



2011

Länsförsäkringar Alliance Annual review

A SUMMARY OF THE BANKING AND INSURANCE YEAR
FOR 23 REGIONAL INSURANCE COMPANIES IN ALLIANCE



Länsförsäkringar in brief

LOCAL DECISION-MAKING AUTHORITY

Länsförsäkringar's definition of local focus is about more than a broad network of branches throughout Sweden. The regional insurance companies have branches from Ystad in the south of Sweden to Luleå in the north. This is one definition of being close to customers. But the major difference between Länsförsäkringar and other companies is that the decisions that are important to our customers are made locally. Länsförsäkringar's local branches are not run from a head office with responsibility for all of Sweden. Everything is based on the experience of local decision-making authority combined with joint strength, creating added value for our customers.

CUSTOMERS ARE OUR ONLY PRINCIPAL

Long-term respect for customers' money is fundamental to Länsförsäkringar since customers are both the principal and owner. The approach is always characterised by the view that Länsförsäkringar is handling its customers' money, not its own, regardless of whether we are dealing with insurance, pension savings or banking services. There are no external shareholders or other financial interests to bear in mind except for customers' best, and long-term financial interests are always given priority over short-term interests.

SATISFIED CUSTOMERS

Länsförsäkringar has long held a top ranking in the customer satisfaction survey performed by the Swedish Quality Index (SQI), which measures how satisfied customers are with their banks and insurance companies. The results of the 2011 survey showed that Länsförsäkringar had Sweden's most satisfied retail bank and mortgage customers. In non-life insurance, Länsförsäkringar ranked number two among retail and corporate customers. In life assurance, Länsförsäkringar had the most satisfied occupational pension customers. It came in third in the retail market. For the first time, Länsförsäkringar Fastighetsförmedling topped the list of real-estate brokerage companies in the SQI's customer satisfaction survey.



NON-LIFE INSURANCE

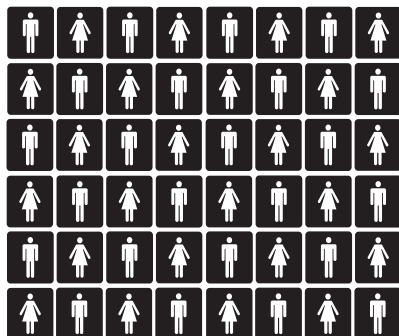
CONTINUED MARKET LEADER

Länsförsäkringar has insured Swedes for more than 200 years, and today, almost 3 million people, a third of all Swedes, are retail customers of the local regional insurance companies. Confidence is equally high among companies in Sweden – the market share is slightly more than 35%. Moreover, more than 70% of farmers have selected Länsförsäkringar. Local claims adjustment, with quick and competent management close to customers is an hallmark of Länsförsäkringar.

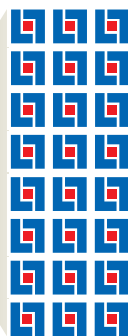
BANKING, INSURANCE AND REAL-ESTATE BROKERAGE – THEY GO TOGETHER

Under a single brand, customers are provided with a complete offering of banking, insurance and real-estate brokerage services by their respective regional insurance company. A comprehensive approach to customer meetings characterises the entire operation. Regardless of whether they occur in person, on the telephone or via digital channels, customer meetings shall be based on the customer's needs and the breadth of Länsförsäkringar's offering. This holistic approach is taken into consideration in the development and offering of non-life insurance, life assurance, pension insurance, banking services and real-estate brokerage.

3.4 MILLION CUSTOMERS



23 COMPANIES



OFFERING



LIFE ASSURANCE

BEST PENSION PARTNER FOR COMPANIES

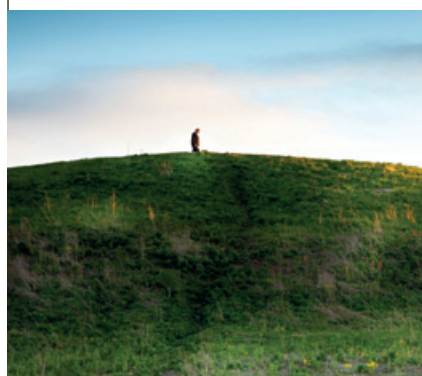
Länsförsäkringar has stood by its non-life insurance customers' side for 200 years, but has only 25 years of supporting its life-assurance customers and pension savers. Länsförsäkringar is currently carrying out an extensive campaign in the occupational pension market with the aim of strengthening its positions and remaining the best pension solution and savings partner for companies. In 2011, Länsförsäkringar AB acquired the unit-linked insurance company Fondliv from Länsförsäkringar Liv, which was a key step in further strengthening the unit-linked insurance offering and meeting companies' needs.



BANK

BANK OF THE YEAR WITH SWEDEN'S MOST SATISFIED CUSTOMERS

The banking operations continue to report strong growth and increasing market shares. Länsförsäkringar offers a full range of banking services primarily to the retail and agricultural market. An offering is also available to small businesses and is continuing to be developed. Länsförsäkringar has Sweden's most satisfied retail bank customers, Sweden's most satisfied retail mortgage customers and in December was named "Bank of the Year" by Swedish financial magazine *Privata Affärer*.



COMPREHENSIVE REAL-ESTATE BROKERAGE

In addition to assistance from experienced and knowledgeable brokers, Länsförsäkringar Fastighetsförmedling also provides individuals who are selling or purchasing a home with access to a broad range of banking and insurance services, financial advisory services, extensive claims prevention exper-

tise and the offering associated with this area. Länsförsäkringar Fastighetsförmedling always has a local base in the offerings of the regional insurance companies, thereby distinguishing itself from nationwide real-estate brokerage chains.

Contents

2	2011 in brief
4	Comments
6	This is Länsförsäkringar
8	Sustainability at Länsförsäkringar
16	Non-life insurance
26	Bank
34	Life-assurance and pension insurance
44	Real-estate brokerage
47	Länsförsäkringar Alliance in figures
58	Länsförsäkringar AB
61	Owner control
62	Terms and expressions
64	Financial calendar 2012
65	Addresses



2011 in brief

Sweden's

STRONGEST FINANCIAL BRAND

Länsförsäkringar can once again summarise a year of growth and continued customer satisfaction.

NO. 1

The leading position in the non-life insurance market was retained with a share of 28.9% (28.8). The technical result amounted to SEK 856 M (511) and operating loss to SEK 2,273 M (profit: 2,581).

3.4

MILLION CUSTOMERS

The number of customers in the Länsförsäkringar Alliance at year-end was about 3.4 million.

GROWTH IN REAL-ESTATE BROKERAGE IS STRONG

and Länsförsäkringar is
SWEDEN'S THIRD LARGEST
BROKERAGE

2011 BANK OF THE YEAR

Länsförsäkringar was named "Bank of the Year" by *Privata Affärer* and had Sweden's most satisfied retail mortgage customers and most satisfied retail bank customers, according to the 2011 Swedish Quality Index.

BANK'S OPERATING PROFIT SEK 385 M

Operating profit in the banking operations rose to SEK 385 M (345). Net interest income rose to SEK 1,728 M (1,363). Growth remained high with business volumes rising to SEK 251 billion (232). Länsför-

säkringar was named Bank of the Year and also has Sweden's most satisfied customers according to the Swedish Quality Index.

STRONG PLAYER IN OCCUPATIONAL PENSION MARKET

In October, Länsförsäkringar AB acquired the company Länsförsäkringar Fondliv. This acquisition is in line with the Länsförsäkringar Alliance's long-term strategy of being a **STRONG PLAYER** in the occupational pension market but was accelerated by financial concern.

CAPITAL STRENGTH

The Länsförsäkringar Alliance has favourable capital strength in relation to the risks in the operations. Total capital amounted to SEK 33,215 M (35,038) and the solvency margin amounted to 171% (190). The main reason for the decrease in capital was the turmoil in the financial markets which had a negative impact on investment income.

CHANGE TO PROTECT SAVINGS

On **SEPTEMBER 6**, Länsförsäkringar discontinued underwriting new policies of traditionally managed life assurance as part of improving strained key figures and protecting savings for those currently saving in traditional management.

FIVE-YEAR SUMMARY

Länsförsäkringar Alliance	2011	2010	2009	2008	2007
Total capital, SEK M	33,215	35,038	32,077	36,242	34,499
Return on equity, %	-5	8	18	-23	12
Non-life insurance					
Solvency capital, SEK M	32,709	34,668	31,747	25,916	34,140
Solvency margin, %	171	190	174	146	198
Premiums earned after ceded reinsurance, SEK M	18,756	18,184	17,828	17,406	16,671
Technical result, SEK M	856	529	1,688	2,453	2,322
Operating profit/loss, SEK M	-2,273	2,552	5,449	-7,511	3,606
Combined ratio	100	102	96	93	93

Länsförsäkringar AB, Group ¹⁾	2011	2010	2009	2008	2007
Operating profit/loss, SEK M	284	536	693	-3,392	1,270
Solvency capital, SEK M	15,564	10,613	8,710	7,907	11,652
Total assets, SEK M	253,988	173,850	157,005	130,554	116,241
Return on equity, %	2	6 ²⁾	7	-29	10

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

²⁾ Excludes new share issue.

Länsförsäkringar Bank, Group	2011	2010	2009	2008	2007
Deposits from the public, SEK M	49,610	41,590	37,365	35,090	29,735
Loans to the public, SEK M	134,011	117,910	99,582	78,564	67,040
Tier 1 ratio according to Basel II, %	12.1	11.8	12.5	14.6	14.4
Operating profit, SEK M	385	345	258	245	238

Länsförsäkringar Sak Försäkrings AB, Group	2011	2010	2009	2008	2007
Premiums earned after ceded reinsurance, SEK M	4,003	3,769	3,524	3,020	2,634
Technical result, SEK M	159	193	460	256	402
Operating profit/loss, SEK M	88	313	635	-3,108	1,191

Länsförsäkringar Liv, Group	2011	2010	2009	2008	2007
Premium income, SEK M ¹⁾	13,048	12,893	11,879	10,719	10,794
Profit/loss, SEK M	-13,063	3,716	18,106	-30,126	11,361
Collective consolidation, %	109	107	107	105	114
Solvency ratio, %	111	141	137	114	152

¹⁾ In accordance with the Swedish Insurance Federation's definition measured as rolling 12-month figures.

RESULT FOR THE REGIONAL INSURANCE COMPANIES

SEK M	Technical result ¹⁾		Operating profit/loss ¹⁾	
	2011	2010	2011	2010
Länsförsäkringar Norrbotten	-23	-28	-128	-30
Länsförsäkringar Västerbotten	52	80	-153	195
Länsförsäkringar Jämtland	-14	12	-103	86
Länsförsäkringar Västernorrland	-14	-72	-39	-41
Länsförsäkringar Gävleborg	25	31	-30	34
Dalarnas Försäkringsbolag	149	92	-185	132
Länsförsäkringar Värmland	63	12	63	52
Länsförsäkringar Uppsala	-29	-52	-66	36
Länsförsäkringar Bergslagen	1	-4	-89	294
Länsförsäkringar Stockholm	23	89	-195	172
Länsförsäkringar Södermanland	-16	-26	-80	155
Länsförsäkringar Göteborg och Bohuslän	13	25	-189	289
Länsförsäkringar Skaraborg	94	7	2	27
Länsförsäkringar Östgöta	56	4	131	258
Länsförsäkringar Älvsborg	96	-61	-48	57
Länsförsäkringar Gotland	17	10	1	26
Länsförsäkringar Jönköping	80	-43	-38	149
Länsförsäkringar Halland	-20	19	-129	106
Länsförsäkring Kronoberg	8	9	-2	62
Länsförsäkringar Kalmar län	71	54	-116	159
Länsförsäkringar Blekinge	7	30	-17	62
Länsförsäkringar Göinge-Kristianstad	1	-3	-30	92
Länsförsäkringar Skåne	57	172	-278	487

¹⁾ Before bonuses and discounts.

CREDIT RATING

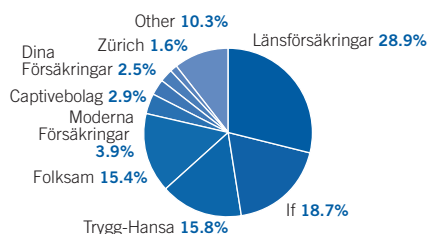
Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Bank	Standard & Poor's	A/Stable	A-1(K-1)
Länsförsäkringar Bank	Moody's	A2/Negative	P-1
Länsförsäkringar Hypotek ¹⁾	Standard & Poor's	AAA/Stable	A-1+
Länsförsäkringar Hypotek ¹⁾	Moody's	Aaa/Stable	-
Länsförsäkringar AB	Standard & Poor's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

¹⁾ Pertains to the company's covered bonds.

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

MARKET SHARES OF NON-LIFE INSURANCE

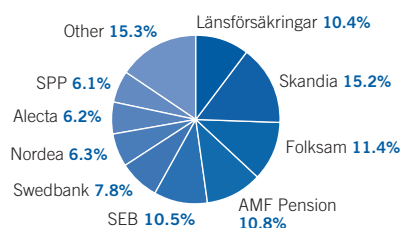
Share of premiums paid



Länsförsäkringar maintained its position as a leader in the non-life insurance market, with a market share of 28.9%.

MARKET SHARES OF LIFE ASSURANCE

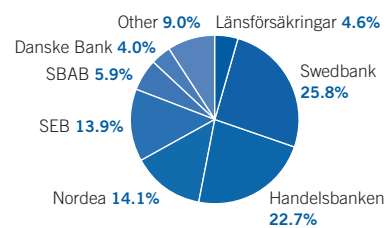
New sales



Länsförsäkringar increased its market share in the total life-assurance market from 7.5% to 10.4%.

MARKET SHARES, BANK

Household and retail mortgages



Källa: Moneymate

Länsförsäkringar strengthened its market share from 4.4% in 2010 to 4.6% in 2011.



To succeed in becoming the best bank alternative for our customers and achieve our ambitions growth targets, we need to continue to be the best insurance provider. Non-life insurance and banking insurances are interdependent. We want to have our own non-life insurance customers as bank customers. They already know us, know that we represent security and stability and that we are completely focused on them. Many are also life-assurance customers at Länsförsäkringar and we will make them the offer of becoming bank customers in their own company. We are not as well known as a bank which means that we also need to act like a bank even more.

COMMENTS

Stability in times of uncertainty

Länsförsäkringar has established a leading position in non-life insurance market which year after year commands a share of about 30%. And year after year, we also have satisfied non-life insurance customers, sometimes ranking number one in customer satisfaction, other years placing second. The non-life insurance business is stable and is the foundation for growth in other areas. Without non-life insurance, we would not be able to conduct other business activities and be as successful as we are.

Non-life insurance and banking go together

In order to retain our position in non-life insurance in the future, it is not enough for us merely to be the best at non-life insurance – we also need to succeed in our banking operations. The majority of our non-life insurance customers do not have Länsförsäkringar as their bank. And the banks are becoming increasingly successful at offering non-life insurance.

In other words, to succeed in non-life insurance we must succeed in banking. And to succeed in banking, we must succeed in non-life insurance. They go together.

Stability in times of uncertainty

Both earnings and solvency were impacted by negative investment income in 2011, but

the start of 2012 has been significantly more positive and the Alliance has regained much of what it lost. Länsförsäkringar stands strong in times of uncertainty. In such times, our brand is perceived as reliable and stable, which, for example, can be seen in our growth in the banking operations. Growth is following our plans and profitability remains stable. In 2011, almost 10% of new sales were in the retail sector in both savings and loans. The combined ratio in non-life insurance improved to 100 during the year and work is continuing on attaining a lower level.

Confidence in Länsförsäkringar as a bank was significantly bolstered over the past year. Having the most satisfied customers and the award of “Bank of the Year” are clear confirmation of this. We succeeded in restructuring the life-assurance operations and the sale of the unit-linked life assurance company to Länsförsäkringar AB. We have thereby laid the foundation for the long-term future focus on offering unit-linked insurance solutions to companies and private individuals.

Customer-owned representing a long-term approach

It is now the right time to highlight the concept of “customer-owned,” which we will devote much energy to in the coming years.

In contrast to many people associating the meaning of “customer-owned” with “collectivism,” we want to broaden the term to include a form of insight and influence that many customers are seeking. Choosing the customer-owned Länsförsäkringar as an insurance company or bank means choosing to have joint control and assuming responsibility for one’s own finances. It is also important to emphasise the security aspect of this form of ownership – customer-owned companies have stable, long-term owners and are strong in time of financial uncertainty. Winning the award of “Bank of the Year” is a specific example that illustrates this point. And “customer-owned” as a concept is being strengthened through the changes at Skandia. It will be exciting to engage in the competition that these developments will entail.

Welcome bank debate

The system we have in Sweden with only a few large banks must continue to be debated, particularly in terms of the rules of play and the conditions provided by these rules to achieving healthy competition in the market. Political signals are being made that it is easier to maintain control if there are only a handful of companies to be managed. At the same time, voices are being raised about the importance of taking a

STEN DUNÉR, PRESIDENT LÄNSFÖRSÄKRINGAR AB



strong line to protect the best interests of consumers and voters. The effect is the misconception of opposition between the banks and customers, whereas in reality the banks enable their customers to attain a standard of living that would not otherwise have been possible. With their lending potential, the banks are the customers' best friend, which also means that "Sweden will grind to a stop without banks."

This is an issue that we, with our customer-owned bank, will pursue. Our bank exists for customers and has no other principal. Accordingly, we will increasingly make our voice heard in this debate and enhance our profile as a bank.

Commitment to a safer society

Changes usually lead to development. However, there are areas in Sweden where there are signs of developments taking the wrong direction. Isolation is on the rise and an increasing number of people, particularly young people, are moving away from the basic values of society. More and more people do not finish upper-secondary school, unemployment among young people is rising and criminality is seen lower and lower down the age groups. When criminals become role models and a life of crime becomes an ambition for young people, then society is on the wrong track. It is

natural for Länsförsäkringar, as a local, customer-owned company, to become involved in these issues. We have worked to create a safer society for many years and our commitment to social issues is entirely natural. We will, to a greater extent, support and participate in activities that make society safer.

Society also becomes safer when savings increase. Many people in Sweden do not have a buffer of savings and the majority have no more than one month's salary available, which is far too little. In the year ahead, we will do our share by issuing facts and participating in debate to highlight that state incentives are needed to increase savings stimuli for the population at large and not only the minority that already has a healthy buffer.

Länsförsäkringar finds itself at an exciting development stage. We are broadening our business activities, but we are doing it primarily within Sweden and we are continuing to pursue it with our local concept

for success: through 23 regional insurance companies we meet our banking, insurance and real-estate brokerage services customers.

We are also expanding our commitment to helping build a safer and securer society. Because for us it all goes together. Banking, insurance and real-estate brokerage based on a customer perspective. Commitment to local society goes together with our values and our business operations – contributing to greater security.

Stockholm, March 2012

On behalf of the 23 regional insurance companies

A handwritten signature in blue ink, appearing to read 'Sten Dunér'. The signature is fluid and stylized, with a large 'S' and 'D'.

Sten Dunér
President, Länsförsäkringar AB

This is Länsförsäkringar

The Länsförsäkringar Alliance is unique in the Swedish financial service market. The 23 customer-owned regional insurance companies cooperate and combine the ability of a small company to understand customers with the advantages of economies of scale. All of the companies have a strong local base in their individual home markets and have no ownership interests other than those of their own customers. The task is to offer total solutions based on different combinations of banking services, non-life insurance, accident and medical insurance, life assurance, pension and fund savings and a comprehensive real-estate brokerage through Länsförsäkringar Fastighetsförmedling.

Under a single brand and through each of the 23 independent and customer-owned regional insurance companies, customers are provided with a complete offering of banking, insurance and real-estate brokerage services. Over two centuries, simplicity, proximity and local decision-making authority have built up the success of the non-life insurance operations and been translated into the financial and real-estate brokerage services. The leading position in the non-life insurance market has been strengthened. In 2011, the life-assurance operations had a clear focus on the occupational pension market and on savings in the unit-linked insurance, and were strengthened with Länsförsäkringar AB's acquisition of the unit-linked life assurance company. The banking operations are growing in both volume and profitability and the foundation has been laid for becoming a first choice in banking, particularly for existing customers. Real-estate brokerage has gone from zero to the third largest brokerage in Sweden in only a few years. An example of the strength of the brand and the customer advantages in combining all elements of a reliable mortgage transaction in one company. The healthcare area is another strong growth market for the Länsförsäkringar Alliance.

Customer-owned – the greatest competitive advantage

Respect for customers' money and security are Länsförsäkringar's only tasks since cus-

tomers are also the principal and the owner. This is one of Länsförsäkringar's fundamental principles that is the basis of its view of customer relationships. Traditions and values are rooted in always ensuring what is best for customers based on their daily lives. Being customer-owned creates the basis for being close, providing the best service and having a local presence. Accordingly, being customer owned is Länsförsäkringar's greatest competitive advantage.

To fully live up to the customer-oriented approach, which is the very foundation of Länsförsäkringar's operations, customers must perceive it be natural and advantageous to combine their banking and insurance commitments in their local regional insurance companies. This approach characterises the entire business. Regardless of whether they occur in person or via the telephone or Internet, all customer meetings are based on the customer's needs and the comprehensive nature of Länsförsäkringar's offering. The clear benefits of combining solutions for all elements of personal finances are encapsulated in the communications concept of "Länsförsäkringar. Banking, Insurance and Real-estate brokerage – they go together."

Long-term respect for customers' money and a sense of security

Länsförsäkringar does not have any external shareholders, which in turn guarantees a long-term approach to customers. Each

regional insurance company is owned by its non-life insurance customers, which in practice means that each company's capital belongs to its customers and that no profit is distributed to shareholders in the same way as in a limited liability company. The profit of the regional insurance companies accrues in its entirety to the customers through bonuses or growth in value. The only financial interest guiding the operations is a respect for what is best for the customer, and long-term financial interests are always prioritised over short-term interests.

Growing together with customers

The operations were founded more than 200 years ago and the basic model is the same as the one applied in 1801 – local, customer-owned companies that work closely with customers. Focus has always been concentrated in growing locally – close to customers, alongside them. The Länsförsäkringar Alliance has enjoyed an even and cyclic rate of development for many years, always based on changes in society and demand from customers. New business has been initiated, been shaped, grown, become profitable and a natural and important part of the regional insurance companies' local offering. The market for each regional insurance company is their respective county and growth takes place by persuading more existing customers to see the advantages of combining a broad range of commitments with their regional insurance company. The growth potential



of the existing customer base is immense with the uniquely strong base of non-life insurance customers. The single greatest challenge faced today is to incorporate more banking services into the brand. Customers want a bank that represents Länsförsäkringar's values, yet many know their regional insurance company as an insurance company that offers only a few simple banking services. Work remains to be done on clearly and consistently showing that Länsförsäkringar is also a professional bank. But a platform has been created for seriously challenging the large banks.

Being both small and large-scale

Together, the Länsförsäkringar Alliance has learnt to strike a balance between the small and large scale. Cooperation within the Alliance has emerged from a decentralised perspective, not the other way round. The local companies decided to cooperate together to achieve economies of scale to concentrate on the most important issue: meetings with customers and the development of customer relations.

Certain elements of the Länsförsäkringar Alliance are conducted on a large-scale to generate economies of scale, for example, the development of products and IT systems. Other areas are better suited to be conducted on a smaller scale, such as customer meetings. Success is found in striking a balance. The basis for cooperation in the Länsförsäkringar Alliance is that as much of the operations as possible are con-

ducted by the local companies and essentially all customer contact occurs with them. For Länsförsäkringar, the core concept is to meet and know customers, and this is best achieved on a small scale. Having national call centres where customers do not feel like they are communicating with another person or close to decisions would not move Länsförsäkringar forward. On the contrary, it would be against the core values that have made the positions of the regional insurance companies so uniquely strong in their local communities. Local presence is an area that Länsförsäkringar does not compromise on. But this does not mean that there are not any other areas where a large-scale format can be developed further. The ultimate goal of the large-scale approach is to strengthen customer value.

Economies of scale arise in the cooperation between the regional insurance companies. Cooperation takes place through the jointly owned Länsförsäkringar AB and its subsidiaries. Länsförsäkringar AB's task is to create the necessary prerequisites for the regional insurance companies to be successful in their respective markets by conducting business, service and development operations, and to assume responsibility for the Länsförsäkringar Alliance's joint strategies.

