



Interim Report 1 January – 31 March 2008

The Swedish Housing Finance Corporation, SBAB

- **SBAB's loan portfolio totalled SEK 165,899 million (SEK 167,981 million).**
- **Net interest income amounted to SEK 305 million (SEK 304 million).**
- **Expenses have decreased to SEK 135 million (SEK 139 million).**
- **Net operating income decreased to SEK 97 million (SEK 215 million). Net operating income has been affected by the financial turbulence that has marked the credit market during the first quarter of 2008. Net operating income adjusted for changes in market value in the liquidity portfolio amounts to SEK 255 million (SEK 202 million).**

All figures within brackets concerning profit/loss items and new lending refer to the corresponding period last year. Figures concerning balance sheet items, capital adequacy, lending and market shares refer to the comparable point of time at the most recent turn of the year.

This is a translation of the Swedish interim report. The auditor has not signed the translation for approval.

Net operating income

SBAB's net operating income for the first quarter of 2008 totalled SEK 97 million (SEK 215 million). The decrease in net operating income compared with the corresponding period last year is attributable to the change in value of SBAB's liquidity portfolio. The change in market value of the liquidity portfolio has been charged to earnings at SEK –158 million (SEK 13 million). Net

operating income adjusted for the change in market value in the liquidity portfolio amounts to SEK 255 million (SEK 202 million).

Operating income

Net interest income totalled SEK 305 million (SEK 304 million). The residential mortgage market continues to be characterised by stiff competition.

Summary SBAB Group

	Mar 2008	Mar 2007	Dec 2007
Net interest income, SEK million	305	304	1,177
Net operating income, SEK million	97	215	258
Net profit for the period, SEK million	70	157	190
Lending, SEK million	165,899	170,832	167,981
Impaired loans after specific provisions for individually assessed loans, SEK million	50	44	62
Volume international borrowing, SEK million	114,257	115,179	119,878
Expenditure/income ratio excl. impairment charges ¹⁾	57	41	68
Expenditure/income ratio incl. impairment charges ¹⁾	58	36	65
Return on equity, %	1.7	10.8	3.1
Capital adequacy, % ²⁾	8.7	9.1	9.5
Primary capital ratio, % ²⁾	7.7	7.4	7.8
Equity ratio, %	2.6	3.0	2.8
Rating, long-term borrowing, SBAB Standard & Poor's ³⁾	AA–	AA–	AA–
Moody's	A1	Aa3	Aa3
Rating, long-term borrowing, SCBC Standard & Poor's	AAA	AAA	AAA
Moody's	Aaa	Aaa	Aaa
Rating, short-term borrowing, SBAB Standard & Poor's	A-1+	A-1+	A-1+
Moody's	P-1	P-1	P-1
Average number of employees during the period of which temporary employees	367	375	374
	10	7	8

¹⁾ Expenses/operating income

²⁾ The comparable figures have been adjusted due to changed calculation methods; see the section "Capital adequacy".

³⁾ On 6 November 2007, Standard & Poor's changed the Outlook from stable to developing. The reason for this is an expected change in SBAB's ownership.

Net interest income has been positively affected by higher interest rates, which have increased return on invested equity capital and payment flows.

Operating income is considerably lower compared with the corresponding period last year, SEK 234 million (SEK 338 million). This reduction is attributable to changes in market value.

The liquidity portfolio

SBAB's liquidity portfolio is a liquidity reserve, which is intended to manage liquidity and funding risks.

The portfolio holding is long-term. SBAB has liquidity reserves that correspond to the need of liquidity for 30 days or more. All securities have the highest rating Aaa from Moody's, or AAA from Standard & Poor's or AAA from Fitch, apart from one covered bond with the rating AAA/Aa2. This bond corresponds to approximately 0.7% of the portfolio value. SBAB's liquidity portfolio neither has nor has had any exposure to the United States, to U.S. assets or to residential mortgages that are not classified as prime. Derivative contracts have been entered into to manage interest rate and currency risks. As at 31 March 2008, the portfolio amounted to SEK 29.3 billion. The bonds in the portfolio can be pledged at the Swedish Riksbank or the European Central Bank. No negative changes of the credit rating have occurred in the portfolio since the start of the credit crisis in mid-2007. SBAB is not expecting any impairment in the portfolio.

