

# LANDSHYPOTEK AB

## YEAR-END REPORT 2010

- **OPERATING PROFIT EXCLUDING "NET RESULT OF FINANCIAL TRANSACTIONS" FOR FULL-YEAR 2010 AMOUNTED TO MSEK 346.4 (123.1)**

The improvement in profit was attributable to higher net interest income, lower costs and capital gains from the sale of two operating properties.

- **THE VOLUME OF LOANS OUTSTANDING AMOUNTED TO MSEK 51,773 (46,456)**

In 2010, loans outstanding increased 11.4 percent to MSEK 51,773. Credit demand from Sweden's farmers and forest farmers abated somewhat during the autumn. In total, the banks' lending to Sweden's farmers and forest farmers grew 9.9 percent. Landshypotek increased its market share in 2010.

- **LOAN LOSS RATE 0.01 PERCENT (0.02)**

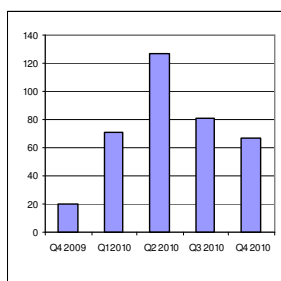
Loan losses for the year amounted to MSEK 6.7, corresponding to 0.01 percent of loans outstanding.

- **CAPITAL ADEQUACY WAS 41.0 PERCENT; TIER 1 CAPITAL ADEQUACY WAS 35.5 PERCENT ACCORDING TO BASEL II RULES**

# Landshypotek AB

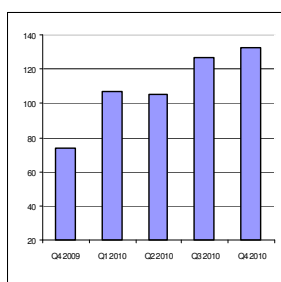
*Landshypotek AB  
(Corporate Registration  
Number 556500-2762)  
hereby submits its Year-end  
Report for the period 1  
January – 31 December  
2010.*

## Operating profit excluding "Net result of financial transactions"



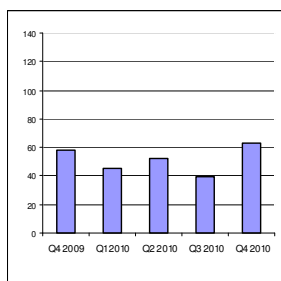
Operating profit for 2010 excluding "Net result of financial transactions" amounted to MSEK 346.4.

## Net interest income



Net interest income for 2010 amounted to MSEK 471.8. The scope of the Company's net interest income is determined by the volume of loans outstanding, the margin between the interest rates on funding and lending and the return obtained on the equity invested in lending operations.

## Costs



Costs in 2010 amounted to MSEK 201.0, down MSEK 8.7 or nearly 5 percent compared with the preceding year.

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 52 billion, Landshypotek is the market leader, accounting for more than 37 percent of the market. Since Landshypotek's lending is characterised by adequate property security, loan losses have been very low.

Landshypotek AB customers are members of Landshypotek ekonomisk förening (incorporated association). Landshypotek aims to provide advantageous financing for Sweden's farmers and forest farmers. Landshypotek has more than 100 employees at some 20 locations in Sweden.

## Operating profit 2010

### Summary of income statement

Milion SEK	2010	2009
	Jan - Dec	Jan - Dec
Net interest income	<b>471.8</b>	294.5
Interest rate margin	<b>0.96%</b>	0.69%
Other operating income	<b>86.5</b>	95.8
of which "Net result of financial transactions"	<b>4.2</b>	49.1
Expenses	<b>-201</b>	-209.7
Expense level, %	<b>0.36</b>	0.43
Loan losses, net	<b>-6.7</b>	-8.5
Loan loss level, %	<b>0.01%</b>	0.02%
Operating profit	<b>350.6</b>	172.2
Operating profit not including "Net result of financial transactions"	<b>346.4</b>	123.1

Consolidated operating profit for 2010 amounted to MSEK 350.6, up MSEK 178.5 MSEK compared with 2009 (MSEK 172.2). Excluding "Net result of financial transactions," operating profit totalled MSEK 346.4 (123.1). The improvement in profit was attributable to higher net interest income and lower costs. In addition, two operating properties were sold during 2010, generating capital gains of MSEK 68.0.

