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## **PRESS INFORMATION**

### **Länsförsäkringar Bank**

Länsförsäkringar Bank and Länsförsäkringar Hypotek have received permission from Swedish FSA to change the IRB model for calculating loss given default (LGD) for loans secured by residential housing. This will lead to lower REA and hence a higher core Tier 1 capital ratio. The positive effect on the core Tier 1 ratio is around 300 basis points and the core Tier 1 ratio for Länsförsäkringar Bank consolidated situation would pro forma as of 31 March, 2015, have been 18.4 percent. The model change will however correspondingly increase the capital requirement under Pillar II because of the risk weight floor for mortgages.

### **For further information please contact:**

Martin Rydin, Vice Executive President, Länsförsäkringar Bank AB,  
+46 (0)8-588 412 79, +46 (0)73-964 28 23

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

The Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. Customers are provided with a complete offering of banking and insurance services through their local, regional insurance companies. We offer animal and crop insurance through Agria Djurförsäkring and total solutions for reliable mortgage transactions are offered through Länsförsäkringar Fastighetsförmedling.