



Interim report 1 January – 30 June 2008

The Swedish Housing Finance Corporation, SBAB

- **SBAB's loan portfolio totalled SEK 178,265 million (SEK 167,981 million).**
- **Continued high demand for SBAB's savings products has led to increasing deposits from customers to SEK 1,546 million (SEK 759 million).**
- **Net interest income increased to SEK 625 million (SEK 612 million).**
- **Expenses continued to decrease and totalled SEK 268 million (SEK 289 million).**
- **Net operating income totalled SEK 263 million (SEK 418 million). One explanation of the difference in net operating income is that net income from financial instruments designated at fair value totalled SEK –99 million (SEK 70 million). Net operating income adjusted for changes in market value in the liquidity portfolio totalled SEK 439 million (SEK 411 million).**

Net operating income

SBAB's net operating income for the first six months of 2008 totalled SEK 263 million (SEK 418 million). Net interest income is higher than previous period and the reduction in the level of expenses has continued. Net operating income has been affected negatively by net income from financial instruments designated at fair value.

Operating income

Net interest income increased to SEK 625 million (SEK 612 million). The stiff competition in the residential mortgage market in recent years has led to a clear downward marginal trend in the residential mortgage market. Net interest income has been positively affected by higher interest rates, which have increased return on invested equity

Summary SBAB Group

	Jun 2008	Jun 2007	Dec 2007
Net interest income, SEK million	625	612	1,177
Net operating income, SEK million	263	418	258
Net profit for the period, SEK million	190	304	190
Lending, SEK million	178,265	169,660	167,981
Impaired loans after specific provisions for individually assessed loans, SEK million	48	43	62
Volume international borrowing, SEK million	124,475	120,228	119,878
Expenditure/income ratio excl. impairment charges, % ¹⁾	50	42	68
Expenditure/income ratio incl. impairment charges, % ¹⁾	51	39	65
Return on equity, % ²⁾	1.2	10.9	3.1
Capital adequacy, % ³⁾	9.8	9.4	9.5
Primary capital ratio, % ³⁾	7.8	7.5	7.8
Equity ratio, %	2.8	3.0	2.8
Rating, long-term borrowing, SBAB Standard & Poor's Moody's ⁴⁾	AA– A1	AA– Aa3	AA– Aa3
Rating, long-term borrowing, SCBC Standard & Poor's Moody's	AAA Aaa	AAA Aaa	AAA Aaa
Rating, short-term borrowing, SBAB Standard & Poor's Moody's	A-1+ P-1	A-1+ P-1	A-1+ P-1
Average number of employees during the period of which temporary employees	366 9	375 7	374 8

¹⁾ Expenses/operating income.

²⁾ Adjusted return on equity, excluding the change in market value of the liquidity portfolio, amounts to 10.0% for June 2008.

³⁾ The comparative figures have been adjusted due to changed calculation methods; see the section "Capital adequacy".

⁴⁾ On 5 February 2008, Moody's downgraded SBAB's rating for long-term borrowing to A1 with negative outlook.

All figures in 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.

capital and payment flows. Operating income is lower compared with the corresponding period last year, SEK 534 million (SEK 685 million). One explanation of the decrease in the result is attributable to financial instruments designated at fair value.

Expenses

Expenses decreased to SEK 268 million (SEK 289 million). Staff costs totalled SEK 141 million (SEK 127 million). The increase is attributable to higher pension costs and provisions for profit-based remuneration. SBAB's other expenses have decreased substantially and, in comparison with the corresponding period last year, the decrease is SEK 36 million. Depreciation amounts to SEK 16 million, which is in level with the corresponding period last year.

Impairment charges and impaired loans

Impairment charges continues to be low and amounted to a net result of SEK 3 million (positive SEK 22 million) for the first six months of 2008. The provision ratio for specific provisions for individually assessed loans was 65% (66%).

Lending

New lending to customers totalled SEK 178,265 million compared with SEK 167,981 million at the beginning of the year. This increase is mainly attributable to the acquisition of loans from the jointly-owned company FriSpar Bolån AB to SBAB with the intention of enabling borrowing via covered bonds. As at 30 June 2008, the acquisition amounted to SEK 18,787 million of which the ensuing group effect amounted to SEK 9,206 million. The net increase for the period amounts to SEK 1,078 million.