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

### Net interest income

Net interest income for full-year 2010 amounted to MSEK 471.8, up MSEK 177.4 compared with 2009 (MSEK 294.5). The increase was mainly attributable to a higher margin between the interest rates on funding and lending in 2010. From mid-2009, the margins increased successively due to the competitive situation and new regulations. The increase in the volume of loans outstanding also contributed positively to net interest income.

### Other operating income

Operating income excluding net interest income amounted to MSEK 86.5 for the period, down MSEK 9.3 compared with the corresponding period in 2009. The decline was primarily attributable to a decrease in "Net result of financial transactions" by MSEK 44.8 during the period. "Net result of financial transactions" amounted to MSEK 4.2 for 2010 compared with MSEK 49.1 in 2009. The net result of financial transactions includes the realised result of purchases and sales of financial instruments and the result of repurchases of own bonds. This item also includes the result of revaluations of financial instruments. To gain an understanding of the total effect of market valuations, those revaluations that are recognised directly in equity capital must also be taken into consideration.

During the period, fees to the stabilisation fund were charged to profit in an amount of MSEK 20.0. This pertains to the entire cost for 2009 and 2010. In addition, two operating properties were divested in 2010, generating capital gains of MSEK 68.0.

### Costs

Costs in 2010 amounted to MSEK 201.0 (209.7). The MSEK 8.7 reduction in costs was attributable to lower general administrative expenses, primarily lower IT costs.

### Loan losses and doubtful credits

Loan losses in 2010 amounted to MSEK 6.7 (8.5). Write-offs of confirmed loan losses totalled MSEK 6.7 (1.8). Provisions for probable loan losses during the period amounted to MSEK 11.9 (9.4). Recoveries of previously confirmed losses, or previously doubtful credits, totalled MSEK 6.5 (1.6).

At 31 December 2010, doubtful credits amounted to MSEK 29.2, corresponding to 0.06 percent of loans outstanding. At 31 December 2009, doubtful credits amounted to MSEK 35.9, corresponding to 0.08 percent of loans outstanding.

### Comparison with the third quarter of 2010

Compared with the third quarter of 2010, operating profit for the fourth quarter declined MSEK 49.6. The reduction in earnings was primarily attributable to a decline in "Net result of financial transactions" of MSEK 35.6 and that seasonal costs increased MSEK 24.2. Net interest income improved MSEK 5.5.

## Market overview

### Market trend

Profitability in forest and agriculture improved in 2010 compared with the preceding year. The price trend in milk production and grain production, which are key sectors for Swedish agriculture, was positive. The price of milk gradually increased during the year, while the price of grain rallied during the summer before stabilising at a high level. Many Swedish grain producers harvested a lower volume of top-quality grain in 2010. However, this decline was offset by higher prices.

Profitability in forestry was favourable in 2010. Demand for timber and pulpwood was strong and prices increased. However, in late autumn, a certain slowdown was noted in the timber market, primarily driven by lower demand for sawmills'.

### Landshypotek's performance

Landshypotek increased its net lending by SEK 5.3 billion during the year, corresponding to lending growth of 11.4 percent, compared with 12.5 percent in 2009. During the autumn, the demand for credit from Sweden's forestry and agriculture sector weakened somewhat, from earlier high levels. In total, the banks' lending to Sweden's farmers and forest farmers rose 9.9 percent in 2010. Landshypotek thus increased its share of the market in 2010.

