

Länsförsäkringar AB

Year-end report 2014

FULL-YEAR 2014 COMPARED WITH FULL-YEAR 2013

- The Group's operating profit amounted to SEK 1,469 M (923). The Group's operating income amounted to SEK 22,780 M (18,558). The return on equity amounted to 7% (5).
- Operating profit in the non-life insurance operations amounted to SEK 791 M (427). Premiums earned after ceded reinsurance amounted to SEK 4,099 M (4,122).
- Operating profit for the Bank Group totalled SEK 935 M (647). Net interest income strengthened to SEK 2,580 M (2,230).
- Operating profit for Länsförsäkringar Fondliv amounted to SEK 373 M (247). Premium income amounted to SEK 8,543 M (9,473). Commission income amounted to SEK 1,171 M (994).
- Net sales for the Parent Company amounted to SEK 2,491 M (2,503).

FOURTH QUARTER OF 2014 COMPARED WITH THIRD QUARTER OF 2014

- The Group's operating profit amounted to SEK 192 M (563). The Group's operating income amounted to SEK 7,140 M (3,706). The return on equity amounted to 4%(11).
- The Group's equity rose SEK 95 M to SEK 16,857 M (16,762).
- Operating profit in the non-life insurance operations amounted to SEK 187 M (295). Premiums earned after ceded reinsurance amounted to SEK 726 M (1,106).
- Operating profit for the Bank Group totalled SEK 256 M (251). Net interest income amounted to SEK 699 M (673). Business volumes rose SEK 11 billion during the quarter to SEK 354 billion.
- Operating profit for Länsförsäkringar Fondliv amounted to SEK 112 M (90). Premium income amounted to SEK 1,980 M (1,978). Commission income amounted to SEK 296 M (305).
- Net sales for the Parent Company amounted to SEK 708 M (585).

STEN DUNÉR, PRESIDENT OF LÄNSFÖRSÄKRINGAR AB:

” The driver of global growth in 2014 was the favourable performance of the US economy. However, it became increasingly clear during the year that the eurozone would not start to recover. Both growth and inflation performed very weakly. Interest rates remain at record low levels.

For the Länsförsäkringar AB Group, we look back on a highly successful year. All lines of business showed significantly improved earnings. Operating profit was nearly SEK 1.5 billion, which is a substantial improvement in year-on-year earnings. In non-life insurance, the technical result improved 41%, mainly attributable to Agria. The bank reported very strong earnings and improved profitability.

We also see excellent volume growth in all of our businesses. Business volumes rose 12% in non-life insurance and 13%

in banking, while insurance capital rose 21% in unit-linked life assurance.

In addition to favourable earnings and strong growth, we were pleased that surveys by the Swedish Quality Index (SKI) once again showed that we are the bank with the most satisfied retail customers, and also that the Swedish financial magazine Privata Affärer named us Bank of the Year.

During the year, we conducted a number of successful development projects, all ultimately intended to develop our customer meeting places, both physical and digital. We are continuously taking major steps towards meeting our customers' new expectations of digital channels, especially in relation to the mobile interface. We will continue to stay on the cutting edge.

Market commentary

The US economy improved at a favourable pace and the US labour market strengthened, which drove global growth in 2014. The Federal Reserve was therefore able to discontinue its asset purchases as scheduled in October. In China, the core problem of excessive credit growth, and concerns about the economy's ability to reduce its dependence on exports to more domestically driven demand, persisted.

Economic recovery in the eurozone was weak. Weak demand driven by an austere fiscal policy and debt absorption led to a very weak trend for both growth and inflation. Accordingly, during the year, the ECB introduced a negative Deposit Facility Rate, implemented targeted loans to banks and asset purchase programmes in the form of, for example, covered bonds. The ECB announced that it was prepared to undertake further quantitative easing, and a programme was implemented in January.

The Swedish economy continued to perform well in relation to the eurozone. Growth and employment trends were relatively positive. Similar to the preceding year, continued high unemployment was largely due to the sharp increase in the labour force.

Inflation again continued to surprise negatively and was negative for the full-year 2014. As a result, the Riksbank was once again forced to take action and lower its key interest rate to zero, and also announced that it expected to maintain a zero interest rate until 2016. Global stock markets rose during the year, led by the US. The Swedish stock market was strong, while the performance of emerging markets was more mixed, with India at the top end of the scale and Brazil at the bottom.

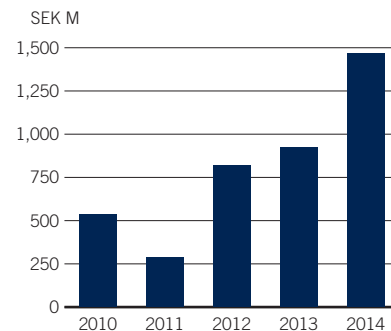
The difference between government and mortgage bond rates or other credit bonds, both covered bonds and senior bank funding, also continued to shrink in 2014, both in Sweden and the rest of Europe. However, the sharp decline in the price of oil resulted in rising interest-rate differences in the US due to the increasing credit risk in the energy sector. The prices of single-family homes and tenant-owned apartment increased 15% for the full-year 2014, according to Valueguard's HOX Index, which was largely due to high demand combined with a limited supply of residential properties and low interest rates.

FULL-YEAR 2014 COMPARED WITH FULL-YEAR 2013

The report provides commentary on the performance in 2014 compared with 2013, unless otherwise stated.

Group earnings

GROUP OPERATING PROFIT



The Group's operating profit strengthened on the basis of volume increases and cost controls, and amounted to SEK 1,469 M (923). The return on equity improved to 7% (5). The earnings trend was positive in all business units and the non-life insurance operations accounted for the largest increase with operating profit rising to SEK 791 M (427). The increase was primarily due to very high earnings in Agria and stronger investment income. All asset classes made a positive contribution, but loans, in particular, reported a stronger year-on-year performance. The bank's operating profit strengthened to SEK 935 M (647), primarily attributable to improved net interest income and lower loan losses. The managed assets of unit-linked insurance operations increased 21% to SEK 94 billion (77), which contributed to operating profit strengthening to SEK 373 M (247).

The Group's capital situation

During the year, consolidated reporting requirements were introduced for the Länsförsäkringar AB Group, under the regulations for banks and insurance companies. Consolidated regulations for insurance mean that the solvency situation will be tested for a single group comprising Länsförsäkringar AB Group's insurance subsidiaries – Länsförsäkringar Sak, Länsförsäkringar Fondliv and Länsförsäkringar Liv – together with Länsförsäkringar AB.

Net capital surplus in the insurance

group amounted to SEK 1,343 M. Net capital surplus in the financial conglomerate, amounted to SEK 2 832M.

Due to introduction of the Capital Requirement Regulation (CRR) (575/2013), Länsförsäkringar Bank will be subject to a change of rules regarding the reporting of capital adequacy concerning the bank's consolidation level. Under the CRR, the consolidated situation is to also include the Parent Company Länsförsäkringar AB, in addition to the Bank Group.

The capital base of the consolidated situation amounted to SEK 10,514 M, the capital adequacy ratio to 17.5% and the Core Tier 1 ratio to 13.9%. Core Tier 1 capital and Tier 1 capital amounted to SEK 8,369 M.