New lending to the consumer market totalled SEK 9,965 million (SEK 9,588 million). The consumer market portfolio totalled SEK 114,607 million (SEK 104,125 million). SBAB's market share of consumer market lending totalled 7.7% (8.1%). SBAB's business partners continue to be important distribution channels.

New lending to the corporate market totalled SEK 5,696 million

Loan portfolio

SEK million	Jun 2008		Jun 2007		Dec 2007	
	SBAB Group*	Group incl. all of FriSpar	SBAB Group*	Group incl. all of FriSpar	SBAB Group*	Group incl. all of FriSpar
Consumer market	114,607	115,738	103,876	112,959	104,125	113,803
- new lending	9,965	11,114	9,588	10,671	19,676	21,828
Corporate market	63,658	63,773	65,785	65,900	63,856	63,990
- new lending	5,696	5,696	5,293	5,294	10,808	10,809
Total	178,265	179,511	169,661	178,859	167,981	177,793
- new lending	15,661	16,810	14,881	15,965	30,484	32,637

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

(SEK 5,293 million). The corporate market portfolio totalled SEK 63,658 million (SEK 63,856 million). SBAB's market share of corporate market lending amounted to 12.3% (13.4%).

Saving

SBAB introduced two new savings products in spring 2007: A savings account (Sparkonto) for both new and existing customers and the SBAB account (SBAB-konto) for customers with residential mortgages of at least SEK 1 million. SBAB's savings products have a very competitive deposit rate. 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.

There has been a high level of demand for SBAB's savings products and the amount deposited totalled SEK 1,546 million (SEK 759 million) on 30 June 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 30 June, the programmes were utilised as follows: Swedish Commercial Paper Programme SEK 12.1 billion (SEK 19.0 billion), Swedish Covered Bonds SEK 61.9 billion (SEK 55.3 billion), European Commercial Paper Programme USD 1,689 million (USD 1,794 million), US Commercial Paper Programme USD 373 million (USD 1,190 million), Euro Medium Term Note Programme USD 9,016 million (USD 7,290 million), Euro Medium Term Covered Note Programme EUR 5,818 million (EUR 5,418 million). The total value

of outstanding securities issued was SEK 194,232 million (SEK 191,807 million).

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.

The liquidity portfolio

SBAB's liquidity portfolio is a liquidity reserve, which is intended to manage liquidity and funding risks. The portfolio totalled SEK 28.9 billion (SEK 31.0 billion) and consists of assets classified as "Available-for-sale financial assets", SEK 21.7 billion (SEK 0 billion), and "Securities valued at fair value through profit or loss", SEK 7.2 billion (SEK 31.0 billion). The change in market value of the liquidity portfolio totalled SEK -453 million of which SEK 176 million was charged to net operating income and SEK 277 million to equity before tax. The financial turbulence which affected the capital market after the end of the period has had a negative effect on market values.

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 two covered bonds with the ratings AAA/Aa2 and AAA/Aa1 respectively. SBAB's liquidity portfolio neither has nor has had any exposure to the United States, to U.S. assets or to residential mortgages not classified as prime. Derivative contracts have been entered into to manage interest rate and currency risks. The bonds in the

portfolio can be pledged at the Riksbank or the European Central Bank.

Capital adequacy

SBAB mainly discloses credit risk in accordance with the IRC method and operational risks according to the standard method. As of 2008, 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 comparative figures have been adjusted in this connection.

The capital ratio for the SBAB Group was 1.22 (1.19) as at 30 June 2008. The capital adequacy totalled 9.8% (9.5%), the primary capital ratio was 7.8% (7.8%) and the capital base amounted to SEK 9,105 million (SEK 8,788 million). The capital requirement, without taking into consideration the transitional regulations according to the rules in Basel II, amounted to SEK 3,682 million (SEK 3,706 million) as at 30 June.

The parent company's capital ratio was 4.71 (4.48), the capital adequacy 37.7% (35.8%), the primary capital ratio 28.5% (28.2%) and the capital base SEK 9,121 million (SEK 9,187 million).

The details as per June 2008 include the Group's profit for the period January-March and the parent company's profit for the period January-June.

In connection with the interest payment date 30 March, SBAB has exercised its right to premature redemption of subordinated loan JPY 1. This loan has previously been included with SEK 722 million in the supplementary capital. During April, the redeemed subordinated loan has been replaced by a new subordinated loan of SEK 1 billion. The new subordinated loan has had a positive effect on the capital adequacy for the group with 1.3%.

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.