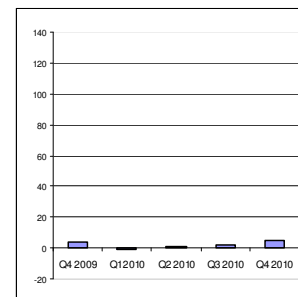
## Financing

### Borrowing

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

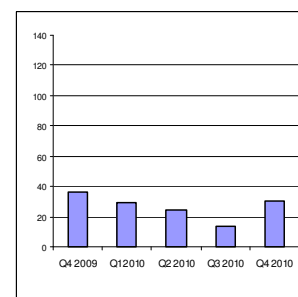
During the year, Landshypotek's primary source of financing was covered bonds. Covered bonds were issued in an amount of approximately SEK 30 billion.

### Loan losses



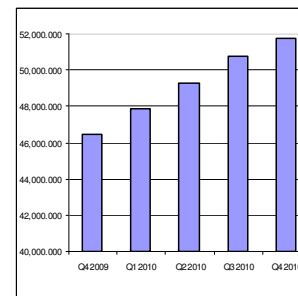
Loan losses for 2010 amounted to MSEK 6.7.

### Doubtful credits



Doubtful credits declined during the year to MSEK 30.3 on 31 December 2010.

### Lending volume



Landshypotek's lending rose by 11.4 percent to SEK 51.8 billion during the year. Market growth was favourable and Landshypotek increased its market shares.

## Liquidity

Landshypotek has accumulated a relatively large portfolio of interest-bearing securities, worth SEK 11.0 billion on 31 December 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 31-12-2010	Maximum amount	Issued 31-12-2009
Swedish commercial paper	2,350	10,000	1,975
Swedish MTN programme	38,508	50,000	38,004
International EMTN programme	15,126	25,000	8,358
Other bonds	15		6
Subordinated loans	550		350

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

## Rating

Landshypotek's rating remained unchanged in 2010. In September, Landshypotek received confirmation of the rating A3, P2 from Moody's with stable prospects. However Landshypotek is on the watch list, with negative outlook, of S & P regarding covered bonds.

## Capital adequacy

SEK thousand	Financial Corporate Group	
	Basel II	Transitional rules
Tier 1 capital	3,363,781	3,363,781
Tier 2 capital	518,711	514,509
<b>Capital base (after deductions)</b>	<b>3,882,492</b>	<b>3,878,290</b>
Deduction for deferred tax assets	-49,721	0
Deduction in accordance with Chapter 3, Section 8 of the Swedish Capital Adequacy and Large Exposures Act	-62,553	0
Capital requirement for credit risks in accordance with the standard method	378,495	378,495
Capital requirement for credit risks in accordance with IRB	319,031	319,031
Capital requirement for operative risks - Base method	60,210	60,210
Additional capital requirement in accordance with the transitional rules	-	2,703,495
<b>Capital requirement</b>	<b>757,736</b>	<b>3,461,231</b>
<b>Capital adequacy ratio</b>	5.12	1.12
<b>Capital adequacy</b>	41.0%	9.0%
<b>Tier 1 capital adequacy</b>	35.5%	7.8%

The capital base on 31 December 2010 amounted to MSEK 3,882.

On 31 December 2010, the capital requirement according to Basel II amounted to MSEK 758. The capital demand is calculated as a minimum capital requirement based on credit, market and operating risks (Pillar I).

The capital adequacy ratio in accordance with Basel II was 5.12.

In addition to the minimum capital requirement, each institution must also conduct an internal capital assessment. This 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 for the Basel II capital adequacy rules to be fully implemented by 1 January 2010. This transition to Basel II was preceded by transitional rules that have applied for three years. Application of the transitional rules has now been extended. According to the transitional rules, Landshypotek has a capital adequacy ratio of 1.12.

