Announcement of SBAB's Result for 2007

SBAB

1 January – 31 December 2007 • Swedish Housing Finance Corporation, SBAB

- **SBAB's credit portfolio amounted to SEK 167,981 million (SEK 170,013 million).**
- **Net interest income amounted to SEK 1,177 million (SEK 1,217 million).**
- **Expenses decreased to SEK 517 million (SEK 595 million).**
- **Net operating income decreased to SEK 258 million (SEK 840 million). Net operating income, adjusted for unrealised changes in market value in the liquidity portfolio, totals SEK 874 million.**
- **Net operating income has been affected by the financial turbulence in the credit market during the second half of 2007. This has led to unrealised changes in market value in the liquidity portfolio including derivatives of SEK –616 million.**

All figures in brackets for income items and new lending refer to the corresponding period last year. The comparison date is 31 December of the previous year for figures concerning balance sheet items, capital adequacy, lending and market shares.

Net operating income

SBAB's net operating income for 2007 amounted to SEK 258 million (SEK 840 million). The decrease in income compared with the corresponding period last year is attributable to the change in value of SBAB's liquidity portfolio. The unrealised change in market value in the liquidity portfolio has entailed a charge on income of SEK 616 million. Operating income adjusted for the unrealised change in market value in the liquidity portfolio amounts to SEK 874 million, which is higher than the corresponding period last year.

Operating income

Net interest income amounted to SEK 1,177 million (SEK 1,217 million). During the year, the residential mortgage market has been characterised by very tough competition and a clear downward marginal trend. Net interest income has been

Summary SBAB Group	Dec 2007	Dec 2006
Net interest income, SEK million	1,177	1,217
Net operating income, SEK million	258	840
Net profit for the year, SEK million	190	654
Lending, SEK million	167,981	170,013
Doubtful loan claims after specific provisions for loan claims assessed individually, SEK million	62	45
Volume of international borrowing, SEK million	119,878	111,048
Income/Expenditure ratio excluding loan losses	1.5	2.4
Income/Expenditure ratio including loan losses	1.5	2.4
Return on equity, %	3.1	11.5
Capital ratio, % [1]	9.3	9.0
Primary capital ratio, % [1]	7.6	7.3
Equity ratio, %	2.8	3.0
Rating, long-term borrowing, SBAB		
Standard & Poor's	AA– [2]	AA–
Moody's	Aa3 [3]	Aa3
Rating, long-term borrowing, SCBC		
Standard & Poor's	AAA	AAA
Moody's	Aaa	Aaa
Rating, short-term borrowing, SBAB		
Standard & Poor's	A–1+	A–1+
Moody's	P–1	P–1
Average number of employees during the period	374	410
of which temporary employees	8	17

[1] *The comparative figures have not been recalculated according to IAS rules.*

[2] *On 6 November 2007, Standard & Poor's changed SBAB's outlook from stable to developing. The reason for this is expected changes in SBAB's ownership*

[3] *In July, Moody's started a review of a possible downgrading of SBAB's Aa3 rating for long-term borrowing.*

positively affected by higher interest rates which have increased the return from invested equity capital and payment flows.

Operating income is substantially lower compared with the corresponding period last year, SEK 755 million (SEK 1,435 million). This reduction is attributable to unrealised changes in market value.

The liquidity portfolio

SBAB's liquidity portfolio is a liquidity reserve intended to manage liquidity and refinancing risk. The portfolio holding is long-term. SBAB has liquidity reserves that correspond to liquidity requirements for 30 days or more. All securities have the highest rating Aaa from Moody's, AAA from Standard & Poor's or AAA from Fitch, except one secured bond rated as AAA/Aa2. This bond corresponds to around 0.6% of the portfolio value. SBAB's liquidity portfolio neither has had or has any exposure to the United States, to US assets or to residential mortgage loans which are not classified as "prime". Derivative agreements have been entered in order to handle interest and currency risks. The portfolio amounted to SEK 31 billion as per 31 December 2007. The bonds in the portfolio can be pledged at the Riksbank or the European Central Bank.

SBAB values each security individually at market value and reports the change in value in the income statement. Consequently, the unrealised change in market value affects the net operating income. The negative change in market value as per 31 December 2007 amounted to SEK 616 million. This is a result of the financial turbulence that affected the credit market during the latter half of 2007. The realised effect amounts to SEK –7 million. The uncertainty in the market prevails in the beginning of 2008 with further effect on market values.

Expenses

Expenses decreased to SEK 517 million (SEK 595 million), a reduction of 13%. During 2007, SBAB has had lower consultancy expenses compared with previous years. Staff costs and administrative expenses are lower than previous years. The increase in marketing expenses is mainly explained by the introduction of the new savings products.

Loan losses and doubtful loan claims

Loan losses have continued to be at a low level and have posted a positive result of SEK 20 million (negative SEK 0 million). The positive net loan losses during the year include a sale of monitored claims leading to a recovery of previous actual loan losses of SEK 3.6 million. Dissolution of collective provisions has been made at SEK 25 million. The change in doubtful loan claims is small and the level continues to be low. The provision ratio for specific provisions for individually valued loan claims amounted to 66%.

Lending

New lending to the retail market amounted to SEK 21,825 million (SEK 27,728 million). The retail market portfolio amounted to SEK 104,125 million (SEK 103,806 million). SBAB's market share for retail market lending amounted to 8.1% (9.3%). SBAB's business partners continue to be important distribution channels.

New lending to corporate market increased to SEK 10,814 million (SEK 10,280 million). The corporate market portfolio amounted to SEK 63,856 million (SEK 66,207 million). This reduction is explained by lower lending to the municipalities and to tenant-owner associations. This reduction is partly offset by an increase in commercial and office premises. SBAB's market share for lending to the corporate market amounted to 13.4% (14.1%).

Savings

SBAB now offers two savings products: A savings account (Sparkonto) for both new and existing customers with an interest rate of 4.10% as per 31 December 2007 and the SBAB account (SBAB-konto) for customers with residential mortgages of at least SEK 1 million with an interest rate of 4.85% as per 31 December 2007. Interest is accounted from the first krona regardless of the amount deposited and withdrawals are free of charge. An account can easily be opened through sbab.se or customer services. The amount deposited as per 31 December was SEK 759 million.

