

# LANDSHYPOTEK AB

## INTERIM REPORT JANUARY – MARCH

### 2010 # 1

- **OPERATING PROFIT EXCLUDING “NET RESULT OF FINANCIAL TRANSACTIONS” AMOUNTED TO MSEK 71.5 (28.8)**

The improved profit derived from higher net interest income, reduced costs and more extensive recoveries. Net interest income for the first quarter of 2010 amounted to MSEK 107.0, a year-on-year increase of MSEK 33.0. The increase in net interest income was primarily attributable to a higher margin between the interest rates on deposits and lending.

- **THE VOLUME OF LOANS OUTSTANDING AMOUNTED TO MSEK 47,877 (41,881)**

Loans outstanding increased 3.1 percent during the first quarter to MSEK 47,877. The loan volume increased 1.4 percent during the corresponding period last year. Activity in the market remains high. Interest in supplementary purchases of land and in investment in buildings and machinery is considerable. Landshypotek maintained its share of the market for loans to farm and forest owners.

- **LOAN LOSS RATE: MINUS 0.01 PERCENT (LOSS: 0.01 PERCENT)**

During the first quarter of 2010, recoveries exceeded loan losses and amounted to MSEK 1.0, equivalent to minus 0.01 percent of loans outstanding. During the corresponding period of 2009, loan losses amounted to MSEK 0.8, corresponding to 0.01 of loans outstanding. At 31 March 2010, doubtful credits amounted to MSEK 29.1 (7.3), corresponding to 0.06 percent (0.02 percent) of loans outstanding.

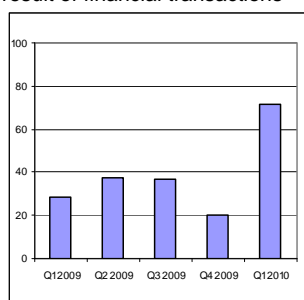
- **CAPITAL ADEQUACY WAS 35.0 PERCENT; TIER 1 CAPITAL ADEQUACY WAS 31.8 PERCENT ACCORDING TO BASEL II RULES**

Based on the Basel II capital adequacy rules, Landshypotek's capital situation is very strong. Basel II was intended to have been fully implemented as of 1 January 2010. This will not be the case. The Swedish Financial Supervisory Authority has announced that the transitional rules that applied on 31 December 2009 will remain in effect. Pursuant to the transitional rules, Landshypotek has capital adequacy of 8.6 percent and Tier 1 capital adequacy of 7.8 percent.

# Landshypotek AB

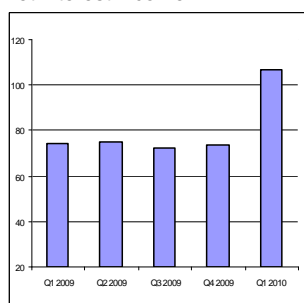
Landshypotek AB (corporate registration number 556500-2762) hereby submits its interim report for the period 1 January – 31 March 2010.

Operating profit excluding “Net result of financial transactions”



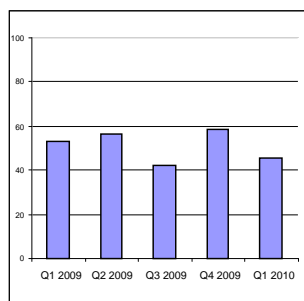
Operating profit for the first quarter of 2010 excluding “Net result of financial transactions” amounted to MSEK 71.5.

Net interest income



Net interest income for the first quarter amounted to MSEK 107.0. The magnitude of net interest income is determined by the loan volume, the margin between the interest rates on deposits and lending and the return obtained on the equity invested in lending operations.

Costs



Landshypotek aims to achieve a sustainable reduction in costs and to increase the efficiency of operations. Costs during the first quarter of 2010 amounted to MSEK 45.6.

Landshypotek offers Sweden’s farm and forest owners financing in the form of first mortgage loans at the market’s most attractive rates. With loans outstanding of approximately SEK 48 billion, Landshypotek is the market leader, accounting for more than 35 percent of the market. Since Landshypotek’s lending is characterised by adequate real property security, loan losses have been very low.

Landshypotek AB customers are members of Landshypotek, ekonomisk förening (incorporated association). Landshypotek aims to keep interest rates as low as possible on a sustained basis for its customers/members and to provide refunds of paid regular loan interest. Landshypotek has nearly 100 employees at some twenty locations in Sweden.

