

# LANDSHYPOTEK AB

## INTERIM REPORT JANUARY–SEPTEMBER

### 2009 #3

#### ■ OPERATING PROFIT, NOT INCLUDING “NET RESULT OF FINANCIAL TRANSACTIONS”, FOR THE FIRST THREE QUARTERS OF 2009 AMOUNTED TO MSEK 103.1 (149.9)

The change in profit is explained by lower net interest income and lower recoveries. Net interest income for the first three quarters of 2009 amounted to MSEK 220.8, a decrease by MSEK 33.7 compared to the corresponding period 2008. The lower net interest income is explained primarily by lower market interest rates which has meant a lower return on the portion of equity invested in lending operations.

#### ■ LOAN VOLUME AMOUNTED TO MSEK 44,885 (40,802)

U Loans outstanding increased during the year by 8.7 percent to MSEK 44,885. The loan volume increased by 2.7 percent during the corresponding year-ago period. The increase in growth in 2009 compared to 2008 is explained by increased activity in the market. There is great interest in purchasing additional land, as well as investment in buildings and machinery. Landshypotek is also attracting a flow of new customers.

#### ■ LOAN LOSS LEVEL 0.01 PERCENT (–0.06 PERCENT)

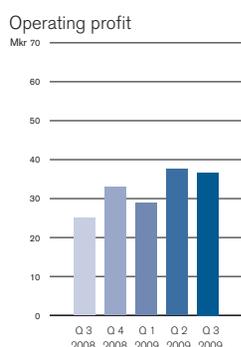
Loan losses for the first nine months of 2009 amounted to MSEK 4.2, equivalent to 0.01 percent of loans outstanding. For the corresponding period 2008 recoveries exceeded loan losses and Landshypotek then reported recoveries of MSEK 11.6, equivalent to –0.06 percent of loans outstanding. As of September 30 2009 doubtful credits amounted to MSEK 27.1 (1.4), equivalent to 0.06 percent (0.00 percent) of loans outstanding.

#### ■ CAPITAL ADEQUACY AMOUNTED TO 37.9 PERCENT; TIER I CAPITAL ADEQUACY WAS 34.4 PERCENT

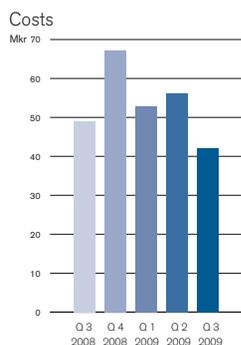
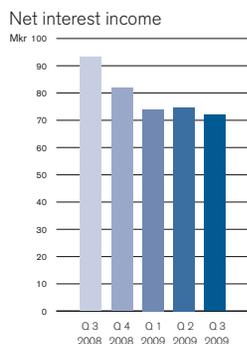
Based on the Basel II capital adequacy rules, Landshypotek has a very strong capital situation. Transitional rules remain in effect during 2009; under the transitional rules Landshypotek has capital adequacy of 8.9 percent and Tier 1 capital adequacy of 8.0 percent.

# Landshypotek AB

Landshypotek AB (organisation number 556500-2762) hereby submits its interim report for the period 1 January – 30 September 2009.



Operating profit, not including "Net result of financial transactions"



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 45 Billion, Landshypotek is the market leader with more than 35 percent of the market. Landshypotek's lending is characterised by adequate real property security, which has meant very low credit losses.

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

## Operating profit January – September 2009

The consolidated operating result for the first three quarters of 2009 amounted to MSEK 222.6, an increase by MSEK 76.0 compared to the corresponding period one year ago (MSEK 146.6). Not including "Net result of financial transactions" operating profit amounted to MSEK 103.1 (149.9). The decrease in profit is explained primarily by lower net interest income due to lower market interest rates and lower recoveries of realised loan losses in prior years.

The Parent Company's result accounts for 90 percent of consolidated profit. The comments below therefore apply to the Parent Company as well.

## Net interest income

Net interest income for the period January – September 2009 amounted to MSEK 220.8, a decrease by MSEK 33.7 compared to the corresponding period in 2008 (MSEK 254.5). The decrease is explained primarily by the fact that interest rates were lower in 2009 compared to 2008. This affects the return on equity invested in the lending operations. The margin between borrowing and lending was stable and remains at the same level as last year. The higher volume of loans outstanding had a positive impact on net interest income.