SBAB assesses the market value of each security individually. The portfolio consists of assets classified as "Available-for-sale financial assets", SEK 21.7 billion (SEK 0 billion) or "Financial assets valued at fair value through profit or loss", SEK 7.6 billion (SEK 31.0 billion).

The financial turbulence that characterised the credit market in the latter half of 2007 has continued during 2008. The change in market value of the liquidity portfolio amounted to SEK -929 million, of which SEK 158 million was charged to net operating income and SEK 771 million before tax to equity.

Loan portfolio

SEK million	Mar 2008		Mar 2007	
	SBAB Group *	Group including all of FriSpar	SBAB Group *	Group including all of FriSpar
Consumer market	104,550	114,504	104,156	112,896
– new lending	4,509	5,040	4,512	5,008
Corporate market	61,349	61,471	66,676	66,798
– new lending	1,682	1,682	3,369	3,369
Total	165,899	175,975	170,832	179,694
– new lending	6,191	6,722	7,881	8,377

* In the SBAB Group FriSpar is consolidated at 51% in accordance with the proportionate method.

Expenses

Expenses decreased to SEK 135 million (SEK 139 million), a reduction of 3%. This is attributable to SBAB having lower consultancy costs compared with previous years. Provision for profit-based remuneration amounted to SEK 6 million (SEK 0 million).

Impairment charges and impaired loans

Impairment charges have continued to be low and amounted to a net result of SEK 2 million (positive SEK 16 million) for the first quarter. During the first quarter, SBAB has been able to reverse some loans for which individual provision previously has been made. Group provisions have increased slightly. The provision ratio for specific provisions for individually assessed loan receivables was 66%.

Lending

New lending to the consumer market totalled SEK 4,509 million (SEK 4,512 million). The consumer market portfolio totalled SEK 104,550 million (SEK 104,125 million). SBAB's market share of consumer market lending was 7.9% (8.1%). SBAB's business partners continue to be important distribution channels.

New lending to the corporate market decreased to SEK 1,682 million (SEK 3,369 million). The corporate market portfolio amounted to SEK 61,349 million (SEK 63,856 million). This reduction is explained by lower lending to the municipal sector, private multi-family dwellings and tenant-owner associations. This is partly counteracted by the increase in lending to commercial properties. SBAB's market share

of the corporate market lending amounted to 12.0% (13.4%).

Saving

SBAB currently offers two savings products: A savings account (Sparkonto) for both new and existing customers with an interest rate of 4.25% as at 31 March 2008 and the SBAB account (SBAB-konto) for customers with residential mortgages of at least SEK 1 million with an interest rate of 5.00% as at 31 March 2008.

Interest is calculated from the first krona regardless of the amount deposited and withdrawals are free of charge. An account can easily be opened via sbab.se or customer services. The deposited amount has increased by 68% since the turn of the year and totalled SEK 1,272 million (SEK 759 million) as at 31 March 2008.

Funding

SBAB considers it very important to have a well-diversified funding portfolio. This requires an active presence in the market and a flexible range of products. As at 31 March, the programmes were utilised as follows: Swedish Commercial Paper Programme SEK 17.0 billion (SEK 19.0 billion), Swedish Covered Bonds SEK 59.7 billion (SEK 55.3 billion), European Commercial Paper Programme USD 1,595 million (USD 1,794 million), US Commercial Paper Programme USD 1,144 million (USD 1,190 million), Euro Medium Term Note Programme USD 7,350 million (USD 7,290 million), Euro Medium Term Covered Note Programme EUR 5,565 million (EUR 5,418 million). The total value of outstanding

securities issued was SEK 189.8 billion (SEK 191.8 billion).

Funding through issuance of covered bonds is carried out in SBAB's wholly-owned subsidiary the Swedish Covered Bond Corporation. The credit rating institutes Moody's and Standard & Poor's have established a credit rating of Aaa/AAA for the covered bonds issued.

Capital adequacy

SBAB mainly discloses credit risk in accordance with the IRC method and operational risks according to the standard method. As of this report the capital adequacy is disclosed as Total capital base/(Capital requirement/8%) instead of as previously as Total capital base/Risk-weighted assets * limit value. The comparable figures have been adjusted in this connection.