## Risk and capital management

Landshypotek lends approximately SEK 50 billion to slightly more than 50,000 customers against collateral in the form of liens on farm properties. 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 value) at the time of lending. Together with Landshypotek's methods for assessing and limiting counterparty risk, this has resulted in a highly limited risk in the portfolio, as reflected in the Company's very low loan losses over time.

Landshypotek AB is owned by the Parent Company of the financial corporate group, Landshypotek, ekonomisk förening (incorporated association), which is a member-owned organisation. The financial corporate group has shareholders' equity amounting to MSEK 3,360 and a capital base of MSEK 3,882. The capital adequacy ratio is 5.12, corresponding to capital adequacy of 41.0 percent, and the Tier 1 capital ratio is 35.5 percent according to the Basel II rules.

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

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

Market risk comprises 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 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 events.

## Events after the end of the period under review

No events of material significance have occurred since the end of the period under review.

Stockholm, 8 February 2011

Kjell Hedman, Managing Director

This Year-end 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 in the preceding year. This Year-end Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies applied in this Year-end Report are unchanged compared to those applied in the most recent Annual Report aside from the calculation of taxes. The interim report utilizes the standardized method for the calculation of corporation tax.

## Income statement

### GROUP

SEK thousand	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
Interest income	474,489	397,385	433,405	1,719,141	1,777,540
Interest expense	-342,167	-323,704	-306,555	-1,247,307	-1,483,074
<b>Net interest income</b>	<b>132,322</b>	<b>73,681</b>	<b>126,850</b>	<b>471,834</b>	<b>294,466</b>
Dividend income	0	0	0	0	10,000
Commission income	3,298	3,390	2,673	11,529	11,840
Commission expense	-2,594	-763	-17,798	-20,620	-1,759
Net result of financial transactions	-20,067	-70,466	15,602	4,219	49,065
Other operating income	2,047	6,594	9,979	91,374	26,692
<b>Total operating income</b>	<b>115,006</b>	<b>12,436</b>	<b>137,306</b>	<b>558,336</b>	<b>390,304</b>
General administrative expense	-54,603	-50,599	-32,153	-169,754	-177,177
Depreciation, amortisation and impairment of intangible non-current assets	-3,561	-2,937	-2,382	-10,658	-12,598
Other operating expenses	-5,305	-5,021	-4,705	-20,613	-19,887
<b>Total expenses before loan losses</b>	<b>-63,469</b>	<b>-58,557</b>	<b>-39,240</b>	<b>-201,025</b>	<b>-209,662</b>
<b>Profit before loan losses</b>	<b>51,537</b>	<b>-46,121</b>	<b>98,066</b>	<b>357,311</b>	<b>180,642</b>
Loan losses, net	-4,895	-4,325	-1,826	-6,662	-8,484
Impairment of financial assets					
<b>Operating profit</b>	<b>46,642</b>	<b>-50,446</b>	<b>96,240</b>	<b>350,649</b>	<b>172,158</b>
Income tax	-14,805	15,587	-6,909	-76,908	-42,969
<b>Net profit for the period</b>	<b>31,837</b>	<b>-34,859</b>	<b>89,331</b>	<b>273,741</b>	<b>129,189</b>

## Statement of comprehensive income

### GROUP

SEK thousand	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
<b>Net profit for the period</b>	<b>31,837</b>	<b>-34,859</b>	<b>89,331</b>	<b>273,741</b>	<b>129,189</b>
<b>Other comprehensive profit and loss</b>					
Change in instruments for cash flow hedges	25,436	1,938	8,123	68,098	10,438
Change in available-for-sale financial instruments	-193,169	-86,320	-38,047	-291,379	-81,240
Taxes related to other comprehensive income loss	44,113	22,192	7,855	58,723	18,621
<b>Total other comprehensive profit and loss</b>	<b>-123,620</b>	<b>-62,190</b>	<b>-22,069</b>	<b>-164,558</b>	<b>-52,181</b>
<b>Total comprehensive profit for the period</b>	<b>-91,783</b>	<b>-97,049</b>	<b>67,262</b>	<b>109,183</b>	<b>77,008</b>

