

# Länsförsäkringar Bank

## January–June 2011

INTERIM REPORT

### The period in brief, Group

- Operating profit increased 24% to SEK 181 M (146).
- Net interest income rose 32% to SEK 814 M (614).
- Loan losses remained low and amounted to SEK 30 M (31), net, corresponding to a loan loss of 0.05% (0.06).
- Business volumes rose 16% to SEK 247 billion (214).
- The Tier 1 ratio according to Basel II was 12.1% (11.6) and the capital adequacy ratio was 14.1% (13.4).
- The number of customers rose 8% to 857,000 (793,000) and the number of bank cards increased 16% to 287,000 (247,000).
- The number of customers with Länsförsäkringar as their primary bank increased 15% to 240,000 (209,000) and the number of products per customer rose to 4.7 (4.6).

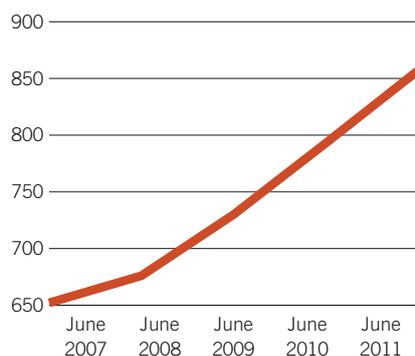
Figures in parentheses pertain to the same period in 2010.

#### Rikard Josefson, President Länsförsäkringar Bank:

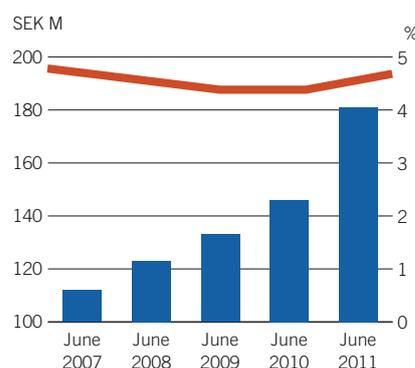
*The bank is continuing to grow broadly and strengthen its position in the market. Our focus on attractive saving and deposit products remains a focal point, with savings in particular having grown in importance to customers' financial security in a climate of economic uncertainty. The trend in saving and deposit services and products remained favourable. The number of customers is increasing and 93% of customers that have chosen Länsförsäkringar as their primary bank also have insurance or a pension with the company. The growth in loans is stable and credit quality remains very high. The liquidity situation is healthy and refinancing was very successful during the period.*

#### CUSTOMER TREND

Number of customers, 000s



#### OPERATING PROFIT AND RETURN ON EQUITY



## Key figures

Group	Q2 2011	Q2 2010	Q1 2011	Jan-Jun 2011	Jan-Jun 2010	Full-year 2010
Return on equity, %	4.4	4.6	5.0	4.7	4.4	4.9
Return on total capital, %	0.22	0.21	0.25	0.24	0.20	0.24
Investment margin, %	1.08	0.87	1.04	1.06	0.85	0.93
Cost/income ratio before loan losses	0.73	0.73	0.69	0.71	0.73	0.71
Cost/income ratio after loan losses	0.78	0.77	0.73	0.75	0.78	0.75
Tier 1 ratio according to Basel II, %	12.1	11.6	11.8	12.1	11.6	11.8
Capital adequacy ratio according to Basel II, %	14.1	13.4	13.5	14.1	13.4	13.5
Percentage of impaired loans, %	0.20	0.27	0.19	0.20	0.27	0.17
Reserve ratio in relation to loans, %	0.25	0.31	0.25	0.25	0.31	0.24
Loan losses, %	0.06	0.05	0.04	0.05	0.06	0.05

## Income statement, quarterly

Group, SEK M	Q2 2011	Q1 2011	Q4 2010	Q3 2010	Q2 2010
Net interest income	422.7	391.0	389.6	358.8	324.1
Net commission expense	-98.0	-96.3	-63.0	-56.8	-24.9
Net gains / losses from financial items	3.8	0	-0.4	10.4	-3.6
Other operating income	61.4	46.9	42.2	42.7	46.8
<b>Total operating income</b>	<b>389.9</b>	<b>341.6</b>	<b>368.4</b>	<b>355.1</b>	<b>342.5</b>
Staff costs	-96.4	-89.3	-78.0	-72.0	-83.5
Other expenses	-188.3	-146.3	-183.4	-162.2	-167.4
<b>Total operating expenses</b>	<b>-284.7</b>	<b>-235.6</b>	<b>-261.4</b>	<b>-234.2</b>	<b>-250.9</b>
<b>Profit before loan losses</b>	<b>105.2</b>	<b>106.0</b>	<b>107.0</b>	<b>120.9</b>	<b>91.6</b>
Loan losses, net	-17.9	-12.1	-10.1	-18.5	-13.3
<b>Operating profit</b>	<b>87.3</b>	<b>93.9</b>	<b>96.9</b>	<b>102.4</b>	<b>78.3</b>

## Market commentary

The Swedish economy entered into a calmer phase but is continuing to grow strongly. The global recovery is continuing as a whole, although uncertainty rose markedly during the period. The growth prospects in the US weakened and fears about government finances in Europe gained momentum. Activity in the Swedish bank and mortgage bond market was stable with healthy demand despite rising global uncertainty.

Deposits from households increased 3% during the second quarter, according to data from Statistics Sweden. Net household savings in funds primarily took place through unit-linked insurance in the Swedish fund market, while direct household savings were made through net withdrawals.

Prices for single-family homes rose nearly 1% in Sweden between the first and second quarter of 2011, according to data from Statistics Sweden. Prices in the major metropolitan area of Stockholm rose, remained unchanged in Gothenburg and weakened slightly in Malmö.

Retail mortgages to households continued to increase albeit at a lower rate according to Statistics Sweden's data, primarily driven by market interest rates and the mortgage cap.

## January-June 2011 compared with January-June 2010

Growth and customer trend  
Business volumes rose 16%, or SEK 33 billion, to SEK 247 billion (214) and the number of customers increased 8% or 64,000 to 857,000 (793,000).

The number of customers with Länsförsäkringar as their primary bank increased 15%, or 31,000 to 240,000 (209,000) and the number of products per customer rose to 4.7 (4.6). Of these customers, 93% (92) are also customers with Länsförsäkringar's insurance and/or pension offering.

The number of cards increased 16%, or 40,000, to 287,000 (247,000).

## Earnings and profitability

Profit before loan losses rose 19% to SEK 211 M (178) and operating profit increased 24% to SEK 181 M (146), due to higher net interest income.

Return on equity strengthened to 4.7% (4.4).

## Income

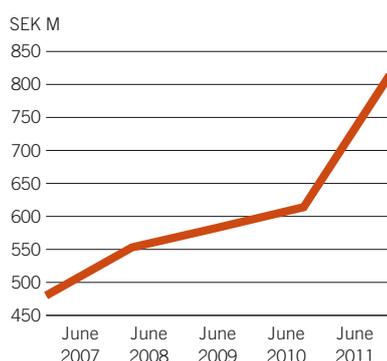
Operating income rose a total of 10% to SEK 732 M (663), due to higher net interest income. Net interest income rose 32% to SEK 814 M (614). The increase in net interest income was attributable to stronger margins, increased lending and deposit volumes and higher return on equity due to market interest rates.

The investment margin strengthened 1.06% (0.85).

Net interest income was charged with SEK 26.2 M (14.2) for fees to the stability fund and SEK 14.0 M (10.1) for mandatory government deposit insurance.

Commission income increased 7% to SEK 479 M (446) due to higher mutual fund and bank card volumes. Commission expense, which refers to compensation to the regional insurance companies, rose 40% to SEK 673 M (482), attributable to increased net interest income. Compensation to the regional insurance companies is included in commission expense and calculated based on net interest income.

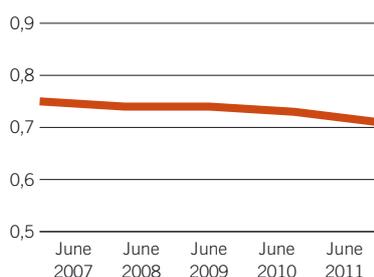
## NET INTEREST INCOME



## Expenses

Operating expenses increased 7% to SEK 520 M (486). The cost/income ratio strengthened to 0.71 (0.73) before loan losses and to 0.75 (0.78) after loan losses.

## COST/INCOME RATIO



## Loan losses

Loan losses remained low and amounted to SEK 30 M (31), net, corresponding to a loan loss of 0.05% (0.06).

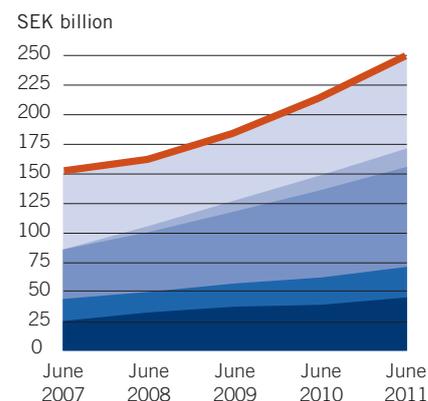
Reserves amounted to SEK 321 M (343) and the reserve ratio in relation to loans was 0.25% (0.31). Impaired loans fell to SEK 262 M (300), corresponding to a percentage of impaired loans of 0.20% (0.27). The lower reserves and impaired loans are mainly due to the higher credit quality of Wasa Kredit's loan portfolio.

For more information regarding loan losses, reserves and impaired loans, refer to Notes 8 and 9.

