

Länsförsäkringar Alliance

January-September 2013

INTERIM REVIEW

January-September 2013 compared with January-September 2012

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 2,952 M (2,289).
- The technical result in the Alliance's non-life insurance operations amounted to SEK 992 M (1,099). The combined ratio amounted to 98 for the rolling 12-month period and 97 (97) for the first nine months.
- Investment income in the Alliance amounted to SEK 3,014 M (2,249). Solvency capital strengthened SEK 3,505 M to SEK 39,242 M.
- Operating profit for the Bank Group amounted to SEK 472 M (428). Net interest income strengthened to SEK 1,652 M (1,527).
- Profit for Länsförsäkringar Fondliv amounted to SEK 176 M (99). Premium income amounted to SEK 7,344 (6,231). Commission income amounted to SEK 732 M (635).
- Profit for Länsförsäkringar Liv amounted to SEK 4.7 billion (2.7). The solvency ratio amounted to 118% (111) and the total return amounted to a negative 3.9% (pos: 4.9).

Third quarter of 2013 compared with the second quarter of 2013

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 1,480 M (283).
- The technical result in the Alliance's non-life insurance operations amounted to SEK 610 M (117). The combined ratio for the quarter amounted to 92 (101).
- Investment income in the Alliance amounted to SEK 1,173 M (601). Solvency capital strengthened SEK 1,964 M to SEK 39,242 M.
- Operating profit for the Bank Group amounted to SEK 174 M (161). Net interest income amounted to SEK 556 M (551).
- Profit for Länsförsäkringar Fondliv amounted to SEK 73 M (44). Premium income amounted to SEK 2,178 (2,424). Commission income amounted to SEK 260 M (239).
- Profit for Länsförsäkringar Liv amounted to SEK 1.6 billion (3.1). The solvency ratio amounted to 118% (116). The total return amounted to negative 0.2% (neg: 1.3).

Sten Dunér, President of Länsförsäkringar AB, the Alliance's jointly owned company:

Länsförsäkringar reports strong earnings after the third quarter. Due to strong investment income in the non-life insurance operations and stable claims-related earnings, we achieve a better operating profit compared with the year-earlier period. The healthy investment income contributed to total solvency capital increasing SEK 3.5 billion and a favourable claims trend after the summer has contributed to an improved combined ratio. Business volumes in all operations perform in line with our expectations. Premium

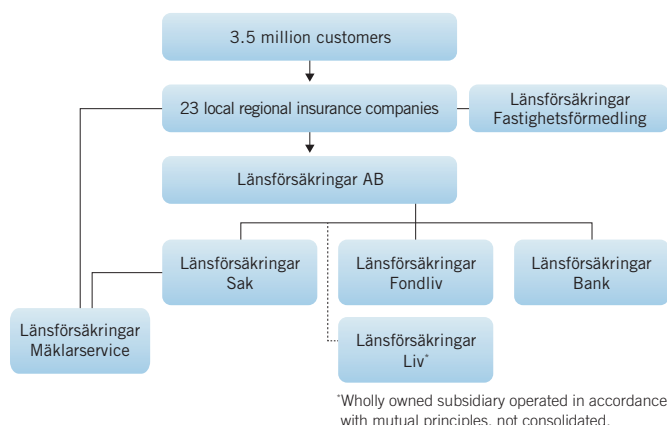
volumes in non-life insurance rose 3.5% and we further strengthened our market shares in the banking operations in both deposits and loans. The process of changing our life-assurance offering continues and has been well received by our customers. Within Länsförsäkringar Fondliv, managed assets have increased 16% since year-end and exceeded SEK 70 billion during the quarter. Solvency in the traditional life assurance operations has successively strengthened. Improved economic development

indicators in Europe have had a positive impact on the world's leading stock markets, which generally increased during the quarter. The fixed income market has been characterized by large fluctuations. Although, short-term market interest rates remained low in Europe since the ECB pledged to retain an expansive monetary policy for the long term. However, Swedish short-term interest rates rose during the quarter as a result of the market beginning to believe in a more rapid increase in the repo rate than previously.



Länsförsäkringar Alliance

Länsförsäkringar comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. Customers are provided with a complete offering of banking, insurance and real-estate brokerage services through the regional insurance companies. The starting point is the local presence and decision-making. Experience has proven that local decision-making authority combined with joint strength creates substantial added value for customers. Long-term respect for customers' money is fundamental. There are no external shareholders; it is the customers' money that is being managed. This approach characterises the entire business. The Länsförsäkringar Alliance has almost 3.5 million customers and 5,800 employees.



Market commentary

During the third quarter, the fixed-income market displayed major fluctuations. Initially, interest rates continued to rise when the market expected the Federal Reserve to taper its bond buying programme. Towards the end of September, interest rates fell when the Federal Reserve decided to delay the tapering of its asset purchases. The ten-year US bond rate fell from a peak of 3.0% in the beginning of September to 2.6% at the end of September. The Swedish market interest rates largely matched this movement.

