

LANDSHYPOTEK BANK AB

INTERIM REPORT JANUARY – SEPTEMBER 2013 # 3

JANUARY – SEPTEMBER 2013 (compared with year-earlier period)

OPERATING PROFIT amounted to MSEK 251.8 (217.2)

The improvement in earnings of MSEK 34.7 was attributable to higher net interest income and the increase in the net result of financial transactions. The positive impact on earnings was offset by increased costs and loan losses.

NET INTEREST INCOME for the first three quarters amounted to MSEK 482.0 (430.4)

Net interest income increased 12 percent year-on-year. The increase in net interest income was due to higher lending and improved margins between interest rates on borrowing and lending.

COSTS increased MSEK 31.4

Higher costs were primarily attributable to additional personnel as well as higher costs for marketing and services procured in conjunction with the implementation of a new business IT system.

NET RECOGNISED LOAN LOSSES amounted to MSEK 34.9 (loss: 12.5)

From a portfolio perspective, loan losses and the percentage of doubtful credits have risen from a low level. The increase was attributable to a few individual commitments. From a portfolio perspective, loan losses continue to be at a low level.

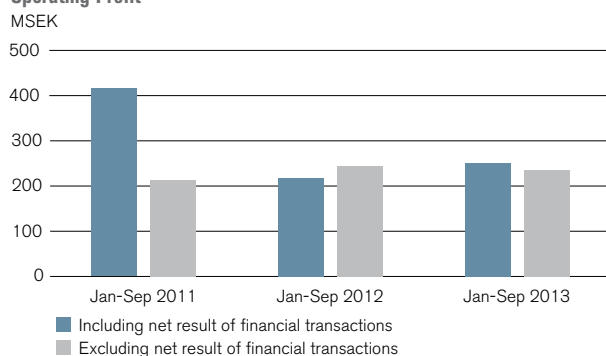
LENDING amounted to MSEK 60,588 (58,326)

Loans outstanding increased MSEK 1,703 (2.9 percent) in the first nine months of 2013. Demand for credit from Sweden's forestry and agriculture sector remained high but the growth rate has eased off. For 2013, total lending growth is estimated at 5.3 percent compared with 8.7 percent for 2012.

THE CAPITAL ADEQUACY RATIO amounted to 29.8 percent (35.7) without taking into account the transitional rules linked to Basel I

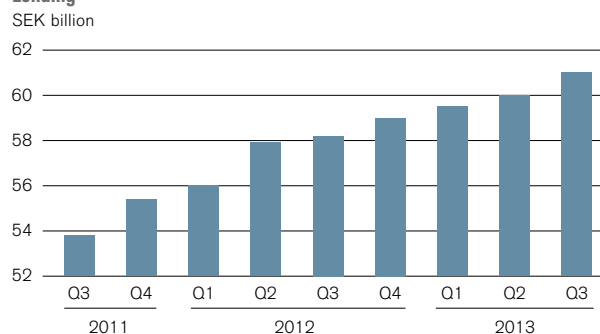
The capital adequacy ratio amounted to 9.5 percent according to the transitional rules. The capital adequacy ratio declined due to a higher proportion of late payers. The results for the quarter have not been added to the capital base.

Operating Profit



Operating profit for January – September 2013 totalled MSEK 251.8. Operating profit excluding the net result of financial transactions was MSEK 237.2.

Lending



At 30 September 2013, Landshypotek's lending amounted to MSEK 60,588. During the year, lending increased 2.9 percent.

This is Landshypotek

Landshypotek's assignment is to provide competitive financing and offer financial services to Sweden's farm and forest owners. In addition, Landshypotek has introduced savings accounts that offer competitive interest rates for the general public in Sweden. Landshypotek is owned by its loan customers.

Landshypotek is owned by its members

All borrowers from Landshypotek also become members of Landshypotek ekonomisk förening (incorporated association). The owning association consists of ten regions. The Board of each region is comprised of up to eight elected representatives who represent the members, act as ambassadors for Landshypotek and carry out valuations. Any surpluses in Landshypotek are reinvested in operations and distributed to members.

Landshypotek is close to its customers

Landshypotek AB is organised into eight districts and has 20 sales offices in Sweden. All account managers at the offices have a background in agriculture and forestry. The offices have access to the network of elected representatives who carry out property valuations. These representatives actively run agricultural businesses and possess good knowledge of local conditions. The company's local presence and expertise in agriculture and forestry are prerequisites and success factors for operations.



Landshypotek specialises in the agricultural and forestry industries and develops financial solutions solely for farmers and foresters. The core assignment remains unchanged since 1836.



Landshypotek has introduced savings accounts that offer competitive interest rates for the general public in Sweden. Saving with Landshypotek contributes to the development of the Swedish countryside.



Landshypotek systematically recruits account managers who understand financing and have backgrounds in agronomy, forestry and agrology – to support the customers' business.



Landshypotek is owned by its loan customers and the profits are repaid to the loan customers.



Landshypotek has strong local networks maintained by elected representatives who value agricultural properties and act as ambassadors.



Landshypotek contributes actively to a richer countryside with open landscapes, well-kept forests and Swedish food production through the financing of sound agricultural and forestry enterprises.

CONTACT DETAILS

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FINANCIAL CALENDAR

Year-end report 2013	6 February 2014
Annual Report 2013	28 March 2014
Interim report January – March 2014	April 2014

All reports are published in Swedish and English and are available for download from www.landshypotek.se under Financial info.

Managing Director's statement

Stronger earnings allow investments in growth

Landshypotek is the credit engine of the agriculture and forestry sector, and the tenth largest bank in Sweden. Landshypotek is being developed to build a sustainable bank for the future. The investments require focus on satisfied customers and growth.

Landshypotek is a growing bank with earnings that have stabilised at a high level. Also in the third quarter of the year, we noted continued strong growth in earnings.

The focus on growth and satisfied customers is a core element of Landshypotek's strategy and business development. We need to grow more to be able to present services and products that make us more attractive as a bank for our customers. We need a level of growth that meets the increased costs as a consequence of the required investments and to build a sustainable bank, given all the new regulatory requirements that apply to Swedish banks. We need earnings that demonstrate for investors that Landshypotek is stable and which also allow a healthy dividend to be paid to our owners, our members.

Sweden's farm and forest owners' own bank is building for the future and, accordingly, we are focusing on our customers and market to create growth.

During the year, we have continued to professionalise our payment administration. In the single largest investment in Landshypotek's 177-year history, we have changed our entire business IT system. What was performed was nothing less than a complete heart and lung replacement. It allows more advanced Internet services and speeds up and simplifies the presentation of new products and services for customers. This, in turn, is a prerequisite for being more active in the Swedish savings market.