## Operating profit Q1 2010

### Summary of income statemente

Milion SEK	2010	2009
	Jan - Mar	Jan . Mar
Net interest income	107	74
Interest rate margin	0.91%	0.71%
Other operating income	-6.6	-21
of which "Net result of financial transactions"	-15.7	-29.5
Expenses	-45.6	52.9
Expense level, %	0.39	0.51
Loan losses, net	1	-0.8
Loan loss level, %	-0.01%	0.01%
Operating profit	55.8	-0.7
Operating profit not including "Net result of financial transactions"	71.5	28.8

Consolidated operating profit for the first quarter of 2010 amounted to MSEK 55.8, a year-on-year rise of MSEK 56.5 (loss: 0.7). Excluding “Net result of financial transactions,” operating profit was MSEK 71.5 (28.8). The improvement was attributable to higher net interest income, reduced costs and more extensive recoveries.

Since Parent Company profit accounted for 90 percent of consolidated profit, the comments below also apply to the Parent Company.

### Net interest income

Net interest income for the first quarter amounted to MSEK 107.0, a year-on-year rise of MSEK 33.0 (74.0). The improvement was primarily attributable to a higher margin between the interest rates on borrowing and lending compared with the year-earlier period. The increase in the loan volume also had a favourable impact on net interest income. Market interest rates were slightly lower in the first quarter of 2010 compared with the year-earlier period, which had an adverse impact on Landshypotek’s net interest income.

### Other operating income

The operating result excluding net interest income amounted to a loss of MSEK 6.6, an increase of MSEK 14.4 in relation to the first quarter of 2009. The increase was primarily attributable to the “net result of financial transactions” amounting to a loss of MSEK 15.7 compared with a loss of MSEK 29.5 a year earlier. Net result of financial transactions includes the realised result of purchases and sales of financial instruments and the result from repurchase of own bonds. This item also includes the result of the revaluation of certain financial instruments.

### Costs

Costs during the first quarter of 2010 amounted to MSEK 45.6 (52.9). The MSEK 7.3 reduction in costs was primarily attributable to generally lower administrative costs, mainly costs for IT and purchased services.

### Loan losses and doubtful credits

Loan losses for the first quarter of 2010 amounted to recoveries of MSEK 1.0 (loss: 0.8). Write-offs of confirmed losses amounted to MSEK 0.3 (0.3). Provisions for probable loan losses during the period amounted to MSEK 0.8 (5.0). Recoveries of previously confirmed losses, or previously doubtful credits, amounted to MSEK 1.7 (0.6).

Doubtful credits amounted to MSEK 29.1, equivalent to 0.06 percent of loans outstanding. At 31 March 2009, doubtful credits amounted to MSEK 7.4, corresponding to 0.02 percent of loans outstanding.

Landshypotek currently sees no signs that the deterioration in the general economic situation has affected the quality of its loan portfolio. Nor is it considered that a general economic deterioration would lead to significantly higher loan losses. The reason for this is that the loan-to-value ratio is low – the average volume-weighted loan-to-value ratio is 40.2 percent – and that the general repayment ability of Landshypotek's customers is strong. Landshypotek's customers derive their income from several sources, such as income from employment, contracting business, forestry and agriculture.

### Comparison with the fourth quarter of 2009

Compared with the fourth quarter of 2009, operating profit for the first quarter of 2010 improved by MSEK 106.3. The earnings improvement derived from an increase in Net result of financial transactions.

### Market overview

#### Market trend

Profitability in forestry and agriculture declined in 2009 compared with prior years. It was not possible to offset higher prices for input materials with higher compensation for the goods produced. This had a particularly adverse impact on the earning ability of plant cultivators and dairy farmers. However, the future looks somewhat brighter for dairy farmers, with the price of milk rising in early 2010. The price of grain remains low. The quantity and quality of this autumn's harvest will be of vital importance to the price trend. The somewhat weaker conditions for farmers have added renewed force to the structural transformation of Swedish agriculture. The number of producers in the traditional agricultural sector is declining, in such segments as dairy and pig farming, while the diversification of farms is increasing.