Indicators concerning economic development in Europe improved and GDP growth was positive in the eurozone as a whole in the second quarter. Short-term market interest rates

remained low in Europe after the ECB pledged to retain an expansive monetary policy for the long term. The world's leading stock markets generally increased during the quarter.

Indicators regarding the Swedish economic improved during the third quarter following a weaker development during the second quarter. The Riksbank kept the interest rate unchanged at 1.0% both at its meetings in July and September, while the interest rate path was revised marginally upwards. The market changed its pricing and believed in a more rapid increase in the repo rate than previously.

In general, spreads broadened in June when the Federal Reserve indicated that it would reduce its bond buying. Credit spreads subsequently narrowed successively over the third quarter.

Credit rating

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

Länsförsäkringar AB's credit rating was revised in June to A3/Stable from A2/Negative by Moody's. Länsförsäkringar Bank's credit rating was revised to A3/Stable from A2/Negative by Moody's. Länsförsäkringar Hypotek's covered bonds have the highest rating of Aaa from Moody's and AAA/stable, from Standard & Poor's.

Financial overview

LÄNSFÖRSÄKRINGAR ALLIANCE

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|--|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Total capital | 40,017 | 37,979 | 37,873 | 35,329 | 40,017 | 35,329 | 36,681 |
| Return on equity, % | 14 | 8 | 12 | 13 | 10 | 10 | 9 |
| Non-life insurance | | | | | | | |
| Solvency capital, SEK M | 39,242 | 37,278 | 36,880 | 34,664 | 39,242 | 34,664 | 35,737 |
| Solvency margin, % | 200 | 190 | 188 | 178 | 200 | 178 | 182 |
| Premiums earned after ceded reinsurance, SEK M | 5,104 | 4,990 | 4,890 | 4,900 | 14,984 | 14,474 | 19,363 |
| Technical result, SEK M | 610 | 117 | 265 | 468 | 992 | 1,099 | 1,439 |
| Operating profit, SEK M | 1,480 | 283 | 1,188 | 1,160 | 2,952 | 2,289 | 3,013 |
| Combined ratio | 92 | 101 | 99 | 95 | 97 | 97 | 97 |

LÄNSFÖRSÄKRINGAR AB, GROUP ¹⁾

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|-------------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Operating profit, SEK M | 276 | 140 | 186 | 292 | 601 | 693 | 819 |
| Solvency capital, SEK M | 17,651 | 17,427 | 17,339 | 16,121 | 17,651 | 16,121 | 15,590 |
| Total assets, SEK M | 313,489 | 315,809 | 306,669 | 284,287 | 313,489 | 284,287 | 290,994 |
| Return on equity, % | 4 | 3 | 4 | 5 | 5 | 5 | 5 |

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

LÄNSFÖRSÄKRINGAR SAK, GROUP

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|--|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Premiums earned after ceded reinsurance, SEK M | 1,039 | 1,015 | 994 | 1,012 | 3,048 | 3,021 | 4,022 |
| Technical result, SEK M | 114 | 105 | 68 | 92 | 287 | 265 | 305 |
| Operating profit, SEK M | 97 | 71 | 57 | 270 | 225 | 373 | 486 |

LÄNSFÖRSÄKRINGAR BANK, GROUP

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---------------------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Deposits from the public, SEK M | 66,361 | 65,550 | 63,466 | 59,509 | 66,361 | 59,509 | 62,396 |
| Loans to the public, SEK M | 159,948 | 156,610 | 152,472 | 145,752 | 159,948 | 145,752 | 149,942 |
| Operating profit, SEK M | 174 | 161 | 136 | 428 | 472 | 428 | 555 |
| Return on equity, % | 7 | 7 | 6 | 7 | 7 | 6 | 6 |
| Tier 1 ratio, % | 14 | 15 | 14 | 13 | 14 | 13 | 14 |

LÄNSFÖRSÄKRINGAR FONDIV

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|-------------------------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Premium income, SEK M ²⁾ | 9,826 | 9,868 | 9,528 | 7,858 | 9,826 | 7,858 | 8,714 |
| Profit, SEK M | 73 | 44 | 59 | 38 | 176 | 99 | 128 |
| Managed assets, SEK M | 72,897 | 69,180 | 67,463 | 59,890 | 72,897 | 59,503 | 62,949 |
| Solvency ratio | 2.2 | 2.1 | 2.1 | 2.5 | 2.2 | 2.5 | 2.2 |

LÄNSFÖRSÄKRINGAR LIV, GROUP

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Premium income, SEK M ²⁾ | 3,679 | 4,244 | 4,445 | 4,592 | 2,216 | 3,252 | 4,319 |
| Profit, SEK M | 1,577 | 3,071 | 71 | -398 | 4,719 | 2,724 | 4,872 |
| Collective consolidation, traditional management, % | 106 | 107 | 109 | 110 | 106 | 110 | 111 |
| Collective consolidation, New Trad, % | 113 | 114 | – | – | 113 | – | – |
| Solvency ratio, % | 118 | 116 | 113 | 111 | 118 | 111 | 113 |

²⁾ In accordance with Insurance Sweden's definition, measured as rolling 12-month figures.

