

Länsförsäkringar Alliance January–june 2013

INTERIM REVIEW

January–June 2013 compared to January–June 2012

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 1,471 M (1,128).
- The technical result in the Alliance's non-life insurance operations amounted to SEK 382 M (631). The combined ratio was 97 for the rolling twelvemonth period and 100 (97) for the first six months.
- Investment income in the Alliance amounted to SEK 1,842 M (1,244). Solvency capital strengthened SEK 1,542 M to SEK 37,278 M.
- Operating profit for the Bank Group totalled SEK 297 M (270). Net interest income strengthened to SEK 1,095 M (1,003).
- Profit for Länsförsäkringar Fondliv amounted to SEK 103 M (61). Premium income amounted to SEK 5,166 M (4,011).
- Profit for Länsförsäkringar Liv amounted to SEK 3.1 billion (3.1). The solvency ratio was 116% (112) and the total return to a negative 3.7% (pos: 2.0).

Second quarter of 2013 compared with first quarter of 2013

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 283 M (1,188).
- The technical result in the Alliance's non-life insurance operations amounted to SEK 117 M (265). The combined ratio was 100% (99) for the quarter.
- Investment income amounted to SEK 601 M (1,240). Solvency capital strengthened SEK 398 M to SEK 37,278 M.
- Operating profit for the Bank Group totalled SEK 161 M (136). Net interest income amounted to SEK 551 M (544). Business volumes rose SEK 8 billion during the quarter to SEK 298 billion.
- Profit for Länsförsäkringar Fondliv amounted to SEK 44 M (59). Premium income amounted to SEK 2,424 M (2,742).
- Profit for Länsförsäkringar Liv amounted to SEK 3.1 billion (0.1). The solvency ratio was 116% (113). The total return was a negative 1.3% (neg: 2.4).

Sten Dunér, President of Länsförsäkringar AB, the Alliance's jointly owned company:

The Länsförsäkringar Alliance is continuing to strengthen its position in the Swedish bank and insurance market. We are continuing to grow and are further increasing our market shares in non-life insurance and remain the clear market leader. We made yet another advance in unit-linked insurance and are now the second largest unit-linked life assurance company. We are the fifth largest retail bank and have further strengthened our positions.

Healthy investment income strengthened solvency capital by SEK 1.5 billion during the first six months of 2013, whereas an unfavourable claims

trend during the second quarter, primarily as a result of an increased amount of fires, had a negative impact on the technical result. The inflow of new unit-linked insurance customers has, in combination with a favourable return for customers, contributed to increased managed assets and earnings for Länsförsäkringar Fondliv. Managed assets have risen 10% since year-end and will shortly surpass SEK 70 billion. The successful trend continued for banking operations and both earnings and business volumes are progressing in the right direction.

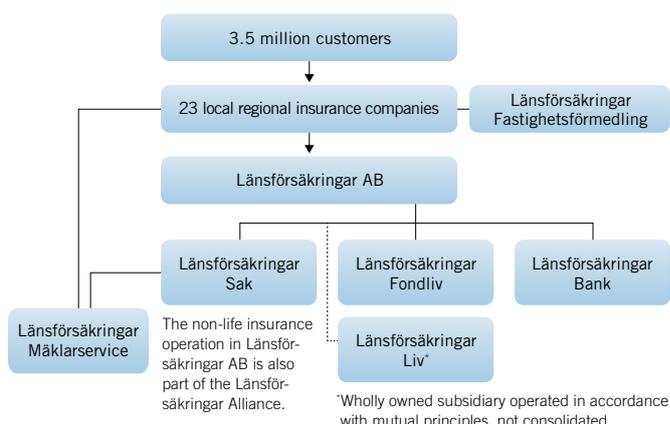
We focus greatly on generating a

favourable return ahead for our customers in the mutually operated Länsförsäkringar Liv subsidiary. One of the measures for achieving this has been to adapt the offering to the global situation and regulatory environment of today. It is gratifying that we can now offer customers a changed life-assurance product, that the customer response has been positive, and that the impact on solvency is in line with our expectations.



Kort om Länsförsäkringar

Länsförsäkringar comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. Customers are provided with a complete offering of banking, insurance and real-estate brokerage services through the regional insurance companies. Animal and crop insurance is offered through Agria Djurförsäkring and total solutions for reliable mortgage transactions are offered through Länsförsäkringar Fastighetsförmedling. The starting point is the local presence and decision-making. Experience has proven that local decision-making authority combined with joint strength creates substantial added value for customers. Long-term respect for customers' money is fundamental. There are no external shareholders; it is the customers' money that is being managed. This approach characterises the entire business. The Länsförsäkringar Alliance has almost 3.5 million customers and 5,800 employees.