Strong brand and satisfied customers

The regional insurance companies meet their customers under a single brand, regardless of whether they are providing insurance, pension savings or banking services. No matter

where customers live in Sweden or the company that they are a customer of, they always meet the same Länsförsäkringar. It demonstrates the strength of the brand, which is the result of consistent and long-term work on brand and values. The brand is a way of living and acting when in contact with customers and with the local community.

The brand remains extremely strong compared with its competitors in the banking, insurance and pension industry. Nordic Brand Academy's 2011 Anseendebarmeter (the "Reputation Barometer") showed that Länsförsäkringar has a high reputation among banking and insurance companies.

Länsförsäkringar has long held a top ranking in the Swedish Quality Index's survey, which measures how satisfied customers are with their banks and insurance companies. The results of the 2011 survey showed that Länsförsäkringar again had Sweden's most satisfied retail bank and mortgage customers. In non-life insurance, Länsförsäkringar ranked number two among retail and corporate customers. In life assurance, Länsförsäkringar had the most satisfied occupational pension customers. It came in third in the retail market. For the first time, Länsförsäkringar Fastighetsförmedling topped the list of real-estate brokerage companies in the SQI's customer satisfaction survey.



Customers' financial security is the only task

“ Sustainability issues and local commitment have never been a chosen strategy for Länsförsäkringar – they are an expression of who we are and a natural part of our operations.”

STEN DUNÉR
President, Länsförsäkringar AB

Background

Financial, environmental and social sustainability issues have always been a natural part of Länsförsäkringar's operations rather than a chosen strategy. 23 customer-owned companies that jointly own Länsförsäkringar AB – the entire operations, with the single purpose of creating individual security for its customers and owners. Security involves more than preventing non-life insurance claims – financial security is equally concerned with financial security for non-life insurance and respect for household financing for bank customers, and a high quality of life and comfortable retirement for life-assurance and pension insurance customers. A great commitment has thus emerged, with the additional goal of reducing risks and creating security in the environments where these people live and are active. Länsförsäkringar has a history where commitment does not always require something in return. Where local efforts are not only designed to benefit local customers, but also the community at large.

Customer-owned corporate form creates a long-term approach

The regional insurance companies have the customer as their only principal. Central concepts such as Respect and the Customer have always been natural implications of what the regional insurance companies are: Customer-owned companies with the sole assignment of creating individual security for their customers and owners. Customer value is always the guiding principle. While customers are not the only stakeholders, the sole purpose is to provide the most stable and secure operations possible for customers. The operations are based on a genuine customer orientation, combined with healthy business practice. But Länsförsäkringar also has a history where commitment and respect do not always require something in return. All companies have a strong commitment to the communities in which they operate – a commitment that is not only designed to benefit their own customers, but also society at large. This is conducted on the basis that customers' money will grow – not the regional insurance companies' money.



Increasing security and reducing claims shows respect for our customers' money

Everyday commitment comprises the entire operations – from non-life insurance to pension savings and banking services. With 700,000 non-life insurance operations divided between three million customers, claims prevention is one of our most important tasks. Länsförsäkringar creates long-term security for its policyholders, bank customers and pension savers. Conditions vary within the broad-based banking and insurance operations. But the objective is always the same: to enable conditions for financial security for individuals and companies. The regional insurance companies work closely with both their own customers and Länsförsäkringar AB to create these conditions.

Claims-prevention efforts show respect for customers' money

The Länsförsäkringar Alliance devotes substantial effort to claims prevention. This is also a natural consequence of that which Länsförsäkringar represents. The local regional insurance companies are owned by their non-life insurance customers which, in practice, means that the company's capital belongs to its customers. The only financial interests that guide the operations are respect for customer's long-term security. By reducing claims costs, premiums can be kept to a minimum. That shows respect for customers' money and is also part of environmental efforts. Claims-prevention

efforts have been ongoing for many years in the areas of fire and water, in the regional insurance companies and jointly through Länsförsäkringar AB. Joint efforts are aimed at lobbying authorities and professional associations when formulating building regulations in order to increase fire and water-damage safety. Länsförsäkringar AB works in a similar manner with road safety.

COMMUNITY ENGAGEMENT – BEST PRACTICES

The Länsförsäkringar Alliance can show many examples of activities designed to benefit the local community and the people who live there. While the form and content vary, the common denominator for all of these activities is that they benefit society as a whole, not only Länsförsäkringar's customers. A few examples are presented here:



NEIGHBOURHOOD COOPERATION IN HALLAND – FEWER OFFENCES

Crime incidents have fallen substantially since neighbourhood cooperation was introduced in the Sörse district in Varberg and the Andersberg district in Halmstad. This initiative is a research project in collaboration with Länsförsäkringar Halland, Halmstads Bostads AB, Varbergs Bostads AB, the police authority and Halmstad University.

WOMAN IN RED

In cooperation with the 1.6 and 2.6 million women's health clubs in Sweden, a number of regional insurance companies took part in the Woman in Red event, which aimed to raise awareness of women's health and quality of life, including financial quality of life.



Increasing security and reducing claims shows respect for our customers' money

Everyday commitment comprises the entire operations – from non-life insurance to pension savings and banking services. With 700,000 non-life insurance operations divided between three million customers, claims prevention is one of our most important tasks. Länsförsäkringar creates long-term security for its policyholders, bank customers and pension savers. Conditions vary within the broad-based banking and insurance operations. But the objective is always the same: to enable conditions for financial security for individuals and companies. The regional insurance companies work closely with both their own customers and Länsförsäkringar AB to create these conditions.

Claims-prevention efforts show respect for customers' money

The Länsförsäkringar Alliance devotes substantial effort to claims prevention. This is also a natural consequence of that which Länsförsäkringar represents. The local regional insurance companies are owned by their non-life insurance customers which, in practice, means that the company's capital belongs to its customers. The only financial interests that guide the operations are respect for customer's long-term security. By reducing claims costs, premiums can be kept to a minimum. That shows respect for customers' money and is also part of environmental efforts. Claims-prevention

efforts have been ongoing for many years in the areas of fire and water, in the regional insurance companies and jointly through Länsförsäkringar AB. Joint efforts are aimed at lobbying authorities and professional associations when formulating building regulations in order to increase fire and water-damage safety. Länsförsäkringar AB works in a similar manner with road safety.

COMMUNITY ENGAGEMENT – BEST PRACTICES

The Länsförsäkringar Alliance can show many examples of activities designed to benefit the local community and the people who live there. While the form and content vary, the common denominator for all of these activities is that they benefit society as a whole, not only Länsförsäkringar's customers. A few examples are presented here:



NEIGHBOURHOOD COOPERATION IN HALLAND – FEWER OFFENCES

Crime incidents have fallen substantially since neighbourhood cooperation was introduced in the Sörse district in Varberg and the Andersberg district in Halmstad. This initiative is a research project in collaboration with Länsförsäkringar Halland, Halmstads Bostads AB, Varbergs Bostads AB, the police authority and Halmstad University.

WOMAN IN RED

In cooperation with the 1.6 and 2.6 million women's health clubs in Sweden, a number of regional insurance companies took part in the Woman in Red event, which aimed to raise awareness of women's health and quality of life, including financial quality of life.



Attractive employer in insurance, banking and real-estate brokerage sector

Human Resources issues are handled individually by each company in the Länsförsäkringar Alliance, but development and coordination in certain issues take place jointly between the regional insurance companies and Länsförsäkringar AB. A shared ambition has long been to advance Länsförsäkringar's positions as an attractive employer – work that has yielded results.



Länsförsäkringar was one of the top 30 companies in all categories in the 2011 Företagsbarometer survey. The Företagsbarometer survey is carried out by Universum and measures how students perceive various employers. As well as a top-30 ranking, business administration students also named Länsförsäkringar the most attractive employer in the insurance industry for the ninth consecutive year.

In the banking and property category in the same survey, Länsförsäkringar claimed fifth place as an attractive employer.

These results are confirmation that Länsförsäkringar has a strong brand as an employer. Länsförsäkringar is a group of companies with honest respect for both its customers and employees, and recognises each individual employee's significance for successful customer relations.

In addition to visiting Swedish colleges and universities, Länsförsäkringar has a presence in digital media, where students are active both in their free time and when they are seeking employment. Communication with this target group takes place via a career site on Facebook and Careerbook.

Internal labour market

The 23 independent regional insurance companies that jointly own Länsförsäkringar AB also present many opportunities for development in a wide range of professions. Using the careers section of the website, jobseekers can see all vacant positions at the Länsförsäkringar Alliance. With the corporate structure, employees also have access to a large internal labour market and career development.

Broad training activities

Länsförsäkringar invests in training and skills development for its employees. These opportunities are available in the local regional insurance company and through joint training activities at Länsförsäkringar AB, which primarily offers diplomaed business training in life-assurance, banking and non-life insurance.

These diploma courses focus on giving employees the skills needed in a business context to offer customers products and solutions that meet their requirements. Some 180 training courses were commenced in 2011. About 10,000 days of training were arranged, of which 3,500 were e-learning courses, 5,000 taught days of training and 1,500 testing.

In the areas of working environment and healthcare, most regional insurance companies offer their employees medical insurance and work professionally with rehabilitation through rehabilitation insurance or through their own arrangements. Exercise is subsidised and many company also have their own exercise premises.

EMPLOYEE STATISTICS

	Permanent employees on December 31			
	2011		2010	
	Women	Men	Women	Men
23 regional insurance companies	2,303	2,004	2,291	1,997
Länsförsäkringar AB	847	691	826	683
Broker service	78	44	75	47
Total number of permanent employees	5,967		5,919	

	Permanent employees recruited during the year		Permanent employees who transferred to another company in the Länsförsäkringar Alliance		Permanent employees who left during the year	
	2011	2010	2011	2010	2011	2010
23 regional insurance companies, including Mäklarservice	322	266	38	44	242	239
Länsförsäkringar AB	134	136	8	10	86	139

Age range, all employees	23 regional insurance companies, including Mäklarservice		Länsförsäkringar AB	
	2011	2010	2011	2010
0–30 years of age	460	446	120	105
31–40 years of age	1,125	1,148	413	426
41–50 years of age	1,423	1,374	528	515
51–60 years of age	1,108	1,133	375	370
61–	316	310	102	93
Average age, women	45	44	45	45
Average age, men	45	45	46	45

Age range, managers	23 regional insurance companies, including Mäklarservice			
	2011		2010	
	Female managers	Male managers	Female managers	Male managers
0–30 years of age	1	6	3	5
31–40 years of age	36	45	38	43
41–50 years of age	85	115	90	116
51–60 years of age	46	112	39	111
61–	5	15	3	25
Total	173	293	173	300
Total	466		473	

Age range, managers	Länsförsäkringar AB			
	2011		2010	
	Female managers	Male managers	Female managers	Male managers
0–30 years of age	1	1	0	4
31–40 years of age	16	27	25	30
41–50 years of age	36	46	33	47
51–60 years of age	19	33	2	32
61–	4	3	0	3
Total	76	110	77	116
Total	186		193	

Bank employees in the regional insurance companies	2011	2010
Full-time employees	794	741

Average age, managers	23 regional insurance companies, including Mäklarservice		Länsförsäkringar AB	
	2011	2010	2011	2010
Women	47	46	46	45
Men	48	47	46	46

Gender distribution among management and Board	23 regional insurance companies, including Mäklarservice			
	2011		2010	
	Women	Men	Women	Men
Presidents	6	18	4	22
Management teams ¹⁾	70	119	70	133
Board members ²⁾	93	145	91	152
Assembly of representatives ³⁾	412	916	392	905

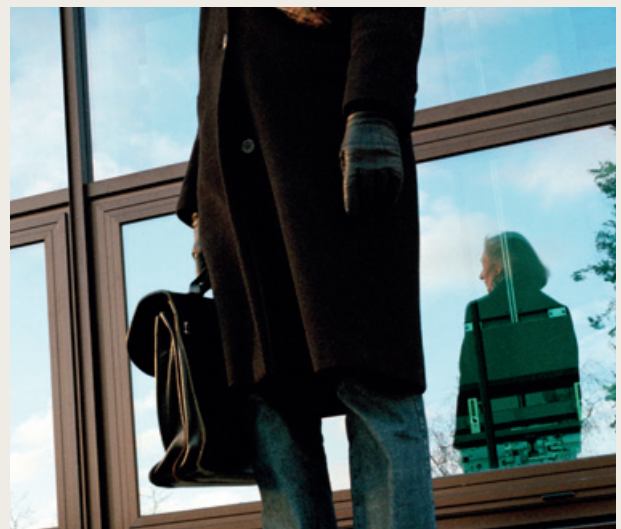
Gender distribution among management and Board	Länsförsäkringar AB			
	2011		2010	
	Women	Men	Women	Men
Presidents	3	7	2	7
Management teams ¹⁾	19	39	20	39
Board members ²⁾	21	64	14	51

¹⁾ Includes union representatives.
²⁾ Regular members including union representatives.
³⁾ Regular members.

Sickness absence, %	23 regional insurance companies, including Mäklarservice		Länsförsäkringar AB	
	2011	2010	2011	2010
Total sickness absence as a percentage of ordinary working hours	2.7	2.8	2.6	2.5
Percentage of total sickness absence pertaining to absence during a consecutive period of absence of 60 days or more	32.4	33.9	34.9	34.8

Sickness absence by gender, %				
Men	1.8	1.8	1.4	1.5
Women	3.6	3.7	3.6	3.4

Sickness absence by age category, %				
Up to age 29 years of age	2.8	2.8	4.2	3.4
30–49 years of age	2.3	2.4	2.1	2.1
50 years of age or older	2.8	3.3	3.2	3.1



Environmental consideration, part of sustainable enterprising

The regional insurance companies' work on reducing the number of claims and reducing the effects of damage that has already occurred has generated positive environmental effects. Avoiding a claim means avoiding emissions of chemicals to air and water. Another important role is to provide customers with information regarding Länsförsäkringar's environmental and the measures being taken. Commitment to environmental issues is Länsförsäkringar's contribution to a more ecologically sustainable society.

Environmental impact of travel

Business travel generates emissions of carbon dioxide, a greenhouse gas that contributes to the existing greenhouse effect. To reduce this environmental impact, our employees are increasingly switching to train travel in accordance with company-wide travel guidelines. Many of the regional insurance companies have their own environmentally friendly cars that can be used for business trips, for example to inspect damage. Several companies offer employees who drive on business courses in Ecodriving to learn about fuel economy and green driving techniques. Another way to reduce the impact of travel on the environment is not travelling at all. Meetings held on the telephone or using other forms of media save both the environment and working hours.

Less mail outs generate lower emissions of CO₂ and environmentally hazardous printing chemicals

As an insurance and banking company, Länsförsäkringar is a major consumer of paper. More than 72 million sheets of paper are sent to customers each year. Digital solutions are being developed to reduce paper consumption and the development of the Internet channel provides major opportunities for reducing mail outs while also improving the quality of information so as to achieve more unified and clearer customer documents.

Contribute actively to lower energy consumption

Many of branches in Sweden have electricity that has been designated a "Good Envi-

ronmental Choice" by the Swedish Society for Nature Conservation and generates the lowest possible carbon dioxide emissions. Although we use renewable electricity, working constantly to reduce the consumption of kWh in order to contribute to a total change in energy consumption is still important. In most cases, the branches are heated by locally produced district heating. Länsförsäkringar has properties that hold LEED Green Building Rating System certification and Environmental Certification of Building Project, which is a unique Swedish classification system for creating better environment, health and energy.

Insurance products for a non-toxic environment

Länsförsäkringar offers an insurance solution that guarantees financing for the correct handling of insured products at the end of their lifecycle without harming the environment. Recycling insurance for agricultural operations that helps to reduce the amount of environmentally harmful waste and scrap generated by the agricultural sector has been offered for several years. Many farmers have various forms of hazardous waste such as oils, chemicals, medicines and old unusable machinery. These products are classified as hazardous goods and must be handled in accordance with special regulations. In 2011, 74 tons of pesticides, 889 tons of waste oil, 69 tons of oil filter, 14 tons of fluorescent tubes, 64 tons of paint waste and 4,263 tons of scrap were collected from agriculture and rural properties. Scrap is recycled as new products and

the risk of accidents to both humans and animals is reduced when hazardous waste disappears.

Insurance products for renewable energy generation

Sweden is currently in the initial phase of a long period of an extensive conversion in energy production. To assist in the advancement of renewable energy generation, Länsförsäkringar has developed an insurance for wind farms. In 2011, Länsförsäkringar continued to underwrite insurance for wind farms under a recently developed wind-power concept. This concept includes the unique recycling insurance that ensures environmentally sound demolition and recycling of wind farms when relevant.

Emissions of environmentally harmful substances

In the outdoor environment, every form of damage that can be avoided is important. Damage caused by fire or water entails that all destroyed items must be replaced, transport increases and energy will be required to dry up the water. Every case of damage impacts the environment in the form of energy consumption, decontamination, transport, material use and waste. According to Länsförsäkringar's calculations, water damage results in 300 kg of carbon dioxide emissions. Transport accounts for approximately 80 kg, dehumidification for 10 kg and the manufacturing and handling of materials for 210 kg. Accordingly, helping customers to avoid damages is an important environmental measure. The

Länsförsäkringar Alliance provides claims statistics for the “Water Survey,” a national survey on the causes of water damage. The goal of the survey is to continuously monitor and rapidly identify causes of water damage.

Länsförsäkringar works continuously to improve claims prevention, in an effort to minimise claim incidents and reduce the impact of claims incurred. Länsförsäkringar has calculated that approximately 25 tons of carbon dioxide are emitted when a house burns down. In addition to atmospheric emissions from the fire, environmentally hazardous substances are released into the ground and nearby watercourses from the firewater that was used to extinguish the blaze. Similarly, the consequences of a fire are that large amounts of waste must be collected, sorted and handled to minimise the spread of pollutants and recycle any material that can be recycled.

Länsförsäkringar conducts an annual follow-up of the PVC industry with the purpose of promoting environmentally friendly improvements and a higher degree of recycling of, for example, the plastic mats that are used in wet rooms. A wide variety of activities are conducted to prevent fires, such as hydrostatic tests, chimney inspections and electrical inspections of agricultural premises.

Higher risk of damage as the climate changes

Climate change can increase the risk of flooding, landslides and soil erosion. These risks already exist, but both the frequency and the effects are expected to increase over the next few decades. While the risks increase, society also becomes more sensitive due to increased shoreline development. In addition to disaster-related risks, society is advancing. Accordingly, Länsförsäkringar works to prevent the risk of damage occurring.

Länsförsäkringar conducts joint damage prevention efforts. The purpose is to strengthen Länsförsäkringar’s role in a sustainable society and contribute to the development of the local community through greater security and less damage. Länsförsäkringar participates in various conferences and seminar days to spread knowledge about how to best avoid damage in a variety of situations.

Supporting research

The Foundation for Regional Insurance Companies’ Research Fund provides financial assistance for scientific research into everyday security. The research must contribute to greater financial and physical security in society. Commitment to the local community – a natural part of Länsförsäkringar’s operations. The focus lies on applied research. The results it produces are in the public domain. A key assignment for the Regional Insurance Companies’ Research Fund is to support the dissemination of the research results so that society can benefit through publication and seminars.

“Secure homes” was a prioritised initiative in 2010 and 2011. Another initiative in the autumn of 2011 focused on “Unprotected pedestrians.” Many of these projects are significant for environmental work, for example “Vulnerability to flooding” and “Water draining for a safe built environment.”

Since the start of the 1990s, the Research Fund has financed almost 145 research projects for a total of about SEK 80 M, in such areas as road safety, fighting crime, healthcare and welfare, climate, environment, fire, forests, agriculture and recycling products.

Spreading knowledge

Länsförsäkringar AB works both nationally and internationally to disseminate knowledge from its own operations, and from collaboration with other players, to reduce the environmental impact. Together with relevant industry organisations and the Swedish

National Board of Housing, Building and Planning, Länsförsäkringar discusses how industry and government regulations can be formulated to promote safer, healthier and more environmentally sound homes.

Long-term and sustainable environmental efforts

The regional insurance companies have been certified as ISO 14001 compliant for many years. The companies in the Länsförsäkringar Alliance follow a joint model that guides their environmental work. General issues are addressed in joint decision forums and local environmental decisions are made by the company itself. This structure provides a guarantee for systematic and long-term environmental activities with a local aspect. Environmental audits of all companies are performed every year by external companies and Länsförsäkringar’s own environmental auditors.

Compliance with environmental standards is also required when contracting all claims services. Contractors such as car repair garages and construction companies are assessed on the basis of both environmental and quality criteria, for example, whether the company has an environmental policy and objectives and how compliance with environmental legislation is ensured. Even when a company wants to take out a loan, a dialogue is held with the customer about its environmental impact, and various environmental requirements are also imposed on the choice of funds and fund managers that Länsförsäkringar offers to customers.





NON-LIFE INSURANCE

Healthy growth and stronger position in commercial insurance

Most of the non-life insurance operations in the Länsförsäkringar Alliance are conducted directly by the respective regional insurance company. However, some non-life insurance business, for example, animal and medical insurance are administered by the jointly owned Länsförsäkringar AB. Of the Länsförsäkringar Alliance's total premiums earned of SEK 18.8 billion, SEK 14.8 billion is in the 23 regional insurance companies and the remainder in Länsförsäkringar AB.

The non-life insurance market

The non-life insurance market is expanding and, measured in premiums paid, rose 4% during the year. Growth was primarily seen in motor-vehicle, household and homeowner, medical and accident and animal insurance. The number of insured households, single-family homes and vehicles is increasing despite the economic slowdown. In times of financial turmoil, the importance of insurance for creating a sense of security often rises.

The Swedish non-life insurance market is characterised by partnerships between banks, companies and other organisations. Group solutions are becoming increasingly common as is the use of new channels such as the Internet and mobile solutions. The common feature of all of these ventures is that they are to strengthen distribution vol-

umes and facilitate communication with customers in the situations in which needs for insurance solutions arise. The role of insurance brokers has been strengthened as both distributors and developers of the customer offering.

Efficiency enhancements to reduce operating expenses are becoming increasingly important for market players to retain competitiveness in a climate of intensifying competition. Meanwhile, the need and competition for employees with specialist expertise is increasing.

Sustainability issues, such as climate change, remained topical throughout the year and are becoming increasingly prominent in the industry as a way of profiling a company. Another area of focus during the year was claims adjustment and claims service. In times of fierce competition and

price pressure, insurance companies are striving to offer their customers other forms of value than just lowest price.

The year was also affected by a high number of weather-related damage claims in the form of storms, flooding and thunderstorms. These claims have not, to date, led to any direct price increases in the market, but trends are being monitored and efforts have been redoubled in the industry to reduce the consequences of weather-related damage claims.

In the long term, the issues of the future structure of social insurance and the potential privatisation of part of the system will be central to the non-life insurance industry. Accordingly, work is underway in the individual companies and jointly between the companies to develop and describe the potential future solutions in certain areas. Regardless of the future structure of the social insurance system, it would be desirable for government commitments to be clear since it will create the conditions for supplementary insurance solutions.

Market position

Länsförsäkringar is the clear market leader in a growing non-life insurance market with

a share of 28.9% (28.8) measured in premiums paid. Both premiums earned and the number of policies rose during the year. Länsförsäkringar retained a very strong position in commercial insurance, with a market share of 35.5% (35.4). The portfolio for commercial and property insurance rose during the year, measured both in premiums paid and number of policies, meaning that Länsförsäkringar retained its leading position in the market. Through its close proximity to customers, Länsförsäkringar meets the needs and situation of companies, which is one of the reasons for the stronger position.

More and more companies are working with full-service offerings with home insurance as the base. Länsförsäkringar remains a market leader in homeowner and passenger-car insurance, measured in the number of insurance policies. The number of insurance policies in passenger-car insurance rose, and the market share increased to 30.7% (30.4), while the market share for homeowner insurance fell to 38.9% (39.9).

Competition is also fierce in animal insurance and many companies have promoted animal insurance as part of their full-service offering. The market is continuing to grow and through Agria Djurförsäkring Länsförsäkringar held its leading position in the market with a share of 57.0%.