## Business volumes

Business volumes increased 16%, or SEK 33 billion, to SEK 247 billion (214). Loans to the public rose 15%, or SEK 17 billion, to SEK 126 billion (109). Retail mortgages in Länsförsäkringar Hypotek increased 15%, or SEK 11 billion, to SEK 85 billion (74). Deposits from the public rose 16%, or SEK 6 billion, to SEK 45 billion (39). The volume of managed funds increased 16%, or SEK 11 billion, to SEK 77 billion (66). Banking services for small businesses is an offering that has been gradually launched and volumes, which are currently small, are growing at a stable rate, mainly in deposits.

## BUSINESS VOLUMES



## Savings

Deposits from the public increased 16%, or SEK 6 billion, to SEK 45 billion (39) with the increase primarily attributable to fixed-interest accounts. The increase from year-end is 8% or SEK 3 billion. The position in deposits is continuing to grow, with market shares strengthening to 3.6% (3.5) at June 30, 2011, according to data from Statistics Sweden. Fund volumes rose 16%, or SEK 11 billion, to SEK 77 billion (66) due to growth in value and high inflows, and the number of fund savers rose sharply during the period. The IPS service, Individual Pension Savings, continued to perform favourably.

## Loans

Loans to the public rose 15%, or SEK 17 billion, to SEK 126 billion (109) and the increase from year-end is 7% or SEK 8 billion. Retail mortgages in Länsförsäkringar Hypotek increased 15%, or SEK 11 billion, to SEK 85 billion (74). All lending exposure occurred in Sweden and in SEK. The market share for household and retail mortgages increased to 4.5% (4.2) on June 30, 2011 and the share of market growth for the period was 10%, according to data from Statistics Sweden.

The loan portfolio, totalling SEK 126 billion (109), had a favourable geographic distribution and maintained a high level of quality. A total of 81% (83) of the loan portfolio comprised household credits.

First-lien mortgage for agricultural properties rose 31% to SEK 12.3 billion (9.4) and agricultural lending increased 23% to a total of SEK 15.5 billion (12.5). First-lien mortgages, mainly to family-owned agricultural operations, accounted for 80% (75) of agricultural lending, and the average agricultural commitment amounted to SEK 1.6 M.

#### Loan portfolio

Lending segment, %	June 30, 2011	June 30, 2010
Retail mortgages	73	75
Farmers	12	11
Unsecured loans	4	4
Leasing	4	4
Hire purchase	4	4
Other	3	2
<b>Total</b>	<b>100</b>	<b>100</b>

#### Borrowing

Debt securities in issue rose 29%, or SEK 23 billion, to SEK 104 billion (81), of which covered bonds increased to SEK 88 billion (72). A nominal SEK 39.8 billion (40.8) was issued during the period, of which a corresponding nominal SEK 11.7 billion (10.6) was issued in the international market. In June, EUR 1 billion was successfully issued in the European market.

The Bank Group's long-term financing in the capital market primarily takes place through Länsförsäkringar Hypotek's covered bonds. Covered bonds in a nominal amount of SEK 24.3 billion (29.7) were issued during the period. Repurchased covered bonds totalled a nominal SEK 10.4 billion (5.4) and matured covered bonds amounted to a nominal SEK 5.5 billion (6.9). Financing of a nominal SEK 15.5 billion (11.1) also took place through Länsförsäkringar Bank, of which a nominal SEK 4.9 billion (4.0) under the MTN programme, a nominal SEK 7.9 billion (7.1) under the DCP programme and a nominal SEK 2.7 billion (-) under the ECP programme. The maturity structure of the Bank Group's borrowing is highly diversified.

For more information about the borrowing programmes, refer to the Appendix.

#### Liquidity

The liquidity reserve totalled a nominal SEK 33.4 billion (30.3) at June 30, 2011. All liquidity is invested in Swedish securities with very high credit quality. A total of 24% of the liquidity portfolio comprises securities with the Swedish government as the counterparty and 76% comprises covered bonds with the highest credit rating of AAA/Aaa. The liquidity of the investments is very high. The level of the liquidity reserve matches the refinancing requirement for all debt securities in issue maturing for for significantly more than one year.

#### Rating

The credit ratings are unchanged, with a stable outlook from both Standard & Poor's and Moody's. Länsförsäkringar Hypotek's covered bonds have the highest rating, Aaa, from Moody's and the highest credit rating, AAA, from Standard & Poor's.

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Bank	Standard & Poor's	A/stable	A-1(K-1)
Länsförsäkringar Bank	Moody's	A2/stable	P-1
Länsförsäkringar Hypotek <sup>1)</sup>	Standard & Poor's	AAA	A-1+
Länsförsäkringar Hypotek <sup>1)</sup>	Moody's	Aaa	-

<sup>1)</sup> Pertains to the company's covered bonds.

#### Capital adequacy

The Bank Group applies the Internal Ratings-based Approach (IRB Approach). The advanced IRB Approach provides the greatest opportunities to strategically and operationally manage credit risks and is used for all retail exposures. The basic IRB Approach is used for agricultural exposures. The Standardised Approach is applied to other exposures to calculate the capital requirement for credit risk. The transition rules from Basel I to Basel II have been extended through 2015 and entail a capital requirement of 80%.

The capital base strengthened to SEK 6,512 M (5,736) and the capital adequacy ratio according to Basel II was 14.1% (13.4). Tier 1 capital strengthened to SEK

5,571 M (4,959) net, and the Tier 1 ratio according to Basel II totalled 12.1% (11.6). The target level for the Tier 1 ratio is 12 percentage points under Basel II. This target level can vary +/- 0.5 percentage points.

For more information on the calculation of capital adequacy, refer to Note 12.

#### Interest-rate risk

On June 30, 2011, an increase in market interest rates of 1 percentage point would have increased the value of interest-bearing assets and liabilities, including derivatives, by SEK 65 M (42).

#### Risks and uncertainties

The Group and the Parent Company are exposed to a number of risks, primarily comprising credit risks and financial risks. The operations are characterised by a low risk profile. Loan losses remain low and the refinancing of business activities was highly successful during the period. A detailed description of risks is available in the 2010 Annual Report. No significant changes in the allocation of risk have taken place compared with the description provided in the Annual Report.

#### Second quarter of 2011 compared with second quarter of 2010

Operating profit rose 12% to 87 M (78) as a result of improved net interest income. Return on equity amounted to 4.4% (4.6). Net interest income increased 30%, or SEK 99 M, to SEK 423 M (324), due to higher business volumes, stronger deposit margins and increased return on equity. The investment margin strengthened 1.08% (0.87). Operating income rose a total of 14%, or SEK 48 M, to SEK 390 M (342). Commission income increased 7% to SEK 248 M (232) attributable to increased securities brokerage and higher bank card volumes. Commission expense rose 35% to SEK 346 M (257) due to higher net interest income which increased compensation to the regional insurance companies. Operating expenses increased 13%, or SEK 34 M, to SEK 285 M (251) as a result of the growth of the operations and the insourcing of certain operations. Loan losses, net, remained low at SEK 18 M (13).

## Second quarter of 2011 compared with first quarter of 2011

Operating profit decreased 7% to SEK 87 M (94) due to higher expenses. Return on equity amounted to 4.4% (5.0). Net interest income rose 8%, or SEK 32 M, to SEK 423 M (391), attributable to the increase in business volumes. The investment margin strengthened 1.08% (1.04). Operating income rose a total of 14%, or SEK 48 M, to SEK 390 M (342). Commission income increased 7% to SEK 248 M (231) due to increased payment mediation. Commission expense rose 6% to SEK 346 M (327), attributable to increased compensation to the regional insurance companies as a result of higher net interest income. Operating expenses increased 21%, or SEK 49 M, to SEK 285 M (236) due to a lower level of activity during the first quarter. Loan losses, net, remained low at SEK 18 M (12).

## Events after the end of the period

On July 21, the European Commission presented a detailed draft for a directive and ordinance on the introduction of the Basel III regulations within the EU from January 1, 2013.

## Parent Company

Deposits and some lending are conducted by the Parent Company. Most of the lending and borrowing operations are conducted through the subsidiary Länsförsäkringar Hypotek. Loans to the public rose 16%, or SEK 4 billion, to SEK 30 billion (26). Deposits from the public rose 16%, or SEK 6 billion, to SEK 45 billion (39). Debt securities in issue increased 78%, or SEK 7 billion, to SEK 16 billion (9).

Operating loss totalled SEK 32 M (20). Net interest income was strengthened by higher business volumes and improved margins in deposits and rose 45% to SEK 340 M (235). In addition, a changed pricing model was introduced to the subsidiary Länsförsäkringar Hypotek's short-term borrowing due to cost changes in the

bank's short-term borrowing attributable to deposits, which strengthened net interest income. Net interest income was charged with SEK 10.0 M (7.0) for fees to the stability fund and SEK 14.0 M (10.1) for mandatory government deposit insurance. Operating income decreased 2% to SEK 234 M (239) attributable to higher compensation to the regional insurance companies. Commission income increased 3% to SEK 98 M (95) due to higher bank card volumes. Commission expense rose 56% to SEK 320 M (205), attributable to increased compensation to the regional insurance companies as a result of higher net interest income. Operating expenses increased 2% to SEK 257 M (252). Loan losses, net, remained low and amounted to SEK 8 M (7).