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 December 2007, the portfolio consisted of the following: Swedish Commercial Paper Programme SEK 19.0 billion (SEK 18.2 billion), Swedish Covered Bonds SEK 55.3 billion (SEK 47.0 billion), European Commercial Paper Programme USD 1,794 million (USD 1,440 million), US Commercial Paper Programme USD 1,190 million (USD 1,813 million), Euro Medium Term Note Programme USD 7,290 million (USD 9,423 million), Euro Medium Term Covered Note Programme EUR 5,418 million (EUR 2,486 million). The total value of outstanding securities issued was SEK 191.8 billion (SEK 182.3 billion).

The issuance of covered bonds is done through SBAB's wholly-owned subsidiary The Swedish Covered Bond Corporation (hereinafter referred to as SCBC). The credit rating institutes Moody's and Standard & Poor's have set a credit rating of Aaa/AAA for the covered bonds issued.

Loan portfolio and securitised loans

	Dec 2007		Dec 2006	
SEK billion	Total	Of which securitised loans	Total	Of which securitised loans
Retail market	104.1		103.8	
Corporate market	63.9	–*	66.2	7.4
Total	**168.0**	**–**	**170.0**	**7.4**

* *Repurchased May 2007*

Capital coverage

SBAB reports credit risk mainly in accordance with the internal ratings-based approach (IRB approach) and operational risks according to the standard method. The new rules for capital adequacy and large exposures introduced during the year have meant that the low risk in the company's activities is now being reflected in the capital adequacy requirements. However, during a three-year period, the effect will be limited due to transitional provisions that will gradually be phased out. The transitional rule has the effect that the capital requirement for the SBAB group as at 31 December will increase by SEK 3,706 million from SEK 3,675 million to SEK 7,381 million.

The new capital ratio according to Basel II* for the SBAB group was 1.18 as at 31 December 2007. The capital ratio was 9.3% (9.0%), the primary capital ratio 7.6% (7.3%) and the capital base amounted to SEK 8,739 million (SEK 9,150 million). The new capital ratio according to Basel II* for the parent company was 4.46, the capital ratio 34.5% (19.1%), the primary capital ratio 27,1% (15.3%) and the capital base SEK 9,138 million (SEK 8,607 million). The statistics as at 31 December 2007 include profit for the subsidiary in accordance with the board's recommendation in the annual accounts.

Unlike SBAB's consolidated accounts, the proportional method is not used for FriSpar Bolån AB in the capital adequacy analysis. This is due to differences in rules relating to group affiliation between the regulatory framework for capital adequacy and large exposures and the IFRS.

The financial capital consists of the capital the company estimates is required to cover unexpected losses during the coming year. The anticipated losses are to be covered by the income from current operations. In the assessment of the financial capital consideration has been taken to credit risk, market risk, operational risk and commercial risk.

The model for financial capital is largely based on the result from the Group's IRB models for quantifying credit risk. SBAB's financial capital amounted to SEK 3,880 million as per 31 December 2007, 62% of equity capital which indicates a relatively low level of risk in the operation.

** New capital ratio = Capital base/Capital requirement.*

Interest rate risk

A parallel shift of the yield curve by plus one percentage point would on 31 December 2007 have entailed a reduction of the net value of SBAB's interest-bearing assets and liabilities, including derivative transactions, by approximately SEK 10.8 million.

Current events

- On 6 November 2007, Standard & Poor's changed the outlook for SBAB from "stable" to "developing". The reason for this is an expected change in SBAB's ownership.
- In January 2008, SBAB concluded a new collaboration agreement with the estate agent ERA (European Resale Agency AB).

Developments in the fourth quarter compared with the third quarter

- Lending to the public amounted to SEK 167,981 million compared with SEK 169,319 million in the third quarter. SBAB has experienced a rise in demand in the retail market. The retail market portfolio has increased to SEK 104,125 million (SEK 103,773 million). SBAB's share of the retail market was 8.1%. The corporate market portfolio amounted to SEK 63,856 million (SEK 65,546 million). This reduction is primarily attributable to municipal multi-family dwellings. SBAB's share of the corporate market was 13.4%.
- Net interest income is lower the fourth quarter compared with the previous quarter and amounted to SEK 269 million (SEK 296 million). Total operating income amounted to SEK 123 million (SEK –53 million).
- Expenses amounted to SEK 135 million (SEK 93 million). A large part of the increase relates to increased marketing expenses.
- Loan losses increased during fourth quarter and has charged income with SEK 15 million (SEK +13 million). This increase is primarily attributable to new individual provisions, mainly related to consumer loans. Loan losses have been positive in previous quarters in 2007.
- The result for the period increased by SEK 78 million to SEK –18 million. This is mainly attributable to a better development in the item "Net result of financial items at fair value" during the fourth quarter.
- Capital ratio continues to be good and amounted to 9.3% (9.2%) and the primary capital ratio was 7.6% (7.4%).

Development of the parent company

Operating income amounted to SEK 548 million (SEK 1,450 million). The major part of this difference is due to the reduction of net interest income to SEK 224 million (SEK 826 million) and the net result of financial transactions SEK –436 million (SEK 395 million). Since May 2006, loans have continuously been transferred from the parent company to the subsidiary SCBC. This transfer has reduced net interest income in the parent company.

Other operating income amounted to SEK 306 million (SEK 157 million). This income consists of administrative services for the subsidiary SCBC.

During the year, expenses has been reduced by 13% to SEK 518 million (SEK 595 million). Net loan losses were positive at SEK 19 million (negative SEK 0 million). The development of the parent company's expenses and loan losses complies with that of the Group.

Financial information 2008

Annual General Meeting	15 April
Interim report Jan-Mar	30 April
Interim report Jan-Jun	29 August
Interim report Jan-Sep	30 October

Stockholm, 30 January 2008

Eva Cederbalk
Chief Executive Officer

Income Statement

SEK million	GROUP Jan-Dec 2007	Jan-Dec 2006	Oct-Dec 2007	Oct-Dec 2006	PARENT COMPANY Jan-Dec 2007	Jan-Dec 2006
Interest income	8,585	6,704	2,573	2,075	4,231	4,869
Interest expense	(7,408)	(5,487)	(2,304)	(1,781)	(4,007)	(4,043)
Net interest income	**1,177**	**1,217**	**269**	**294**	**224**	**826**
Dividends received	0	0	0	0	408	0
Commission income	56	53	17	11	82	99
Commission expenses	(37)	(27)	(5)	(8)	(36)	(27)
Net income from financial items at fair value (Note 1)	(441)	192	(158)	36	(436)	395
Other operating income	0	0	0	0	306	157
Total operating income	**755**	**1,435**	**123**	**333**	**548**	**1,450**
Staff costs	(251)	(261)	(71)	(72)	(251)	(261)
Other expenses	(235)	(308)	(56)	(81)	(249)	(318)
Depreciation of tangible and amortisation of intangible fixed assets	(31)	(26)	(8)	(6)	(18)	(16)
Total expenses before loan losses	**(517)**	**(595)**	**(135)**	**(159)**	**(518)**	**(595)**
Loan losses, net (Note 2)	20	(0)	(15)	(1)	19	(0)
Net operating income	**258**	**840**	**(27)**	**173**	**49**	**855**
Allocations	–	–	–	–	3	1,052
Tax on profit for the year	(68)	(186)	9	(24)	99	(540)
Net profit for the year	**190**	**654**	**(18)**	**149**	**151**	**1,367**

