

LANDSHYPOTEK AB

INTERIM REPORT JANUARY – JUNE

2012 # 2

- **LENDING to Swedish agriculture and forestry amounted to MSEK 57,736**

Loans outstanding increased MSEK 2,156 (3.9 percent) to MSEK 57,736 in the first six months of 2012. Demand for credit from Sweden's farmers and foresters were stable in 2012 and were driven by additional land acquisition and investments, primarily in production equipment.

- **OPERATING PROFIT excluding "net result of financial transactions" and sale of operating property amounted to MSEK 149.5 (143.4)**

The MSEK 6.1 increase in profit compared with the first-six months of 2011 was attributable to the rise in net interest income. Higher costs due to investments in a new business system and an increase in loan losses had an adverse impact on profit compared with the preceding year.

- **LOAN LOSS RATE 0.02 PERCENT (0.00 PERCENT)**

Loan losses for the first six months of 2012 amounted to MSEK 6.9, corresponding to 0.02 percent of loans outstanding. The reported loan losses are primarily a change in the net provision for doubtful credits, MSEK 6.7. Realised losses and recovery of privies realised losses amounted to MSEK 0.2.

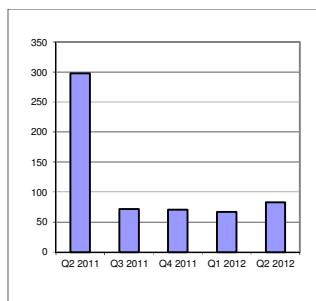
- **CAPITAL ADEQUACY amounted to 37.1 percent according to the Basel II rules.**

Calculated according to transition rules, the capital ratio was 9.4 percent. Under the future Basel III rules, capital adequacy will be the same as under Basel II.

Landshypotek AB

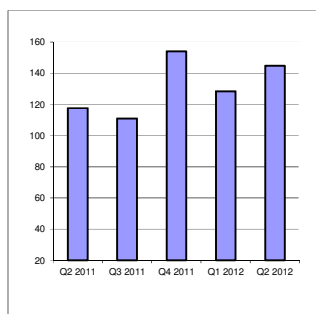
*Landshypotek AB
(Corporate Registration
Number 556500-2762) Interim
report for the period 1
January – 30 June 2012.*

Operating profit excluding “Net result of financial transactions”



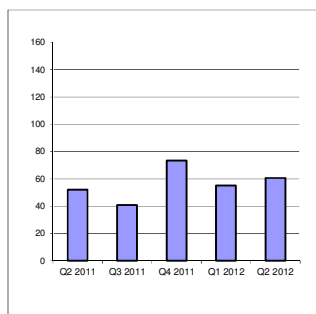
Operating profit for the first two quarters of 2012, excluding “Net result of financial transactions” amounted to MSEK 149.5.

Net interest income



Net interest income for the first two quarters of 2012 amounted to MSEK 273.3. 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 in the first two quarters of 2012 amounted to MSEK 115.7, an increase of MSEK 13.2 or approximately 13 percent year-on-year.

Landshypotek is a member-owned company tasked with providing competitive financing to Sweden’s farm and forest owners. With loans outstanding of slightly more than SEK 57.7 billion, Landshypotek accounts for 29.3 percent of total lending for agricultural and forestry properties in Sweden and is thus the market leader. Lending is characterised by adequate property collateral which, historically, has resulted in extremely low loan losses. Landshypotek has 110 employees at 18 offices throughout Sweden.

Operating profit 2012

Summary of income statement

MSEK	2012	2011
	Jan - Jun	Jan - Jun
Net interest income	273.3	239.8
Other operating income	34.1	211.9
<i>of which Net result of financial transactions</i>	35.3	-27
<i>of which Capital gain from the sale of operating property</i>	0.0	232.0
Expenses	-115.7	-102.5
<i>Cost income ratio adjust for property sales and financial transactions</i>	0.43	0.42
Loan losses	-6.9	-0.8
<i>Loan loss level, %</i>	0.02%	0.00%
Operating profit	184.8	348.4
<i>Operating profit not including Net result of financial transactions</i>	149.5	143.4

Consolidated operating profit for the first two quarters of 2012 amounted to MSEK 184.8, down MSEK 163.5 compared with the year-earlier period (MSEK 348.4). However, the profit comparison is significantly affected by the capital gain from the operating property that was sold in the preceding year and the change in the net result of financial transactions.