The capital ratio for the SBAB Group was 1.09 (1.19) as at 31 March 2008. The capital adequacy was 8.7% (9.5%), the primary capital ratio was 7.7% (7.8%) and the capital base amounted to SEK 7,879 million (SEK 8,788 million). The capital requirement, without considering the transitional regulations according to the rules in Basel II, amounted to SEK 3,784 million (SEK 3,706 million) as at 31 March.

The parent company's capital ratio was 4.39 (4.48), the capital adequacy 35.2% (35.8%), the primary capital ratio 29.8% (28.2%) and the capital base SEK 7,876 million (SEK 9,187 million).

The details as per 31 March 2008 include profit for the period January – March.

In connection with the interest payment date 30 March 2008 for the subordinated loan JPY 1 amounting to JPY 10 billion, SBAB has exercised its right to premature redemption. The loan has previously been included at SEK 722 million in the supplementary capital. After the end of the period the loan has been replaced by a new subordinated loan amounting to SEK 1 billion. The new subordinated loan affects the capital adequacy for the group with 1.1% compared with the capital adequacy disclosed above.

Unlike in SBAB's consolidated accounts the proportionate method

is not used for FriSpar Bolån AB in the capital adequacy report. This is due to differences in rules relating to group definition between the regulatory framework for capital adequacy and large exposures and IFRS.

Interest-rate risk

A parallel shift of the yield curve of plus one percentage point would as at 31 March 2008 have resulted in a reduction of the net value of SBAB's interest-bearing assets and liabilities, including derivative transactions, of around SEK 12.0 million.

Current events

- SBAB and the real estate agency chain ERA have initiated cooperation entailing ERA to offer inexpensive and safe residential mortgage products via SBAB. Through this cooperation SBAB will simultaneously reach new target groups in a broader market.
- Moody's has downgraded SBAB's rating for long-term borrowing from Aa3 to A1 with negative outlook. The rating for SBAB's short-term borrowing has not been affected. The rating of the Swedish Covered Bond Corporation remains unchanged.
- In April SBAB introduced a new model for interest-rate pricing of residential mortgages to private persons aiming at offering a more competitive interest-rate.

Development the first quarter of 2008 compared with the fourth quarter of 2007

- Lending to customers amounted to SEK 165,899 million compared to SEK 167,981 million the fourth quarter of 2007. Within the consumer market SBAB has experienced a higher demand. The consumer market portfolio totalled SEK 104,550 million (SEK 104,125 million). SBAB's share of the private market was 7.9% (8.1%). The corporate market portfolio amounted to SEK 61,349 million (SEK 63,856 million). The decrease is largest in the segment municipal multi-family dwellings. SBAB's share of the corporate market was 12.0% (13.4%).

- Net interest income is higher and amounted to SEK 305 million (SEK 269 million). Total operating income amounted to SEK 234 million (SEK 123 million). The improvement is explained by lower negative impact on operating income of the liquidity portfolio.
- During both quarters expenses have had a similar development and amounted to SEK 135 million (SEK 135 million).
- Impairment charges are low and totalled SEK 2 million (SEK 15 million), which is significantly lower than the fourth quarter of 2007 when the impairment charges increased mainly due to new individual provisions. Previous quarters in 2007 the impairment charges have been positive.
- Net operating income for the period amounted to SEK 97 million (SEK –27 million). The improved result is mainly explained by the change in the item "Net income from financial instruments designated at fair value". Other positively contributable items are the development of net interest income and lower impairment charges. In addition the expense level is unchanged.
- Capital adequacy is continuously good and reached 8.7% (9.5%) and the primary capital ratio was 7.7% (7.8%). After the end of the period a subordinated loan of SEK 1 billion has been raised, which increases the capital adequacy by approximately 1.1%.

Development of the parent company

Operating income amounted to SEK –222 million (SEK 314 million). The difference is mainly attributable to the net loss of financial transactions SEK –347 million (SEK 147 million). The parent company has since May 2006 currently transferred credits to the subsidiary SCBC. The transfer has incurred reduced net interest income in the parent company.

Other operating income amounted to SEK 92 million (SEK 71 million). This income consists of administrative services performed for the subsidiary SCBC.

During the year expenses has been reduced by 4% to SEK 138

million (SEK 144 million). Impairment charges amounted to net positive SEK 17 million (positive SEK 16 million).

Accounting policies

The SBAB Group applies the International Financial Reporting Standards (IFRS) as adopted by the EU. Together with these accounting standards, the accounting regulatory code of the Swedish Financial Supervisory Authority, the Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) as well as the requirements defined in the Swedish Financial Reporting Board's recommendation RFR 1.1

Supplementary Accounting Rules for Groups are taken into consideration.