## Income statement

### LANDSHYPOTEK AB MODERBOLAGET

SEK thousand	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
Interest income	471,193	394,844	430,615	1,707,860	1,766,774
Interest expense	-343,100	-324,097	-307,136	-1,249,517	-1,487,067
<b>Net interest income</b> <i>Note 1</i>	<b>128,093</b>	<b>70,747</b>	<b>123,479</b>	<b>458,343</b>	<b>279,707</b>
Dividend income	0	0	0	0	0
Commission income	3,148	3,232	2,566	11,106	11,653
Commission expense	-2,594	-783	-17,798	-20,615	-1,714
Net result of financial transactions	-20,067	-70,466	15,602	4,219	49,065
Other operating income	2,048	5,628	9,979	93,413	23,213
<b>Total operating income</b>	<b>110,628</b>	<b>8,358</b>	<b>133,828</b>	<b>546,466</b>	<b>361,924</b>
General administrative expense	-60,381	-55,588	-33,598	-179,002	-186,334
Depreciation, amortisation and impairment of intangible non-current assets	-3,561	-2,621	-2,382	-10,658	-12,282
Other operating expenses	-5,086	-4,580	-4,706	-20,384	-18,514
<b>Total expenses before loan losses</b>	<b>-69,028</b>	<b>-62,789</b>	<b>-40,686</b>	<b>-210,044</b>	<b>-217,130</b>
<b>Profit before loan losses</b>	<b>41,600</b>	<b>-54,431</b>	<b>93,142</b>	<b>336,422</b>	<b>144,794</b>
Loan losses, net Impairment of financial assets <i>Note 2</i>	-3,863	-4,492	-1,829	-5,638	-8,438
<b>Operating profit</b>	<b>37,737</b>	<b>-58,923</b>	<b>91,313</b>	<b>330,784</b>	<b>136,356</b>
Income tax	-10,941	15,209	-5,625	-69,621	-36,150
<b>Net profit for the period</b>	<b>26,796</b>	<b>-43,714</b>	<b>85,688</b>	<b>261,163</b>	<b>100,206</b>

## Statement of comprehensive income

### LANDSHYPOTEK AB PARENT COMPANY

SEK thousand	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
<b>Net profit for the period</b>	<b>26,796</b>	<b>-43,714</b>	<b>85,688</b>	<b>261,163</b>	<b>100,206</b>
<b>Other comprehensive profit and loss</b>					
Change in instruments for cash flow hedges	25,436	4,892	25,436	68,098	10,438
Change in available-for-sale financial instruments	-193,169	28,506	-193,169	-291,379	-81,240
Taxes related to other comprehensive profit and loss	44,113	-8,783	44,113	58,723	18,621
<b>Total other comprehensive profit and loss</b>	<b>-123,620</b>	<b>24,615</b>	<b>-123,620</b>	<b>-164,558</b>	<b>-52,181</b>
<b>Total comprehensive profit for the period</b>	<b>-96,824</b>	<b>-19,099</b>	<b>-37,932</b>	<b>96,605</b>	<b>48,025</b>

