

# Interim report

JANUARY – MARCH 2007



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■ Lending increased by SEK 8bn (8) to SEK 489bn

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■ Operating profit was SEK 1,097m (1,264)

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■ Recoveries exceeded new loan losses during the period

# Stadshypotek's interim report

## January – March 2007

### Earnings performance

Stadshypotek's operating profit for the period was SEK 1,097m. The profit for the corresponding period in 2006 was SEK 1,264m. The change in profit is mainly due to decreased net interest income. During the first quarter, there has been great price pressure in the market, which has led to continued pressure on margins with a negative impact on net interest income. Stadshypotek's lending volume on the private market has continued its very positive development during the period. However, compared to the same period last year, it has not been possible to fully compensate the falling lending margins. Net interest income was also negatively impacted during the first quarter by effects relating to decisions concerning repurchase of bonds relating to the transition to IFRS. These effects will gradually decline until 2008. Compared to the fourth quarter of 2006, net interest income was SEK 36m higher during the first quarter of 2007.

### Low loan losses

Recoveries exceeded new loan losses; the net amount recovered was SEK 29m (54), which corresponds to a loan loss ratio of -0.02% (-0.05) of lending. As at 31 March 2007, Stadshypotek's bad debts before deduction of the provision for probable loan losses were SEK 328m (528). SEK 35m (52) of the bad debts were non-performing loans and SEK 293m (476) were loans on which the borrowers pay interest and amortisation, but which are considered doubtful in view of the uncertainty as to the borrowers' repayment capacity and the value of the collateral. In addition, there were non-performing loans of SEK 221m (222) that are not assessed as being bad debts. After deduction of the provision for probable loan losses, the volume of bad debts was SEK 236m (400).

### Growth in lending

Loans to the public were SEK 489bn – an increase of SEK 8bn for the period. The first quarter has continued to see a very favourable increase in Stadshypotek's share of net growth in the private market. Stadshypotek's overall share of mortgage institutions' lending on the private market was 26.5%. Stadshypotek has retained its position as a leading player on the Swedish corporate market, with a market share of 34.5%.

### Capital adequacy

On 1 February 2007, new capital adequacy regulations were implemented – the Basel II rules. The new rules entail major changes in how the capital requirement is to be calculated and how a satisfactory capital base is to be ensured. The new rules will be gradually implemented since the transitional rules allow for an adaptation over three years. As at 31 March 2007, the capital ratio was 10.3% (8.6). As at 31 March 2007, the Tier 1 capital ratio was 7.3% (7.3). Further information about capital adequacy is available in the section Capital base and capital requirement.

### Rating

Stadshypotek's rating was unchanged.

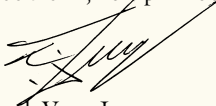
| Stadshypotek      |           |            |
|-------------------|-----------|------------|
|                   | Long-term | Short-term |
| Moody's           | Aa1       | P-1        |
| Standard & Poor's | AA-       | A-1+       |
| Fitch             | AA-       | F1+        |

| Covered bonds |     |
|---------------|-----|
| Moody's       | Aaa |

### Accounting policies

The accounts comply with the IASB accounting standards adopted by the EU. The regulations of the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and the directives issued by the Swedish Financial Supervisory Authority are also applied. The interim report is also adapted to these. The same accounting policies and calculation methods have been applied in the interim report as in the latest annual report.