## Subsidiaries

### Länsförsäkringar Hypotek

Retail mortgages in the bank's mortgage institution increased 15%, or SEK 11 billion, to SEK 85 billion (74). Retail mortgages up to 75% of the market value of the collateral at the date of origination are granted by Länsförsäkringar Hypotek and the remainder by the Parent Company. Operating profit rose to SEK 92 M (61), attributable to a higher net interest income. Recoveries exceeded loan losses, amounting to SEK 6 M (3), net, corresponding to loan losses of -0.01% (-0.01). The number of retail mortgage customers rose to 155,000 (142,000).

SEK M	June 30, 2011	June 30, 2010
Total assets	114,956	101,670
Lending volume	84,540	73,817
Net interest income	238	161
Operating profit	92	61

### Wasa Kredit

The lending volume rose 17% to SEK 11.5 billion (9.9) primarily due to higher leasing volumes. Operating profit rose 16% to SEK 70 M (60). Net interest income rose 8% to SEK 234 M (218). Expenses increased 6% to SEK 185 M (174) and loan losses amounted to SEK 28 M (27), net.

SEK M	June 30, 2011	June 30, 2010
Total assets	11,933	10,273
Lending volume	11,504	9,867
Net interest income	234	218
Operating profit	70	60

### Länsförsäkringar Fondförvaltning

The volume of managed funds rose 16%, or SEK 11 billion, to SEK 77 billion (66), primarily due to healthy growth in value and high inflows. The company manages 33 (390) investment funds with different investment orientations. The funds are available as direct fund savings, IPS and unit-linked insurance and through the PPM system. All fund managers are continuously evaluated to ensure that they meet return targets. Those that do not achieve these targets are replaced, and one manager was replaced during the period. Operating profit rose to SEK 51 M (45).

SEK M	June 30, 2011	June 30, 2010
Total assets	231	217
Assets under management	76,681	65,953
Net flow	5,315	-268
Net commission expense	133	127
Operating profit	51	45

## Income statement – Group

SEK M	Note	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Interest income	3	2,356.4	1,291.9		2,004.3		4,360.7	2,478.3		5,634.4
Interest expense	4	-1,933.7	-967.8		-1,613.3		-3,547.0	-1,863.9		-4,271.6
<b>Net interest income</b>		<b>422.7</b>	<b>324.1</b>	<b>30%</b>	<b>391.0</b>	<b>8%</b>	<b>813.7</b>	<b>614.4</b>	<b>32%</b>	<b>1,362.8</b>
Dividends received		-	0.1		-		-	0.2		0.2
Commission income	5	247.8	231.8	7%	230.8	7%	478.5	446.3	7%	918.8
Commission expense	6	-345.8	-256.7	35%	-327.1	6%	-672.9	-481.8	40%	-1,073.7
Net gains from financial items	7	3.8	-3.6		0		3.8	0		10.0
Other operating income		61.4	46.8		46.9		108.4	84.1		168.8
<b>Total operating income</b>		<b>389.9</b>	<b>342.5</b>	<b>14%</b>	<b>341.6</b>	<b>14%</b>	<b>731.5</b>	<b>663.2</b>	<b>10%</b>	<b>1,386.9</b>
Staff costs		-96.4	-83.5	15%	-89.3	8%	-185.6	-161.4	15%	-311.4
Other administration expenses		-168.5	-148.8	13%	-126.5	33%	-295.1	-286.7	3%	-587.8
<b>Total administration expenses</b>		<b>-264.9</b>	<b>-232.3</b>	<b>14%</b>	<b>-215.8</b>	<b>23%</b>	<b>-480.7</b>	<b>-448.1</b>	<b>7%</b>	<b>-899.2</b>
Depreciation / amortisation and impairment of property and equipment / intangible assets		-19.8	-18.6	7%	-19.8	0%	-39.6	-37.5	6%	-82.3
<b>Total operating expenses</b>		<b>-284.7</b>	<b>-250.9</b>	<b>13%</b>	<b>-235.6</b>	<b>21%</b>	<b>-520.3</b>	<b>-485.6</b>	<b>7%</b>	<b>-981.5</b>
<b>Profit before loan losses</b>		<b>105.2</b>	<b>91.6</b>	<b>15%</b>	<b>106.0</b>	<b>-1%</b>	<b>211.2</b>	<b>177.6</b>	<b>19%</b>	<b>405.4</b>
Loan losses, net	8	-17.9	-13.3	35%	-12.1	48%	-30.0	-31.5	-5%	-60.1
<b>Operating profit</b>		<b>87.3</b>	<b>78.3</b>	<b>12%</b>	<b>93.9</b>	<b>-7%</b>	<b>181.2</b>	<b>146.1</b>	<b>24%</b>	<b>345.3</b>
Tax		-22.9	-20.6		-24.7		-47.6	-38.4		-100.0
<b>Profit for the period</b>		<b>64.4</b>	<b>57.7</b>	<b>12%</b>	<b>69.2</b>	<b>-7%</b>	<b>133.6</b>	<b>107.7</b>	<b>24%</b>	<b>245.3</b>

## Statement of comprehensive income – Group

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
<b>Profit for the period</b>	<b>64.4</b>	<b>57.7</b>	<b>12%</b>	<b>69.2</b>	<b>-7%</b>	<b>133.6</b>	<b>107.7</b>	<b>24%</b>	<b>245.3</b>
<b>Other comprehensive income</b>									
<i>Available-for-sale financial assets</i>									
Change in fair value	32.6	47.2	-31%	83.7	-61%	116.3	39.2	197%	28.8
Reclassification realised securities	-2.2	-		-		-2.2	-		-
Tax	-8.0	-12.4	-36%	-22.0	-64%	-30.0	-10.3	191%	-7.6
<b>Other comprehensive income for the period, net after tax</b>	<b>22.4</b>	<b>34.8</b>	<b>-36%</b>	<b>61.7</b>	<b>-64%</b>	<b>84.1</b>	<b>28.9</b>	<b>191%</b>	<b>21.2</b>
<b>Total comprehensive income for the period</b>	<b>86.8</b>	<b>92.5</b>	<b>-6%</b>	<b>130.9</b>	<b>-34%</b>	<b>217.7</b>	<b>136.6</b>	<b>59%</b>	<b>266.5</b>

## Balance sheet – Group

SEK M	Note	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Assets</b>				
Cash and balances with central banks		85.7	84.8	76.1
Treasury bills and other eligible bills		6,835.1	4,170.0	1,999.9
Loans to credit institutions		2,804.5	1,529.8	1,607.6
Loans to the public	9	125,766.6	117,910.2	109,366.7
Bonds and other interest-bearing securities		25,350.9	21,203.3	29,056.4
Shares and participations		10.4	10.4	10.4
Derivatives	10	1,195.3	1,041.9	1,148.9
Fair value changes of interest-rate-risk hedged items in the portfolio hedge		59.1	140.6	644.8
Intangible assets		399.7	372.7	323.4
Property and equipment		10.7	13.1	15.3
Deferred tax assets		3.1	3.1	2.2
Other assets		425.0	254.4	310.4
Prepaid expenses and accrued income		1,244.5	1,799.5	972.7
<b>Total assets</b>		<b>164,190.6</b>	<b>148,533.8</b>	<b>145,534.8</b>
<b>Liabilities and equity</b>				
Liabilities to credit institutions		2,637.6	5,212.3	14,576.2
Deposits and borrowing from the public		44,903.3	41,590.1	38,719.0
Debt securities in issue		104,315.2	89,248.0	80,972.3
Derivatives	10	2,074.3	2,093.6	1,409.7
Fair value changes of interest-rate-risk hedged items in the portfolio hedge		-616.6	-392.4	1,041.8
Deferred tax liabilities		102.9	72.9	114.0
Other liabilities		517.0	780.6	475.3
Accrued expenses and deferred income		2,676.5	3,130.9	1,728.2
Provisions		17.8	18.9	17.5
Subordinated liabilities		1,490.0	1,250.0	1,250.0
<b>Total liabilities</b>		<b>158,118.0</b>	<b>143,004.9</b>	<b>140,304.0</b>
<b>Equity</b>				
Share capital, 9,548,708 shares		954.9	954.9	954.9
Other capital contributed		4,553.5	4,227.5	3,777.5
Reserves		129.4	45.3	53.0
Retained earnings		301.2	55.9	337.7
Profit for the period		133.6	245.3	107.7
<b>Total equity</b>		<b>6,072.6</b>	<b>5,528.9</b>	<b>5,230.8</b>
<b>Total liabilities and equity</b>		<b>164,190.6</b>	<b>148,533.8</b>	<b>145,534.8</b>
<b>Pledged assets, contingent liabilities and commitments</b>	<b>11</b>			
<b>Other notes</b>				
Accounting policies	1			
Segment reporting	2			
Capital-adequacy analysis	12			
Disclosures on related parties	13			

## Cash-flow statement in summary, indirect method – Group

SEK M	Jan-Jun 2011	Jan-Jun 2010
<b>Cash and cash equivalents, January 1</b>	<b>1,182.7</b>	<b>2,924.7</b>
Cash flow from operating activities	-72.4	-2,363.1
Cash flow from investing activities	-64.3	-28.4
Cash flow from financing activities	183.6	115.8
<b>Cash flow for the year</b>	<b>46.9</b>	<b>-2,275.7</b>
Exchange rate differences in cash and cash equivalents	-	-
<b>Cash and cash equivalents, June 30</b>	<b>1,229.6</b>	<b>649.0</b>

Cash and cash equivalents is defined as cash and balances at central banks, lending and due to credit institutions payable on demand as well as overnight loans and deposits with the Riksbank maturing the following banking day.

