------------|-------------------|
| Swedish commercial paper | 4,005 | 10,000 | 3,650 |
| MTN programme | 42,530 | 50,000 | 35,710 |
| EMTN programme | 17,105 | 29 545* | 20,729 |
| RCB** | 3,206 | | 3,322 |
| Subordinated loans | 700 | | 550 |

* MEUR 3500

** Registered Covered Bonds

| | Long | Short |
|-------------------|------|--------|
| S&P Covered bonds | AAA | |
| S&P | A | A1, K1 |
| Fitch | A+ | F1 |

Liquidity

Landshypotek has a substantial liquidity portfolio of interest-bearing securities, valued at SEK 15.7 billion at 31 December 2012. The portfolio primarily comprises Swedish covered bonds with the highest credit rating and to a minor extent, bonds issued by Swedish municipalities. Securities can be sold or borrowed against, as required, to manage the financing of maturing debt. At 31 December 2012, the liquidity portfolio was 1.3 (1.4) times larger than market financing maturing in the next six months.

Rating

Landshypotek has credit ratings from two different rating agencies Standard & Poor's and Fitch.

Standard & Poor's confirmed the AAA rating for covered bonds and A, A-1, K1 for the company during the year. Fitch confirmed the company's credit rating of A+, F1. It is Landshypotek's assessment that ratings from two institutes is sufficient and therefore terminated its collaboration with Moody's in 2012.

Risk and capital management

Landshypotek's loans outstanding amounted to just less than SEK 59 billion to about 50,000 customers against collateral in the form of liens on agricultural and forestry properties.

The risks on which Landshypotek actively focuses its efforts are classified in the risk categories of credit risk, liquidity risk, market risk, operating risks and other risks.

Credit risk is defined as the risk that Landshypotek does not receive payment as agreed in combination with the risk that the value of the collateral is not adequate and thus will not cover the outstanding claim. The risk encompasses all Landshypotek's retail receivables. Lending is secured by collateral in forest and agricultural properties, which may amount to a maximum of 75 percent of a conservatively adjusted market value (loan-to-value ratio). In addition, Landshypotek is exposed to credit risk that arises from the management of liquidity, interest and currency risk. Collateral requirements in combination with Landshypotek's methods for limiting credit risk result in highly limited credit risk in the portfolio, as reflected in the company's very low loan losses over time.

Naturally, Landshypotek's activities are exposed to liquidity risk, but Landshypotek maintains a substantial liquidity reserve and has set low tolerance levels for this risk.

Landshypotek is exposed to market risk in the form of interest-rate, currency, basis-spread and credit-spread risk. Interest-rate and currency risk are mainly managed through swap agreements and are therefore low. Basis risk arises from entering into swap agreements. Credit-spread risk arises in Landshypotek's liquidity portfolio. Landshypotek limits these risks and monitors the development on a daily basis.

Operating risk is defined as "the risk of losses as a result of inappropriate or failed internal processes, human error, faulty systems or external events that affect business operations." Incidents that occur are reported and followed up by Landshypotek's risk organisation and reported to the Board of Directors in the case of serious incidents.

Through its policy documents, the Board of Directors establishes how risks are to be measured, reported and limited.

Capital adequacy

At 31 December, the capital adequacy ratio amounted to 34.9 percent without taking into account the transitional rules linked to Basel I. The capital base was MSEK 4,653 and the capital requirement was MSEK 1,068.

The capital adequacy ratio amounted to 9.5 percent according to the transitional rules (regulatory requirement).

The new capital adequacy regulations that should have applied from January 2013 have yet to be determined by the EU and it is uncertain when they will be implemented. In the latest proposal from the European Commission, the transitional rules linked to Basel I are to be extended, again with the possibility of applying for an exception. Even if Landshypotek should henceforth be forced to comply with the existing transitional rules, Landshypotek's capital requirements in relation to risk are not assessed as being materially altered over the next few years.