During the period, SBAB has received the Swedish Financial

Supervisory Authority's, Finansinspektionen, assessment of SBAB's internal capital evaluation. Finansinspektionen considers that SBAB is sufficiently capitalised in relation to the risk to which the company is exposed.

Interest-rate risk

A parallel shift of the yield curve plus one percentage point would as at 30 June 2008 have resulted in a reduction of the net value of SBAB's interest-bearing assets and liabilities, including derivative transactions, of around SEK -18.7 million.

An account of other risks in SBAB has been presented in the annual report for 2007.

Current events

- In April, SBAB introduced a new model for setting interest rates to retail customers in order to be able to offer an even more competitive interest rate. The model is simple and clear and the customer's interest rate depends on the loan-to-value ratio and the size of the loan.
- During the period, SBAB has made possible covered borrowing for lending made in collaboration with the savings banks Finn and Gripen.

Development in the second quarter of 2008 compared with the first quarter of 2008

- Lending to customers totalled SEK 178,265 million compared with SEK 165,899 million in the first quarter of 2008. The consumer market portfolio totalled SEK 114,607 million (SEK 104,550 million). SBAB's share of the consumer market was 7.7% (7.9%). The corporate market portfolio totalled SEK 63,658 million (SEK 61,349 million). SBAB's share of the corporate market totalled 12.3% (12.0%).
- During the second quarter, demand for SBAB's savings products has continued to be high and deposits from customers increased to SEK 1,546 million (SEK 1,272 million).
- Net interest income is higher and totalled SEK 320 million (SEK 305 million). Total operating

income amounted to SEK 300 million (SEK 234 million). The increase in operating income is explained by higher net interest income together with lower negative impact from the net result of "Financial instruments designated at fair value".

- Expenses are in level with previous quarter and totalled SEK 133 million (SEK 135 million).
- Impairment charges remain low during the quarter and amounted to SEK 1 million (SEK 2 million).
- Net operating income for the period totalled SEK 166 million (SEK 97 million).
- Capital adequacy remains to be good and reached 9.8% (8.7%) and the primary capital ratio was 7.8% (7.7%).

Development of the parent company (January - June 2008)

Lending to customers totalled SEK 19,248 million (SEK 29,570 million) for the parent company.

Operating income amounted to SEK -41 million (SEK 687 million). The difference is mainly attributable to the net loss of financial transactions SEK -378 million (SEK 382 million). The parent company currently transfers loans to the subsidiary SCBC which has led to reduced net interest income in the parent company, SEK 125 million (SEK 145 million). The parent company's net interest income has been adjusted by positive SEK 54 million. This amount is attributable to the period January-March 2008.

Other operating income totalled SEK 185 million (SEK 142 million). This income consists of administrative services performed for the subsidiary SCBC.

During the quarter, expenses totalled SEK 270 million (SEK 291 million). Impairment charges amounted to net positive SEK 12 million (positive SEK 25 million).

Net operating income totalled SEK -299 million (SEK 421 million).

Capital adequacy in the parent company amounted to 37.7% (35.8%).

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 Account 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 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

SBAB will publish the interim report for the period 1 January-30 September 2008 on 30 October.

The Board of Directors and the CEO certify that the interim report provides a fair view of the Parent Company's and the Group's operations, position and earnings, and describes the significant risks and uncertainty factors to which the Parent Company and the Group are exposed.

Stockholm, 28 August 2008

Claes Kjellander
Chairman of the Board

Gunilla Asker
Board Member

Jan Berg
Board Member

Helena Levander
Board Member

Lars Linder-Aronson
Board Member

Michael Thorén
Board Member

Anders Bloom
Board Member
(Employee Representative)

Göran Thilén
Board Member
(Employee Representative)