Landshypotek knows the market and is close to its customers' operations. Throughout its history, Landshypotek has reported extremely low loan losses. There has now been a slight increase in provisions and confirmed loan losses. However, we have not noted any general trend towards a decline in solvency among Swedish farmers and foresters. Individual businesses that operate in branches that have suffered from a lack of profitability over a protracted period are under pressure. Landshypotek invests considerable energy in reviewing and monitoring the commitments of these customers.



Kjell Hedman,
Managing Director



Summary Landshypotek	2013 Q3	2012 Q3	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Net interest income, MSEK	162.0	157.1	482.0	430.4	577.8
Operating profit, MSEK	82.8	34.0	251.8	217.2	254.9
Profit after tax, MSEK	70.5	27.3	202.3	161.7	178.7
Loans to the public, MSEK	60 588	58,326	60 588	58,326	58,885
Increase in lending, %	0.9 %	1.0 %	2.9 %	4.9 %	5.9 %
Interest margin, %	1.1 %	1.1 %	1.1 %	1.0 %	1.0 %
C/I ratio	0.43	0.35	0.43	0.39	0.42
Loan loss level, %	0.03 %	0.01 %	0.06 %	0.03 %	0.04 %
Capital adequacy ratio, %	29.8 %	35.7 %	29.8 %	35.7 %	34.9 %
Rating, long-term					
Standard & Poor's, Covered bonds	AAA	AAA	AAA	AAA	AAA
Standard & Poor's	A	A	A	A	A
Fitch	A+	A+	A+	A+	A+
Average number of employees	121	109	118	106	107

Our operating environment

Landshypotek is impacted in its borrowing by the domestic and international finance markets. Our lending and our credit appraisals are based on trends in the agriculture and forestry industries as well as the market for purchases of properties in the agriculture and forestry sectors. In the first three quarters of 2013, Landshypotek's lending increased SEK 1.7 billion. The increase corresponded to lending growth of 2.9 percent, compared with 4.9 percent in the first three quarters of 2012. Demand for credit from Sweden's forestry and agriculture sector remained high but the growth rate has eased off compared with previous years.

Our funding

During the quarter, the US economy grew by slightly more than 2 percent and the Euro zone exited a six-quarter long recession. The worldwide economic recovery has stabilised.

There continues to be a healthy amount of surplus liquidity in the market, but concerns relating to reduced liquidity in the US and the European banks' continued repayment of the European Central Bank's (ECB) support is squeezing liquidity.

The US central bank's monthly buying of long-term government bonds and mortgage bonds is holding down the long-term interest rate. However, the market is expecting the scope of these purchases to decline. Substantial quantities of long-term bonds have already been sold and the long-term interest rate has been forced up by slightly more than one percent. At the end of the quarter, the central bank announced that it was not yet ready to decrease the level of its purchases.

Over the past four quarters, the Swedish economy has grown by a modest 0.1 percent. The fixed rates have risen despite the remoteness of an interest rate increase from the Riksbank (the Swedish Central Bank). In the Riksbank's assessment, concerns that households' high level of indebtedness would increase further with lower interest rates have outweighed the need for providing economic stimulus. According to the Riksbank's forecast, the first interest-rate increase can be expected in autumn 2014.

Investors are still cash rich and, accordingly, favourable opportunities are available to locate funding. In general, the finance market for Nordic banks functioned smoothly in first three quarters of 2013. Landshypotek has operated successfully in the bond market.

The access to funding and lowered central bank rates means that customer interest rates remain low.

Our market

Demand for credit from Sweden's farmers and foresters declined year-on-year but remains high. Credit growth for the year is estimated at slightly more than 5 percent, compared with 9 percent in 2012.

Demand was primarily driven by land acquisition. After decades of rising prices, the prices of arable land and forest have stabilised or, in Sweden as a whole, declined. However, land prices vary dramatically between areas and regions.

Sweden's farmers and foresters operate in industries that are open to international competition. Measured over time and in differing branches of the industry, the financial position varies widely for businesses.

Dairy farmers, who have been under pressure for a considerable time, reported a positive trend in milk prices and improved margins due to decrease feed prices in 2013. A reasonable level of profitability is possible for potatoe, vegetable, grain and oil plant producers. Among pork and poultry producers, there are indications of a downturn in prices and reduced profitability. The trend in feed prices will be decisive for these branches. The economic climate for forestry is weak.

The possibility of profitability is about developing the individual enterprises and their operations in their own markets. Individual businesses, in specific branches, may be under pressure for a certain duration, but, generally, Landshypotek has seen no signs of any lack of solvency among Sweden's farm and forest owners.

Landshypotek Bank AB

Landshypotek Bank AB (publ) (Corporate Registration Number 556500-2762) interim report for the period 1 January – 30 September 2013.

Landshypotek Bank AB (Landshypotek) is a member-owned bank tasked with providing competitive financing to Sweden's farm and forest owners. With loans outstanding of slightly more than SEK 60.6 billion, Landshypotek accounts for 28.4 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 122 employees at 20 offices throughout Sweden.

Operating profit 2013	2013 Jan-Sep	2012 Jan-Sep
Net interest income, MSEK	482.0	430.4
Other operating income, MSEK	7.5	-29.2
<i>Of which net result of financial transactions</i>	14.7	-26.6
Costs, MSEK	-202.8	-171.4
<i>C/I ratio adjusted for net result of financial transactions</i>	0.43	0.39
Net recognised loan losses, MSEK	-34.9	-12.5
<i>Loan loss level, %</i>	0.06 %	0.03 %
Operating profit	251.8	217.2
<i>Operating profit excl. the net result of financial transactions</i>	237.2	243.8

Operating profit for January – September 2013 compared with the corresponding period in 2012

Operating profit for the first three quarters of 2013 amounted to MSEK 251.8, up MSEK 34.7 compared with the year-earlier period. The increase in earnings was primarily attributable to a year-on-year improvement of MSEK 51.7 in net interest income and an increase in the net result of financial transactions of MSEK 41.3. The earnings improvement was offset by an increase in expenses of MSEK 31.4 and a rise in net recognised loan losses of MSEK 22.3 compared with the year-earlier period.

Excluding the net result of financial transactions, operating profit amounted to MSEK 237.2 (243.8), down MSEK 6.6 year-on-year.

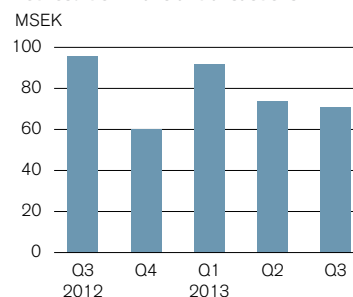
Net interest income

Net interest income for the first three quarters of 2013 amounted to MSEK 482.0, representing an increase of 12.0 percent compared with the year-earlier period (MSEK 430.4). 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 equity. The rise in net interest income was attributable to higher lending and increased margins between interest rates on deposits and lending.