| Financial Corporate Group* 31-12-2012 | | |
|---|-------------------|---------------------------|
| SEK thousand | Basel II** | Transitional rules |
| Tier 1 capital | 3,993,911 | 3,993,911 |
| Tier 2 capital | 659,430 | 659,430 |
| Capital base (after deductions) | 4,653,341 | 4,653,341 |
| Deduction for deferred tax assets | -22,349 | 0 |
| Deduction Intangible non-current assets | -35,312 | 0 |
| Deduction in accordance with Chapter 3, Section 8 of the Swedish Capital Adequacy and Large Exposures Act | -80,982 | 0 |
| Capital requirement for credit risks in accordance with the standard method | 552,610 | 552,610 |
| Capital requirement for credit risks in accordance with IRB | 420,620 | 420,620 |
| Capital requirement for operative risks - Base method | 95,248 | 95,248 |
| Additional capital requirement in accordance with the transitional rules | - | 2,861,786 |
| Capital requirement | 1,068,478 | 3,930,264 |
| Capital adequacy ratio | 4.4 | 1.2 |
| Capital adequacy | 34.8% | 9.5% |
| Tier 1 capital adequacy | 29.9% | 8.1% |

* The Financial Corporate Group includes Landshypotek, ekonomisk förening (incorporated association) and Landshypotek AB Group.

** Regulatory requirements excluding transitional rules linked to Basel I.

This Report encompasses the Group comprising Landshypotek AB and the subsidiary Landshypotek Jordbrukskredit AB. Landshypotek AB is reported separately. Amounts in parentheses refer to the corresponding period in the preceding year. This Year-end Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Accounting policies and risk management are unchanged compared to those applied in the most recent Annual Report. Calculation methods to determine the market value of derivative contracts were prepared so that changes in the so-called basis component are taken into account when determining the market value of currency interest-rate derivatives.

Group structure

All borrowers at Landshypotek AB are members of Landshypotek, ekonomisk förening. Landshypotek, ekonomisk förening owns 100 percent of the shares in Landshypotek AB and is the parent association of the group of financial companies.

Landshypotek AB is the Parent Company of the sub-group, and more than 90 percent of operations in the sub-group are conducted by the Parent Company Landshypotek AB. Other companies in the subgroup are Landshypotek Jordbrukskredit AB which is 100-percent owned by Landshypotek AB.

During the second quarter of 2012, the subsidiary Lantbrukskredit AB was merged with its Parent Company Landshypotek AB. Lantbrukskredit AB has not conducted any operations since 31 December 2011.

Group contributions

Dividend in the form of group contribution will be paid, subject to the approval of the Annual General Meeting, of MSEK 149 (145) to the Parent Association, Landshypotek, Ekonomisk förening.

Events after the end of the period under review

No significant events took place after the end of the period under review.

Stockholm, 5 February 2013

Kjell Hedman, Managing Director

Income statement

GROUP

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Interest income | 627,646 | 676,051 | 650,413 | 2,619,504 | 2,491,985 |
| Interest expense | -480,193 | -521,949 | -493,352 | -2,041,677 | -1,987,026 |
| Net interest income | 147,453 | 154,102 | 157,061 | 577,827 | 504,959 |
| Commission income | 3,704 | 2,324 | 3,353 | 15,188 | 13,666 |
| Commission expense | -8,730 | -5,695 | -5,234 | -24,512 | -22,238 |
| Net result of financial transactions | -22,444 | 27,719 | -61,945 | -49,057 | -3,381 |
| Other operating income | 485 | 1,297 | 483 | 2,147 | 246,496 |
| Total operating income | 120,468 | 179,747 | 93,718 | 521,594 | 739,502 |
| General administrative expense | -65,184 | -70,567 | -50,189 | -223,460 | -194,056 |
| Depreciation, amortisation and impairment of intangible non-current assets | -1,318 | -464 | -275 | -2,171 | -5,368 |
| Other operating expenses | -5,743 | -2,396 | -2,737 | -15,547 | -17,316 |
| Total expenses before loan losses | -72,245 | -73,427 | -53,201 | -241,178 | -216,741 |
| Profit before loan losses | 48,223 | 106,320 | 40,517 | 280,416 | 522,761 |
| Loan losses, net | -9,605 | -8,297 | -5,660 | -22,117 | -8,910 |
| Operating profit | 38,618 | 98,023 | 34,857 | 258,299 | 513,851 |
| Income tax for the period | -20,698 | -20,185 | -6,665 | -75,942 | -23,810 |
| Net profit for the period | 17,920 | 77,838 | 28,192 | 182,357 | 490,041 |