Market commentary

During the second quarter, the Federal Reserve signalled that quantitative easing would be tapered but refrained from making a decision about when the tapering would start. The Federal Reserve's statement impacted the capital market in the form of rising long-term interest rates and a stronger USD. Europe reported a weak economic development. The euro system will likely continue to require financial support for some time to come, which generated expectations of additional key interest rate cuts by the ECB. The trends on the world's leading stock exchange markets varied, with European and US stock exchange indexes remaining unchanged, while the Shanghai Stock Exchange fell

and the Tokyo Stock Exchange rose. In April, the Riksbank lowered its interest rate path due to a downward revision of its inflation forecast. However, the key interest rate was kept unchanged at 1.00% since household indebtedness continued to give cause for concern. A certain decline was noted in unemployment and consumer and industry confidence indicators rose slightly. In the credit market, the curves for both covered and senior funding steepened since credit spreads for shorter maturities fell, while those for longer maturities remained unchanged. Long-term Swedish interest rates varied significantly during the first six months and had risen markedly by June 30th.

CREDIT RATING

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar AB	Standard & Poor's	A-/Stable	
Länsförsäkringar AB	Moody's	A3/Stable	
Länsförsäkringar Bank	Standard & Poor's	A/Stable	A-1(K-1)
Länsförsäkringar Bank	Moody's	A3/Stable	P-2
Länsförsäkringar Hypotek ¹⁾	Standard & Poor's	AAA/Stable	
Länsförsäkringar Hypotek ¹⁾	Moody's	Aaa	
Länsförsäkringar Sak	Standard & Poor's	A/Stable	
Länsförsäkringar Sak	Moody's	A2/Stable	
Agria Djurförsäkring	Standard & Poor's	A-/pi ²⁾	

¹⁾ Pertain to the company's covered bonds.

²⁾ Pi ratings are ratings that do not involve forecasts but that are based on public information, such as annual reports

LÄNSFÖRSÄKRINGAR ALLIANCE

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Total capital	37,979	37,873	34,533	37,979	34,533	36,681
Return on equity, %	8	12	6	8	6	9
Non-life insurance						
Solvency capital, SEK M	37,278	36,880	33,832	37,278	33,832	35,737
Solvency margin, %	190	188	175	190	175	182
Premiums earned after ceded reinsurance, SEK M	4,990	4,890	4,812	9,880	9,574	19,363
Technical result, SEK M	117	265	448	382	631	1,439
Operating profit/loss, SEK M	283	1,188	-395	1,471	1,128	3,013
Combined ratio	100	99	99	100	97	97

LÄNSFÖRSÄKRINGAR AB, GROUP¹⁾

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Operating profit, SEK M	140	186	142	326	400	819
Solvency capital, SEK M	17,427	17,339	15,935	17,427	15,935	15,590
Total assets, SEK M	315,809	306,669	276,886	315,809	276,886	290,994
Return on equity, %	3	4	3	4	5	5

¹⁾ Excluding the life-assurance operations, which are conducted with a prohibition against issuing dividends.

LÄNSFÖRSÄKRINGAR SAK, GROUP

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premiums earned after ceded reinsurance, SEK M	1,015	994	993	2,009	2,012	4,022
Technical result, SEK M	105	68	75	173	139	305
Operating profit, SEK M	71	57	80	128	242	486

LÄNSFÖRSÄKRINGAR BANK, KONCERNEN

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Deposits from the public, SEK M	65,550	63,466	57,427	65,550	57,427	62,396
Loans to the public, SEK M	156,610	152,472	141,646	156,610	141,646	149,942
Operating profit, SEK M	161	136	139	297	270	555
Return on equity, %	7	6	6	6	6	6
Tier 1 ratio, %	15	14	13	14	13	14

LÄNSFÖRSÄKRINGAR FONDIV

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premium income, SEK M ²⁾	9,868	9,528	7,175	9,868	7,175	8,714
Profit, SEK M	44	59	42	103	61	128
Managed assets, SEK M	69,180	67,463	56,400	69,180	56,400	62,949
Solvency ratio	2,1	2,1	2,6	2,1	2,6	2,2

LÄNSFÖRSÄKRINGAR LIV, GROUP

	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premium income, SEK M ²⁾	4,244	4,444	5,399	4,244	5,399	4,670
Resultat, Mkr	3,071	71	17	3,142	3,122	4,872
Collective consolidation, traditional life assurance, %	107	109	110	107	110	111
Collective consolidation, New Trad %	114	-	-	114	-	-
Solvency ratio, %	116	113	112	116	112	113

²⁾ In accordance with Insurance Sweden's definition, measured as rolling 12-month figures.

All comparative figures in the following text pertain to the year-earlier period, unless otherwise stated.

Sakförsäkring

- Solvency capital strengthened SEK 1,542 M during the first six months, and amounted to SEK 37,278 M.
- The technical result in the Alliance's non-life insurance operations amounted to SEK 382 M (631). Higher claims ratio due to increased fire-damage claims contributed to the decline in earnings.
- The combined ratio was 100% (97).
- Investment income was SEK 1,842 M (1,244). Healthy returns on Swedish equities contributed to investment income.