## Other operating income

Operating income not including net interest income amounted to MSEK 157.1, an increase by MSEK 125.3 compared to the corresponding period in 2008. The increase is explained primarily by an increase in "Net result of financial transactions" by MSEK 119.5, from MSEK -3,4 in 2008. 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 revaluation of certain financial instruments. In order to gain an understanding of the total effect of fair value measurement, the revaluations carried directly to equity must also be taken into account. The total revaluation effect for Landshypotek will then be approximately MSEK +133.0. In addition, a dividend in the amount of MSEK 10 from a non-consolidated subsidiary was recorded in 2009.

## Costs

Costs amounted to MSEK 151.1 (151.4). Costs decreased by MSEK 0.3 compared to the preceding year.

*Loan losses and doubtful credits*

Loan losses for the period January – September 2009 amounted to MSEK –4.2 (+11.6). Recoveries of previously realised losses, or previously doubtful credits, amounted to MSEK 0.9 (14.0). Doubtful credits amounted to MSEK 27.1, equivalent to 0.06 percent of loans outstanding. As of September 30 2008 doubtful credits amounted to MSEK 1.4, equivalent to 0.00 percent of loans outstanding.

During spring/summer of 2009 Landshypotek performed in-depth analysis of the loan portfolio and carried out different types of stress tests with a view to assessing performance under varying macro-economic scenarios. We are currently not seeing any signs that the overall economic situation has affected the quality of Landshypotek’s loan portfolio. Nor can we see that a general deterioration of the economy will lead to significantly higher loan losses. The reason for this is, in part, that the loan value is low – the average volume-weighted loan value is 38.1 percent – and the overall repayment ability of Landshypotek’s customers is also strong. Landshypotek’s customers derive their income from several sources, such as income from employment, contracting business, forestry and agriculture.

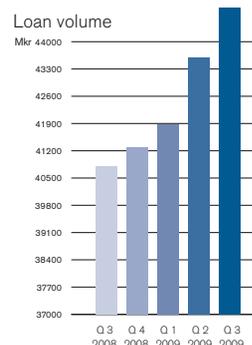
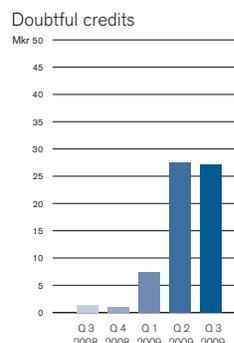
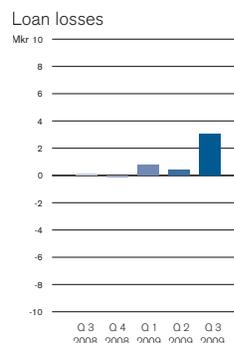
**Operating profit July – September 2009**

Compared to the second quarter of 2009, third quarter operating profit deteriorated by MSEK 11.7. The lower result is primarily explained by a lower net result from financial transactions and by the fact that a dividend payment from a non-consolidated subsidiary was received during the second quarter.

**Market overview**

Loans outstanding have increased during the year by 8.7 percent to MSEK 44,885. During the corresponding period of the year before, loans outstanding increased by 2.7 percent. The greater growth rate in 2009 compared to 2008 is explained by increased activity in the market. There is great interest in purchasing additional land and in investing in buildings and machinery. New customers have also been added, primarily in the form previous customers now returning to Landshypotek.

Landshypotek’s customers still have a bright outlook on the future even though conditions have deteriorated somewhat compared to the preceding year, with rising prices on input goods and lower prices on goods produced. Milk farmers in particular were hurt by worsening earnings power. The general consensus is, however, that the price of milk has bottomed out and that it may rise from current levels. The slightly impaired conditions for farmers has resulted in a situation where the structural transformation of Swedish agriculture has gained renewed momentum. The number of producers in traditional farming is shrinking, especially in milk and swine production, at the same time as diversification on farms is on the rise. New lines of business include contracting and energy. The state of the forestry business has recovered from the downturn during the past autumn and winter and demand for timber is high. Prices for farm and forest land rose sharply until the summer of 2008 when the upward trend subsided. Since then, prices have been stable on the whole even if some price deterioration was noted during the autumn. In Landshypotek’s opinion prices will rise modestly during the remainder of 2009.