Statement of comprehensive income

GROUP

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Net profit for the period | 17,920 | 77,838 | 28,192 | 182,357 | 490,041 |
| Other comprehensive profit and loss | | | | | |
| Change in cash flow hedges | -20,779 | 19,825 | -62,545 | -54,010 | -34,237 |
| Change in available-for-sale financial assets | -31,862 | 29,837 | 24,989 | -81,901 | 211,172 |
| Taxes related to other comprehensive income loss | 10,041 | -13,061 | 5,105 | 27,169 | -46,534 |
| Total other comprehensive profit and loss | -42,600 | 36,601 | -32,451 | -108,742 | 130,401 |
| Total comprehensive profit for the period | -24,680 | 114,439 | -4,259 | 73,615 | 620,442 |

Income statement

LANDSHYPOTEK AB PARENT COMPANY

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|---|----------------|----------------|----------------|-------------------|-------------------|
| Interest income | 622,567 | 672,039 | 645,112 | 2,600,509 | 2,476,472 |
| Interest expense | -480,394 | -524,020 | -493,722 | -2,044,316 | -1,994,416 |
| Net interest income <i>Note 1</i> | 142,173 | 148,019 | 151,390 | 556,194 | 482,056 |
| Dividends received from subsidiary | 156,993 | - | - | 156,993 | - |
| Commission income | 3,053 | 2,268 | 3,268 | 13,491 | 13,081 |
| Commission expense | -8,729 | -5,695 | -5,235 | -24,512 | -22,238 |
| Net result of financial transactions | -22,444 | 27,719 | -61,945 | -49,057 | -3,381 |
| Other operating income | 484 | 1,297 | 481 | 2,127 | 245,874 |
| Total operating income | 271,530 | 173,609 | 87,959 | 655,236 | 715,393 |
| General administrative expense | -66,647 | -74,603 | -52,734 | -232,272 | -204,290 |
| Depreciation, amortisation and impairment of intangible non-current assets | -1,318 | -464 | -275 | -2,171 | -5,368 |
| Other operating expenses | -5,738 | -2,394 | -2,752 | -15,516 | -17,300 |
| Total expenses before loan losses | -73,703 | -77,461 | -55,761 | -249,959 | -226,958 |
| Profit before loan losses | 197,827 | 96,147 | 32,198 | 405,276 | 488,435 |
| Loan losses, net <i>Note 2</i> | -9,589 | -4,331 | -4,610 | -16,310 | -3,132 |
| Impairment of shares in subsidiary | -65,000 | - | - | -65,000 | - |
| Operating profit | 123,238 | 91,816 | 27,588 | 323,966 | 485,303 |
| Income tax for the period | -19,605 | -18,536 | -8,378 | -73,488 | -16,284 |
| Net profit for the period | 103,633 | 73,280 | 19,210 | 250,477 | 469,019 |

Statement of comprehensive income

LANDSHYPOTEK AB PARENT COMPANY

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|--|----------------|----------------|----------------|-------------------|-------------------|
| Net profit for the period | 103,633 | 73,280 | 19,210 | 250,477 | 469,019 |
| Other comprehensive profit and loss | | | | | |
| Change in cash flow hedges | -20,779 | 19,825 | -62,545 | -54,010 | -34,237 |
| Change in available-for-sale financial assets | -31,862 | 29,837 | 24,989 | -81,901 | 211,172 |
| Taxes related to other comprehensive profit and loss | 10,041 | -13,061 | 5,105 | 27,169 | -46,534 |
| Total other comprehensive profit and loss | -42,600 | 36,601 | -32,451 | -108,742 | 130,401 |
| Total comprehensive profit for the period | 61,033 | 109,881 | -13,241 | 141,735 | 599,420 |