Group equity

Group equity rose SEK 1,674 M during the year, primarily due to high earnings and the regional insurance companies and local insurance companies signing a new share issue in the amount of SEK 500 M in June. During the fourth quarter, equity increased almost SEK 95 M to SEK 16,857 M.

Non-life insurance

Operating profit amounted to SEK 791 M (427), attributable to a stronger technical result and higher investment income. The technical result for insurance operations reported a profit of SEK 611 M (434). The improvement was mainly attributable to a stabilised claims-cost trend in animal insurance, combined with a higher premium level. Lower expenses for depreciation of acquisitions and for Solvency II adjustments also contributed to the earnings improvement.

On 30 December 2014, Länsförsäkringar Sak transferred and reinsured a portfolio of run-off motor third-party liability insurance to the regional insurance companies. New sales of motor third-party liability insurance, with the exception of some commercial automotive business, were transferred to the regional insurance companies in 2004 and the recently transferred portfolio pertains to claims reported in 2004 or earlier. The transfer comprises motor third-party liability claims that are outstanding and the annuities associated with the transferred portfolio. In total, commitments corresponding to SEK 7,214 M were transferred,

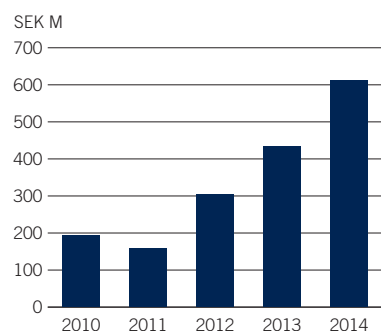
of which SEK 4,647 M pertained to annuities. The portfolio transfer had a positive effect of SEK 20 M on the technical result. The portfolio transfer generated nonrecurring effects on both premiums earned and claims payments, which affected key figures.

Premiums earned after ceded reinsurance amounted to SEK 4,099 M (4,122). Adjusted for the nonrecurring effects of the portfolio transfer, premiums earned rose 12%, due to portfolio growth and higher premium levels in Agria's pet-insurance business in the Nordic region, and accident and health insurance.

Claims payments after ceded reinsurance amounted to SEK 2,670 M (2,940), resulting in a claims ratio of 65% (71). The improved claims ratio was attributable to stabilised claims costs in animal insurance and positive run-off results.

The expense ratio was 23% (22). The decrease was due to transfer of the motor third-party liability insurance portfolio. The combined ratio improved to 88% (93). Adjusted for nonrecurring effects generated by the portfolio transfer, the combined ratio was 90%.

TECHNICAL RESULT



The Non-life Group's total return was 5.1% (neg: 0.9). Länsförsäkringar Sak applies liability hedging to hedge interest-rate risk in the discounted annuity reserve. The higher return in 2014 was due to the liability hedge, which accounted for the largest positive contribution to the total return during the year, 3.2 percentage points. The liability hedge consisted of nominal and real fixed-income assets and comprised about 30% of the investment assets during the year. Due to falling interest rates in 2014, the total return on fixed-income assets was positive. However, the positive result from the liability hedge was offset by a correspondingly negative inte-

rest-rate revaluation effect on the annuity reserve. In conjunction with transferring the annuity reserve portfolio, the liability hedge was discontinued. Properties, which at year-end amounted to about 28% of the investment assets, represented the largest positive contribution of 0.8 percentage points. The fixed-income portfolio contributed 0.6 percentage points, investments in hedge funds 0.3% percentage points, and currencies 0.2 percentage points.

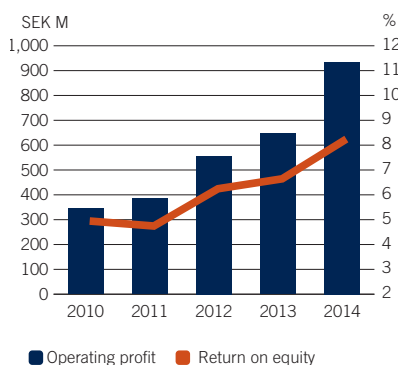
Excluding liability hedging, the total return amounted to 2.8% (3.1). The lower total return compared with the preceding year was largely attributable to a lower contribution from properties, while credits in the fixed-income portfolio, investments in hedge funds and currencies generated higher contributions year-on-year.

Banking

Operating profit rose 45% to SEK 935 M (647), due to higher net interest income, increased commission income, improved net gains from financial items and lower loan losses. Return on equity strengthened to 8.3% (6.7). Net interest income increased 16% to SEK 2,580 M (2,230), mainly attributable to higher volumes and improved margins.

Net gains from financial items improved to SEK 98 M (losses: 86), primarily a result of negative effects of changes in fair value being recognised in the preceding year, combined with the repurchase of own bonds. Net commission amounted to an expense of SEK 424 M (253), attributable to increased volumes and thus higher remuneration to the regional insurance companies and increased management costs in the securities business. Operating expenses totalled SEK 1,526 M (1,331), and the increase was mainly attributable to impairment of intangible assets as a result of adjusted calculation conditions.

OPERATING PROFIT AND RETURN ON EQUITY



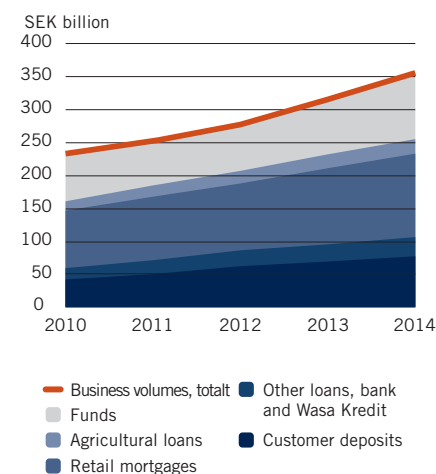
The settlement model, which was introduced on 1 January 2014, regarding the commitment that the regional insurance companies have regarding loan losses related to the business they have originated entails that the regional insurance companies cover 80% of the provision requirement on the date when an impairment is identified, by off-setting this against a buffer of accrued commission. The transition to the settlement model means that the Bank Group's credit reserves attributable to the regional insurance companies' business on the date of introduction will gradually reduce by SEK 158 M over a period of two years, and SEK 67 M was reversed during the period.

Loan losses amounted to SEK -7 M (126), net, corresponding to loan losses of 0.00% (0.08). Reserves totalled SEK 344 M (422), corresponding to a reserve ratio in relation to loans of 0.19% (0.25). The cost/income ratio before loan losses amounted to 0.62 (0.63), and the cost/income ratio after loan losses strengthened to 0.62 (0.69).

Business volumes increased SEK 40 billion to SEK 354 billion (314). Deposits from the public increased 11% to SEK 77 billion (69) and market share strengthened to 4.7% (4.5) at 31 December 2014.

Fund volumes increased 20% to SEK 100 billion (83). Monthly savings in funds performed well, as did fund transfers, Individual Pension Savings (IPS) and the number of securities depositories. Lending increased 11% to SEK 179 billion (162). Mortgages in Länsförsäkringar Hypotek rose 12% to SEK 126 billion (112) and market share for household lending increased to 5.2% (5.0) at 31 December 2014.