Stockholm, 23 April 2007



Frank Vang-Jensen  
Chief executive

*This interim report has not been examined by the company's auditors*

# Income statement – Group

| SEK m                                | Jan–Mar<br>2007 | Jan–Mar<br>2006 | Change<br>% | Full Year<br>2006 |
|--------------------------------------|-----------------|-----------------|-------------|-------------------|
| Interest income                      | 5,019           | 4,184           | 20%         | 17,645            |
| Interest expenses                    | -4,011          | -3,014          | 33%         | -13,465           |
| <b>Net interest income</b>           | <b>1,008</b>    | <b>1,170</b>    | <b>-14%</b> | <b>4,180</b>      |
| Net result on financial operations   | 108             | 84              | 29%         | 312               |
| Commission income                    | 3               | 3               | 0%          | 11                |
| Commission expenses                  | -14             | -15             | -7%         | -58               |
| <b>Total income</b>                  | <b>1,105</b>    | <b>1,242</b>    | <b>-11%</b> | <b>4,445</b>      |
| General administrative expenses      |                 |                 |             |                   |
| Staff costs                          | -6              | -4              | 50%         | -20               |
| Other                                | -31             | -28             | 11%         | -122              |
| Depreciation according to plan       | 0               | 0               | -           | 0                 |
| <b>Total expenses</b>                | <b>-37</b>      | <b>-32</b>      | <b>16%</b>  | <b>-142</b>       |
| Profit before loan losses            | 1,068           | 1,210           | -12%        | 4,303             |
| Loan losses, net <span>Note 1</span> | 29              | 54              | -46%        | 278               |
| <b>Operating profit</b>              | <b>1,097</b>    | <b>1,264</b>    | <b>-13%</b> | <b>4,581</b>      |
| Tax                                  | -307            | -354            | -13%        | -1,259            |
| <b>Profit for the period</b>         | <b>790</b>      | <b>910</b>      | <b>-13%</b> | <b>3,322</b>      |
| Net earnings per share, SEK          | 4.88            | 5.62            |             |                   |

## Note 1 Loan losses

| SEK m   | Jan–Mar<br>2007 | Jan–Mar<br>2006 | Full Year<br>2006 |
|---|-----------------|-----------------|-------------------|
| Specific provision for individually assessed loan receivables   |                 |                 |                   |
| The period's write-down for actual loan losses  | -2              | -3              | -18               |
| Writeback of previous provisions for probable loan losses reported as actual loan losses in the period's accounts | 2               | 2               | 8                 |
| The period's provision relating to probable loan losses   | -2              | -2              | -13               |
| Recovered from actual loan losses in previous years   | 14              | 40              | 259               |
| Write-back of provisions for probable loan losses which are no longer necessary                                   | 17              | 17              | 42                |
| <b>Net recoveries for the period for individually assessed loan receivables</b>                                   | <b>29</b>       | <b>54</b>       | <b>278</b>        |

# Balance sheet – Group

| SEK m                                   | Mar 31<br>2007 | Mar 31<br>2006 | Dec 31<br>2006 |
|---|----------------|----------------|----------------|
| <b>Assets</b>                           |                |                |                |
| Loans to credit institutions            | 4,552          | 444            | 5,495          |
| Loans to the public <span>Note 2</span> | 488,513        | 452,976        | 480,219        |
| Derivatives <span>Note 3</span>         | 2,091          | 2,224          | 1,091          |
| Plant and equipment                     | 0              | 0              | 0              |
| Other assets                            | 6,160          | 5,804          | 3,917          |
| <b>Total assets</b>                     | <b>501,316</b> | <b>461,448</b> | <b>490,722</b> |
| <b>Liabilities and equity</b>           |                |                |                |
| Due to credit institutions              | 116,033        | 172,752        | 141,196        |
| Issued securities, etc.                 | 344,229        | 255,170        | 311,687        |
| Derivatives <span>Note 3</span>         | 3,100          | 3,986          | 4,368          |
| Other liabilities and provisions        | 8,992          | 6,081          | 10,099         |
| Subordinated loans                      | 8,300          | 3,500          | 3,500          |
| <b>Total liabilities</b>                | <b>480,654</b> | <b>441,489</b> | <b>470,850</b> |
| Equity <span>Note 4</span>              | 20,662         | 19,959         | 19,872         |
| <b>Total liabilities and equity</b>     | <b>501,316</b> | <b>461,448</b> | <b>490,722</b> |

## Note 2 Loans to the public

### LOANS TO THE PUBLIC BY SECTOR

| 31 March                          |  | Lending before deduction of provisions | Provisions for probable loan losses | Lending after deduction of provisions |
|-----------------------------------|--|--|-------------------------------------|---------------------------------------|
| SEK m                             |  |  |                                     |                                       |
| Households                        |  | 347,111                                | -14                                 | 347,097                               |
| Municipalities                    |  | 6,394                                  | -                                   | 6,394                                 |
| Housing co-operative associations |  | 74,388                                 | -47                                 | 74,341                                |
| Other legal entities              |  | 60,712                                 | -31                                 | 60,681                                |
| <b>Total loans to the public</b>  |  | <b>488,605</b>                         | <b>-92</b>                          | <b>488,513</b>                        |

