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## **Complement to previous press release regarding “Länsförsäkringar Bank: Year-end report 2018” with reference to EU Market Abuse Regulation.**

### **Länsförsäkringar Bank: Year-end report 2018**

“We are delighted to state that Länsförsäkringar Bank continues to have Sweden's most satisfied retail and mortgage customers according to the 2018 Swedish Quality Index. This award clearly shows that customers view Länsförsäkringar as one of the leading players on the Swedish banking market. As a result, Länsförsäkringar Bank can sum up yet another strong year in which its solid performance continued. Business volumes are growing in all product segments and the credit quality of the loan portfolio is high. We have a good balance between savings and lending in our business volumes, and our market shares are continuously increasing. Earnings were impacted by non-recurring items related to the final stage of the replacement of the bank's IT platform. Excluding these costs, the underlying earnings trend and profitability in the banking business remained very strong. The new platform will provide new opportunities to further develop our leading position in digital services. Alongside our strong local presence and personal meetings, where we offer both banking and insurance, this is one of the cornerstones of our strategy and one of the main reasons for the consistently high customer satisfaction as well as a key factor for continued growth in 2019.”, says Sven Eggefalk, President of Länsförsäkringar Bank.

### **The year in brief, Group**

- Operating profit amounted to SEK 1,510 M (1,599) and the return on equity amounted to 8.3% (10.0).
- Operating profit was impacted by non-recurring items of SEK 407.4 M and the return on equity excluding these costs amounted to 10.6%.
- Net interest income increased 13% to SEK 4,497 M (3,996).
- Operating income rose 16% to SEK 3,783 M (3,258).
- Operating expenses amounted to SEK 2,178 M (1,601).
- Credit losses amounted to SEK 94.7 M (57.7), net, corresponding to a credit loss level of 0.04% (0.02).
- Business volumes rose 8% to SEK 561.3 billion (519.5).
- Deposits increased 9% to SEK 108.1 billion (99.4). Lending rose 11% to SEK 289.4 billion (261.4).
- The Common Equity Tier 1 capital ratio for the consolidated situation amounted to 15.7% (24.4\*) on 31 December 2018.
- The number of customers with Länsförsäkringar as their primary bank increased 9% and the number of cards increased 10%.
- According to the 2018 Swedish Quality Index customer satisfaction survey, Länsförsäkringar Bank remains the player on the banking market with the most satisfied retail- and mortgage customers.

*Figures in parentheses pertain to the same period in 2017.*

*\* Pertains to 30 September 2018. As of 31 December 2018, the application of the risk weight floor for Swedish mortgages will change, which consequently reduces the capital ratios for the current period.*

Read more

<https://mb.cision.com/Main/152/2734493/987067.pdf>

This report contains such information that Länsförsäkringar Bank AB (publ) must publish in accordance with the EU Market Abuse Regulation. The information was submitted for publication on 7 February 2019 at 12:00 a.m. CET.

**For further information, please contact:**

Sven Eggefalk, President Länsförsäkringar Bank AB  
+46 (0)8-588 414 37, +46 (0)70-240 47 04

Anders Borgcrantz, CFO, Länsförsäkringar Bank AB,  
+46 (0)8-588 412 51, +46 (0)73-964 12 51

Martin Rydin, Head of Treasury Länsförsäkringar Bank AB,  
+46 (0)8-588 412 79, +46 (0)73-964 28 23

Stefan Karkamanis, Investor Relations, Länsförsäkringar Bank AB  
+46 (0)8-588 402 90, +46 (0)72-310 00 80