This interim report complies with the requirements prescribed in IAS 34 Interim Financial Reporting.

The accounting policies and the methods of calculation are unchanged compared to the Annual Report for 2007. During the period assets classified as "Available-for-sale financial assets" have been added. These are measured at their fair value. The effects arising from a change in the fair value are recognised in equity, except for impairment losses in relation to amortised cost and foreign exchange gains and losses, which are recognised in profit or loss.

Financial information 2008

Interim report Jan – Jun	29 August
Interim report Jan – Sep	30 October

Stockholm 29 April 2008

Eva Cederbalk
Chief Executive Officer

Income Statement

SEK million	GROUP		PARENT COMPANY	
	Jan-Mar 2008	Jan-Mar 2007	Jan-Mar 2008	Jan-Mar 2007
Interest income	2,884	1,884	1,033	1,018
Interest expense	(2,579)	(1,580)	(1,014)	(932)
Net interest income	305	304	19	86
Commission income	13	12	19	20
Commission expense	(10)	(10)	(5)	(10)
Net income from financial instruments designated at fair value (Note 1)	(74)	32	(347)	147
Other operating income	-	0	92	71
Total operating income	234	338	(222)	314
Staff costs	(75)	(63)	(75)	(63)
Other expenses	(52)	(69)	(59)	(76)
Depreciation of property, plant and equipment and amortisation of intangible fixed assets	(8)	(7)	(4)	(5)
Total expenses before impairment charges	(135)	(139)	(138)	(144)
Impairment charges (Note 2)	(2)	16	17	16
Operating profit	97	215	(343)	186
Income tax expense	(27)	(58)	96	(54)
Profit for the period	70	157	(247)	132

Balance Sheet

SEK million	GROUP			PARENT COMPANY	
	31 Mar 2008	31 Mar 2007	31 Dec 2007	31 Mar 2008	31 Dec 2007
ASSETS					
Cash and balances at central banks	0	0	0	0	0
Treasury bills and other eligible bills	10	6	10	10	10
Loans and advances to credit institutions (Note 3)	13,890	10,078	19,909	39,199	38,502
Loans and advances to customers (Note 4)	165,899	170,832	167,981	18,112	29,570
Fair value adjustment of interest-rate hedged loan receivables	(521)	(514)	(922)	(76)	(88)
Bonds and other interest-bearing securities	29,379	24,738	31,056	29,379	31,056
Derivative financial instruments (Note 6)	4,429	2,898	3,799	2,372	2,225
Other shares and participations	-	2	4	-	4
Investments in joint ventures	-	-	-	602	602
Investments in subsidiaries	-	-	-	6,000	5,200
Deferred income tax assets	47	-	103	8	0
Intangible assets	60	61	58	18	19
Property, plant and equipment	13	18	14	13	14
Other assets	4,777	915	296	2,153	537
Prepaid expenses and accrued income	733	722	783	426	490
TOTAL ASSETS	218,716	209,756	223,091	98,216	108,141
LIABILITIES AND EQUITY					
Liabilities					
Liabilities to credit institutions	12,729	9,401	15,537	5,440	7,092
Customer accounts	1,272	-	759	1,272	759
Debt securities in issue	189,758	185,923	191,807	78,526	86,573
Derivative financial instruments (Note 6)	3,415	2,862	2,923	4,434	3,467
Other liabilities	407	600	694	351	671
Accrued expenses and prepaid income	3,209	1,907	2,420	480	524
Deferred tax liabilities	-	26	-	-	-
Subordinated liabilities	2,186	2,842	2,725	2,186	2,725
Total liabilities	212,976	203,561	216,865	92,689	101,811
Equity					
Share capital	1,958	1,958	1,958	1,958	1,958
Legal reserve	-	-	-	392	392
Other reserves/Fair value reserve	(542)	16	14	(542)	14
Retained earnings	4,254	4,064	4,064	3,966	3,815
Net profit for the period	70	157	190	(247)	151
Total equity	5,740	6,195	6,226	5,527	6,330
TOTAL LIABILITIES AND EQUITY	218,716	209,756	223,091	98,216	108,141