Many companies wish to ensure that their employees do not go on long periods of sick leave. Accordingly, the medical and accident insurance market is expanding, increasing 8% during the year.

2011 IN BRIEF

STRONG SOLVENCY

Solvency remained strong with a solvency margin of 171% (190).

MARKET SHARE

28.9%

The leading market position was retained with a share of 28.9% (28.8).

GROWTH

Premiums and the number of insurance policies rose during the year.



-2.1%

Investment income fell 2.1% to negative SEK 1,373 M (3,960).

FOCUS ON COSTS

The combined ratio improved to 100, and work on further reducing this ratio is continuing.



+ SEK 856 M

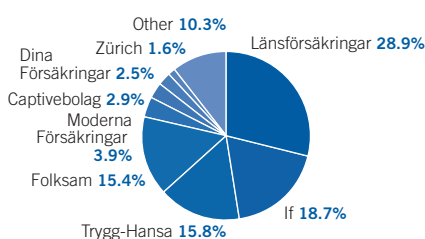
The technical result rose to SEK 856 M (529) due to healthy growth and lower claims ratio.

AGRIA STILL LEADING

The leading position in the animal insurance market was retained by Agria Djurförsäkring.

MARKET SHARES OF NON-LIFE INSURANCE

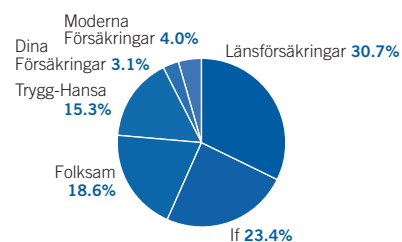
Share of premiums paid



Länsförsäkringar maintained its position as a leader in the non-life insurance market, with a market share of 28.9%.

MARKET SHARES OF PASSENGER-CAR INSURANCE

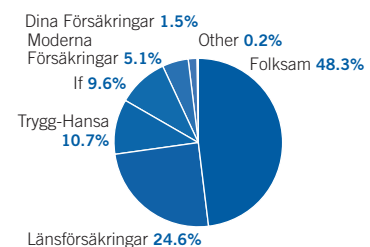
Share of number of policies



The market share of passenger-car insurance rose slightly to 30.7%. Both Länsförsäkringar's premium portfolio and the number of policies increased.

MARKET SHARES OF HOUSEHOLD INSURANCE

Share of number of policies



The market share of household insurance was stable at about 25%. The number of household insurance policies rose during the year.

Competition is intensifying since more and more companies are entering particularly the medical insurance market, yet Länsförsäkringar remains a leader in the market.

In addition, there is growing concern among private individuals that national social insurance will be insufficient, which has led to more people taking out private insurance that provides compensation in the event of illness, unemployment, accidents, death and retirement.

Earnings and profitability

The technical result for the insurance operations amounted to SEK 856 M (529). The improvement was mainly attributable to healthy growth and a lower claims ratio. However, claims costs remained high as a result of the increasing number of natural disaster and winter-related claims during the year. The combined ratio improved compared with 2010 and amounted to 100% (102). Solvency declined due to negative investment income, but remained strong with solvency capital of SEK 32,709 M (34,668) and a solvency margin of 171% (190). Investment income amounted to negative SEK 1,372 M (3,960) and operating loss totalled SEK 2,273 (profit: 2,552).

Capital allocation

Investment income amounted to negative SEK 1,372 M, meaning a total return of negative 2.1% (6.3). The negative income was due to the turbulence in the financial markets and many regional insurance companies having large equities exposure. Investment income varied in the Alliance according to each company's different investment mix, with some companies achieving generating positive investment income for the full-year.

The Boards of the regional insurance companies and the jointly owned companies in Länsförsäkringar AB strive to retain a strong solvency margin to maintain even pricing over time. The aim is to strike a balance between risk and available surplus capital, and high priority is assigned to safeguarding key figures. The companies invest a portion of their assets in low-risk interest-bearing securities to ensure the commitments in the non-life insurance operations. At the same time, the strong solvency margin means that, particularly in the

regional insurance companies, a buffer of capital is in place, which allows investments in assets with higher anticipated returns, for example, in equities. In 2011, the Swedish stock market fell 16.7% and the global index was down 9.0%. The Swedish ten-year government bond rate declined 162 points to 1.62% during the year. The optimism prevalent in the financial markets at the start of the year quickly dissipated with the political unrest in North Africa and the Middle East, followed by the earthquake in Japan and subsequent nuclear accident. In the summer and autumn, focus was directed to the debt-laden countries of the eurozone and their financial difficulties.

Claims trend

Claims costs rose somewhat in relation to the preceding year and amounted to SEK 14,711 M (14,613). However, an increased portfolio and increased premiums earned led to the claims ratio falling to 79 (80). The percentage of winter-related claims fell compared with the preceding year, while other natural disaster related claims rose. Flooding and storms in southern and central parts of Sweden impacted claims costs, particularly in home and auricular insurance. Internationally assumed reinsurance business was also affected by natural-disaster claims during the year. The Member-company pool is the regional insurance companies' reinsurance for internal and external cover and for claims above the selected retention. To offset an unfavourable claims-cost trend, Länsförsäkringar is working purposefully on claims-prevention activities and adjusting its products and services. Another essential element of raising the Länsförsäkringar Alliance's competitiveness is continuously working on efficiency enhancements in claims adjustment. For example, systematic work is being conducted in healthcare where a new, automated claims processing system was introduced for all medical claims. Other parts of the claims-adjustment process in the non-life insurance business have also been automated. Furthermore, claims costs are impacted by the structure of the products offered. As part of the process of reducing claims costs, Länsförsäkringar has introduced deductibles in medical insurance, which has led to a lower claims frequency.

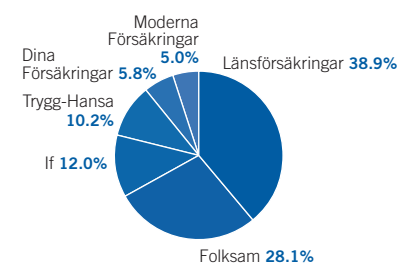
Business volumes

Both premiums earned and the number of insurance policies increased during the year. Premiums earned rose 3.1% and the portfolio measured in premium income increased 3.1%. Growth was primarily noted in motor-vehicle and home insurance, although growth was also favourable in animal and crop insurance, as well as in medical and accident insurance.

The corporate market has featured higher volumes but severe price pressure for a long period of time. Länsförsäkringar succeeded in boosting its market share in the face of the difficult economic climate, with companies' lower sales affecting premium volumes. Länsförsäkringar Mäklarservice served as a key channel in efforts to strengthen the position in the corporate market. Competition in the agricultural sector remained stiff, but Länsförsäkringar held its leading position and increased both the number of policies and premiums earned.

MARKET SHARES OF HOME OWNER

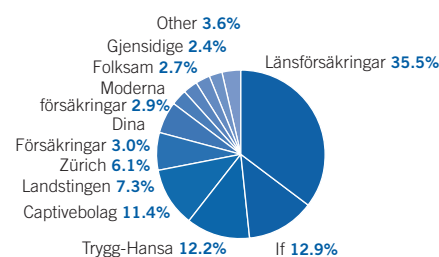
Share of number of policies



Länsförsäkringar remains a market leader in homeowner insurance, with a market share of 38.9%.

MARKET SHARES OF COMMERCIAL AND PROPERTY INSURANCE

Share of premiums paid



Länsförsäkringar maintained a strong position in commercial and property insurance with a market share of 35.5%.

Insurance classes

Motor vehicle

Competition in motor-vehicle insurance remains fierce. New companies are entering the market and established companies are broadening their business activities to also include commercial automotive insurance. Partnerships are often established with, for example, price comparison websites and brokers.

Despite the competition, Länsförsäkringar grew by 45,000 registered vehicles of the total net vehicle growth of 98,000, corresponding to a market share of 32.5% compared with 32.8% in 2010. For passenger-car insurance, which is the dominant type of vehicle, the increase was just short of 35,000 cars compared with the total increase of 65,000 cars. The market share for passenger-car insurance was thus 30.7% compared with 30.4% at the start of the year.

During the year, the cover for passenger-car insurance was expanded to also include damage arising when, for example, the incorrect petrol is accidentally chosen.

In addition to the continuous pricing review carried out to attain as fair a premium as possible, a detailed study of the pricing models for tractors was performed. The purpose is again to enhance the fairness of pricing for this type of vehicle and to improve competitiveness.

The start of the year was snowy, resulting in higher than normal claims costs. The trend was subsequently more favourable and claims costs for the full-year were slightly lower than in 2010.



Home

The home insurance market remained dominated by stiff competition with pressed premium levels. Similar to Länsförsäkringar, many companies are working on full-service offering and have partnerships with banks to offer mortgages. The number of customers in the Länsförsäkringar Alliance with both mortgages and home insurance increased 12% in 2011.

Länsförsäkringar remains a market leader in homeowner insurance, with a market share of 38.9%. Länsförsäkringar is also a leader in leisure home insurance with a market share of 41.6% and a 24.7% share in household insurance. Premiums earned rose 3.5%.

Claims costs for home insurance increased 2% during the year. Mainly weather-related claims were prominent in 2011. Hurricanes Berit and Dagmar struck parts of southern and central Sweden in November and December. These powerful squalls blow off roofs and caused extensive damage to forests. Leakage damage remains the largest expense item, representing 35% of the total claims cost.

Boat

The Swedish portfolio of leisure boats fell for the second consecutive year, resulting in fewer boats being insured. The marine industry has suffered heavily from the financial and debt crises and sales of new boats are now barely a third of the level noted in the peak years of 2006-2007. Brand insurance and insurance included in boat purchases pressed premium levels and more insurance companies have full-service offerings that include boat insurance.

Länsförsäkringar increased its market share from 27.5% to 28.3% amidst accelerating competition. In 2011, Länsförsäkringar increased both its premiums earned (4.3%) and the number of boat insurance policies (1%).

Claims costs rose 1% during the year, while the average claims cost fell 3.4%. The hurricanes in the late autumn contributed to the increase in claims cost, although there were fewer boathouse fires. The trend of a rising number of thefts of outboard motors continues to cause concern.



Motor vehicle	2011	2010
Premiums earned, gross, SEK M	6,615	6,449
Passenger cars, number of policies	1,625,000	1,614,000
Motorcycles, number of policies	139,000	137,800
Market share, percentage of insured vehicles	32.5	32.8
Home	2011	2010
Premiums earned, gross, SEK M	3,262	3,292
Households, number of policies	748,800	745,300
Homeowners and home content, number of policies	667,100	665,300
Leisure homes, number of policies	240,800	243,200
Boat	2011	2010
Premiums earned, gross, SEK M	141	135
Leisure boats, number of policies	81,800	80,500
Market share, percentage of policies	28.3	27.5

Commercial

The commercial and property insurance portfolio increased during the year in terms of both premiums and number of policies. Länsförsäkringar retained its dominant position in the market. The market share increased during the year to 35.5% (35.4). Competition remains stiff with new players establishing themselves in the market, meaning that premium levels remain pressed.

In 2011, Länsförsäkringar introduced a new model for premium setting Combined Commercial insurance and started to adjust other products to this model. The purpose is to better risk adjust the price and thereby increase fairness for the various customer groups. It can also be stated that the increase in claims cost noted in 2010, as a result of the severe winter, return to a more normal level in 2011.

The financial crisis has left its mark, particularly in export sector, leading to lower volumes in cargo insurance and other volume-based areas. The cargo insurance market was constant and new competitors in the Swedish market signalled intensified competition. Combined with lower volumes, this led to fewer requests for quotes, with particularly the brokered portfolio

not entering the procurement market and remaining with existing insurers.

With the globalisation trend, Swedish companies are increasingly establishing business operations abroad, which heightens the need for international insurance programmes for Länsförsäkringar's customers. Knowledge of the advantages for customers of international insurance programmes has risen and Länsförsäkringar, with its membership of the International Network of Insurance (INI) and its licence to conduct insurance operations (FOS) within the EU, has a competitive advantage in this segment, which is starting to garner attention in the market. Through the INI, Länsförsäkringar can offer, as one of the few companies in the Swedish market, customised and local insurance solutions in more than 100 countries at competitive prices.

Länsförsäkringar's investments in renewable energy are starting to gain momentum and the business partnership with Eurapco has developed, meaning that Länsförsäkringar shares its risks with its European partners with high profitability. New insurance products are being developed in the leasing market and the launch

of travel insurance linked to bank cards was successful. A study of the Länsförsäkringar Alliance's Freedom of Service (FOS) operations was carried out and new products adjusted for the European market are now being developed to enhance the Alliance's ability to insure customers' interests in Europe.

Competition is intense in liability insurance since a number of niche companies offer risks at low levels. Apart from Länsförsäkringar losing a major customer in the area, the portfolio trend was positive and the loss of premiums was partly recouped.

Agriculture

The adjustments Länsförsäkringar made to products and pricing to adapt to the restructuring of the agricultural sector were completed during the year. Competition remained fierce yet Länsförsäkringar retained its leading position and increased business in terms of both number of policies and premiums.

Claims-related earnings improved considerably compared with 2010 when winter-related damage had a severe impact on the agricultural sector. Despite the improvement, earnings are not satisfactory and costs for primarily fire and water damage remain at a high level.

Länsförsäkringar's efforts to reduce the environmental impact of the Swedish agricultural sector are continuing. Under Länsförsäkringar's recycling insurance, scrap and environmentally harmful waste generated by agricultural operations are collected for recycling or destruction. The policy reduces environmental risks and customers can dispose of their waste in a safe and environmentally sound manner.

Commercial	2011	2010
Premiums earned, gross, SEK M	3,872	3,857
Number of policies	232,100	232,200
Market share, commercial and property, %	35.5	35.4

Agriculture	2011	2010
Premiums earned, gross, SEK M	1,308	1,276
Agricultural insurance, number of policies	192,800	191,700
Tractor insurance, number of policies	261,400	263,000
Leisure homes, number of policies	240,800	243,200



Agria Djurförsäkring

Agria is the Länsförsäkringar Alliance's specialist company for animal and crop insurance and Länsförsäkringar's subsidiary brand. This specialisation involves a streamlined focus on and involvement with animals and their owners. The roots can be traced back 120 years and today the brand is the clear strongest in Sweden its specific field with a market share of 57%.

Agria is a streamlined specialist company and the key concepts of expertise and commitment have built up a very strong brand. Agria works closely together with several animal owner organisation and also makes donations to research into animal health. The operations are gaining in strength in markets outside Sweden, currently the UK, Norway and Denmark. The same brand, following the same guidelines, governs all encounters with Agria, wherever they may be in the world.

Higher level of insurance

Premiums earned for own account amounted to SEK 1,916 M (1,795) in 2011, with operating profit before tax of SEK 67 M (10). Increases were noted in all business areas, although premiums earned mainly rose in the small animals area, and were due to premium raises, a higher number of animals and fewer cancellations – which can be seen as confirmation of the intensified focus on customer care in recent years.

The level of insurance in Sweden is rising and an increasing number of animal owners are choosing Agria. The dogs, cats and other small animals business area continued to grow again in 2011. The average costs for veterinary care remained at roughly the same level, but similar to 2010, there is an elevated trend in visits to the vet, particularly among cats. Overall, claims costs for small animals rose compared with the preceding year. Horse husbandry, which is the market most sensitive to economic fluctuations, continued to experience problems, for example, as seen in the significantly lower number of foal births. Sales of horses have also declined and horses are insured at a lower value. However, the sales targets for underwriting new policies for foals were met. Claims costs for horses fell mainly due to fewer life-assurance claims and the horse business area posted a positive result. The agriculture business area



reported excellent results since the level of health was favourable and there were few incidents of hailstorm damage. However, the number of cattle continued to decline slightly, partly due to the decrease in the number of milk production units in Sweden. Premium adjustments and portfolios capture from Sveland also had positive effects on annual premiums and the portfolio.

Of the five players in the Swedish animal-insurance market, Agria commands a market share of 57%. The uninsured market remains large in size.

Availability in digital channels

In 2011, Agria continued to improve availability and service to customers. Major investments were made in presence in digital channels and social media. Agria can be found on Facebook and Twitter, and the customer service centre's chat function is now in its second year. In addition, a first-aid app for iPhone and Android telephones – Agria's Animal guide was also launched.

Agria's website underwent significant modernisation in 2011 and won the special "All-time high" prize from the Web Service Award. The intention with agria.se is for it to be a rich source of information for enthusiastic animal lovers, and make it easier for customers to find information. The mobile channel and work with text messaging technology continued, aim at facilitating customer contact with the company. For example, the customer receives a text message when their direct debit application is approved. Paper dispatches to customers have been reviewed and various customer documentation that has been digitalised to date resulted in dispatches falling by slightly more than 20% in 2011.

Agria International

Agria International's task is to establish and conduct the unique Agria concept in foreign markets close to Sweden.

In addition to Sweden, Agria has operations established in the UK, Norway and Denmark. The operations in Finland, in cooperation with Tapiola, were discontinued in 2010. Sales in Denmark started in January 2011 following extensive establishing activities in 2010. The first fiscal year generally went as expected. Competition from established insurance companies intensified during the year and impacted sales volumes.

The measures taken in the UK branch following the negative results in 2010, including discontinuing external underwriting, have generated effects and provided the conditions for higher and stable future profitability. The earnings trend for sales company Agria Pet Insurance was strong compared with 2010 with a profit of approximately GBP 2.3 M in 2011. Agria International's branch in the UK turned around a sharply negative result in 2010 to a profit of SEK 4 M in 2011.

Agria Dyreforsikring in Norway, which is in its sixth fiscal year, became the leading animal insurance company in Norway after only three years and has posted positive earnings since 2008. Growth continued and the company increased its premium income by 17% in 2011.

Agria Group	2011	2010
Premiums earned after ceded reinsurance, SEK M	1,916	1,795
Profit before appropriations and tax	199	10
Technical result for the insurance operations, SEK M	88	-10
Solvency margin, %	35	36
Expense ratio	27	27
Claims ratio	75	81
Combined ratio	102	107
Premium income, SEK M	1,988	1,902

Health insurance

The personal-risk insurance market is continuing to develop and Länsförsäkringar is increasing both its premium volumes and number of policies in this area. Growth was noted in accident and health insurance for children and adults, as well as in health care, group life assurance and group sick leave insurance. The market share for Länsförsäkringar in accident and health insurance declined slightly from 19.6% to 19.0%.

In health care, which is underwritten by Länsförsäkringar AB, new group insurance policies were introduced and at year-end about 90% of all group agreements had been converted to the new policies. Four different life-assurance policies and six different health-insurance policies were consolidated to a single health insurance policy. This resulted in enhanced clarity in customer communications and increased efficiency in the internal administration of claims adjustment and customer service. In 2012, special agreements and continuation insurance policies will be adjusted.

Medical insurance

The health care-insurance market is continuing to grow, albeit with growth slowing, and was at 6% according to the most recent study. A clear trend is that privately paid insurance policies are steadily reducing and company paid policies increasing. Many small businesses view waiting lists and long-term sick leave as strong motivators for taking out medical insurance for their employees.

Growth is mainly taking place among the target groups, small and medium-sized businesses, and the Voluntary Medical Plan and Medical Commercial Insurance package solutions. Länsförsäkringar is a market leader in health care insurance, with a market share of 30%. Far-reaching changes were made to health care insurance at the beginning of 2010 to offer customers reasonably priced insurance in the long term that has stable pricing over time and is simple to use. The changes implemented include improved care guarantees, the abolition of compulsory referrals and the introduction of deductibles, and have increased customer availability and reduced claims costs. Despite these changes, the most recent customer survey revealed that



customer satisfaction was stable at a high level in terms of service in receiving care and in claims processing.

With a balanced health care business and the market's most satisfied customers, Länsförsäkringar has a solid basis to meet intensifying competition. Länsförsäkringar has set a new standard in the health care insurance market. All competing insurers have introduced deductible and made similar changes to their insurance conditions to varying extents.

Group insurance

With its new group insurance policies, Länsförsäkringar is taking the first step towards modernising the group life assurance and group medical insurance market. The aim is to create insurance policies that are better tailored to current society. For example, Swedish households are borrowing more money than previously and having children and establishing families later in life. These changes warrant the need for better survivor cover if someone supporting the household were to die. In addition, more people are

earning higher salaries and the gap between income and benefits from the Swedish Social Insurance Agency in the event of illness is increasing. The Agency's rules no longer allow for such a long period of sick leave as in the past. The new regulations also limit the level of compensation received in the event of long-term working disability. Accordingly, the new group insurance policies have higher amounts of insurance and the terms are adapted to the new conditions of modern society. The new group insurance policies were converted according to plan and at year-end 90% of all group contracts had been converted to the new policies.

Health insurance	2011	2010
Premiums earned, gross, SEK M	1,516	1,476
Market share, accident and health insurance, premiums paid, %	19.0	19.6
Health care insurance, number of insured parties	108,000	113,000
Market share, health care insurance, %	31.0	31.0

Reinsurance

Premiums earned for own account amounted to SEK 473 M and profit for the reinsurance operations totalled SEK 0.6 M. The internationally assumed reinsurance business posted a negative result due to a high number of major claims during the year. The largest claims were the earthquake in Christchurch, New Zealand, the earthquake and tsunami in Japan, torrential rain in Copenhagen, flooding in Thailand and Hurricane Dagmar that struck Norway, Sweden and Finland.

It appears that 2011 will be the most expensive year ever for natural disasters for the global reinsurance market.

As a result of these claims, prices for reinsurance programmes that incurred claims have risen. Premiums for smaller programmes and those with no claims fell slightly in certain cases. Despite the market claims, most reinsurance companies remain strong with unchanged capital. However, earnings for many companies were negative and the worst since 2005.

The exposure level of the Länsförsäkringar Alliance's non-life insurance operations changed extremely little in 2011 and the external reinsurance programme was largely unchanged. The internal reinsurance solution is also continuing and is a

major asset for Länsförsäkringar and its customers since the system ensure stable reinsurance at a low cost.

At the start of 2011, the regional insurance companies incurred abnormally high expenses for the severe winter. Costs for property damage caused by snow and ice totalled SEK 211 M. The Länsförsäkringar Alliance was also affected by Hurricanes Berit and Dagmar in November and December. The most expensive, Dagmar, is expected to cost SEK 150 M and any cost increases will be covered by the reinsurance programme.



Broker service

Länsförsäkringar Mäklarservice enables Länsförsäkringar to reach customers who choose to be represented by insurance brokers when purchasing insurance. On behalf of the regional insurance companies, Mäklarservice brokered non-life insurance premiums amounting to SEK 1,052 M (1,008) at year-end 2011. 2011 was the first year for a long time that the non-life insurance portfolio managed by Mäklarservice increased, up a total of SEK 44 M. The largest increase was in the East/North Region which grew 12%, mainly in property transactions. In 2011, Länsförsäkringar developed automated services enabling brokers to facilitate and improve administration to customers. This has been an integral part of brokered life-assurance transactions for several years. The market is currently developing in a couple of areas as previously predicted and that are challenging the Länsförsäkringar Alliance in a partly new way in the non-life insurance brokerage market. The fact that insurance brokers are competing with each other also increases requirements on unique products and concepts.

Claims adjustment

Claims service focusing on customers

Each individual regional insurance company offers a wide range of non-life insurance products for private, agricultural and corporate customers and has its own claims specialists who provide claims services in close proximity to customers. The combination of local strength and the ability to jointly utilise resources and expertise results in high-quality customer service for all types of claim incidents. The local concept ensures swift processing by skilled employees located close to customers. Approximately 1,100 people work in the area of claims adjustment and the international network of partners also guarantees service outside Sweden. Claims adjustment is an important means of delivering the

product purchased by the customer and should be characterised by active customer service. Claims are adjusted in cooperation with the customer as soon as possible after the claims have arisen. A guiding rule is that the adjustment of claims must be consistent, uniform and fair. For example, language difficulties or disabilities may affect the customer's comprehension or ability to take action, which is why it is important that Länsförsäkringar provides individually adapted service. The goal is for Länsförsäkringar's claims service to be perceived as flexible and adapted to customers' individual needs. Länsförsäkringar always strives to take measures and decisions to ensure that customers are well-informed of their rights and obligations.

In 2011, claims valued at a total of SEK 10 billion were adjusted, of which about 40% was motor-vehicle insurance claims. Home insurance was another major claims area, with 253,100 claims at a cost of SEK 2.6 billion, of which water damage accounted for 35%.