Non-life insurance, Länsförsäkringar Alliance

KEY FIGURES, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premiums earned	4,990	4,890	4,812	9,880	9,574	19,363
Technical result	117	265	448	382	631	1,439
Operating profit	283	1,188	-395	1,471	1,128	3,013
Investment income	601	1,241	-397	1,842	1,244	3,282
Solvency capital	37,278	36,880	33,832	37,278	33,832	35,737
Solvency margin, %	190	188	175	190	175	182
Claims ratio	80	79	77	80	77	76
Expense ratio	20	20	22	20	20	21
Combined ratio	100	99	99	100	97	97

Earnings

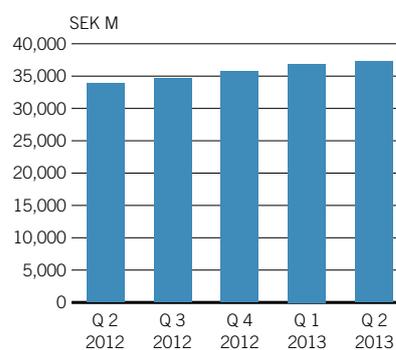
Operating profit amounted to SEK 1,471 M (1,128) and solvency strengthened SEK 1,542 M compared with year-end and totalled SEK 37,278 M. The technical result for the non-life insurance operations amounted to SEK 382 M (631). A number of major fire-damage claims negatively affected the technical result, while burglary, hurricane and, natural-disaster claims fell. The combined ratio for the rolling twelve-month period amounted to 97% and for the first six months amounted to 100% (97), of which the claims ratio comprised 80% (77) and the expense ratio 20% (20).

Business volumes

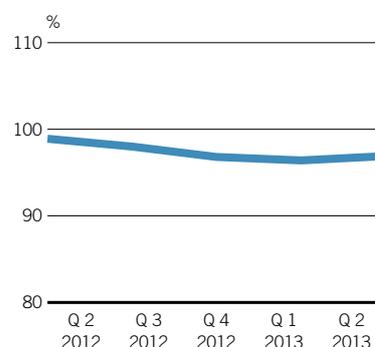
Premiums rose 3% compared with the year-earlier period to SEK 9,880 M (9,574). The increase mainly stems from higher premiums but also an increased portfolio. The greatest increase occurred in household and homeowner insurance, which rose 6% and 8%, respectively, compared with the year-earlier period. Health, health care insurance and accident increased 7% and motor hull insurance increased 4%. In Motor hull insurance, the number of insured vehicles rose with just over 57,000 to 2,487,000 year-on-year, and premium income, measured in annual premiums, exceeded SEK 5.8 billion. The Swedish pet-insurance business in Agria reported high growth during the period, whereas business volumes in the interna-

tional animal insurance business declined as a result of a number of portfolios being terminated or in the process of being run-off. In the most recently published statistics from Insurance Sweden, Länsförsäkringar strengthened its market share to 29.8% (29.3) and remained the leader in the Swedish non-life insurance market.

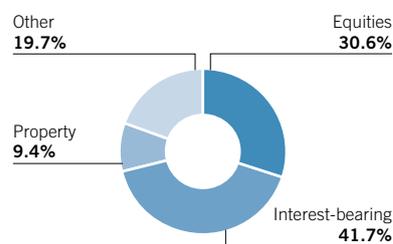
SOLVENCY CAPITAL



COMBINED RATIO, ROLLING 12-MONTH FIGURES



ALLOCATION OF INVESTMENT ASSETS



Total investment assets amounted to SEK 70.4 billion on June 30, 2013.

Earnings from non-life insurance consist of the total earnings of the 23 regional insurance companies and the Länsförsäkringar AB Group, excluding the Unit-linked Life Assurance and Bank Groups. The value and changes in value of the regional insurance companies' holding of shares in Länsförsäkringar AB and subordinated loans have been eliminated. Länsförsäkringar is neither a legal entity nor, in the legal sense of the term, a Group; it is an alliance between 23 independent regional insurance companies that jointly own Länsförsäkringar AB.

Claims trend

Claims costs increased to SEK 7,843 M (7,334). Fire-damage claims rose, compared to last year, with several home fires and school fires. The cost for fires increased SEK 380 M compared with the year-earlier period. The claims trend was more favourable in other areas. Costs for hurricane and natural-disaster, theft, robbery and burglary claims fell SEK 60 M collectively.

Capital and investments

The local regional insurance companies and the jointly owned non-life insurance companies in Länsförsäkringar AB strive to retain a strong solvency margin to maintain uniform premium pricing over time. Länsförsäkringar endeavours to achieve a balance between risk and available surplus capital and prioritises the safeguarding of key figures. In line with the investment strategies, a percentage of

Most of the non-life insurance business within the Länsförsäkringar Alliance is underwritten in the 23 local and customer-owned regional insurance companies with local non-life insurance concessions. The business conducted by Länsförsäkringar AB's jointly owned non-life insurance company comprises health insurances, animal insurance, ceded and assumed reinsurance as well as cargo insurance and some liability, property and motor hull insurance.

assets is invested in low-risk interest-bearing securities to ensure the commitments of the non-life insurance operations. At the same time, the strong solvency margin provides the Länsförsäkringar Alliance with a substantial buffer of capital, allowing a certain portion to be invested in assets with higher anticipated returns, such as equities.