Excluding “Net result of financial transactions” and the sale of the operating property, operating profit totalled MSEK 149.5 (143.4). The improvement in underlying operating profit was due to the MSEK 33.5 increase in net interest income. Elevated costs of MSEK 13.2, mainly attributable to a new business system, and a larger net provision of MSEK 6.1 for doubtful credits had an adverse impact on profit compared with the year-earlier period.

Net interest income

Net interest income for the first two quarters of 2012 amounted to MSEK 273.3, up 14 percent compared with the year-earlier period (MSEK 239.8). Net interest income is determined based on the volume of loans outstanding, the margin between interest rates on deposits and lending and returns received on equity invested in the lending operation.

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

Other operating income

Operating income excluding net interest income amounted to MSEK 34.1 for the period, down MSEK 177.8 compared with the year-earlier period. The main reason for the decline is that profit for 2011 included a capital gain of approximately MSEK 230 from the sale of an operating property.

“Net result of financial transactions” rose with MSEK 62.3 year-on-year, amounting to MSEK 35.3 for 2012, compared with a loss of MSEK 27.0 in 2011. The result of MSEK 35.3 comprised an unrealised profit of MSEK 46.0 and a realised loss of MSEK 10.7.

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 revaluations, the revaluations carried directly against equity must also be taken into account. Net, after taxes recognized, revaluation in equity amounted to a loss of MSEK 33.7 in 2012.

Costs

Costs for the first two quarters of 2012 amounted to MSEK 115.7 (102.5). The increase in costs of MSEK 13.2 or 13 percent was primarily attributable to costs linked to the ongoing implementation of a new business system.

Loan losses and doubtful credits

Loan losses for the first two quarters of the year amounted to MSEK 6.9 (0.8). Confirmed loan losses totalled MSEK 1.6 (3.5). Provisions for suspected loan losses amounted to MSEK 11.4 (6.3). Recoveries of previously confirmed losses, or previously doubtful credits, amounted to MSEK 4.8 (8.9). Recoveries of preceding years' confirmed loan losses amounted to MSEK 1.5 (0.1).

At 30 June 2012, doubtful credits amounted to MSEK 81.1, corresponding to 0.13 percent of loans outstanding. At 30 June 2011, doubtful credits amounted to MSEK 26.1, corresponding to 0.05 percent of total loans outstanding. Doubtful credits as a percentage of total loans outstanding are at a very low level. However, the trend since the late autumn of 2011 has been negative with a rising proportion of doubtful credits. The increase is explained by a greater proportion of customers with lagging payments.

Comparison with the first quarter of 2012

Compared with the first quarter of 2012, operating profit for the second quarter of 2012 rose MSEK 12.3. The improvement in earnings was due to higher net interest income, which was partly offset by higher costs.

Market overview

Market trend

Profitability in Swedish agriculture was pressed, but generally remained unchanged during the first months of the year. Profitability for grain, beef and pork production increased due to higher settlement prices and also lower costs for, for example, electricity, diesel and interest rates. The year did not begin as positively for dairy farmers. Settlement prices for milk have declined since the start of the year.

Price levels for both pulpwood and timber declined at the start of 2012. The degree varies around the country but in general terms, price levels fell about 10 percent. Demand for timber and pulpwood remains strong and the decline in price levels should be viewed as a correction of the high price levels prevalent in the summer and early autumn of 2011.

The price of agricultural and forestry properties rose in 2011. The most substantial increase in price was noted by agricultural properties with a rise of 7 percent in 2011, although regional differences were large. Generally, the price of forestry properties rose 1 percent in 2011 and again regional differences were substantial. In the first six months of 2012, price levels remained stable both for agricultural and forestry properties.

Landshypotek's performance

Landshypotek increased its net lending by SEK 2.2 billion during the year, corresponding to lending growth of 3.9 percent, compared with 3.3 percent in the first six months of 2011. Demand for credit from Sweden's forestry and agriculture sector was stable in 2012. The annual credit growth for agriculture and forestry amounted to 8 percent, representing a 50-percent decline since 2009. Credit demand was driven by investment, primarily in production facilities and land acquisition.