Insurance fraud remains a growing problem

Insurance fraud is a major and growing problem in the insurance industry. For customers, insurance fraud ultimately results in an increase in the cost of insurance since they are charged with claims that should not actually be compensated. To counteract insurance fraud, a team of 38 investigators in the Länsförsäkringar Alliance has been

assigned the task of investigating suspicious claims. In 2011, their efforts resulted in the non-payment of insurance claims worth SEK 103 M. Most of the cases of denied compensation comprised unclear insurance claims or attempted fraud in household and motor-vehicle insurance. Compensation was denied for 64% of the 2,100 cases investigated in 2011. Unfortunately, since many cases of insurance fraud remain undetected, the development and quality assurance of the investigations operations remains an area of focus.

Claims-prevention activities

Claims-prevention activities remain a key focus area. Fire and water damage claims and third-party liability claims were key focus areas for which concepts have been produced to support claims-prevention measures throughout the Länsförsäkringar Alliance by providing advice and materials. Advice and guidelines are provided to customers both as a preventive measure and after claims have occurred. This type of information is provided in a manner that is as easily understandable and unbureaucratic as possible to ensure that customers are able to utilise it, thereby limiting the scope of the claim. Environmental impact is a key component of all focus areas.

In addition to a reduction in claims, successful claims-prevention work also results in a reduction in environmental impact. For example, a decrease in the number of fires contributes to a reduction in carbon emissions. Calculations indicate that a fire in a private home can generate carbon emissions of slightly more than 25 tonnes, as well as other gases, dust and waste products. Länsförsäkringar also imposes

demands on the quality and environmental work of its claims contractors. Claims are to be dealt with in a high-quality manner to avoid new claims occurring.

From an environmental perspective, Länsförsäkringar sees that the major impact of carbon emissions from water damage derives from materials. Water damage to a wet room can cause 300 kg of carbon dioxide.

Contractors are offered further training to maintain a high quality level and feedback is given on new information. Claims-prevention work has a broad focus, including constructive and positive dialogues with government authorities and industry organisations regarding such matters as construction and industry rules, in which Länsförsäkringar's expertise in the area of building damage claims is highly sought after. In cooperation with various municipalities, county administrative boards, the Swedish Civil Contingencies Agency (MSB) and assorted research institutes, Länsförsäkringar focuses on identifying risks to enable the prevention of claims pertaining to natural disasters.

Major claims require special resources

The Länsförsäkringar Alliance has prepared an emergency plan for managing major claims, and the regional insurance companies also continuously monitor the risks in their local areas. As part of this work, the company's competencies in specific subject areas and the requirements arising in connection with mass-claims handling are catalogued. The primary purpose of the emergency plan is to establish a state of preparedness within the regional insurance companies, and also to coordinate existing resources. Local cataloguing

makes it easier to organise assistance from other regional insurance companies. The results are documented and the emergency plans that are drawn up contain checklists, descriptions of procedures and a division of responsibility for the work related to major claims. As a result of all of these preparations, the Länsförsäkringar Alliance is well-equipped and prepared for any major claim that may occur. The emergency plans have been extremely helpful to the regional insurance companies in their claims work following the tsunami in Southeast Asia, hurricanes that have hit Sweden and other cases of extensive damage in Sweden. The plans are continuously developed and improved by adding experiences.

Through its involvement in Nordic Nuclear Insurers, Länsförsäkringar has the preparedness to adjust atomic claims that are not compensated through individual insurance policies.

Länsförsäkringar participated in the SAMÖKKÖ 2011 Cooperation and Nuclear Emergency Exercise involving the scenario of a nuclear power emergency and was highly praised for its preparedness and actions in the exercise management's evaluation.

Claims	Number	Claims cost, SEK M
Commercial	37,400	1,950
Agriculture	32,200	1,044
Home	253,100	2,570
Accident and health	70,000	500
Boat	2,730	74
Private automotive	284,700	2,541
Commercial automotive	109,600	1,368
Total	789,730	10,047



Service outside Sweden

Meeting customer needs across borders

Increased travel requires that claims-adjustment services be expanded to provide rapid assistance abroad. For emergency claims, special resources are required. Accordingly, the Länsförsäkringar Alliance has been a major shareholder in SOS International since 2003, with a 12% interest.

SOS assists customers through both travel and vehicle insurance. For example, SOS helps with breakdown services, referrals to workshops, baggage delays and medical assistance when customers suddenly fall seriously ill or are involved in an accident. SOS International processes more than 8,000 cases for the Länsförsäkringar Alliance every year.

Comments on the financial results, non-life insurance



The Länsförsäkringar Alliance's earnings and key figures for non-life insurance comprise the sum of the earnings of the 23 independent regional insurance companies and the Länsförsäkringar AB Group. The Länsförsäkringar Alliance's earnings remained stable, with a technical result of SEK 856 M (529). The improvement was due to healthy growth and the claims costs remaining at a stable level compared with 2010. The combined ratio gradually improved during the year and amounted to 100 (102). The claims ratio was 79 (80) and the expense ratio declined slightly to 21. Despite investment income being sharply negative during the year, solvency capital for the Länsförsäkringar Alliance remained strong in relation to the operating risk. Solvency capital totalled SEK 32,709 M (34,668) and the solvency margin amounted to 171% (190).

Premiums earned increased 3.1% to SEK 18,756 M (18,184). Growth was primarily noted in motor-vehicle and home insurance, although growth was also favourable in animal and crop insurance, as well as in accident and health insurance.

Investment income amounted to negative SEK 1.4 billion, entailing total investment income of negative 2.1%. The negative income was due to the turbulence in the financial markets and the Länsförsäkringar Alliance's large equities exposure. Investment income varied in the Alliance according to each company's different investment mix, with some companies generating positive investment income for the full-year. Operating loss amounted to SEK 2,273 M (profit: 2,552).

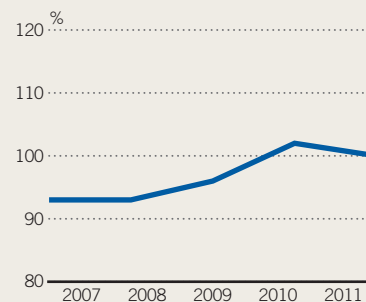
NON-LIFE INSURANCE	2011	2010	2009	2008	2007
Premiums earned after ceded reinsurance, SEK M	18,756	18,184	17,828	17,406	16,671
Technical result before bonuses, SEK M	856	529	1,688	2,453	2,322
Operating profit/loss, SEK M	-2,273	2,552	5,449	-7,511	3,606
Expense ratio	21	22	22	21	21
Claims ratio	79	80	74	72	72
Combined ratio	100	102	96	93	93
Technical result as a percentage of premiums earned after ceded reinsurance	5	3	9	14	14
Solvency capital, SEK M	32,709	34,668	31,747	25,916	34,140
Solvency margin, %	171	190	174	146	198
Return on equity, %	-6	7	18	-25	11
Total return on investment assets, %	-2	6	10	-14	6

SOLVENCY



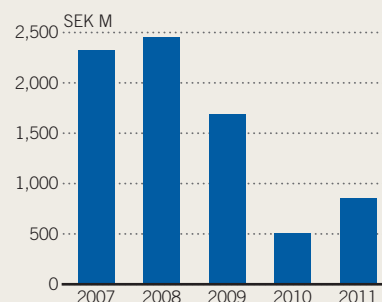
The Länsförsäkringar Alliance continued to have strong solvency despite the considerably negative investment income during the year. Solvency capital was SEK 32,709 M and the solvency margin 171% at year-end 2011.

COMBINED RATIO



The combined ratio improved during the year, primarily as a result of a lower claims ratio, and amounted to 100 for the full-year 2011.

TECHNICAL RESULT



The higher technical result for 2011 was mainly due to increased growth and stable claims costs.

Bank of the Year with Sweden's most satisfied customers

Länsförsäkringar captured slightly more than 9% of new sales in lending and slightly more than 7% in savings. Growth and profitability remained stable and the position as the fifth largest retail bank in Sweden was strengthened. Länsförsäkringar was named "2011 Bank of the Year."

Bank market

The Swedish economy was driven, primarily by the strong export market, to GDP growth of 3.9% in 2011, according to Statistics Sweden. Growth in the fourth quarter was 1.1%, showing that Sweden was also impacted by the financial concern in the economic environment. Household consumption and the willingness to invest among companies showed signs of slowing down towards the end of the year. A source of strength was the healthy status of Sweden's government finances, with low government debt, amounting to 32% of GDP, according to the Swedish National Debt Office, and a budget surplus. The strong government finances will provide a sound

buffer if the economic climate in Sweden deteriorates resulting in higher public expenditure.

The Riksbank, Sweden's central bank, raised the key interest rate on three occasions from 1.25% to 2% to dampen the strong Swedish economy. The year ended with a cut to 1.75% in December, prompted by the weaker economic prospects in the business environment, the slowdown in the Swedish economy and low inflationary pressure.

The net wealth of Swedish households rose and they have high savings in relation to disposable income compared with households in many other countries. Household savings continued to increase by 9% in 2011.

The focus on household indebtedness intensified during the year, and the rate of increase has fallen due to rising mortgage rates and expected further interest-rate rises. However, households have a high repayment capacity. Households' total wealth is more than five times larger than their disposable incomes and much larger than their debts, which are 1.7 times greater than their disposable incomes, according to the Riksbank's Financial Stability Report published in November 2011.

Aggressive full-service bank

Länsförsäkringar is a successful and aggressive full-service bank with Sweden's most satisfied retail customers.

2011 IN BRIEF

OPERATING PROFIT

SEK

385_M

Operating profit rose 12% to SEK 385 M (345) and net interest income increased 27% to SEK 1, 728 M (1,363).

2011 BANK OF THE YEAR

Länsförsäkringar was named "2011 Bank of the Year" by Swedish financial magazine *Privata Affärer* and had Sweden's most satisfied retail bank customers and Sweden's most satisfied retail mortgage customers, according to the 2011 Swedish Quality Index.



Low loan losses

Loan losses remained low and amounted to SEK 48 M (42), net, corresponding to a loan loss of 0.04% (0.03).



The local presence combined with the customers being the only principal were the key reasons for Länsförsäkringar's high customer satisfaction rating and Länsförsäkringar was named "2011 Bank of the Year" by Swedish financial magazine *Privata Affärer*. According to the 2011 Swedish Quality Index, the bank has Sweden's most satisfied retail bank customers for the seventh time in eight years. Länsförsäkringar is the bank that best met customer expectations and is perceived to be reasonably priced.

The banking operations, which are conducted solely in Sweden, enjoy profitable growth. All customer contact is handled by the 23 local regional insurance companies

across Sweden and via the Internet and on the telephone. Business continued to grow and market shares were captured in all key areas: deposits, loans and retail mortgages. Operating profit for 2011 rose to SEK 385 M, corresponding to a return on equity of 4.8%. The total loan portfolio of SEK 134 billion has a favourable geographic distribution and is of a high quality. Some 81% of the portfolio comprises household credits. Deposits grew to SEK 50 billion and the volume of managed funds amounted to SEK 67 billion.

889,000 customers

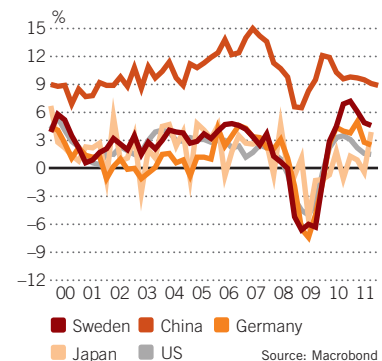
The number of customers increased 8% to 889,000 (826,000), the number of customers with Länsförsäkringar as their primary bank rose 14% and the number of products per customer is increasing.

BUSINESS VOLUMES SEK 251 BILLION

Business volumes rose 8% to SEK 251 billion (232).

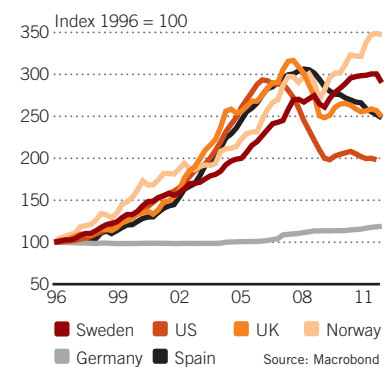


GDP GROWTH



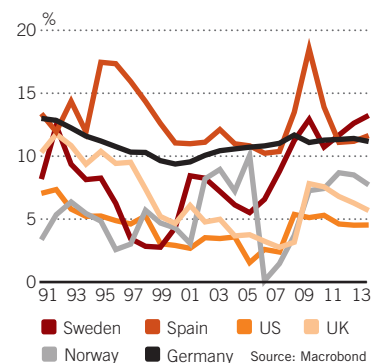
Sweden's GDP growth in 2011 totalled 3.9%. Towards the end of the year, Sweden was also impacted by accelerating financial uncertainty in the economic environment, and GDP growth in the fourth quarter was 1.1%.

HOUSING-PRICE TRENDS



The trend in housing prices in Sweden, which has been stronger than in many other countries in recent years, weakened slightly in 2011.

HOUSEHOLD SAVINGS



Swedish household savings are relatively high in relation to their disposable incomes. Household savings increased 9% in 2011.

Offering and market position

Länsförsäkringar's offers a full range of banking services to private individuals, farmers and small businesses. A strong local offering makes banking straight-forward, quick and personal for customers, providing them with security and clarity. All banking operations are conducted in Sweden and customer business operations take place at the 23 local and customer-owned regional insurance companies located throughout Sweden.

Savings and deposits

Länsförsäkringar has a total offering in savings and is growing in the deposits market. During the year, this offering was enhanced with more products and services to provide customers with a greater range of savings and investment products. Under the fund transfer service launched in the spring of 2011, many customers transferred their fund savings to their primary bank Länsförsäkringar during the year.

Deposits rose 19% to SEK 50 billion (42) in 2011. This increase was primarily attributable to the rising number of customers who have chosen Länsförsäkringar as their primary bank. All types of deposit accounts increased. Bank services for small businesses is an offering that has been launched gradually, and growth is healthy and progressing according to plan, primarily in deposits. The market share, measured

as deposits from households, rose to 3.8% (3.5) in 2011, and the share of market growth was 7%, according to data from Statistics Sweden.

Fund market and IPS

Länsförsäkringar is Sweden's fifth largest fund company with an unchanged market share in 2011 of 3.9%, according to statistics from the Swedish Investment Fund Association. Fund volumes fell 8% to SEK 67 billion (72). A total of 33 (32) mutual funds with different investment orientations are managed.

The fund offering comprises funds under Länsförsäkringar's own brand, supplemented with external funds selected by Länsförsäkringar and other funds offered in the market. The majority of own-brand funds have external managers who are also continuously evaluated to ensure that they meet return targets. Selected external funds are also continuously evaluated to ensure that they meet Länsförsäkringar's return targets.

The number of new fund savers making monthly deposits rose 11,000 during the year, demonstrating that Länsförsäkringar has an attractive fund offering.

The IPS service, Individual Pension Savings, achieved major success again in 2011. Volumes continued to increase relatively sharply despite the weak year for the stock market.

Equities and other securities

Trading in equities and other securities is growing steadily among customers and the number of deposits rose substantially.

Household and retail mortgages

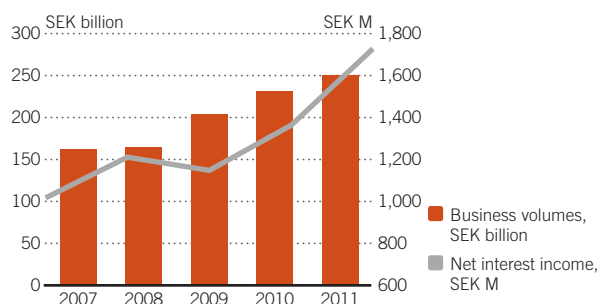
Länsförsäkringar has a highly attractive mortgage offering and is growing steadily in the market. First-lien mortgages for agricultural properties experienced healthy growth and Wasa Kredit's leasing, hire purchase and unsecured loans are increasing steadily.

The banking operations' loans rose 14% to SEK 134 billion (118) in 2011, of which retail mortgages in Länsförsäkringar Hypotek increased 11% to SEK 89 billion (80). First-lien mortgages up to 75% of the market value are offered by Länsförsäkringar Hypotek and other housing loans by Länsförsäkringar Bank. The market share for household and retail mortgage lending increased to 4.6% (4.4) and Länsförsäkringar captured a favourable share of market growth in 2011, according to data from Statistics Sweden.

Agricultural loans

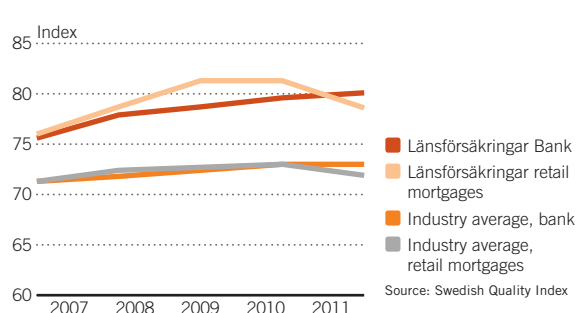
Länsförsäkringar offers loans to forestry and agricultural properties and is the fourth largest player in agricultural loans in Sweden with a market share of 8.5% (7.8) in 2011, according to Agricultural Barometer,

BUSINESS VOLUMES AND NET INTEREST INCOME



Business volumes rose 8% to SEK 251 billion, and the increase excluding fund volumes was 15%. Business volumes have risen an average of 12% since 2007. Net interest income rose to SEK 1,728 M (1,363) in 2011.

CUSTOMER SATISFACTION



According to the 2011 Swedish Quality Index, Länsförsäkringar has Sweden's most satisfied retail bank customers for the seventh time in eight years and Sweden's most satisfied retail mortgage customers.



making Länsförsäkringar the fourth largest agricultural bank in Sweden. Agricultural loans rose 21% to SEK 16.7 billion (13.8), of which first-lien mortgages to agricultural properties increased 27% to SEK 13.7 billion (10.8). 83% (81) of agricultural customers have at least one insurance policy with Länsförsäkringar.

Other loans

Wasa Kredit's lending volumes increased 12% to SEK 12.0 billion (10.7). All leasing, hire purchase and unsecured loan products increased in 2011 and the largest volume increase was in leasing.

Bank cards and payments

The number of cards is rising steadily and are being continuously developed to ensure that customers can feel secure and receive good service in their payment services.

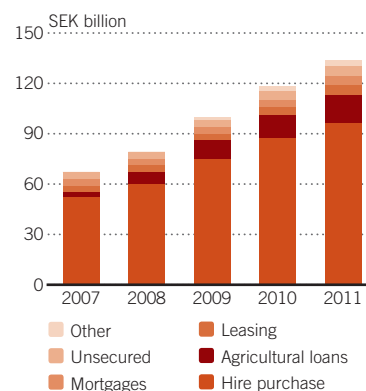
Income from payment mediation continued to increase in 2011 and bank card transactions accounted for the largest payment transaction volumes.

The number of bank cards rose 15% to 306,000 (266,000) and the number of Länsförsäkringar ATMs increased to 98 (88). In-store bank card transactions rose 23% and payment transactions increased to a total of 130 (108), up 20%.

Regional insurance companies' own bank

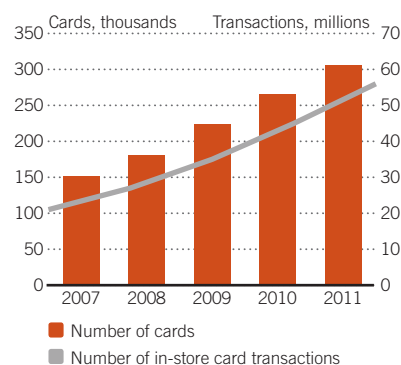
The bank also offers primarily savings and payment services to the 23 regional insurance companies and the Länsförsäkringar AB Group. Business is expanding and the number of payment transactions rose during the year. The regional insurance companies' deposits are also growing at a stable rate.

LOANS



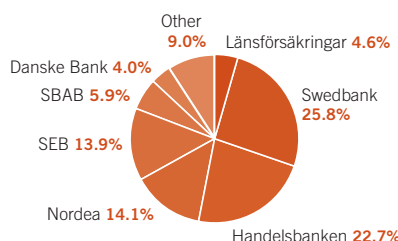
Retail mortgages in the Group rose to SEK 96 billion and agricultural volumes to SEK 17 billion, making Länsförsäkringar the fourth largest player in agricultural loans in Sweden. Lending volumes totalled SEK 134 billion in 2011.

BANK CARDS AND IN-STORE CARD TRANSACTIONS



The number of bank cards rose to 306,000, up 15% for 2011 and an average increase of 19% over the past five years.

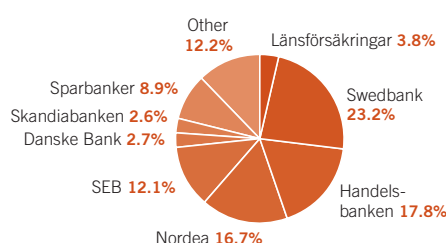
MARKET SHARE OF HOUSEHOLD AND RETAIL MORTGAGES



Source: SCB

Länsförsäkringar strengthened its market share from 4.4% to 4.6% in 2011.

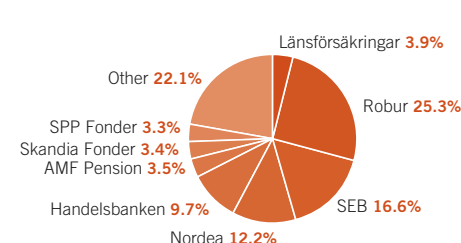
MARKET SHARE OF DEPOSITS IN RETAIL MARKET



Source: SCB

With a market share of 3.8%, Länsförsäkringar strengthened its position as the fifth largest bank in the Swedish deposits market.

MARKET SHARE OF FUND VOLUMES



Source: Moneymate

Länsförsäkringar is Sweden's fifth largest fund company with a market share of 3.9% in 2011. Fund volumes totalled SEK 67 billion. The range was expanded with Länsförsäkringar Flex 0-100 during the year.

Credit quality

The Group's loan portfolio

Total lending in the Bank Group increased 14% to SEK 134 billion (118). A total of 81% (81) of the loan portfolio comprises household loan, and the loan portfolio is well distributed throughout Sweden, with no loans were granted outside the country or in a currency other than SEK. Mortgages account for 72% (74) of the loan portfolio and agricultural loans for 12% (12). Combined, these types of loans correspond to 84% (86) of the Bank Group's loan portfolio.

Mortgages

A total of 80% (81) of the collateral for retail mortgages comprises single-family homes and 20% (19) tenant-owned apartments. The average commitment is unchanged at SEK 0.9 M. Some 64% (65) of retail mortgage customers have a commitment of less than SEK 1 M and only 2% (2) of borrowers have a commitment of more than SEK 3 M. The mortgage portfolio has a favourable geographic spread throughout Sweden.

Essentially all lending that occurs in Länsförsäkringar Hypotek qualifies for inclusion in the covered-bond operations. The collateral in the cover pool comprises only private homes to maintain a homogenous profile.

Market-value analyses of the mortgage portfolio are continuously performed and

market values are updated every year for all single-family homes, tenant-owned apartments and leisure homes in the Bank Group.

Agricultural loans

Small-scale family-owned agricultural operations accounted for 94% (93) of agricultural loans. Some 82% (78) of agricultural loans are first-lien mortgages and other loans pertain to second-lien mortgages and operating credits. The average commitment is low and the geographic spread throughout Sweden is favourable.

Impaired loans and reserves

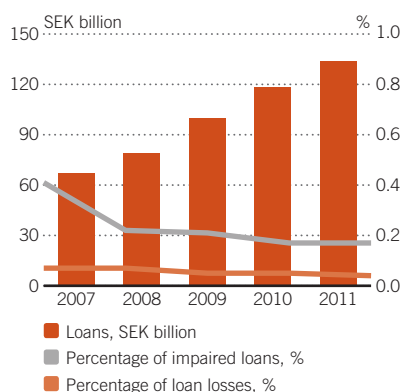
Impaired loans rose marginally to SEK 233 M (209), and the percentage of impaired

loans remained unchanged at 0.17%.