#### Landshypotek's performance

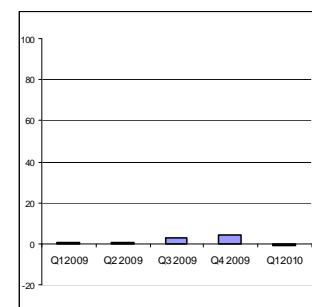
Landshypotek increased its net lending by SEK 1.4 billion during the first three months. The increase corresponds to lending growth of 3.1 percent compared with growth of 1.4 percent in the first quarter of 2009. The increased growth in the first quarter of 2010 compared with a year earlier was mainly attributable to Landshypotek increasing its market presence. Landshypotek is maintaining its position as market leader for first mortgage loans for farm and forest owners. Activity in the market remains high. Interest in purchasing additional land and in investment in buildings and machinery is considerable.

### Financing

Landshypotek aims to borrow funds on the best possible terms, given a low risk profile. By operating with great flexibility in terms of markets and instruments, financing is obtained efficiently and where the best terms are offered. Landshypotek utilises several borrowing programmes, both domestic and international, which allows the Company to meet most investors' needs for investment in interest-bearing instruments.

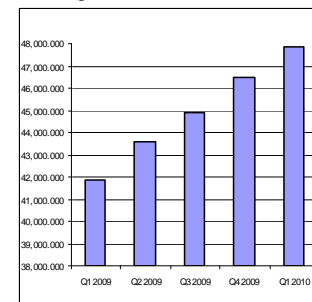
During the year, Landshypotek's primary source of financing was covered bonds. Covered bonds were issued under Landshypotek's Swedish MTN and international EMTN programmes in a combined amount of approximately SEK 13.6 billion.

Loan losses



Loan losses for the first quarter of 2010 amounted to recoveries of MSEK 1.0.

Lending volume



Landshypotek's lending increased 3.1% during the year to SEK 47.9 billion. Market growth was favourable and Landshypotek maintained its market shares.

The situation in capital markets improved continuously during 2009 and in early 2010. In Landshypotek's opinion, continued action on the part of central banks and governments will be important in efforts to safeguard the function of the market.

Landshypotek has accumulated a relatively large portfolio of interest-bearing securities, worth SEK 13.9 billion on 31 March 2010. Swedish covered bonds with the highest credit rating account for 99 percent of the portfolio. The reason for holding interest-bearing securities is so that they will function as a liquidity portfolio. Securities can be sold or mortgaged, if so required, in order to manage the financing of maturing debt.

Programme	Issued 31-03-2010	Maximum amount	Issued 31-21-2009
Swedish commercial paper	2,645	10,000	1,975
Swedish MTN programme	39,633	50,000	38,004
International EMTN programme	10,808	15,000	8,358
Other bonds	6		6
Subordinated loans	350		350

## Rating

In late September 2009, Moody's lowered Landshypotek's rating from A2 to A3 with a Negative Outlook. The lowering of Landshypotek's credit rating occurred at the same time as most other Swedish and Nordic banks saw their credit ratings lowered. Fitch placed Landshypotek's credit rating on Negative Outlook in December.

	Long	Short
S&P Covered bonds	AAA	
S&P	A-	A2, K1
Fitch	A+	F1
Moody's	A3	P2

## Capital adequacy

SEK thousand	Financial Corporate Group	
	Basel II	Transitional rules
Tier 1 capital	3,168,776	3,168,776
Tier 2 capital	317,071	317,071
<b>Capital base (after deductions)</b>	<b>3,485,847</b>	<b>3,485,847</b>
Deduction for deferred tax assets	-41,515	0
Deduction in accordance with Chapter 3, Section 8 of the Swedish Capital Adequacy and Large Exposures Act	-65,858	0
Capital requirement for credit risks in accordance with the standard method	441,800	441,800
Capital requirement for credit risks in accordance with IRB	302,745	302,745
Capital requirement for operative risks - Base method	52,124	52,124
Additional capital requirement in accordance with the transitional rules	-	2,442,829
<b>Capital requirement</b>	<b>796,669</b>	<b>3,239,498</b>
<b>Capital adequacy ratio</b>	4.4	1.1
<b>Capital adequacy</b>	35.0%	8.6%
<b>Tier 1 capital adequacy</b>	31.8%	7.8%

The capital base on 31 March 2010 was MSEK 3,486 and the capital adequacy ratio in accordance with Basel II was 4.4.

The capital requirement in accordance with Basel II on 31 March 2010 amounted to MSEK 797. The capital requirement is calculated as a minimum capital requirement based on credit, market and operating risks (Pillar I).

In addition to the minimum capital requirement, each institution must make an internal assessment of its capital requirement. This internal capital assessment must take all risks into account as well as the capital requirement. The supervisory authorities expect institutions to maintain a higher capital base than required by the formal minimum capital requirement.