Balance sheet

| SEK Thousand | GROUP | | | | PARENT COMPANY | | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2012 31-Dec | 2012 30-Sep | 2011 31-Dec | 2011 30-Sep | 2012 31-Dec | 2012 30-Sep | 2011 31-Dec |
| ASSETS | | | | | | | |
| Cash and balances with central banks | 45,400 | 25,544 | 6,374 | 6,707 | 45,400 | 25,544 | 6,374 |
| Due from financial institutions | 642,194 | 39,788 | 164,561 | 47,031 | 634,326 | 57,679 | 145,106 |
| Loans to customers <i>Note 3</i> | 58,884,842 | 58,325,785 | 55,579,600 | 54,464,195 | 58,613,225 | 57,962,678 | 55,303,336 |
| Bonds and other interest-bearing securities | 15,715,556 | 13,755,547 | 13,237,314 | 13,185,543 | 15,715,556 | 13,755,547 | 13,237,313 |
| Derivative financial instruments | 1,011,692 | 509,615 | 495,554 | 425,610 | 1,011,692 | 509,615 | 495,554 |
| Shares | 1 | 1 | 1 | 1 | 1 | 1 | 0 |
| Shares in Group companies | | | | | 280,753 | 345,753 | 514,827 |
| Intangible non-current assets | 35,312 | 25,867 | 14,058 | - | 35,312 | 25,867 | 14,058 |
| Tangible assets | | | | | | | |
| Equipment | 5,424 | 6,714 | 1,788 | 1,764 | 5,424 | 6,714 | 1,788 |
| Buildings and land | 15,116 | 15,271 | 15,735 | 26,139 | 15,116 | 15,271 | 15,735 |
| Other assets | 234,767 | 828,009 | 376,236 | 291,249 | 250,237 | 818,421 | 360,166 |
| Deferred tax asset | 22,349 | | | | 19,542 | | |
| Prepaid expenses and accrued income | 858,434 | 867,568 | 912,455 | 893,738 | 858,582 | 867,427 | 910,985 |
| TOTAL ASSETS | 77,471,087 | 74,399,710 | 70,803,676 | 69,341,978 | 77,485,166 | 74,390,517 | 71,005,241 |
| LIABILITIES, PROVISIONS AND EQUITY | | | | | | | |
| Due to financial institutions | 620,419 | 600,168 | 162,157 | 312,743 | 620,419 | 655,168 | 487,157 |
| Borrowing from the public | 1,579,308 | 1,338,423 | 312,453 | 113,329 | 1,579,308 | 1,338,423 | 312,453 |
| Debt securities in issue, etc. | 68,203,114 | 65,887,592 | 64,305,540 | 63,077,098 | 68,203,114 | 65,887,592 | 64,305,540 |
| Derivative financial instruments | 1,078,647 | 686,221 | 273,551 | 197,589 | 1,078,647 | 686,221 | 273,551 |
| Other liabilities | 353,830 | 43,037 | 200,170 | 142,185 | 351,726 | 49,513 | 193,980 |
| Accrued expenses and prepaid income | 1,095,455 | 1,164,536 | 1,080,271 | 1,064,504 | 1,095,525 | 1,164,728 | 1,081,705 |
| Provisions | 12,067 | 13,607 | 51,685 | 23,950 | 3,477 | 3,755 | 35,590 |
| Subordinated liabilities | 699,921 | 699,930 | 549,949 | 549,956 | 699,921 | 699,930 | 549,949 |
| TOTAL LIABILITIES | 73,642,761 | 70,433,514 | 66,935,775 | 65,481,354 | 73,632,137 | 70,485,330 | 67,239,926 |
| Equity | 3,828,326 | 3,966,196 | 3,867,901 | 3,860,623 | 3,853,029 | 3,905,187 | 3,765,315 |
| TOTAL LIABILITIES, PROVISIONS AND EQUITY | 77,471,087 | 74,399,710 | 70,803,676 | 69,341,978 | 77,485,166 | 74,390,517 | 71,005,241 |

Cash-flow statement

| SEK thousand | GROUP | | PARENT COMPANY | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 2012 Full Year | 2011 Full Year | 2012 Full Year | 2011 Full Year |
| Cash and cash equivalents at beginning of period | 170,935 | 221,537 | 151,479 | 206,808 |
| Cash flow from operating activities | -169,332 | -496,403 | -168,744 | -501,118 |
| Cash flow from investing activities | -26,442 | 445,801 | -26,442 | 445,789 |
| Cash flow from financing activities | 149,972 | 0 | 149,972 | 0 |
| Cash flow for the period | -45,802 | -50,602 | -45,214 | -55,329 |
| Cash and cash equivalents at end of period | 125,133 | 170,935 | 106,265 | 151,479 |