The report provides commentary on the performance in the January – September 2013 period compared with the corresponding period in 2012, unless otherwise stated.

Non-life insurance

- Solvency capital strengthened SEK 3,505 M during the period, and amounted to SEK 39,242 M.
- The technical result in the Alliance's non-life insurance operations amounted to SEK 992 M (1,099) after a quarter of higher premium volumes and lower claims costs and operating expenses.
- The combined ratio amounted to 97% (97).
- Investment income amounted to SEK 3,014 M (2,249). Swedish equities generated favourable returns during the quarter, as did equities in emerging markets.

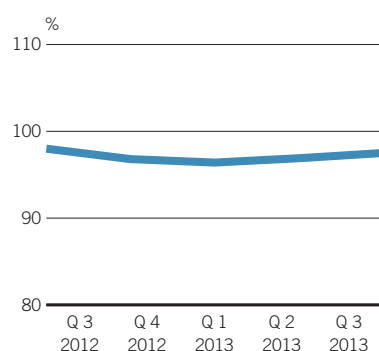
Non-life insurance, Länsförsäkringar Alliance

| KEY FIGURES, SEK M | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Premiums earned after ceded reinsurance | 5,104 | 4,990 | 4,890 | 4,900 | 14,984 | 14,474 | 19,363 |
| Technical result | 610 | 117 | 265 | 468 | 992 | 1,099 | 1,439 |
| Operating profit | 1,480 | 283 | 1,188 | 1,160 | 2,952 | 2,289 | 3,013 |
| Investment income | 1,173 | 601 | 1,241 | 1,004 | 3,014 | 2,249 | 3,282 |
| Solvency capital | 39,242 | 37,278 | 36,880 | 34,664 | 39,242 | 34,664 | 35,737 |
| Solvency margin, % | 200 | 190 | 188 | 178 | 200 | 178 | 182 |
| Claims ratio | 74 | 80 | 79 | 76 | 78 | 77 | 76 |
| Expense ratio | 18 | 21 | 20 | 19 | 19 | 20 | 21 |
| Combined ratio | 92 | 101 | 99 | 95 | 97 | 97 | 97 |

Earnings

Operating profit after three quarters amounted to SEK 2,952 M (2,289) and solvency capital strengthened SEK 3,505 M to SEK 39,242 M. The technical result amounted to SEK 992 M (1,099), with the slightly weaker earnings explained primarily by a number of larger fires during the first six months. Earnings for the third quarter were strengthened by increased premium volumes, few large claims and lower operating expenses. The combined ratio for the third quarter amounted to 92% compared with 101% in the preceding quarter. The combined ratio for the rolling 12-month period amounted to 98% and per September amounted to 97% (97). The claims ratio amounted to 78% (77) and the expense ratio to 19% (20).

COMBINED RATIO, ROLLING 12-MONTH FIGURES



Business volumes

Premiums earned increased 3.5% and amounted to SEK 14,984 (14,474). The increase is mainly explained by premium increases but also by an increased number

of customers. The largest increase was in household and homeowner insurance, which both rose 7% compared with the year-earlier period. The premium volume for motor hull insurance rose 4% and the number of insured vehicles exceeded 2.5 million. Premium income, measured in annual premiums, exceeded SEK 5.9 billion. The Swedish operations in Agria performed strongly and the premium volume increased 11%, while premium volumes in Agria's international operations declined since parts of the UK business are being discontinued. Länsförsäkringar strengthened its market share to 29.7% (29.3) and remains the leader in the Swedish non-life insurance market.

Claims trend

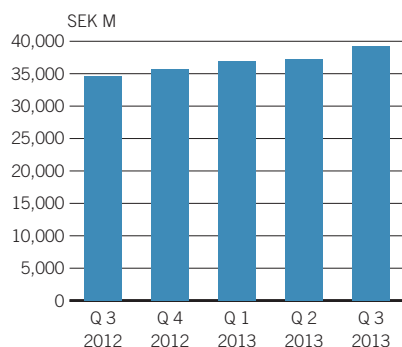
Claims costs rose to SEK 11,603 M (11,016), mainly due to increased fire-damage claims from a number of home and school fires in the first half of the year. The cost for fire damage increased about SEK 300 M year-on-year. The claims trend was more favourable in other areas. In motor hull insurance, claims costs fell SEK 40 M and expenses for burglary, theft and robbery declined SEK 34 M. Claims cost in the third quarter were stable and the claims ratio amounted to 74% (76).