Eva Cederbalk
CEO

Income Statement

SEK million	GROUP				PARENT COMPANY	
	Jan-Jun 2008	Jan-Jun 2007	Apr-Jun 2008	Apr-Jun 2007	Jan-Jun 2008	Jan-Jun 2007
Interest income	5,482	3,871	2,598	1,987	2,106	2,036
Interest expense	(4,857)	(3,259)	(2,278)	(1,679)	(1,981)	(1,891)
Net interest income	625	612	320	308	125	145
Commission income	26	25	13	13	37	40
Commission expense	(18)	(22)	(8)	(12)	(10)	(22)
Net income from financial instruments designated at fair value (Note 1)	(99)	70	(25)	38	(378)	382
Other operating income	0	0	0	0	185	142
Total operating income	534	685	300	347	(41)	687
Staff costs	(141)	(127)	(66)	(64)	(141)	(127)
Other expenses	(111)	(147)	(59)	(78)	(121)	(155)
Depreciation of property, plant and equipment and amortisation of intangible fixed assets	(16)	(15)	(8)	(8)	(8)	(9)
Total expenses before impairment charges	(268)	(289)	(133)	(150)	(270)	(291)
Profit before impairment charges	266	396	167	197	(311)	396
Impairment charges, net (Note 2)	(3)	22	(1)	6	12	25
Net operating income	263	418	166	203	(299)	421
Income tax expense	(73)	(114)	(46)	(56)	84	(119)
Profit for the period	190	304	120	147	(215)	302

Balance Sheet

SEK million	GROUP			PARENT COMPANY	
	30 Jun 2008	30 Jun 2007	31 Dec 2007	30 Jun 2008	31 Dec 2007
ASSETS					
Cash and balances at central banks	0	0	0	0	0
Treasury bills and other eligible bills	10	10	10	10	10
Loans and advances to credit institutions (Note 3)	6,522	9,659	19,909	39,454	38,502
Loans and advances to customers (Note 4)	178,265	169,660	167,981	19,248	29,570
Fair value adjustment of interest-rate hedged loan receivables	(1,834)	(1,251)	(922)	(64)	(88)
Bonds and other interest-bearing securities	29,049	28,237	31,056	29,049	31,056
Derivative financial instruments (Note 6)	5,008	3,084	3,799	4,419	2,225
Other shares and participations	-	3	4	-	4
Investments in joint ventures	-	-	-	484	602
Investments in subsidiaries	-	-	-	7,200	5,200
Deferred income tax assets	28	230	103	0	0
Intangible assets	57	59	58	16	19
Property, plant and equipment	13	17	14	13	14
Other assets	1,063	1,407	296	1,019	537
Prepaid expenses and accrued income	715	723	783	415	490
TOTAL ASSETS	218,896	211,838	223,091	101,263	108,141
LIABILITIES AND EQUITY					
Liabilities					
Liabilities to credit institutions	6,350	6,093	15,537	4,283	7,092
Customer accounts	1,546	228	759	1,546	759
Debt securities in issue	194,232	189,828	191,807	80,003	86,573
Derivative financial instruments (Note 6)	4,193	3,344	2,923	5,375	3,467
Other liabilities	549	1,147	694	524	671
Accrued expenses and prepaid income	2,712	2,162	2,420	519	524
Subordinated liabilities	3,101	2,693	2,725	3,101	2,725
Total liabilities	212,683	205,495	216,865	95,351	101,811
Equity					
Share capital	1,958	1,958	1,958	1,958	1,958
Legal reserve	-	-	-	392	392
Other reserves/Fair value reserve	(189)	17	14	(189)	14
Retained earnings	4,254	4,064	4,064	3,966	3,815
Net profit for the period	190	304	190	(215)	151
Total equity	6,213	6,343	6,226	5,912	6,330
TOTAL LIABILITIES AND EQUITY	218,896	211,838	223,091	101,263	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		(200)			(200)
Change in instruments held for cash flow hedging, after tax		(3)			(3)
Net profit for the period				190	190
Closing balance, 30 June 2008	1,958	(189)	4,254	190	6,213
Opening balance, 1 January 2007	1,958	12	4,064		6,034
Change in instruments held for cash flow hedging, after tax		5			5
Net profit for the period				304	304
Closing balance, 30 June 2007	1,958	17	4,064	304	6,343
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			(200)			(200)
Change in instruments held for cash flow hedging, after tax			(3)			(3)
Net profit for the period					(215)	(215)
Closing balance, 30 June 2008	1,958	392	(189)	3,966	(215)	5,912
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 period					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-Jun 2008	Jan-Jun 2007	Jan-Jun 2008	Jan-Jun 2007
Cash and cash equivalents at the beginning of the period	10,140	1,453	3,124	791
Cash flows from operating activities	(5,202)	(951)	3,686	1,039
Cash flows from investing activities	(13)	(18)	(1,885)	(1,350)
Cash flows from financing activities	403	-	403	-
Increase/decrease of cash and cash equivalents	(4,812)	(969)	2,204	(311)
Cash and cash equivalents at the end of the period	5,328	484	5,328	480