Balance sheet

	GROUP		PARENT COMPANY	
SEK million	31 Dec 2007	31 Dec 2006	31 Dec 2007	31 Dec 2006
ASSETS				
Cash in hand and balances at central banks	0	0	0	0
Repo eligible Treasury bills etc.	10	3	10	3
Lending to credit institutions (Note 3)	19,909	9,962	38,502	28,052
Lending to the public (Note 4)	167,981	170,013	29,570	65,036
Adjustment in value of hedge accounted loan claims	(922)	(405)	(88)	(255)
Bonds and other interest-bearing securities	31,056	21,813	31,056	21,813
Derivative instruments (Note 6)	3,799	1,355	2,225	1,641
Shares and participations	4	2	4	2
Shares and participations in associated companies			602	459
Shares and participations in group companies			5,200	4,000
Deferred tax assets	103	133	0	–
Intangible fixed assets	58	55	19	21
Tangible fixed assets	14	19	14	19
Other assets	296	84	537	387
Prepaid expenses and accrued income	783	691	490	481
TOTAL ASSETS	**223,091**	**203,725**	**108,141**	**121,659**
LIABILITIES AND EQUITY CAPITAL				
LIABILITIES				
Liabilities to credit institutions	15,537	5,407	7,092	605
Lending from the public	759	–	759	–
Securities issued, etc.	191,807	182,328	86,573	105,983
Derivative instruments (Note 6)	2,923	5,259	3,467	5,143
Other liabilities	694	890	671	608
Accrued expenses and prepaid income	2,420	999	524	332
Subordinated liabilities	2,725	2,808	2,725	2,808
Total liabilities	**216,865**	**197,691**	**101,811**	**115,479**
Untaxed reserves	**–**	**–**	**–**	**3**
EQUITY CAPITAL				
Share capital	1,958	1,958	1,958	1,958
Legal reserve			392	392
Other reserves/Fund for fair value	14	12	14	12
Profit brought forward	4,064	3,410	3,815	2,448
Net profit for the period	190	654	151	1,367
Total equity capital	**6,226**	**6,034**	**6,330**	**6,177**
TOTAL LIABILITIES AND EQUITY CAPITAL	**223,091**	**203,725**	**108,141**	**121,659**

Changes in equity capital

GROUP

SEK million	Share capital	Other reserves	Profit brought forward	Net profit for the year	Total equity capital
Opening balance as per 1 January 2007	**1,958**	**12**	**4,064**		**6,034**
Change in cash flow hedges		2			2
Net profit for the year				190	190
Closing balance as per 31 December 2007	**1,958**	**14**	**4,064**	**190**	**6,226**
Opening balance as per 1 January 2006	**1,958**	**(2)**	**3,410**		**5,366**
Change in cash flow hedges		14			14
Net profit for the year				654	654
Closing balance as per 31 December 2006	**1,958**	**12**	**3,410**	**654**	**6,034**

PARENT COMPANY

SEK million	Share capital	Legal reserve	Fund for fair value	Profit brought forward	Net profit for the year	Total equity capital
Opening balance as per 1 January 2007	**1,958**	**392**	**12**	**3,815**		**6,177**
Change in cash flow hedges			2			2
Net profit for the year					151	151
Closing balance as per 31 December 2007	**1,958**	**392**	**14**	**3,815**	**151**	**6,330**
Opening balance as per 1 January 2006	**1,958**	**392**	**(2)**	**2,448**		**4,796**
Change in cash flow hedges			14			14
Net profit for the year					1,367	1,367
Closing balance as per 31 December 2006	**1,958**	**392**	**12**	**2,448**	**1,367**	**6,177**

Cash flow analysis

	GROUP		PARENT COMPANY	
SEK million	Jan-Dec 2007	Jan-Dec 2006	Jan-Dec 2007	Jan-Dec 2006
Liquid funds at the beginning of the period	**1,453**	**821**	**791**	**157**
Cash flow from current operations	8,717	(331)	3,688	3,760
Cash flow from investing operations	(30)	(31)	(1,355)	(4,120)
Cash flow from financing operations	–	994	–	994
Increase/Decrease in liquid funds	**8,687**	**632**	**2,333**	**634**
Liquid funds at the end of the year	**10,140**	**1,453**	**3,124**	**791**

Liquid funds are defined as cash in hand and lending to credit institutions with a tenor of at most three months from the acquisition date.

Accounting principles

The Group applies IFRS, International Financial Reporting Standards, as adopted by the EU from 1 January 2007. This announcement of SBAB's result has been prepared in accordance with IAS 34 "Interim Financial Reporting". In addition to these accounting standards, the Swedish Financial Supervisory Authority, Finansinspektionen, has established accounting regulations. Furthermore, provisions are included in the Annual Accounts (Credit Institutions and Securities Companies) Act (ÅRKL) and in the Swedish Financial Accounting Standards Council's recommendation RR30:06 Supplementary accounting rules for groups. The transition to IFRS has been reported in accordance with IFRS 1 "First time Adoption of IFRS". A complete account of the transition to IFRS is provided on pages 15-19.

The parent company applies IFRS with the additions and exceptions that follow from the Swedish Financial Accounting Standards Council's recommendation RR32:06 Accounting for legal entities and Finansinspektionen's Regulations and General Advice on Annual Accounts in Credit Institutions and Securities Companies (FFFS 2006:16). An account of the changes to accounting principles in the parent company is provided on pages 13-14.

The accounting principles applied in the announcement of SBAB's result comply with the accounting principles applied in preparing the annual accounts.

IAS 27 Consolidated Financial Statements/IAS 31 Interests in Joint Ventures

The introduction of IAS 27 has meant that group definitions are based on control, which affects the SBAB Group in two respects
- securitisation companies will be affected by the group definition as a result of these companies being controlled by SBAB through agreements and will thus be consolidated,
- the jointly-owned company FriSpar Bolån (SBAB owns 51%) is not covered by the group definition since the company is a joint venture. FriSpar Bolån will instead be reported in accordance with the proportional method.