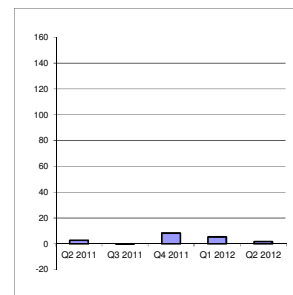
Financing

Borrowing

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

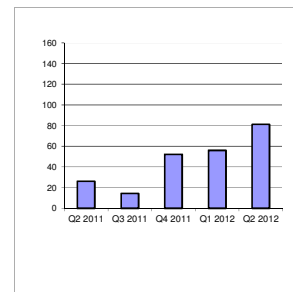
- borrowing is well diversified as regards programmes, currencies and investors
- borrowing has a tenor that corresponds well to the tenor of assets
- substantial concentrations of borrowings maturing during a short duration are avoided.

Loan losses



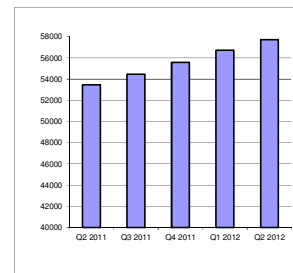
Loan losses for the first two quarters of 2012 amounted to MSEK 6.9.

Doubtful credits



Doubtful credits amounted to MSEK 81.1 on 30 June.

Lending volume



Landshypotek's lending for the year increased 3.9 percent to SEK 57.7 billion.

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

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

During the year, Landshypotek issued covered bonds to a value of approximately SEK 11.8 billion. In addition, senior bonds at a value of approx SEK 1.8 billion and a subordinated loan at a value of SEK 0.5 billion were issued.

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

Programme (MSEK)	Issued 30-06-2012	Maximum amount	Issued 31-12-2011
Swedish commercial paper	4,075	10,000	3,650
MTN programme	38,594	50,000	35,710
EMTN programme	18,770	30,692*	20,729
RCB**	3,266		3,322
Other bonds	0		0
Subordinated loans	700		550

* MEUR 3 500

** Registered Covered Bonds

Liquidity

Landshypotek has a substantial portfolio of interest-bearing securities, valued at SEK 13.1 billion at 30 June 2012. The portfolio primarily comprises Swedish covered bonds with the highest credit rating and to a minor extent, bonds issued by Swedish municipalities. Securities can be sold or borrowed against, as required, to manage the financing of maturing debt. At 30 June 2012, the portfolio was 1.6 (1.3) times larger than market financing maturing in the next six months.

Rating

Landshypotek has a credit rating from three different rating agencies. In mid-May, Moody's downgraded its credit rating for Landshypotek by two levels from A3 to Baa2. This downgrade was part of Moody's review of banks and institutes in Europe due to the state financial situation. The other credit ratings remained unchanged. Standard & Poors confirmed the AAA rating for covered bonds and A, A-1 for the company during the year. Fitch confirmed the credit rating of A+, F1

	Long	Short
S&P Covered bonds	AAA	
S&P	A	A1, K1
Fitch	A+	F1
Moody's	A3	P2

Risk and capital management

Landshypotek's loans outstanding amounted to just less than SEK 5 billion to about 50,000 customers against collateral in the form of liens on agricultural and forestry properties.

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

Credit risk is defined as the risk that Landshypotek does not receive payment as agreed in combination with the risk that the value of the collateral is not adequate and thus will not cover the outstanding claim. The risk encompasses all Landshypotek's retail receivables including concentration risk, environmental risk and political risk. 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). The collateral in combination with Landshypotek's methods for assessing and limiting counterparty risk have resulted in highly limited credit risk in the portfolio, as reflected in the company's very low loan losses over time.

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.

Capital adequacy

The capital base on 30 June 2012 was MSEK 4,526. On 30 June 2012, the capital requirement according to Basel II amounted to MSEK 975, corresponding to a capital adequacy of 37.1 percent.

The capital adequacy regulations pursuant to Basel II should have been applied in full from 1 January, 2010. However, the transition to Basel II has been deferred to a later date and the transitional rules are still being applied. Capital adequacy pursuant to the transitional rules amounted to 9.4 percent at 30 June 2012.