Investment income

Investment income amounted to SEK 1,842 M (1,244), largely a result of a fa-

vourable stock-market trend. The performance of Swedish equities was generally positive during the first half of the year, despite the Swedish stock market falling 5% in June, while fixed-income investments developed more poorly. Primarily equities in mature markets generated positive returns, while emerging markets reported a negative trend.

Bank

- Operating profit rose 10% to SEK 297 M (270) and the return on equity was unchanged at 6.3%. Net interest income increased 9% to SEK 1,095 M (1,003).
- Loan losses remained very low and amounted to SEK 63 M (43), corresponding to unchanged loan losses of 0.07%.
- Business volumes increased 12% to SEK 298 billion. Deposits rose to SEK 66 billion (57) and lending increased to SEK 157 billion (142).
- The number of customers rose 6% to 869,000, the number of bank cards rose 15% to 369,000 and the number of deposit accounts increased 13% to 1,269,000.

Länsförsäkringar Bank, Group

KEY FIGURES, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Deposits from the public	65,550	63,466	57,427	65,550	57,427	62,396
Loans to the public	156,610	152,472	141,646	156,610	141,646	149,942
Operating profit	161	136	139	297	270	555
Return on equity, %	7	6	6	6	6	6
Cost/income ratio before loan losses	0,64	0,65	0,68	0,64	0,66	0,66

Earnings

Operating profit rose 10% to SEK 297 M (270) attributable to higher net interest income. The return on equity remained unchanged at 6.3%. Operating income increased 9% to SEK 1,015 M (931) as a result of higher net interest income. Net interest income strengthened 9% to SEK 1,095 M (1,003), primarily attributable to higher volumes. Lower deposit margins negatively impacted net interest income. Net gains from financial items declined to a loss of SEK 43 M (gain: 29) which can be explained by the effects of changes in fair value and the repurchase of own debt. Commission income increased 15% to SEK 555 M (482) due to higher income from securities, card and payment business. Net commission improved to an expense of SEK 140 M (188) as a result of increased commission income.

Operating expenses rose 6% to SEK 655 M (618), due to higher staff and IT costs. The cost/income ratio strengthened to 0.64 (0.66) before loan losses and

was unchanged at 0.71 after loan losses.

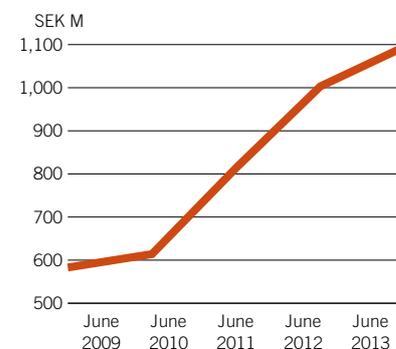
Loan losses remain low and amounted to SEK 63 M (43) net, corresponding to loan losses of 0.07% (0.06). Reserves totalled SEK 392 M (303), corresponding to a provision ratio of 0.23% (0.20).

Business volumes

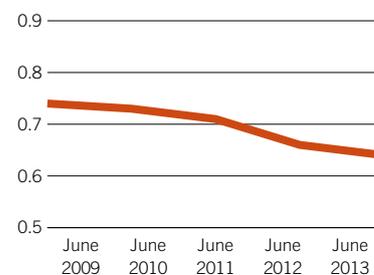
Business volumes increased 12% to SEK 298 billion (266). Deposits from the public increased 14% to SEK 66 billion (57) and the market share strengthened to 4.4% (4.1) at May 31. Net savings in Länsförsäkringar rose SEK 984 M during the first six months of the year and fund volumes increased 12% to SEK 76 billion (67). The Bank Group's lending increased 11% to SEK 157 billion (142). Retail mortgages in Länsförsäkringar Hypotek increased 13% to SEK 108 billion (95) and the market share of household and retail mortgages strengthened to 5.0% (4.8) at May 31, 2013.

For more information, see Länsförsäkringar Bank's interim report.

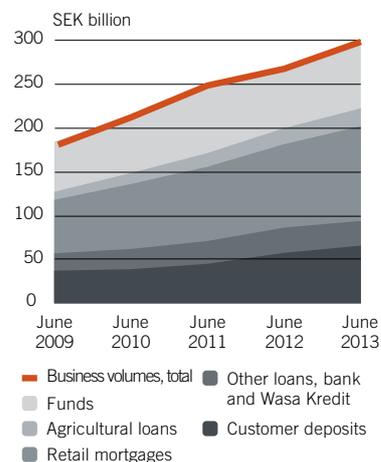
NET INTEREST INCOME



COST/INCOME RATIO BEFORE LOAN LOSSES



BUSINESS VOLUMES



LOAN PORTFOLIO, LENDING SEGMENT

%	June 30, 2013	June 30, 2012
Retail mortgages	71	72
Agricultural loans	13	13
Unsecured loans	4	4
Leasing	4	4
Hire purchase	4	4
Multi-family housing	3	2
Other	1	1
Total	100	100