Other operating income

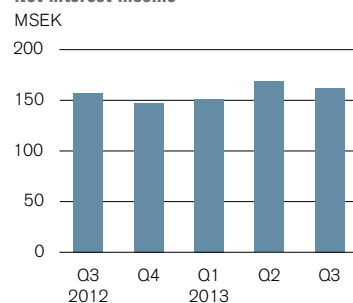
Other operating income amounted to MSEK 7.5 for the period. The fee of MSEK 20.6 payable to the stabilization fund and deposit insurance, earnings of MSEK 14.7 from the net result of financial transactions, net commission income (excluding the stabilization fund and deposit insurance) of MSEK 11.0 and income

Operating profit excluding the net result of financial transactions



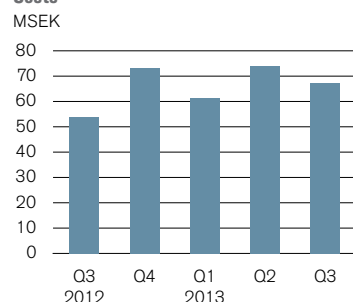
Operating profit for the first three quarters of 2013, excluding net result of financial transactions amounted to MSEK 237.2.

Net interest income



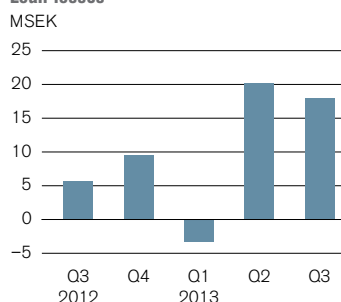
Net interest income for the first three quarters of 2013 amounted to MSEK 482.0. The amount of the company's net interest income is determined by the volume of loans outstanding, the margin between the interest rates on deposits and lending and the return obtained on the equity invested in lending operations.

Costs



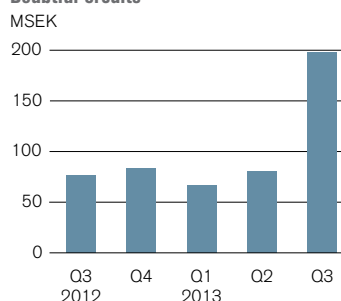
Costs for the first three quarters of 2013 amounted to MSEK 202.8, an increase of MSEK 31.4 or approximately 18 percent year-on-year.

Loan losses



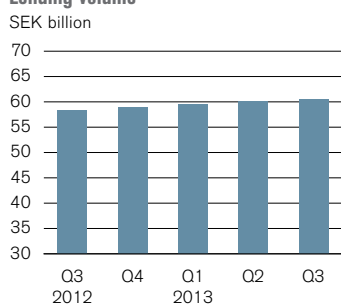
At 30 September, loan losses totalled MSEK 34.9, which corresponded to 0.06 percent of lending.

Doubtful credits



At 30 September 2013, doubtful credits totalled MSEK 197.6.

Lending volume



Landshypotek's lending for the year increased 2.9 percent to SEK 60.6 billion.

from property including capital gains from the sale of property of MSEK 2.4 were recognised under other operating income.

Other operating income was up MSEK 36.8 compared with the year-earlier period (loss: 29.2). The increase was primarily due to a rise of MSEK 41.3 in the net result of financial transactions to MSEK 14.7 (neg: 26.6). The result of MSEK 14.7 comprised an unrealised profit of MSEK 32.5 and a realised loss of MSEK 17.8. The net result of financial transactions included realised results from the purchase and sale of financial instruments, as well as the result from the repurchase of own bonds. In addition, this item includes the result from the revaluation of financial instruments. To gain an understanding of the total effect of market valuations, the remeasurements recognised directly in equity via other comprehensive income must also be taken into account. Remeasurements in equity amounted to MSEK 43.6 (neg: 83.3) in the first three quarters of 2013.

Costs

Costs for the first three quarters of 2013 amounted to MSEK 202.8 (171.4) The increase in costs of MSEK 31.4 was principally attributable to increased costs for personnel, marketing and services procured in conjunction with the implementation of a new business IT system compared with the first three quarters of 2012.

Loan losses and doubtful credits

Loan losses for the first three quarters of the year amounted to MSEK 34.9 (12.5). Confirmed loan losses totalled MSEK 26.3 (4.1). Provisions for probable loan losses amounted to MSEK 25.3 (15.2). Recoveries of previously confirmed losses and reversals of provisions amounted to MSEK 16.9 (6.8).

At 30 September 2013, doubtful credits amounted to MSEK 197.6, corresponding to 0.33 percent of loans outstanding. At 30 September 2012, doubtful credits amounted to MSEK 76.5, corresponding to 0.13 percent of total loans outstanding.

In the first three quarters of 2013, a number of credit commitments were settled for which provisions were made in 2012. Accordingly, confirmed loan losses increased. The increase in credit provisions was attributable to a few individual commitments. From a portfolio perspective, loan losses remain at a low level.

The percentage of doubtful credits has risen from a low level. However, in individual cases, profitability has been under pressure, which negatively impacts the repayment capacity of these customers.

Operating profit for the third quarter compared with the second quarter of 2013

Compared with the second quarter of 2013, operating profit for the third quarter of 2013 declined MSEK 9.7. Excluding the net result of financial transactions, operating profit for the third quarter of 2012 amounted to MSEK 71.1, down MSEK 2.9 compared with the second quarter 2013. The decline in profit in the third quarter was primarily attributable to lower net interest income and lower net commission income.

Landshypotek's performance

In the first three quarters of 2013, Landshypotek's lending increased SEK 1.7 billion. The increase corresponded to lending growth of 2.9 percent, compared with 4.9 percent in the first three quarters of 2012. Demand for credit from Sweden's forestry and agriculture sector remained high. The annualised growth for 2013 is estimated at 5.3 percent, which is, however, lower than in previous years. The primary driver for demand was property transactions occurring in the agriculture and forestry sectors.

Deposits amounted to MSEK 1,751 (1,338) at 30 September 2013.

Through developing Landshypotek's market presence and a wider product offering, Landshypotek aims to grow in pace 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 strives to always respond to investors' concerns regarding tenors and interest-rate structures.

Investor relations are of major importance as part of ensuring that investors' levels of awareness and interest are maintained in Landshypotek.