Reserves amounted to SEK 284 M (286) and the reserve ratio in relation to loans was 0.21% (0.24). Loan losses remained low and amounted to SEK 48 M (42), net, corresponding to a loan loss of 0.04% (0.03). Most of these loans are attributable to Wasa Kredit. Impaired loans and loan losses continued to account for a minor percentage of total loans. To better reflect the actual business transactions with the regional insurance companies, a changed accounting policy for loan losses was introduced, which impacts the items Compensation to the regional insurance companies and Loan losses. Comparative figures have also been restated.

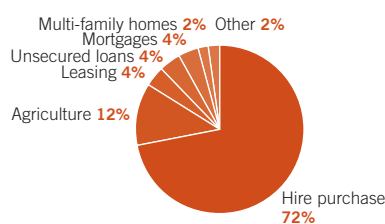


LOANS, PERCENTAGE OF IMPAIRED LOANS AND PERCENTAGE OF LOAN LOSSES



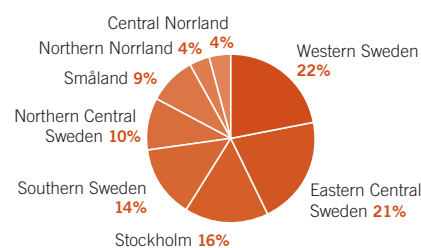
Total loans rose 14% to SEK 134 billion and the loan loss remained low at 0.04%.

LOANS BY PRODUCT



Retail mortgages accounted for 72% of the loan portfolio. Loans to the agricultural segment accounted for 12% and other loans mainly pertain to leasing, hire purchase and unsecured loans.

LOANS BY GEOGRAPHIC REGION



All loans exist in Sweden and are evenly distributed throughout the country in relation to the population.

Borrowing and liquidity

Financing with covered bonds

Most of the loans in the banking operations are granted using Länsförsäkringar Hypotek's covered bonds, which have the highest credit rating from Moody's (Aaa/stable) and from Standard & Poor's (AAA/stable), and are eligible for transactions with the Riksbank and the European Central Bank (ECB). At year-end, bonds accounted for 60% of the banking operations' financing sources, deposits for 31%, equity for 4%, commercial papers for 3% and liabilities to credit institutions and subordinated debt for the remainder. Deposits in the Bank Group amounted to 72% of financing, excluding Länsförsäkringar Hypotek.

Targets and strategies

The aim of the borrowing operations is to cover short and long-term capital requirements at a price in line with relevant competitors' prices.

The primary source of financing is long-term borrowing in bonds in Sweden, with benchmark loans for the institutional market. In the past two years, borrowing also took place by issuing Euro Jumbo Covered Bonds, which has enhanced the diversification of borrowing and strengthened the brand in both the Swedish and European markets. The maturity terms of long-term borrowing are adjusted through swap agreements to achieve a fixed-interest period that matches the fixed-interest

period of the loans, and all currency risk is hedged by using derivatives. Long-term senior borrowing and short-term borrowing through commercial papers takes place in Länsförsäkringar Bank.

Borrowing instruments

Borrowing primarily takes place using benchmark loans for the institutional market, with issues concentrated to large volumes in a number of bond loans that maintain a high level of liquidity. Benchmark bonds with terms of up to five years are issued through on-tap issues in the Swedish market. Borrowing also takes place with a Medium Term Covered Note programme (MTCN) and a Euro Medium Term Covered Note programme (EMTCN) in the European market. Länsförsäkringar Bank has a domestic commercial paper programme for short-term borrowing in the Swedish market, a Medium Term Note programme (MTN) for long-term borrowing in the Swedish market. In the European market, there is a Euro Medium Term Note programme (EMTN) for long-term borrowing and a Euro Commercial Paper programme (ECP) for short-term borrowing. The structure of the programme borrowing at December 31, 2011 was as follows: 53% in Swedish Benchmark bonds, 21% EMTCN, 11% MTN and 10% MTCN.

There are five market-makers for selling and trading in Swedish covered bonds. In

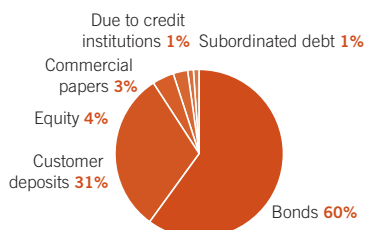
addition, Länsförsäkringar Bank is a dealer for Länsförsäkringar Hypotek's MTCN programme.

Borrowing activities during the year

The European debt crisis contributed to low key interest rates throughout the Western World and persistent turbulent markets. Activity in the Swedish borrowing market was favourable mainly during the first half of the year with relatively low credit spreads. The European covered-bond market also performed well with many issues. In the autumn, investors' willingness to take risks declined as a result of the heightened concern in Europe, consequently leading to a rise in the credit spreads for mortgage bonds. Demand for senior bank bonds was low and only a small number of issues took place. The banking operations had favourable access to borrowing and financing throughout the year. Borrowing increased 13% to SEK 101 billion (89), of which covered bonds amounted to SEK 86 billion (80). A nominal amount of SEK 13.5 billion (13.4) of total borrowing was issued in the international borrowing market during the year. The average remaining term in the Bank Group's programme borrowing was 2.3 years on December 31, 2011.

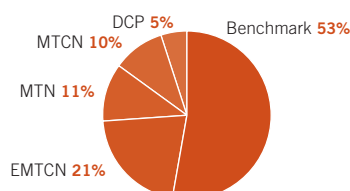
Länsförsäkringar Bank issued a nominal amount of SEK 16.8 billion (12.1) in the national commercial paper programme during the year. A nominal amount of SEK 7.2

FINANCING SOURCES



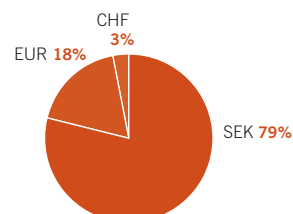
Bonds represent the largest percentage of the Group's financing, 60%, of which covered bonds account for 53%. Deposits represented 31% of the Group's financing.

BORROWING BY PROGRAMME



Borrowing was more highly diversified during the year due to an issue of covered bonds in Länsförsäkringar Hypotek in the European monetary and capital market.

BORROWING BY CURRENCY



Most of the borrowing takes place in the Swedish market and in SEK. All currency risk is hedged by using derivatives.

billion (5.2) was issued in the MTN programme and a nominal amount of SEK 3.2 billion (2.8) was issued in the ECP programme.

Covered bonds

Covered bonds in a nominal amount of SEK 26.8 billion (44.0) were issued during the year in Länsförsäkringar Hypotek. In the preceding year, the Bank Group's liquidity reserves were restructured by the build-up of a liquidity reserve in Länsförsäkringar Hypotek, which is the reason for higher issue volumes in 2010. Repurchases totalled a nominal amount of SEK 12.3 billion (8.0) and matured securities a nominal amount of SEK 7.9 billion (10.5). On December 31, 2011, Länsförsäkringar Hypotek had four outstanding benchmark loans, which will fall due between 2012 and 2016. Benchmark bonds totalling a nominal amount of SEK 11.7 billion (25.8) were issued during the year. The outstanding volume of benchmark bonds at year-end totalled nominal amount of SEK 53.9 billion (53.7). Bonds issued under the MTCN programme totalled a nominal amount of SEK 4.8 billion (7.6) and outstanding volumes to a nominal amount of SEK 10.1 billion (13.8) on December 31, 2011. Bonds issued under the EMTCN programme totalled a nominal amount of SEK 10.3 billion (10.6) and outstanding volumes a

nominal amount of SEK 21.5 billion (11.5) on December 31, 2011.

Deposits

The share of deposits of the Bank Group's total financing was 31% on December 31, 2011. Länsförsäkringar is growing in the deposits market, mainly as a result of the bank's robust growth in volumes and customers, with deposits forming a component of the full-service offering. The trend also shows that deposits started to increase more than lending since the first quarter of 2011.

Liquidity

The liquidity portfolio totalled SEK 30.5 billion (21.9) on December 31, 2011. All liquidity is invested in Swedish securities with high credit quality. The liquidity reserve comprised a total of 64% of Swedish covered bonds with the highest credit rating AAA/Aaa and 36% securities with the Swedish government as the counterparty. The liquidity of the investments is high.

Strong rating

Länsförsäkringar Bank's credit rating is A/stable from Standard & Poor's and A2/negative from Moody's. The bank's rating for short-term borrowing is A-1 from Standard & Poor's and P-1 from Moody's. The Financial Strength Rating is C. Läns-

försäkringar Hypotek's covered bonds maintained the highest credit rating, Aaa/stable from Moody's and AAA/stable from Standard & Poor's. Länsförsäkringar Hypotek is one of four players in the Swedish market for covered bonds with the highest rating from both rating agencies.

Capital adequacy

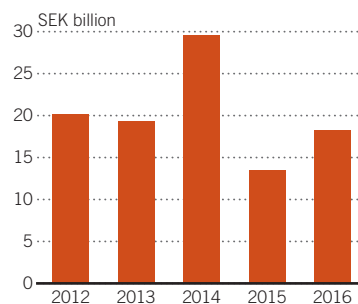
The Bank Group applies the Internal Ratings-based Approach (IRB Approach). The Advanced IRB Approach provides the greatest opportunities to strategically and operationally manage credit risks and is used for all retail exposures. The basic IRB Approach is used for agricultural exposures. The Standardised Approach is applied to other exposures to calculate the capital requirement for credit risk.

Risks and risk control

The banking operations 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 refinancing in the banking operations was highly successful throughout the entire year. On December 31, 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 33 M (52).



BORROWING BY MATURITY



In addition, SEK 0.3 billion is due for payment in 2018 and SEK 0.1 billion in 2020. The average remaining term was 2.3 years on December 31, 2011. All volumes are at nominal value.

Comments on the financial results, bank

Earnings and profitability

Operating profit rose 12% to SEK 385 M (345). Return on equity amounted to 4.8% (5.0).

Income

Operating income increased a total of 11% to SEK 1,520 M (1,368), which was primarily attributable to a stronger net interest income. Net interest income rose 27% to SEK 1,728 M (1,363). The increase in net interest income is due to higher business volumes and improved margins. The investment margin strengthened 1.07% (0.93). Net interest income was charged

with SEK 56 M (25) for fees to the stability fund. Commission income increased 3% to SEK 948 M (919) attributable to higher business volumes. Commission expense rose 27% to SEK 1,364 M (1,092). The largest share of commission expense comprises compensation to the regional insurance companies, which is primarily calculated on the basis of net interest income.

Expenses

Operating expenses rose 11% to SEK 1,086 M (982), attributable to a continued high pace of development in the business operations, with increased IT and staff costs. The

cost/income ratio before loan losses strengthened to 0.71 (0.72) and the cost/income ratio after loan losses amounted to 0.75 (0.75).

Loan losses

Loan losses, which primarily pertain to Wasa Kredit, remained low and amounted to SEK 48 M (42), net, corresponding to a loan loss of 0.04 (0.03). Reserves amounted to SEK 284 M (286) and the reserve ratio in relation to loans was 0.21% (0.24). Impaired loans increased to SEK 233 M (209) and the percentage of impaired loans remained unchanged at 0.17%.



INCOME STATEMENT SEK M

	2011	2010
Net interest income	1,728	1,363
Net commission expense	-416	-173
Other operating income	198	169
Total operating income	1,520	1,368
Staff costs	-351	-311
Other administration expenses	-652	-589
Depreciation/amortisation and impairment of property and equipment/intangible assets	-83	-82
Total operating expenses	-1,086	-982
Profit before loan losses	434	387
Loan losses, net	-48	-42
Operating profit	385	345
Tax	-88	-100
NET PROFIT FOR THE YEAR	298	245

BALANCE SHEET SEK M

	Dec. 31, 2011	Dec. 31, 2011
ASSETS		
Treasury bills and other eligible bills	8,342	4,170
Loans to credit institutions	1,706	1,530
Loans to the public	134,011	117,910
Bonds and other interest-bearing securities	20,628	21,203
Intangible assets	439	373
Property and equipment	10	13
Other assets	4,920	3,335
TOTAL ASSETS	170,056	148,534
EQUITY AND LIABILITIES		
Due to credit institutions	2,192	5,212
Deposits and borrowing from the public	49,610	41,590
Debt securities in issue	101,279	89,248
Subordinated liabilities	1,490	1,250
Other liabilities	9,152	5,705
Equity	6,332	5,529
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	170,056	148,534

Foundation laid for major focus on occupational pension market

Trends in the financial market led to a series of steps being taken to limit the negative consequences. For example, underwriting of new insurance policies under traditional management were discontinued and the subsidiary Länsförsäkringar Fondliv was sold to Länsförsäkringar AB in the autumn. The sale marked the start of an extensive campaign in the occupational pension market and focus on enhancing the unit-linked insurance offering.

Background

The financial markets experienced extensive turmoil in 2011 and interest rate falls in Sweden were extreme. Long-term market interest rates had declined to historically low levels at the end of 2011. The trend in interest rates affected the traditional life assurance industry as companies' technical liabilities were discounted by the market interest rate. Liabilities increase when the rate falls.

Trends in the financial market led to Länsförsäkringar Liv undertaking a series of steps to limit the negative consequences caused by these trends. Länsförsäkringar followed a predetermined action plan for such situations, which involved successive sales of the liquid portions of the company's equity portfolio and increases to the duration of assets by purchasing long-term obligations and through derivative contracts. Another step in reducing the effects of the financial crisis was the discontinuation of underwriting new insurance policies under traditional management on September 6, 2011. The subsidiary Länsförsäkringar Fondliv was also sold to Länsförsäkringar AB on October 31, 2011.

Both the sale of Fondliv and the stop on underwriting new insurance policies are elements of Länsförsäkringar's long-term strategy to create reliable and high savings for customers in the long term. Turbulence in the financial market, featuring historically low interest rates, accelerated the implementation of the strategy. The long-term conditions have changed and traditional guarantee products with high guarantee commitments are simply not suited to

extended periods of very low market interest rates.

The systematic activities to govern, manage and control the business operations' risks were of immediate importance to the company and its customers. All measures generated the expected and positive effects on earnings and key figures.

Market

Unit-linked insurance in Länsförsäkringar's key occupational pension market continued to attract customers. The wide range of funds and option of individually customised fund portfolios created excellent conditions for increasing the value of pension capital. The range of funds and freedom of choice means that many customers ask for advisory services during the various stages of the savings process. Such demands were particularly prevalent in the turbulent year of 2011 when many customers were concerned about stock-market downturns. Unfortunately, the narrow focus on price in the large, collectively agreed occupational pension procurements in recent years hindered opportunities to provide advisory services to broad customer segments. The assertion that lowest price is not the same as best return was supported by Länsförsäkringar's analysis of the funds in the ITP plan. The survey also revealed that the ITP plan funds generally yielded lower returns than the industry average for similar funds.

Länsförsäkringar's total market share for unit-linked insurance, measured in sales value, amounted to 11.0% (9.1) in 2011. The share of the strategically important

sub-market of non-collectively agreed occupational pensions was 18.7% (23.6).

The success in the unit-linked insurance market was largely attributable to Länsförsäkringar's systematic focus on distribution via independent insurance brokers. Länsförsäkringar being named Best Broker Desk for the fifth consecutive year by the Swedish Insurance Brokers' Association is confirmation that this focus has generated lasting effects and that Länsförsäkringar offer high quality unit-linked insurance products. Länsförsäkringar continued to have the most satisfied customers in the occupational-pension sector for corporate customers, according to the Swedish Quality Index. Länsförsäkringar came first in the survey and was the only company with a customer satisfaction index of more than 70.

Business volumes

No new insurance policies under traditional management were underwritten from September 6. The main exceptions are for collective agreement pensions, for which Länsförsäkringar Liv has entered into agreements with pension selection centres. Essentially only new collective agreement policies under traditional management are now underwritten. Total sales amounted to SEK 17,567 M (20,237), which is 15% lower than in the preceding year. The market share, measured in new sales, of the total life-assurance sales market amounted to 10.5% (7.5) on December 31, 2011, according to statistics from the Swedish Insurance Federation.

Total premium income for traditional insurance and unit-linked insurance

amounted to SEK 13,048 M (12,893). Occupational-pension plans accounted for most of the positive performance compared with 2010, up 6%. The occupational pension product area represented 67% of total premiums paid, while collective agreement pension represented 13% and Reflex Kapital 8% of total premiums paid. 50% of premium income derived from unit-linked insurance and 50% from traditional insurance.

Major focus on becoming best pension partner for companies

The Länsförsäkringar Alliance is implementing an extensive campaign in the occupational pension market in conjunction with Länsförsäkringar AB's acquisition of Länsförsäkringar Fondliv from Länsförsäkringar Liv. To meet companies' needs, resources are being strengthened for an improved fund range and for products and business development. Advisory services are being developed so that they will be provided throughout customers' savings periods and continuously during the payment period. A heightened focus on the broker market is another part of this venture.

The very core of the pension systems has changed in the past 20 years. The responsibility for pension has successively been transferred from the state and the employer to the individual. The amount of a future pension depends on how successful an individual is at managing pension savings. More and more people perceive saving to be a complete task that is difficult to fully understand. Traditional guarantee products will gradually decline since developments in the financial markets have made them excessively risky and expensive. Solutions based on promises about the amount of pension have, in many areas, instead been replaced by solutions are based on saving a certain premium each year. Meanwhile, pension savings have become more important than ever before since the gap between salary and national pension has increased over time and will be too large for a rising number of Swedes. Pension savings are particularly important to small businesses that do not have collective agreement pensions that workplaces with such agreements receive through their employment.

The basis of the focus is that there is a highly elevated need to improve pensions in different ways. It is essential to start sav-

ing in good time and at a sufficiently large amount. It is also important to manage pension savings optimally to generate as high a pension as possible for every coin saved. Länsförsäkringar will assist customers by providing customised advisory services throughout the process, for better savings.

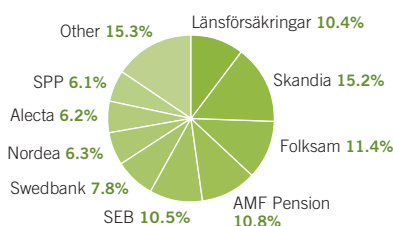
Brokered business

More than 40% of Länsförsäkringar's total life-assurance business is brokered and an increasing number of companies are choosing to be represented by an insurance broker. The focus on the occupational pension market has accelerated the process and product development and the changes and measures that are now being taken. Länsförsäkringar Mäklarservice enables Länsförsäkringar to reach customers who choose to be represented by insurance brokers. Mäklarservice brokered a life-assurance and pension portfolio of a sales value of up to SEK 9,451 M (12,785) at year-end 2011 on behalf of the regional insurance companies.

Management forms

In 2011, Länsförsäkringar offered its customers four different management forms for pension and endowment insurance. Länsförsäkringar Fondliv offered unit-linked insurance and the Länsförsäkringar Liv Group offers Traditional Management, New World and Insured Pension. Underwriting of new insurance policies under traditional management was discontinued in September. Additional changes to Länsförsäkringar's offering to customers are planned for 2012, with a new management form including a guarantee element scheduled for launch in the first quarter of 2012.

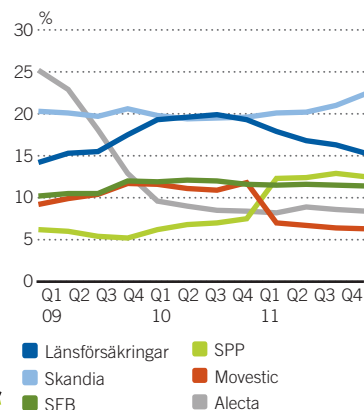
MARKET SHARE OF NEW SALES



Länsförsäkringar's total market share in life assurance, measured in new sales, rose to 10.4% (7.5).

OCCUPATIONAL PENSION MARKET

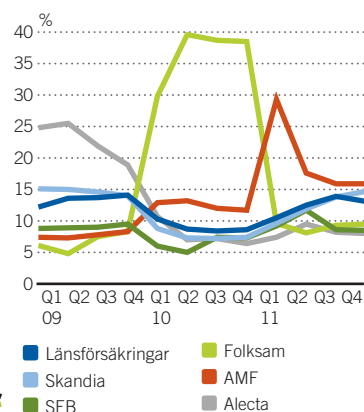
Market share of new sales, excluding collective agreements



Länsförsäkringar is the second largest company in the occupational pension sub-market, excluding collective agreement pensions, after Skandia.

OCCUPATIONAL PENSION MARKET

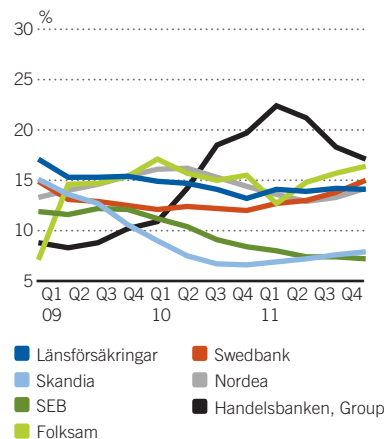
Total market share of new sales



In the total occupational pension market, Länsförsäkringar is the third largest company after AMF and Skandia.

PRIVATE PENSION MARKET

Market share of new sales



Länsförsäkringar is Sweden's fourth largest life-assurance company in the private pension sub-market with a market share of 14.1% (13.2).

Major focus on unit-linked insurance

Unit-linked insurance continues to attract customers. Länsförsäkringar's total market share for unit-linked insurance, measured in sales value, amounted to 11.0% (9.1) in 2011. The share of the strategically important sub-market of non-collectively agreed occupational pensions was 18.7% (23.6). The success in the unit-linked insurance market was largely attributable to Länsförsäkringar's systematic focus on distribution via independent insurance brokers. Länsförsäkringar was named Best Broker Desk by the Swedish Insurance Brokers' Association for the fifth consecutive year.

Earnings and profitability

Profit for Länsförsäkringar Fondliv amounted to SEK 297 M (132). The improvement in earnings was largely due to higher managed assets for much of the year compared with the year-earlier period, as well as a tax asset due to a changed tax assessment of the deficit in the company. Higher managed assets also led to increased portfolio compensation and portfolio com-

mission. Managed assets declined during the second half of the year driven by falling share prices and totalled SEK 52 billion (54) on December 31. In June, the Supreme Administrative Court announced that it changed the advance ruling from the Swedish Board of Advance Tax Rulings, and stated that the company was not to recognise income in the form of portfolio provisions for taxation in accordance with the Swedish Income Tax Act.

Unit-linked insurance

Länsförsäkringar's fund offering comprises 30 funds under Länsförsäkringar's own brand and about 40 external funds, totalling approximately 70 funds. Funds under the own brand are found in Länsförsäkringar's own mutual fund company and are administered by carefully selected external managers. The external funds provide additional breadth and variety in the offering and were chosen because they posted favourable results compared with other similar funds in the market. Systematic

reviews are continuously performed over time to ensure that the funds and managers continue to perform well. Those that fail to meet requirements, for whatever reason, are replaced. At the end of 2011, Länsförsäkringar Fondliv decided to accept three new funds with active management in Länsförsäkringar's fund market for pension savings.

Fund trends

The widespread market turmoil that characterised 2011, particularly in the late summer, led to a general decline in the stock markets and market interest rates during the year. Concern regarding the debt crisis in several EMU countries contributed to a poorer future growth outlook. As a result, the willingness of investors to take risks declined sharply and there was a move away from risky classes of assets, such as equities, to safer assets such as securities. Such a market climate meant that long-term fixed-income funds were the winners in the fund range in 2011. Länsförsäkringar Stats-

2011 IN BRIEF – UNIT-LINKED INSURANCE

LÄNSFÖRSÄKRINGAR FOND LIV MANAGES

SEK
52
BILLION

Länsförsäkringar Fondliv manages SEK 52 billion on behalf of its life-assurance and pension insurance customers. Managed assets declined 3% during the year, due to negative returns for the year as a result of turmoil in the financial market.



SEK **297** M

Profit for Länsförsäkringar Fondliv amounted to SEK 297 M (132). The earnings improvement was largely due to managed assets being high many times during the year than at comparable period in the preceding year.

NO. 3

Sales totalled SEK 9.0 billion, giving Länsförsäkringar Fondliv a third place, according to statistics from Insurance Sweden.