Changes to the cash flow from operating activities are largely attributable to debt securities in issue SEK 14,709.0 M (19,623.3), bonds and interest-bearing securities SEK -4,116.1 M (-6,201.0), loans to the public SEK -7 892,3 M (-9 820,0) as well as liabilities to credit institutions SEK -1,175.0 M (-6,745.0).

Changes to the cash flow from financing activities are attributable to shareholders' contributions received SEK 326.0 M (400.0), Group contributions paid SEK -382.4 M (-284.2) as well as net change in subordinated liabilities SEK 240.0 M (-) Mkr.

## Statement of changes in shareholders' equity – Group

SEK M	Share capital	Other capital contributed	Reserves	Retained earnings	Profit for the period	Total
<b>Opening balance, January 1, 2010</b>	<b>954.9</b>	<b>3,377.5</b>	<b>24.1</b>	<b>159.9</b>	<b>177.8</b>	<b>4,694.2</b>
Profit for the period					107.7	107.7
Other comprehensive income for the period			28.9			28.9
<i>Comprehensive income for the period</i>			<i>28.9</i>		<i>107.7</i>	<i>136.6</i>
Resolution by Annual General Meeting				177.8	-177.8	-
Conditional shareholders' contribution received		400.0				400.0
<b>Closing balance, June 30, 2010</b>	<b>954.9</b>	<b>3,777.5</b>	<b>53.0</b>	<b>337.7</b>	<b>107.7</b>	<b>5,230.8</b>
<b>Opening balance, July 1, 2010</b>	<b>954.9</b>	<b>3,777.5</b>	<b>53.0</b>	<b>337.7</b>	<b>107.7</b>	<b>5,230.8</b>
Profit for the period					137.6	137.6
Other comprehensive income for the period			-7.7			-7.7
<i>Comprehensive income for the year</i>			<i>-7.7</i>		<i>137.6</i>	<i>129.9</i>
Conditional shareholders' contribution received		450.0				450.0
Group contribution paid				-382.4		-382.4
Tax on Group contribution paid				100.6		100.6
<b>Closing balance, December 31, 2010</b>	<b>954.9</b>	<b>4,227.5</b>	<b>45.3</b>	<b>55.9</b>	<b>245.3</b>	<b>5,528.9</b>
<b>Opening balance, January 1, 2011</b>	<b>954.9</b>	<b>4,227.5</b>	<b>45.3</b>	<b>55.9</b>	<b>245.3</b>	<b>5,528.9</b>
Profit for the period					133.6	133.6
Other comprehensive income for the period			84.1			84.1
<i>Comprehensive income for the period</i>			<i>84.1</i>		<i>133.6</i>	<i>217.7</i>
Resolution by Annual General Meeting				245.3	-245.3	-
Conditional shareholders' contribution received		326.0				326.0
<b>Closing balance, June 30, 2011</b>	<b>954.9</b>	<b>4,553.5</b>	<b>129.4</b>	<b>301.2</b>	<b>133.6</b>	<b>6,072.6</b>

## Notes – Group

### NOTE 1 ACCOUNTING POLICIES

The consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS), issued by the International Accounting Standard Board (IASB), and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by EU. Furthermore, the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) (1995:1559), the Swedish Securities Market Act (2007:528), as well as the regulations and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25) were applied. The Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and statements (UFR).

This interim report complies with the requirements of IAS 34, Interim Financial Reporting. Since year-end, a change has been made from collective to individual impairments of agricultural exposures. In other respects, the interim report for the Group was prepared according to the same accounting policies and calculation methods as those applied in the 2010 Annual Report.

### NOTE 2 SEGMENT REPORTING

SEK M Income statement, Jan-Jun 2011	Banking operations	Mortgage institution	Finance company	Mutual funds	Eliminations / Adjustments	Total
Net interest income	339.7	238.2	234.5	1.3		813.7
Net commission	-222.2	-122.5	19.1	129.5	1.7	-194.4
Net gains from financial items	0.7	3.5	-0.4	-		3.8
Intra-Group income	39.7	-	2.1	0.1	-41.9	0
Other income	75.6	0.3	28.5	4.0		108.4
<b>Total operating income</b>	<b>233.5</b>	<b>119.5</b>	<b>283.8</b>	<b>134.9</b>	<b>-40.2</b>	<b>731.5</b>
Intra-Group expenses	-1.5	-22.2	-5.7	-10.8	40.2	0
Other administration expenses	-226.8	-11.4	-169.2	-73.3		-480.7
Depreciation / amortisation and impairment	-29.1	-	-10.5	-		-39.6
<b>Total operating expenses</b>	<b>-257.4</b>	<b>-33.6</b>	<b>-185.4</b>	<b>-84.1</b>	<b>40.2</b>	<b>-520.3</b>
<b>Profit / loss before loan losses</b>	<b>-23.9</b>	<b>85.9</b>	<b>98.4</b>	<b>50.8</b>		<b>211.2</b>
Loan losses, net	-7.7	6.0	-28.3	-		-30.0
<b>Operating profit / loss</b>	<b>-31.6</b>	<b>91.9</b>	<b>70.1</b>	<b>50.8</b>		<b>181.2</b>

#### Balance sheet, June 30, 2011

<b>Total assets</b>	<b>74,830.0</b>	<b>114,956.0</b>	<b>11,933.4</b>	<b>230.7</b>	<b>-37,759.5</b>	<b>164,190.6</b>
Liabilities	68,960.2	110,945.6	11,004.3	119.8	-32,911.9	158,118.0
Equity	5,869.8	4,010.4	929.1	110.9	-4,847.6	6,072.6
<b>Total liabilities and equity</b>	<b>74,830.0</b>	<b>114,956.0</b>	<b>11,933.4</b>	<b>230.7</b>	<b>-37,759.5</b>	<b>164,190.6</b>

#### Income statement, Jan-Jun 2010

Net interest income	234.8	161.4	218.1	0.1		614.4
Net commission	-110.1	-69.2	16.9	127.1		-35.3
Net gains from financial items	2.1	-1.7	-0.4	-		0
Intra-Group income	53.2	-	1.9	-	-55.1	0
Other income	59.0	0	25.1	0		84.1
<b>Total operating income</b>	<b>238.9</b>	<b>90.5</b>	<b>261.7</b>	<b>127.2</b>	<b>-55.1</b>	<b>663.2</b>
Intra-Group expenses	-1.9	-21.2	-9.2	-22.8	55.1	0
Other administration expenses	-222.5	-11.5	-155.1	-59.0		-448.1
Depreciation / amortisation and impairment	-27.7	-	-9.8	-		-37.5
<b>Total operating expenses</b>	<b>-252.1</b>	<b>-32.7</b>	<b>-174.1</b>	<b>-81.8</b>	<b>55.1</b>	<b>-485.6</b>
<b>Profit / loss before loan losses</b>	<b>-13.2</b>	<b>57.8</b>	<b>87.6</b>	<b>45.4</b>	<b>0</b>	<b>177.6</b>
Loan losses, net	-7.0	2.8	-27.3	-		-31.5
<b>Operating profit / loss</b>	<b>-20.2</b>	<b>60.6</b>	<b>60.3</b>	<b>45.4</b>	<b>0</b>	<b>146.1</b>

#### Balance sheet, June 30, 2010

<b>Total assets</b>	<b>77,473.0</b>	<b>101,670.4</b>	<b>10,273.1</b>	<b>216.5</b>	<b>-44,098.2</b>	<b>145,534.8</b>
Liabilities	72,387.2	98,339.7	9,489.4	109.6	-40,021.9	140,304.0
Equity	5,085.8	3,330.7	783.7	106.9	-4,076.3	5,230.8
<b>Total liabilities and equity</b>	<b>77,473.0</b>	<b>101,670.4</b>	<b>10,273.1</b>	<b>216.5</b>	<b>-44,098.2</b>	<b>145,534.8</b>

**NOTE 3 INTEREST INCOME**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Loans to credit institutions	8.3	0.5		4.8	75%	13.1	1.3	881%	8.2
Loans to the public	1,278.9	727.5	76%	1,105.2	16%	2,384.1	1,424.9	67%	3,183.9
Interest-bearing securities	194.4	198.0	-2%	185.7	5%	380.1	343.0	11%	721.5
<i>Derivatives</i>									
Hedge accounting	807.0	365.2	121%	644.9	25%	1,451.9	707.6	105%	1,719.1
Non-hedge accounting	68.1	0.7		63.4	7%	131.5	1.5		1.5
Other interest income	-0.3	0		0.3		0	-		0.2
<b>Total interest income</b>	<b>2,356.4</b>	<b>1,291.9</b>	<b>82%</b>	<b>2,004.3</b>	<b>18%</b>	<b>4,360.7</b>	<b>2,478.3</b>	<b>76%</b>	<b>5,634.4</b>
of which interest income on impaired loans	1.4	1.2	18%	0.8	78%	2.2	1.8	21%	1.6
of which interest income from financial items not measured at fair value	1,286.9	736.0	75%	1,110.3	16%	2,397.2	1,448.0	66%	3,214.1
Average interest rate on loans to the public during the period, including net leasing, %	4.1	2.7		3.7		3.9	2.7		2.7