Landshypotek does not believe that the forthcoming Basel III rule will have any impact on capital adequacy compared with the figures reported below in accordance with Basel II.

Financial Corporate Group * 30-06-2012		
SEK thousand	Basel II	Transitional rules
Tier 1 capital	3,882,303	3,882,303
Tier 2 capital	643,881	643,881
Capital base (after deductions)	4,526,184	4,526,184
Deduction for deferred tax assets	-11,236	0
Deduction Intangible non-current assets	-25,867	0
Deduction in accordance with Chapter 3, Section 8 of the Swedish Capital Adequacy and Large Exposures Act	-107,011	0
Capital requirement for credit risks in accordance with the standard method	483,166	483,166
Capital requirement for credit risks in accordance with IRB	409,640	409,640
Capital requirement for operative risks - Base method	82,017	82,017
Additional capital requirement in accordance with the transitional rules	-	2,833,178
Capital requirement	974,823	3,808,001
Capital adequacy ratio	4.6	1.2
Capital adequacy	37.1%	9.4%
Tier 1 capital adequacy	31.9%	8.1%

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

Group structure

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

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

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

Events after the end of the period under review

Landshypotek has decided to discontinue its partnership with Moody's credit rating agency. Moody's only rates Landshypotek's unsecured funding, which comprises a small percentage of total borrowing. Landshypotek has received ratings from three different credit rating agencies (Standard & Poor's, Fitch and Moody's) for this type of borrowing. Landshypotek believes that a rating from two agencies is sufficient.

Once the partnership with Moody's has been discontinued, Landshypotek will have a rating from Standard & Poors for its covered bonds, currently AAA, and from Standard & Poors and Fitch for the unsecured funding, currently A, A-1 and A+ F1, respectively.

Stockholm, 27 July 2012

Kjell Hedman, Managing Director

This Interim Report encompasses the Group comprising Landshypotek AB and the subsidiary Landshypotek Jordbrukskredit AB. Landshypotek AB is reported separately. Amounts in parentheses refer to the corresponding period in the preceding year. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Calculation methods and risk management are unchanged compared to those applied in the most recent Annual Report.

Review report

We have reviewed the interim report of Landshypotek AB (publ) for the 1 January to 30 June 2012 period. The Board of Directors and Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies, and in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies for the Parent Company.

Stockholm, 27 July 2012

Ulf Westerberg
Authorised Public Accountant

Christina Asséus Sylvén
Authorised Public Accountant

Income statement

GROUP

SEK thousand	2012 Q2	2011 Q2	2011 Q4	2012 Jan-Jun	2011 Jan-Jun	2011 Full year
Interest income	659 665	615 066	681 780	1 341 445	1 162 658	2 491 985
Interest expense	-514 862	-497 447	-553 270	-1 068 132	-922 846	-1 987 026
Net interest income	144 803	117 619	128 510	273 313	239 812	504 959
Commission income	4 554	3 298	3 577	8 131	6 633	13 666
Commission expense	-4 986	-5 894	-5 562	-10 548	-11 021	-22 238
Net result of financial transactions	15 948	-569	19 384	35 332	-27 027	-3 381
Other operating income	594	237 079	585	1 179	243 268	246 496
Total operating income	160 913	351 533	146 494	307 407	451 665	739 502
General administrative expense	-55 183	-44 205	-52 904	-108 087	-86 386	-194 056
Depreciation, amortisation and impairment of intangible non-current assets	-305	-1 874	-273	-578	-4 469	-5 368
Other operating expenses	-5 183	-5 945	-1 884	-7 067	-11 619	-17 316
Total expenses before loan losses	-60 671	-52 025	-55 061	-115 733	-102 474	-216 741
Profit before loan losses	100 242	299 508	91 433	191 674	349 191	522 761
Loan losses, net	-1 694	-2 707	-5 158	-6 852	-841	-8 910
Operating profit	98 548	296 802	86 275	184 822	348 350	513 851
Income tax	-25 536	27 315	-23 042	-48 578	14 041	-23 810
Net profit for the period	73 012	324 117	63 233	136 244	362 391	490 041