Landshypotek has noted that price variations have increased. Price declines have been noted for certain objects with less attractive locations, while prices for high-quality arable and forest land have increased.

Landshypotek’s core business consists of offering land and forest owners the market’s most attractive first mortgage loans. In order to satisfy its customers’ needs for bank and insurance services Landshypotek offers these services in co-operation with partners. In May a new co-operation agreement was concluded with Säkra, which means that Landshypotek now can provide its customers with attractive farm insurance and loan protection insurance. Säkra thus becomes one of Landshypotek’s important partners.

**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. This allows the Company to meet most investors’ needs for investment in interest-bearing instruments.

Landshypotek’s primary source of financing during the year was covered bonds. Covered bonds were issued under Landshypotek’s Swedish MTN-programme and international EMTN programmes in a total amount of approximately SEK 23.2 billion, which in essence corresponds to the entire estimated borrowing requirement for 2009.

The situation on the capital market improved steadily during 2009. Landshypotek’s assessment is that is that continued intervention on the part of central banks and governments will be important to ensure a smoothly functioning market.

Landshypotek has built up a rather sizeable portfolio of interest-bearing securities, SEK 11.4 billion as of 30 September. As much as 99 per cent of the portfolio consists of Swedish covered bonds with the highest rating. The purpose of the holding of interest-bearing securities is for it to function as a liquidity reserve. Securities can be sold or borrowed against if required to meet the requirement of liabilities coming due.

	Lång	Kort
S&P Covered bonds	AAA	
S&P	A–	A2, K1
Fitch	A+	F1
Moody’s	A3	P2

Programme	Issued	Maximum amount	Issued
	2009-09-30		2008-12-31
Swedish commercial paper	2,915	10,000	1,193
Swedish MTN programme	36,902	50,000	32,040
International EMTN programme	5,107	15,000	3,362
Private bonds	153		150
Other bonds	6		136
Subordinated loans	350		450

**Rating**

Landshypotek AB’s rating was lowered by Moody’s at the end of September. Landshypotek was awarded an A3 credit rating with negative outlook, from the previous A2. The lowering of Landshypotek’s credit rating occurred at the same time as most other Swedish and Nordic banks saw their credit ratings lowered. There have been no other changes in the rating.

## Capital adequacy

SEK thousand	Financial Corporate Group	
	Basel II	Transitional rules
Tier 1 capital	3,068,024	3,068,024
Tier 2 capital	317,343	317,343
<b>Capital base (after deductions)</b>	<b>3,385,367</b>	<b>3,385,367</b>
Deduction for deferred tax assets	-95,370	0
Deduction in accordance with Chapter 3, Section 8 of the Swedish Capital Adequacy and Large Exposures Act	-65,314	0
Capital requirement for credit risks in accordance with the standard method	372,628	372,628
Capital requirement for credit risks in accordance with IRB	291,234	291,234
Capital requirement for operative risks - Base method	49,869	49,869
Additional capital requirement in accordance with the transitional rules	-	2,336,867
<b>Capital requirement</b>	<b>713,731</b>	<b>3,050,598</b>
<b>Capital adequacy ratio</b>	<b>4.7</b>	<b>1.1</b>
<b>Capital adequacy</b>	<b>37.9 %</b>	<b>8.9 %</b>
<b>Tier 1 capital adequacy</b>	<b>34.4 %</b>	<b>8.0 %</b>

The capital base as of 30 September was MSEK 3,385 and the capital ratio according to Basel II was 4.7.

The capital requirement according to Basel II was MSEK 714 as of 30 September. The capital requirement is calculated as a minimum capital requirement based on credit, market and operative 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 shall 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 capital adequacy rules according to Basel II were to be fully applied from 1 January 2010. This transition to Basel II has been preceded by transitional rules which have been applied for three years. There are strong indications that the period with transitional rules will be extended. According to the transitional rules Landshypotek has a capital ratio of 1.1.

### Risk and capital management

Landshypotek lends approximately SEK 45 billion to just over 50,000 customers, with security in the form of liens on farm properties. All lending is secured by first mortgage deeds in farm properties up to 75 percent of a conservatively adjusted market value constituting loan value. Together with Landshypotek's methods for assessing and limiting counterparty risk, this has led to 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 organisation), which is a member-owned organisation. The financial corporate group has equity capital of MSEK 3,492 and a capital base of MSEK 3,385. The capital ratio is 5.0 and the capital adequacy ratio is thus 37.9 percent. The Tier 1 capital ratio is 34.4 percent in accordance with the rules of Basel II.

