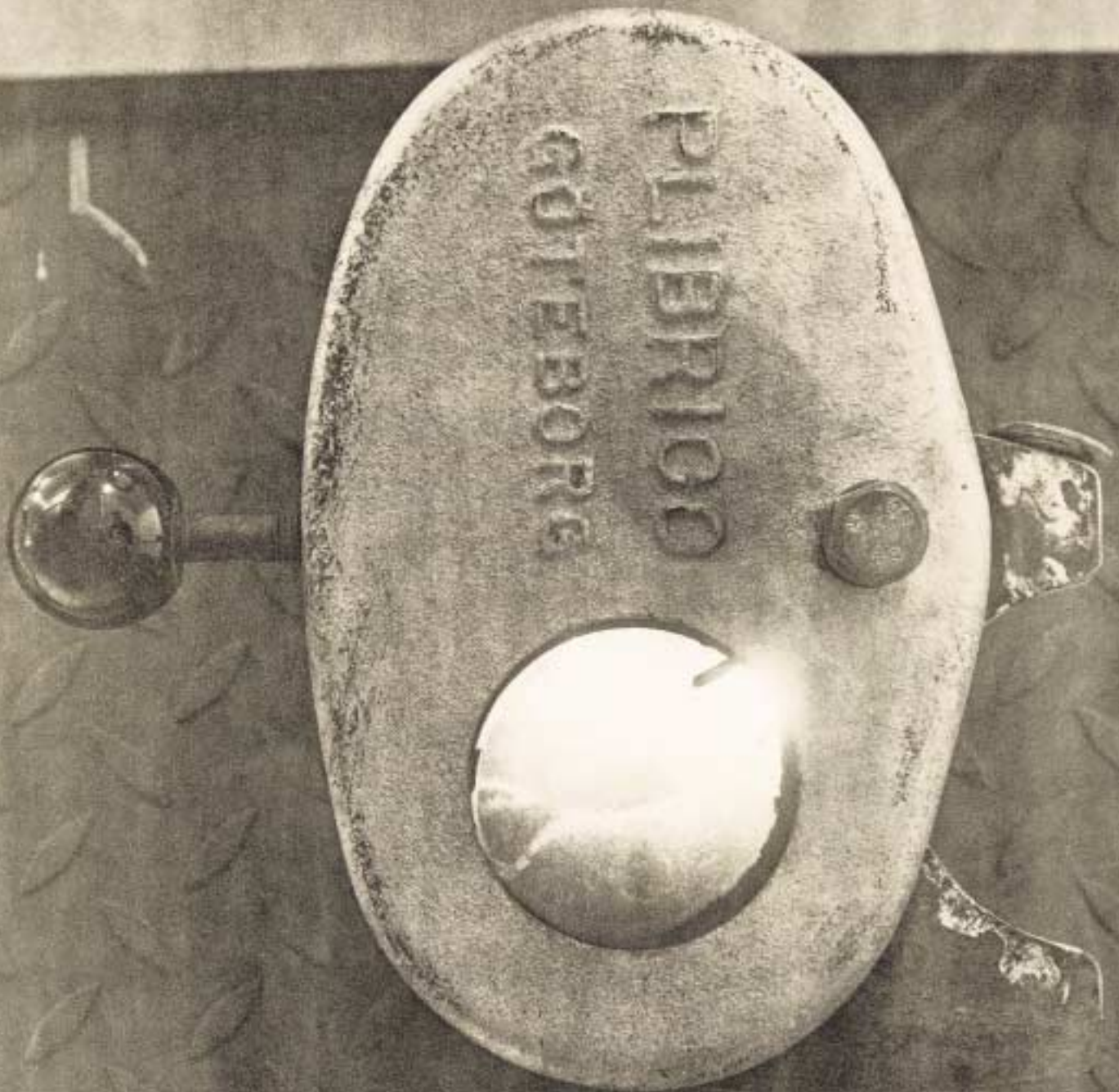


Interim Report

january – june 2000



Lantbrukskredit

Lantbrukskredit AB (publ), organization number 556095-2896, reports a profit before taxes for the first six months of 2000 of MSEK 9.6, as compared with a profit of MSEK 6.4 for the similar period 1999. The capital adequacy ratio is 10.7 percent (14.0). Loans outstanding increased from MSEK 1,824 to MSEK 2,421

GENERAL

Lantbrukskredit functions as a first mortgage institution to Swedish business, and then as a lender to the downstream industry for agriculture and forestry, such as the food industry, the forest industry and the retail trade. Lantbrukskredit also finances companies outside the agricultural and forestry sector, especially in the energy area.