### NON-PERFORMING LOANS BY BORROWER

| 31 March                          | 2007   |  | 2006   |  |
|-----------------------------------|--|--|--|--|
| SEK m                             | Non-performing loans which are not bad debts | Non-performing loans which are included in bad debts | Non-performing loans which are not bad debts | Non-performing loans which are included in bad debts |
| Households                        | 180  | 9  | 210  | 18   |
| Municipalities                    | -  | -  | -  | -  |
| Housing co-operative associations | -  | -  | -  | 9  |
| Other legal entities              | 41   | 26   | 12   | 25   |
| <b>Total</b>                      | <b>221</b>                                   | <b>35</b>  | <b>222</b>                                   | <b>52</b>  |

### BAD DEBTS BY BORROWER

| 31 March                          | 2007       |                               |               | 2006       |                               |               |
|-----------------------------------|------------|-------------------------------|---------------|------------|-------------------------------|---------------|
| SEK m                             | Bad debts  | Provision for probable losses | Bad debts net | Bad debts  | Provision for probable losses | Bad debts net |
| Households                        | 37         | -14                           | 23            | 78         | -29                           | 49            |
| Municipalities                    | -          | -                             | -             | -          | -                             | -             |
| Housing co-operative associations | 165        | -47                           | 118           | 262        | -64                           | 198           |
| Other legal entities              | 126        | -31                           | 95            | 188        | -35                           | 153           |
| <b>Total</b>                      | <b>328</b> | <b>-92</b>                    | <b>236</b>    | <b>528</b> | <b>-128</b>                   | <b>400</b>    |

### BAD DEBTS BY TYPE OF PROPERTY

| 31 March                         | 2007       |                               |               | 2006       |                               |               |
|----------------------------------|------------|-------------------------------|---------------|------------|-------------------------------|---------------|
| SEK m                            | Bad debts  | Provision for probable losses | Bad debts net | Bad debts  | Provision for probable losses | Bad debts net |
| Single-family housing            | 21         | -7                            | 14            | 39         | -13                           | 26            |
| Housing co-operatives            | 1          | -1                            | 0             | 5          | -3                            | 2             |
| <b>Private market</b>            | <b>22</b>  | <b>-8</b>                     | <b>14</b>     | <b>44</b>  | <b>-16</b>                    | <b>28</b>     |
| Multi-family housing             | 241        | -80                           | 161           | 416        | -108                          | 308           |
| Offices and commercial buildings | 65         | -4                            | 61            | 68         | -4                            | 64            |
| Corporate market                 | 306        | -84                           | 222           | 484        | -112                          | 372           |
| <b>Total</b>                     | <b>328</b> | <b>-92</b>                    | <b>236</b>    | <b>528</b> | <b>-128</b>                   | <b>400</b>    |

The provision for probable losses refers to specific provisions for individually valued claims.

## Note 3 Derivatives

| 31 March 2007<br>SEK m | Interest-rate related instruments |            | Currency-related instruments |            |
|------------------------|-----------------------------------|------------|------------------------------|------------|
|                        | Fair value                        | Book value | Fair value                   | Book value |
| Positive values        | 1,176                             | 1,176      | 915                          | 915        |
| Negative values        | 3,046                             | 3,046      | 54                           | 54         |

Stadshypotek mainly uses interest rate swaps as instruments to hedge against changes in value due to changes in market interest rates. Hedge accounting is applied for these hedges in accordance with the company's accounting policies. Interest rate swaps, currency futures and interest rate options are also used as hedges for fair value changes without hedge accounting being applied.

#### Note 4 Change in equity

| SEK m                     | 31 Mar<br>2007 | 31 Mar<br>2006 | 31 Dec<br>2006 |
|---------------------------|----------------|----------------|----------------|
| Opening equity            | 19,872         | 19,049         | 19,049         |
| Group contribution        |                |                | -3,471         |
| Tax on group contribution |                |                | 972            |
| Profit for the period     | 790            | 910            | 3,322          |
| Closing equity            | 20,662         | 19,959         | 19,872         |

#### CASH FLOW STATEMENT

| SEK m                               | Jan-Mar<br>2007 | Jan-Mar<br>2006 | Full Year<br>2006 |
|-------------------------------------|-----------------|-----------------|-------------------|
| Cash flow from operating activities | -2,272          | 3,836           | 9,236             |
| Cash flow from investing activities | 0               | 0               | 0                 |
| Cash flow from financing activities | 1,362           | -4,354          | -8,736            |
| Cash flow for the period            | -910            | -518            | 500               |
| Liquid funds at beginning of period | 1,462           | 962             | 962               |
| Cash flow for the period            | -910            | -518            | 500               |
| Liquid funds at end of period       | 552             | 444             | 1,462             |

#### TURNOVER – OWN DEBT INSTRUMENTS

Stadshypotek issues and repurchases debt instruments which it has issued on its account. This is for the purposes of financing its operations.