IAS 39 Financial instruments: Recognition and measurement

Classification of financial instruments

All financial instruments covered by IAS 39 have been classified in accordance with this standard in the following categories:

Financial assets
- Financial assets valued at fair value through the income statement
- Loan claims and accounts receivable

Financial liabilities
- Financial liabilities valued at fair value through the income statement
- Financial liabilities

SBAB has not classified any assets that are intended to be retained until maturity or as available for sale.

This classification serves as the basis for how each financial instrument is valued in the balance sheet and how the change in its fair value is recorded.

Financial assets and liabilities valued at fair value via the income statement include securities held for trading and derivatives. Changes in fair value are recognised directly in the income statement.

Financial assets classified as loan claims and financial liabilities are valued at accrued acquisition value applying the effective interest method.

Recognition and derecognition of financial instruments

Issued and acquired securities, including all derivative instruments, are reported on trade date, i.e. at the time that the important risks and rights are transferred between the parties. Other financial instruments are reported on settlement date.

A financial asset is derecognised when the contractual right to the cash flow from the financial asset ceases to apply or when the financial asset is sold.

A financial liability is derecognised when it ceases to exist, i.e. when the undertaking specified in the agreement has been performed, annulled, or has expired.

Hedge accounting

SBAB has decided to apply hedge accounting for the hedging relations where the risks for significant impacts on results are greatest.

On the basis of IAS 39, there are two models for hedge accounting that are appropriate for SBAB; fair value hedge and cash flow hedge.

In fair value hedging, the hedged item, i.e. the asset or the liability, and the hedge instrument are valued at fair value. Changes in value are recognised in the income statement under the heading Net income from financial items at fair value, which means that they will cancel one another to the extent that the hedging is effective.

For cash flow hedges, the hedge instrument, i.e. the derivative contract, is valued at fair value, but instead of reporting the change in value in the income statement, the part of the hedge that is effective is transferred to the hedge reserve in equity capital. An effective hedge means that the cash flows on a hedged item correspond to the cash flows of the hedge instrument. The ineffective part of the derivative's change in market value is transferred directly to the income statement under the item Net income from financial items at fair value. The effective part of the change in value of the derivative is transferred away from equity capital to the income statement at the rate that the cash flows from the hedged item are realised.

Macro hedge

In the case of fair value hedge of portfolios of assets, the change in value of the hedged portfolio is reported as a separate item in the balance sheet. The hedged item is a portfolio of loan transactions based on the next contractual interest-rate refixing date. The hedging instrument used is a group of interest rate swaps divided into interest-rate refixing ranges based on the terms in the fixed leg.

Collective provisions

SBAB makes an assessment of the need for collective provisions. In recent years, the model for collective provisions has been adapted to the principles of IFRS. These changes in principle have entailed an adjustment in the opening balance for collective provisions. At the same time as adaptation to IFRS, work has been carried out intended to modernise the existing model and make use of the input data has been systematised in conjunction with development of models within Basel II. By using input data from the Basel models, it is also ensured that the underlying information is updated and continuously evaluated. In the assessment of the need for collective provisions, the expected discounted future cash flows are discounted in relation to the cash flows initially expected, despite it not being possible to attribute the reduction to an individual claim. This assessment is made on the basis of the risk classification and the expected probability of failure to pay and the estimated share of loss.

Interest compensation payments

In the event of early redemption of a loan, the customer will pay interest compensation which is intended to cover the cost that arises for SBAB. This payment is recognised directly.

Accrual of fees

Transaction expenses in the form of sales commission to business partners attributable to acquisition of loans make up part of the acquisition cost for the loan and will therefore be reported in the balance sheet and accrued as interest over the expected maturity of the loan.

Notes

Note 1 Net income from financial items at fair value

SEK million	GROUP Jan-Dec 2007	GROUP Jan-Dec 2006	PARENT COMPANY Jan-Dec 2007	PARENT COMPANY Jan-Dec 2006
Unrealised gains/losses on interest-bearing financial instruments				
– Securities valued at fair value via the income statement	(786)	(56)	(786)	(57)
– Hedged items	72	(436)	250	(712)
– Derivative instruments	253	599	95	912
– Liabilities valued at fair value	(1)	–	(1)	–
Unrealised gains/losses on shares and participations:	2	0	2	0
Realised gains/losses on interest-bearing financial instruments:				
– Securities valued at fair value via the income statement	(4)	0	(4)	0
– Interest compensation payments from loan claims	49	105	32	84
– Financial liabilities	28	(20)	0	168
– Derivative instruments	(56)	0	(26)	0
Currency translation effects	2	0	2	0
Total	**(441)**	**192**	**(436)**	**395**

Note 2 Loan losses, net

GROUP SEK million	Jan-Dec 2007	Jan-Dec 2006
SPECIFIC PROVISION FOR INDIVIDUALLY ASSESSED LOAN CLAIMS		
The year's write-off for actual loan losses	4	21
Reversal of previous provisions for probable loan losses reported as actual loan losses in the year's financial statements	(3)	(15)
The year's provision for probable loan losses	33 [1)]	22
Paid in for earlier established loan losses	(3)	(4)
Reversal of provisions for no longer required provisions for probable loan losses	(26)	(21)
Guarantees	(9)	(3)
Net cost for the year for individually valued loan claims	**(4)**	**0**
COLLECTIVE PROVISION FOR INDIVIDUALLY VALUED LOAN CLAIMS		
Provision to/withdrawal from collective provision	(23)	0
Guarantees	6	0
Net cost for the year for collective provision for individually valued loan claims	**(17)**	**0**
COLLECTIVE PROVISION FOR HOMOGENEOUS GROUPS OF LOAN RECEIVABLES		
The year's write-off for actual loan losses	5	3
Recoveries in respect of actual loan losses in previous years	(5)	(2)
Provision to/withdrawal from collective provision	(2)	0
Guarantees	3	(1)
Cost for the year for collective provision for homogeneous groups of loan claims	**1**	**0**
Net cost for the year for loan losses (income)	**(20)**	**0**

1) *The amount includes specific provision of SEK 12 million for "collective provision for homogeneous groups of loan claims".*

Both the write-offs for the year and reversal of previous write-offs above relate to claims on the public.