RESULT

Net interest income for the period is reported as MSEK 12.8. Last year MSEK 10.2 was reported. The improvement of MSEK 2.6 is explained by an increase in lending.

The Company reports operating profit of MSEK 9.6 (6.4). No loan losses are reported for the period (1999: MSEK 0.1). Instead, a small recovery was made. The return on adjusted equity after taxes, moving 12-month average, was 5.8 percent (4.9).

The result for the second half of the year is expected to develop in line with the performance during the first half of the year.

MARKET

The period was distinguished by strong demand for investment type credit. Loans to the public amount to MSEK 2,241 (1,704). Additional thereto is lending in the form of corporate bonds, which formally is not reported as loans to the public, in an amount of MSEK 180 (120). Total lending, including corporate bonds, amounts to MSEK 2,421 (1,824), an increase by MSEK 597, or 33 percent compared to the preceding year. Problem credit amounted to MSEK 13.9 (3.0), equivalent to 0.5 percent (0.1) of loans outstanding.

This conscious effort of credit to the energy sector has accounted for a considerable portion of the increase in lending.

The increase was especially pronounced in the area of renewable energy, i.e. wind energy, hydro-energy and bio-energy.

Competition is severe in Lantbrukskredit's field of operation, first mortgage lending to business. There are several participants in the market place and the liquidity is high in the entire financial system. The growing competition requires increased presence in the market, and it is this perspective that the close cooperation with Landshypotek is significant for the long-term development of Lantbrukskredit's business. Thanks to access to Landshypotek's marketing organization, closer proximity to the customer is created and opportunities for increased sales. The cooperation also generates synergy effects on the cost side. Lantbrukskredit for its part makes it possible for the Landshypotek Group to agriculture's downstream financing needs.

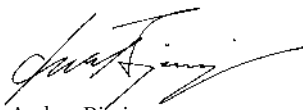
CAPITAL ADEQUACY

Lantbrukskredit's capital base at the end of the period amounted to MSEK 254.4 (250.7), of which MSEK 214.4 (210.6) in core capital. In relation to the risk-weighted assets of MSEK 2,379.8 (1,792.0) this means a capital adequacy of 10.69 percent (13.99) and a core capital relationship of 9.01 percent (11.76).

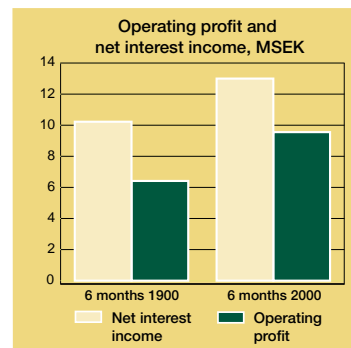
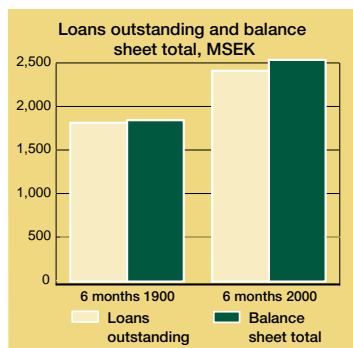
OWNERSHIP

Lantbrukskredit is 100-percent owned by Landshypotek AB (publ).

Stockholm, August 18, 2000



Anders Bjering
Managing Director



REPORT OF EXAMINATION

We have reviewed the interim report, thereby following the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is significantly limited in comparison to an audit. Nothing has come to light to indicate that the interim report does not fulfill the requirements of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies.