Statement of comprehensive income

GROUP

SEK thousand	2012 Q2	2011 Q2	2011 Q4	2012 Jan-Jun	2011 Jan-Jun	2011 Full year
Net profit for the period	73 012	324 117	63 233	136 244	362 391	490 041
Other comprehensive profit and loss						
Change in instruments for cash flow hedges	-17 130	-15 059	46 444	29 314	1 526	-34 237
Change in available-for-sale financial instruments	-40 298	75 015	-34 730	-75 028	51 675	211 172
Taxes related to other comprehensive income loss	15 103	-15 768	-3 081	12 023	-13 991	-46 534
Total other comprehensive profit and loss	-42 325	44 188	8 632	-33 691	39 210	130 401
Total comprehensive profit for the period	30 687	368 305	71 865	102 553	401 601	620 442

Income statement

LANDSHYPOTEK AB PARENT COMPANY

SEK thousand	2012 Q2	2011 Q2	2011 Q4	2012 Jan-Jun	2011 Jan-Jun	2011 Full year
Interest income	655 119	611 322	677 711	1 332 830	1 155 307	2 476 472
Interest expense	-514 419	-499 329	-555 781	-1 070 200	-926 082	-1 994 416
Net interest income	140 700	111 993	121 931	262 631	229 225	482 056
Commission income	3 661	2 937	3 509	7 170	6 163	13 081
Commission expense	-4 986	-5 893	-5 562	-10 548	-11 020	-22 238
Net result of financial transactions	15 948	-569	19 384	35 332	-27 027	-3 381
Other operating income	593	237 078	569	1 162	243 266	245 874
Total operating income	155 916	345 547	139 831	295 747	440 607	715 393
General administrative expense	-57 474	-46 176	-55 417	-112 891	-90 270	-204 290
Depreciation, amortisation and impairment of intangible non-current assets	-305	-1 874	-273	-578	0	0
Other operating expenses	-5 148	-5 942	-1 878	-7 026	-11 613	-17 300
Total expenses before loan losses	-62 927	-53 992	-57 568	-120 495	-106 352	-226 958
Profit before loan losses	92 989	291 555	82 263	175 251	334 255	488 434
Loan losses, net	465	-1 824	-2 576	-2 111	35	-3 132
Operating profit	93 454	289 731	79 687	173 140	334 290	485 302
Income tax	-24 594	29 176	-20 911	-45 505	17 740	-16 284
Net profit for the period	68 860	318 907	58 777	127 635	352 030	469 018

Statement of comprehensive income

LANDSHYPOTEK AB PARENT COMPANY

SEK thousand	2012 Q2	2011 Q2	2011 Q4	2012 Jan-Jun	2011 Jan-Jun	2011 Full year
Net profit for the period	68 860	318 907	58 777	127 635	352 030	469 018
Other comprehensive profit and loss						
Change in instruments for cash flow hedges	-17 130	-15 059	46 444	29 314	1 526	-34 237
Change in available-for-sale financial instruments	-40 298	75 015	-34 730	-75 028	51 675	211 172
Taxes related to other comprehensive profit and loss	15 103	-15 768	-3 081	12 023	-13 991	-46 534
Total other comprehensive profit and loss	-42 325	44 188	8 633	-33 691	39 210	130 401
Total comprehensive profit for the period	26 535	363 095	67 410	93 944	391 240	599 419