Turnover during the first three quarters of the year was as follows:

|                |          |
|----------------|----------|
| Issued (sold): | SEK 93bn |
| Repurchased:   | SEK 6bn  |
| Maturity:      | SEK 55bn |

## Quarterly performance

| SEK m                              | Q 1<br>2007 | Q 4<br>2006 | Q 3<br>2006 | Q 2<br>2006 | Q 1<br>2006 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Interest income                    | 5,019       | 4,719       | 4,468       | 4,274       | 4,184       |
| Interest expense                   | -4,011      | -3,747      | -3,482      | -3,222      | -3,014      |
| Net interest income                | 1,008       | 972         | 986         | 1,052       | 1,170       |
| Net gain/losses on financial items | 108         | 62          | -2          | 168         | 84          |
| Net operating income               | -11         | -12         | -13         | -10         | -12         |
| Total income                       | 1,105       | 1,022       | 971         | 1,210       | 1,242       |
| General administrative expenses    |             |             |             |             |             |
| Staff costs                        | -6          | -6          | -5          | -5          | -4          |
| Other                              | -31         | -39         | -27         | -28         | -28         |
| Depreciation according to plan     | 0           | 0           | 0           | 0           | 0           |
| Total expenses                     | -37         | -45         | -32         | -33         | -32         |
| Profit before loan losses          | 1,068       | 977         | 939         | 1,177       | 1,210       |
| Loan losses                        | 29          | 196         | 17          | 11          | 54          |
| Operating profit                   | 1,097       | 1,173       | 956         | 1,188       | 1,264       |

# Segment information

| Jan-Mar                            | 2007       |            |              | 2006       |            |              |
|------------------------------------|------------|------------|--------------|------------|------------|--------------|
| SEK m                              | Private    | Corporate  | Total        | Private    | Corporate  | Total        |
| Interest income                    | 3,683      | 1,336      | 5,019        | 3,055      | 1,129      | 4,184        |
| Interest expense                   | -2,943     | -1,068     | -4,011       | -2,201     | -813       | -3,014       |
| <b>Net interest income</b>         | <b>740</b> | <b>268</b> | <b>1,008</b> | <b>854</b> | <b>316</b> | <b>1,170</b> |
| Net gain/losses on financial items | 79         | 29         | 108          | 61         | 23         | 84           |
| Net fee and commission income      | -8         | -3         | -11          | -9         | -3         | -12          |
| <b>Total operating income</b>      | <b>811</b> | <b>294</b> | <b>1,105</b> | <b>906</b> | <b>336</b> | <b>1,242</b> |
| General administrative expenses    |            |            |              |            |            |              |
| Staff costs                        | -4         | -2         | -6           | -3         | -1         | -4           |
| Other                              | -23        | -8         | -31          | -20        | -8         | -28          |
| <b>Total expenses</b>              | <b>-27</b> | <b>-10</b> | <b>-37</b>   | <b>-23</b> | <b>-9</b>  | <b>-32</b>   |
| <b>Profit before loan losses</b>   | <b>784</b> | <b>284</b> | <b>1,068</b> | <b>883</b> | <b>327</b> | <b>1,210</b> |
| Loan losses                        | 14         | 15         | 29           | 10         | 44         | 54           |
| <b>Operating profit</b>            | <b>798</b> | <b>299</b> | <b>1,097</b> | <b>893</b> | <b>371</b> | <b>1,264</b> |

Private market is defined as lending secured by mortgages in single-family or two-family houses, second homes, housing co-operative apartments or residential farms. Corporate market is defined as lending secured by mortgages in multi-family dwellings, family farms, commercial and office buildings, or government and municipal loans.

