

PRESS RELEASE**Länsförsäkringar Bank raises target levels for capital adequacy**

The Board of Directors of Länsförsäkringar Bank has decided to increase the target level for capital adequacy as well as to establish a target level for the tier 1 ratio. The new target levels were set at 10.5 percent for capital adequacy and 8.5 percent for the tier 1 ratio, with a possible variation of ± 0.5 percentage points. Today, the parent company, Länsförsäkringar AB, provided an unconditional shareholder contribution of SEK 250 M and a core capital contribution of SEK 290 M as well as a dated subordinated debenture loan of SEK 580 M. The dated debenture loan has a term of 10 years.

Pro forma at September 30, 2003, the Bank's tier 1 ratio was 10.6 percent and the total capital adequacy was 13.9 percent.

"This measure demonstrates the owner's ambition to secure the Bank's future financial position. The increase is the result of the Bank's increased activity in the mortgage lending market and as an issuer on the capital market. The intention is to further strengthen the Bank's market position," says Tomas Johansson, President, Länsförsäkringar Bank.

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Länsförsäkringar, with 24 independent regional insurance companies and the jointly owned Länsförsäkringar AB, is Sweden's only customer-owned and locally based banking and insurance group. Länsförsäkringar has Sweden's most satisfied customers and is the most competitively priced bank with the most loyal customers according to the Swedish Quality Index. Länsförsäkringar is the "Life Assurance and Non-life Insurance Company of the Year" according to the Affärsvärlden business weekly and was named "Bank of the Year 2002" by the Privata Affärer business magazine. Länsförsäkringar offers a broad range of insurance and financial services for companies and private individuals. Länsförsäkringar is the market leader in the Swedish non-life insurance segment, with a market share exceeding 30%. The market share in life and pension assurance is 10.8% and 2.8% in banking. Länsförsäkringar also includes Agria Djurförsäkring (animal insurance). Länsförsäkringar manages assets of SEK 130 billion. Premium income in 2002 amounted to about SEK 20 billion.