WHOLLY OWNED SUBSIDIARY

Länsförsäkringar Fondliv became a wholly owned, profit-distributing subsidiary of Länsförsäkringar AB on October 31, 2011 and is therefore consolidated in the Länsförsäkringar AB Group.



obligationsfond (government bond fund) and Länsförsäkringar Obligationsfond (bond fund) rose 7.7% and 7.6%, respectively. A stand out external fund in the range was DNB Realräntefond which increased slightly more than 11%. An equities market that had a positive performance despite the general turmoil was the US market, with Länsförsäkringar Nordamerikafond (North America fund) and the USA Indexfond increasing 3.7% and 3.3%, respectively, during the year. Stronger economic statistics and lower expectations supported the US stock market. High-risk funds investing in emerging markets as well as Sweden

funds and Europe funds experienced a difficult 2011 with negative performance due to the low level of risk willingness.

At the end of 2011, Länsförsäkringar Fondliv decided to accept three new funds with active management in Länsförsäkringar's fund market for pension savings.

Risks and risk management

Länsförsäkringar Fondliv conducts unit-linked insurance activities which involve customers selecting the investment orientations and risk levels themselves. Customer savings are invested in one or more funds chosen by the customers themselves, mean-

ing that the customers assume the risks associated with their choice of investment. The company is responsible for other risks in the operations and the management of these risks helps in providing financial products with high returns and at a controlled level of risk.

Länsförsäkringar Fondliv's most important objective is to ensure that the company offers funds that deliver as high returns as possible. The risks in the operations are to be managed contentiously. Risk management is an integrated part of the corporate governance.

Caution and measures safeguard savers' investments

Earnings and profitability

Loss after tax in traditional life assurance in 2011 amounted to SEK 13,063 M (profit: 3,716). The negative outcome was due to sharp falls in long-term interest rates. Interest-rate changes again impacted earnings with the technical liabilities in traditional management being discounted by the market interest rate. Long-term market interest rates fell significantly in mainly the third quarter, thus increasing liabilities and weakening earnings. However, investment income and risk and administration gains contributed positively to earnings. The total return amounted to 6.5% (4.1). Returns were positively impacted by a high percent-

age of fixed-income investments with long maturities. Such investments were positively affected by declining market interest rates. Meanwhile, the percentage of equities in the portfolio was low and, consequently, the downturns in global stock markets in 2011 did not have such an extensive impact on returns. Equities exposure private equity had made a positive contribution to the total return, despite other market trends.

Key figures – traditional life assurance

The solvency ratio was 111% (141). The solvency rate amounted to 2.4 (9.3). Solvency in 2011 was negatively impacted by the sharp increase in liabilities to policy-

holders as a result of falling long-term market interest rates. The solvency ratio shows the value of the company's assets in relation to the guaranteed commitments to customers. The measure is theoretical since it reflects a situation if the entire capital assured were to be paid on a single day. Collective consolidation amounted to 109% (107) on December 31, 2011. Collective consolidation is a measurement of a life-assurance company's ability to distribute a bonus. Collective consolidation describes the market value of the company's assets in relation to the guaranteed commitments and the preliminary bonus allocation.



The debt coverage ratio for private pensions amounted to 107% (122) and for occupational pensions to 107% (122).

Traditional management

Investments are normally made in interest-bearing securities, equities, properties and alternative investments. On December 31, 2011, asset allocation in Länsförsäkringar's traditionally managed portfolio was as follows: 9% invested in equities, 81% in interest-bearing securities, 6% in property and 4% in alternative investments. The return for the different asset classes in 2011 was as follows: equities negative 7.6% (pos: 8.9), interest-bearing securities 11.2% (4.2), properties 5.7% (4.5) and alternative investments 0.5% (8.1). At year-end 2011, investment assets in traditional management mainly comprised long-term interest-bearing assets. Insurance capital on traditional management is to grow, as a minimum, in line with guaranteed interest in the long term. In addition, customers will receive bonuses if the total return is favourable over time.

There is a long-term connection between favourable total returns and the ability to offer customers a high bonus rate. The average

Falling interest rates

Loss for Länsförsäkringar Liv amounted to SEK 13,063 M (profit: 3,716). The negative earnings were due to falling interest rates that increased liabilities to the policyholders.



STOP ON UNDERWRITING NEW POLICIES

Key figures have, at times, been strained. A number of robust measures were taken to improve key figures. Underwriting new insurance policies under traditional management was discontinued in September and the subsidiary Länsförsäkringar Fondliv was sold to Länsförsäkringar AB on October 31.

TOTAL RETURN 6.5%

The total return for Länsförsäkringar Liv amounted to 6.5% (4.1) for the year, which is a favourable result compared with competitors.

LÄNSFÖRSÄKRINGAR MANAGES

SEK 122 billion

Länsförsäkringar manages SEK 122 billion on behalf of its life-assurance and pension insurance customers with traditional management: SEK 109 billion on behalf of customers with traditional management and SEK 13 billion on behalf of customers with New World management.



SOLVENCY RATIO, 111%

Key solvency figures were also adversely affected by interest-rate trends in 2011. The solvency ratio amounted to 111% (141) and collective consolidation to 109% (107).

COLLECTIVE CONSOLIDATION, 109%

bonus rate since Länsförsäkringar's traditional life-assurance operations were started in 1985 is 8.6%. In 2011, the average bonus rate was 4%. On November 1 the rate was lowered to 0%.

New World management

The New World management form is unique to Länsförsäkringar and is suitable for customers wishing to combine security with opportunities for high returns in the equities market.

One portion of returns is guaranteed and another portion depends on the trends in the

equities and fixed-income market. After five years, or death, there is always the guarantee that the saver will recover the money they invested, with a deduction for calculated expenses and tax. New World is usually structured as follows: 70% equities and 30% interest-bearing securities. The relatively large share of equities increases opportunities for high returns in the long term. New World shareholdings are spread throughout the world to have as little dependence on individual markets as possible. The total return for New World amounted to negative 3.8% (pos: 8.9).

Risks and risk management

It is essential to ensure that Länsförsäkringar can meet its guaranteed commitments to customers with a satisfactory margin. Accordingly, the most critical risks are those that may contribute to the company's insolvency and the company not being able to meet the commitments to its policyholders. Risk management is an integrated part of the governance of the operations, and aims at maintaining a satisfactory balance between the conditions for generating returns and the level of risk.

INVESTMENT ASSETS

	Market value Jan. 1, 2011, SEK M	Percentage of portfolio, %	Market value Dec. 31, 2011, SEK M	Percentage of portfolio, %	Total return, %
Interest-bearing	49,301	47.1	87,681	80.7	11.2
Equities	34,796	33.2	10,468	9.6	-7.6
Alternative investments	7,745	7.4	4,004	3.7	0.5
Property	6,262	6.0	6,496	6.0	5.7
Unit-linked life assurance	6,652	6.4	0	0.0	-23.8
Total	104,756	100	108,649	100	6.5

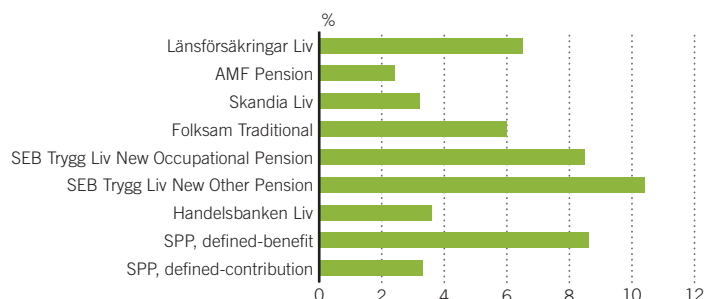
¹⁾ Contribution to total return.

TOTAL RETURN AND BONUSES



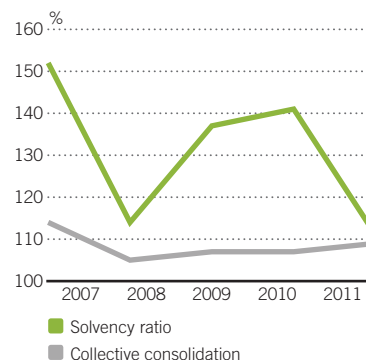
The total return in traditional management varies over the years. A high average return allows for a high bonus rate. The average bonus rate has been 8.6% since 1985.

TOTAL RETURN ON INVESTMENT ASSETS



Länsförsäkringar Liv's total return of 6.5% benefited from the cautious investment strategy with a high percentage of interest-bearing investments with long terms and a low percentage of equities.

SOLVENCY RATIO AND COLLECTIVE CONSOLIDATION IN TRADITIONAL LIFE ASSURANCE



The solvency ratio is affected by sharp falls in market interest rates. However, collective consolidation is not impacted by interest-rate changes. Maintaining collective consolidation requires a balance between investment income and the bonus rate.

Risk control – the target for modern management model

Länsförsäkringar Liv is the largest management assignments for Länsförsäkringar AB's Asset Management unit with SEK 122 billion in investment assets. The return for Länsförsäkringar Liv in 2011 was 6.5%, a result that compares favourably with other traditional life-assurance companies.

This result was attributable to favourable fixed-income returns in terms of both strategies to hedge interest and investments in loans. The holdings in unlisted shares and property also made a positive contribution to returns. Holdings in listed shares made a negative contribution to returns during the first six months of the year, and this risk was subsequently reduced by not having listed shares. The aim of management is to

generate high returns on policyholders' money based on an acceptable risk level. Accordingly, Länsförsäkringar works continuously on developing its model to ensure that efficient management. This applies to the choice of investment assets and the methodology and approach applied. The portfolio structure for market exposure focuses on dynamically selecting the asset allocation desired in the portfolios according to risk-assumption capacity. The principle of a long-term approach to the life-assurance company's management is supplemented with a high level of market-risk control applicable to the entire balance sheet. Safeguarding current key figures must be continuously balanced against

ensuring the long-term perspective of management. This has, in the short term, impacted the ability to invest in assets that are not tradeable in the short term, known as alternative investments. During the year, the investment operations had to adjust the risk level to the conditions of the balance sheet. The derivative strategies are a way of protecting certain key figures. Derivative solutions are also actively utilised to hedge the portfolios against different types of risks, such as the risk of unfavourable interest-rate changes. Such hedging is a common element in the management of traditional life assurance and is undertaken to render the balance sheet less susceptible to rising liabilities due to falling interest rates.



Comments on the financial results, Länsförsäkringar Fondliv



Net profit for the year for Länsförsäkringar Fondliv amounted to SEK 297 M (132). This improvement in earnings was largely attributable to managed assets for much of the year being higher than at comparable points in time in the preceding year, and the nonrecurring effect of the dissolution of previously reserved tax. Higher managed assets led to increased capital fees and portfolio commission from fund managers. Managed assets declined during the second half of the year driven by falling share prices and totalled SEK 52,165 M on December 31.

Premium income amounted to SEK 20 M (22). Fees from financial agreements amounted to SEK 397 M (380). Portfolio commission amounted to SEK 385 M (360). The increase was due to the higher fund values during the year.

Claims payments paid amounted to SEK 10 M (6). Operating expenses totalled SEK 602 M (592). Expenses for efficiency projects that will lead to lower costs in the future and adjustments to forthcoming regulations, Solvency II, had an adverse impact on earnings.

LÄNSFÖRSÄKRINGAR FOND LIV

INCOME STATEMENT

SEK M	2011	2010
Premium income after ceded reinsurance	18	20
Fees from financial agreements	397	380
Investment income, net	-6,148	3,789
Claims payments	-10	-6
Change in technical reserves	6,383	-3,565
Operating expenses	-602	-592
Other technical revenue and expenses	381	354
Technical result for insurance operations	419	383
Non-technical expenses	-8	-5
Profit before tax	411	377
Tax	-114	-245
PROFIT FOR THE PERIOD	297	132

BALANCE SHEET

SEK M	Dec. 31, 2011	Dec. 31, 2010
ASSETS		
Other financial investment assets	52	47
Investment assets for which the policyholder bears the investment risk	52,165	54,032
Reinsurers' portion of technical reserves	4	7
Receivables	833	897
Other assets	107	112
Prepaid expenses and accrued income	929	899
TOTAL ASSETS	54,090	55,995
EQUITY, PROVISIONS AND LIABILITIES		
Total equity	1,420	1,123
Technical reserves	57	64
Unit-linked insurance liabilities – policyholder bears the risk	52,168	54,034
Provision for tax	29	119
Deposits from reinsurers	4	7
Liabilities	410	648
Accrued expenses and deferred income	2	–
TOTAL EQUITY, PROVISIONS AND LIABILITIES	54,090	55,995

Comments on the financial results, Länsförsäkringar Liv

The total premium income in Länsförsäkringar Liv (Group) amounted to SEK 6,514 M (6,700), down 3%. This decrease was largely due to lower premium income from the savings market. Claims payments paid amounted to SEK 5,432 M (4,354). Net investment income totalled SEK 4,530 M (7,654). Investment income benefited from a high percentage of interest-bearing investments with long terms, which increased in value given that market interest rates fell, mainly in the third quarter. The loss for 2011 Länsförsäkringar Liv

amounted to SEK 13,063 M (profit: 3,716). This negative result was attributable to declining long-term interest rates which in turn increased the need for technical reserves. Given that liabilities to the policyholders are discounted by the market interest rate, a lower interest rate means that liabilities increase.

Investment assets according to the balance sheet rose to SEK 117,758 M (105,872) during the year. At year-end 2011, investment assets in traditional management mainly comprised long-term inter-

est-bearing assets. Investment assets for which policyholders bears the risk pertain to unit-linked insurance and thus were not included in Länsförsäkringar Liv on December 31, 2011. Life-assurance reserves rose SEK 23 billion to SEK 106,913 M (84,109). The valuations of liabilities in traditional management increase with lower market interest rates.

On December 31, 2011, Länsförsäkringar Liv's solvency ratio was 111% (141) and collective consolidation 109% (107).



LÄNSFÖRSÄKRINGAR LIV, GROUP

Key figures, SEK M	2011	2010
Premium income as defined by the Swedish Insurance Federation R12	13,048	12,893
Total assets	175,939	174,429

INCOME STATEMENT SEK M

	2011	2010
Premium income after ceded reinsurance	6,514	6,700
Investment income, net	4,530	7,654
Claims payments	-5,432	-4,354
Other technical revenue and expenses	322	353
Change in technical reserves	-16,698	-4,333
Operating expenses	-1,462	-1,350
Technical result for insurance operations	-12,226	4,670
Non-technical expenses	-731	-750
Profit/loss before tax	-12,957	3,920
Tax	-106	-204
PROFIT/LOSS FOR THE PERIOD	-13,063	3,716

BALANCE SHEET

SEK M	Dec. 31, 2011	Dec. 31, 2010
ASSETS		
Intangible assets	12	1,186
Investment assets	117,758	105,872
Investment assets for which the policyholder bears the investment risk	164	54,206
Reinsurers' portion of technical reserves	597	663
Receivables	1,502	3,008
Other assets	7,279	7,336
Prepaid expenses and accrued income	1,691	2,158
TOTAL ASSETS	129,003	174,429
EQUITY, PROVISIONS AND LIABILITIES		
Share capital	8	8
Funds plus net profit for the period	10,843	29,597
Technical reserves	106,913	84,109
Provisions for life assurance for which the policyholder bears the investment risk	4,003	54,208
Provisions for other risks and expenses	178	380
Deposits from reinsurers	597	663
Liabilities	5,745	4,927
Accrued expenses and deferred income	716	537
TOTAL EQUITY, PROVISIONS AND LIABILITIES	129,003	174,429

Total offering generates strong growth

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

Länsförsäkringar Fastighetsförmedling has 143 branches throughout Sweden, of which 13 were opened in 2011. Strong growth has advanced Länsförsäkringar Fastighetsförmedling to the position of third largest brokerage in Sweden.

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

The operations are conducted in franchise form, whereby the regional insurance company acts as the franchiser for the local branch. This also means that Länsförsäkringar Fastighetsförmedling differs from

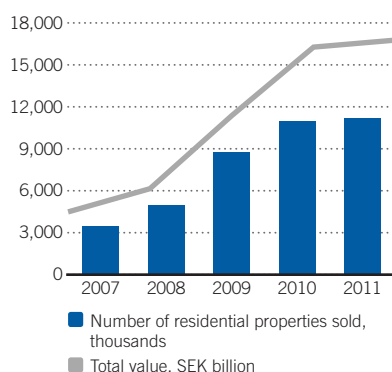
national estate-agent chains by always being locally based.

During the period, 4,345 private residences, 6,120 tenant-owned apartments and 754 leisure homes were sold. The value of the sales amounted to SEK 16.5 billion. The market share is 8.3%.

During the period, sales of single-family homes and leisure homes resulted in SEK 1.6 billion in first-lien mortgages in Länsförsäkringar's mortgage institution, distributed between 1,058 transactions. A total of 93% of customers who have Länsförsäkringar as their primary bank also have insurance and/or a pension savings with Länsförsäkringar.

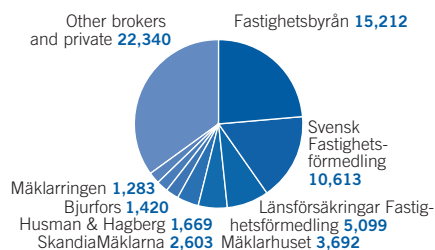


RESIDENTIAL PROPERTIES SOLD,
LÄNSFÖRSÄKRINGAR FASTIGHETSFÖRMEDLING



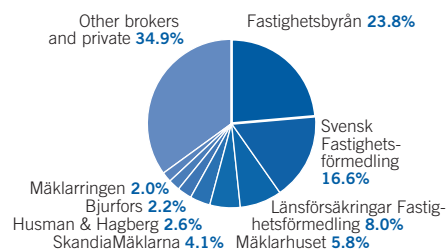
The rate of growth in the past four years has been substantial – from 4,000 units sold in 2007 to slightly more than 11,000 in 2011.

NUMBER OF RESIDENTIAL PROPERTIES
SOLD 2011



The diagram shows the number of single-family homes and leisure homes that each brokerage has sold according to statistics from the registration authority, meaning land registration certificates.

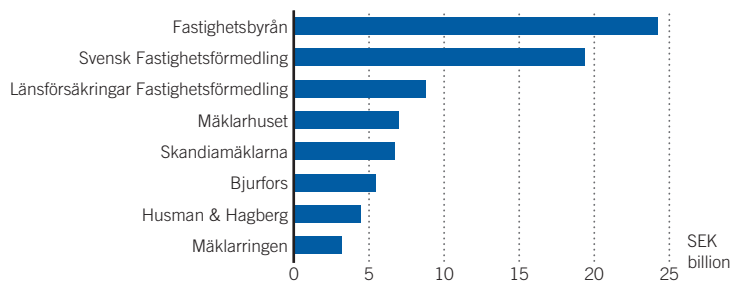
MARKET SHARES 2011



Länsförsäkringar Fastighetsförmedling is the third largest brokerage group in Sweden, measured in number of single-family homes and leisure homes sold. Tenant-owned apartments are not included in industry statistics.



VALUE OF SALES OF SINGLE-FAMILY HOMES AND LEISURE HOMES 2011



The sales value of single-family homes and leisure homes for Länsförsäkringar Fastighetsförmedling amounted to SEK 8.2 billion. Tenant-owned apartments are not included in the diagram and including them the total value of sales was SEK 16 billion.





Länsförsäkringar Alliance in figures

The combined earnings of the Länsförsäkringar's non-life insurance operations are presented on the following pages. This will be followed by the key figures from each of the 23 regional insurance companies.

Contents

Länsförsäkringar Alliance, non-life insurance 2011	48
Länsförsäkringar Norrbotten	50
Länsförsäkringar Västerbotten	50
Länsförsäkringar Jämtland	50
Länsförsäkringar Västernorrland	51
Länsförsäkringar Gävleborg	51
Dalarnas Försäkringsbolag	51
Länsförsäkringar Värmland	52
Länsförsäkringar Uppsala	52
Länsförsäkringar Bergslagen	52
Länsförsäkringar Stockholm	53
Länsförsäkringar Södermanland	53
Länsförsäkringar Göteborg och Bohuslän	53
Länsförsäkringar Skaraborg	54
Länsförsäkringar Östgöta	54
Länsförsäkringar Älvsborg	54
Länsförsäkringar Gotland	55
Länsförsäkringar Jönköping	55
Länsförsäkringar Halland	55
Länsförsäkring Kronoberg	56
Länsförsäkringar Kalmar län	56
Länsförsäkringar Blekinge	56
Länsförsäkringar Göinge-Kristianstad	57
Länsförsäkringar Skåne	57

Länsförsäkringar Alliance 2011

NON-LIFE INSURANCE, SEK M Result after ceded reinsurance 2011	<i>Norrbotten</i>	<i>Västerbotten</i>	<i>Jämtland</i>	<i>Västernorrland</i>	<i>Gävleborg</i>	<i>Dalarna</i>	<i>Värmland</i>	<i>Uppsala</i>	<i>Bergslagen</i>	<i>Stockholm</i>	<i>Södermanland</i>
Premiums earned	277	530	373	366	408	975	415	582	788	1,532	436
Investment income transferred from financial operations	28	34	11	22	16	43	16	30	25	71	16
Claims payments	-243	-416	-315	-326	-301	-715	-291	-513	-659	-1,188	-373
Operating expenses	-85	-96	-83	-76	-97	-154	-81	-129	-152	-391	-95
Other income/expenses	-	-	-	-	-	-	3	-	-	-	-
Technical result from non-life insurance operations before bonuses and discounts	-23	52	-14	-14	25	149	63	-29	1	23	-16
Bonuses and discounts	-	-38	-30	-	-	-266	-	-1	-	-	2
Technical result, non-life insurance operations	-23	14	-44	-14	25	-117	63	-31	1	23	-14
Total investment income	-65	-129	-45	11	-31	-30	26	0	-60	-61	-40
Investment income transferred to insurance operations	-28	-34	-11	-22	-16	-43	-19	-30	-25	-71	-16
Other income/expenses	-12	-4	-2	-14	-8	4	-7	-6	-4	-87	-10
Operating profit/loss	-128	-153	-103	-39	-30	-185	63	-66	-89	-195	-80

Balance sheet, Dec. 31, 2011

ASSETS

Investment assets

Shares in Länsförsäkringar AB	183	491	328	416	467	872	298	636	736	1,227	486
Other shares and participations	223	951	490	242	28	1,723	213	456	1,307	843	879
Bonds and other interest-bearing securities	245	739	453	443	688	1,402	507	769	537	1,653	475
Other investment assets	1	174	98	19	5	124	221	18	572	1	10
Total investment assets	653	2,355	1,370	1,120	1,188	4,121	1,239	1,879	3,152	3,724	1,850
Reinsurers' portion of technical reserves	157	196	168	255	105	337	142	255	140	216	178
Receivables and other assets	116	223	176	163	196	458	151	290	276	523	154
Cash and bank balances	117	144	65	34	56	227	363	47	104	1	34
Prepaid expenses and accrued income	10	38	28	18	11	33	17	23	25	38	13
Total assets	1,053	2,956	1,807	1,590	1,556	5,177	1,913	2,494	3,697	4,502	2,229

EQUITY, PROVISIONS AND LIABILITIES

Equity	277	1,027	787	512	307	2,253	740	850	1,595	253	923
Untaxed reserves	-	610	-	-	358	-	-	-	-	1,196	-
Technical reserves (before ceded reinsurance)	619	1,081	767	901	752	2,266	800	1,238	1,355	2,548	977
Other provisions and liabilities	106	160	216	158	130	541	306	321	419	305	315
Accrued expenses and deferred income	50	79	38	20	9	117	68	85	327	199	15
Total equity, provisions and liabilities	1,053	2,956	1,807	1,590	1,556	5,177	1,913	2,494	3,697	4,502	2,229
Solvency capital	355	1,692	949	582	709	2,668	940	1,059	2,004	1,616	1,143
Solvency margin, %	126	310	247	156	170	271	218	176	244	104	257

The Länsförsäkringar Alliance is neither a legal entity nor, in the legal sense of the term, a Group; it is an alliance between 23 independent regional insurance companies that jointly own Länsförsäkringar AB. The Länsförsäkringar Alliance's earnings from non-life insurance consist of the total of the earnings of the 23 regional insurance companies and of the jointly owned Länsförsäkringar AB Group, excluding the Life Assurance Group and the Bank Group.