Note 3 Lending to credit institutions

Of the parent company's lending to credit institutions, SEK 15,439 million (SEK 9,896 million) relates to a receivable from the wholly-owned subsidiary the Swedish Covered Bond Corporation (SCBC). These claims are subordinated which means that payment is only received after other creditors of the subsidiary have been paid.

Note 4 Lending to the public

GROUP SEK million	31 Dec 2007 Lending	 Reserves	31 Dec 2006 Lending	 Reserves
Municipal multi-family dwellings	7,000	–	9,781	–
Tenant-owner associations	33,465	(119)	34,861	(148)
Private multi-family dwellings	17,953	(40)	18,797	(39)
Single-family dwellings and holiday homes	71,651	(84)	72,557	(72)
Tenant-owned apartments	32,575	(17)	31,339	(18)
Commercial properties	5,597	–	2,958	(3)
Provision for probable loan losses	(260)		(280)	
Total	**167,981**	**(260)**	**170,013**	**(280)**

Doubtful and non-performing loan claims	31 Dec 2007	31 Dec 2006
a) Doubtful loan claims	180	159
b) Non-performing loan claims included in doubtful loan claims	9	6
c) Non-performing loan claims not included in doubtful loan claims	115	187
d) Specific provisions for individually valued loan claims	118	114
e) Group provisions for individually valued loan claims	53	76
f) Provisions for collectively assessed homogeneous groups of loan claims	89	90
g) Total provisions (d+e+f)	260	280
h) Doubtful loan claims after specific provisions for individually assessed loan claims (a–d)	62	45
i) Provision ratio for specific provisions for individually assessed loan claims (d/a)	66%	72%

It is possible for the partner to acquire mediated loans in certain partnership relations on the lending side.

Note 5 Classification of financial instruments

GROUP 31 Dec 2007, SEK million **Financial assets**	Loan claims	Valued at fair value via the income statement	Derivative instruments for hedging	Total
Cash in hand and balances at central banks	0			0
Repo eligible Treasury bills		10		10
Lending to credit institutions	19,909			19,909
Lending to the public	167,981			167,981
Adjustment in value of hedge accounted loan claims	(922)			(922)
Bonds och other interest-bearing securities		31,056		31,056
Derivative instruments			3,799	3,799
Shares and participations		4		4
Other assets	296			296
Prepaid expenses and accrued income	455	328		783
Total	**187,719**	**31,398**	**3,799**	**222,916**

Financial liabilities	Valued at fair value via the income statement	Liabilities subject to hedge accounting	Derivative instruments for hedging	Other financial liabilities	Total
Liabilities to credit institutions				15,537	15,537
Deposits from the public				759	759
Securities issued		153,680		38,127	191,807
Derivative instruments			2,923		2,923
Other liabilities	224			470	694
Accrued expenses and prepaid income	9	2,304		107	2,420
Subordinated debts		2,725			2,725
Total	**233**	**158,709**	**2,923**	**55,000**	**216,865**

Note 5 *cont.*

PARENT COMPANY 31 Dec 2007, SEK million **Financial assets**	Loan claims	Valued at fair value via the income statement	Derivative instruments for hedging	Total
Cash in hand and balances at central banks	0			0
Repo eligible Treasury bills		10		10
Lending to credit institutions	38,502			38,502
Lending to the public	29,570			29,570
Adjustment in value of hedge accounted loan claims	(88)			(88)
Bonds och other interest-bearing securities		31,056		31,056
Derivative instruments			2,225	2,225
Shares and participations		4		4
Other assets	537			537
Prepaid expenses and accrued income	162	328		490
Total	**68,683**	**31,398**	**2,225**	**102,306**

Financial liabilities	Valued at fair value via the income statement	Liabilities subject to hedge accounting	Derivative instruments for hedging	Other financial liabilities	Total
Liabilities to credit institutions				7,092	7,092
Deposits from the public				759	759
Securities issued		48,446		38,127	86,573
Derivative instruments			3,467		3,467
Other liabilities	224			447	671
Accrued expenses and prepaid income	9	419		96	524
Subordinated debts		2,725			2,725
Total	**233**	**51,590**	**3,467**	**46,521**	**101,811**

Note 6 Derivative instruments

GROUP 31 Dec 2007, SEK million	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	1,412	1,593	199,946
Share related	50	0	144
Currency related	2,307	1,330	96,685
Credit related	30	–	18,600
Total	**3,799**	**2,923**	**315,375**

PARENT COMPANY 31 Dec 2007, SEK million	Assets at fair value	Liabilities at fair value	Total nominal amount
Interest-rate related	1,652	2,213	321,258
Share related	50	0	144
Currency related	523	1,254	47,517
Total	**2,225**	**3,467**	**368,919**

Segment reporting January-December

GROUP

SEK million	2007 Consumer	2007 Corporate loans	2007 Finance	2007 Total	2006 Consumer	2006 Corporate loans	2006 Finance	2006 Total
Net interest income	**767**	**173**	**237**	**1 177**	**851**	**135**	**231**	**1 217**
Net commission	22	0	(3)	19	23	0	3	26
Net income from financial items at fair value	0	4	(445)	(441)	0	–	192	192
Total operating income	**789**	**177**	**(211)**	**755**	**874**	**135**	**426**	**1,435**
Total expenses before loan losses	**(391)**	**(65)**	**(61)**	**(517)**	**(458)**	**(72)**	**(65)**	**(595)**
Profit before loan losses	**398**	**112**	**(272)**	**238**	**416**	**63**	**361**	**840**
Loan losses, net	17	3	–	20	0	0	–	0
Net operating income	**415**	**115**	**(272)**	**258**	**416**	**63**	**361**	**840**

The Consumer (previously Residential Mortgages) 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 includes the result of financial activities. Expenses from the non-commercial activity have been distributed to the segments with the aid of various distribution principles. Adjustment has already been for intra-group eliminations in the respective segment.