During the year, Landshypotek issued covered bonds to a value of approximately SEK 14.7 billion. In addition, senior bonds were issued to a value of approximately SEK 2.0 billion. During the same period, bonds have matured or been repurchased to a value of approximately SEK 15.1 billion, of which SEK 13.7 billion pertained to covered bonds.

In general, the finance market for Nordic banks functioned smoothly in the first three quarters of 2013. Landshypotek has been very successful in its financing activities and demand for Landshypotek's bonds has been favourable.

Liquidity

Landshypotek has a substantial liquidity portfolio of interest-bearing securities, valued at SEK 15.3 billion at 30 September 2013. 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 30 September, the liquidity portfolio was 1.4 (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 & Poors confirmed the AAA rating for covered bonds and A, A-1 with negative outlook for the company during 2013. Fitch confirmed the company's credit rating of A+, F1 with stable outlook for the company for 2013.

Rating

	Long	Short
S&P covered bonds	AAA	
S&P	A	A-1, K1
Fitch	A+	F1

Programme, MSEK	Issued 30-09-2013	Maximum amount	Issued 31-12-2012
Swedish commercial paper	3 720	10,000	4,005
MTN programme	45 798	60,000	42,530
EMTN programme	15 180	30,410 *	17,105
RCB**	3 237		3 206
Subordinated loans	700		700

* MEUR 3,500. ** Registered Covered Bonds.

Risk management

The risks on which Landshypotek actively focuses its efforts are classified in the risk categories of credit risk, liquidity risk, market risk and operational risks. Through its policy documents, the Board of Directors establishes how risks are to be measured, reported and limited.

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 and can also arise as a consequence of 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.

Landshypotek's operations are naturally exposed to liquidity risk. As part of managing this exposure, among other measures, Landshypotek maintains a substantial liquidity reserve and strives to diversify funding through deposits.

Market risk arises 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-spread risk arises from entering into interest-rate and currency swap agreements and credit-spread risk arises in Landshypotek's liquidity portfolio. Landshypotek monitors the limited market and liquidity risks on a daily basis.

Operational 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. Landshypotek's risk organisation reports incidents that occur to the Management Group and the Board of Directors, and follows up the implementation of relevant measures.

Financial Corporate Group* 30 Sep 2013

Capital adequacy analysis, SEK thousand	Basel II**	Transitional rules
Tier 1 capital	4,079,104	4 079 104
Tier 2 capital	644,199	644 199
Capital base (after deductions)	4,723,303	4 723 303
Deductions for deferred tax assets	-13,582	
Deduction for intangible non-current assets	-40,426	
Deduction in accordance with Chapter 3, Section 8 of the Capital Adequacy and Large Exposures Act	-111,461	
Credit risks under the standardised approach	538,525	538,525
Credit risks under the IRB approach	632,399	632,399
Operational risks – Base method	95,248	95,248
Additional capital requirement under the transitional rules	–	2,717,736
Capital requirement	1,266,172	3,983,908
Capital adequacy ratio	3.7	1.2
Capital adequacy	29.8 %	9.5 %
Tier 1 ratio	25.8 %	8.2 %

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

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

Capital adequacy

At 30 September 2013, the capital adequacy ratio amounted to 29.8 percent without taking into account the transitional rules linked to Basel I. This level declined in the third quarter, primarily due to an increased proportion of late payers which gave rise to higher capital requirements for exposures whereby the capital requirement is calculated in line with the IRB approach. To some extent, the increase in late payers was attributable to a change in the payment notification method. The capital base was MSEK 4,723 and the capital requirement was MSEK 1,266. The capital adequacy ratio amounted to 9.5 percent according to the transitional rules (regulatory requirement).

The new European capital adequacy rules have been adopted and the ordinance will be implemented on 1 January 2014. Sweden will be unable to implement the directive by 1 January 2014. Instead, the directive will probably be implemented on 1 July 2014. The transitional rules linked to Basel I are to be extended further, although there is the possibility of applying for an exception. The Swedish Financial Supervisory Authority has not yet determined whether such an exception will be granted.

Group structure

All borrowers of Landshypotek Bank AB are also members of Landshypotek ekonomisk förening. Landshypotek ekonomisk förening owns 100 percent of the shares in Landshypotek Bank AB and together form the Financial Corporate Group.

Landshypotek Bank 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 Bank AB. Landshypotek Jordbrukskredit AB is the other company in the sub-group and is 100-percent owned by Landshypotek Bank AB.

Events after the end of the period

No significant events occurred after the end of the reporting period.

Stockholm, 25 October 2013

Kjell Hedman,
Managing Director

Accounting policies

This Report encompasses the Group comprising Landshypotek Bank AB and the subsidiary Landshypotek Jordbrukskredit AB. In addition, Landshypotek Bank AB is reported separately. Amounts in parentheses refer to the corresponding period in the preceding year. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Accounting policies, calculation methods and risk management are unchanged compared to those applied in the most recent Annual Report (see www.landshypotek.se, Financial info) with the exception of the changes in IAS 19 - Employee Benefits. The corridor approach has been eliminated which means that all actuarial gains and losses are to be recognised in other comprehensive income. See Note 7, Effect of changing accounting policy IAS 19 - Employee Benefits. IFRS 13 Fair Value Measurement has been applied from 1 January 2013. The standard contains a new definition of fair value and states the disclosure requirements for fair value. For Landshypotek, the requirements stated in IFRS 13 correspond well with the requirements previously found in IFRS 7. This Interim Report has been supplemented with Note 4 Fair Value Hierarchy for Financial Instruments, Note 5 Fair Value Disclosures and Note 6 Disclosures concerning offsetting.

From the third quarter, macro hedging of the fair value in the lending portfolio was applied in line with IAS 39. Groups of loans with similar risk exposure are identified as a portfolio. Changes in the fair value of derivative instruments identified as fair-value hedges are recognised in profit and loss together with changes in the fair value of the hedged risk attributable to the hedged lending portfolio. Any change in value for the hedged item is recognised on a separate line in the balance sheet under Loans to the public.