Unit-linked insurance

- Profit for the unit-linked life assurance company strengthened and totalled SEK 103 M (61).
- Premium income rose 29% and amounted to SEK 5,166 M (4,011).
- Managed assets amounted to SEK 69 billion on June 30, 2013, an increase of SEK 6 billion during the first six months. The increase was mainly due to the higher inflow of premiums and capital from new customers, but positive returns on capital also made a contribution to the improvement.
- Most of the unit-linked life assurance company's funds posted a positive performance during the first half of the year. The best performance was noted for equity funds that invested in US and Japanese equities, and in Swedish small-cap companies.

Länsförsäkringar Fondliv

KEY FIGURES, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premium income, net (rolling 12 months)	9,868	9,528	7,175	9,868	7,175	8,714
Profit after tax	44	59	42	103	61	128
Managed assets	69,180	67,463	56,400	69,180	56,400	62,949
Solvency ratio	2.1	2.1	2.6	2.1	2.6	2.2
Total assets	71,558	70,803	58,594	71,558	58,594	65,505

Earnings

The earnings trend in Länsförsäkringar Fondliv has been positive due to an eminent development of premium income and managed assets. Income increased 13% compared with the preceding year based on higher management remuneration and higher income from fees charged.

Business volumes

Managed assets amounted to SEK 69 billion on June 30, 2013, which is an increase of 10% since the start of the year. Strong fund returns combined with a strong volume trend contributed to the increase.

Total premium income amounted to SEK 5,166 M (4,011) for the first six months of 2013, an improvement of 29%. Most of Fondliv's premium flows are reported in the balance sheet. Premium income in the income statement amounted to SEK 23 M (9) and pertains to the portion of premiums that contains a material insurance risk. New sales in non-collectively agreed occupational pensions amounted to SEK 4.5 billion in the first six months of 2013, which is in line with the corresponding period in the preceding year. Sales in the private-pension and savings

markets amounted to SEK 0.7 billion, a 36% year-on-year improvement. Since January 2013, Länsförsäkringar Fondliv has also been underwriting new accident and health insurance products in Länsförsäkringar Fondliv and new sales amounted to SEK 0.2 billion.

Market share

Fondliv's market share in unit-linked insurance measured in premium income has increased during the most recent twelve-month period, meaning that the company has risen from the third to the second largest unit-linked life assurance company on the market. The market share for the first quarter of 2013 was 13.3%, an improvement of 3.7 percentage points.

Unit-linked insurance

In total, the stock markets in developed countries, led by Japan and the US, reported strong performance during the first six months, while stock markets in growth markets had a negative return measured in SEK. Two thirds of the funds in Fondliv's range generated positive returns after six months. The four best funds generated returns of more than 20%. Noticeable among the best funds are those investing in the US, Japan and in Swedish small-cap companies. Funds investing in emerging markets and commodities performed worse. Fixed-income funds experienced a shaky first six months, with both rising and falling market interest rates and several of these funds showed negative performance as of June 30th. The USD strengthened considerably against the SEK during the second quarter, which moderated the return for funds investing outside Sweden.

Traditional life assurance

- Profit for Länsförsäkringar Liv amounted to SEK 3.1 billion (3.1) and the solvency ratio was 116% (112).
- The total return was a negative 3.7% (pos: 2.0). Rising interest rates during the first six months meant that the value trend in interest-bearing securities was negative. The percentage of interest-bearing investments in Länsförsäkringar Liv has exceeded 90% to date during the year and equities exposure remains low.
- Länsförsäkringar Liv's work on measures to ensure and strengthen key figures continued during the quarter. New Trad was introduced in May and the response from customers has been positive.

Länsförsäkringar Liv

KEY FIGURES, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premium income, net (rolling 12 months)	4,244	4,444	5,399	4,244	5,399	4,670
Investment income, net	-1,496	-2,114	3,181	-3,610	2,674	7,660
Profit/loss after tax	3,071	71	17	3,142	3,122	4,872
Investment assets, traditional life assurance	102,407	105,609	107,980	102,407	107,980	109,490
Investment assets, New World	12,449	12,910	12,733	12,449	12,733	12,888
Total assets	124,111	130,775	127,218	124,111	127,218	135,083
Solvency ratio, %	116	113	113	116	112	113
Collective consolidation, traditional life assurance, %	107	109	110	107	110	111
Collective consolidation, New Trad %	114	-	-	114	-	-
Return, New World, %	-0.2	4.3	-3.5	4.1	4.6	12.2
Total return, traditional life assurance, %	-1.3	-2.4	0.7	-3.7	2.0	6.1

Earnings

Profit for Länsförsäkringar Liv amounted to SEK 3.1 billion (3.1). Over the first six months, long-term market interest rates increased from low levels at the start of the year. The increase in interest rates meant that liabilities to the policyholders declined in value and thus contributed positively to earnings. At the same time, rising long-term interest rates meant that investment income was negative since the value of long-term interest-bearing investments declined. The total return in traditional management was a negative 3.7% (pos: 2.0) and net investment income included in profit and loss totalled a loss of SEK 3.6 billion. On June 30, 2013, the solvency ratio was 116% (112), corresponding to a solvency rate of 3.9. The solvency rate and solvency ratio are measures that reflect the company's capa-

city to quickly pay out the entire guaranteed capital. During the first half of 2013, the solvency ratio improved 3 percentage points as a result of positive earnings that strengthened solvency capital.