This Interim Report covers the Group comprised of 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 one year ago. 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 set forth in the most recent Annual Report.

The risks that Landshypotek actively works with are classified in the risk categories credit risk, market risk, operative risks and other risks.

Capital adequacy is quantified primarily through the Pillar I risk weight formulas (the IRK method for the household portfolio (internal risk classification method)). Landshypotek has assigned a capital requirement which is higher than the capital adequacy requirement calculated in Pillar I. The numerous private individuals gives Landshypotek good sector diversification. Landshypotek is well diversified also from a regional perspective.

Market risks consist of interest rate risks, currency 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. The market risk in Landshypotek is low overall.

Operative 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 den 29 oktober 2009

A handwritten signature in black ink, appearing to read 'Kjell Stillman', with a large, sweeping flourish at the end.

Kjell Stillman, Managing Director

# Income statement

## GROUP

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan–Sep	2008 Jan–Sep	2008 Full year
Interest income	430,082	617,928	443,772	1,380,155	1,721,327	2,352,047
Interest expense	-358,033	-524,683	-369,008	-1,159,370	-1,466,823	-2,006,857
<b>Net interest income</b>	<b>72,049</b>	<b>93,245</b>	<b>74,764</b>	<b>220,785</b>	<b>254,504</b>	<b>345,190</b>
Dividend income	0	120	10,000	10,000	120	120
Commission income	2,771	2,397	3,089	8,450	7,244	9,575
Commission expense	-110	-124	-106	-996	-1,270	-1,394
Net result of financial transactions	69,079	-36,682	79,939	119,531	-3,361	-169,874
Other operating income	6,937	15,198	6,450	20,098	29,097	35,481
<b>Total operating income</b>	<b>150,726</b>	<b>74,154</b>	<b>174,136</b>	<b>377,868</b>	<b>286,334</b>	<b>219,097</b>
General administrative expense	-36,713	-40,956	-45,777	-126,578	-127,686	-183,235
Depreciation, amortisation and impairment of intangible non-current assets	-2,406	-3,802	-3,596	-9,661	-6,998	-11,528
Other operating expenses	-2,881	-4,255	-6,827	-14,866	-16,712	-23,867
<b>Total expenses before loan losses</b>	<b>-42,000</b>	<b>-49,013</b>	<b>-56,200</b>	<b>-151,105</b>	<b>-151,396</b>	<b>-218,630</b>
<b>Result before loan losses</b>	<b>108,726</b>	<b>25,141</b>	<b>117,936</b>	<b>226,763</b>	<b>134,938</b>	<b>467</b>
Loan losses, net	Note 1	-2,960	-142	-435	-4,159	11,638
Impairment of financial assets						12,603
<b>Operating result</b>	<b>105,766</b>	<b>24,999</b>	<b>117,501</b>	<b>222,604</b>	<b>146,576</b>	<b>13,070</b>
Taxes on the period's result	-28,695	-4,061	-30,574	-58,556	-37,524	-656
<b>Net result for the period</b>	<b>77,071</b>	<b>20,938</b>	<b>86,927</b>	<b>164,048</b>	<b>109,052</b>	<b>12,414</b>

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan–Sep	2008 Jan–Sep	2008 Full year
<b>Net result for the period</b>	<b>77,071</b>	<b>20,938</b>	<b>86,927</b>	<b>164,048</b>	<b>109,052</b>	<b>12,414</b>
<b>Other comprehensive profit and loss</b>						
Change in instruments for cash flow hedges	4,892	-9,114	16,875	8,500	-4,800	-99,180
Change in available-for-sale instruments	28,506	58,669	-72,343	5,080	-23,949	343,912
Taxes related to other comprehensive profit and loss	-8,783	-13,875	14,585	-3,575	7,202	-65,941
<b>Total other comprehensive profit and loss</b>	<b>24,615</b>	<b>35,680</b>	<b>-40,883</b>	<b>10,005</b>	<b>-21,547</b>	<b>178,791</b>
<b>Total comprehensive result for the period</b>	<b>101,686</b>	<b>56,618</b>	<b>46,044</b>	<b>174,053</b>	<b>87,505</b>	<b>191,205</b>