Statement of Changes in Equity

GROUP

SEK million	Share capital	Other reserves	Retained earnings	Net profit for the period	Total equity
Opening balance 1 January 2008	1,958	14	4,254		6,226
Change in available-for-sale financial assets, after tax		(555)			(555)
Change in instruments held for cash flow hedging, after tax		(1)			(1)
Net profit for the period				70	70
Closing balance 31 March 2008	1,958	(542)	4,254	70	5,740
Opening balance 1 January 2007	1,958	12	4,064		6,034
Change in instruments held for cash flow hedging, after tax		4			4
Net profit for the period				157	157
Closing balance 31 March 2007	1,958	16	4,064	157	6,195
Opening balance 1 January 2007	1,958	12	4,064		6,034
Change in instruments held for cash flow hedging, after tax		2			2
Net profit for the period				190	190
Closing balance 31 December 2007	1,958	14	4,064	190	6,226

PARENT COMPANY

SEK million	Share capital	Legal reserve	Fair value reserve	Retained earnings	Net profit for the period	Total equity
Opening balance 1 January 2008	1,958	392	14	3,966		6,330
Change in available-for-sale financial assets, after tax			(555)			(555)
Change in instruments held for cash flow hedging, after tax			(1)			(1)
Net profit for the period					(247)	(247)
Closing balance 31 March 2008	1,958	392	(542)	3,966	(247)	5,527
Opening balance 1 January 2007	1,958	392	12	3,815		6,177
Change in instruments held for cash flow hedging, after tax			2			2
Net profit for the year					151	151
Closing balance 31 December 2007	1,958	392	14	3,815	151	6,330

Cash Flow Statement

SEK million	GROUP		PARENT COMPANY	
	Jan – Mar 2008	Jan – Mar 2007	Jan – Mar 2008	Jan – Mar 2007
Cash and cash equivalents at the beginning of the period	10,140	1,453	3,124	791
Cash flows from operating activities	(5,694)	(190)	(1,405)	1,092
Cash flows from investing activities	(8)	(13)	(801)	(1,204)
Cash flows from financing activities	(597)	-	(597)	-
Net increase/decrease of cash and cash equivalents	(6,299)	(203)	(2,803)	(112)
Cash and cash equivalents at the end of the period	3,841	1,250	321	679

Cash and cash equivalents comprises cash in hand and lending to credit institutions with original maturity of less than three months.

Notes

Note 1 Net income from financial instruments designated at fair value

SEK million	GROUP		PARENT COMPANY	
	Jan-Mar 2008	Jan-Mar 2007	Jan-Mar 2008	Jan-Mar 2007
Gains/losses on interest-bearing financial instruments:				
– Securities valued at fair value through profit or loss	(7)	(40)	(7)	(40)
– Items in hedge accounting	(198)	(14)	18	108
– Derivative financial instruments	123	75	(357)	77
– Loan receivables	9	6	1	2
– Liabilities valued at fair value through profit or loss	(2)	-	(2)	-
– Other financial liabilities	1	5	0	0
Gains/losses on shares and participations	0	0	0	0
Currency translation effects	0	0	0	0
Total	(74)	32	(347)	147

Note 2 Impairment charges

GROUP	Jan-Mar 2008	Jan-Mar 2007
SEK million		
SPECIFIC PROVISION FOR INDIVIDUALLY ASSESSED LOAN RECEIVABLES		
The period's write-off for uncollectible loans	0	-
Reversal of previous provisions for probable impairment reported as uncollectible loans in this interim report	0	-
The period's provision for probable impairment	0	0
Recoveries of previous years' uncollectible loans	0	0
Reversal of previous provisions for probable impairment no longer required	(22)	0
Guarantees	6	0
Net cost for the period for individually assessed loan receivables	(16)	0
COLLECTIVE PROVISION FOR INDIVIDUALLY ASSESSED LOAN RECEIVABLES		
Allocation to/reversal of collective provision	(18)	(19)
Guarantees	3	3
Net cost for the period for collective provisions for individually assessed loan receivables	(15)	(16)
COLLECTIVE PROVISION FOR HOMOGENEOUS GROUPS OF LOAN RECEIVABLES		
The period's write-off for uncollectible loans	1	1
Recoveries of previous years' uncollectible loans	0	(1)
Allocation to/reversal of collective provision	28	0
Guarantees	4	0
Net cost for the period for collective provisions for homogeneous groups of loan receivables	33	0
Impairment charges for the period	2	(16)

Both the period's write-off regarding uncollectible loans and the reversal of previous years' write-offs specified above are attributable to loans and advances to customers.