Income statement

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Interest income	566,622	650,413	575,096	1,722,681	1,991,858	2,619,504
Interest expense	-404,617	-493,352	-406,497	-1,240,654	-1,561,484	-2,041,677
Net interest income <i>Note 1</i>	162,004	157,061	168,600	482,027	430,374	577,827
Commission income	2,741	3,353	5,074	11,773	11,484	15,188
Commission expense	-8,768	-5,234	-6,065	-21,282	-15,782	-24,512
Net result of financial transactions	11,716	-61,945	18,524	14,663	-26,613	-49,057
Other operating income	444	483	510	2,355	1,662	2,147
Total operating income	168,136	93,718	186,644	489,536	401,125	521,594
General administrative expenses	-57,626	-51,027	-66,542	-179,460	-160,790	-226,777
Depreciation, amortisation and impairment of intangible non-current assets	-3,342	-275	-2,997	-7,122	-853	-2,206
Other operating expenses	-6,433	-2,737	-4,399	-16,255	-9,804	-15,547
Total expenses before loan losses	-67,401	-54,039	-73,938	-202,837	-171,447	-244,530
Profit before loan losses	100,735	39,679	112,706	286,699	229,678	277,064
Loan losses, net <i>Note 2</i>	-17,940	-5,660	-20,198	-34,852	-12,512	-22,117
Operating profit	82,795	34,019	92,508	251,847	217,166	254,947
Income tax for the period	-12,307	-6,737	-20,377	-49,534	-55,458	-76,228
Net profit for the period <i>Note 7</i>	70,488	27,282	72,131	202,313	161,708	178,719

Statement of comprehensive income

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Net profit for the period	70,488	27,282	72,131	202,313	161,708	178,719
Other comprehensive income						
<i>Items to be reclassified to profit or loss</i>						
Cash-flow hedges	8,270	-62,545	44,476	65,861	-33,231	-54,010
Available-for-sale financial assets	-6,382	24,989	-2,420	-22,269	-50,039	-81,901
Tax on items to be reclassified	-415	5,105	-9,252	-9,590	17,128	27,168
<i>Total, items to be reclassified</i>	<i>1,473</i>	<i>-32,451</i>	<i>32,804</i>	<i>34,002</i>	<i>-66,142</i>	<i>-108,742</i>
<i>Items that are not reclassified</i>						
Actuarial differences for defined-benefit pensions	10,467	-2,880	4,463	24,569	-8,642	-11,523
Tax items that are not reclassified	-2,303	633	-982	-5,405	1,901	2,535
<i>Total, items that are not reclassified</i>	<i>8,164</i>	<i>-2,247</i>	<i>3,481</i>	<i>19,164</i>	<i>-6,741</i>	<i>-8,988</i>
Total other comprehensive income <i>Note 7</i>	9,638	-34,698	36,285	53,166	-72,883	-17,730
Comprehensive income for the period	80,126	-7,416	108,416	255,479	88,825	60,988

Income statement

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Interest income	561,060	645,112	570,372	1,708,674	1,977,942	2,600,509
Interest expense	-404,660	-493,722	-406,516	-1,240,824	-1,563,922	-2,044,316
Net interest income <i>Note 1</i>	156,401	151,390	163,855	467,850	414,021	556,192
Group contributions received	-	-	-	-	-	156,993
Commission income	2,223	3,268	4,637	10,422	10,438	13,491
Commission expense	-8,768	-5,235	-6,066	-21,282	-15,783	-24,512
Net result of financial transactions	11,716	-61,945	18,524	14,663	-26,613	-49,057
Other operating income	444	481	510	2,352	1,643	2,127
Total operating income	162,016	87,959	181,460	474,005	383,706	655,234
General administrative expenses	-59,154	-52,734	-68,185	-183,878	-165,625	-232,237
Depreciation, amortisation and impairment of intangible non-current assets	-3,342	-275	-2,997	-7,122	-853	-2,206
Other operating expenses	-6,430	-2,752	-4,395	-16,245	-9,778	-15,516
Total expenses before loan losses	-68,927	-55,761	-75,576	-207,245	-176,256	-249,959
Profit before loan losses	93,089	32,198	105,884	266,760	207,450	405,276
Loan losses, net <i>Note 2</i>	-15,667	-4,610	-21,077	-33,293	-6,721	-16,310
Impairment of shares in subsidiaries	-	-	-	-	-	-65,000
Operating profit	77,422	27,588	84,807	233,467	200,729	323,966
Income tax for the period	-17,505	-8,378	-18,683	-51,871	-53,883	-73,488
Net profit for the period	59,917	19,210	66,124	181,596	146,846	250,478

Statement of comprehensive income

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Net profit for the period	59,917	19,210	66,124	181,596	146,846	250,478
Other comprehensive income						
<i>Items to be reclassified to profit or loss</i>						
Cash-flow hedges	8,270	-62,545	44,476	65,861	-33,231	-54,010
Available-for-sale financial assets	-6,382	24,989	-2,420	-22,269	-50,039	-81,901
Income tax related to other comprehensive income	-415	5,105	-9,252	-9,590	17,128	27,168
<i>Total, items to be reclassified</i>	<i>1,473</i>	<i>-32,451</i>	<i>32,804</i>	<i>34,002</i>	<i>-66,142</i>	<i>-108,742</i>
Total other comprehensive income	1,473	-32,451	32,804	34,002	-66,142	-108,742
Comprehensive income for the period	61,391	-13,241	98,927	215,598	80,704	141,735

Balance sheet

	LANDSHYPOTEK BANK AB GROUP				LANDSHYPOTEK BANK AB PARENT COMPANY			
SEK THOUSAND	2013 30 Sep	2013 30 Jun	2012 31 Dec	2012 30 Sep	2013 30 Sep	2013 30 Jun	2012 31 Dec	2012 30 Sep
ASSETS								
Cash and balances with central banks	29,415	34,627	45,400	25,544	29,415	34,627	45,400	25,544
Loans to credit institutions	491,465	284,165	642,194	39,788	485,517	277,293	634,326	57,679
Loans to the public <i>Note 3</i>	60,587,639	60,039,695	58,884,842	58,325,785	60,170,026	59,672,685	58,613,225	57,962,678
Value changes of interest-rate-risk hedged items in macro hedge	2 801	-	-	-	2 801	-	-	-
Bonds and other interest-bearing securities	15,292,485	13,412,665	15,715,556	13,755,547	15,292,485	13,412,665	15,715,556	13,755,547
Derivatives	544,596	633,248	1,011,692	509,615	544,596	633,248	1,011,692	509,615
Shares and participations	1	1	1	1	1	1	1	1
Shares in Group companies	-	-	-	-	280,753	280,753	280,753	345,753
Intangible non-current assets	40,426	40,106	35,312	25,867	40,426	40,106	35,312	25,867
Tangible assets								
Furniture, fixtures and equipment	5,581	5,899	5,424	6,714	5,581	5,899	5,424	6,714
Buildings and land	13,088	13,227	15,116	15,271	13,088	13,227	15,116	15,271
Other assets	870,277	868,959	234,767	833,150	1,043,953	979,415	250,237	818,421
Deferred tax assets	13,582	11,654	28,051	-	5,123	6,931	19,542	-
Prepaid expenses and accrued income	644,355	485,918	858,434	867,568	644,181	485,666	858,582	867,427
TOTAL ASSETS <i>Note 4, 5, 6, 7</i>	78,535,711	75,830,164	77,476,789	74,404,850	78,557,946	75,842,516	77,485,166	74,390,517
LIABILITIES, PROVISIONS AND EQUITY								
Liabilities to credit institutions	605,034	1,747,127	620,419	600,168	625,034	1,753,127	620,419	655,168
Borrowing from the public	1,751,008	1,666,512	1,579,308	1,338,423	1,751,008	1,666,512	1,579,308	1,338,423
Debt securities in issue, etc.	68,878,065	65,656,454	68,203,114	65,887,592	68,878,065	65,656,455	68,203,114	65,887,592
Derivatives	1,181,730	909,353	1,078,647	686,221	1,181,730	909,353	1,078,647	686,221
Other liabilities	32,626	42,089	351,746	40,498	37,185	44,050	351,726	49,513
Accrued expenses and deferred income	1,122,889	912,326	1,095,455	1,164,536	1,122,889	912,326	1,095,526	1,164,728
Provisions	12,926	24,947	42,155	40,432	3,477	3,477	3,477	3,755
Subordinated liabilities	699,931	699,980	699,921	699,930	699,931	699,980	699,921	699,930
Total liabilities	74,284,209	71,658,788	73,670,765	70,457,800	74,299,319	71,645,280	73,632,137	70,485,330
Equity	4,251,502	4,171,377	3,806,024	3,947,050	4,258,627	4,197,236	3,853,029	3,905,187
TOTAL LIABILITIES, PROVISIONS AND EQUITY <i>Note 4, 5, 6, 7</i>	78,535,711	75,830,164	77,476,789	74,404,850	78,557,946	75,842,516	77,485,166	74,390,517