The intention was that capital adequacy rules in accordance with Basel II would have been implemented in full by 1 January 2010. This transition to Basel II has been preceded by transitional rules that have been applied for three years. Application of the transitional rules has now been extended. In accordance with the transitional rules, Landshypotek has a capital adequacy ratio of 1.1.

## Risk and capital management

Landshypotek lends approximately SEK 48 billion to slightly more than 50,000 customers, against collateral in the form of liens on farm properties. Lending is secured by first mortgage deeds on farm properties up to 75 percent of a conservatively adjusted market value constituting a loan value. Together with Landshypotek's methods for assessing and limiting counterparty risk, this has led to a highly limited credit risk in the portfolio, as reflected in very low loan losses over time. Landshypotek has just over 100 employees and conducts business at 20 locations. Landshypotek AB is owned by the parent organisation of the financial corporate group, Landshypotek, ekonomisk förening (incorporated association), which is a member-owned organisation. The financial corporate group has shareholders' equity of MSEK 3,343 and a capital base of MSEK 3,486. The capital adequacy ratio is 4.4 and capital adequacy thus amounts to 35.0 percent. The Tier 1 capital ratio is 31.8 percent in accordance with the rules of Basel II.

The risks that Landshypotek focuses actively on are classified in the risk categories credit risk, market risk, operating risks and other risks.

Capital adequacy is quantified primarily through the Pillar I risk weight formulas (the IRB – for the household portfolio). For its credit risk, Landshypotek has assigned a capital requirement that exceeds the capital adequacy requirement calculated in Pillar I. The numerous private individuals living in rural areas provide Landshypotek with good sector diversification. Landshypotek is also well diversified from a regional perspective.

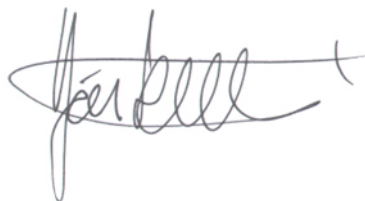
Market risks consist of interest rate risks, exchange rate risks, liquidity risks and counterparty risks. Through its financial risk policy, the Board of Directors establishes how risks are to be measured, reported and limited. Landshypotek is exposed to a generally low market risk.

Operating risks are defined as the "Risk for losses as a result of less than effective 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 national organisation and are reported to the Board of Directors in the case of more serious events.

## Events after the end of the period under review

No events of significant importance have occurred after the end of the period under review.

Stockholm, 7 May 2010



Kjell Stillman, Managing Director

This Interim Report covers the Group comprising Landshypotek AB, subsidiaries Lantbrukskredit AB, Landshypotek Jordbrukskredit AB and The General Mortgage Bank of Sweden. Landshypotek AB is reported separately. Amounts in parentheses refer to the corresponding period a year earlier. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied for this Interim Report are unchanged compared to those applied in the most recent Annual Report.

# Income statement

## GROUP

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - Mar	2009 Jan - Mar	2009 Full year
Interest income	402,883	397,385	402,883	506,301	1,777,540
Interest expense	-295,841	-323,704	-295,841	-432,329	-1,483,074
<b>Net interest income</b>	<b>107,042</b>	<b>73,681</b>	<b>107,042</b>	<b>73,972</b>	<b>294,466</b>
Dividend income	0	0	0	0	10,000
Commission income	2,690	3,390	2,690	2,590	11,840
Commission expense	-172	-763	-172	-780	-1,759
Net result of financial transactions	-15,709	-70,466	-15,709	-29,487	49,065
Other operating income	6,595	6,594	6,595	6,711	26,692
<b>Total operating income</b>	<b>100,446</b>	<b>12,436</b>	<b>100,446</b>	<b>53,006</b>	<b>390,304</b>
General administrative expense	-38,943	-50,599	-38,943	-44,088	-177,177
Depreciation, amortisation and impairment of intangible non-current assets	-2,342	-2,937	-2,342	-3,659	-12,598
Other operating expenses	-4,296	-5,021	-4,296	-5,158	-19,887
<b>Total expenses before loan losses</b>	<b>-45,581</b>	<b>-58,557</b>	<b>-45,581</b>	<b>-52,905</b>	<b>-209,662</b>
<b>Result before loan losses</b>	<b>54,865</b>	<b>-46,121</b>	<b>54,865</b>	<b>101</b>	<b>180,642</b>
Loan losses, net	962	-4,325	962	-764	-8,484
Impairment of financial assets					
<b>Operating result</b>	<b>55,827</b>	<b>-50,446</b>	<b>55,827</b>	<b>-663</b>	<b>172,158</b>
Taxes on the period's result	-13,912	15,587	-13,912	713	-42,969
<b>Net result for the period</b>	<b>41,915</b>	<b>-34,859</b>	<b>41,915</b>	<b>50</b>	<b>129,189</b>