Balance sheet

SEK Thousand	GROUP				PARENT COMPANY			
	2012 30-Jun	2012 31-Mar	2011 31-Dec	2011 30-Jun	2012 30-Jun	2012 31-Mar	2011 31-Dec	2011 30-Jun
ASSETS								
Cash and balances with central banks	21,127	37,937	6,374	7,218	21,127	37,937	6,374	7,218
Due from financial institutions	42,949	107,573	164,561	662,477	69,172	188,805	145,106	661,716
Loans to customers <i>Note 3</i>	57,735,955	56,722,318	55,579,600	53,479,114	57,402,784	56,436,640	55,303,336	53,191,540
Bonds and other interest-bearing securities	13,096,603	13,665,017	13,237,313	13,091,422	13,096,603	13,665,017	13,237,313	13,091,422
Derivative financial instruments	469,785	443,632	495,554	56,344	469,785	443,632	495,554	56,344
Shares	1	1	1	1	0	0	0	0
Shares in Group companies	0	0	0	0	345,753	514,827	514,827	514,827
Intangible non-current assets	25,867	18,286	14,058	0	25,867	18,286	14,058	0
Tangible assets								
Equipment	7,757	3,476	1,788	2,036	7,757	3,476	1,788	2,036
Buildings and land	15,426	15,581	15,735	16,173	15,426	15,581	15,735	16,160
Other assets	606,896	384,455	376,236	472,154	598,717	369,895	360,166	452,563
Prepaid expenses and accrued income	697,683	1,010,576	912,456	678,956	696,551	1,010,801	910,985	677,727
TOTAL ASSETS	72,720,050	72,408,852	70,803,676	68,465,893	72,749,544	72,704,895	71,005,241	68,671,552
LIABILITIES, PROVISIONS AND EQUITY								
Due to financial institutions	62,369	1,801,025	162,157	545,946	158,369	2,220,025	487,157	877,946
Borrowing from the public	954,061	586,857	312,453	149,256	954,061	586,857	312,453	149,256
Debt securities in issue, etc.	65,769,812	64,045,854	64,305,540	62,253,704	65,769,812	64,045,854	64,305,540	62,253,704
Derivative financial instruments	247,205	210,050	273,551	244,705	247,205	210,050	273,551	244,705
Other liabilities	49,612	189,554	200,170	140,542	46,713	185,827	193,980	126,293
Accrued expenses and prepaid income	941,835	1,034,104	1,080,270	799,683	942,188	1,035,930	1,081,705	801,068
Provisions	27,315	51,693	51,685	25,817	15,382	37,679	35,590	4,263
Subordinated liabilities	697,387	549,968	549,949	549,988	697,387	549,968	549,949	549,988
TOTAL LIABILITIES	68,749,596	68,469,105	66,935,775	64,709,641	68,831,117	68,872,190	67,239,926	65,007,223
Equity	3,970,453	3,939,747	3,867,901	3,756,251	3,918,427	3,832,705	3,765,315	3,664,327
TOTAL LIABILITIES, PROVISIONS AND EQUITY	72,720,050	72,408,852	70,803,676	68,465,893	72,749,544	72,704,895	71,005,241	68,671,552

Cash-flow statement

SEK thousand	GROUP			PARENT COMPANY		
	2012 Jan - Jun	2011 Jan - Jun	2011 Full Year	2012 Jan - Jun	2011 Jan - Jun	2011 Full Year
Cash and cash equivalents beginning of period	170 935	221 537	221 537	151 479	206 808	206 808
Cash flow from operating activities	-236 249	114 798	-496 403	-190 570	128 766	-501 118
Cash flow from investing activities	-18 048	333 321	445 801	-18 048	333 321	445 789
Cash flow from financing activities	147 438	39	0	147 438	39	0
Cash flow for the period	-106 859	448 158	-50 602	-61 180	462 126	-55 329
Cash and cash equivalents at end of period	64 076	669 695	170 935	90 299	668 934	151 479

Statement of changes in equity

GROUP

SEK thousand	Share contributed capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2011	1,927,000	1,026,254	-25,398	87,878	852,167	3,867,901
Net profit for the period			21,605	-55,296	136,244	102,553
Total change before transactions with the owners	0	0	21,605	-55,296	136,244	102,553
Other					-1	-1
Equity 30 June 2012	1,927,000	1,026,254	-3,793	32,582	988,410	3,970,453

SEK thousand	Share contributed capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2010	1,927,000	1,026,254	-166	-67,757	469,287	3,354,617
Net profit for the period			1,125	38,085	362,391	401,601
Total change before transactions with the owners	0	0	1,125	38,085	362,391	401,601
Taxes on group contribution rendered					32	32
Equity 30 June 2011	1,927,000	1,026,254	959	-29,672	831,710	3,756,251

LANDSHYPOTEK AB PARENT COMPANY

SEK thousand	Share contributed capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2011	1 927 000	1 016 694	-25 398	87 878	759 142	3 765 315
Merger of subsidiary		0			59 169	59 169
Net profit for the period			21 605	-55 296	127 635	93 944
Total change before transactions with the owners	0	0	21 605	-55 296	186 804	153 113
Other					-1	-1
Equity 30 June 2012	1 927 000	1 016 694	-3 793	32 582	945 945	3 918 427