Note 3 Loans and advances to credit institutions

Of the parent company's loans and advances to credit institutions SEK 18,369 million (SEK 15,439 million) relate to a receivable from the wholly-owned subsidiary The Swedish Covered Bond Corporation, SCBC. This receivable is subordinated which means that payment is not received until the other creditors of the subsidiary have been paid.

Note 4 Loans and advances to customers

GROUP SEK million	31 Mar 2008		31 Dec 2007	
	Loans	Provision	Loans	Provision
Single-family dwellings and holiday homes	71,748	(98)	71,651	(84)
Tenant-owned apartments	32,931	(31)	32,575	(17)
Tenant-owner associations	33,211	(99)	33,465	(119)
Private multi-family dwellings	17,046	(20)	17,953	(40)
Municipal multi-family dwellings	5,998	-	7,000	-
Commercial properties	5,213	-	5,597	-
Provision for impairment	(248)		(260)	
Total	165,899	(248)	167,981	(260)

Impaired and unpaid loans	31 Mar 2008	31 Dec 2007
a) Impaired loans	146	180
b) Unpaid loan receivables included in impaired loans	5	9
c) Unpaid loan receivables not included in impaired loans	147	115
d) Specific provisions for individually assessed loans	96	118
e) Collective provisions for individually assessed loans	35	53
f) Provisions for collectively assessed homogeneous groups of loans	117	89
g) Total provisions (d+e+f)	248	260
h) Impaired loans after specific provisions for individually assessed loans (a-d)	50	62
i) Provision ratio for specific provisions for individually assessed loans (d/a)	66%	66%

In certain lending cooperation the business partner may acquire loans provided.

Note 5 Classification of financial instruments

GROUP 31 March 2008, SEK million	Securities valued at fair value through profit or loss	Loan receivables	Derivatives held for hedging	Available-for- sale financial assets	Total
Financial assets					
Cash and balances at central banks		0			0
Treasury bills and other eligible bills	10				10
Loans and advances to credit institutions		13,890			13,890
Loans and advances to customers		165,899			165,899
Fair value adjustment of interest-rate hedged loan receivables		(521)			(521)
Bonds and other interest-bearing securities	7,862			21,517	29,379
Derivative financial instruments			4,429		4,429
Other assets		4,777			4,777
Prepaid expenses and accrued income	150	447		136	733
Total	8,022	184,492	4,429	21,653	218,596
Financial liabilities					
	Liabilities valued at fair value through profit or loss	Financial liabilities in hedge accounting	Derivatives held for hedging	Other financial liabilities	Total
Liabilities to credit institutions				12,729	12,729
Customer accounts				1,272	1,272
Debt securities in issue		155,993		33,765	189,758
Derivative financial instruments			3,415		3,415
Other liabilities	226			181	407
Accrued expenses and prepaid income	0	3,106		103	3,209
Subordinated liabilities		2,186			2,186
Total	226	161,285	3,415	48,050	212,976

Note 5 *continued*

PARENT COMPANY					
31 March 2008, SEK million					
	Securities valued at fair value through profit or loss	Loan receivables	Derivatives held for hedging	Available-for- sale financial assets	Total
Financial assets					
Cash and balances at central banks		0			0
Treasury bills and other eligible bills	10				10
Loans and advances to credit institutions		39,199			39,199
Loans and advances to customers		18,112			18,112
Fair value adjustment of interest-rate hedged loan receivables		(76)			(76)
Bonds and other interest-bearing securities	7,862			21,517	29,379
Derivative financial instruments			2,372		2,372
Other assets		2,153			2,153
Prepaid expenses and accrued income	150	140		136	426
Total	8,022	59,528	2,372	21,653	91,575

	Liabilities valued at fair value through profit or loss	Financial liabilities in hedge accounting	Derivatives held for hedging	Other financial liabilities	Total
Financial liabilities					
Liabilities to credit institutions				5,440	5,440
Customer accounts				1,272	1,272
Debt securities in issue		44,640		33,886	78,526
Derivative financial instruments			4,434		4,434
Other liabilities	226			125	351
Accrued expenses and prepaid income	0	403		77	480
Subordinated liabilities		2,186			2,186
Total	226	47,229	4,434	40,800	92,689