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - Mar	2009 Jan - Mar	2009 Full year
<b>Net result for the period</b>	<b>41,915</b>	<b>-34,859</b>	<b>41,915</b>	<b>50</b>	<b>129,189</b>
<b>Other comprehensive income and loss</b>					
Change in instruments for cash flow hedges	3,008	1,938	3,008	-13,267	10,438
Change in available-for-sale financial instruments	-28,068	-86,320	-28,068	48,917	-81,240
Taxes related to other comprehensive income and loss	6,591	22,196	6,591	-9,373	18,621
<b>Total other comprehensive income and loss</b>	<b>-18,469</b>	<b>-62,186</b>	<b>-18,469</b>	<b>26,277</b>	<b>-52,181</b>
<b>Total comprehensive income for the period</b>	<b>23,446</b>	<b>-97,045</b>	<b>23,446</b>	<b>26,327</b>	<b>77,008</b>

# Income statement

## LANDSHYPOTEK AB, THE PARENT COMPANY

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - Mar	2009 Jan - Mar	2009 Full year
Interest income	400,366	394,844	400,366	503,123	1,766,774
Interest expense	-296,178	-324,097	-296,178	-434,447	-1,487,067
<b>Net interest income</b>	<b>104,188</b>	<b>70,747</b>	<b>104,188</b>	<b>68,676</b>	<b>279,707</b>
Dividend income	0	0	0	0	0
Commission income	2,717	3,232	2,717	2,581	11,653
Commission expense	-167	-783	-167	-760	-1,714
Net result of financial transactions	-15,709	-70,466	-15,709	-29,487	49,065
Other operating income	5,734	5,628	5,734	6,039	23,213
<b>Total operating income</b>	<b>96,763</b>	<b>8,358</b>	<b>96,763</b>	<b>47,049</b>	<b>361,924</b>
General administrative expense	-39,972	-55,588	-39,972	-45,553	-186,334
Depreciation, amortisation and impairment of intangible non-current assets	-2,342	-2,621	-2,342	-3,659	-12,282
Other operating expenses	-3,609	-4,580	-3,609	-4,827	-18,514
<b>Total expenses before loan losses</b>	<b>-45,924</b>	<b>-62,789</b>	<b>-45,924</b>	<b>-54,039</b>	<b>-217,130</b>
<b>Result before loan losses</b>	<b>50,839</b>	<b>-54,431</b>	<b>50,839</b>	<b>-6,990</b>	<b>144,794</b>
Loan losses, net	959	-4,492	959	-766	-8,438
Impairment of financial assets					
<b>Operating result</b>	<b>51,798</b>	<b>-58,923</b>	<b>51,798</b>	<b>-7,756</b>	<b>136,356</b>
Taxes on the period's result	-13,623	15,209	-13,623	2,041	-36,150
<b>Net result for the period</b>	<b>38,175</b>	<b>-43,714</b>	<b>38,175</b>	<b>-5,715</b>	<b>100,206</b>

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - Mar	2009 Jan - Mar	2009 Full year
<b>Net result for the period</b>	<b>38,175</b>	<b>-43,714</b>	<b>38,175</b>	<b>-5,715</b>	<b>100,206</b>
<b>Other comprehensive income and loss</b>					
Change in instruments for cash flow hedges	3,008	1,938	3,008	-13,267	10,438
Change in available-for-sale financial instruments	-28,068	-86,320	-28,068	48,917	-81,240
Taxes related to other comprehensive income and loss	6,591	22,196	6,591	-9,373	18,621
<b>Total other comprehensive income and loss</b>	<b>-18,469</b>	<b>-62,186</b>	<b>-18,469</b>	<b>26,277</b>	<b>-52,181</b>
<b>Total comprehensive income/loss for the period</b>	<b>19,706</b>	<b>-105,900</b>	<b>19,706</b>	<b>20,562</b>	<b>48,025</b>