Traditional management

Investments in traditional life assurance are normally invested in listed equities and interest-bearing securities, as well as properties and alternative investments. The market trend for Länsförsäkringar Liv has entailed reweighting of the investment portfolio to secure the company's key figures and the savers' money. For some time now, the investment portfolio has mainly comprised interest-bearing investments and the share of equities exposure is low. No major changes between classes of assets

were made during the first half of 2013. On June 30, 2013, asset allocation in Länsförsäkringar's traditionally managed portfolio was as follows: 92% interest-bearing securities, 2% equities, 4% alternative investments and 2% property. The return for the various asset classes was as follows: Interest-bearing securities negative 4.4% (pos: 2.5), equities 10.2% (1.3), alternative investments 2.3% (2.3) and properties 0.1% (3.3). The company is in the final stage of the preparations for the forthcoming Solvency 2 regulations. The company has started to gradually adjust to the transition rules for the discount rate prior to Solvency 2 as advised by the Swedish Financial Supervisory Authority and, accordingly, interest-rate durations could be reduced slightly.

New Trad

Länsförsäkringar Liv works continuously to strengthen its key figures. During the second quarter, focus was directed to activities under New Trad, an offering that involves a lower guarantee level to allow a changed investment mix with higher expected returns and lower fees. The investment mix for New Trad comprises a larger percentage of equities, about 30%. In addition, the capital is invested in properties and bonds yielding higher returns. A greater percentage of high-return assets entails an increase in expected returns and bonuses in the long term. The higher risks involved with these investments is possible since the guaranteed bonus is lowered, which increases the scope for risk.

At the end of May, the first customers were sent offers of changing the conditions of their insurance product to New Trad. The offer was positively received and at June 30 the conditions had been changed for capital totalling SEK 1 billion. Collective consolidation for New Trad was 114% at June 30 and the bonus rate is currently 5%.

Real-estate brokerage

Through the regional insurance companies, Länsförsäkringar Fastighetsförmedling can offer a complete solution for reliable mortgage transactions: real-estate brokerage, banking and insurance services all in one company. Real-estate brokerage is also a key customer meeting for sales of mortgages and insurance.

Länsförsäkringar Fastighetsförmedling has 154 branches throughout Sweden. Strong growth has advanced Länsförsäkringar Fastighetsförmedling to the position of third largest brokerage in Sweden.

The real-estate brokerage is an integrated part of the local regional insurance companies' full-service offering. The aim is to always contribute more than just the brokerage and sale of residential properties.

The operations are conducted in franchise form, whereby the regional insurance company acts as the franchiser for the

local branch. This also means that Länsförsäkringar Fastighetsförmedling differs from national estate-agent chains by always being locally based.

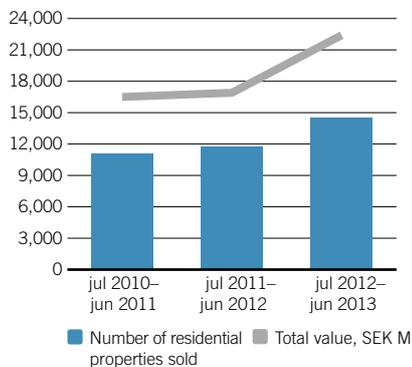
Earnings from the real-estate brokerage operations are not consolidated in the Länsförsäkringar Alliance's earnings.

A total of 5,808 single-family homes, 7,842 tenant-owned apartments and 927 vacation homes were sold in the period July 2012-June 2013. The value of the sales amounted to SEK 22.4 billion.

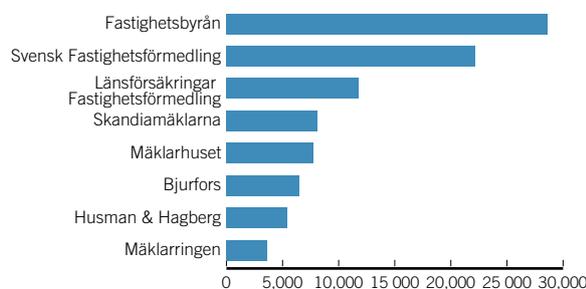
During the period, sales of single-fa-

mily homes and vacation homes resulted in SEK 2.3 billion in first-lien mortgages in Länsförsäkringar's mortgage institution, distributed between 1,504 transactions. A total of 93% of customers who have Länsförsäkringar as their primary bank also have insurance and/or a pension savings with Länsförsäkringar. The market share for the rolling twelve-month period amounted to 9.1% and 9.4% for the first six months.