Statement of changes in equity

GROUP

| SEK thousand | Share capital | Other contributed capital | Hedging reserve | Fair value reserve | Retained earnings | Total |
|---|---------------|---------------------------|-----------------|--------------------|-------------------|---------------|
| Equity 31 December 2011 | 1,927,000 | 1,026,254 | -25,398 | 87,878 | 852,167 | 3,867,901 |
| Total comprehensive profit for the period | | | -43,610 | -65,133 | 182,357 | 73,615 |
| Total change before transactions with the owners | 0 | 0 | -43,610 | -65,133 | 182,357 | 73,615 |
| Dividend/Group contribution | | | | | -153,582 | -153,582 |
| Tax on Group contribution | | | | | 40,392 | 40,392 |
| Equity 30 September 2012 | 1,927,000 | 1,026,254 | -69,008 | 22,745 | 921,335 | 3,828,326 |

| SEK thousand | Share capital | Other contributed capital | Hedging reserve | Fair value reserve | Retained earnings | Total |
|---|---------------|---------------------------|-----------------|--------------------|-------------------|----------------|
| Equity 31 December 2010 | 1,927,000 | 1,026,254 | -166 | -67,757 | 469,287 | 3,354,618 |
| Total comprehensive profit for the period | | | -25,232 | 155,634 | 490,041 | 620,443 |
| Total change before transactions with the owners | 0 | 0 | -25,232 | 155,634 | 490,041 | 620,443 |
| Dividend/Group contribution | | | | | -145,400 | -145,400 |
| Tax on Group contribution | | | | | 38,240 | 38,240 |
| Equity 30 September 2011 | 1,927,000 | 1,026,254 | -25,398 | 87,877 | 852,168 | 3,867,901 |

LANDSHYPOTEK AB PARENT COMPANY

| SEK thousand | Share capital | Other contributed capital | Hedging reserve | Fair value reserve | Retained earnings | Total |
|---|---------------|---------------------------|-----------------|--------------------|-------------------|----------------|
| Equity 31 December 2011 | 1,927,000 | 1,016,694 | -25,398 | 87,878 | 759,142 | 3,765,315 |
| Merger of subsidiary | | 0 | | | 59,169 | 59,169 |
| Total comprehensive profit for the period | | | -43,610 | -65,133 | 250,477 | 141,735 |
| Total change before transactions with the owners | 0 | 0 | -43,610 | -65,133 | 309,646 | 200,903 |
| Dividend/Group contribution | | | | | -153,581 | -153,581 |
| Tax on Group contribution | | | | | 40,392 | 40,392 |
| Equity 30 September 2012 | 1,927,000 | 1,016,694 | -69,008 | 22,745 | 955,600 | 3,853,029 |

| SEK thousand | Share capital | Other contributed capital | Hedging reserve | Fair value reserve | Retained earnings | Total |
|---|---------------|---------------------------|-----------------|--------------------|-------------------|----------------|
| Equity 31 December 2010 | 1,927,000 | 1,010,000 | -166 | -67,757 | 394,163 | 3,263,240 |
| Capital gain due to liquidation of subsidiary | | 6,694 | | | 3,122 | 9,816 |
| Total comprehensive profit for the period | | | -25,232 | 155,634 | 469,018 | 599,420 |
| Total change before transactions with the owners | 0 | 6,694 | -25,232 | 155,634 | 472,140 | 609,236 |
| Dividend/Group contribution | | | | | -145,400 | -145,400 |
| Tax on Group contribution | | | | | 38,240 | 38,240 |
| Equity 30 September 2011 | 1,927,000 | 1,016,694 | -25,398 | 87,877 | 759,143 | 3,765,315 |