To achieve the correct total values for Länsförsäkringar, the balance between the Länsförsäkringar AB Group and the regional insurance companies has been eliminated. The value and changes in the value of the Länsförsäkringar AB share, as well as subordinated loans and the Länsförsäkringar AB Group's liabilities to and receivables from the regional insurance companies have been eliminated.

Göteborg och Bohuslän	Skaraborg	Östergöt	Älvsborg	Götaland	Jönköping	Halland	Kronoberg	Kalmar	Blekinge	Göinge-Kristianstad	Skåne	Länsförsäkringar AB Group excluding Bank and Fondliv	Länsförsäkringar Alliance non-life insurance	Länsförsäkringar Alliance
1,100	527	1,037	849	167	760	497	337	606	241	386	1,563	14,003	18,756	18,756
43	20	16	48	7	16	24	10	21	10	11	64	197	801	801
-866	-353	-779	-618	-122	-569	-443	-267	-445	-193	-292	-1,306	-3,116	-14,711	-14,711
-264	-100	-217	-184	-35	-126	-99	-72	-111	-52	-85	-263	-1,040	-4,088	-4,088
-	-	-	-	-	-	-	-	-	-	-19	-	114	98	98
13	94	56	96	17	80	-20	8	71	7	1	57	159	856	856
-	-	-	-31	-	-13	-24	-2	-48	-	-	-	-	-449	-449
13	94	56	65	17	67	-43	6	24	7	1	57	159	407	407
-134	-71	-74	-33	-16	-63	-64	1	-112	-8	-14	-251	161	-1,373	-1,373
-43	-20	-16	-48	-7	-16	-24	-10	-21	-10	-11	-64	-305	-909	-909
-25	-1	17	-32	8	-27	3	1	-6	-5	-6	-20	-154	-399	21
-189	2	131	-48	1	-38	-129	-2	-116	-17	-30	-278	-140	-2,273	-1,853
843	405	986	870	115	711	478	306	450	181	475	1,277	-	-	-
1,799	258	1,711	1,768	308	992	654	417	891	250	521	1,950	12,664	31,537	20,347
1,154	472	1,195	879	153	252	590	415	383	491	608	1,347	11,368	27,105	47,767
54	139	817	48	39	485	369	120	388	47	215	255	2,571	6,790	8,357
3,849	1,274	4,709	3,564	615	2,439	2,091	1,257	2,113	969	1,819	4,828	26,603	65,432	76,472
239	163	303	245	101	253	230	132	177	91	239	542	6,381	6,380	6,384
398	184	423	436	66	244	181	124	236	84	148	522	31	5,599	208,861
110	90	61	112	193	683	49	42	127	47	37	449	3,121	6,314	6,387
38	17	44	6	16	13	37	8	20	3	16	61	235	770	4,009
4,634	1,728	5,540	4,364	991	3,632	2,588	1,564	2,673	1,194	2,260	6,402	36,371	84,494	302,111
1,808	476	2,463	2,091	479	1,440	1,083	627	1,193	527	1,002	2,200	12,740	26,011	26,474
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2,093	981	1,941	1,700	391	1,568	1,097	701	1,066	497	892	3,109	20,312	44,784	97,009
674	179	1,102	452	117	558	306	223	402	134	351	1,035	2,655	11,423	172,559
59	92	35	121	4	66	103	7	12	36	14	58	664	2,277	6,070
4,634	1,728	5,540	4,364	991	3,632	2,588	1,564	2,673	1,194	2,260	6,402	36,371	84,494	302,111
2,237	609	3,044	2,445	556	1,728	1,333	790	1,469	642	1,246	2,850	13,395	32,709	33,274
199	113	289	280	330	222	254	227	246	260	318	180	333	171	174

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



Länsförsäkringar Norrbotten

President Kjell Lindfors
Board Chairman Mats Fabricius

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-128	-30
Total assets, SEK M	1,053	1,125
Solvency margin, %	126	178
Number of employees	79	81

Bank

Deposits, SEK M	499	375
Loans, SEK M	270	229
Retail mortgages, SEK M	1,114	951
Fund volumes managed, SEK M	43	45
Number of customers	7,300	6,700

Life assurance

Premium income, SEK M	144	142
Total insurance capital, SEK M	1,932	1,947
Number of customers	19,900	19,400

Non-life insurance

Premiums earned, SEK M	277	272
Technical result for insurance operations, SEK M	-23	-28
Combined ratio after ceded reinsurance, %	118	122
Total return on asset management, %	-9	5
Number of customers	57,400	57,100



Länsförsäkringar Västerbotten

President Göran Spetz
Board Chairman Conny Sandström

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-115	237
Total assets, SEK M	2,956	3,035
Solvency margin, %	310	355
Number of employees	160	160

Bank

Deposits, SEK M	2,055	1,658
Loans, SEK M	1,098	881
Retail mortgages, SEK M	2,845	2,507
Fund volumes managed, SEK M	216	180
Number of customers	21,500	19,900

Life assurance

Premium income, SEK M	278	276
Total insurance capital, SEK M	3,758	3,766
Number of customers	36,100	35,300

Non-life insurance

Premiums earned, SEK M	530	519
Technical result for insurance operations, SEK M	52	80
Bonuses and discounts, SEK M	-38	-41
Combined ratio after ceded reinsurance, %	97	88
Total return on asset management, %	-5	10
Number of customers	105,400	100,300



Länsförsäkringar Jämtland

President Pia Sandvik Wiklund
Board Chairman Tomas Eriksson

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-73	86
Total assets, SEK M	1,807	1,894
Solvency margin, %	247	287
Number of employees	111	112

Bank

Deposits, SEK M	998	857
Loans, SEK M	924	795
Retail mortgages, SEK M	1,805	1,631
Fund volumes managed, SEK M	62	57
Number of customers	12,500	11,800

Life assurance

Premium income, SEK M	145	141
Total insurance capital, SEK M	1,975	1,984
Number of customers	20,300	19,800

Non-life insurance

Premiums earned, SEK M	373	371
Technical result for insurance operations, SEK M	-14	12
Combined ratio after ceded reinsurance, %	107	104
Total return on asset management, %	-3	8
Number of customers	54,300	54,300



Länsförsäkringar Västernorrland

President Leif Johanson
Board Chairman Stig Högberg

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-39	-41
Total assets, SEK M	1,590	1,575
Solvency margin, %	156	174
Number of employees	116	117

Bank

Deposits, SEK M	923	747
Loans, SEK M	419	382
Retail mortgages, SEK M	1,292	1,173
Fund volumes managed, SEK M	158	171
Number of customers	21,100	20,800

Life assurance

Premium income, SEK M	198	193
Total insurance capital, SEK M	3,301	3,357
Number of customers	28,300	28,000

Non-life insurance

Premiums earned, SEK M	366	356
Technical result for insurance operations, SEK M	-14	-72
Combined ratio after ceded reinsurance, %	110	124
Total return on asset management, %	1	5
Number of customers	69,800	70,600



Länsförsäkringar Gävleborg

President Tua Holgersson
Board Chairman Kjell Stafström

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-30	34
Total assets, SEK M	1,556	1,520
Solvency margin, %	170	182
Number of employees	171	175

Bank

Deposits, SEK M	1,379	1,165
Loans, SEK M	971	849
Retail mortgages, SEK M	3,310	2,933
Fund volumes managed, SEK M	92	103
Number of customers	19,100	17,500

Life assurance

Premium income, SEK M	212	216
Total insurance capital, SEK M	3,091	3,131
Number of customers	33,200	32,600

Non-life insurance

Premiums earned, SEK M	408	404
Technical result for insurance operations, SEK M	25	31
Combined ratio after ceded reinsurance, %	98	95
Total return on asset management, %	-3	3
Number of customers	82,900	84,000



Dalarnas Försäkringsbolag

President Anders Grånäs
Board Chairman Maria Engholm

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	81	310
Total assets, SEK M	5,177	5,109
Solvency margin, %	271	295
Number of employees	266	249

Bank

Deposits, SEK M	2,580	2,078
Loans, SEK M	1,369	1,226
Retail mortgages, SEK M	4,702	4,087
Fund volumes managed, SEK M	288	249
Number of customers	33,600	31,000

Life assurance

Premium income, SEK M	429	426
Total insurance capital, SEK M	5,676	5,696
Number of customers	52,100	50,800

Non-life insurance

Premiums earned, SEK M	975	969
Technical result for insurance operations, SEK M	149	92
Bonuses and discounts, SEK M	-266	-178
Combined ratio after ceded reinsurance, %	87	93
Total return on asset management, %	-1	6
Number of customers	141,600	139,200



Länsförsäkringar Värmland

President Ulf W Eriksson
Board Chairman Patrik Sandin

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	63	52
Total assets, SEK M	1,913	1,842
Solvency margin, %	218	220
Number of employees	104	106

Bank

Deposits, SEK M	756	648
Loans, SEK M	473	348
Retail mortgages, SEK M	1,226	1,150
Fund volumes managed, SEK M	61	56
Number of customers	9,300	8,700

Life assurance

Premium income, SEK M	168	168
Total insurance capital, SEK M	2,729	2,675
Number of customers	27,200	26,700

Non-life insurance

Premiums earned, SEK M	415	401
Technical result for insurance operations, SEK M	63	12
Combined ratio after ceded reinsurance, %	90	101
Total return on asset management, %	2	4
Number of customers	82,700	82,200



Länsförsäkringar Uppsala

President Ann-Christin Norrström
Board Chairman Björn Sundell

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-65	34
Total assets, SEK M	2,494	2,479
Solvency margin, %	176	196
Number of employees	190	198

Bank

Deposits, SEK M	2,189	1,789
Loans, SEK M	1,379	1,194
Retail mortgages, SEK M	4,736	4,217
Fund volumes managed, SEK M	193	202
Number of customers	25,600	24,000

Life assurance

Premium income, SEK M	419	402
Total insurance capital, SEK M	5,791	5,922
Number of customers	51,700	50,300

Non-life insurance

Premiums earned, SEK M	582	564
Technical result for insurance operations, SEK M	-29	-52
Bonuses and discounts, SEK M	-1	-
Combined ratio after ceded reinsurance, %	110	113
Total return on asset management, %	0	7
Number of customers	110,100	104,100



Länsförsäkringar Bergslagen

President Mikael Sundquist
Board Chairman Tommy Persson

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-89	294
Total assets, SEK M	3,697	3,711
Solvency margin, %	244	279
Number of employees	226	226

Bank

Deposits, SEK M	2,793	2,185
Loans, SEK M	3,088	2,624
Retail mortgages, SEK M	5,745	4,920
Fund volumes managed, SEK M	182	227
Number of customers	33,200	29,100

Life assurance

Premium income, SEK M	550	541
Total insurance capital, SEK M	7,248	7,294
Number of customers	62,500	60,500

Non-life insurance

Premiums earned, SEK M	788	749
Technical result for insurance operations, SEK M	1	-4
Bonuses and discounts, SEK M	-	-
Combined ratio after ceded reinsurance, %	103	103
Total return on asset management, %	-2	12
Number of customers	162,400	150,900



Länsförsäkringar Stockholm

President Hans Benndorf
Board Chairman Christer Villard

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-195	172
Total assets, SEK M	4,502	4,692
Solvency margin, %	104	124
Number of employees	430	440

Bank

Deposits, SEK M	5,466	4,896
Loans, SEK M	1,668	1,670
Retail mortgages, SEK M	13,302	12,842
Fund volumes managed, SEK M	556	641
Number of customers	76,400	73,400

Life assurance

Premium income, SEK M	3,200	3,156
Total insurance capital, SEK M	42,824	43,056
Number of customers	237,100	232,000

Non-life insurance

Premiums earned, SEK M	1,532	1,484
Technical result for insurance operations, SEK M	23	89
Combined ratio after ceded reinsurance, %	103	99
Total return on asset management, %	-1	7
Number of customers	318,700	315,700



Länsförsäkringar Södermanland

President Anna-Greta Lundh
Board Chairman Axel von Stockenström

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-82	155
Total assets, SEK M	2,229	2,281
Solvency margin, %	257	279
Number of employees	121	121

Bank

Deposits, SEK M	1,213	1,026
Loans, SEK M	604	568
Retail mortgages, SEK M	2,856	2,591
Fund volumes managed, SEK M	93	95
Number of customers	16,200	15,000

Life assurance

Premium income, SEK M	247	258
Total insurance capital, SEK M	3,424	3,458
Number of customers	32,800	32,100

Non-life insurance

Premiums earned, SEK M	436	442
Technical result for insurance operations, SEK M	-16	-26
Bonuses and discounts, SEK M	-2	-
Combined ratio after ceded reinsurance, %	107	108
Total return on asset management, %	-2	11
Number of customers	85,700	82,900



Länsförsäkringar Göteborg och Bohuslän

President Ingemar Larsson
Board Chairman Sune Nilsson

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-189	278
Total assets, SEK M	4,634	4,708
Solvency margin, %	199	227
Number of employees	286	289

Bank

Deposits, SEK M	2,815	2,242
Loans, SEK M	1,185	1,045
Retail mortgages, SEK M	5,945	5,259
Fund volumes managed, SEK M	228	222
Number of customers	39,200	36,200

Life assurance

Premium income, SEK M	1,256	1,265
Total insurance capital, SEK M	15,211	15,386
Number of customers	96,200	93,900

Non-life insurance

Premiums earned, SEK M	1,100	1,069
Technical result for insurance operations, SEK M	13	25
Combined ratio after ceded reinsurance, %	103	102
Total return on asset management, %	-3	9
Number of customers	205,000	210,300



Länsförsäkringar Skaraborg

President Carl Henrik Ohlsson
Board Chairman Jonas Rosman

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	2	27
Total assets, SEK M	1,728	1,754
Solvency margin, %	113	118
Number of employees	141	140

Bank

Deposits, SEK M	2,031	1,585
Loans, SEK M	1,277	1,072
Retail mortgages, SEK M	2,619	2,218
Fund volumes managed, SEK M	210	231
Number of customers	28,100	26,700

Life assurance

Premium income, SEK M	231	225
Total insurance capital, SEK M	4,027	4,052
Number of customers	35,100	34,300

Non-life insurance

Premiums earned, SEK M	527	512
Technical result for insurance operations, SEK M	94	7
Combined ratio after ceded reinsurance, %	86	103
Total return on asset management, %	-6	4
Number of customers	93,800	93,700



Länsförsäkringar Östgöta

President Anders Östryd
Board Chairman Lars-Eric Åström

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	131	258
Total assets, SEK M	5,540	5,061
Solvency margin, %	289	289
Number of employees	297	299

Bank

Deposits, SEK M	4,461	3,805
Loans, SEK M	2,921	2,646
Retail mortgages, SEK M	5,522	4,955
Fund volumes managed, SEK M	270	262
Number of customers	45,700	44,100

Life assurance

Premium income, SEK M	1,007	928
Total insurance capital, SEK M	8,644	8,346
Number of customers	72,900	70,800

Non-life insurance

Premiums earned, SEK M	1,037	1,009
Technical result for insurance operations, SEK M	56	4
Combined ratio after ceded reinsurance, %	96	103
Total return on asset management, %	2	8
Number of customers	179,800	178,300



Länsförsäkringar Älvsborg

President Sten Lundqvist
Board Chairman Lars Hallkvist

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-17	101
Total assets, SEK M	4,364	4,414
Solvency margin, %	280	304
Number of employees	305	307

Bank

Deposits, SEK M	2,837	2,292
Loans, SEK M	1,464	1,272
Retail mortgages, SEK M	5,894	5,150
Fund volumes managed, SEK M	250	258
Number of customers	58,900	57,200

Life assurance

Premium income, SEK M	469	454
Total insurance capital, SEK M	6,650	6,703
Number of customers	64,000	62,600

Non-life insurance

Premiums earned, SEK M	849	818
Technical result for insurance operations, SEK M	96	-61
Bonuses and discounts, SEK M	-37	-44
Combined ratio after ceded reinsurance, %	94	113
Total return on asset management, %	-1	8
Number of customers	161,000	152,800



Länsförsäkringar Gotland

President Mariette Nicander
Board Chairman Gösta af Petersens

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	1	26
Total assets, SEK M	991	966
Solvency margin, %	330	345
Number of employees	62	57

Bank

Deposits, SEK M	859	723
Loans, SEK M	1,402	1,145
Retail mortgages, SEK M	1,907	1,644
Fund volumes managed, SEK M	50	46
Number of customers	10,300	9,500

Life assurance

Premium income, SEK M	99	107
Total insurance capital, SEK M	894	851
Number of customers	11,800	11,200

Non-life insurance

Premiums earned, SEK M	167	165
Technical result for insurance operations, SEK M	17	10
Bonuses and discounts, SEK M	–	–
Combined ratio after ceded reinsurance, %	94	97
Total return on asset management, %	–2	3
Number of customers	28,900	28,500



Länsförsäkringar Jönköping

President Örian Söderberg
Board Chairman Göran Lindell

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	–25	158
Total assets, SEK M	3,632	3,536
Solvency margin, %	222	234
Number of employees	191	186

Bank

Deposits, SEK M	2,322	1,949
Loans, SEK M	1,374	1,180
Retail mortgages, SEK M	3,127	2,724
Fund volumes managed, SEK M	163	158
Number of customers	23,800	22,300

Life assurance

Premium income, SEK M	410	413
Total insurance capital, SEK M	5,969	5,957
Number of customers	45,700	44,800

Non-life insurance

Premiums earned, SEK M	760	750
Technical result for insurance operations, SEK M	80	–43
Bonuses and discounts, SEK M	–13	–9
Combined ratio after ceded reinsurance, %	92	106
Total return on asset management, %	–2	8
Number of customers	121,200	117,300



Länsförsäkringar Halland

President Christian Bille
Board Chairman Karin Starrin

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	–105	124
Total assets, SEK M	2,588	2,572
Solvency margin, %	254	284
Number of employees	143	144

Bank

Deposits, SEK M	2,493	2,203
Loans, SEK M	3,195	2,962
Retail mortgages, SEK M	5,122	4,765
Fund volumes managed, SEK M	152	159
Number of customers	32,700	31,900

Life assurance

Premium income, SEK M	309	329
Total insurance capital, SEK M	5,010	5,061
Number of customers	45,100	44,000

Non-life insurance

Premiums earned, SEK M	497	481
Technical result for insurance operations, SEK M	–20	19
Bonuses and discounts, SEK M	–24	–18
Combined ratio after ceded reinsurance, %	109	106
Total return on asset management, %	–3	8
Number of customers	93,400	86,900



Länsförsäkring Kronoberg

President Fredrik Daveby
Board Chairman Per-Åke Holgersson

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	0	62
Total assets, SEK M	1,564	1,524
Solvency margin, %	227	228
Number of employees	86	86

Bank

Deposits, SEK M	1,269	1,106
Loans, SEK M	826	676
Retail mortgages, SEK M	1,524	1,356
Fund volumes managed, SEK M	94	80
Number of customers	27,000	26,800

Life assurance

Premium income, SEK M	206	209
Total insurance capital, SEK M	3,756	3,377
Number of customers	24,100	23,500

Non-life insurance

Premiums earned, SEK M	337	344
Technical result for insurance operations, SEK M	8	9
Bonuses and discounts, SEK M	-2	-
Combined ratio after ceded reinsurance, %	101	100
Total return on asset management, %	0	6
Number of customers	63,600	63,100



Länsförsäkringar Kalmar län

President Lars B Danielsson
Board Chairman Christer Olander

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-68	220
Total assets, SEK M	2,673	2,816
Solvency margin, %	246	276
Number of employees	160	153

Bank

Deposits, SEK M	1,576	1,267
Loans, SEK M	890	605
Retail mortgages, SEK M	1,719	1,479
Fund volumes managed, SEK M	113	100
Number of customers	15,500	14,000

Life assurance

Premium income, SEK M	208	207
Total insurance capital, SEK M	3,756	3,876
Number of customers	31,800	31,100

Non-life insurance

Premiums earned, SEK M	606	552
Technical result for insurance operations, SEK M	71	54
Bonuses and discounts, SEK M	-48	-60
Combined ratio after ceded reinsurance, %	92	94
Total return on asset management, %	-5	9
Number of customers	103,200	102,000



Länsförsäkringar Blekinge

President Leif Naurin
Board Chairman Anders Åkesson

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-17	62
Total assets, SEK M	1,194	1,162
Solvency margin, %	260	277
Number of employees	77	78

Bank

Deposits, SEK M	920	768
Loans, SEK M	769	674
Retail mortgages, SEK M	1,605	1,453
Fund volumes managed, SEK M	85	61
Number of customers	10,500	10,000

Life assurance

Premium income, SEK M	186	197
Total insurance capital, SEK M	2,185	2,267
Number of customers	19,100	18,400

Non-life insurance

Premiums earned, SEK M	241	236
Technical result for insurance operations, SEK M	7	30
Combined ratio after ceded reinsurance, %	101	91
Total return on asset management, %	-1	6
Number of customers	51,600	51,300



Länsförsäkringar Göinge- Kristianstad

President Henrietta Hansson
Board Chairman Göran Trobro

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-30	90
Total assets, SEK M	2,260	2,230
Solvency margin, %	318	337
Number of employees	110	111

Bank

Deposits, SEK M	1,328	1,150
Loans, SEK M	1,063	796
Retail mortgages, SEK M	1,679	1,510
Fund volumes managed, SEK M	112	102
Number of customers	14,200	13,700

Life assurance

Premium income, SEK M	193	192
Total insurance capital, SEK M	3,103	3,142
Number of customers	27,800	26,700

Non-life insurance

Premiums earned, SEK M	386	381
Technical result for insurance operations, SEK M	1	-3
Combined ratio after ceded reinsurance, %	98	104
Total return on asset management, %	-1	7
Number of customers	71,600	71,300



Länsförsäkringar Skåne

President Jan Fock
Board Chairman Otto Ramel

Key figures	2011	2010
Operating profit before bonuses and discounts, SEK M	-278	647
Total assets, SEK M	6,402	6,671
Solvency margin, %	180	199
Number of employees	420	406

Bank

Deposits, SEK M	3,145	2,394
Loans, SEK M	2,836	2,544
Retail mortgages, SEK M	8,914	8,126
Fund volumes managed, SEK M	331	352
Number of customers	49,500	45,400

Life assurance

Premium income, SEK M	1,162	1,171
Total insurance capital, SEK M	16,885	16,970
Number of customers	127,000	123,800

Non-life insurance

Premiums earned, SEK M	1,563	1,571
Technical result for insurance operations, SEK M	57	172
Bonuses and discounts, SEK M	-	-160
Combined ratio after ceded reinsurance, %	100	94
Total return on asset management, %	-4	12
Number of customers	319,000	314,200

A strong hub — a condition for local success

Länsförsäkringar AB and its subsidiaries are tasked by the regional insurance companies to conduct joint banking and insurance operations, pursue strategic development activities and provide service in areas that generate economies of scale and efficiency, all to create possibilities for the regional insurance companies to be successful in their respective markets.

Länsförsäkringar AB is the financial hub of the Länsförsäkringar Alliance and is wholly owned by the 23 regional insurance companies (since the merger of Länsförsäkringar Göttinge and Länsförsäkringar Kristianstad in July 2011), together with 14 local insurance companies. The regional insurance companies impose the same market-based return requirements on these shares as they do for listed shares and other investment assets. The net worth of the share rose 3.5% to SEK 1,403 in 2011. In addition to the Parent Company, Länsförsäkringar AB, the Group encompasses Länsförsäkringar Sak, Länsförsäkringar Bank, Länsförsäkringar Fondliv, Länsförsäkringar Liv and the subsidiaries of these companies. Länsförsäkringar Liv and its subsidiaries are not consolidated in the consolidated financial statements since the company's earnings accrue in their entirety to the policyholders.

Mission

The operations of the jointly owned company Länsförsäkringar AB have three main tasks: conducting business activities in non-life insurance, life assurance and banking services; providing business service to the regional insurance companies and assuming responsibility for Länsförsäkringar's joint strategic development activities. For more than 75 years, the jointly owned company Länsförsäkringar AB has created the conditions for the regional insurance companies to be more efficient in their roles in their local markets. Business activities

are conducted with a focus on generating returns on the investments of the company's owners, the 23 regional insurance companies. The business service operations are responsible for providing the service requested by the regional insurance companies using shared resources, and are responsible for the Länsförsäkringar Alliance's overall development requirements. For example, customer and concept development is now coordinated under a single function, regardless of the area of operation. Länsförsäkringar AB's work is to service a single overarching objective – providing the regional insurance companies with the correct tools for locally creating and further developing their customer relationships.