BUSINESS VOLUMES



Funding and liquidity

The Bank Group has a low refinancing risk and the maturity structure is highly diversified. Debt securities in issue increased to SEK 129 billion (124), of which covered bonds amounted to SEK 101 billion (99), senior long-term funding to SEK 23 billion (22) and short-term funding to SEK 4 billion (2). The average remaining term was 2.8 years (2.6). Covered bonds were issued with a volume corresponding to a nominal SEK 24 billion (23.5), repurchased covered bonds to a nominal SEK 8 billion (7) and matured covered bonds to a nominal SEK 17 billion (8) during the period. Länsförsäkringar Bank issued senior unsecured bonds in the nominal amount of SEK 9 billion (11) during the year.

The liquidity reserve amounted to SEK 45 billion (46) according to the Swedish Bankers' Association's definition and are invested in securities with very high credit quality that are eligible for transactions with the Riksbank and, where appropriate, the ECB. By utilising the liquidity reserve, contractual undertakings for just under 1.5 years can be met without needing to secure new funding in the capital market.

The Liquidity Coverage Ratio (LCR) amounted to 192% (230) according to the Swedish Financial Supervisory Authority's definition and to an average of 213% (253) in the fourth quarter of 2014. The LCR in EUR amounted to 535,297% (1,847).

Capital adequacy

The Bank Group applies the Internal Ratings-based Approach (IRB Approach). The advanced IRB Approach is applied to all retail exposure and to most of the counterparty exposures to corporates and the agricultural sector. The foundation IRB Approach is used for other counterparty exposures to corporates and the agricultural sector, and the Standardised Approach for other exposures.

With the Capital Requirement Regulation (CRR) (575/2013) coming into effect, Länsförsäkringar Bank will be subject to a change of rules regarding the reporting of capital adequacy concerning the bank's consolidation level. Under the CRR, the consolidated situation is to also include the parent mixed financial holding company Länsförsäkringar AB, in addition to the Bank Group. Since the bank maintains

the opinion that the actual risk and capital situation is best presented in the Bank Group's capital ratios, these are published in parallel. As previously communicated in reporting, the bank has submitted a new application to the Swedish Financial Supervisory Authority for exemption from the provision under the Swedish Special Supervision of Credit Institutions and Investment Firms Act. The application was submitted in October 2014 following the introduction of slightly delayed Swedish legislation in August and the availability of information about application of the regulations in other EU countries.

The capital base of the consolidated situation amounted to SEK 10,514 M, the capital adequacy ratio to 17.5% (17.2¹) and the Core Tier 1 ratio to 13.9% (13.6¹). Core Tier 1 capital and Tier 1 capital amounted to SEK 8,369 M (8,128¹). The increase in Core Tier 1 capital mainly consisted of generated profit and, during the first six months of the year, an extra dividend of SEK 500 M to Länsförsäkringar AB from Länsförsäkringar Sak, and a completed new share issue of SEK 500 M in Länsförsäkringar AB.

At 31 December, the Risk Exposure Amount (REA) amounted to SEK 60,150 M in the consolidated situation. The increase in REA for the quarter was related to continued growth in lending, primarily to households in the form of mortgages, which rose SEK 473 M during the period. Under the Standardised Approach, REA increased a total of SEK 587 during the period, primarily due to increases in the exposure classes of covered bonds and other assets.

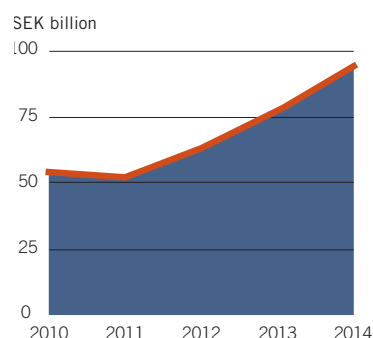
The Bank Group's Core Tier 1 ratio amounted to 16.2% (14.7) and the capital adequacy ratio to 20.6% (18.7). The Board of Directors of Länsförsäkringar AB decided at a Board meeting on 10 February 2015 to pay a shareholders' contribution of SEK 500 M to Länsförsäkringar Bank during the first quarter of 2015. Calculated proforma as if the contribution had been paid on 31 December 2014, the shareholders' contribution entails that the Bank Group's Core Tier 1 ratio is raised from 16.2% to 17.2%. In addition, the Tier 1 ratio, calculated proforma, increases from 16.2% to 17.2% and the capital adequacy ratio is raised proforma from 20.6% to 21%.

Unit-linked insurance

Operating profit for Länsförsäkringar Fondliv rose 51% to SEK 374 M (247). Income from customer fees for unit-linked insurance contracts rose 14% to SEK 570 M (501). The increase in management remuneration was 21% and amounted to SEK 598 M (492). The increase in customer fees and management remuneration was due to an increase in managed assets. Operating expenses amounted to SEK 867 M, corresponding to an increase of 11%. The increase in operating expenses was primarily explained by organisational changes. Personnel were transferred to Länsförsäkringar Fondliv in conjunction with the formation of a shared life-assurance service for Länsförsäkringar Alliance.

Managed assets for life-assurance and pension-insurance customers increased 21% during the year and amounted to SEK 93.4 billion, due to a positive return on the funds and a positive net inflow.

MANAGED ASSETS



Premium income amounted to SEK 8,543 M (9,473). The difference compared with the preceding year is due to a decline in capital transferred. Capital transferred amounted to SEK 1,704 M (2,627). Most of the premium flows are recognised in the balance sheet.

Premium income in the income statement amounted to SEK 115 M (61) and pertains to the portion of the premiums containing insurance risk. Premium income is growing sharply, since the risk business is in its formative stages.

Fund management

Some 92% of the funds in the fund range performed positively in 2014. In 26 of the funds, the value rose more than 20%. Funds with the highest total returns are dominated

¹ The comparative period pertains to 30 September 2014.

by funds that invest in India, China and US shares. The best performances were in the following funds: Fidelity India Focus, Fidelity Global Health Care, Fidelity America Fund and Länsförsäkringar Fastighetsfond. The funds that invest in Russia and Eastern Europe showed the weakest performance during the year.

Rating

Länsförsäkringar AB's credit rating is A3/Stable from Moody's. Länsförsäkringar Bank's credit rating is A3/Stable from Moody's. Länsförsäkringar Hypotek's covered bonds have the highest credit rating of Aaa from Moody's and AAA/stable from Standard & Poor's. Länsförsäkringar Sak's rating from Moody's is A2/stable.

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	

¹⁾ Pertains to the company's covered bonds

Significant events after the end of the interim period

No significant events took place after the end of the interim period.

Risks and uncertainty factors of the operations

The Group's banking and insurance operations give rise to various types of risks, with credit risk in the Bank Group and market risks and insurance risks attributable to the Group's non-life insurance and unit-linked life assurance companies comprising most of the risks.

Credit risk in the bank is affected by the macroeconomic situation in Sweden since all loans are granted in Sweden. Loan losses remained very low.

Market risks primary arise in Länsförsäkringar Fondliv on the basis of indirect exposure to market risk, since income in the unit-linked insurance operations is dependent on trends in the financial market.