Notes

NOTE 1 NET INTEREST INCOME

GROUP

| TSEK | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|---|-----------------|-----------------|-----------------|-------------------|-------------------|
| Interest income | | | | | |
| Interest income on loans to credit institutions | 2,619 | 213 | 177 | 3,026 | 1,081 |
| Interest income on loans to Group companies | 0 | 0 | 0 | 0 | 0 |
| Interest income on loans to customers | 540,396 | 585,202 | 568,557 | 2,267,582 | 2,132,184 |
| - less interest losses | -774 | -865 | -703 | -2,279 | -1,640 |
| Interest income on interest-bearing securities | 84,886 | 91,474 | 82,167 | 350,422 | 360,313 |
| - of which interest income on financial assets values at fair value through profit or loss | 68,811 | 61,992 | 65,517 | 222,103 | 128,764 |
| - of which interest income on available-for-sale financial assets | 16,075 | 29,482 | 16,650 | 128,319 | 231,549 |
| Other interest income | 518 | 26 | 215 | 753 | 46 |
| Total | 627,645 | 676,051 | 650,413 | 2,619,504 | 2,491,985 |
| All interest income is attributable to the Swedish market. | | | | | |
| Interest expense | | | | | |
| Interest expense for liabilities to Group companies | -1,098 | -787 | -1,417 | -4,480 | -2,033 |
| Interest expense for liabilities to credit institutions - other | -2,392 | -3,149 | -481 | -12,672 | -9,107 |
| interest expense for borrowing from the public | -8,396 | 0 | -6,955 | -21,713 | 0 |
| Interest expense for interest-bearing securities | -484,017 | -516,453 | -480,584 | -2,015,138 | -1,967,626 |
| - of which interest expense on financial assets valued at fair value through profit or loss | -153,868 | -115,320 | -124,354 | -561,603 | -525,098 |
| - of which interest expense for other financial liabilities | -330,150 | -401,133 | -356,230 | -1,453,536 | -1,442,528 |
| Interest expense on subordinated liabilities | -9,504 | -4,868 | -12,372 | -34,679 | -18,630 |
| Interest expense for derivative instruments | 25,772 | 2,607 | 8,830 | 49,645 | 13,736 |
| - of which interest expense on derivatives valued at fair value through profit or loss | 12,165 | 2,055 | 18,083 | 38,196 | 19,980 |
| - of which interest expense on derivatives indentified as hedging instruments | 13,607 | 552 | -9,253 | 11,449 | -6,244 |
| Other interest expense | -556 | 702 | -374 | -2,639 | -3,365 |
| Total | -480,191 | -521,949 | -493,352 | -2,041,677 | -1,987,026 |
| Total net interest income | 147,454 | 154,102 | 157,061 | 577,827 | 504,959 |

LANDSHYPOTEK AB PARENT COMPANY

| TSEK | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|---|-----------------|-----------------|-----------------|-------------------|-------------------|
| Interest income | | | | | |
| Interest income on loans to credit institutions | 2,593 | 155 | 170 | 2,959 | 931 |
| Interest income on loans to Group companies | 340 | 31 | 101 | 1,072 | 97 |
| Interest income on loans to customers | 535,012 | 581,227 | 563,163 | 2,247,591 | 2,116,706 |
| - less interest losses | -775 | -851 | -703 | -2,279 | -1,578 |
| Interest income on interest-bearing securities | 84,886 | 91,474 | 82,167 | 350,422 | 360,313 |
| - of which interest income on financial assets values at fair value through profit or loss | 68,811 | 61,992 | 65,517 | 222,103 | 128,764 |
| - of which interest income on available-for-sale financial assets | 16,075 | 29,482 | 16,650 | 128,319 | 231,549 |
| Other interest income | 508 | 2 | 215 | 742 | 2 |
| Total | 622,565 | 672,039 | 645,112 | 2,600,509 | 2,476,472 |
| All interest income is attributable to the Swedish market. | | | | | |
| Interest expense | | | | | |
| Interest expense for liabilities to Group companies | -1,300 | -2,858 | -1,787 | -7,120 | -9,423 |
| Interest expense for liabilities to credit institutions - other | -2,392 | -3,149 | -481 | -12,672 | -9,107 |
| interest expense for borrowing from the public | -8,396 | 0 | -6,955 | -21,713 | 0 |
| Interest expense for interest-bearing securities | -484,017 | -516,452 | -480,584 | -2,015,138 | -1,967,626 |
| - of which interest expense on financial assets valued at fair value through profit or loss | -153,868 | -115,320 | -124,354 | -561,603 | -525,098 |
| - of which interest expense for other financial liabilities | -330,150 | -401,133 | -356,230 | -1,453,536 | -1,442,528 |
| Interest expense on subordinated liabilities | -9,504 | -4,868 | -12,372 | -34,679 | -18,630 |
| Interest expense for derivative instruments | 25,772 | 2,607 | 8,830 | 49,645 | 13,736 |
| - of which interest expense on derivatives valued at fair value through profit or loss | 12,165 | 2,055 | 18,083 | 38,196 | 19,980 |
| - of which interest expense on derivatives indentified as hedging instruments | 13,607 | 552 | -9,253 | 11,449 | -6,244 |
| Other interest expense | -556 | 702 | -374 | -2,639 | -3,365 |
| Total | -480,393 | -524,020 | -493,722 | -2,044,316 | -1,994,416 |
| Total net interest income | 142,171 | 148,019 | 151,390 | 556,192 | 482,056 |