## Balance sheet

SEK thousand	GROUP			PARENT COMPANY		
	2010 31 Mar	2009 31 Dec	2009 31 Mar	2010 31 Mar	2009 31 Dec	2009 31 Mar
<b>ASSETS</b>						
Cash and balances with central banks	8,924	8,946	12,879	8,924	8,946	12,879
Due from financial institutions	53,694	87,761	117,633	63,612	300,505	118,597
Loans to customers	Note 3 47,876,812	46,455,974	41,880,969	47,551,751	46,142,049	41,584,674
Bonds and other interest-bearing securities	13,931,397	11,532,817	10,223,997	13,931,397	11,532,817	10,223,997
Derivative financial instruments	276,210	308,074	594,114	276,210	308,074	594,114
Shares	1	1	1	0	0	0
Shares in Group companies	0	0	0	515,027	515,027	514,927
Intangible non-current assets	0	0	0	0	0	0
Tangible assets				0	0	0
Equipment	2,907	3,334	4,209	2,907	3,334	4,209
Buildings and land	334,934	336,256	336,336	318,581	319,903	332,557
Other assets	158,249	449,953	399,788	139,115	444,778	376,305
Prepaid expenses and accrued income	594,625	612,446	564,203	594,117	611,595	563,771
<b>TOTAL ASSETS</b>	<b>63,237,753</b>	<b>59,795,562</b>	<b>54,134,129</b>	<b>63,401,641</b>	<b>60,187,027</b>	<b>54,326,030</b>
<b>LIABILITIES, PROVISIONS AND EQUITY</b>						
Due to financial institutions	5,264,643	5,709,996	8,122,620	5,551,508	6,224,755	8,423,379
Borrowing from the public	53,000	45,000	10,000	53,000	45,000	10,000
Debt securities in issue, etc.	53,274,011	49,027,096	40,934,804	53,274,011	49,027,096	40,934,804
Derivative financial instruments	225,579	229,107	372,067	225,579	229,107	372,067
Other liabilities	144,005	161,797	179,094	136,025	151,257	165,634
Accrued expenses and prepaid income	455,666	816,292	619,920	455,346	816,037	620,587
Provisions	127,485	136,431	201,254	95,349	102,731	160,770
Subordinated liabilities	350,000	350,000	350,000	350,000	350,000	350,000
<b>TOTAL LIABILITIES</b>	<b>59,894,389</b>	<b>56,475,719</b>	<b>50,789,759</b>	<b>60,140,818</b>	<b>56,945,983</b>	<b>51,037,241</b>
<b>Equity</b>	<b>3,343,364</b>	<b>3,319,844</b>	<b>3,344,370</b>	<b>3,260,823</b>	<b>3,241,044</b>	<b>3,288,788</b>
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>	<b>63,237,753</b>	<b>59,795,562</b>	<b>54,134,129</b>	<b>63,401,641</b>	<b>60,187,027</b>	<b>54,326,030</b>

## Cash flow statement

SEK thousand	GROUP			PARENT COMPANY		
	2010 Jan - Mar	2009 Jan - Mar	2009 Full year	2010 Jan - Mar	2009 Jan - Mar	2009 Full year
Cash and cash equivalents at beginning of period	8,946	2,707	2,707	8,946	2,707	2,707
Cash flow from operating activities	570	110,287	114,355	570	110,176	101,353
Cash flow from investing activities	-592	-132	-8,116	-592	-221	4,886
Cash flow from financing activities	0	-99,983	-100,000	0	-99,983	-100,000
<b>Cash flow for the period</b>	<b>-22</b>	<b>10,172</b>	<b>6,239</b>	<b>-22</b>	<b>9,972</b>	<b>6,239</b>
Cash and cash equivalents at end of period	8,924	12,879	8,946	8,924	12,679	8,946



# Change in shareholders' equity

## GROUP

SEK thousand	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2009	1,927,000	1,026,254	-50,355	146,990	269,955	3,319,844
Net profit for the period			2,217	-20,685	41,988	23,520
Total change before transactions with the owners	0	0	2,217	-20,685	41,988	23,520
Dividend/group contribution rendered						
Taxes on group contribution rendered						
Equity 31 March 2010	1,927,000	1,026,254	-48,138	126,305	311,943	3,343,364

SEK thousand	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2008	1,927,000	1,026,248	-58,048	206,864	215,979	3,318,043
Net profit for the period			-9,778	36,055	50	26,327
Total change before transactions with the owners	0	0	-9,778	36,055	50	26,327
Dividend/group contribution rendered						
Taxes on group contribution rendered						
Equity 31 March 2009	1,927,000	1,026,248	-67,826	242,919	216,029	3,344,370