**NOTE 4 INTEREST EXPENSE**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Liabilities to credit institutions	-14.3	-24.9	-43%	-6.7	114%	-21.0	-43.3	-52%	-74.1
Deposits and borrowing from the public	-203.0	-37.6	440%	-147.6	38%	-350.7	-79.8	340%	-244.8
Interest-bearing securities	-785.8	-572.8	37%	-688.0	14%	-1,473.8	-1,018.5	45%	-2,220.9
Subordinated liabilities	-0.1	-9.5	-99%	-22.6	-100%	-22.7	-18.9	20%	-47.5
<i>Derivatives</i>									
Hedge accounting	-840.2	-304.1	176%	-662.8	27%	-1,503.0	-669.4	125%	-1,622.0
Non-hedge accounting	-69.1	-4.1		-65.7	5%	-134.8	-9.1		-11.6
Other interest expense, including government deposit insurance	-21.2	-14.8	43%	-19.9	6%	-41.1	-24.9	65%	-50.7
<b>Total interest expense</b>	<b>-1,933.7</b>	<b>-967.8</b>	<b>100%</b>	<b>-1,613.3</b>	<b>20%</b>	<b>-3,547.0</b>	<b>-1,863.9</b>	<b>90%</b>	<b>-4,271.6</b>
of which interest expense from financial items not measured at fair value	-1,024.5	-659.7	55%	-884.8	16%	-1,909.2	-1,185.5	61%	-2,638.0
Average interest rate on deposits from the public during the period, %	1.9	0.4		1.4		1.6	0.4		0.6

**NOTE 5 COMMISSION INCOME**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Payment mediation	18.1	19.7	-8%	8.7	107%	26.8	36.7	-27%	81.1
Loans	19.7	18.0	9%	19.3	2%	39.0	35.4	10%	72.9
Deposits	1.7	1.6	2%	2.0	-15%	3.6	3.4	6%	6.9
Financial guarantees	0	0		0.1	-94%	0.1	0.2	-28%	0.2
Securities	181.0	172.3	5%	177.5	2%	358.5	335.8	7%	679.9
Bank cards	26.4	19.5	36%	22.5	17%	48.9	33.5	46%	75.2
Other commission	0.9	0.7	34%	0.7	20%	1.6	1.3	19%	2.6
<b>Total commission income</b>	<b>247.8</b>	<b>231.8</b>	<b>7%</b>	<b>230.8</b>	<b>7%</b>	<b>478.5</b>	<b>446.3</b>	<b>7%</b>	<b>918.8</b>
of which commission income from financial items not measured at fair value	47.8	39.1	22%	43.8	9%	91.7	72.5	26%	155.2

**NOTE 6 COMMISSION EXPENSE**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Payment mediation	-24.4	-20.9	17%	-21.2	14%	-45.5	-42.3	8%	-82.5
Securities	-102.7	-92.0	12%	-97.5	5%	-200.2	-180.2	11%	-363.5
Bank cards	-19.6	-20.5	-4%	-18.6	5%	-38.3	-38.2	0%	-80.2
Remuneration to regional insurance companies	-194.8	-119.2	63%	-186.5	4%	-381.3	-213.1	79%	-531.3
Other commission	-4.3	-4.1	5%	-3.3	30%	-7.6	-8.0	-4%	-16.2
<b>Total commission expense</b>	<b>-345.8</b>	<b>-256.7</b>	<b>35%</b>	<b>-327.1</b>	<b>6%</b>	<b>-672.9</b>	<b>-481.8</b>	<b>40%</b>	<b>-1,073.7</b>
of which commission expense from financial items not measured at fair value	-188.5	-119.2	58%	-186.5	1%	-375.0	-213.1	76%	-531.3

**NOTE 7 NET GAINS FROM FINANCIAL ITEMS**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
<b>Change in fair value</b>									
Interest-related instruments	135.5	34.3	295%	-58.0	-334%	77.5	155.8	-50%	-82.0
Currency-related instruments	564.3	332.2	70%	-404.2	-240%	160.1	305.8	-48%	-449.5
Change in fair value of hedged items	-705.1	-378.2	86%	460.6	-253%	-244.5	-479.3	-49%	494.8
<b>Capital gain / loss</b>									
Interest-related instruments	3.9	-5.8	-168%	-2.1	-290%	1.9	-8.1	-123%	0.1
Interest compensation	5.2	13.9	-63%	3.7	41%	8.8	25.8	-66%	46.6
<b>Total net gains from financial items</b>	<b>3.8</b>	<b>-3.6</b>	<b>-206%</b>	<b>0</b>		<b>3.8</b>	<b>0</b>		<b>10.0</b>

**NOTE 8 LOAN LOSSES, NET**

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
<b>Specific reserve for individually assessed loan receivables</b>									
Write-off of confirmed loan losses during the period	-4.6	-3.3		-3.9		-8.6	-7.2		-123.6
Reversed earlier impairment of loan losses recognised as confirmed losses	1.7	1.3		1.5		3.3	2.1		105.3
Impairment of loan losses during the period	-41.5	-23.6		-59.2		-100.7	-47.6		-109.2
Payment received for prior confirmed loan losses	6.7	5.1		6.5		13.2	10.6		26.2
Reversed impairment of loan losses no longer required	8.2	2.4		5.9		14.1	5.7		17.3
Loss coverage from related company	-	-		-		-	-		10.0
<b>Net expense for the period for individually assessed loan receivables</b>	<b>-29.5</b>	<b>-18.1</b>	<b>63%</b>	<b>-49.2</b>	<b>-40%</b>	<b>-78.7</b>	<b>-36.4</b>	<b>116%</b>	<b>-74.0</b>
<b>Collective reserves for individually assessed receivables</b>	<b>-</b>	<b>-</b>		<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>
<b>Collectively assessed homogenous groups of loan receivables with limited value and similar credit risk</b>									
Provision / reversal of impairment for loan losses	11.5	4.8		37.1		48.6	4.8		13.9
<b>Net expense for the period for collectively assessed homogenous loan receivables</b>	<b>11.5</b>	<b>-4.8</b>	<b>140%</b>	<b>37.1</b>	<b>-69%</b>	<b>48.6</b>	<b>4.8</b>	<b>913%</b>	<b>13.9</b>
Net expense for the period for fulfilment of guarantees	0.1	0		0.0		0.1	0.1		-
<b>Net expense of loan losses for the period</b>	<b>-17.9</b>	<b>-13.3</b>	<b>35%</b>	<b>-12.1</b>	<b>48%</b>	<b>-30.0</b>	<b>-31.5</b>	<b>-5%</b>	<b>-60.1</b>

Since year-end, a change has been made from collective to individual impairments of agricultural exposures, which resulted in an increase in individual impairments and a corresponding decrease in collective impairments by the same amount.

**NOTE 9 LOANS TO THE PUBLIC**

Loan receivables are geographically attributable in their entirety to Sweden.

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Loan receivables, gross</b>			
Public sector	275.4	236.5	212.5
Corporate sector	9,363.9	8,723.1	7,843.8
Retail sector	116,448.6	109,233.4	101,625.4
Other	–	3.7	28.0
<b>Total loan receivables, gross</b>	<b>126,087.9</b>	<b>118,196.7</b>	<b>109,709.7</b>
<b>Impairment of individually assessed loan receivables</b>			
Corporate sector	–59.0	–40.5	–63.7
Retail sector	–160.2	–95.3	–119.5
<b>Total individual reserves</b>	<b>–219.2</b>	<b>–135.8</b>	<b>–183.2</b>
<b>Impairment of collectively reserved loan receivables</b>			
Corporate sector	–20.8	–24.0	–25.6
Retail sector	–81.3	–126.7	–134.1
Other	–	0	–0.1
<b>Total collective reserves</b>	<b>–102.1</b>	<b>–150.7</b>	<b>–159.8</b>
<b>Total reserves</b>	<b>–321.3</b>	<b>–286.5</b>	<b>–343.0</b>
<b>Loan receivables, net</b>			
Public sector	275.4	236.5	212.5
Corporate sector	9,284.1	8,658.6	7,754.5
Retail sector	116,207.1	109,011.4	101,371.8
Other	–	3.7	27.9
<b>Total loans to the public, net</b>	<b>125,766.6</b>	<b>117,910.2</b>	<b>109,366.7</b>
<b>Impaired loans</b>			
Corporate sector	70.8	67.9	104.0
Retail sector	190.7	140.9	196.0
<b>Total impaired loans</b>	<b>261.5</b>	<b>208.8</b>	<b>300.0</b>

**Definition**

A loan receivable is considered impaired if a payment is more than 60 days past due or if there are other reasons to expect that the counterparty cannot meet its undertaking. The loan receivable is considered impaired to the extent that it is not covered by collateral in an adequate amount.