Capital base

GROUP

31 December 2007, SEK million	
Primary capital	
Equity capital	6,149
Primary capital contribution	994
Minority interest	467
Total primary capital, gross	**7,610**
Less other intangible assets	(58)
Less deferred tax assets	(103)
Deduction pursuant to Chapter 3, section 8, of the Capital Adequacy Act	(346)
Total primary capital, net	**7,103**
Supplementary capital	
Perpetual subordinated loan	722
Time-limited subordinated loan	1,260
Deduction pursuant to Chapter 3, section 8, of the Capital Adequacy Act	(346)
Total supplementary capital	**1,636**
Expanded part of capital base	0
Deduction from whole capital base	0
Amount for capital base after deductible items and limit values	**8,739**
Capital requirements	
Minimum capital for:	
Credit risk reported according to the standard method	1,067
Credit risk reported according to the IRB approach	1,951
Risks in trading stock	487
Operational risk	170
Currency risk	0
Raw material risk	0
Total minimum capital requirements	**3,675**
Addition during a transitional period	3,706
Capital requirements including supplement	**7,381**

Capital adequacy

31 December 2007, SEK million	GROUP	PARENT COMPANY	FriSpar Bolån	SCBC
Primary capital	7,103	7,191	940	4,806
Total capital	8,739	9,138	940	4,806
Risk-weighted assets	98,918	27,901	11,294	59,692
Risk-weighted assets * 95%	93,972	26,506	10,730	56,707
Capital requirements / 8%	92,258	25,636	10,566	56,027
Primary capital ratio	7.6%	27.1%	8.8%	8.5%
Capital ratio	9.3%	34.5%	8.8%	8.5%
New capital ratio according to Basel II	1.18	4.46	1.11	1.07

Effects of change in accounting principles for the parent company

Changes in equity capital in the event of changed accounting principles

PARENT COMPANY SEK million	Share capital	Legal reserve	Profit brought forward	Equity capital
Closing balance 31 December 2005 according to previously applied accounting principles	**1,958**	**392**	**2,467**	**4,817**
Changed accounting principles				
Net effects of transition to fair value accounting according to IAS 39			(254)	(254)
Change in loan loss provision according to IAS 39			21	21
Other recalculations according to IAS 39			205	205
Change in tax attributable to recalculation according to IFRS			7	7
Opening balance IFRS 1 January 2006	**1,958**	**392**	**2,446**	**4,796**
Closing balance 31 December 2006 according to previously applied accounting principles	**1,958**	**392**	**3,575**	**5,925**
Changed accounting principles				
Net effects of transition to fair value accounting according to IAS 39			160	160
Change in loan loss provision according to IAS 39			16	16
Other recalculations according to IAS 39			168	168
Change in tax attributable to recalculation according to IFRS			(92)	(92)
Closing balance IFRS 31 December 2006	**1,958**	**392**	**3,827**	**6,177**

As from 1 January 2007, SBAB is preparing its accounts for the parent company in compliance with IFRS limited by statute. The interim report for the first quarter of 2007 was the first report prepared by the company in compliance with IFRS. Until the end of 2006, SBAB has applied the recommendations and statements of the Swedish Financial Accounting Standards Council.

The changes in accounting principles which this transition entails and the transitional effects on equity capital are presented in the following section.

Application of IAS 39 – Financial instruments and hedge accounting

SBAB holds financial assets mainly as short-term investments in interest-bearing instruments. These have been previously valued at the accrued acquisition value. In accordance with IAS 39, these assets shall be valued at their fair value. Changes in value of these instruments will be reported via the income statement from 2007 since these are classified as financial assets valued at fair value via the income statement.

SBAB has financial derivative instruments, forward contracts, held to create the desired fixation period on lending. These derivative instruments have previously not been recognised at fair value, which is obligatory according to IAS 39. The changes in fair value of derivative instruments which are identified as cash flow hedges and which comply with the conditions for hedge accounting are recognised under equity capital. Accumulated amounts in equity capital are reversed to the income statement when the hedged item affects the result. Changes in fair value of derivatives which are identified as hedges at fair value, and which meet the conditions for hedge accounting, are recognised in the income statement together with changes in fair value of the assets or liability which has given rise to the hedged risk.

The transitional effect on equity which is estimated to arise through derivative instruments and financial assets being valued at fair value as at 1 January 2006 amounts to SEK –184 million after taking tax into consideration.

Change in the provision for loan losses

The adjustments made in the group provisions are attributable to changes in principle for the part of the group provisions that refer to consumer loans. In previous years, SBAB has, for the homogenous group of loan claims which consumer loans constitute, used a very simple model based on a statistically produced portion of the size of the portfolio and future risk/event development. The new principle fully accords with the way and the principle used for corporate loans. Calculation of probable loan losses takes place gross and if there is a guarantee, this is reported as a claim on the opposite party.

The transitional effect on equity capital calculated to arise through changed loan loss provision and gross accounting of guarantees is expected to amount on 1 January 2006 to SEK 15 million after taking tax into consideration.

Interest compensation payments and repurchases

In the event of early redemption of loans, the customer pays interest compensation which is intended to cover the cost that arises for SBAB. This compensation has previously been accrued over the remaining fixed-interest period. According to IAS 39, interest compensation payments shall be recognised directly. The corresponding applies to SBAB's repurchase of debt, where the cost/income on repurchase has been accrued over the original maturity, while this is to be recognised directly according to IAS 39.

The transitional effect on equity, which is calculated to arise by interest compensation payments is recognised directly as at 1 January 2006, amounts to SEK 130 million, after taking tax into consideration.

Accrual of fees

Transaction expenses in the form of sales commission to business partners relating to acquisition of loans have previously substantially been expensed in connection with performance. According to IAS 39, these commission payments are transaction costs, which therefore constitute a part of the acquisition cost of the loan, which will be recognised in the balance sheet and accrued as interest over the expected maturity of the loan.

The transitional effect on equity capital, which is calculated to arise through the transaction charges being accrued over the expected maturity of the loan as per 1 January 2006, amount to SEK 31 million, after taking tax into consideration.

Taxes

The above adjustments decreased tax expense as at 1 January 2006 by SEK 7 million.

Effects of transition to IFRS for the group

Changes in equity capital in the transition to IFRS

GROUP SEK million	Share capital	Legal reserves	Other reserves	Profit brought forward	Equity capital
Closing balance 31 December 2005 according to previously applied accounting principles	**1,958**	**1,174**		**2,468**	**5,600**
Recalculation according to IFRS					
Allocation of reserves to worked-up result		(392)		392	
Allocation of equity capital portion of untaxed reserves and other reserves		(782)		782	
Net effects of transition to fair value accounting according to IAS 39				(466)	(466)
Change in loan loss provision according to IAS 39				21	21
Other recalculations according to IAS 39			(2)	206	204
Change in tax attributable to recalculation according to IFRS				7	7
Opening balance IFRS 1 January 2006	**1,958**	**–**	**(2)**	**3,410**	**5,366**
Closing balance 31 December 2006 according to previously applied accounting principles	**1,958**	**418**		**3,686**	**6,062**
Recalculation according to IFRS					
Allocation of reserves to worked-up result		(392)		392	
Allocation of equity capital portion of untaxed reserves and other reserves		(26)		26	
Net effects of transition to fair value accounting according to IAS 39				(233)	(233)
Change in loan loss provision according to IAS 39				16	16
Other recalculations according to IAS 39			12	166	178
Change in tax attributable to recalculation according to IFRS				11	11
Closing balance IFRS 31 December 2006	**1,958**	**–**	**12**	**4,064**	**6,034**

As from 1 January 2007, SBAB has prepared its consolidated accounts in compliance with IFRS. The interim report for the first quarter of 2007 was the first report presented by the company in compliance with IFRS. Until the end of 2006, SBAB applied the recommendations and statements of the Swedish Financial Accounting Standards Council.