Länsförsäkringar Sak's market risk occurs on the basis of investment decisions concerning the management of investment assets and is less extensive than Länsförsäkringar Fondliv's market risk.

Life-assurance risks are primarily attributable to cancellation risk in the unit-linked life assurance company, meaning the risk of external transfers out of the company. Market and insurance risks in non-life insurance and the unit-linked insurance operations are maintained at a stable and controlled level.

Länsförsäkringar Sak's risk profile has been undergoing a change since the company transferred and reinsured a portfolio of run-off motor third-party liability insurances to the regional insurance companies on 30 December 2014. Transfer of the portfolio has reduced both the life-assurance risk and reserve risk for motor third-party liability insurance. Interest-rate risk is slightly lower, but the net effect is minor since the transferred liability was hedged. The implementation also affects the balance sheet of Länsförsäkringar Sak, since a substantial portion of the transferred portfolio comprised reserves. The impact on the capital requirement is limited since annuities are hedged to a large extent.

The risks that arise directly in Länsförsäkringar AB are primarily attributable to the company's financing, investments in liquidity and the business-support operations conducted on behalf of the subsidiaries and the regional insurance companies.

A more detailed description of the risks to which the Group and Parent Company are exposed and how these risks are managed is presented in the 2013 Annual Report. No significant changes in the risk profile for the Group or the Parent Company took place during the period or compared with the description provided in the 2013 Annual Report.

Related-party transactions

In 2014, the Länsförsäkringar AB Group has had the same type of agreements as those described in the notes to the 2013 Annual Report. The most important related-party transactions during the interim period are reported in note 3 for the Group and note 2 for the Parent Company.

FOURTH QUARTER OF 2014 COMPARED WITH THIRD QUARTER OF 2014

The Group's operating profit amounted to SEK 192 M (563).

The Non-life Group's operating profit amounted to SEK 187 M (295). Premiums earned after ceded reinsurance declined to SEK 726 M (1,106). Portfolio transfers combined with reinsurance of run-off motor third-party liability insurances accounted for the negative effect on premiums earned.

The Bank Group's operating profit rose to SEK 256 M (251), due to higher net interest income, lower loan losses, improved net gains from financial items and increased commission income. The return on equity remained unchanged at 8.6%.

Länsförsäkringar Fondliv's operating profit amounted to SEK 112 M (90). Fees amounted to SEK 141 M (145). Management remuneration amounted to SEK 157 M (158). Operating expenses totalled SEK 217 M (218).

PARENT COMPANY EARNINGS 2014 COMPARED WITH 2013

Profit after financial items for the Parent Company amounted to SEK 767 M (249). Dividends and Group contributions from subsidiaries amounted to SEK 1,254 M (521), which improved earnings. Income amounted to SEK 2,491 M (2,503). An impairment loss on the holdings in Länsförsäkringar Liv Försäkrings AB had a negative impact of SEK 200 M (100) on earnings.

The results of the operations during the period and the financial position of the Länsförsäkringar AB Group and the Parent Company at 31 December 2014 are presented in the following financial statements with accompanying notes for the Group and Parent Company.

KEY FIGURES

Länsförsäkringar AB Group	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-year 2014	Full-year 2013
SEK M							
Group							
Operating profit	192	563	421	293	322	1,469	923
Net profit for the period	146	417	342	241	220	1,146	682
Return on equity, % ¹⁾	4	11	8	6	5	7	5
Total assets, SEK billion	356	345	339	339	323	356	323
Equity per share, SEK	1,675	1,665	1,616	1,579	1,557	1,675	1,557
Solvency capital ²⁾	19,767	19,604	19,087	18,229	18,031	19,767	18,031
Solvency margin, % ³⁾	455	414	415	415	427	455	420
Capital base for the financial conglomerate ⁴⁾	17,802	17,125	16,817	15,614	16,391	17,802	16,391
Necessary capital requirement for the financial conglomerate ⁴⁾	14,970	14,417	14,128	14,138	12,773	14,970	12,773
Insurance operations ⁵⁾							
<i>Non-life insurance operations</i>							
Premiums earned (after ceded reinsurance)	671	1,116	1,059	1,033	1,020	3,880	3,905
Investment income transferred from financial operations	36	33	31	29	40	130	152
Claims payments (after ceded reinsurance) ⁶⁾	-185	-680	-674	-712	-675	-2,251	-2,613
Technical result, non-life operations	184	198	135	89	94	606	351
<i>Premium income, non-life insurance</i>							
Premium income before ceded reinsurance	3,496	1,043	1,176	2,729	1,351	8,444	5,949
Premium income after ceded reinsurance	375	991	1,134	1,550	762	4,050	4,009
<i>Life-assurance operations</i>							
Premium income after ceded reinsurance	57	48	55	169	47	329	279
Fees pertaining to financial agreements	141	146	142	140	130	570	501
Investment income, net	38	19	40	12	35	108	62
Claims payments (after ceded reinsurance)	-44	-60	-46	-55	8	-206	-91
Technical result, life-assurance operations	103	93	102	321	120	619	484
Operating profit for insurance operations ⁷⁾	299	386	313	166	274	1,164	675
<i>Key figures</i>							
Cost ratio ⁸⁾	48	24	26	25	28	29	28
Expense ratio ⁹⁾	38	18	19	20	22	22	21
Claims ratio ¹⁰⁾	37	67	71	74	73	65	73
Combined ratio	75	85	90	94	95	87	95
Management cost ratio, life-assurance operations ¹¹⁾	1	1	1	1	1	1	1
Direct yield, % ¹²⁾	2.6	-1.2	0.6	0.0	0.5	2.0	0.8
Total return, % ¹³⁾	0.2	1.5	2.0	1.2	0.8	4.9	-0.6
Total return, % ¹⁴⁾	0.4	0.8	1.2	0.7	1.3	3.1	3.1
<i>Financial position</i>							
Investment assets, SEK billion ¹⁵⁾	12	18	17	17	17	12	17
Unit-linked insurance assets – policyholder bears the risk, SEK billion	91	86	84	79	78	91	77
Technical reserves (after ceded reinsurance), SEK billion	7	15	15	14	14	7	14
Capital base for the insurance group ¹⁶⁾	7,618	7,598	7,298	7,151	–	7,618	–
Solvency margin for the insurance group ¹⁶⁾	6,275	5,970	5,855	5,794	–	6,275	–

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KEY FIGURES, CONT.