**NOTE 10 DERIVATIVES**

SEK M	June 30, 2011		Dec 31, 2010		June 30, 2010	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
<b>Derivatives with positive values</b>						
<i>Derivatives in hedge accounting</i>						
Interest	63,005.0	665.3	47,397.0	643.4	43,697.5	932.2
Currency	10,809.7	490.6	1,777.7	401.3	1,394.4	470.7
Collateral received, CSA	-	-	-	-17.0	-	-254.5
<i>Other derivatives</i>						
Interest	235.0	0.9	13,810.0	2.5	335.0	0.5
Currency	1,291.9	38.5	385.6	11.7	-	-
<b>Total derivatives with positive values</b>	<b>75,341.6</b>	<b>1,195.3</b>	<b>63,370.3</b>	<b>1,041.9</b>	<b>45,426.9</b>	<b>1,148.9</b>
<b>Derivatives with negative values</b>						
<i>Derivatives in hedge accounting</i>						
Interest	77,234.0	1,285.6	61,594.0	1,260.1	45,654.0	1,260.2
Currency	10,577.1	788.7	10,577.1	827.7	10,577.1	149.5
<i>Other derivatives</i>						
Interest	-	-	-	-	0	0
Currency	-	-	1,343.3	5.8	-	-
<b>Total derivatives with negative values</b>	<b>87,811.1</b>	<b>2,074.3</b>	<b>73,514.4</b>	<b>2,093.6</b>	<b>56,231.1</b>	<b>1,409.7</b>

**NOTE 11 PLEDGED ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS**

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>For own liabilities, pledged assets</b>			
Pledged securities in the Riksbank	1,900.0	1,900.0	14,540.0
Pledged securities in Euroclear	1,150.0	1,150.0	1,150.0
Collateral provided for derivatives	-	-	10.0
Loan receivables, covered bonds	80,792.5	76,653.7	70,958.6
Commitments resulting from repurchase transactions	2,050.1	4,919.2	1,775.0
Other collateral for securities	15.0	15.0	5.0
<b>Total for own liabilities, pledged assets</b>	<b>85,907.6</b>	<b>84,637.9</b>	<b>88,438.6</b>
<b>Other pledged assets</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Contingent liabilities</b>			
Guarantees	28.9	31.2	31.1
Conditional shareholders' contribution	2,401.0	2,075.0	1,625.0
Early retirement at age 62 in accordance with pension agreement, 80%	24.9	59.8	61.7
<b>Total contingent liabilities</b>	<b>2,454.8</b>	<b>2,166.0</b>	<b>1,717.8</b>
<b>Other commitments</b>			
Loans approved but not disbursed	6,354.1	4,670.9	1,136.0
Unutilised portion of overdraft facilities	2,151.6	1,755.2	1,720.1
Unutilised portion of credit card facilities	737.1	719.6	897.8
<b>Total other commitments</b>	<b>9,242.8</b>	<b>7,145.7</b>	<b>3,753.9</b>

**NOTE 12 CAPITAL-ADEQUACY ANALYSIS**

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Capital base</b>			
Tier 1 capital, gross	6,233.2	5,773.6	5,467.8
Less intangible assets	-399.7	-372.7	-323.4
Less deferred tax assets	-3.1	-3.1	-2.2
Less / plus IRB deficit / surplus	-259.1	-214.8	-183.2
<b>Tier 1 capital, net</b>	<b>5,571.3</b>	<b>5,183.0</b>	<b>4,959.0</b>
Tier 2 capital	1,200.0	960.0	960.0
Deductions for Tier 2 capital	-259.1	-214.8	-183.2
<b>Total capital base</b>	<b>6,512.2</b>	<b>5,928.2</b>	<b>5,735.8</b>
<b>Risk-weighted assets according to Basel II</b>	<b>46,066.0</b>	<b>43,944.2</b>	<b>42,818.8</b>
<b>Risk-weighted assets according to transition rules</b>	<b>69,004.8</b>	<b>63,161.2</b>	<b>59,851.3</b>
<b>Capital requirement</b>			
Capital requirement for credit risk according to Standardised Approach	724.8	725.4	583.3
Capital requirement for credit risk according to IRB Approach	2,814.6	2,656.4	2,708.4
Capital requirement for operational risk	145.9	133.8	133.8
<b>Capital requirement according to Basel II</b>	<b>3,685.3</b>	<b>3,515.5</b>	<b>3,425.5</b>
Adjustment according to transition rules	1,835.1	1,537.4	1,362.6
<b>Total capital requirement</b>	<b>5,520.4</b>	<b>5,052.9</b>	<b>4,788.1</b>
<b>Capital ratio</b>			
Tier 1 ratio according to Basel II, %	12.09	11.79	11.58
Capital-adequacy ratio according to Basel II, %	14.14	13.49	13.40
Capital ratio according to Basel II *	1.77	1.69	1.67
Tier 1 ratio according to transition rules, %	8.07	8.21	8.29
Capital-adequacy ratio according to transition rules, %	9.44	9.39	9.58
Capital ratio according to transition rules*	1.18	1.17	1.20
<b>Special disclosures</b>			
<b>IRB Provisions surplus (+) / deficit (-)</b>	<b>-518.2</b>	<b>-429.6</b>	<b>-366.5</b>
- Total provisions (+)	276.7	241.5	308.5
- Anticipated loss (-)	-794.9	-671.1	-675.0
<b>Capital requirement</b>			
<b>Credit risk according to Standardised Approach</b>			
Exposures to institutions	101.5	77.3	92.2
Exposures to corporates	172.6	167.3	151.2
Retail exposures	102.3	190.2	32.0
Exposures secured on residential property	111.8	97.7	70.0
Past due items	1.0	1.0	0.6
Covered bonds	204.2	173.6	219.1
Other items	31.4	18.2	18.2
<b>Total capital requirement for credit risk according to Standardised Approach</b>	<b>724.8</b>	<b>725.4</b>	<b>583.3</b>

**NOTE 12 CAPITAL-ADEQUACY ANALYSIS, CONTINUED**

SEK M June 30, 2011 Dec 31, 2010 June 30, 2010

**Credit risk according to IRB Approach**

*Retail exposures*

Exposures secured by real estate collateral	1,276.7	1,241.0	1,376.6
Other retail exposures	685.4	626.4	592.1
<i>Total retail exposures</i>	<i>1,962.1</i>	<i>1,867.4</i>	<i>1,968.7</i>
Exposures to corporates	851.6	787.9	738.5
Non credit-obligation assets	0.9	1.0	1.2
<b>Total capital requirement for credit risk according to IRB Approach</b>	<b>2,814.6</b>	<b>2,656.4</b>	<b>2,708.4</b>

**Operational risk**

Standardised Approach	145.9	133.8	133.8
<b>Total capital requirement for operational risk</b>	<b>145.9</b>	<b>133.8</b>	<b>133.8</b>

**Capital-adequacy analysis according to Basel I**

Tier 1 capital	5,830.4	5,397.8	5,142.2
Tier 2 capital	1,200.0	960.0	960.0
<b>Total capital base</b>	<b>7,030.4</b>	<b>6,357.8</b>	<b>6,102.2</b>
Risk-weighted assets	94,353.2	85,663.8	80,541.0
Capital requirement for credit risk	7,548.3	6,853.1	6,443.3
Tier 1 ratio, %	6.18	6.30	6.38
Capital-adequacy ratio, %	7.45	7.42	7.58
Capital ratio*	0.93	0.93	0.95

\* Capital ratio = total capital base / total capital requirement

In addition to the Parent Company Länsförsäkringar Bank AB (publ) (516401-9878), the financial corporate group includes the wholly owned and fully consolidated subsidiaries Länsförsäkringar Hypotek AB (publ) (556244-1781), Wasa Kredit AB (556311-9204) and Länsförsäkringar Fondförvaltning AB (publ) (556364-2783).

**NOTE 13 DISCLOSURES ON RELATED PARTIES**

Related legal entities include the Länsförsäkringar AB Group's and the Länsförsäkringar Liv Group's companies, all associated companies, Länsförsäkringar Mäklarservice AB, Länsförsäkringar Fastighetsförmedling AB, the 23 regional insurance companies with subsidiaries and the local insurance companies that hold shares in Länsförsäkringar AB.

Normal business transactions between the related parties took place during January – June, 2011. Since December 31, 2010, no significant changes have occurred in the company's agreements with these related legal entities. The Banking Group's compensation to the regional insurance companies in accordance with prevailing outsourcing agreements is presented in Note 6 Commission expense.

Related key persons are Board members, senior executives and close family members to these individuals. Since December 31, 2010, no significant changes have occurred in the company's agreements with these persons.

## Income statement – Parent Company

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
Interest income	661.2	304.9		541.2		1,202.4	606.9		1,409.3
Interest expense	-476.9	-186.7		-385.8		-862.7	-372.1		-904.5
<b>Net interest income</b>	<b>184.3</b>	<b>118.2</b>	<b>56%</b>	<b>155.4</b>	<b>19%</b>	<b>339.7</b>	<b>234.8</b>	<b>45%</b>	<b>504.8</b>
Dividends received	-	0.1		-		-	0.2		0.2
Commission income	53.9	52.8	2%	43.6	24%	97.5	94.7	3%	199.0
Commission expense	-169.2	-108.5	56%	-150.4	12%	-319.7	-205.0	56%	-461.8
Net gains from financial items	-1.3	1.2		2.0		0.8	2.1		1.9
Other operating income	64.3	55.0		50.9		115.2	112.1		208.4
<b>Total operating income</b>	<b>132.0</b>	<b>118.8</b>	<b>11%</b>	<b>101.5</b>	<b>30%</b>	<b>233.5</b>	<b>238.9</b>	<b>-2%</b>	<b>452.5</b>
Staff costs	-30.6	-27.3	12%	-30.3	1%	-60.9	-55.7	9%	-94.0
Other administration expenses	-102.0	-87.4	17%	-65.5	56%	-167.5	-168.7	-1%	-322.5
<b>Total administration expenses</b>	<b>-132.6</b>	<b>-114.7</b>	<b>16%</b>	<b>-95.8</b>	<b>38%</b>	<b>-228.4</b>	<b>-224.4</b>	<b>2%</b>	<b>-416.5</b>
Depreciation / amortisation and impairment of property and equipment / intangible assets	-14.5	-13.7	6%	-14.5	0%	-29.1	-27.7	5%	-56.9
<b>Total operating expenses</b>	<b>-147.1</b>	<b>-128.4</b>	<b>15%</b>	<b>-110.3</b>	<b>33%</b>	<b>-257.4</b>	<b>-252.1</b>	<b>2%</b>	<b>-473.4</b>
<b>Loss before loan losses</b>	<b>-15.1</b>	<b>-9.6</b>	<b>57%</b>	<b>-8.8</b>	<b>70%</b>	<b>-23.9</b>	<b>-13.2</b>	<b>81%</b>	<b>-20.9</b>
Loan losses, net	-5.4	-2.0	164%	-2.3	135%	-7.7	-7.0	11%	-14.6
<b>Operating loss</b>	<b>-20.5</b>	<b>-11.6</b>	<b>76%</b>	<b>-11.1</b>	<b>84%</b>	<b>-31.6</b>	<b>-20.2</b>	<b>57%</b>	<b>-35.5</b>
Tax	5.4	3.0		2.9		8.3	5.3		9.7
<b>Loss for the period</b>	<b>-15.1</b>	<b>-8.6</b>	<b>75%</b>	<b>-8.2</b>	<b>84%</b>	<b>-23.3</b>	<b>-14.9</b>	<b>57%</b>	<b>-25.8</b>