NOTE 2 LOAN LOSSES NET

GROUP

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|--|---------------|---------------|---------------|-------------------|-------------------|
| The period's impairment charge for realised losses | -2,442 | -317 | -2,496 | -6,575 | -5,922 |
| Reversal of prior provisions for probable loan losses, reported as realised losses | 4,307 | 317 | 528 | 6,135 | 5,422 |
| Impairment charge for probable loan losses | -15,802 | -8,569 | -5,537 | -32,787 | -19,307 |
| Recovery of previous realised losses | 643 | 68 | 341 | 2,439 | 1,963 |
| Reversal of provisions no longer required for probable loan losses | 3,689 | 204 | 1,505 | 8,671 | 8,934 |
| Total loan losses | -9,605 | -8,297 | -5,660 | -22,117 | -8,910 |

All loan losses are attributable to loans to customers

LANDSHYPOTEK AB PARENT COMPANY

| SEK thousand | 2012 Q4 | 2011 Q4 | 2012 Q3 | 2012 Full year | 2011 Full year |
|--|---------------|---------------|---------------|-------------------|-------------------|
| The period's impairment charge for realised losses | -2,338 | -316 | -527 | -4,502 | -3,945 |
| Reversal of prior provisions for probable loan losses, reported as realised losses | 2,338 | 316 | 528 | 4,166 | 3,445 |
| Impairment charge for probable loan losses | -12,076 | -4,601 | -6,455 | -25,236 | -13,514 |
| Recovery of previous realised losses | 642 | 66 | 340 | 2,435 | 1,948 |
| Reversal of provisions no longer required for probable loan losses | 1,845 | 204 | 1,505 | 6,827 | 8,934 |
| Total loan losses | -9,589 | -4,331 | -4,610 | -16,310 | -3,132 |

All loan losses are attributable to loans to customers

NOTE 3 NONPERFORMING LOANS

| SEK Thousand | GROUP | | | PARENT COMPANY | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2012 31-Dec | 2012 30-Sep | 2011 31-Dec | 2012 31-Dec | 2012 30-Sep | 2011 31-Dec |
| Nonperforming loans where interest is recognised as income | 863,822 | 564,092 | 427,454 | 846,673 | 549,290 | 414,022 |
| Nonperforming loans that are doubtful credits | 102,897 | 87,448 | 50,842 | 94,253 | 76,748 | 45,936 |
| Total nonperforming loans | 966,719 | 651,540 | 478,296 | 940,926 | 626,038 | 459,958 |
| Doubtful credits that are not nonperforming | 9,869 | 13,389 | 14,232 | 9,869 | 13,389 | 14,232 |
| Less provisions set aside | -29,671 | -24,303 | -12,986 | -21,027 | -13,603 | -8,080 |
| Doubtful credits that are not performing | 102,897 | 87,448 | 50,842 | 94,253 | 76,748 | 45,936 |
| Total doubtful loans | 83,095 | 76,534 | 52,088 | 83,095 | 76,534 | 52,088 |
| Shares taken over to protect claims | 1 | 1 | 1 | | | |