Economies of scale – the large scale in the small

Cooperation in the Länsförsäkringar Alliance has gradually emerged from a decentralised perspective. The local companies decided to cooperate together to achieve economies of scale to concentrate on the most important issue: meetings with customers and the development of customer relations. The operations of Länsförsäkringar AB are extremely important to all of the 23 regional insurance companies for generating economies of scale. Instead of developing resources at the local level, the regional insurance companies can share expenses in such areas as product development, IT operations and management,

brand communication and methods for strengthening customer relationships. The cooperation between banking, insurance and real-estate brokerage also generates greater knowledge about customers and facilitates understanding of customers' total needs. This division of duties among the 23 regional insurance companies and Länsförsäkringar AB creates a clear focus for each company. Länsförsäkringar AB's duty is to create the conditions for the regional insurance companies to be more effective in their roles. Economic efficiency is a basic prerequisite for this to be possible. That is why certain non-life insurance operations are considered best suited to a joint concession. This interface does not affect customer relations, which are managed by the respective regional insurance company in the same manner as a local bank or life-assurance company. This is the foundation of the Länsförsäkringar concept. For customers Länsförsäkringar can always be found in close proximity with local decision-making. The basis is local presence and decision-making – experience has proven that local decision-making authority combined with joint strength create substantial added value for customers. Long-term respect for customers' money is also fundamental to Länsförsäkringar. There are no external shareholders. The regional insurance companies are owned by their customers and manage their money. This approach characterises the entire business.

Together, we create security

Together, Länsförsäkringar has a well-established product offering at competitive terms and conditions in the financial store that constitutes the Länsförsäkringar Alliance. The Länsförsäkringar Alliance with almost 6,000 employees helps 3.4 million customers with all aspects of their financial

security. Länsförsäkringar exists to create a sense of security for customers no matter what needs they have – everything from buying a home, non-life insurance, pension banking services and mortgages to different types of savings. The Länsförsäkringar Alliance's success is built on local presence and extensive experience. In addition, the exchange of knowledge and experience is a part of the daily operations through the jointly owned Länsförsäkringar AB, the hub of the Länsförsäkringar Alliance.

Länsförsäkringar AB has employees who actively serve all Länsförsäkringar's customers with openness, trust and commitment. The employees' work guarantees stable, long-term productivity in businesses and respect for other people's money.

Länsförsäkringar AB will always be a sustainable and efficient organisation that generates maximum value for the regional insurance companies and customers, who are also the owners. Länsförsäkringar AB works every day on continuous improvements and constantly reviews its support and business processes. In a bid to even better meet the regional insurance companies' business-service demands for the most important aspect of customer relationships, Länsförsäkringar AB reorganised its support functions during the year. Now that all business service and development are grouped under the same operational management, even better opportunities are created

for optimising resources and deliveries of services to the regional insurance companies and customers. In addition, a smaller management group will be able to act more decisively and efficiently. We will be more able to meet modern-day requirements for rapid decisions as required by the increasingly volatile financial markets. In addition, the Compliance, Internal Audit and Risk Control functions have been strengthened to meet the regulatory changes that we are facing.

Profit-distributing life assurance in Länsförsäkringar AB

In 2011, Länsförsäkringar AB carried out a planned, strategic investment in a profit-distributing life assurance with the acquisition of Länsförsäkringar Fondliv from Länsförsäkringar Liv. This acquisition strengthens Länsförsäkringar's venture to become the first choice of pension partner among small businesses and thus become number one in the occupational pension market.

The date of the acquisition was brought forward by the trends in the financial markets during the year, when sharp falls in interest rates and stock markets put a strain on Länsförsäkringar Liv's financial key figures. The sale of Länsförsäkringar Fondliv, in this context, a measure taken by Länsförsäkringar Liv to strengthen its key figures. Although Länsförsäkringar Liv is not consolidated in Länsförsäkringar AB, since

the company operates according to mutual principles and its risk capital belongs to its policyholder, Länsförsäkringar AB also benefits from the strengthening of Länsförsäkringar Liv's key figures. The common brand is highly significant to all parts of the Länsförsäkringar Alliance and risks decreasing in value if problems arise in any part of the Alliance.

Governance of risk assumption and capital use

The business activities are conducted to generate a profit so that the company can pay competitive returns on equity at a market level, including a risk premium over risk-free interest, through value growth and dividends to owners. All capital that is not required for the operations conducted by Länsförsäkringar AB shall, over time, be paid back to the owners in the form of dividends. The Group's capital situation in relation to its combined risks forms the basis of decisions on potential dividend payments. Länsförsäkringar AB endeavours to maintain a balance between capital strength and risk taking such that a minimum credit rating of A can be justified. An SEK 3 billion new share issue was implemented in conjunction with the acquisition of Länsförsäkringar Fondliv aimed at strengthening the capital base for this acquisition and, accordingly, no dividend will be paid for the 2011 fiscal year.



The Group prioritises developing its work on governance of risk taking and capital use. The banking operations already have target for risk-based capital strength in the form of a target for the Tier 1 ratio. In recent years the non-life insurance operations and entire Group have started applying targets for risk-based capital strength more clearly in the internal governance. These targets are determined by taking into account internal assessments of the risk level of different operations, current and future legal requirements and the view of rating agencies. Additional steps are being planned for more systematically governing risk taking in the

various business activities based on how it affects the Group's capital use. The purpose is to increase the ability to achieve sufficient returns on equity by closely controlling risk takings and to improve the governance and planning of the Group's capital use.

The Länsförsäkringar AB Group is owned by the 23 regional insurance companies. Almost two thirds of the Group's capital, excluding the capital in Länsförsäkringar Liv which belongs to its policyholders, is invested in the regional insurance companies. Accordingly, the Group's capital strength is assessed not only on its own

situation but also includes the capital strength of the regional insurance companies. Rating agencies and several other stakeholders apply a similar approach. On average, the regional insurance companies are extremely well consolidated and thus are highly able to contribute capital to the Group, as demonstrated in conjunction with the acquisition of Länsförsäkringar Fondliv. Naturally, the regional insurance companies impose clear demand on Länsförsäkringar AB's efficient use of the Group's capital and the basis is for the Group to meet its capital need using its own funds.

SHAREHOLDERS

Company	Number of shares			Share of equity, %
	A	B	C	
Länsförsäkringar Skåne	141,849	771,722	–	9.7
Länsförsäkringar Stockholm	129,212	748,237	–	9.3
Länsförsäkringar Östgöta	114,155	583,063	–	7.4
Dalarnas Försäkringsbolag	104,708	517,570	–	6.6
Länsförsäkringar Älvsborg	100,176	514,862	–	6.5
Länsförsäkringar Göteborg och Bohuslän	87,010	515,041	934	6.4
Länsförsäkringar Bergslagen	86,351	434,137	–	5.5
Länsförsäkringar Jönköping	82,812	419,680	–	5.3
Länsförsäkringar Uppsala	73,298	376,183	–	4.8
Länsförsäkringar Södermanland	58,117	285,932	–	3.7
Länsförsäkringar Skaraborg	64,058	222,213	–	3.0
Länsförsäkringar Halland	56,785	285,258	–	3.6
Länsförsäkringar Västerbotten	57,195	290,232	–	3.7
Länsförsäkringar Gävleborg	60,058	270,352	–	3.5
Länsförsäkringar Kalmar län	56,717	261,469	–	3.4
Länsförsäkringar Västernorrland	50,186	244,134	–	3.1
Länsförsäkringar Jämtland	35,795	199,055	–	2.5
Länsförsäkring Kronoberg	36,701	179,725	–	2.3
Länsförsäkringar Värmland	31,160	179,433	–	2.2
Länsförsäkringar Göinge-Kristianstad	49,982	286,011	–	3.6
Länsförsäkringar Norrbotten	16,960	113,586	–	1.4
Länsförsäkringar Blekinge	23,088	106,487	–	1.4
Länsförsäkringar Gotland	16,305	64,816	–	0.9
14 local insurance companies	–	–	4,439	0.2
Total number of shares	1,532,678	7,869,198	5,373	100.0

KEY FIGURES¹⁾

	2011	2010
Profit/loss before tax, SEK M	284	536
Solvency capital, SEK M	15,564	10,613
Total assets, SEK M	253,988	173,850
Return on equity, %	2	6

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

SHARE TREND, LÄNSFÖRSÄKRINGAR AB

SEK	2011	2010	2009	2008	2007
Equity per share	1,403	1,356	1,279	1,186	1,648

The regional insurance companies are shareholders in the jointly owned company Länsförsäkringar AB. It is one of the cornerstones of the Alliance. The regional insurance companies impose the same return requirements as they do for listed shares and other investment assets.

CREDIT RATING

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

¹⁾ Pertains to the company's covered bonds.

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



KEY FIGURES

- Operating profit amounted to SEK 284 M (536).
- Investment income was negative and amounted to SEK 37 M (361).
- The technical result declined to SEK 159 M (193) due to the lower cost of capital and higher claims costs.
- Premiums earned increased to SEK 4,005 M (3,769).
- The combined ratio was 102% (104).

Owner control

The internal owner control in the Länsförsäkringar Alliance is part of the multifaceted interaction between the regional insurance companies. The regional insurance companies are simultaneously members of a federation, principals and users of Länsförsäkringar AB's services, distributors of Länsförsäkringar AB's products and owners of Länsförsäkringar AB.

In the interaction between the regional insurance companies, owner control not only involves controlling the joint operations, but also ensuring that all regional insurance companies assume their part of the responsibility for the development of the operations in which they have jointly invested. The development of joint business and the growth plans in recent years have led to the owner control of the regional insurance companies vis-à-vis Länsförsäkringar AB increasingly becoming a focus issue. The internal owner control has become an increasingly important element of the interaction between the regional insurance companies.

Foundations of owner control

Länsförsäkringar AB is a limited liability company and also the Parent Company of a financial Group, with shares owned individually in various holdings by the 23 regional insurance companies and 14 local insurance companies. Each of the regional insurance companies is, as owner, responsible for ensuring that well-functioning owner control is in place vis-à-vis Länsförsäkringar AB. The Boards of Directors of the regional insurance companies are formally responsible for owner control.

Based on the federal organisation and the purpose of the ownership of Länsförsäkringar AB, the regional insurance companies have together created joint forms for owner control. Forms that comply with the requirements usually imposed on owner control and that at the same time take into account the federal conditions of the cooperation between the companies.

Owner control at Länsförsäkringar AB has clear advantages compared with the owner control of many larger financial

groups. This is since all of the regional insurance companies have the same clear purpose for their ownership, conduct active operations and, collectively, hold sufficient financial capacity to ensure long-term ownership.

Owner-control logic

Today, the logic of the owner control concerns primarily the relationship between the Boards of the regional insurance companies, Länsförsäkringar AB's General Meeting, the regional insurance companies' owner consortium and Länsförsäkringar AB's Board of Directors.

Länsförsäkringar AB's General Meeting and the regional insurance companies' owner consortium jointly comprise the forum for the regional insurance companies' owner control of Länsförsäkringar AB. The duties of the General Meeting are formally regulated in laws and the Articles of Association. The duties of the consortium are regulated in the regional insurance companies' consortium agreement.

Strictly speaking, there are boundaries between owner control and administration of the company between the General Meeting and Board. The federal structure of the Länsförsäkringar Alliance and the task that Länsförsäkringar AB has in the Länsförsäkringar Alliance provide particular conditions and possibilities for owner control through the consortium and the representation of the regional insurance companies on the Board of Directors of Länsförsäkringar AB. As a result, the regional insurance companies' owner control not only takes place through the General Meeting, but also the consortium and through the regional insurance companies' representation on the Board of Länsförsäkringar AB.

Länsförsäkringar AB's Board is elected by the General Meeting, which comprises representatives for all shareholders. The Board is elected based on a process controlled by the owners through a Nomination Committee appointed by the General Meeting. The composition and mandate period, etc. of the Nomination Committee are regulated in the Articles of Association. The Chairman of the consortium is responsible for the process of

renewing the Nomination Committee.

The primary task of the Nomination Committee is to propose the election of members to the Board of Directors of Länsförsäkringar AB. Accordingly, the Nomination Committee lays the foundation of owners' control of the operations in Länsförsäkringar AB. As part of its role, the Nomination Committee is to represent the owners and the intentions of the owners with Länsförsäkringar AB, and to ensure that the best competencies are utilised in the composition of Länsförsäkringar AB's Board.

The owners' task to the Nomination Committee is described in a separate, documented instruction that is adopted by the General Meeting. It is important that there is a clear boundary between the Nomination Committee and the Board. The Nomination Committee works independently from the Board on behalf of the owners. At the same time, interplay between the Nomination Committee and the Chairman of the Board is important to maintain process quality and to avoid polarisation. One example of this is the Board's annual evaluation of its work. The evaluation is documented and provided to the Nomination Committee and thereby also comprises the basis of the Nomination Committee's evaluation of the Board.

Länsförsäkringar AB's Board serves as the representative of the owners in the framework given by the owners' intentions with the operations. In other words, Länsförsäkringar AB's Board pursues the strategies and targets that the owners agree on at any time and performs the owners' assignments. At the same time, Länsförsäkringar AB's Board is highly responsible for safeguarding the capital invested by the regional insurance companies in Länsförsäkringar AB.

The regional insurance companies' assignment to Länsförsäkringar AB's Board is decided in the consortium and is documented in, for example, the Länsförsäkringar Alliance's steering documents. Länsförsäkringar AB's Board decides on the direction and scope of the operations based on its assignment from the owners.

Terms and expressions

After ceded reinsurance

The proportion of an insurance transaction for which the insurance company assumes the risk, and which is not reinsured with another company. Sometimes the term “for own account” is used.

Asset allocation

Selection of allocation between various types of assets in a portfolio, for example the desired proportion of equity and interest-bearing investments.

Capital base, bank

The capital base comprises the sum of Tier 1 and Tier 2 capital and the difference between expected losses and reserves established for probable loan losses.

Claims payments

The cost during the fiscal year of claims incurred, including costs for claims that have not yet been reported to the insurance company. The costs also include run-off result.

Claims ratio, non-life insurance

The ratio between claims payments and premiums earned.

Collective consolidation, life insurance

The ratio between the market value of the total net assets and the company's total commitments to policyholders (guaranteed commitments and preliminarily distributed bonus) for insurance policies that carry bonus rights, expressed as a percentage.

Combined ratio, non-life insurance

The total of operating expenses and claims payments as a percentage of premiums earned after ceded reinsurance.

Expense ratio, non-life insurance

Operating expenses as a percentage of premiums earned after ceded reinsurance.

Interest-bearing securities

Loans issued in the market by a borrower (such as the government). Long-term securities are normally termed “bonds,” while short-term loans are in the form of what are commonly called “bills.”

Investment assets

Investment assets are current or long-term assets that take the form of an investment, including real estate and securities in the case of an insurance company.

Investment income, non-life insurance

The net of the following income and expense: interest income, interest expense, dividends on shares and participations, surplus (deficit) on company-owned property, change in the fair value of properties, shares, interest-bearing securities and derivatives, gains (losses) on the sale of investment assets, currency exchange gains (losses), less operating expenses in asset management.

Investment income transferred from financial operations

Premiums are paid in advance, while operating expenses and claims costs are paid in arrears. Funds that have not yet been paid out are invested in order to obtain a return. The estimated interest on these investments – the computed interest – is transferred from investment income to the insurance operations.

Loan loss, bank

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

Loan losses, bank

Probable loan losses comprise the difference between the amount of credit granted and the



amount expected to be recovered, taking into account the borrower's ability to pay and the value of collateral. Actual losses are confirmed, for example, in bankruptcy proceedings or a settlement.

Net interest income, bank

Interest income/expense from loans to the public and credit institutions and income from interest-bearing securities minus expenses for deposits and borrowing from the public, credit institutions and expenses for interest-bearing securities.

Operating expenses, insurance

Costs of marketing, sales and administration.

Operating profit

Profit/loss before appropriations and tax.

Premiums earned

The proportion of premium income attributable to the fiscal year.

Premium income

Premiums paid in during the year or recognised as receivables at year-end since they have fallen due for payment. Premium income is a common measure of the volume of insurance business.

Return on equity

Profit before tax less standard tax at a rate of 26.3% in relation to average equity adjusted for dividends.

Reinsurance

If an insurance company cannot, or does not wish to, assume the entire liability to policyholders, it reinsures part of its policies with other companies. In this connection, the reinsurance is said to be "ceded" by the first company and "assumed" by the second company.

Run-off result

Profit and loss arising at accounting year-end in the provision for claims outstanding made in the preceding year-end accounts. The profit/loss arises since some of the claims in the provision are either settled during the fiscal year at amounts differing from those allocated or are revalued pending final settlement.

Solvency, life assurance

The market value of the company's total net assets in relation to guaranteed commitments to policyholders (technical reserves according to the balance sheet), expressed as a percentage.

Solvency capital

The total of equity, deferred tax liabilities/assets, subordinated debt, untaxed reserves and surplus/deficit values of assets.

Solvency margin, non-life insurance

Solvency capital as a percentage of premium income after ceded reinsurance.

Technical reserves

Reserves for unearned premiums and unexpired risks, life assurance reserves and reserves for claims outstanding and comparable commitments in accordance with signed insurance contracts. For life assurance, this shall correspond to the company's guaranteed insurance commitments.

Technical result for insurance operations

Premiums earned less claims payments and operating expenses plus income from ceded reinsurance and investment income transferred from financial operations.

Total return ratio, non-life insurance

The sum of direct yield, realised gains and losses, and unrealised changes in the value of assets in relation to the average fair value of managed assets.



Financial calendar 2012

First quarter

Interim report, Länsförsäkringar Bank
Interim report, Länsförsäkringar Hypotek

April 23

April 23

Second quarter

Interim report, Länsförsäkringar Bank
Interim report, Länsförsäkringar Hypotek
Interim review, Länsförsäkringar Alliance
Interim report, Länsförsäkringar AB

August 28

August 28

August 29

August 29

Third quarter

Interim report, Länsförsäkringar Bank
Interim report, Länsförsäkringar Hypotek
Interim review, Länsförsäkringar Alliance

October 25

October 25

October 26

Addresses

Länsförsäkringar Norrbotten
Box 937
SE-971 28 Luleå
Visit: Köpmantorget
Phone: +46 (0)920-24 25 00
E-mail: info@LFnorrboten.se

Länsförsäkringar Västerbotten
Box 153
SE-901 04 Umeå
Visit: Nygatan 19
Phone: +46 (0)90-10 90 00
E-mail: info@LFvasterbotten.se

Länsförsäkringar Jämtland
Box 367
SE-831 25 Östersund
Visit: Prästgatan 18
Phone: +46 (0)63-19 33 00
E-mail: info@lfz.se

Länsförsäkringar Västernorrland
Box 164
SE-871 24 Härnösand
Visit: Stora Torget 3
Phone: +46 (0)611-36 53 00
E-mail: info@vn.lansforsakringar.se

Länsförsäkringar Gävleborg
Box 206
SE-801 03 Gävle
Visit: Slottstorget 3
Phone: +46 (0)26-14 75 00
E-mail: info@lfgavleborg.se

Dalarnas Försäkringsbolag
Box 3
SE-791 21 Falun
Visit: Slaggatan 9
Phone: +46 (0)23-930 00
E-mail: info@dalarnas.se

Länsförsäkringar Värmland
Box 367
SE-651 09 Karlstad
Visit: Köpmannagatan 2 A
Phone: +46 (0)54-775 15 00
E-mail: info@LFvarmland.se

Länsförsäkringar Uppsala
Box 2147
SE-750 02 Uppsala
Visit: Svartbäcksgatan 44
Phone: +46 (0)18-68 55 00
E-mail: info@uppsala.lansforsakringar.se

Länsförsäkringar Bergslagen
Box 1046
SE-721 26 Västerås
Visit: Stora Gatan 41
Phone: +46 (0)21-19 01 00
E-mail: info@lfbergslagen.se

Länsförsäkringar Stockholm
SE-115 97 Stockholm
Visit: Tegelluddsvägen 21
Phone: +46 (0)8-562 830 00
E-mail: info@sth.lansforsakringar.se

Länsförsäkringar Södermanland
Box 147
SE-611 24 Nyköping
Visit: V Storgatan 4
Phone: +46 (0)155-48 40 00
E-mail: info@lfs.se

Länsförsäkringar Göteborg och Bohuslän
SE-404 84 Gothenburg
Visit: Lilla Bommen 8
Phone: +46 (0)31-63 80 00
E-mail: info@gbg.lansforsakringar.se

Länsförsäkringar Skaraborg
Box 600
SE-541 29 Skövde
Visit: Rådhusgatan 8
Phone: +46 (0)500-77 70 00
E-mail: info@skaraborg.lansforsakringar.se

Länsförsäkringar Östgöta
Box 400
SE-581 04 Linköping
Visit: Platensgatan 11
Phone: +46 (0)13-29 00 00
E-mail: info@Lfostgota.se

Länsförsäkringar Älvsborg
Box 1107
SE-462 28 Vänersborg
Visit: Vallgatan 21
Phone: +46 (0)521-27 30 00
E-mail: info@alvsborg.lansforsakringar.se

Länsförsäkringar Gotland
Box 1224
SE-621 23 Visby
Visit: Österväg 17
Phone: +46 (0)498-28 18 50
E-mail: info@lfgotland.se

Länsförsäkringar Jönköping
Box 623
SE-551 18 Jönköping
Visit: Barnarpsgatan 22
Phone: +46 (0)36-19 90 00
E-mail: info@lfj.se

Länsförsäkringar Halland
Box 518
SE-301 80 Halmstad
Visit: Strandgatan 10
Phone: +46 (0)35-15 10 00
E-mail: info@LFhalland.se

Länsförsäkring Kronoberg
Box 1503
SE-351 15 Växjö
Visit: Kronobergsgatan 10
Phone: +46 (0)470-72 00 00
E-mail: info@lfrkronoberg.se

Länsförsäkringar Kalmar län
Box 748
SE-391 27 Kalmar
Visit: Norra Långgatan 17
Phone: +46 (0)20-66 11 00
E-mail: info@LFkalmar.se

Länsförsäkringar Blekinge
Box 24
SE-374 21 Karlshamn
Visit: Kyrkogatan 21
Phone: +46 (0)454-30 23 00
E-mail: info@lfblekinge.se

Länsförsäkringar Göinge-Kristianstad
Box 133
SE-291 22 Kristianstad
Visit: V Storgatan 49
Phone: +46 (0)44-19 62 00
E-mail: info@goinge-kristianstad.se

Länsförsäkringar Skåne
Box 742
SE-251 07 Helsingborg
Visit: Södergatan 15
Phone: +46 (0)42-633 80 00
E-mail: info.skane@lansforsakringar.se

JOINT COMPANIES

Länsförsäkringar AB
SE-106 50 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Liv
SE-106 50 Stockholm
Visit: Tegelluddsvägen 21
Phone: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Fondliv
SE-106 50 Stockholm
Visit: Tegelluddsvägen 21
Phone: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Sak
SE-106 50 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Bank
SE-106 50 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 416 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Hypotek
SE-106 50 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 416 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Fondförvaltning
SE-106 50 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Fastighetsförmedling
Box 742
SE-251 07 Helsingborg
Visit: Södergatan 15
Phone: +46 (0)42-633 98 10
E-mail: helsingborg@lansfast.se

Länsförsäkringar Mäklarservice
Box 27120
SE-102 52 Stockholm
Visit: Tegelluddsvägen 21
Phone: +46 (0)8-588 490 00
E-mail: info.maklarservice@lansforsakringar.se

Wasa Kredit
Box 6740
SE-113 85 Stockholm
Visit: Tegelluddsvägen 21
Phone: +46 (0)8-635 38 00
E-mail: info@wasakredit.se

Agria Djurförsäkring
Box 70306
SE-107 23 Stockholm
Visit: Tegelluddsvägen 11-13
Phone: +46 (0)8-588 421 00
E-mail: info@agria.se

Humlegården Fastigheter
Box 5182
SE-102 44 Stockholm
Visit: Birger Jarlsgatan 25
Phone: +46 (0)8-678 92 00
E-mail: info@humlegarden.se