SEK thousand	Share contributed capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2010	1 927 000	1 010 000	-166	-67 757	394 163	3 263 240
Capital gain due to liquidation of subsidiary		6 694			3 122	9 816
Net profit for the period			1 125	38 085	352 030	391 240
Total change before transactions with the owners	0	6 694	1 125	38 085	355 152	401 056
Dividend/group contribution rendered					0	0
Taxes on group contribution rendered					32	32
Equity 30 June 2011	1 927 000	1 016 694	959	-29 672	749 346	3 664 327

Notes

NOTE 1 NET INTEREST INCOME

GROUP

TSEK	2012 Q2	2011 Q2	2012 Q1	2012 Jan - Jun	2011 Jan - Jun	2011 Full year
Interest income						
Interest income on loans to credit institutions	-26	280	256	230	544	1,081
Interest income on loans to Group companies	0	0	0	0	0	0
Interest income on loans to customers	571,352	523,004	587,277	1,158,629	989,071	2,132,184
- less interest losses	-625	-56	-177	-802	-149	-1,640
Interest income on interest-bearing securities	88,963	91,831	94,406	183,369	173,179	360,313
- of which interest income on financial assets valued at fair value in the income statement	71,820	9,019	64,258	136,078	40,267	128,764
- of which interest income on available-for-sale financial assets	17,143	82,812	30,148	47,291	132,912	231,549
Other interest income	2	8	18	20	13	46
Total	659,665	615,067	681,780	1,341,445	1,162,658	2,491,985
All interest income is attributable to the Swedish market.						
Interest expense						
Interest expense for liabilities to Group companies	-936	-492	-1,029	-1,965	-907	-2,033
Interest expense for liabilities to credit institutions - other	-6,353	-2,025	-3,446	-9,799	-4,055	-9,107
interest expense for borrowing from the public	-6,362	0	0	-6,362	0	0
Interest expense for interest-bearing securities	-503,151	-481,149	-547,386	-1,050,537	-924,600	-1,967,626
- of which interest expense for other financial liabilities	-125,325	-128,100	-158,056	-283,381	-276,315	-525,098
- of which interest expense on financial assets valued at fair value in the income statement	-377,826	-353,049	-389,330	-767,156	-648,285	-1,442,528
Interest expense on subordinated liabilities	-7,821	-4,720	-4,982	-12,803	-9,001	-18,630
Interest expense for derivative instruments	8,208	-8,657	6,835	15,043	16,244	13,736
- of which interest expense on derivatives valued at fair value in the income statement	7,279	-4,864	669	7,948	19,158	19,980
- of which interest expense on derivatives identified as hedging instruments	929	-3,793	6,166	7,095	-2,914	-6,244
Other interest expense	1,552	-405	-3,261	-1,709	-527	-3,365
Total	-514,864	-497,448	-553,270	-1,068,132	-1,068,132	-1,987,026
Total net interest income	144,801	117,619	128,510	273,313	304,622	504,959