The transition to IFRS is reported in accordance with IFRS 1, "First-time Adoption of IFRS", the changeover date being 1 January 2006. IFRS 1 stipulates that the comparative figures for the previous year shall also be prepared in accordance with IFRS. Financial information for financial years prior to 2006 is not recalculated. The main rule entails that all applicable IFRS and IAS standards, which have come into force and been approved by the EU as at 31 December 2007, shall be applied retroactively. IFRS 1 contains some exemptions from the main rule, however, which the company may choose to apply. SBAB has not applied any exemptions from the main rule according to IFRS 1.

The changes in accounting principles which this transition entails and the transitional effects on the Group's income statements and balance sheets are presented in the following section.

Application of IAS 39
a) Financial instruments and hedge accounting

SBAB holds financial assets as interest-bearing instruments. These have been previously valued at the accrued acquisition value. In accordance with IAS 39, these assets shall be valued at their fair value. Changes in value of these instruments will be reported via the income statement from 2007 since these are classified as financial assets valued at fair value via the income statement.

SBAB has financial derivative instruments, forward contracts, held to create the desired fixation period on lending. These derivative instruments have previously not been recognised at fair value, which is obligatory according to IAS 39. The changes in fair value of derivative instruments, which are identified as cash flow hedges and which comply with the conditions for hedge accounting, are recognised under equity capital.

Accumulated amounts in equity capital are reversed to the income statement in the periods when the hedged item affects the result. Changes in fair value of derivatives which are identified as hedges at fair value, and which meet the conditions for hedge accounting, are recognised in the income statement together with changes in fair value of the assets or liability which has given rise to the hedged risk.

The transitional effect on equity capital which is estimated to arise through derivative instruments and financial assets being valued at fair value as at 31 December 2006 amounts to SEK –154 million after taking tax into consideration.

b) Change in provision for loan losses

The adjustments made in the group provisions are attributable to changes in principle for the part of the group provisions that refer to consumer loans. In previous years, SBAB has in previous years, for the homogenous group of loan claims which consumer loans constitute, used a very simple model based on a statistically produced portion of the size of the portfolio and future risk/event development. The new principle fully accords with the way and the principle used for corporate loans. Calculation of probable loan losses takes place gross and if there is a guarantee, this is reported as a claim on the opposite party.

The transitional effect on equity capital calculated to arise through changed loan loss provision and gross accounting of guarantees is expected to amount on 31 December 2006 to SEK 12 million after taking tax into consideration.

c) Interest compensation payments and repurchases

In the event of early redemption of loans, the customer pays interest compensation which is intended to cover the cost that arises for SBAB. This compensation has previously been accrued over the remaining fixation period. According to IAS 39, interest compensation payments shall be recognised directly. The corresponding applies to SBAB's repurchase of debt, where the cost/income on repurchase has been accrued over the original maturity, while this is to be recognised directly according to IAS 39.

The transitional effect on equity capital, which is calculated to arise by interest compensation payments is recognised directly as at 31 December 2006, amounts to SEK 99 million, after taking tax into consideration.

d) Accrual of fees

Transaction costs in the form of sales commission to business partners relating to acquisition of loans have previously substantially been expensed in connection with performance. According to IAS 39, these commission payments are transaction costs, which therefore constitute a part of the acquisition cost of the loan, which will be recognised in the balance sheet and accrued as interest over the expected maturity of the loan.

The transitional effect on equity capital, which is calculated to arise through the transaction costs being accrued over the expected maturity of the loan as per 31 December 2006, amount to SEK 25 million, after taking tax into consideration.

Application of IAS 27
e) Consolidation of securitisation companies

SBAB has previously not consolidated securitisation companies taking into consideration the legal ownership. Introduction of IAS 27 means that the group definition is based on control. The securitisation companies are controlled by agreement by SBAB and are thereby consolidated in accordance with IAS 27.

Application of IAS 31
f) Participations in joint ventures

SBAB has previously consolidated FriSpar in which SBAB has a 51% ownership stake. FriSpar is by agreement a joint venture in accordance with IAS 31. FriSpar is reported in accordance with the proportional method.

Taxes

The above adjustments decreased tax expense as at 31 December 2006 by SEK 11 million.

Cash flow analysis

Application of IAS 27 and IAS 31 has led to a change in the cash flow analyses and securitisation is included in the analysis. The portion of FriSpar, reported in accordance with the proportional method, is included which has affected the consolidated accounts. See the section above on the effects of IAS 27 and IAS 31.

See pages 17-19 for specification of the above effects in the group income statement, balance sheet and cash flow analysis.

Recalculation of group income statement 2006 on transition to IFRS

Income statement

GROUP SEK million	Previous accounting principles	IAS 27 see page 16 e)	IAS 31 see page 16 f)	IAS 39 see page 15 a-d)	Other adjustments	IFRS
Interest income	6,306	531	(59)	(74)		6,704
Interest expense	(4,972)	(512)	(11)	8		(5,487)
Net interest income	**1,334**	**19**	**(70)**	**(66)**		**1,217**
Dividends received	0					0
Commission income	40	(17)	30			53
Commission expenses	(138)		40	71		(27)
Net income from financial items at fair value	5			187		192
Other operating income	0					0
Total operating income	**1,241**	**2**	**0**	**192**		**1,435**
Staff costs	(245)				(16)	(261)
Other expenses	(322)	(2)	0		16	(308)
Depreciation of tangible and amortisation of intangible fixed assets	(26)					(26)
Total expenses before loan losses	**(593)**	**(2)**	**0**		**–**	**(595)**
Loan losses, net	4			(4)		(0)
Net operating income	**652**	**0**	**0**	**188**	**–**	**840**
Minority share in the year's result	0		(0)			(0)
Tax on profit for the year	(190)		(0)	4		(186)
Net profit for the year	**462**	**0**	**–**	**192**	**–**	**654**