## Key figures

|                                   | Jan-Mar<br>2007 | Jan-Mar<br>2006 | Full year<br>2006 |
|-----------------------------------|-----------------|-----------------|-------------------|
| Overall interest margin, %        | 0.81            | 1.05            | 0.89              |
| C/I ratio before loan losses, %   | 3.3             | 2.6             | 3.2               |
| C/I ratio after loan losses, %    | 0.7             | -1.8            | -3.0              |
| Loan loss ratio, %                | -0.02           | -0.05           | -0.06             |
| Proportion of bad debts, %        | 0.05            | 0.09            | 0.06              |
| Bad debt provision ratio, %       | 28.0            | 24.2            | 27.7              |
| Return on shareholders' equity, % | 14.1            | 16.4            | 15.1              |
| Capital ratio, %                  | 10.3            | 8.6             | 8.3               |
| Tier 1 capital ratio, %           | 7.3             | 7.3             | 7.1               |

## Capital base and capital requirement

On 1 February 2007, new capital adequacy regulations were implemented – the Basel II rules. The changed capital requirements will have a gradual impact since the transitional rules allow for an adaptation over a period of three years.

Under the capital adequacy rules applied before 1 February 2007 (Basel I), a risk-weighted amount was calculated for credit risks. Under Basel I, credit risks were calculated using standardised measurements which were the same for all credit institutions. The Basel II rules imply that a minimum capital requirement will be calculated for credit risks and operational risks. In addition to this statutory minimum capital requirement, credit institutions must also make an internal capital assessment (ICC). Stadshypotek's evaluation must take into account risks not managed under Pillar 1, a capital requirement for growth and the rating agencies' view of the company's capital requirement.

**Credit risks** – For risk classification and calculation of credit risk, an internal risk classification method is used called IRB. Since Stadshypotek's lending takes place via Handelsbanken's branch network, Handelsbanken's IRB method is also applied for Stadshypotek's loans. The Swedish Financial Supervisory Authority has approved the Handelsbanken Group's IRB method.

There are two different IRB approaches, a basic approach and an advanced approach. In the basic approach, the Bank determines the probability of the customer defaulting within one year (PD), while the other parameters are set by the Financial Supervisory Authority. In the advanced approach, the Bank also determines the loss in the case of default (LGD) and the exposure at default (EAD).

Since 1 January 2007, Stadshypotek has applied the advanced IRB approach for household exposures (households and small companies) and the basic IRB approach for corporate exposures. The IRB approach comprises over 95% of the total credit risk exposures and for the remaining credit risk exposures, the capital requirement is measured according to the Basel I rules. For 2008, the credit exposures that are not included in the IRB approach will use the standardised approach according to Basel II.

**Operational risks** - Stadshypotek, like its parent company, uses the standardised approach, which means that the capital requirement for operational risks is based on the income. Since under the previous capital adequacy regulations there was no separate capital requirement for operational risks, as these were included in the requirement for other risks, the capital requirement for operational risks must be reduced during 2007 by that part of the credit risk exposures which are subject to the Basel I rules.

The quantitative information provided in this section follows the directives and general guidelines of the Financial Supervisory Authority concerning publication of information relating to capital adequacy and risk management. Figures reported in this section refer to the minimum capital requirements under Pillar 1 of the new capital adequacy rules.

#### CAPITAL BASE

| SEK m                            | 31 Mar<br>2007 | 31 Mar <sup>3)</sup><br>2006 | 31 Dec <sup>3)</sup><br>2006 |
|----------------------------------|----------------|------------------------------|------------------------------|
| Tier 1 capital <sup>1)</sup>     | 19,872         | 19,050                       |                              |
| Tier 1 capital <sup>2)</sup>     | 20,662         | 19,959                       | 19,872                       |
| Tier 2 capital                   | 8,300          | 3,500                        | 3,500                        |
| <b>Capital base<sup>1)</sup></b> | <b>28,172</b>  | <b>22,550</b>                |                              |
| <b>Capital base<sup>2)</sup></b> | <b>28,962</b>  | <b>23,459</b>                | <b>23,372</b>                |

<sup>1)</sup> Excluding profits generated during the quarter since the interim report has not been examined by the auditors.

<sup>2)</sup> Including profit generated during the quarter.

<sup>3)</sup> Calculated according to the Swedish Financial Supervisory Authority's directives.