Länsförsäkringar AB Group	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-Year 2014	Full-year 2013
Banking operation							
Net interest income	699	673	624	584	579	2,580	2,230
Operating profit	256	251	231	197	175	935	647
Net profit for the period	182	196	180	153	118	712	479
Return on equity, % ¹⁷⁾	9	9	8	7	7	8	7
Total assets, SEK billion	232	224	220	224	213	232	213
Equity	9,597	9,426	9,162	8,407	8,288	9,597	8,288
Cost/income ratio before loan losses ¹⁸⁾	0.60	0.58	0.69	0.62	0.62	0.62	0.63
Investment margin, % ¹⁹⁾	1.21	1.20	1.10	1.07	1.09	1.15	1.06
Common Equity Tier 1 capital ratio Bank Group, %	16.2	15.9	16.0	14.1	14.7	16.2	14.7
Tier 1 ratio Bank Group, % ²⁰⁾	16.2	15.9	16.0	14.1	14.7	16.2	14.7
Total capital ratio Bank Group, % ²¹⁾	20.6	20.3	20.5	18.6	18.7	20.6	18.7
Common Equity Tier 1 capital ratio consolidated situation, %	13.9	13.6	13.5	11.3	–	13.9	–
Tier 1 ratio consolidated situation, % ²⁰⁾	13.9	13.6	13.5	11.3	–	13.9	–
Total capital ratio consolidated situation, % ²¹⁾	17.5	17.2	17.3	15.0	–	17.5	–
Loan losses in relation to loans, % ²²⁾	0.03	0.00	–0.09	0.04	0.08	0.00	0.08

1) Operating profit less standard tax at 22.0% in relation to average equity adjusted for share issue.

2) Total of shareholders' equity, subordinated loan and deferred taxes.

3) Solvency capital as a percentage of full-year premium income after ceded reinsurance.

4) The financial conglomerate comprises the Parent Company Länsförsäkringar AB, all insurance companies in the Group, Länsförsäkringar Bank AB, Wasa Kredit AB, Länsförsäkringar Hypotek AB and Länsförsäkringar Fondförvaltning AB. The financial conglomerate also includes Länsförsäkringar Liv Försäkrings AB, despite the Länsförsäkringar Liv Group is not consolidated in the Länsförsäkringar AB Group. The capital base is calculated in accordance with the deduction and aggregation method. Effective 2014, an EU Regulation (342/2014) applies to methods of calculation for solvency testing. This means that special consideration is to be made of whether there is any practical or legal impediment to transferring the surplus in a company. Given this, the companies of the Bank Group have been included by company in the calculations in order to support consideration of the transferability of surpluses per company. The capital requirement is affected since the transition rules under Basel I are taken into account for each company individually instead of for the Bank Group as a whole. In this report, the new rules have been applied in this report to the calculation of the capital base for all quarters in 2014. Figures for 2013 have not been restated.

5) The earnings, key figures and financial position of the insurance operations are presented in accordance with the Swedish Annual Accounts Act for Insurance Companies and Swedish Financial Supervisory Authority's directives and general guidelines FFFS 2008:26.

6) Excluding claims adjustment costs.

7) The operating profit of the insurance operations includes the Länsförsäkringar Sak Group's and Länsförsäkringar Fondliv's investment income and other non-technical income and expenses.

8) Operating expenses and claims adjustment costs as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance.

9) Operating expenses as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Excluding claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

10) Claims payments as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Includes claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

11) Operating expenses and claims adjustment costs in relation to the average value of investment assets, investment assets for which the policyholder bears the investment risk and cash and cash equivalents.

12) Direct yield refers to the total of rental income from properties, interest income, interest expense, dividends on shares and participations, administrative expenses of asset management and operating expenses for properties in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

13) Total return is calculated as the sum of direct yields and changes in the value of the investment portfolio in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

14) Total return is calculated as the sum of direct yields and changes in the value of the investment portfolio, excluding returns from nominal and real return bonds held for the purpose of hedging the discounted claims annuities reserve, in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

15) Investment assets comprise owner-occupied property, shares and participations in associated companies, investment property, loans to Group companies, shares and participations, bonds and other interest-bearing securities, derivatives (assets and liabilities), cash and cash equivalents, and interest-bearing liabilities.

16) The insurance group comprises the Parent Company Länsförsäkringar AB and all insurance companies in the Group. The insurance group also includes Länsförsäkringar Liv Försäkrings AB, despite the Länsförsäkringar Liv Group is not consolidated in the Länsförsäkringar AB Group. According to the Swedish Insurance Business Act (2010:2043).

17) Operating profit plus less standard tax at 22.0% in relation to average equity adjusted for changes in value of financial assets recognised in equity.

18) Total expenses before loan losses in relation to total income.

19) Net interest in relation to average total assets.

20) Tier 1 capital base in relation to the closing risk-weighted amount.

21) Closing capital base in relation to the closing risk-weighted amount.

22) Net loan losses in relation to the carrying amount of loans to the public and to credit institutions.

FINANCIAL STATEMENTS – GROUP

CONSOLIDATED INCOME STATEMENT

SEK M	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-year 2014	Full-year 2013
Premiums earned before ceded reinsurance	4,144	1,486	1,414	1,542	1,941	8,587	6,105
Reinsurers' portion of premiums earned	-3,424	-324	-314	-346	-902	-4,409	-1,949
Premiums earned after ceded reinsurance	720	1,162	1,100	1,196	1,039	4,178	4,156
Interest income	1,996	2,073	2,151	2,303	2,388	8,523	9,488
Interest expense	-1,291	-1,395	-1,522	-1,705	-1,789	-5,913	-7,187
Net interest income	705	678	629	598	598	2,610	2,301
Change in unit-linked insurance assets – policyholder bears the risk	4,551	729	4,412	1,814	3,195	11,506	8,251
Dividends in unit-linked insurance assets – policyholder bears the risk	–	3	–	–	0	3	4
Investment income, net	-49	79	135	-19	-20	146	-203
Commission income	653	566	547	525	597	2,292	2,014
Other operating income	559	489	505	491	615	2,045	2,036
Total operating income	7,140	3,706	7,329	4,606	6,025	22,780	18,558
Claims payments before ceded reinsurance	-5,014	-1,216	-901	-936	-1,499	-8,067	-4,084
Reinsurers' portion of claims payments	4,790	479	183	175	832	5,627	1,381
Claims payments after ceded reinsurance	-224	-738	-718	-761	-667	-2,440	-2,704
Change in life-assurance provision	27	35	27	-91	27	-3	-1
Change in unit-linked insurance liabilities – policyholder bears the risk	-4,592	-744	-4,447	-1,825	-3,228	-11,608	-8,308
Commission expense	-637	-625	-590	-550	-579	-2,401	-2,074
Staff costs	-418	-397	-476	-444	-418	-1,735	-1,657
Other administration expenses	-1,090	-673	-744	-626	-806	-3,132	-2,765
Loan losses	-14	-2	39	-16	-32	7	-126
Total expenses	-6,948	-3,143	-6,908	-4,312	-5,703	-21,311	-17,635
Operating profit	192	563	421	293	322	1,469	923
Tax	-33	-146	-79	-52	-102	-310	-242
NET PROFIT FOR THE PERIOD	159	417	342	241	220	1,159	682
Earnings per share before and after dilution, SEK	16	41	35	25	23	117	70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-year 2014	Full-year 2013
Net profit for the period	159	417	342	241	220	1,159	682
Other comprehensive income							
Items that have been transferred or can be transferred to profit for the period							
Translation differences attributable to foreign operations	9	7	14	4	6	34	-0
Cash-flow hedges	37	20	1	-53	-14	4	15
Change in fair value of available-for-sale financial assets	-61	57	11	-7	2	-0	16
Tax attributable to items that have been transferred or can be transferred to profit for the period	5	-17	-3	13	2	-1	-7
Total	-10	66	24	-43	-4	37	24
Items that cannot be transferred to profit for the period							
Revaluation of owner-occupied property	-61	14	13	13	14	-22	53
Revaluation of defined-benefit pension plans	-7	–	–	–	7	-7	7
Tax attributable to items that cannot be reversed to profit for the period	15	-3	-3	-3	-5	7	2
Total	-53	11	10	10	16	-22	62
Total other comprehensive income for the period, net after tax	-64	77	34	-32	12	15	87
Comprehensive income for the period	95	494	375	209	232	1,174	768

