

## KEY FIGURES

	2009	2008	2007	2006	2005
Surplus for the year, MSEK	60.9	85.3	57.7	60.4	55.9
Balance sheet total, MSEK	7,698.5	8,644.0	6,841.8	6,737.6	6,653.6
Reserve fund, MSEK	1,459.3	1,398.3	1,313.1	1,255.4	1,195.0
Return on average balance sheet total, per cent	0.7	1.1	0.8	0.9	0.8
Return on equity, per cent	4.3	6.3	4.5	5.1	4.9
Equity/assets ratio, per cent	19.0	16.2	19.2	17.7	18.0
Capital adequacy quotient	2.47	2.12	2.64	-	-
Capital adequacy ratio, per cent	-	-	-	20.1	21.1
Number of employees	8	8	8	8	8

### Definitions:

Return on average balance sheet total = Surplus for the year / Average balance sheet total

Return on equity = Surplus for the year / Average reserve fund

Equity/assets ratio = Reserve fund / Balance sheet total (both at the end of year)

Capital adequacy quotient = Capital base / Capital requirement

Capital adequacy ratio = Capital base / Total weighted risk capital

Capital base = Reserve fund

## SWEDISH SHIPS' MORTGAGE BANK SUMMARY OF THE YEAR 2009

## FACTS ABOUT THE BANK'S OPERATIONS

The Bank's operations are governed by the Swedish Ships' Mortgage Bank Act (SFS 1980:1097).

- The Bank can finance Swedish shipping companies and foreign shipping companies with a significant Swedish influence or interest.
- The maximum loan term is 15 years.
- The loan must be paid off in full when the ship reaches the age of 20 years (unless there are special circumstances).
- Loans are to be secured by collateral in Swedish or foreign ships (or balance in or guarantee from a bank or the Swedish State).
- Loans may be granted for up to 70 per cent of the value the Bank estimates the ship to have (in special cases 80 per cent).
- Interest rates are determined individually.
- Loans may in some cases be granted for up to 90 per cent of the value of the ship according to a special ordinance. Preference is to be given to smaller shipping companies.
- Lending takes place in foreign or Swedish currency at a floating or fixed interest rate.

**SVENSKA  
SKEPPSHYPOTEKS  
KASSAN**

Office: Götgatan 15, Göteborg • Postal address: Box 11010, SE-404 21 Göteborg, Sweden  
Phone: +46 31 63 12 50 • Fax: +46 31 15 80 85 • e-mail: loan@skeppshypotek.se  
www.skeppshypotek.se



## SUMMARY 2009

The following 3 pages are a summary of the 2009 annual report. The full annual report is available in Swedish and can be downloaded from our website.

The Swedish Ship's mortgage bank (the Bank) is a credit institution financing Swedish shipping companies or foreign shipping companies with a significant Swedish influence or interest against ship mortgages as collateral.

The Bank disbursed loans during the year totalling SEK 87 million (previous year SEK 1,542 million). The total amount of loans receivable at the end of the year at current exchange rates was SEK 6,915 million (SEK 7,891 million).

Loans granted by the Board but not yet disbursed amounted to approximately SEK 90 million (SEK 200 million) at the end of the year. The loans will be disbursed during 2010 when the ships for which the loans have been granted are delivered.

The Bank's operations produced a surplus of SEK 61 million (SEK 85 million). Net interest income decreased with SEK 22 million compared with 2008. The change in net interest income due to lower Swedish interest rates and a lower volume of lending to shipping companies.

No credit losses have occurred. As of the balance sheet day, the Bank does not have any non-performing credits or doubtful credits or credits with interest remission. Though in December 2009 two instalments deferrals in the total amount of SEK 16,4 million was granted. Generally speaking, market values for ships have been sliding during 2009 and the same applies for ships financed by the Bank. This has resulted in numerous loans having a higher loan-to-value ratio than normally applied by the Bank. None of these loans is today deemed to be doubtful credits.

The weak freight markets have re-

mained during the start of 2010.

The current levels of income for several types of ships do not cover full capital costs. If the current market situation prevails during 2010 it is not unlikely that a few more of the Bank's borrowers will need deferral of their coming instalments.

The surplus for the year of SEK 61 million was allocated to the reserve fund, which subsequently amounts to SEK 1,459 million.

According to the act concerning capital adequacy ratios and major risk exposures of credit institutions and investment companies, the Bank is exempt from the provisions relating to the limitation of major exposures but remains subject to the provisions on capital adequacy ratios.

## INCOME STATEMENT

SEK	2009	2008
<b>INTEREST INCOME</b>		
Lending to shipping companies:		
interest	170,740,626	310,480,389
Short-term investments:		
Swedish financial institutions	488,568	617,457
interest-bearing securities	9,755,748	18,806,942
Long-term investments:		
interest-bearing securities	4,220,323	9,330,092
<b>INTEREST COSTS</b>	-110,953,152	-242,713,786
<b>NET INTEREST INCOME</b>	74,252,113	96,521,094
Other income	137,000	-
General administrative costs	-10,972,326	-8,789,272
Guarantee fund fee paid to the state	-2,100,000	-2,100,000
Inventory depreciation	-207,390	-203,689
Other operating expenses	-176,250	-176,250
Surplus allocated to the reserve fund	60,933,147	85,251,883

## BALANCE SHEET

SEK	2009-12-31	2008-12-31
<b>ASSETS</b>		
Cash	10,000	10,000
Lending to credit institutions	452,254,332	96,630,792
Bonds and other interest-bearing securities:		
short-term investments	306,988,977	412,394,591
long-term investments	-	190,875,832
Lending to shipping companies	6,915,064,332	7,891,270,993
Tangible assets	270,069	72,359
Other receivables	337,104	743,143
Accrued interest income	20,274,192	48,738,401
Prepaid expenses and other accrued income	3,296,869	3,216,684
<b>Total assets</b>	<b>7,698,495,875</b>	<b>8,643,952,795</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Liabilities to credit institutions	6,215,130,615	7,194,036,564
Accounts payable	65,852	340,459
Other liabilities	185,355	166,665
Accrued interest expenses	11,100,172	36,693,035
Deferred income and other accrued expenses	2,712,811	3,370,149
Other provisions	10,047,000	11,025,000
<b>Equity</b>		
Reserve fund, whereof profit for the year MSEK 60.9 (85.3)	1,459,254,070	1,398,320,923
<b>Total liabilities and equity</b>	<b>7,698,495,875</b>	<b>8,643,952,795</b>
<b>GUARANTEE FUND</b>		
Swedish State guarantee (valid until 2025-06-30)	350,000,000	350,000,000
<b>COLLATERAL PLEDGED</b>	none	none
<b>CONTINGENT LIABILITIES</b>	none	none