## Balance sheet

SEK Thousand	GROUP			PARENT COMPANY		
	2010 30 Dec	2010 30 Sep	2009 31 Dec	2010 30 Dec	2010 30 Sep	2009 31 Dec
<b>ASSETS</b>						
Cash and balances with central banks	5,393	3,937	8,946	5,393	3,937	8,946
Due from financial institutions	216,144	643,815	87,761	201,416	646,123	300,505
Loans to customers	Note 3 51,773,034	50,779,091	46,455,974	51,457,391	50,459,326	46,142,049
Bonds and other interest-bearing securities	10,975,059	10,591,600	11,532,817	10,975,059	10,591,600	11,532,817
Derivative financial instruments	80,321	-144,648	308,074	80,321	-144,648	308,074
Shares	1	1	1	0	0	0
Shares in Group companies	0	0	0	514,827	514,827	515,027
Intangible non-current assets	0	0	0	0	0	0
Tangible assets				0	0	0
Equipment	2,601	2,655	3,334	2,601	2,655	3,334
Buildings and land	348,929	314,556	336,256	348,917	314,543	319,903
Other assets	96,875	757,453	449,953	76,274	732,788	444,778
Prepaid expenses and accrued income	662,497	583,081	612,446	661,732	582,450	611,595
<b>TOTAL ASSETS</b>	<b>64,160,854</b>	<b>63,531,541</b>	<b>59,795,562</b>	<b>64,323,931</b>	<b>63,703,601</b>	<b>60,187,027</b>
<b>LIABILITIES, PROVISIONS AND EQUITY</b>						
Due to financial institutions	83,962	2,796,526	5,709,996	371,722	3,094,286	6,224,755
Borrowing from the public	105,000	112,000	45,000	105,000	112,000	45,000
Debt securities in issue, etc.	58,413,189	55,542,789	49,027,096	58,413,189	55,542,789	49,027,096
Derivative financial instruments	606,683	153,749	229,107	606,683	153,749	229,107
Other liabilities	150,218	39,961	161,797	141,480	30,307	151,257
Accrued expenses and prepaid income	823,004	708,647	816,292	823,723	709,101	816,037
Provisions	74,232	107,064	136,431	48,944	76,901	102,731
Subordinated liabilities	549,949	549,956	350,000	549,949	549,956	350,000
<b>TOTAL LIABILITIES</b>	<b>60,806,237</b>	<b>60,010,692</b>	<b>56,475,719</b>	<b>61,060,690</b>	<b>60,269,089</b>	<b>56,945,983</b>
Untaxed reserves	-5,815					
<b>Equity</b>	<b>3,360,433</b>	<b>3,520,849</b>	<b>3,319,844</b>	<b>3,263,240</b>	<b>3,434,512</b>	<b>3,241,044</b>
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>	<b>64,160,854</b>	<b>63,531,541</b>	<b>59,795,562</b>	<b>64,323,931</b>	<b>63,703,601</b>	<b>60,187,027</b>

## Cash-flow statement

SEK thousand	GROUP		PARENT COMPANY	
	2010 Full year	2009 Full year	2010 Full year	2009 Full year
<b>Cash and cash equivalents beginning of period</b>	<b>8,946</b>	<b>2,707</b>	<b>8,946</b>	<b>2,707</b>
Cash flow from operating activities	-180,903	114,355	-164,562	101,353
Cash flow from investing activities	-22,599	-8,116	-38,940	4,886
Cash flow from financing activities	199,949	-100,000	199,949	-100,000
<b>Cash flow for the period</b>	<b>-3,553</b>	<b>6,239</b>	<b>-3,553</b>	<b>6,239</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,393</b>	<b>8,946</b>	<b>5,393</b>	<b>8,946</b>



# 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			50,189	-214,747	279,584	115,026
Total change before transactions with the owners	0	0	50,189	-214,747	279,584	115,026
Equity 31 December 2010	1,927,000	1,026,254	-166	-67,757	549,539	3,434,870

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			7,693	-59,874	129,150	76,975
Total change before transactions with the owners	0	0	7,693	-59,874	129,150	76,975
Equity 31 December 2009	1,927,000	1,026,248	-50,355	146,990	345,129	3,395,018

## 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			50,189	-214,747	261,191	96,633
Total change before transactions with the owners	0	0	50,189	-214,747	261,191	96,633
Equity 31 December 2010	1,927,000	1,010,000	-166	-67,757	468,600	3,337,676

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			7,693	-59,874	100,172	47,991
Total change before transactions with the owners	0	0	7,693	-59,874	100,172	47,991
Equity 31 December 2009	1,927,000	1,010,000	-50,355	146,990	282,583	3,316,217