LANDSHYPOTEK AB PARENT COMPANY

TSEK	2012 Q2	2011 Q2	2012 Q1	2012 Jan - Jun	2011 Jan - Jun	2011 Full year
Interest income						
Interest income on loans to credit institutions	-25	243	221	196	474	931
Interest income on loans to Group companies	257	8	374	631	17	97
Interest income on loans to customers	566,545	519,272	582,871	1,149,416	981,760	2,116,706
- less interest losses	-625	-32	-176	-801	-123	-1,578
Interest income on interest-bearing securities	88,963	91,831	94,406	183,369	173,179	360,313
- of which interest income on financial assets valued at fair value in the income statement	71,820	9,019	64,258	136,078	40,267	128,764
- of which interest income on available-for-sale financial assets	17,143	82,812	30,148	47,291	132,912	231,549
Other interest income	5	0	14	19	0	2
Total	655,119	611,322	677,711	1,332,830	1,155,307	2,476,472
All interest income is attributable to the Swedish market.						
Interest expense						
Interest expense for liabilities to Group companies	-493	-2,373	-3,540	-4,033	-4,143	-9,423
Interest expense for liabilities to credit institutions - other	-6,352	-2,025	-3,447	-9,799	-4,055	-9,107
interest expense for borrowing from the public	-6,362	0	0	-6,362	0	0
Interest expense for interest-bearing securities	-503,151	-481,149	-547,386	-1,050,537	-924,600	-1,967,626
- of which interest expense for other financial liabilities	-125,325	-128,100	-158,056	-283,381	-276,315	-525,098
- of which interest expense on financial assets valued at fair value in the income statement	-377,826	-353,049	-389,330	-767,156	-648,285	-1,442,528
Interest expense on subordinated liabilities	-7,821	-4,720	-4,982	-12,803	-9,001	-18,630
Interest expense for derivative instruments	8,208	-8,657	6,835	15,043	16,244	13,736
- of which interest expense on derivatives valued at fair value in the income statement	7,279	-4,864	669	7,948	19,158	19,980
- of which interest expense on derivatives identified as hedging instruments	929	-3,793	6,166	7,095	-2,914	-6,244
Other interest expense	1,552	-405	-3,261	-1,709	-527	-3,365
Total	-514,419	-499,329	-555,781	-1,070,200	-926,082	-1,994,416
Total net interest income	140,700	111,993	121,931	262,631	229,225	482,056

NOTE 2 LOAN LOSSES NET

GROUP

SEK thousand	2012 Q2	2011 Q2	2012 Q1	2012 Jan-Jun	2011 Jan - Jun	2011 Full year
The period's impairment charge for realised losses	-1,419	-375	-218	-1,637	-3,516	-5,922
Reversal of prior provisions for probable loan losses, reported as realised losses	1,082	375	218	1,300	3,016	5,422
Impairment charge for probable loan losses	-4,729	-3,205	-6,719	-11,448	-6,304	-19,307
Recovery of previous realised losses	875	47	580	1,455	109	1,963
Reversal of provisions no longer required for probable loan losses	2,496	452	981	3,477	5,855	8,934
Total loan losses	-1,695	-2,707	-5,158	-6,852	-840	-8,910

All loan losses are attributable to loans to customers

LANDSHYPOTEK AB PARENT COMPANY

SEK thousand	2012 Q2	2011 Q2	2012 Q1	2012 Jan-Jun	2011 Jan - Jun	2011 Full year
The period's impairment charge for realised losses	-1,419	-321	-218	-1,637	-2,426	-3,945
Reversal of prior provisions for probable loan losses, reported as realised losses	1,082	321	218	1,300	1,926	3,445
Impairment charge for probable loan losses	-2,568	-2,319	-4,137	-6,705	-5,418	-13,514
Recovery of previous realised losses	874	43	579	1,453	98	1,948
Reversal of provisions no longer required for probable loan losses	2,496	452	981	3,477	5,855	8,934
Total loan losses	466	-1,824	-2,576	-2,111	35	-3,132

All loan losses are attributable to loans to customers

NOTE 3 PAST DUE RECEIVABLES, ETC.

SEK Thousand	GROUP				PARENT COMPANY			
	2012 30-Jun	2012 31-Mar	2011 31-Dec	2011 30-Jun	2012 30-Jun	2012 31-Mar	2011 31-Dec	2011 30-Jun
Nonperforming loans where interest is recognised as income	572,451	418,706	427,454	365,252	566,555	413,539	414,022	347,433
Nonperforming loans that are doubtful credits	87,492	60,742	50,842	21,161	77,843	53,253	45,936	20,274
Total nonperforming loans	659,943	479,448	478,296	386,413	644,398	466,792	459,958	367,707
Doubtful credits that are not nonperforming	12,557	13,290	14,232	10,241	12,557	13,290	14,232	10,241
Less provisions set aside	-18,962	-17,941	-12,986	-5,270	-9,313	-10,452	-8,080	-4,383
Doubtful credits that are not performing	87,492	60,742	50,842	21,161	77,843	53,253	45,936	20,274
Total doubtful loans	81,087	56,091	52,088	26,132	81,087	56,091	52,088	26,132
Shares taken over to protect claims	1	1	1	1				