# Income statement

## LANDSHYPOTEK AB (PARENT COMPANY)

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan–Sep	2008 Jan–Sep	2008 Full year
Interest income	427,662	617,900	441,145	1,371,930	1,718,745	2,345,617
Interest expense	-358,589	-530,181	-369,934	-1,162,970	-1,480,316	-2,025,461
<b>Net interest income</b>	<b>69,073</b>	<b>87,719</b>	<b>71,211</b>	<b>208,960</b>	<b>238,429</b>	<b>320,156</b>
Dividend income	0	0	0	0	0	0
Commission income	2,762	2,390	3,078	8,421	7,226	9,545
Commission expense	-90	-104	-81	-931	-1,245	-1,349
Net result of financial transactions	69,079	-36,682	79,939	119,531	-3,361	-169,874
Other operating income	5,917	14,782	5,629	17,585	27,764	33,501
<b>Total operating income</b>	<b>146,741</b>	<b>68,105</b>	<b>159,776</b>	<b>353,566</b>	<b>268,813</b>	<b>191,979</b>
General administrative expense	-38,194	-41,112	-46,999	-130,746	-127,060	-185,738
Depreciation, amortisation and impairment of intangible non-current assets	-2,406	-3,802	-3,596	-9,661	-6,998	-11,483
Other operating expenses	-2,629	-4,222	-6,478	-13,934	-16,248	-22,694
<b>Total expenses before loan losses</b>	<b>-43,229</b>	<b>-49,136</b>	<b>-57,073</b>	<b>-154,341</b>	<b>-150,306</b>	<b>-219,915</b>
<b>Result before loan losses</b>	<b>103,512</b>	<b>18,969</b>	<b>102,703</b>	<b>199,225</b>	<b>118,507</b>	<b>-27,936</b>
Loan losses, net	Note 1 -2,743	-527	-437	-3,946	131	1,093
Impairment of financial assets	0	0	0	0	0	0
<b>Operating result</b>	<b>100,769</b>	<b>18,442</b>	<b>102,266</b>	<b>195,279</b>	<b>118,638</b>	<b>-26,843</b>
Taxes on the period's result	-26,501	-2,557	-26,899	-51,359	-30,612	10,070
<b>Net result for the period</b>	<b>74,268</b>	<b>15,885</b>	<b>75,367</b>	<b>143,920</b>	<b>88,026</b>	<b>-16,773</b>

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan–sep	2008 Jan–sep	2008 Full year
<b>Net result for the period</b>	<b>74,268</b>	<b>15,885</b>	<b>75,367</b>	<b>143,920</b>	<b>88,026</b>	<b>-16,773</b>
<b>Other comprehensive profit and loss</b>						
Change in instruments for cash flow hedges	4,892	-9 114	16 875	8,500	-4,800	-99,180
Change in available-for-sale instruments	28,506	58 669	-72 343	5,080	-23,949	343,912
Taxes related to other comprehensive profit and loss	-8,783	-13,875	14,585	-3,575	7,202	-65,941
<b>Total other comprehensive profit and loss</b>	<b>24,615</b>	<b>35,680</b>	<b>-40,883</b>	<b>10,005</b>	<b>-21,547</b>	<b>178,791</b>
<b>Total comprehensive result for the period</b>	<b>98,883</b>	<b>51,565</b>	<b>34,484</b>	<b>153,925</b>	<b>66,479</b>	<b>162,018</b>