Stockholm, August 22, 2000

Bengt Fröander
Authorized Public Accountant

Anders Engström
Authorized Public Accountant
Appointed by the Financial Supervisory Authority

Göran Raspe
Authorized Public Accountant

(SEK Thousand)	2000 Jan, 1–Jun, 30	1999 Jan, 1–Jun, 30	1999 1 jan–31 dec
STATEMENT OF INCOME			
Interest income	59,320	43,175	92,651
Interest expense	–46,527	–32,951	–70,679
Net interest income	12,793	10,224	21,972
Dividend income	3	2	2
Commission income	11	23	100
Commission expense	–147	–179	–267
Other operating revenue	22	11	18
Total operating revenue	–111	–143	–147
Summa rörelseintäkter	12,682	10,081	21,825
General administrative expense	–2,408	–2,771	–5,144
Depreciation, amortization and write-downs of tangible and intangible fixed assets	–460	–576	–1,079
Other operating expenses	–259	–319	–407
Total expenses before credit losses	–3,127	–3,666	–6,630
Result before credit losses	9,555	6,415	15,195
Credit losses, net	9	–50	–19
Change in value of property taken over	0	0	–1,200
Operating result	9,564	6,365	13,976
Appropriations	0	0	–6,948
Resultat före skatt	9,564	6,365	7 028
Taxes	–2,678	–1,782	–1,972
Result for the period	6,886	4,583	5,056

(SEK Thousand)	2000 Jun, 30	1999 Jun, 30	1999 Dec, 31
BALANCE SHEET – SUMMARY			
Loans to the public	2 241 146	1 704 699	2 014 982
Loans to credit institutions	7 884	5 546	17 682
Other assets	206 840	142 640	207 191
Total assets	2 455 870	1 852 885	2 239 855
Borrowing from the public	1 371 000	701 000	1 014 000
Loans to the public	10 875	14 825	12 700
Securities issued, etc.	791 784	861 284	918 535
Subordinated liabilities	40 000	40 000	40 000
Other liabilities	18 479	14 351	37 774
Obeskattade reserver	33 317	38 369	33 317
Shareholder's equity	190 415	183 056	183 529
Total liabilities and shareholder's equity	2 455 870	1 852 885	2 239 855

KREDITFÖRLUSTER Tkr	2000 Jan, 1– Jun, 30	1999 Jan, 1– Jun, 30	1999 Jan, 1– dec, 31
Nedskrivning avseende konstaterade förluster	0	50	50
Reversal of prior provisions for probable credit losses, reported as realized losses in this year's accounts	–959	0	0
Write-down for probable credit losses	950	0	0
Recovery of realized losses for prior years	0	0	–31
Reversal of provisions no longer required for probable credit losses	0	0	0
Net credit losses	–9	50	19
Change in value of real estate taken over	0	0	1,200
Net result on sale of real estate taken over	0	0	0
Total credit losses, net	–9	50	1,219

NON-PERFORMING LOANS, ETC (SEK Thousand)	2000 Jun, 30	1999 Jun, 30	1999 Dec, 31
1. Non-performing loans which are not problem credits	6,309	21,320	10,643
2a. Doubtful credits	4,446	3,013	2,698
2b. Loans with reduced interest	0	0	0
3. Total problem credits (2a+2b)	4,446	3,013	2,698
4. Interest, etc. recognized as revenue on problem credits during the period	195	636	1,281
5. Annual percentage current return on problem credits, %	6.25	22.96	23.80
6. Annual percentage current return on credits that are not problem credits, %	5.16	4.84	4.65
7. Reserve for probable credit losses	9,491	9,501	9,501
8. Estimated value of problem credits before write-down for probable credit losses (3+7)	13,937	12,514	12,199

CAPITAL ADEQUACY (SEK Thousand)	2000 Jun, 30	1999 Jun, 30	1999 Dec, 31
Capital requirement, risk-weighted assets			
Group A	0	0	0
Group B	8,800	8,564	11,268
Group C	23,050	8,863	19,086
Group D	2,347,910	1,774,528	2,129,465
Risk-weighted assets	2,379,760	1,791,955	2,159,819
Capital bases			
Core capital	214,403	210,682	207,517
Supplementary capital			
Subordinated loans, dated	40,000	40,000	40,000
Total capital base	254,403	250,682	247,517
Primärt kapital, %	9.01	11.76	9.61
Kapitaltäckning, %	10.69	13.99	11.46

DERIVATIVE INSTRUMENTS (SEK Thousand)	2000 Jun, 30	1999 Jun, 30	1999 31 dec
Instruments with positive values			
Interest-rate-related contracts	1,100	2,166	2,758
Instruments with negative values			
Interest-rate-related contracts	–318	0	0
Derivative instruments, net	782	2,166	2,758

RATIO	2000	1999	1999
Return on adjusted equity, revolving 12-month basis, %	5.82	4.93	4.87



Lantbrukskredit

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Company No. 556095-2896. www.lantbrukskredit.se