Recalculation of group balance sheet 31 December 2006 on transition to IFRS

Balance sheet

GROUP SEK million	Previous accounting principles	IAS 27 see page 16 e)	IAS 31 see page 16 f)	IAS 39 see page 15 a-d)	Other adjustments	IFRS
ASSETS						
Cash in hand and balances at central banks	0					0
Repo eligible Treasury bills etc.	3					3
Lending to credit institutions	791	662	8,509			9,962
Lending to the public	171,160	7,427	(8,545)	(29)		170,013
Adjustment in value of hedge accounted loan claims				(405)		(405)
Bonds and other interest-bearing securities	21,847			(34)		21,813
Derivative instruments	737	(25)		643		1,355
Shares and participations	0			2		2
Deferred tax assets				143	(10)	133
Intangible fixed assets	55					55
Tangible fixed assets	19					19
Other assets	394	(309)	(2)	1		84
Prepaid expenses and accrued income	591	24	8	68		691
TOTAL ASSETS	**195,597**	**7,779**	**(30)**	**389**	**(10)**	**203,725**
LIABILITIES AND EQUITY CAPITAL						
LIABILITIES						
Liabilities to credit institutions	5,415		(8)			5,407
Securities issued, etc.	174,423	7,766	441	(302)		182,328
Derivative instruments	4,713			546		5,259
Other liabilities	772	(13)	(1)	132		890
Accrued expenses and prepaid income	1,115	26	(20)	(122)		999
Deferred tax liabilities	10				(10)	–
Subordinated debts	2,645			163		2,808
Total liabilities	**189,093**	**7,779**	**412**	**417**	**(10)**	**197,691**
Minority interest	**442**		**(442)**			**–**
EQUITY CAPITAL						
Share capital	1,958					1,958
Other reserves	418				(406)	12
Profit brought forward	3,686			(28)	406	4,064
Total equity capital	**6,062**			**(28)**	**–**	**6,034**
TOTAL LIABILITIES AND EQUITY CAPITAL	**195,597**	**7,779**	**(30)**	**389**	**(10)**	**203,725**

Recalculation of group balance sheet 1 January 2006 on transition to IFRS

Balance sheet

GROUP SEK million	Previous accounting principles	IAS 27 see page 16 e)	IAS 31 see page 16 f)	IAS 39 see page 15 a-d)	Other adjustments	IFRS
ASSETS						
Cash in hand and balance at central banks	0					0
Repo eligible Treasury bills etc.	3					3
Lending to credit institutions	157	664	7,175			7,996
Lending to the public	156,020	15,108	(7,220)	(25)		163,883
Adjustment in value of hedge accounted loan claims				932		932
Derivative instruments	2,629	(51)		1,288		3,866
Shares and participations	0			2		2
Intangible fixed assets	48					48
Tangible assets	21					21
Other assets	2,546	(424)	(1)	1		2,122
Prepaid expenses and accrued income	404	26	10	69		509
TOTAL ASSETS	**161,828**	**15,323**	**(36)**	**2,267**		**179,382**
LIABILITIES AND EQUITY CAPITAL						
LIABILITIES						
Liabilities to credit institutions	4,525		(17)			4,508
Securities issued, etc.	145,400	15,310	343	(3)		161,050
Derivative instruments	2,501	(51)		2,410		4,860
Other liabilities	91	64				155
Accrued expenses and prepaid income	1,212		(18)	(132)		1,062
Deferred tax liabilities	304			(7)		297
Subordinated debts	1,851			233		2,084
Total liabilities	**155,884**	**15,323**	**308**	**2,501**		**174,016**
Minority interest	**344**		**(344)**			**–**
EQUITY CAPITAL						
Share capital	1,958					1,958
Other reserves	1,174				(1 176)	(2)
Profit brought forward	2,468			(234)	1 176	3,410
Total equity capital	**5,600**			**(234)**	**–**	**5,366**
TOTAL LIABILITIES AND EQUITY CAPITAL	**161,828**	**15,323**	**(36)**	**2,267**	**–**	**179,382**

Recalculation of cash flow analysis on transition to IFRS

Cash flow analysis

GROUP Jan-Dec 2006 SEK million	Cash flow analysis according to previous accounting principles	Revaluation IAS 27 see page 16 e)	Revaluation IAS 31 see page 16 f)	Cash flow analysis recalculated to IFRS
Liquid funds at the beginning of the year	**157**	**664**	**(0)**	**821**
Cash flow from current operations	(427)	(2)	98	(331)
Cash flow from investing operations	(31)	–	–	(31)
Cash flow from financing operations	1,092	–	(98)	994
Increase/Decrease in liquid funds	**634**	**(2)**	**(0)**	**632**
Liquid funds at the end of the year	**791**	**662**	**(0)**	**1,453**

Review report

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

Introduction
We have reviewed this announcement of the result of the Swedish Housing Finance Corporation, reg. no. 556253-7513 for the period 1 January 2007 – 31 December 2007. The Board of Directors and the CEO are responsible for preparing and presenting this announcement of the result in accordance with IAS 34 and the Annual Accounts (Credit Institutions and Securities Companies) Act. Our responsibility is to express an opinion on this interim report, based on our review.

The direction and extent of the review
We have performed this review in accordance with the Swedish Standard on 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 to persons responsible for financial and accounting matters, performing an analytical review and undertaking other review measures. A review has another direction and is substantially less in scope than an audit conducted in accordance with the Auditing Standard in Sweden (RS) and generally accepted auditing practice otherwise. The measures undertaken in a review do not permit us to be certain that we have become aware of all significant matters that might have been identified in an audit. The expressed conclusion based on a review does not therefore have the degree of certainty that a conclusion expressed as a result of an audit has.

Conclusion
On the basis of our review, nothing has come to our attention which gives us cause to believe that the interim report is not prepared, in all essentials, in accordance with IAS 34 and the Annual Reports (Credit Institutions and Securities Companies) Act for the group and in accordance with the Annual Reports (Credit Institutions and Securities Companies) Act for the parent company.

Stockholm, 30 January 2008
Öhrlings PricewaterhouseCoopers AB

Ulf Westerberg
Authorised Public Accountant

SBAB

Sveriges Bostadsfinansieringsaktiebolag, SBAB (publ)
The Swedish Housing Finance Corporation, SBAB

Visiting address: Löjtnantsgatan 21 • Postal address: Box 27308, SE-102 54 Stockholm • Phone: +46 771 45 30 00 • Fax: +46 8 611 46 00
Internet: www.sbab.se • E-mail: kundcenter@sbab.se
Reg.no. 556253-7513