## LANDSHYPOTEK AB, PARENT COMPANY

SEK thousand	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2009	1,927,000	1,010,000	-50,355	146,990	207,409	3,241,044
Net profit for the period			2,217	-20,685	38,248	19,780
Total change before transactions with the owners	0	0	2,217	-20,685	38,248	19,780
Dividend/group contribution rendered						
Taxes on group contribution rendered						
Equity 31 March 2010	1,927,000	1,010,000	-48,138	126,305	245,657	3,260,824

SEK thousand	Share capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2008	1,927,000	1,010,000	-58,048	206,864	182,411	3,268,227
Net profit for the period			-9,778	36,055	-5,715	20,562
Total change before transactions with the owners	0	0	-9,778	36,055	-5,715	20,562
Dividend/group contribution rendered						
Taxes on group contribution rendered						
Equity, 31 March 2009	1,927,000	1,010,000	-67,826	242,919	176,696	3,288,789

# Notes

## NOT 1 NET INTEREST INCOME

### GROUP

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - mar	2009 Jan - mar	2009 Full year
<b>Interest income</b>					
Interest income on loans to credit institutions	73	102	73	242	462
Interest income on loans to Group companies	0	0	0	0	
Interest income on loans to customers	308,164	316,734	308,164	407,517	1,394,569
- less interest losses	-26	-368	-26	-251	-865
Interest income on interest-bearing securities	94,672	80,819	94,672	98,788	383,269
- of which interest income on financial assets measured at fair value in profit and loss	21,689	18,281	21,689	2,842	57,107
- of which interest income on available-for-sale financial assets	72,983	62,538	72,983	95,946	326,162
Other interest income	0	98	0	5	105
<b>Total</b>	<b>402,883</b>	<b>397,385</b>	<b>402,883</b>	<b>506,301</b>	<b>1,777,540</b>
All interest income is attributable to the Swedish market.					
<b>Interest expense</b>					
Interest expense for liabilities to Group companies	-46	-56	-46	0	-231
Interest expense for liabilities to credit institutions - other	-4,604	-3,560	-4,604	-35,868	-69,585
interest expense for borrowing from the public	0	0	0	0	0
Interest expense for interest-bearing securities	-323,171	-321,191	-323,171	-407,688	-1,400,831
- of which interest expense for other financial liabilities	-243,939	-241,625	-243,939	-382,101	-1,188,460
- of which interest expense on financial assets measured at fair value in profit and loss	-79,232	-79,566	-79,232	-25,587	-212,371
Interest expense on subordinated liabilities	-713	-778	-713	-3,343	-6,534
Interest expense for derivative instruments	32,816	5,558	32,816	15,073	-812
- of which interest expense on derivatives measured at fair value in profit and loss	30,674	53,335	30,674	-34,947	-1,040
- of which interest expense on derivatives indentified as hedging instruments	2,142	-47,777	2,142	50,020	228
Other interest expense	-123	-3,677	-123	-503	-5,081
<b>Total</b>	<b>-295,841</b>	<b>-323,704</b>	<b>-295,841</b>	<b>-432,329</b>	<b>-1,483,074</b>
<b>Total net interest income</b>	<b>107,042</b>	<b>73,681</b>	<b>107,042</b>	<b>73,972</b>	<b>294,466</b>