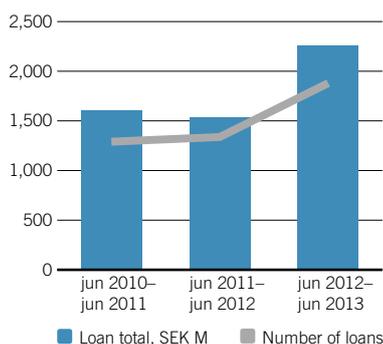
NUMBER OF SINGLE-FAMILY HOMES, VACATION HOMES AND TENANT-OWNED APARTMENTS SOLD



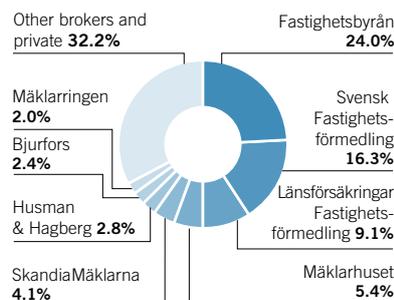
VALUE OF SALES OF SINGLE-FAMILY HOMES AND VACATION HOMES JULY 2012-JUNE 2013, SEK M



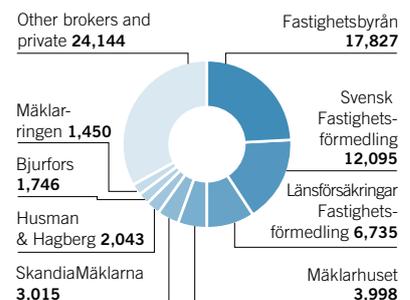
SINGLE-FAMILY HOMES AND VACATION HOMES, SOLD BY LÄNSFÖRSÄKRINGAR FASTIGHETS-FÖRMEDELING WHERE LOANS WERE INVESTED IN LÄNSFÖRSÄKRINGAR HYPOTEK, SEK M



MARKET SHARES



NUMBER OF SINGLE-FAMILY HOMES AND VACATION HOMES SOLD JULY 2012-JUNE 2013



Income statements and balance sheets

NON-LIFE INSURANCE ¹⁾

Income statement, SEK	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premiums earned after ceded reinsurance	4,990	4,890	4,812	9,880	9,574	19,363
Investment income transferred from financial operations	161	175	171	337	367	657
Claims payments after ceded reinsurance	-3,983	-3,860	-3,529	-7,843	-7,334	-14,549
Operating expenses	-1,033	-964	-1,060	-1,998	-2,031	-4,033
Other technical revenue/expenses	-18	24	54	6	55	2
Technical result from non-life insurance operations before partner discounts	117	265	448	382	631	1,439
Bonuses and discounts	-39	-40	-49	-79	-98	-481
Technical result from non-life insurance operations after partner discounts	77	226	399	303	533	958
Total investment income	601	1,240	-397	1,842	1,244	3,282
Investment income transferred to insurance operations	-186	-151	-192	-337	-409	-691
Other non-technical expenses	-210	-127	-204	-337	-240	-536
PROFIT/LOSS BEFORE APPROPRIATIONS AND TAX	283	1,188	-395	1,471	1,128	3,013

Balance sheet, SEK M	Jun 30, 2013	Dec 31, 2012
ASSETS		
Shares and participations	34,954	33,613
Bonds and other interest-bearing securities	29,488	28,316
Other investment assets	6,887	6,947
Total investment assets	71,330	68,876
Reinsurers' portion of technical provisions	7,293	6,728
Receivables and other assets	11,362	6,047
Cash and bank balances	1,773	5,185
Prepaid expenses and accrued income	967	953
TOTAL ASSETS	92,725	87,788

EQUITY, PROVISIONS AND LIABILITIES

Equity	31,262	29,338
Technical provisions (before ceded reinsurance)	39,572	44,787
Other provisions and liabilities	11,435	12,275
Accrued expenses and deferred income	2,122	1,388
TOTAL EQUITY, PROVISIONS AND LIABILITIES	92,725	87,788

¹⁾ Länsförsäkringar's earnings from non-life insurance consist of the total earnings of the 23 regional insurance companies and the Länsförsäkringar AB Group, excluding the Unit-linked Life Assurance and Bank Groups. Transactions between the regional insurance companies and Länsförsäkringar AB have been eliminated. The value and changes in value of the regional insurance companies' holding of shares in Länsförsäkringar AB and subordinated loans have been eliminated. Länsförsäkringar is neither a legal entity nor, in the legal sense of the term, a Group; it is an alliance between 23 independent regional insurance companies that jointly own Länsförsäkringar AB.

The 23 regional insurance companies and the Länsförsäkringar AB Group apply the approved international financial reporting standards (IFRS).

The regional insurance companies' positive earnings effect related to the banking operations is excluded from this operating profit since the entire value change of the Länsförsäkringar AB share has been eliminated in the Group accounts.