#### CAPITAL REQUIREMENT

| SEK m  | 31 Mar<br>2007 | 31 Mar<br>2006 | 31 Dec<br>2006 |
|--|----------------|----------------|----------------|
| Credit risk according to standardised approach                                     | 8              |                |                |
| Credit risk according to IRB approach  | 5,020          |                |                |
| Operational risk, reduced in accordance with transitional rules 2007               | 630            |                |                |
| <b>Total capital requirement according to Basel II</b>                             | <b>5,658</b>   |                |                |
| Adjustment according to transitional rules   | 16,228         |                |                |
| <b>Capital requirement according to Basel II, transitional rules</b>               | <b>21,886</b>  |                |                |
| Risk-weighted assets according to Basel I  | 287,971        | 262,552        | 281,431        |
| Capital requirement according to Basel I (8% of risk-weighted assets)              | 23,038         |                |                |
| Transitional rules result in lowest permitted capital requirement (95% of Basel I) | 21,886         |                |                |
| Operational risk, according to Basel II  | 666            |                |                |

<sup>4)</sup> In the table, "according to Basel II" means that the figures are based on the minimum capital requirements in 2010 after the period of transitional rules for the minimum capital requirements have ended. All calculations are made according to the IRB method for corporate exposures. This is estimated to have positive effect on the minimum capital requirement.

#### CAPITAL ADEQUACY ANALYSIS<sup>4)</sup>

|  | 31 Mar<br>2007 | 31 Mar<br>2006 | 31 Dec<br>2006 |
|--|----------------|----------------|----------------|
| Capital requirement in Basel II compared to Basel I  | 25%            |                |                |
| Capital requirement in Basel II compared to transitional rules 2007                                | 26%            |                |                |
| Capital ratio according to Basel II <sup>1)</sup>  | 39.8%          |                |                |
| Capital ratio according to Basel I <sup>1)</sup>   | 9.8%           | 8.6%           |                |
| Capital ratio according to transitional rules 2007 <sup>1)</sup>                                   | 10.3%          |                |                |
| Capital ratio according to Basel II <sup>2)</sup>  | 41.0%          |                |                |
| Capital ratio according to Basel I <sup>2)</sup>   | 10.1%          | 8.9%           | 8.3%           |
| Capital ratio according to transitional rules 2007 <sup>2)</sup>                                   | 10.6%          |                |                |
| Tier 1 ratio according to Basel II <sup>1)</sup>   | 28.1%          |                |                |
| Tier 1 ratio according to Basel I <sup>1)</sup>  | 6.9%           | 7.3%           |                |
| Tier 1 ratio according to transitional rules 2007 <sup>1)</sup>                                    | 7.3%           |                |                |
| Tier 1 ratio according to Basel II <sup>2)</sup>   | 29.2%          |                |                |
| Tier 1 ratio according to Basel I <sup>2)</sup>  | 7.2%           | 7.6%           | 7.1%           |
| Tier 1 ratio according to transitional rules 2007 <sup>2)</sup>                                    | 7.6%           |                |                |
| Capital base in relation to capital requirement Basel II <sup>2)</sup>                             | 512%           |                |                |
| Capital base in relation to capital requirement Basel I <sup>2)</sup>                              | 126%           |                |                |
| Capital base in relation to capital requirement according to transitional rules 2007 <sup>2)</sup> | 132%           |                |                |

<sup>1)</sup> Excluding profits generated during the quarter since the interim report has not been examined by the auditors.

<sup>2)</sup> Including profit generated during the quarter.

## Parent company

Total income for the period was SEK 1,105 m (1,242). Profit before appropriations and tax was SEK 1,097 m (1,264).

#### LENDING PERFORMANCE

| SEK m                        | 31 Mar<br>2007 | 31 Dec<br>2006 | 30 Sep<br>2006 | 30 Jun<br>2006 | 31 Mar<br>2006 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Loans to credit institutions | 4,552          | 5,495          | 4,042          | 1,031          | 444            |
| Loans to the public          | 488,513        | 480,219        | 469,483        | 461,057        | 452,976        |
| <b>Total</b>                 | <b>493,065</b> | <b>485,714</b> | <b>473,525</b> | <b>462,088</b> | <b>453,420</b> |

#### BORROWING PERFORMANCE

| SEK m                      | 31 Mar<br>2007 | 31 Dec<br>2006 | 30 Sep<br>2006 | 30 Jun<br>2006 | 31 Mar<br>2006 |
|----------------------------|----------------|----------------|----------------|----------------|----------------|
| Due to credit institutions | 132,808        | 164,484        | 159,723        | 154,590        | 172,752        |
| Issued securities          | 327,454        | 288,399        | 284,928        | 278,689        | 255,170        |
| Subordinated loans         | 8,300          | 3,500          | 3,500          | 3,500          | 3,500          |
| <b>Total</b>               | <b>468,562</b> | <b>456,383</b> | <b>448,151</b> | <b>436,779</b> | <b>431,422</b> |