## Statement of comprehensive income – Parent Company

SEK M	Q 2 2011	Q 2 2010	Change	Q 1 2011	Change	Jan-Jun 2011	Jan-Jun 2010	Change	Full-year 2010
<b>Loss for the period</b>	<b>-15.1</b>	<b>-8.6</b>	<b>75%</b>	<b>-8.2</b>	<b>84%</b>	<b>-23.3</b>	<b>-14.9</b>	<b>57%</b>	<b>-25.8</b>
<b>Other comprehensive income</b>									
<i>Available-for-sale financial assets</i>									
Change in fair value	3.0	2.7	10%	15.6	-81%	18.6	1.7	970%	2.8
Tax	-0.8	-0.7	14%	-4.1	-80%	-4.9	-0.5	976%	-0.7
<b>Other comprehensive income for the period, net after tax</b>	<b>2.2</b>	<b>2.0</b>	<b>9%</b>	<b>11.5</b>	<b>-81%</b>	<b>13.7</b>	<b>1.2</b>	<b>976%</b>	<b>2.1</b>
<b>Comprehensive income / loss for the period</b>	<b>-12.9</b>	<b>-6.6</b>	<b>95%</b>	<b>3.3</b>	<b>-493%</b>	<b>-9.6</b>	<b>-13.7</b>	<b>-30%</b>	<b>-23.7</b>

## Balance sheet – Parent Company

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Assets</b>			
Cash and balances with central banks	85.8	84.8	76.1
Treasury bills and other eligible bills	997.9	1,349.3	1,999.9
Loans to credit institutions	29,618.9	28,344.4	32,558.4
Loans to the public	29,722.6	27,532.5	25,683.4
Bonds and other interest-bearing securities	8,704.5	8,720.0	12,328.1
Shares and participations	10.4	10.4	10.4
Shares and participations in Group companies	4,844.0	4,594.0	4,073.0
Derivatives	84.2	45.5	7.9
Fair value changes of interest-rate-risk hedged items in the portfolio hedge	8.8	14.2	49.1
Intangible assets	317.7	283.8	221.0
Property and equipment	7.0	8.8	10.6
Other assets	200.9	63.9	110.7
Prepaid expenses and accrued income	227.3	304.7	344.4
<b>Total assets</b>	<b>74,830.0</b>	<b>71,356.3</b>	<b>77,473.0</b>
<b>Liabilities and equity</b>			
Liabilities to credit institutions	5,293.0	12,363.2	22,233.9
Deposits and borrowing from the public	45,013.9	41,722.5	38,771.4
Debt securities in issue	16,046.5	9,552.6	9,010.7
Derivatives	172.4	228.8	286.0
Fair value changes of interest-rate-risk hedged items in the portfolio hedge	-11.8	-13.5	0.1
Deferred tax liabilities	9.0	4.1	42.0
Other liabilities	250.2	211.9	378.9
Accrued expenses and deferred income	691.4	478.5	409.5
Provisions	5.6	4.8	4.8
Subordinated liabilities	1,490.0	1,250.0	1,250.0
<b>Total liabilities</b>	<b>68,960.2</b>	<b>65,802.9</b>	<b>72,387.3</b>
<b>Equity</b>			
Share capital, 9,548,708 shares	954.9	954.9	954.9
Statutory reserve	18.4	18.4	18.4
Fair value reserve	29.4	15.7	14.8
Retained earnings	4,890.4	4,590.3	4,112.5
Loss for the period	-23.3	-25.8	-14.9
<b>Total equity</b>	<b>5,869.8</b>	<b>5,553.4</b>	<b>5,085.7</b>
<b>Total liabilities and equity</b>	<b>74,830.0</b>	<b>71,356.3</b>	<b>77,473.0</b>
<b>Memorandum items</b>			
For own liabilities, pledged assets	3,065.0	6,997.0	17,273.7
Other pledged assets	None	None	None
Contingent liabilities	2,440.9	2,117.3	1,641.0
Other commitments	8,529.9	14,526.8	4,965.2
<b>Other notes</b>			
Accounting policies	1		
Capital-adequacy analysis	2		
Disclosures on related parties	3		

## Cash-flow statement in summary, indirect method – Parent Company

SEK M	Jan-Jun 2011	Jan-Jun 2010
<b>Cash and cash equivalents, January 1</b>	<b>1,159.8</b>	<b>2,764.2</b>
Cash flow from operating activities	-226.9	-2,438.5
Cash flow from investing activities	-311.2	-386.0
Cash flow from financing activities	603.7	400.0
<b>Cash flow for the year</b>	<b>65.6</b>	<b>-2,424.5</b>
Exchange rate differences in cash and cash equivalents	-	-
<b>Cash and cash equivalents, June 30</b>	<b>1,225.4</b>	<b>339.7</b>

Cash and cash equivalents is defined as cash and balances at central banks, lending and due to credit institutions payable on demand as well as overnight loans and deposits with the Riksbank maturing the following banking day.

Changes to the cash flow from operating activities are largely attributable to debt securities in issue SEK 6,461.2 M (1,827.2) Mkr and liabilities to credit institutions SEK -7,123.9 M (-7,810.4).

Changes to the cash flow from investing activities are mainly attributable to shares in subsidiaries SEK -250.0 M (-374.0) and in financing activities to shareholders' contributions received SEK 326.0 M (400.0) as well as net change in subordinated liabilities SEK 240.0 M (-).

## Statement of changes in shareholders' equity – Group

SEK M	Share capital	Other capital contributed	Reserves	Retained earnings	Profit for the year	Total
<b>Opening balance, January 1, 2010</b>	<b>954.9</b>	<b>18.4</b>	<b>13.6</b>	<b>3,745.9</b>	<b>-33.4</b>	<b>4,699.4</b>
Profit for the period					-14.9	-14.9
Other comprehensive income for the period			1.2			1.2
<i>Comprehensive income for the period</i>			<i>1.2</i>		<i>-14.9</i>	<i>-13.7</i>
Resolution by Annual General Meeting				-33.4	33.4	0
Conditional shareholders' contribution received				400.0		400.0
<b>Closing balance, June 30, 2010</b>	<b>954.9</b>	<b>18.4</b>	<b>14.8</b>	<b>4,112.5</b>	<b>-14.9</b>	<b>5,085.7</b>
<b>Opening balance, April 1, 2010</b>	<b>954.9</b>	<b>18.4</b>	<b>14.8</b>	<b>4,112.5</b>	<b>-14.9</b>	<b>5,085.7</b>
Profit for the period					-10.9	-10.9
Other comprehensive income for the period			0.9			0.9
<i>Comprehensive income for the year</i>			<i>0.9</i>		<i>-10.9</i>	<i>-10.0</i>
Conditional shareholders' contribution received				37.6		37.6
Group contribution paid				-9.9		-9.9
Tax on Group contribution paid				450.0		450.0
<b>Closing balance, December 31, 2010</b>	<b>954.9</b>	<b>18.4</b>	<b>15.7</b>	<b>4,590.2</b>	<b>-25.8</b>	<b>5,553.4</b>
<b>Opening balance, January 1, 2011</b>	<b>954.9</b>	<b>18.4</b>	<b>15.7</b>	<b>4,590.2</b>	<b>-25.8</b>	<b>5,553.4</b>
Profit for the period					-23.3	-23.3
Other comprehensive income for the period			13.7			13.7
<i>Comprehensive income for the period</i>			<i>13.7</i>		<i>-23.3</i>	<i>-9.6</i>
Resolution by Annual General Meeting				-25.8	25.8	0
Conditional shareholders' contribution received				326.0		326.0
<b>Closing balance, June 30, 2011</b>	<b>954.9</b>	<b>18.4</b>	<b>29.4</b>	<b>4,890.4</b>	<b>-23.3</b>	<b>5,869.8</b>

## Notes – Parent Company

### NOTE 1 ACCOUNTING POLICIES

Länsförsäkringar Bank AB prepares its financial statements in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the Swedish Securities Market Act (2007:528) as well as the regulations and general guidelines of the Swedish Financial Supervisory Authority (FFFS 2008:25). The company also applies the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board pertaining to listed companies. The regulations in RFR 2 stipulate that the company, in the annual accounts for the legal entity, shall apply all IFRS and statements adopted by EU 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 other respects, the interim report was prepared in accordance with the same accounting policies and basis of calculation applied in the preparation of the 2010 Annual Report.