LÄNSFÖRSÄKRINGAR AB, GROUP

Income statement, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premiums after ceded reinsurance	1,002	1,094	970	2,096	2,068	4,043
Net interest income	566	564	539	1,130	1,040	2,151
Investment income, net	-51	-86	1	-138	88	59
Other operating income	1,109	3,553	-1,181	4,662	3,597	8,525
Total operating income	2,626	5,124	415	7,751	6,794	14,778
Claims payments after ceded reinsurance	-649	-680	-665	-1,328	-1,380	-2,697
Other expenses	-1,839	-4,260	394	-6,097	-4,975	-11,261
Total expenses	-2,486	-4,939	-272	-7,425	-6,393	-13,958
Operating profit	140	186	142	326	400	819
Tax	-32	-35	-44	-67	-118	-135
Profit for the period	108	150	99	259	283	684
Translation differences for from foreign operations	9	-18	5	-10	3	-2
Cash-flow hedges	16	14	0	0	0	0
Revaluation of owner-occupied property	26	0	23	26	23	49
Revaluation of defined-benefit pension plans	0	0	0	0	0	-7
Change in fair value of available-for-sale financial assets	-54	26	-48	-28	44	-58
Tax attributable to components attributable to other comprehensive income	3	6	7	8	-18	40
COMPREHENSIVE INCOME FOR THE PERIOD	108	178	85	287	335	706

Statement of financial position, SEK M	Jun 30, 2013	Dec 31, 2012
ASSETS		
Goodwill	705	710
Other intangible assets	3,864	3,952
Property and equipment	46	80
Owner-occupied property	2,457	2,448
Shares in Länsförsäkringar Liv Försäkrings AB	280	308
Shares and participations in associated companies	26	24
Reinsurers' portion of technical provisions	7,296	6,731
Loans to the public	156,610	149,942
Financial assets	123,061	116,001
Other assets	21,415	10,796
TOTAL ASSETS	315,809	290,994
EQUITY, PROVISIONS AND LIABILITIES		
Equity	14,701	13,915
Subordinated liabilities	2,000	900
Provisions for which the life-assurance policyholder bears the risk	68,716	62,580
Technical provisions	21,343	20,582
Debt securities in issue	125,725	115,476
Deposits from the public	65,070	61,901
Financial liabilities	10,196	6,351
Other liabilities	8,055	9,289
TOTAL EQUITY, PROVISIONS AND LIABILITIES	315,809	290,994

LÄNSFÖRSÄKRINGAR LIV, KONCERNEN

Income statement, SEK M	Q 2 2013	Q 1 2013	Q 2 2012	Jan-jun 2013	Jan-jun 2012	Full-year 2012
Premium income after ceded reinsurance	789	1,129	999	1,918	2,341	4,319
Investment income, net	-1,496	-2,114	3,181	-3,610	2,674	7,660
Claims payments	-2,097	-2,153	-1,986	-4,250	-3,513	-7,491
Change in technical provisions	6,026	3,471	-1,949	9,497	2,127	1,372
Operating expenses	-13	-123	-59	-136	-216	-412
Technical result, non-life insurance operations	3,290	210	186	3,419	3,413	5,447
Non-technical expenses	-133	-133	-162	-266	-280	-460
Profit before tax	3,076	77	24	3,153	3,134	4,987
Tax	-5	-6	-7	-11	-12	-115
PROFIT FOR THE PERIOD	3,071	71	17	3,142	3,122	4,872

Balansräkning, Mkr	Jun 30, 2013	Dec 31, 2012
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ASSETS

Investment assets	115,500	126,529
Reinsurers' portion of technical provisions	609	609
Receivables	3,442	2,370
Other assets	2,441	3,997
Prepaid expenses and accrued income	2,119	1,578
TOTAL ASSETS	124,111	135,083

EQUITY, PROVISIONS AND LIABILITIES

Equity	15,949	13,832
Technical provisions	99,954	109,506
Provisions for other risks and expenses	610	609
Deposits from reinsurers	115	176
Liabilities	7,137	10,505
Accrued expenses and deferred income	346	453
TOTAL EQUITY, PROVISIONS AND LIABILITIES	124,111	135,083

Financial calendar 2013

Third quarter:

Interim review, Länsförsäkringar Alliance **October 25**

Interim report, Länsförsäkringar Bank **October 25**

Interim report, Länsförsäkringar Hypotek **October 25**

Interim report, Länsförsäkringar AB **October 25**

For further information, please contact:

Sten Dunér, President, Länsförsäkringar AB

+46 8 588 411 15, +46 73 964 11 15, sten.duner@lansforsakringar.se

Malin Rylander Leijon, CFO, Länsförsäkringar AB

+46 8-588 408 64, +46 73-964 08 64, malin.rylander-leijon@lansforsakringar.se

Fanny Wallér, Director Corporate Communications, Länsförsäkringar AB

+46 8-588 414 69, +46 73-964 77 79, fanny.waller@lansforsakringar.se