Cash-flow statement

	LANDSHYPOTEK BANK AB GROUP			LANDSHYPOTEK BANK AB PARENT COMPANY		
SEK THOUSAND	2013 Jan-Sep	2012 Jan-Sep	2012 Full year	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Opening cash and cash equivalents	125,130	170,935	170,935	117,268	151,480	151,480
Cash flow from operating activities	364,479	-238,460	-19,598	366,393	-200,813	-164,998
Cash flow from investing activities	-9,447	-17,124	-30,779	-9,447	-17,424	126,214
Cash flow from financing activities	40,718	149,981	4,572	40,718	149,981	4,572
Cash flow for the period	395,750	-105,603	-45,805	397,664	-68,256	-34,212
Closing cash and cash equivalents	520,880	65,332	125,130	514,932	83,224	117,268

Statement of changes in equity

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND

	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Actuarial differences	Retained earnings	Total
Equity 31 December 2012	1,927,000	1,026,254	-69,008	22,745	-8,988	908,023	3,806,024
Comprehensive income for the period			51,372	-17,370	19,164	202,313	255,479
Total change before transactions with owners	-	-	51,372	-17,370	19,164	202,313	255,479
New share issue	190,000						190,000
Equity 30 September 2013	2,117,000	1,026,254	-17,636	5,375	10,176	1,110,337	4,251,502

SEK THOUSAND

	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Actuarial differences	Retained earnings	Total
Equity 31 December 2011	1,927,000	1,026,254	-25,398	87,878	-	852,166	3,867,900
Effect of changing accounting policy IAS 19 - Defined-benefit pensions						-9,676	-9,676
Adjusted opening balance 1 January 2012	1,927,000	1,026,254	-25,398	87,878	-	842,490	3,858,224
Comprehensive income for the period			-24,492	-41,650	-6,741	161,708	88,825
Total change before transactions with owners	-	-	-24,492	-41,650	-6,741	161,708	88,825
Equity 30 September 2012	1,927,000	1,026,254	-49,890	46,228	-6,741	1,004,198	3,947,050

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND

	Share capital	Other contributed capital	Hedging reserve	Fair value reserve		Retained earnings	Total
Equity 31 December 2012	1,927,000	1,016,694	-69,008	22,745		955,599	3,853,029
Comprehensive income for the period			51,372	-17,370		181,596	215,598
Total change before transactions with owners	-	-	51,372	-17,370		181,596	215,598
New share issue	190,000						190,000
Equity 30 September 2013	2,117,000	1,016,694	-17,636	5,375		1,137,196	4,258,627

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		759,143	3,765,315
Merger of subsidiary						59,169	59,169
Comprehensive income for the period			-24,492	-41,650		146,846	80,704
Total change before transactions with owners	-	-	-24,492	-41,650		206,015	139,873
Equity 30 September 2012	1,927,000	1,016,694	-49,890	46,228		965,158	3,905,187

Notes

NOTE 1 NET INTEREST INCOME

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND

	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Interest income						
Interest income on loans to credit institutions	2,394	177	1,128	4,499	407	3,026
Interest income on loans to the public	500,428	568,557	504,226	1,512,640	1,727,186	2,267,582
Less interest losses	-3,335	-703	-53	-3,884	-1,505	-2,279
Interest income on interest-bearing securities	67,129	82,167	69,816	209,433	265,536	350,422
of which interest income on financial assets at fair value through profit or loss	43,375	65,517	26,178	138,077	153,292	222,103
of which interest income on available-for-sale financial assets	23,754	16,650	43,637	71,356	112,244	128,319
Other interest income	5	215	-20	-7	235	753
Total	566,622	650,413	575,096	1,722,681	1,991,858	2,619,504
<i>All interest income is attributable to the Swedish market.</i>						
Interest expense						
Interest expense for liabilities to Group companies	-	-1,417	-	-338	-3,382	-4,480
Interest expense for liabilities to credit institutions – other	-4,069	-481	-7,832	-14,121	-10,280	-12,672
Interest expense for borrowing/deposits from the public	-10,006	-6,955	-8,976	-27,198	-13,317	-21,713
Interest expense for interest-bearing securities	-394,232	-480,584	-397,197	-1,204,680	-1,531,121	-2,015,138
of which interest expense for other financial liabilities in fair value hedges adjusted for the fair value of hedged risk	-156,880	-124,354	-128,471	-437,549	-407,735	-561,603
of which interest expense on interest-bearing securities at amortised cost	-237,351	-356,230	-268,726	-767,130	-1,123,386	-1,453,536
Interest expense for subordinated liabilities	-8,826	-12,372	-8,853	-26,636	-25,175	-34,679
Interest expense for derivative instruments	13,547	8,830	16,382	33,370	23,873	49,645
of which interest expense on derivatives at fair value through profit or loss	-55,066	18,083	-63,299	-124,574	26,031	38,196
of which interest expense on derivatives identified as hedging instruments	68,613	-9,253	79,681	157,944	-2,158	11,449
Other interest expense	-1,031	-374	-20	-1,051	-2,083	-2,639
Total	-404,617	-493,352	-406,497	-1,240,654	-1,561,484	-2,041,677
Total net interest income	162,004	157,061	168,600	482,027	430,374	577,827