# Balance Sheet

SEK thousand	GROUP				PARENT COMPANY			
	2009 30 Sep	2009 30 Jun	2008 31 Dec	2008 30 Sep	2009 30 Sep	2009 30 Jun	2008 31 Dec	2008 30 Sep
<b>ASSETS</b>								
Cash and balances with central banks	6,641	12,121	2,707	9,411	6,641	12,121	2,707	9,411
Due from financial institutions	49,902	353,446	59,308	44,830	65,217	354,990	71,991	336,651
Loans to customers Note 2	44,885,190	43,604,887	41,301,123	40,802,301	44,584,750	43,306,215	41,024,606	40,535,517
Bonds and other interest-bearing securities	11,361,973	10,309,523	8,473,460	7,736,182	11,361,973	10,309,523	8,473,460	7,736,182
Derivative financial instruments	380,164	422,779	362,497	36,507	380,164	422,779	362,497	36,507
Shares	1	1	1	1	0	0	0	0
Shares in Group companies	0	0	0	0	515,027	515,027	514,927	514,927
Intangible non-current assets	0	0	0	59	0	0	0	59
Tangible assets								
Equipment	3,578	3,979	4,602	5,904	3,578	3,979	4,602	5,904
Buildings and land	331,356	333,335	339,470	341,624	314,688	316,666	335,803	338,257
Other assets	873,170	265,670	167,224	57,940	851,680	257,012	144,111	45,218
Prepaid expenses and accrued income	411,905	295,733	543,167	555,069	411,391	295,342	542,386	557,362
<b>TOTAL ASSETS</b>	<b>58,303,880</b>	<b>55,601,474</b>	<b>51,253,559</b>	<b>49,589,828</b>	<b>58,495,109</b>	<b>55,793,654</b>	<b>51,477,089</b>	<b>50,115,995</b>
<b>LIABILITIES, PROVISIONS AND EQUITY</b>								
Due to financial institutions	7,653,442	8,000,420	7,509,565	3,374,397	7,967,200	8,313,178	7,836,229	3,982,065
Borrowing from the public	89,000	125,000	32,022	31,679	89,000	125,000	32,022	31,679
Debt securities in issue, etc.	45,563,278	42,630,936	38,387,386	41,419,291	45,563,278	42,630,936	38,387,386	41,419,291
Derivative financial instruments	277,740	293,052	327,324	136,028	277,740	293,052	327,324	136,028
Other liabilities	62,179	45,583	190,475	48,608	48,673	31,446	176,738	33,402
Accrued expenses and prepaid income	627,832	585,190	869,730	748,501	627,855	585,020	871,986	752,107
Provisions	188,346	180,876	169,031	66,646	149,244	141,747	127,194	38,055
Subordinated liabilities	350,000	350,000	449,983	449,974	350,000	350,000	449,983	449,974
<b>Total liabilities</b>	<b>54,811,817</b>	<b>52,211,057</b>	<b>47,935,516</b>	<b>46,275,124</b>	<b>55,072,990</b>	<b>52,470,379</b>	<b>48,208,862</b>	<b>46,842,601</b>
<b>Equity</b>	<b>3,492,063</b>	<b>3,390,417</b>	<b>3,318,043</b>	<b>3,314,704</b>	<b>3,422,119</b>	<b>3,323,275</b>	<b>3,268,227</b>	<b>3,273,394</b>
<b>TOTAL LIABILITIES, PROVISIONS AND EQUITY</b>	<b>58,303,880</b>	<b>55,601,474</b>	<b>51,253,559</b>	<b>49,589,828</b>	<b>58,495,109</b>	<b>55,793,654</b>	<b>51,477,089</b>	<b>50,115,995</b>

# Cash Flow Statement

SEK thousand	GROUP			PARENT COMPANY		
	2009 Jan–Sep	2008 Jan–Sep	2008 Full year	2009 Jan–Sep	2008 Jan–Sep	2008 Full year
Liquid funds at beginning of period	2,707	295	295	2,707	295	295
Cash flow from operating activities	104,440	10,667	4,732	91,439	7,926	1,645
Cash flow from investing activities	-523	-1,542	-2,320	12,478	1,199	767
Cash flow from financing activities	-99,983	-9	0	-99,983	-9	0
<b>Cash flow for the period</b>	<b>3,934</b>	<b>9,116</b>	<b>2,412</b>	<b>3,934</b>	<b>9,116</b>	<b>2,412</b>
Liquid funds at end of period	<b>6,641</b>	<b>9,411</b>	<b>2,707</b>	<b>6,641</b>	<b>9,411</b>	<b>2,707</b>

# Change in Equity

## GROUP

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	206,867	215,979	3,318,046
Net profit for the period			6,264	3,741	164,012	174,017
Total change before transactions with the owners	0	0	6,264	3,741	164,012	174,017

Dividend/group contribution rendered

Taxes on group contribution rendered

Equity 30 September 2009	1 927 000	1,026,248	-51,784	210,608	379,991	3,492,063
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SEK thousand	Share-capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2007	1,927,000	1,026,244	14,701	-44,676	303,896	3,227,165
Net profit for the period			-3,422	-18,091	109,052	87,539
Total change before transactions with the owners	0	0	-3,422	-18,091	109,052	87,539