# Notes

## NOTE 1 NET INTEREST INCOME

### GROUP

TSEK	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
<b>Interest income</b>					
Interest income on loans to credit institutions	325	45	137	563	462
Interest income on loans to Group companies	0	0	0	0	
Interest income on loans to customers	398,807	325,129	344,764	1,363,083	1,394,569
- less interest losses	-724	-64	-305	-2,081	-865
Interest income on interest-bearing securities	76,072	104,971	88,811	357,565	383,269
- of which interest income on financial assets values at fair value in the income statement	26,494	18,282	31,114	111,627	57,107
- of which interest income on available-for-sale financial assets	49,578	86,689	57,697	245,938	326,162
Other interest income	9	1	-2	11	105
<b>Total</b>	<b>474,489</b>	<b>430,082</b>	<b>433,405</b>	<b>1,719,141</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	-308	-106	-207	-624	-231
Interest expense for liabilities to credit institutions - other	-6,213	-11,969	-5,251	-20,766	-69,585
interest expense for borrowing from the public	0	0	0	0	0
Interest expense for interest-bearing securities	-378,046	-336,411	-339,550	-1,381,627	-1,400,831
- of which interest expense for other financial liabilities	271,680	-289,752	-66,883	-295,117	-1,188,460
- of which interest expense on financial assets valued at fair value in the income statement	-649,726	-46,659	-272,667	-1,086,510	-212,371
Interest expense on subordinated liabilities	-3,715	-1,120	-3,246	-8,981	-6,534
Interest expense for derivative instruments	46,692	-8,152	41,886	169,102	-812
- of which interest expense on derivatives valued at fair value in the income statement	110,895	-3,635	27,266	203,008	-1,040
- of which interest expense on derivatives identified as hedging instruments	-64,203	-4,517	14,620	-33,906	228
Other interest expense	-577	-275	-187	-4,411	-5,081
<b>Total</b>	<b>-342,167</b>	<b>-358,033</b>	<b>-306,555</b>	<b>-1,247,307</b>	<b>-1,483,074</b>
<b>Total net interest income</b>	<b>132,322</b>	<b>72,049</b>	<b>126,850</b>	<b>471,834</b>	<b>294,466</b>

### LANDSHYPOTEK AB PARENT COMPANY

TSEK	2010 Q 4	2009 Q 4	2010 Q 3	2010 Full year	2009 Full year
<b>Interest income</b>					
Interest income on loans to credit institutions	312	44	134	545	424
Interest income on loans to Group companies	19	26	4	53	192
Interest income on loans to customers	395,510	322,686	341,972	1,351,771	1,383,665
- less interest losses	-724	-65	-305	-2,081	-863
Interest income on interest-bearing securities	76,072	104,971	88,811	357,565	383,269
- of which interest income on financial assets values at fair value in the income statement	26,494	18,282	31,114	111,627	57,107
- of which interest income on available-for-sale financial assets	49,578	86,689	57,697	245,938	326,162
Other interest income	4	3	-1	7	87
<b>Total</b>	<b>471,193</b>	<b>427,665</b>	<b>430,615</b>	<b>1,707,860</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	-1,241	-663	-787	-2,841	-4,224
Interest expense for liabilities to credit institutions - other	-6,214	-11,969	-5,251	-20,767	-69,585
interest expense for borrowing from the public	0	0	0	0	0
Interest expense for interest-bearing securities	-378,046	-336,411	-339,550	-1,381,627	-1,400,831
- of which interest expense for other financial liabilities	271,680	-289,752	-402,680	-295,117	-1,188,460
- of which interest expense on financial assets valued at fair value in the income statement	-649,726	-46,659	63,130	-1,086,510	-212,371
Interest expense on subordinated liabilities	-3,715	-1,119	-3,246	-8,981	-6,534
Interest expense for derivative instruments	46,692	-8,152	41,886	169,102	-812
- of which interest expense on derivatives valued at fair value in the income statement	110,895	-3,635	27,266	203,008	-1,040
- of which interest expense on derivatives identified as hedging instruments	-64,203	-4,517	14,620	-33,906	228
Other interest expense	-576	-275	-188	-4,403	-5,081
<b>Total</b>	<b>-343,100</b>	<b>-358,589</b>	<b>-307,136</b>	<b>-1,249,517</b>	<b>-1,487,067</b>
<b>Total net interest income</b>	<b>128,093</b>	<b>69,076</b>	<b>123,479</b>	<b>458,343</b>	<b>279,707</b>