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	31 Dec 2014	31 Dec 2013
ASSETS		
Goodwill	735	711
Other intangible assets	3,610	3,804
Deferred tax assets	38	13
Property and equipment	51	58
Owner-occupied property	2,265	2,423
Shares in Länsförsäkringar Liv Försäkrings AB	8	208
Shares and participations in associated companies	66	31
Reinsurers' portion of technical reserves	11,529	7,208
Loans to the public	179,424	162,003
Unit-linked insurance assets– policyholder bears the risk	91,359	76,207
Shares and participations	1,487	1,148
Bonds and other interest-bearing securities	43,733	47,979
Treasury bills and other eligible bills	5,409	4,881
Derivatives	5,276	1,101
Change in value of hedge portfolios	1,147	551
Other receivables	4,518	8,146
Prepaid expenses and accrued income	3,621	3,933
Cash and cash equivalents	1,657	2,145
TOTAL ASSETS	355,933	322,550

SEK M	31 Dec 2014	31 Dec 2013
EQUITY AND LIABILITIES		
Equity		
Share capital	1,007	975
Other capital contributed	9,708	9,240
Reserves	511	496
Retained earnings including profit for the period	5,631	4,472
Total equity	16,857	15,183
Subordinated liabilities	2,000	2,000
Technical reserves	18,664	20,753
Unit-linked insurance liabilities – policyholder bears the risk	92,250	76,712
Deferred tax liabilities	948	861
Other provisions	179	132
Debt securities in issue	130,514	124,866
Deposits from the public	75,845	68,752
Due to credit institutions	3,390	1,600
Derivatives	2,756	2,801
Change in value of hedge portfolios	3,824	646
Other liabilities	3,640	3,284
Accrued expenses and deferred income	5,066	4,961
TOTAL EQUITY AND LIABILITIES	355,933	322,550

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Share capital	Other capital contributed	Reserves	Retained earnings including net profit for the period	Total
Opening equity, 1 January 2013	941	8,774	410	3,790	13,915
Comprehensive income for the period	–	–	86	682	768
Shareholders' contribution					
New share issue	34	466	–	–	500
Closing equity, 31 December 2013	975	9,240	496	4,472	15,183
Opening equity, 1 January 2014	975	9,240	496	4,472	15,183
Comprehensive income for the period	–	–	15	1,159	1,174
Shareholders' contribution					
New share issue	32	468	–	–	500
Closing equity, 31 December 2014	1,007	9,708	511	5,631	16,857

The number of shares amounted to 10,066,372 (9,749,715). Of total equity, SEK 5,802 M (5,770) is restricted equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	1 Jan 2014 –31 Dec 2014	1 Jan 2013 –31 Dec 2013
Cash flow from operating activities before changes in working capital	–537	7,708
Cash flow from changes in working capital	–5,802	–19,028
Cash flow from operating activities	–6,340	–11,320
Cash flow from investing activities	–305	–206
Cash flow from financing activities	6,148	10,989
Net cash flow for the period	–497	–536
Cash and cash equivalents, 1 January	2,145	2,680
Net cash flow for the period	–497	–536
Exchange-rate differences in cash and cash equivalents	10	1
Cash and cash equivalents at end of period	1,657	2,145

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Annual Accounts Act for Insurance Companies (1995:1560) and the regulation FFFS 2008:26 of the Swedish Financial Supervisory Authority were applied. The Group also complies with recommendation RFR 1 Supplementary Accounting Rules for Groups and statements issued by the Swedish Financial Reporting Board. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Changed estimates and judgements

In 2014, new estimates have been applied to the credit reserve model to better reflect the Bank Group's contractual terms and conditions pertaining to credit risk. These new estimates will come into effect continuously throughout 2014 as the contractual terms and conditions arise and are applied prospectively in accordance with IAS 8.

In all other respects, the interim report for the Group has been prepared in accordance with the same accounting policies and calculation methods applied in the 2013 Annual Report.

NOTE 2 EARNINGS PER SEGMENT

1 Jan 2014 – 31 Dec 2014, SEK M	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned after ceded reinsurance	4,099	107	–	–	–28	4,178
Net interest income	–	–	2,580	–	30	2,610
Change in unit-linked insurance assets – policyholder bears the risk	–	11,506	–	–	–	11,506
Dividends in unit-linked insurance assets – policyholder bears the risk	–	3	–	–	–	3
Investment income, net	132	93	98	992	–1,169	146
Commission income	96	1,171	1,312	–	–287	2,292
Other operating income	321	271	199	2,489	–1,235	2,045
Total operating income	4,649	13,150	4,190	3,481	–2,690	22,780
Claims payments after ceded reinsurance	–2,670	–53	–	–	283	–2,440
Change in life-assurance provision	–	–	–	–	–3	–3
Change in unit-linked insurance liabilities – policyholder bears the risk	–	–11,608	–	–	–	–11,608
Commission expense	–413	–558	–1,736	–	306	–2,401
Staff costs	–347	–153	–441	–809	15	–1,735
Other administration expenses	–607	–412	–1,085	–1,905	877	–3,132
Loan losses	–	–	7	–	–	7
Total expenses	–4,038	–12,783	–3,255	–2,714	1,479	–21,311
Technical result	611	367	–	–	–978	–
Non technical recognition	180	6	–	–	–186	–
Operating profit	791	373	935	767	–1,397	1,469
Tax						–310
Net profit for the period						1,159
Income distribution						
External income	4,461	12,845	4,202	2,398	–1,126	22,780
Internal income	188	305	–12	1,083	–1,564	–
Total operating income	4,649	13,150	4,190	3,481	–2,690	22,780

The distribution into operating segments matches how the Group is organised and is monitored by Group Management. The technical result is presented for Non-life Insurance and Unit-linked Life Assurance since the result is followed up by Group management.

The Non-life Insurance segment pertains to non-life and group life-assurance; group life-assurance comprises a minor portion only. The Länsförsäkringar Alliance's internal and external reinsurance and run-off of previously underwritten international reinsurance are also included.

The Unit-linked insurance segment pertains to life-assurance with links to mutual funds.

The Bank segment pertains to deposits and lending operations. The legal structure of Länsförsäkringar Bank Group matches the product offering to customers.

The Parent Company segment pertains to service, IT and development for the Länsförsäkringar Alliance, administration of securities funds and costs for joint functions.

Depreciation/amortisation and impairment: Depreciation of property and equipment and amortisation of intangible assets is included in Other administration expenses in Non-life Insurance and Unit-linked Life Assurance. Amortisation pertaining to acquired intangible assets under Unit-linked Life Assurance is included in eliminations and adjustments of administration expenses. The impairment of the holdings in Länsförsäkringar Liv is included in net investment income in "Parent Company".