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-Jun 2008	Jan-Jun 2007	Jan-Jun 2008	Jan-Jun 2007
Gains/losses on interest-bearing financial instruments:				
- Securities valued at fair value through profit or loss	(336)	(234)	(336)	(234)
- Items in hedge accounting	619	232	230	230
- Derivative financial instruments	(400)	30	(270)	352
- Loan receivables	11	41	1	33
- Liabilities valued at fair value	(2)	-	(2)	-
- Other financial liabilities	11	0	0	0
Gains/losses on shares and participations:	0	1	0	1
Currency translation effects	(2)	0	(1)	0
Total	(99)	70	(378)	382

Note 2 Impairment charges, net

GROUP	Jan-Jun 2008	Jan-Jun 2007
SEK million		
SPECIFIC PROVISION FOR INDIVIDUALLY ASSESSED LOAN RECEIVABLES		
The period's write-off for uncollectible loans	1	0
Reversal of previous provisions for probable impairment reported as uncollectible loans in the interim report	(0)	-
The period's provision for probable impairment	0	9
Recoveries of previous year's uncollectible loans	(0)	(1)
Reversal of previous positions for probable impairment no longer required	(28)	(4)
Guarantees	9	(7)
Net cost for the period for individually assessed loan receivables	(18)	(3)
COLLECTIVE PROVISION FOR INDIVIDUALLY ASSESSED LOAN RECEIVABLES		
Allocation to/reversal of collective provision	(17)	(27)
Guarantees	2	10
Net cost for the period for collective provisions for individually assessed loan receivables	(15)	(17)
COLLECTIVE PROVISION FOR HOMOGENEOUS GROUPS OF LOAN RECEIVABLES		
The period's write-off for uncollectible loans	3	2
Recoveries of previous years' uncollectible loans	(0)	(5)
Allocation to/reversal of collective provision	28	2
Guarantees	5	(1)
Net cost for the period for collective provisions for homogeneous groups of loan receivables	36	(2)
Impairment charges for the period	3	(22)

Both the period's write-off regarding uncollectible loans and the reversal of previous year's 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 31,779 million (SEK 15,439 million) relate to a receivable from the wholly-owned subsidiary, The Swedish Covered Bond Corporation, SCBC. These receivables are 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	30 Jun 2008		31 Dec 2007	
	Lending	Provision	Lending	Provision
Single-family dwellings and holiday homes	79,498	(100)	71,651	(84)
Tenant-owned apartments	35,240	(31)	32,575	(17)
Tenant-owner associations	33,597	(95)	33,465	(119)
Private multi-family dwellings	18,915	(22)	17,953	(40)
Municipal multi-family dwellings	5,710	-	7,000	-
Commercial properties	5,553	(0)	5,597	-
Provision for impairment	(248)		(260)	
Total	178,265	(248)	167,981	(260)

Impaired and unpaid loans	30 Jun 2008	31 Dec 2007
a) Impaired loans	139	180
b) Unpaid loan receivables included in impaired loans	8	9
c) Unpaid loan receivables not included in impaired loans	135	115
d) Specific provisions for individually assessed loans	91	118
e) Collective provisions for individually assessed loans	36	53
f) Provisions for collectively-assessed homogeneous groups of loans	121	89
g) Total provisions (d+e+f)	248	260
h) Impaired loans after specific provisions for individually assessed loans (a-d)	48	62
i) Provision ration for specific provisions for individually assessed loans (d/a)	65%	66%

The business partner may acquire loans provided in certain lending cooperation and, in certain cases, SBAB does not have the right to re-sell the receivable to a third party without prior approval.

Note 5 Classification of financial instruments

GROUP 30 June 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		6,522			6,522
Loans and advances to customers		178,265			178,265
Fair value adjustment of interest-rate hedged loan receivables		(1,834)			(1,834)
Bonds and other interest-bearing securities	7,371			21,678	29,049
Derivative financial instruments			5,008		5,008
Other assets		1,063			1,063
Prepaid expenses and accrued income	149	433		133	715
Total	7,530	184,449	5,008	21,811	218,798
Financial liabilities					
Liabilities to credit institutions				6,350	6,350
Customer accounts				1,546	1,546
Debt securities in issue		169,733		24,499	194,232
Derivative financial instruments			4,193		4,193
Other liabilities				549	549
Accrued expenses and prepaid income		2,573		139	2,712
Subordinated liabilities		3,101			3,101
Total		175,407	4,193	33,083	212,683