Dividend/group contribution rendered

Taxes on group contribution rendered

Equity 30 September 2008	1,927,000	1,026,244	11,279	-62,767	412,948	3,314,704
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## LANDSHYPOTEK AB (PARENT COMPANY)

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	206,867	182,411	3,268,230
Net profit for the period			6,264	3,741	143,885	153,890
Total change before transactions with the owners	0	0	6,264	3,741	143,885	153,890

Dividend/group contribution rendered

Taxes on group contribution rendered

Equity 30 September 2009	1,927,000	1,010,000	-51,784	210,608	326,296	3,422,119
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SEK thousand	Share-capital	Other contributed capital	Hedging reserve	Fair value reserve	Retained earnings	Total
Equity 31 December 2007	1,927,000	1,010,000	14,701	-44,676	299,856	3,206,881
Net profit for the period			-3,422	-18,091	88,026	66,513
Total change before transactions with the owners	0	0	-3,422	-18,091	88,026	66,513

Dividend/group contribution rendered

Taxes on group contribution rendered

Equity 30 September 2008	1,927,000	1,010,000	11,279	-62,767	387,882	3,273,394
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# Notes

## NOTE 1 LOAN, LOSSES, NET

### GROUP

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan-Sep	2008 Jan-Sep	2008 Full year
The period's impairment charge for realised losses	0	-1,097	-333	-658	-1,803	-2,207
Reversal of prior provisions for probable loan losses, reported as realised losses	0	2	0	325	620	1,125
Impairment charge for probable loan losses	-3,070	0	-478	-4,389	-559	-1,262
Recovery of previous realised losses	62	427	251	387	11,655	12,361
Reversal of provisions no longer required for probable loan losses	48	527	125	176	1,725	2,586
<b>Total loan losses</b>	<b>-2,960</b>	<b>-141</b>	<b>-435</b>	<b>-4,159</b>	<b>11,638</b>	<b>12,603</b>

All loan losses are attributable to loans to customers

### PARENT COMPANY

SEK thousand	2009 Q 3	2008 Q 3	2009 Q 2	2009 Jan-Sep	2008 Jan-Sep	2008 Full year
The period's impairment charge for realised losses	-1	-1,097	-332	-658	-1,803	-2,207
Reversal of prior provisions for probable loan losses, reported as realised losses	0	2	0	325	620	1,124
Impairment charge for probable loan losses	-2,853	0	-478	-4,172	-559	-1,262
Recovery of previous realised losses	61	41	249	382	147	852
Reversal of provisions no longer required for probable loan losses	50	527	125	177	1,726	2,586
<b>Total loan losses</b>	<b>-2,743</b>	<b>-527</b>	<b>-436</b>	<b>-3,946</b>	<b>131</b>	<b>1,093</b>

All loan losses are attributable to loans to customers

## NOTE 2 NON-PERFORMING LOANS, ETC. .

### GROUP

### PARENT COMPANY

SEK Thousand	2009 30 Sep	2009 31 Jun	2008 31 Dec	2008 30 Sep	2009 30 Sep	2009 30 Jun	2008 31 Dec	2008 30 Sep
<b>Nonperforming loans where interest is recognised as income</b>	288,212	221,495	257,443	273,923	280,818	216,112	257,209	273,886
Nonperforming loans that are doubtful credits	26,046	28,016	291	1,963	26,046	28,016	291	1 963
<b>Total nonperforming loans</b>	<b>314,258</b>	<b>249,511</b>	<b>257,734</b>	<b>275,886</b>	<b>306,864</b>	<b>244,128</b>	<b>257,500</b>	<b>275,849</b>
Doubtful credits that are not nonperforming	1,496	0	787	0	1,496	0	787	0
Less provisions set aside	-725	-507	-82	-540	-507	-507	-82	-540
Doubtful credits that are not performing	26,334	28,046	291	1,963	26,046	28,016	291	1,963
<b>Total doubtful loans</b>	<b>27,105</b>	<b>27,539</b>	<b>996</b>	<b>1,423</b>	<b>27,035</b>	<b>27,509</b>	<b>996</b>	<b>1,423</b>
Shares taken over to protect claims	1	1	1	1				