**NOTE 2 LOAN LOSSES NET**

**GROUP**

SEK thousand	2010 Q 3	2009 Q 3	2010 Q 2	2010 Jan - Sep	2009 Jan - Sep	2009 Full year
The period's impairment charge for realised losses	-4,733	-1,126	-23	-6,683	-658	-1,784
Reversal of prior provisions for probable loan losses, reported as realised losses	4,458	1,271	23	6,460	325	1,596
Impairment charge for probable loan losses	-7,098	-5,025	-2,493	-11,888	-4,389	-9,414
Recovery of previous realised losses	247	513	58	418	387	900
Reversal of provisions no longer required for probable loan losses	2,231	42	609	5,031	176	218
<b>Total loan losses</b>	<b>-4,895</b>	<b>-4,325</b>	<b>-1,826</b>	<b>-6,662</b>	<b>-4,159</b>	<b>-8,484</b>

All loan losses are attributable to loans to customers

**LANDSHYPOTEK AB PARENT COMPANY**

SEK thousand	2010 Q 3	2009 Q 3	2010 Q 2	2010 Jan - Sep	2009 Jan - Sep	2009 Full year
The period's impairment charge for realised losses	-4,733	-1,126	-23	-6,683	-658	-1,784
Reversal of prior provisions for probable loan losses, reported as realised losses	4,458	1,107	23	6,460	325	1,432
Impairment charge for probable loan losses	-6,063	-5,025	-2,493	-10,853	-4,172	-9,197
Recovery of previous realised losses	244	511	55	407	382	893
Reversal of provisions no longer required for probable loan losses	2,231	40	609	5,031	177	218
<b>Total loan losses</b>	<b>-3,863</b>	<b>-4,493</b>	<b>-1,829</b>	<b>-5,638</b>	<b>-3,946</b>	<b>-8,438</b>

All loan losses are attributable to loans to customers

**NOTE 3 NONPERFORMING LOANS**

SEK Thousand	GROUP				PARENT COMPANY			
	2010 30 Sep	2010 31 Jun	2009 31 Dec	2009 30 Sep	2010 30 Sep	2010 30 Jun	2009 31 Dec	2009 30 Sep
Nonperforming loans where interest is recognised as income	198,310	210,498	237,356	288,212	190,416	206,312	229,204	280,818
Nonperforming loans that are doubtful credits	19,047	12,317	32,823	26,046	18,993	12,263	32,769	26,046
<b>Total nonperforming loans</b>	<b>217,357</b>	<b>222,815</b>	<b>270,179</b>	<b>314,258</b>	<b>209,409</b>	<b>218,575</b>	<b>261,973</b>	<b>306,864</b>
Doubtful credits that are not nonperforming	18,247	8,654	10,005	1,496	18,247	8,654	9,774	1,496
Less provisions set aside	-7,940	-7,229	-6,897	-725	-6,850	-7,175	-6,844	-507
Doubtful credits that are not performing	18,916	12,317	32,823	26,334	18,862	12,263	32,769	26,046
<b>Total doubtful loans</b>	<b>29,223</b>	<b>13,742</b>	<b>35,931</b>	<b>27,105</b>	<b>30,259</b>	<b>13,742</b>	<b>35,699</b>	<b>27,035</b>
Shares taken over to protect claims	1	1	1	1				