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND

	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Interest income						
Interest income on loans to credit institutions	2,388	170	1,122	4,472	366	2,959
Interest income on loans to Group companies	-	101	14	207	732	1,072
Interest income on loans to the public	494,874	563,163	499,479	1,498,440	1,712,579	2,247,591
Less interest losses	-3,335	-703	-39	-3,870	-1,504	-2,279
Interest income on interest-bearing securities	67,129	82,167	69,816	209,433	265,536	350,422
of which interest income on financial assets at fair value through profit or loss	43,375	65,517	26,178	138,077	153,292	222,103
of which interest income on available-for-sale financial assets	23,754	16,650	43,637	71,356	112,244	128,319
Other interest income	5	215	-21	-8	234	742
Total	561,060	645,112	570,372	1,708,674	1,977,942	2,600,509
<i>All interest income is attributable to the Swedish market.</i>						
Interest expense						
Interest expense for liabilities to Group companies	-42	-1,787	-20	-508	-5,820	-7,120
Interest expense for liabilities to credit institutions – other	-4,069	-481	-7,832	-14,121	-10,280	-12,672
Interest expense for borrowing/deposits from the public	-10,006	-6,955	-8,976	-27,198	-13,317	-21,713
Interest expense for interest-bearing securities	-394,232	-480,584	-397,197	-1,204,680	-1,531,121	-2,015,138
of which interest expense for other financial liabilities in fair value hedges adjusted for the fair value of hedged risk	-156,880	-124,354	-128,471	-437,549	-407,735	-561,603
of which interest expense on interest-bearing securities at amortised cost	-237,351	-356,230	-268,726	-767,130	-1,123,386	-1,453,536
Interest expense for subordinated liabilities	-8,826	-12,372	-8,853	-26,636	-25,175	-34,679
Interest expense for derivative instruments	13,547	8,830	16,382	33,370	23,873	49,645
of which interest expense on derivatives at fair value through profit or loss	-55,066	18,083	-63,299	-124,574	26,031	38,196
of which interest expense on derivatives identified as hedging instruments	68,613	-9,253	79,681	157,944	-2,158	11,449
Other interest expense	-1,031	-374	-20	-1,051	-2,083	-2,639
Total	-404,660	-493,722	-406,516	-1,240,824	-1,563,922	-2,044,316
Total net interest income	156,401	151,390	163,855	467,850	414,021	556,192

NOTE 2 LOAN LOSSES NET

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND

	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Year's write-off for realised losses	-14,593	-2,496	-3,653	-26,299	-4,133	-6,575
Reversal of prior provisions for probable loan losses, recognised as realised losses in this period's accounts	12,780	528	2,054	21,279	1,828	6,135
Provision for probable loan losses	-17,655	-5,537	-23,560	-46,502	-16,985	-32,787
Recovery of previously realised losses	447	341	395	1,103	1,796	2,439
Reversal of prior provisions no longer necessary for probable loan losses	1,283	1,505	4,566	15,768	4,982	8,671
Guarantees	-202	-	-	-202	-	-
Total loan losses	-17,940	-5,660	-20,198	-34,852	-12,512	-22,117

All loan losses are attributable to loans to the public.

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND

	2013 Q3	2012 Q3	2013 Q2	2013 Jan-Sep	2012 Jan-Sep	2012 Full year
Year's write-off for realised losses	-13,626	-527	-3,582	-22,306	-2,164	-4,502
Reversal of prior provisions for probable loan losses, recognised as realised losses in this period's accounts	12,780	528	2,054	18,490	1,828	4,166
Provision for probable loan losses	-15,713	-6,455	-22,615	-43,615	-13,160	-25,236
Recovery of previously realised losses	446	340	394	1,100	1,793	2,435
Reversal of prior provisions no longer necessary for probable loan losses	447	1,505	2,672	13,038	4,982	6,827
Total loan losses	-15,667	-4,610	-21,077	-33,293	-6,721	-16,310

All loan losses are attributable to loans to the public.

NOTE 3 OVERDUE RECEIVABLES ETC.

	LANDSHYPOTEK BANK AB GROUP				LANDSHYPOTEK BANK AB PARENT COMPANY			
SEK THOUSAND	2013 30 Sep	2013 30 Jun	2012 31 Dec	2012 30 Sep	2013 30 Sep	2013 30 Jun	2012 31 Dec	2012 30 Sep
Disclosures on overdue and doubtful loan receivables								
Overdue loan receivables where interest is recognised as income	903,946	706,730	863,822	564,092	887,421	684,991	846,673	549,290
Overdue loan receivables classified as doubtful credits	227,669	116,080	102,897	87,448	222,090	109,885	94,253	76,748
Total overdue loan receivables	1,131,615	822,810	966,719	651,540	1,109,511	794,876	940,926	626,038
Doubtful credits that are not overdue	13,096	4,466	9,869	13,389	12,727	2,784	9,869	13,389
Less provisions made	-43,201	-40,055	-29,671	-24,303	-37,189	-35,125	-21,027	-13,603
Overdue doubtful credits	227,669	116,080	102,897	87,448	222,090	109,885	94,253	76,748
Total doubtful credits	197,564	80,491	83,095	76,534	197,628	77,544	83,095	76,534
Shares taken over to protect claims	1	1	1	1	1	1	1	1

NOTE 4 FAIR-VALUE HIERARCHY FOR FINANCIAL INSTRUMENTS

LANDSHYPOTEK BANK AB GROUP AND PARENT COMPANY

SEK THOUSAND

	30 Sep 2013			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Bonds and other interest-bearing securities	8,707,338	-		8,707,338
Interest-rate swaps		27,979		27,979
Cross-currency interest-rate swaps		23,458		23,458
Derivatives identified as hedging instruments				
Interest-rate swaps		382,755		382,755
Cross-currency interest-rate swaps		110,404		110,404
Available-for-sale financial assets				
Bonds and other interest-bearing securities	2,115,484	4,469,664		6,585,147
Total assets at fair value	10,822,822	5,014,260	-	15,837,081
Financial liabilities at fair value through profit or loss				
Interest-rate swaps		369,005		369,005
Cross-currency interest-rate swaps		381,794		381,794
Derivatives identified as hedging instruments				
Interest-rate swaps		119,179		119,179
Cross-currency interest-rate swaps		311,751		311,751
Total liabilities at fair value	-	1,181,730	-	1,181,730

No transfers were made between the levels. In Level 1, only quoted mortgage bonds and in Level 2 derivative instruments and bonds issued by municipalities and county councils for which there are well-established measuring models based on market data.