Note 6 Derivative financial instruments

GROUP			
31 March 2008, SEK million			
	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	2,310	1,559	216,600
Share-related	24	1	129
Currency-related	1,979	1,855	90,193
Credit-related	116	-	18,042
Total	4,429	3,415	324,964

PARENT COMPANY			
31 March 2008, SEK million			
	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	1,859	2,751	338,907
Share-related	24	1	129
Currency-related	489	1,682	38,859
Total	2,372	4,434	377,895

Segment Reporting

GROUP

SEK million	Jan-Mar 2008				Jan-Mar 2007			
	Consumer	Corporate loans	Finance	Total	Consumer	Corporate loans	Finance	Total
Net interest income	193	41	71	305	183	38	83	304
Net commission income	10	1	(8)	3	1	0	1	2
Net income from financial instruments designated at fair value	0	2	(76)	(74)	0	0	32	32
Total operating income	203	44	(13)	234	184	38	116	338
Total expenses before impairment charges	(105)	(15)	(15)	(135)	(103)	(19)	(17)	(139)
Net operating income before impairment charges	98	29	(28)	99	81	19	99	199
Impairment charges	(4)	2	-	(2)	13	3	-	16
Total operating income	94	31	(28)	97	94	22	99	215

The Consumer segment includes lending to single-family dwellings, holiday homes, tenant-owned apartments and tenant-owner associations. Corporate loans include lending to private multi-family dwellings, commercial properties and municipal companies. The Finance segment covers profit and loss from the financing activities. Overhead costs from non-operational activities have been allocated to the segments by relevant allocation principles. Intra-group eliminations are already adjusted in each segment.

Capital Base

GROUP

SEK million	31 Mar 2008	31 Dec 2007
Primary capital		
Equity	6,282	6,198
Primary capital contribution	994	994
Minority interest	467	467
Total primary capital gross	7,743	7,659
Less other intangible assets	(60)	(58)
Less deferred income tax assets	(292)	(103)
Deduction under chapter 3, section 8, of the Capital Adequacy Act	(386)	(346)
Total primary capital net	7,005	7,152
Supplementary capital		
Undated subordinated loans	-	722
Dated subordinated loans	1,260	1,260
Deduction under chapter 3, section 8, of the Capital Adequacy Act	(386)	(346)
Total supplementary capital	874	1,636
Expanded part of capital base	0	0
Deduction from whole capital base	0	0
Amount for capital base net after deductible items and limit values	7,879	8,788
Capital requirements		
<i>Minimum capital for</i>		
Credit risk reported according to standard method	1,335	1,067
Credit risk reported according to IRC-method	2,126	1,982
Risks in commercial stock	179	487
Operational risk	144	170
Currency risk	0	0
Raw material risk	0	0
Total minimum capital requirement	3,784	3,706
Addition during a transitional period	3,466	3,675
Capital requirement including addition	7,250	7,381

Capital Adequacy

31 March 2008, SEK million	GROUP	PARENT COMPANY
Primary capital	7,005	6,675
Total capital	7,879	7,876
Risk-weighted assets	103,856	26,528
Risk-weighted assets * 90%	93,470	23,875
Capital requirement / 8%	90,625	22,402
Primary capital ratio	7.7%	29.8%
Capital adequacy	8.7%	35.2%
Capital ratio	1.09	4.39

Audit Report

To the Board of The Swedish Housing Finance Corporation, SBAB
reg. no. 556253-7513

Introduction

We have reviewed enclosed interim report covering The Swedish Housing Finance Corporation, SBAB, reg. no. 556253-7513 for the period 1 January – 31 March 2008. The Board and the Chief Executive Officer are responsible for the preparation and presentation of this financial interim report in accordance with IAS 34 and the Annual Accounts Act for Credit Institutions and Securities Companies. It is our responsibility to express an opinion on this financial interim report based on our review.

Scope of Review

We have conducted our review in accordance with the Standard of Review Engagements SÖG 2410, *Review of Interim Financial Informa-*

tion Performed by the Independent Auditor of the Entity issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing in Sweden RS 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 based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

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

Stockholm, 29 April 2008
Öhrlings PricewaterhouseCoopers AB

Ulf Westerberg
Authorised public accountant



The Swedish Housing Finance Corporation, SBAB