### NOTE 2 CAPITAL ADEQUACY

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Capital base</b>			
Tier 1 capital, gross	6,130.4	5,827.7	5,360.9
Less intangible assets	-317.7	-283.8	-221.0
Less / plus IRB deficit / surplus	-93.3	-68.5	-64.7
<b>Tier 1 capital, net</b>	<b>5,719.4</b>	<b>5,475.4</b>	<b>5,075.2</b>
Tier 2 capital	1,200.0	960.0	960.0
Deductions for Tier 2 capital	-93.3	-68.5	-64.7
<b>Total capital base</b>	<b>6,826.1</b>	<b>6,367.0</b>	<b>5,970.5</b>
<b>Risk-weighted assets according to Basel II</b>	<b>18,468.0</b>	<b>17,713.5</b>	<b>17,482.5</b>
<b>Risk-weighted assets according to transition rules</b>	<b>20,177.5</b>	<b>18,514.4</b>	<b>17,482.5</b>
<b>Capital requirement</b>			
Capital requirement for credit risk according to Standardised Approach	201.3	196.3	177.9
Capital requirement for credit risk according to IRB Approach	1,207.8	1,155.6	1,155.5
Capital requirement for operational risk	68.3	65.2	65.2
<b>Capital requirement according to Basel II</b>	<b>1,477.4</b>	<b>1,417.1</b>	<b>1,398.6</b>
Adjustment according to transition rules	136.8	64.1	-
<b>Total capital requirement</b>	<b>1,614.2</b>	<b>1,481.2</b>	<b>1,398.6</b>
<b>Capital ratio</b>			
Tier 1 ratio according to Basel II, %	30.97	30.91	29.03
Capital-adequacy ratio according to Basel II, %	36.96	35.94	34.15
Capital ratio according to Basel II *	4.62	4.49	4.27
Tier 1 ratio according to transition rules, %	28.35	29.57	29.03
Capital-adequacy ratio according to transition rules, %	33.83	34.39	34.15
Capital ratio according to transition rules*	4.23	4.30	4.27
<b>Special disclosures</b>			
<b>IRB Provisions surplus (+) / deficit (-)</b>	<b>-186.6</b>	<b>-136.9</b>	<b>-129.5</b>
- Total reserves (+)	113.9	113.2	121.8
- Anticipated loss (-)	-300.5	-250.2	-251.3
<b>Capital requirement</b>			
<b>Credit risk according to Standardised Approach</b>			
Exposures to institutions	28.3	24.5	35.3
Exposures to corporates	63.4	51.4	42.5
Retail exposures	10.9	32.8	-
Exposures secured on residential property	6.9	6.2	5.0
Past due items	0.7	0.7	0.6
Covered bonds	70.1	71.2	84.3
Other items	21.0	9.4	10.0
<b>Total capital requirement according to the Standardised Approach</b>	<b>201.3</b>	<b>196.3</b>	<b>177.7</b>

**NOTE 2 CAPITAL-ADEQUACY ANALYSIS, CONTINUED**

SEK M	June 30, 2011	Dec 31, 2010	June 30, 2010
<b>Credit risk according to IRB Approach</b>			
<i>Retail exposures</i>			
Exposures secured by real estate collateral	244.7	270.1	296.8
Other retail exposures	186.0	171.0	186.0
<i>Total retail exposures</i>	<i>430.7</i>	<i>441.1</i>	<b>482.8</b>
Exposures to corporates	776.6	713.7	671.8
Non credit-obligation assets	0.5	0.7	–
<b>Total capital requirement for credit risk according to IRB Approach</b>	<b>1,207.8</b>	<b>1,155.6</b>	<b>1,154.6</b>
<b>Operational risk</b>			
Standardised Approach	68.3	65.2	65.2
<b>Total capital requirement for operational risk</b>	<b>68.3</b>	<b>65.2</b>	<b>65.2</b>
<b>Capital-adequacy analysis according to Basel I</b>			
Tier 1 capital	5,812.7	5,543.9	5,139.9
Tier 2 capital	1,200.0	960.0	960.0
<b>Total capital base</b>	<b>7,012.7</b>	<b>6,503.9</b>	<b>6,099.9</b>
Risk-weighted assets	28,137.3	25,282.5	23,943.0
Capital requirement for credit risk	2,251.0	2,022.6	1,915.4
Tier 1 ratio, %	20.66	21.93	21.47
Capital-adequacy ratio, %	24.92	25.72	25.48
Capital ratio*	3.12	3.22	3.18

\* Capital ratio = total capital base / total capital requirement

**NOTE 3 DISCLOSURES ON RELATED PARTIES**

Related legal entities include the Länsförsäkringar AB Group's and the Länsförsäkringar Liv Group's companies, all associated companies, Länsförsäkringar Mäklarservice AB, Länsförsäkringar Fastighetsförmedling AB, the 23 regional insurance companies with subsidiaries and the local insurance companies that hold shares in Länsförsäkringar AB.

Normal business transactions between the related parties took place during January – June 2011. Since December 31, 2010, no significant changes have occurred in the company's agreements with these related parties.

Related key persons are Board members, senior executives and close family members to these individuals. Since December 31, 2010, no significant changes have occurred in the company's agreements with these persons.

This interim report is a translation of the interim report that has been reviewed by the company's auditors.

Stockholm, August 24, 2011

Sten Dunér <i>Chairman of the board</i>	Ingemar Larsson <i>Board member</i>	Per-Åke Holgersson <i>Board member</i>	Leif Johanson <i>Board member</i>	Örian Söderberg <i>Board member</i>
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Christian Bille <i>Board member</i>	Christer Villard <i>Board member</i>	Ingrid Ericsson <i>Board member</i>	Katarina Säter <i>Board member</i>	Rikard Josefson <i>President</i>
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## Appendix

### BORROWING PROGRAMMES

Programme	Limit, Nominal	Issued, Jan-jun 2011 Nominal, SEK billion	Issued, Jan-jun 2010 Nominal, SEK billion	Outstanding, June 30, 2011 Nominal, SEK billion	Outstanding, June 30, 2010 Nominal, SEK billion	Remaining average term, June 30, 2011 Years	Remaining average term, June 30, 2010 Years
<b>Länsförsäkringar Bank</b>							
Medium Term Note	SEK 20 billion	4.9	4.0	10.0	4.0	1.9	2.2
Domestic certificate programme	SEK 15 billion	7.9	7.1	4.6	4.9	0.2	0.3
Euro Commercial Paper	EUR 1.5 billion	2.7	–	1.3	–	0.1	–
Euro Medium Term Note	EUR 2 billion	–	–	–	–	–	–
<b>Total</b>		<b>15.5</b>	<b>11.1</b>	<b>15.9</b>	<b>8.9</b>	<b>1.3</b>	<b>1.2</b>
<b>Länsförsäkringar Hypotek</b>							
Benchmark	Unlimited	10.8	13.8	54.5	44.1	3.0	2.9
Medium Term Covered Note	SEK 30 billion	4.5	5.3	12.4	15.0	1.5	1.1
Euro Medium Term Covered Note	EUR 4 billion	9.0	10.6	20.5	12.0	3.4	4.5
<b>Total</b>		<b>24.3</b>	<b>29.7</b>	<b>87.4</b>	<b>71.1</b>	<b>2.9</b>	<b>2.8</b>
<b>Group total</b>		<b>39.8</b>	<b>40.8</b>	<b>103.4</b>	<b>80.0</b>	<b>2.6</b>	<b>2.6</b>

### Borrowing by maturity

Years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Nominal, billion	8.5	18.2	16.7	28.1	13.5	18.1	–	0.3	–	0.1	103.4

## Report on Review of Interim Financial Information

### Introduction

We have reviewed the accompanying balance sheet of Länsförsäkringar Bank AB (publ) as of June 30, 2011 and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies. Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-year interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act of Credit Institutions and Securities Companies for the group and in accordance with the Annual Accounts Act of Credit Institutions and Securities Companies for the parent company.

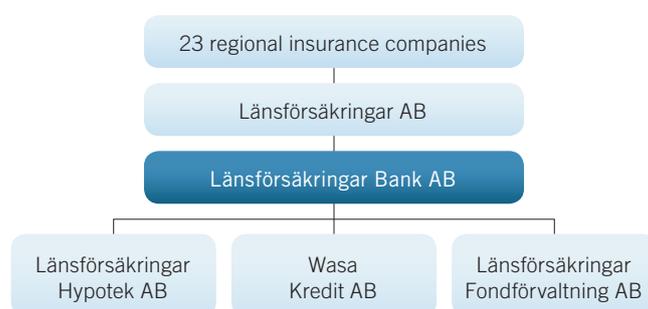
Stockholm August 24, 2011

Johan Bäckström  
*Authorised public accountant*

# Financial calendar

Interim report, January – September 2011...**October 24, 2011**

This report contains such information that Länsförsäkringar Bank AB (publ) must publish in accordance with the Securities Market Act. The information was submitted for publication on August 24, 2011 at 2.30 pm Swedish time.



The Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. The Länsförsäkringar Alliance is based on a strong belief in local presence and customer contacts are made at the regional insurance companies. The regional insurance companies offer a wide range of insurance, banking services and other financial solutions for private individuals, corporate customers and agricultural customers. The number of customers amounts to slightly more than 3.4 million and the Länsförsäkringar Alliance has a joint total of 5,900 employees.

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