Level 1

Quoted prices in active markets for identical assets or liabilities.

Level 2

In all cases, listed swap curves were utilised as the basis for measurement. Listed credit spreads relative to the swap curve were utilised for measuring the value of bond assets. The interest-rate swap curve and FX-basis swap curve were used for measurement of interest-rate and cross-currency interest-rate swaps respectively.

Level 3

Input for assets/liabilities that are not based on observable market data.

NOTE 5 FAIR VALUE DISCLOSURES

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND	2013 30 Sep Carrying amount	2013 30 Sep Fair value	2012 31 Dec Carrying amount	2012 31 Dec Fair value
Assets				
Cash and balances with central banks	29,415	29,415	45,400	45,400
Loans to credit institutions	491,465	491,465	642,194	642,194
Loans to the public*	60,587,639	59,299,994	58,884,842	57,886,359
Bonds and other interest-bearing securities	15,292,485	15,292,485	15,715,556	15,715,556
Derivatives	544,596	544,596	1,011,692	1,011,692
Shares and participations	1	1	1	1
Total assets	76,945,601	75,657,956	76,299,685	75,301,202
Liabilities and provisions				
Liabilities to credit institutions	605,034	605,034	620,419	620,419
Borrowing from the public	1,751,008	1,751,008	1,579,308	1,579,308
Debt securities in issue, etc.	68,878,065	68,484,736	68,203,114	68,492,857
Derivatives	1,181,730	1,181,730	1,078,647	1,078,647
Subordinated liabilities	699,931	778,550	699,921	797,892
Total liabilities	73,115,768	72,801,059	72,181,409	72,569,123

LANDSHYPOTEK BANK AB – PARENT COMPANY SEK THOUSAND	2013 30 Sep Carrying amount	2013 30 Sep Fair value	2012 31 Dec Carrying amount	2012 31 Dec Fair value
Assets				
Cash and balances with central banks	29,415	29,415	45,400	45,400
Loans to credit institutions	485,517	485,517	634,326	634,326
Loans to the public*	60,170,026	58,882,381	58,613,225	57,606,359
Bonds and other interest-bearing securities	15,292,485	15,292,485	15,715,556	15,715,556
Derivatives	544,596	544,596	1,011,692	1,011,692
Shares and participations	1	1	1	1
Shares in Group companies	280,753	280,753	280,753	280,753
Total assets	76,802,793	75,515,148	76,300,953	75,294,087
Liabilities and provisions				
Liabilities to credit institutions	625,034	625,034	620,419	620,419
Borrowing from the public	1,751,008	1,751,008	1,579,308	1,579,308
Debt securities in issue, etc.	68,878,065	68,484,736	68,203,114	68,492,857
Derivatives	1,181,730	1,181,730	1,078,647	1,078,647
Subordinated liabilities	699,931	778,550	699,921	797,892
Total liabilities	73,135,768	72,821,059	72,181,409	72,569,123

* The differences between carrying amounts and fair values stem from changes in market interest rates.

NOTE 6 DISCLOSURES CONCERNING OFFSETTING

LANDSHYPOTEK BANK AB GROUP AND PARENT COMPANY SEK THOUSAND	2013 30 Sep Carrying amount	Amount available for netting	2013 30 Sep Net amount
Assets			
Derivatives	544,596	-405,483	139 113
Repurchase agreements	-	-	-
Liabilities			
Derivatives	-1,181,730	405,483	-776,247
Repurchase agreements	-542,797	-	-542,797
Net	-1,179,931		-1,179 931

Financial assets and liabilities included in a legal entitlement to offset, but not offset in the balance sheet.

NOTE 7 EFFECT OF CHANGING ACCOUNTING POLICY IAS 19 - DEFINED-BENEFIT PENSIONS

LANDSHYPOTEK BANK AB – GROUP SEK THOUSAND

	Previously reported Q3 2012	Recalculated	Recalculated for Q3 2012	Previously reported Jan-Sep 2012	Recalculated	Recalculated for Jan-Sep 2012
General administrative expenses	-50,189	-838	-51,027	-158,276	-2,514	-160,790
Total expenses before loan losses	-53,201	-838	-54,039	-168,933	-2,514	-171,447
Income tax for the period	-6,665	-72	-6,737	-55,243	-216	-55,458
Net profit for the period	28,192	-910	27,282	164,437	-2,730	161,708

COMPREHENSIVE INCOME

	Previously reported Q3 2012	Recalculated	Recalculated for Q3 2012	Previously reported Jan-Sep 2012	Recalculated	Recalculated for Jan-Sep 2012
Net profit for the period	28,192	-910	27,282	164,437	-2,729	161,708
Other comprehensive income						
<i>Items that are not reclassified</i>						
Actuarial differences for defined-benefit pensions		-2,880	-2,880		-8,642	-8,642
Tax items that are not reclassified		633	633		1,901	1,901
<i>Total, items that are not reclassified</i>		<i>-2,247</i>	<i>-2,247</i>		<i>-6,741</i>	<i>-6,741</i>
Total other comprehensive income	-32,451	-2,247	-34,698	-66,142	-6,741	-72,883
Comprehensive income for the period	-4,259	-3,157	-7,416	98,295	-9,470	88,825

BALANCE SHEET

	Previously reported 30 Sep 2012	Recalculated	Recalculated 30 Sep 2012	Previously reported Full year 2012	Recalculated	Recalculated Full year 2012
Assets						
Deferred tax assets/Other assets	828,009	5,140	833,150	22,349	5,702	28,051
TOTAL ASSETS	74,399,710	5,140	74,404,850	77,471,087	5,702	77,476,789
LIABILITIES, PROVISIONS AND EQUITY						
Other liabilities	43,037	-2,539	40,498	353,830	-2,084	351,746
Provisions	13,607	26,825	40,432	12,067	30,088	42,155
Total liabilities	70,433,514	24,286	70,457,800	73,642,761	28,004	73,670,765
Equity	3,966,196	-19,146	3,947,050	3,828,326	-22,302	3,806,024
TOTAL LIABILITIES, PROVISIONS AND EQUITY	74,399,710	5,140	74,404,850	77,471,087	5,702	77,476,789

The above calculation is attributable to the removal of the corridor approach for defined benefit pensions in IAS 19 Employee Benefits. Plan assets are calculated by applying the discount rate for mortgage bonds. The initial effect is charged to retained earnings on 1 January 2012. Thereafter, changes in the pension liability are recognised under general administrative expenses and other comprehensive income.