Investment income, net Investment income, net, for non-life insurance includes return on investments, return on securities held to hedge claims annuities operations and discounting claims annuities reserve. The change in value of properties in property-owning subsidiaries is recognised in other comprehensive income. Fair value changes are included in the bank. Dividends from subsidiaries and interest expense are included in the Parent Company.

Continued on next page

NOTE 2 EARNINGS PER SEGMENT, CONT.

1 Jan 2013 – 1 Dec 2013, SEK M	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned after ceded reinsurance	4,121	61	–	–	–26	4,156
Net interest income	–	–	2,230	–	71	2,301
Change in unit-linked insurance assets – policyholder bears the risk	–	8,251	–	–	–	8,251
Dividends in unit-linked insurance assets – policyholder bears the risk	–	4	–	–	–	4
Investment income, net	155	53	–86	336	–662	–203
Commission income	119	994	1,140	–	–240	2,014
Other operating income	299	61	212	2,502	–1,038	2,036
Total operating income	4,695	9,423	3,497	2,839	–1,897	18,558
Claims payments after ceded reinsurance	–2,940	–36	–	–	272	–2,704
Change in life-assurance provision	–	–	–	–	–1	–1
Change in unit-linked insurance liabilities – policyholder bears the risk	–	–8,308	–	–	–	–8,308
Commission expense	–360	–572	–1,393	–	250	–2,074
Staff costs	–324	–53	–427	–875	22	–1,657
Other administration expenses	–637	–206	–904	–1,714	697	–2,765
Loan losses	–	–	–126	–	–	–126
Total expenses	–4,261	–9,175	–2,850	–2,590	1,241	–17,635
Technical result	434	248	–	–	–683	–
Non technical recognition	–7	–1	–	–	8	–
Operating profit	427	247	647	249	–647	923
Tax						–242
Net profit for the period						682
Income distribution						
External income	4,489	9,179	3,525	1,913	–548	18,558
Internal income	206	244	–28	926	–1,348	–
Total operating income	4,695	9,423	3,497	2,839	–1,896	18,558

NOTE 3 RELATED-PARTY TRANSACTIONS

SEK M	Income Jan-Dec	Expenses Jan-Dec	Receivables 31 Dec	Liabilities 31 Dec	Commitments 31 Dec
2014					
Länsförsäkringar Liv Group	426	–127	95	1,047	1,487
Regional insurance companies	1,328	–4,495	6,896	13,968	52
Other related parties	30	–63	10	42	5
2013					
Länsförsäkringar Liv Group	405	–167	504	1,696	1,472
Regional insurance companies	1,862	–1,855	6,694	9,894	52
Other related parties	21	–13	3	29	5

Income and expenses include interest. Receivables and liabilities to regional insurance companies include technical reserves.

NOTE 4 FAIR VALUE VALUATION TECHNIQUES

Financial assets and liabilities measured at fair value in the statement of financial position are presented in the table based on the valuation techniques applied:

Level 1 refers to prices determined from prices listed in an active market.

Level 2 refers to prices determined by calculated prices of observable market listings.

Level 3 refers to prices based on own assumptions and judgements.

Table 1 Fair value valuation techniques

31 December 2014. SEK M	Level 1	Level 2	Level 3	Total
Assets				
Owner-occupied property	–	–	2,265	2,265
Unit-linked insurance assets – policyholder bears the risk	91,359	–	–	91,359
Shares and participations	943	12	532	1,487
Bonds and other interest-bearing securities	43,702	–	31	43,733
Treasury bills and other eligible bills	5,409	–	–	5,409
Derivatives	1	5,275	–	5,276
Liabilities				
Unit-linked insurance liabilities – policyholder bears the risk	–	92,250	–	92,250
Derivatives	0	2,756	–	2,756

31 December 2013. SEK M				
Assets				
Owner-occupied property	–	–	2,423	2,423
Unit-linked insurance assets – policyholder bears the risk	76,207	–	–	76,207
Shares and participations	664	11	473	1,148
Bonds and other interest-bearing securities	47,979	–	–	47,979
Treasury bills and other eligible bills	4,881	–	–	4,881
Derivatives	1	1,100	–	1,101
Liabilities				
Unit-linked insurance liabilities – policyholder bears the risk	–	76,712	–	76,712
Derivatives	0	2,801	–	2,801

Continued on next page

NOTE 4 FAIR VALUE VALUATION TECHNIQUES, CONT

Table 2 Change level 3	Owner-occupied property	Shares and participations	Bonds and other interest-bearing securities	Total
Opening balance, 1 January 2014	2,423	473	–	2,896
Acquisition	–	–	30	30
Divestments	–	–6	–	–6
Recognised in net profit for the year	–136	65	1	–71
Recognised in other comprehensive income	–22	–	–	–22
Closing balance, 31 December 2014	2,265	532	31	2,827

Change level 3				
Opening balance, 1 January 2013	2,448	700	–	3,148
Acquisition	0	3	–	3
Divestments	–	–275	–	–275
Recognised in net profit for the year	–78	45	–	–33
Recognised in other comprehensive income	53	–	–	53
Closing balance, 31 December 2013	2,423	473	–	2,896

There were no significant transfers between Level 1 and Level 2 during 2014 or during 2013. There were no transfers from Level 3 in 2014 or 2013.

There are not normally active markets for owner-occupied property, which is why fair value is estimated using models based on discounted cash flows. These models are based on assumptions about future rent levels, occupancy, operating and maintenance expenses, yield requirements and interest-rate levels. The method applied to the calculation of fair value is the revaluation technique. All valuations are performed by external, independent valuation companies.

Shares and participations in Level 3 are measured at equity per share based on the most recent company report. Delisted, insolvent companies are measured at zero, if no other listing can be found. Holdings in private equity funds classified as shares in Level 3 are valued externally by the manager of each fund. The valuation of each fund is based on the valuation of the fund's holdings in portfolio companies. The valuation of underlying portfolio companies is based on systematic comparisons with market-listed comparable companies or on a value based on a relevant third-party transaction. In certain cases, the valuations are based on discounted cash flows or methods based on other unobservable data. The valuation is performed in accordance with industry practice, for example, International Private Equity and Venture Capital Valuation Guidelines, which are supported by many industry organisations, such as the EVCA (European Venture Capital Association).

Gains and losses are recognised in profit and loss under Investment income, net. For information on determination of fair value, valuation techniques and inputs, see note 1 Accounting policies.

The fair value of shares in Länsförsäkringar Liv Försäkrings AB comprises cost adjusted for impairment requirements.

When calculating the fair value of deposits and lending, anticipated future cash flows have been discounted using a discount rate set at the current deposit and lending rates applied.

The main principle for measuring the fair value of debt securities in issue is that the value is measured at prices from external parties at year-end or the most recent trading date. If external prices are not available or are deemed to deviate from market levels, and for measuring the fair value of subordinated liabilities, a standard method or valuation technique based on the estimated or original issue spread has been utilised.

The fair value of other receivables, cash and cash equivalents, due to credit institutions and other liabilities comprises a reasonable approximation of the fair value based on the cost of the assets and liabilities since these assets and liabilities have short terms.