Note 5 *continued*

PARENT COMPANY 30 June 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		39,454			39,454
Loans and advances to customers		19,248			19,248
Fair value adjustment of interest-rate hedged loan receivables		(64)			(64)
Bonds and other interest-bearing securities	7,371			21,678	29,049
Derivative instruments			4,419		4,419
Other assets		1,019			1,019
Prepaid expenses and accrued income	149	133		133	415
Total	7,530	59,790	4,419	21,811	93,550
Financial liabilities					
		Financial liabilities in hedge accounting	Derivatives held for hedging	Other financial liabilities	Total
Liabilities to credit institutions				4,283	4,283
Customer accounts				1,546	1,546
Debt securities in issue		55,504		24,499	80,003
Derivative financial instruments			5,375		5,375
Other liabilities				524	524
Accrued expenses and prepaid income		407		112	519
Subordinated liabilities		3,101			3,101
Total		59,012	5,375	30,964	95,351

Note 6 Derivative financial instruments

GROUP 30 June 2008, SEK million	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	3,072	2,900	235,282
Share-related	24	1	129
Currency-related	1,819	1,292	96,778
Credit-related	93	0	18,042
Total	5,008	4,193	350,231
PARENT COMPANY			
30 June 2008, SEK million	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	4,017	4,271	379,796
Share-related	24	1	129
Currency-related	378	1,103	44,149
Total	4,419	5,375	424,074

Note 7 Segment reporting

GROUP SEK million	Jan-Jun 2008				Jan-Jun 2007			
	Consumer	Corporate loans	Finance	Total	Consumer	Corporate loans	Finance	Total
Net interest income	379	80	166	625	389	88	135	612
Net commission income	19	2	(13)	8	5	0	(2)	3
Net income from financial instruments designated at fair value	0	2	(101)	(99)	5	7	58	70
Total operating income	398	84	52	534	399	95	191	685
Total expenses before impairment charges	(208)	(29)	(31)	(268)	(220)	(36)	(33)	(289)
Profit before impairment charges	190	55	21	266	179	59	158	396
Impairment charges, net	(5)	2	-	(3)	18	5	(1)	22
Net operating income	185	57	21	263	197	64	157	418

The Consumer segment includes lending to single-family dwellings, holiday homes, tenant-owned apartments, and tenant-owner associations. Corporate loans includes 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	30 Jun 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	(58)	(58)
Less deferred income tax assets	(108)	(103)
Deduction under Chapter 3, section 8, of the Capital Adequacy Act	(366)	(346)
Total primary capital net	7,211	7,152
Supplementary capital		
Undated subordinated loans	-	722
Dated subordinated loans	2,260	1,260
Deduction under Chapter 3, section 8, of the Capital Adequacy Act	(366)	(346)
Total supplementary capital	1,894	1,636
Expanded part of capital base	-	-
Deduction from whole capital base	-	-
Amount for capital base net after deductible items and limit values	9,105	8,788
Capital requirements		
<i>Minimum capital for:</i>		
Credit risk reported according to standard method	1,328	1,067
Credit risk reported according to IRC method	2,095	1,982
Risks in commercial stock	115	487
Operational risk	144	170
Currency risk	-	-
Raw material risk	-	-
Total minimum capital requirement	3,682	3,706
Addition during a transitional period	3,754	3,675
Capital requirement including addition	7,436	7,381

Capital Adequacy

SEK million	GROUP		PARENT COMPANY	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
Primary capital	7,211	7,152	6,889	7,240
Total capital	9,105	8,788	9,121	9,187
Risk-weighted assets, Basel I	105,743	98,918	27,650	27,901
Capital requirement/8%	92,954	92,258	24,185	25,636
Primary capital ratio	7.8%	7.8%	28.5%	28.2%
Capital adequacy	9.8%	9.5%	37.7%	35.8%
Capital ratio	1.22	1.19	4.71	4.48

Comparative figures have been adjusted due to changed calculation.

Review Report

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

Introduction

We have reviewed the enclosed interim report covering the Swedish Housing Finance Corporation, SBAB, reg. no. 556253-7513, for the period 1 January 2008 – 30 June 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 Information Performed by the Independent Auditor of the Entity* issued by FAR. A review consists of making enquiries, 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 based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the 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, 28 August 2008
Öhrlings PricewaterhouseCoopers AB

Ulf Westerberg
Authorised public accountant



The Swedish Housing Finance Corporation, SBAB