### LANDSHYPOTEK AB, PARENT COMPANY

SEK thousand	2010 Q 1	2009 Q 4	2010 Jan - mar	2009 Jan - mar	2009 Full year
<b>Interest income</b>					
Interest income on loans to credit institutions	72	96	72	218	424
Interest income on loans to Group companies	20	8	20	119	192
Interest income on loans to customers	305,629	314,200	305,629	404,249	1,383,665
- less interest losses	-27	-366	-27	-251	-863
Interest income on interest-bearing securities	94,672	80,819	94,672	98,788	383,269
- of which interest income on financial assets measured at fair value in profit and loss	21,689	18,281	21,689	2,842	57,107
- of which interest income on available-for-sale financial assets	72,983	62,538	72,983	95,946	326,162
Other interest income	0	87	0	0	87
<b>Total</b>	<b>400,366</b>	<b>394,844</b>	<b>400,366</b>	<b>503,123</b>	<b>1,766,774</b>
All interest income is attributable to the Swedish market.					
<b>Interest expense</b>					
Interest expense for liabilities to Group companies	-383	-448	-383	-2,118	-4,224
Interest expense for liabilities to credit institutions - other	-4,604	-3,560	-4,604	-35,868	-69,585
interest expense for borrowing from the public	0	0	0	0	0
Interest expense for interest-bearing securities	-323,171	-321,191	-323,171	-407,688	-1,400,831
- of which interest expense for other financial liabilities	-243,939	-241,625	-243,939	-382,101	-1,188,460
- of which interest expense on financial assets measured at fair value in profit and loss	-79,232	-79,566	-79,232	-25,587	-212,371
Interest expense on subordinated liabilities	-713	-778	-713	-3,343	-6,534
Interest expense for derivative instruments	32,816	5,558	32,816	15,073	-812
- of which interest expense on derivatives measured at fair value in profit and loss	30,674	53,335	30,674	-34,947	-1,040
- of which interest expense on derivatives indentified as hedging instruments	2,142	-47,777	2,142	50,020	228
Other interest expense	-123	-3,678	-123	-503	-5,081
<b>Total</b>	<b>-296,178</b>	<b>-324,097</b>	<b>-296,178</b>	<b>-434,447</b>	<b>-1,487,067</b>
<b>Total net interest income</b>	<b>104,188</b>	<b>70,747</b>	<b>104,188</b>	<b>68,676</b>	<b>279,707</b>

**NOTE 2 LOAN LOSSES NET**

**GROUP**

<b>SEK thousand</b>	<b>2010 Q 1</b>	<b>2009 Q 4</b>	<b>2010 Jan - Mar</b>	<b>2009 Jan - Mar</b>	<b>2009 Full year</b>
The period's impairment charge for realised losses	-252	-1,126	-252	-325	-1,784
Reversal of prior provisions for probable loan losses, reported as realised losses	304	1,271	304	325	1,596
Impairment charge for probable loan losses	-829	-5,025	-829	-841	-9,414
Recovery of previous realised losses	90	513	90	74	900
Reversal of provisions no longer required for probable loan losses	1,649	42	1,649	3	218
<b>Total loan losses</b>	<b>962</b>	<b>-4,325</b>	<b>962</b>	<b>-764</b>	<b>-8,484</b>

All loan losses are attributable to loans to customers

**LANDSHYPOTEK AB, PARENT COMPANY**

<b>SEK thousand</b>	<b>2010 Q 1</b>	<b>2009 Q 4</b>	<b>2010 Jan - Mar</b>	<b>2009 Jan - Mar</b>	<b>2009 Full year</b>
The period's impairment charge for realised losses	-252	-1,126	-252	-325	-1,784
Reversal of prior provisions for probable loan losses, reported as realised losses	304	1,107	304	325	1,432
Impairment charge for probable loan losses	-829	-5,025	-829	-841	-9,197
Recovery of previous realised losses	87	511	87	72	893
Reversal of provisions no longer required for probable loan losses	1,649	41	1,649	3	218
<b>Total loan losses</b>	<b>959</b>	<b>-4,492</b>	<b>959</b>	<b>-766</b>	<b>-8,438</b>

All loan losses are attributable to loans to customers

**NOTE 3 NON-PERFORMING LOANS**

<b>SEK Thousand</b>	<b>GROUP</b>			<b>PARENT COMPANY</b>		
	<b>2010 31 Mar</b>	<b>2009 31 Dec</b>	<b>2009 31 Mar</b>	<b>2010 31 Mar</b>	<b>2009 31 Dec</b>	<b>2009 31 Mar</b>
Nonperforming loans where interest is recognised as income	148,194	237,356	256,849	140,971	229,204	252,957
Nonperforming loans that are doubtful credits	23,459	32,823	6,895	23,405	32,769	6,895
<b>Total nonperforming loans</b>	<b>171,653</b>	<b>270,179</b>	<b>263,744</b>	<b>164,376</b>	<b>261,973</b>	<b>259,852</b>
Doubtful credits that are not nonperforming	11,722	10,005	784	11,722	9,774	784
Less provisions set aside	-6,068	-6,897	-317	-6,014	-6,844	-317
Doubtful credits that are not performing	23,459	32,823	6,895	23,405	32,769	6,895
<b>Total doubtful loans</b>	<b>29,113</b>	<b>35,930</b>	<b>7,362</b>	<b>29,113</b>	<b>35,699</b>	<b>7,362</b>
Shares taken over to protect claims	1	1	1			