Table 3 Financial assets and liabilities

SEK M	31 Dec 2014		31 Dec 2013	
	Book value	Fair value	Book value	Fair value
Assets				
Shares in Länsförsäkringar Liv Försäkrings AB	8	8	208	208
Loans to the public	179,424	180,926	162,003	156,278
Unit-linked insurance assets – policyholder bears the risk	91,359	91,359	76,207	76,207
Shares and participations	1,487	1,487	1,148	1,148
Bonds and other interest-bearing securities	43,733	43,733	47,979	47,979
Treasury bills and other eligible bills	5,409	5,409	4,881	4,881
Derivatives	5,276	5,276	1,101	1,101
Other receivables	3,565	3,565	6,498	6,498
Cash and cash equivalents	1,657	1,657	2,145	2,145
Total assets	331,918	333,420	302,170	296,445
Liabilities				
Subordinated liabilities	2,000	2,127	2,000	2,150
Unit-linked insurance liabilities – policyholder bears the risk	92,250	92,250	76,712	76,712
Debt securities in issue	130,514	136,690	124,866	129,382
Deposits from the public	75,845	77,297	68,752	70,070
Due to credit institutions	3,390	3,390	1,600	1,600
Derivatives	2,756	2,756	2,801	2,801
Other liabilities	1,073	1,073	2,498	2,498
Total liabilities	307,828	315,583	279,229	285,213

FINANCIAL STATEMENTS – PARENT COMPANY

INCOME STATEMENT FOR THE PARENT COMPANY

SEK M	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-year 2014	Full-year 2013
Net sales	708	585	631	566	738	2,491	2,503
Operating expenses							
External expenses	-609	-384	-457	-361	-522	-1,812	-1,654
Staff costs	-195	-185	-219	-195	-227	-794	-875
Depreciation/amortisation and impairment of property and equipment and intangible assets	-70	-13	-13	-13	-16	-110	-61
Operating profit/loss	-167	3	-56	-4	-27	-225	-87
Profit/loss from financial items							
Profit from participations in Group companies	188	0	500	566	127	1,254	521
Interest income and similar profit/loss items	23	8	10	10	18	52	26
Interest expense and similar profit/loss items	-184	-50	-39	-41	-85	-314	-211
Profit/loss after financial items	-140	-39	414	532	33	767	249
Tax	17	-21	20	9	-31	25	-2
PROFIT/LOSS FOR THE PERIOD	-123	-60	434	541	2	792	247

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

SEK M	Q 4 2014	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Full-year 2014	Full-year 2013
Profit/loss for the period	-123	-60	434	541	2	792	247
Other comprehensive income							
Items that have been transferred or can be transferred to profit for the period							
Cash-flow hedges	-10	-11	-19	-16	-14	-56	15
Tax attributable to items that have been transferred or can be transferred to profit for the period	2	2	4	3	4	12	-3
Total other comprehensive income for the period	-8	-9	-15	-13	-10	-44	12
Comprehensive income for the period	-131	-69	419	528	-8	748	259

BALANCE SHEET FOR THE PARENT COMPANY

SEK M	31 Dec 2014	31 Dec 2013
ASSETS		
Intangible assets	111	120
Property and equipment	112	206
Shares and participations in Group companies	16,342	15,742
Derivates	-	15
Other fixed assets	42	215
Current assets	2,318	1,084
Cash and bank balances	239	1,095
TOTAL ASSETS	19,165	18,477
EQUITY, PROVISIONS AND LIABILITIES		
Equity	15,476	14,228
Provisions	122	77
Derivates	41	-
Long-term liabilities	2,047	2,626
Current liabilities	1,478	1,546
TOTAL EQUITY, PROVISIONS AND LIABILITIES	19,165	18,477
PLEDGED ASSETS AND CONTINGENT LIABILITIES		
Pledged assets	1,487	1,473
Contingent liabilities	55	73
Total	1,542	1,546

STATEMENT OF CASH FLOWS FOR THE PARENT COMPANY

SEK M	1 Jan 2014 -31 Dec 2014	1 Jan 2013 -31 Dec 2013
Cash flow from operating activities before changes in working capital	905	283
Cash flow from changes in working capital	-1,656	-422
Cash flow from operating activities	-751	-139
Cash flow from investing activities	-607	-497
Cash flow from financing activities	501	501
Net cash flow for the period	-856	-134
Cash and cash equivalents, 1 January	1,095	1,229
Net cash flow for the period	-856	-134
Cash and cash equivalents at end of period	239	1,095

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

SEK M	Restricted reserves		Non-restricted equity			Total
	Share capital	Statutory reserve	Hedging reserve	Share premium reserve	Retained earnings, including net profit for the year	
Opening equity, 1 January 2013	941	4,801	0	3,973	3,754	13,468
Comprehensive income for the period	–	–	12	–	247	259
Shareholders' contribution						
New share issue	34	–	–	466	–	500
Closing equity, 31 December 2013	975	4,801	12	4,438	4,001	14,228
Opening equity, 1 January 2014	975	4,801	12	4,438	4,001	14,228
Comprehensive income for the period	–	–	–44	–	792	748
Shareholders' contribution						
New share issue	32	–	–	468	–	500
Closing equity, 31 December 2014	1,007	4,801	–32	4,907	4,793	15,476

NOTES TO THE FINANCIAL STATEMENTS FOR THE PARENT COMPANY

NOTE 1 ACCOUNTING POLICIES

The Parent Company prepares its accounts according to the Annual Accounts Act (1995:1554). The company also applies recommendation RFR 2 Accounting for Legal Entities from the Swedish Financial Reporting Board and statements issued pertaining to listed companies. The regulations in RFR 2 stipulate that the Parent Company, in the annual accounts for the legal entity, shall apply all IFRS adopted by the EU and statements to the extent that this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and with consideration to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and supplements to IFRS. In all other respects, the interim report has been prepared in accordance with the same accounting policies and calculation methods applied in the 2013 Annual Report.

NOT 2 DISCLOSURES ON RELATED PARTIES

SEK M	Income Jan-Dec	Expenses Jan-Dec	Receivables 31 Dec	Liabilities 31 Dec	Commit- ments 31 Dec
2014					
Group companies	2,337	–169	662	256	–
Länsförsäkringar Liv Group	241	–32	16	497	1,487
Regional insurance companies	1,157	–35	212	149	–
Other related parties	18	0	2	6	–
2013					
Group companies	1,446	–176	253	855	–
Länsförsäkringar Liv Group	400	–80	79	614	1,473
Regional insurance companies	1,134	–40	116	88	–
Other related parties	20	–5	–	–	–

Income and expenses include interest.

The President submitted the report on behalf of the Board of Directors.

This report has not been reviewed by the company's auditor.

Stockholm, 10 February 2015

Sten Dunér
President

Financial calendar 2015

Annual Report	Week 11
Interim Report January-March	29 April
Interim Report April-June	17 July
Interim Report July-September	22 October

This interim report contains such information that Länsförsäkringar AB (publ) must publish in accordance with the Securities Market Act. The information was submitted for publication on 10 February 2015 at 12.00 a.m Swedish time.

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