Capital and investments

The local regional insurance companies and the jointly owned non-life insurance companies in Länsförsäkringar AB strive to retain a strong solvency margin in order to maintain uniform premium pricing over time. Länsförsäkringar endeavours to achieve a balance between risk and available surplus capital and prioritises the safeguarding of key figures. In line with the investment strategies, a percentage of assets is invested in low-risk interest-bearing securities to ensure the com-

mitments of the non-life insurance operations. At the same time, the strong solvency margin provides the Länsförsäkringar Alliance with a substantial buffer of capital, allowing a certain portion to be invested in assets with higher anticipated returns, such as equities.

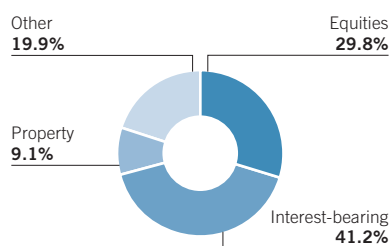
SOLVENCY CAPITAL



Investment income

Investment income improved to SEK 3,014 M (2,249), largely a result of a favourable stock-market trend. Swedish equities performed well during the quarter, as did equities in emerging markets. Swedish credit investments and mortgage bonds benefited from the decline in interest rates in September, which also contributed to the improved investment income.

ALLOCATION OF INVESTMENT ASSETS



Total investment assets amounted to SEK 72,8 billion on September 30, 2013.

The Länsförsäkringar Alliance is not a Group in the legal sense of the term; rather it is an alliance between 23 independent regional insurance companies that jointly own Länsförsäkringar AB. Most of the non-life insurance business within the Länsförsäkringar Alliance is underwritten in the 23 local and customer-owned regional insurance companies. The business conducted by Länsförsäkringar AB's non-life insurance companies is health insurances, animal insurance, ceded and assumed reinsurance as well as cargo insurance and some liability, property and motor hull insurance.

The earnings from the Länsförsäkringar Alliance's non-life insurance operations are the sum of the total earnings of the 23 regional insurance companies and the Länsförsäkringar AB Group, excluding Länsförsäkringar Fondliv and Länsförsäkringar Bank. Transactions between the regional insurance companies and Länsförsäkringar AB Group have been eliminated.

Banking

- Operating profit rose 10% to SEK 472 M (428) and the return on equity amounted to 6.6% (6.5). Net interest income increased 8% to SEK 1,652 M (1,527).
- Loan losses remained very low and amounted to SEK 95 M (64), corresponding to loan losses of 0.08% (0.06).
- Business volumes increased 11% to SEK 305 billion (274). Deposits rose to SEK 67 billion (60) and lending increased to SEK 160 billion (146).
- The number of customers increased 4% to 872,000, the number of bank cards rose 13% to 379,000 and the number of deposit accounts increased 12% to 1,299,000.

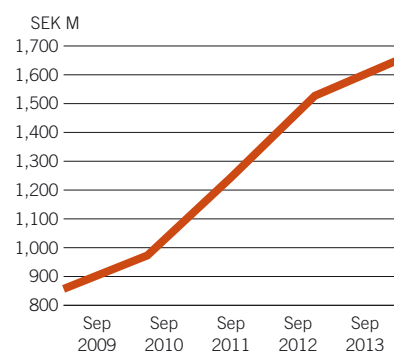
Länsförsäkringar Bank, Group

| KEY FIGURES, SEK M | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|--------------------------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Deposits from the public | 66,361 | 65,550 | 63,466 | 59,509 | 66,361 | 59,509 | 62,396 |
| Loans to the public | 159,948 | 156,610 | 152,472 | 145,752 | 159,948 | 145,752 | 149,942 |
| Operating profit | 174 | 161 | 136 | 158 | 472 | 428 | 555 |
| Return on equity, % | 7 | 7 | 6 | 7 | 7 | 6 | 6 |
| Cost/income ratio before loan losses | 0.62 | 0.64 | 0.65 | 0.61 | 0.64 | 0.65 | 0.66 |

Earnings

Operating profit rose 10% to SEK 472 M (428), primarily due to higher net interest income. Return on equity amounted to 6.6% (6.5). Operating income increased 12% to SEK 1,556 M (1,391). Net interest income strengthened 8% to SEK 1,652 M (1,527) due to higher volumes, while mainly deposit margins and the return on equity negatively impact on net interest income. Net result of financial items declined to SEK 50 M (gain: 11), due to the negative effects of changes in fair value and the repurchase of own debt, while interest compensation in conjunction with the premature redemption of loans had a positive impact. Net commission improved to SEK -204 M (-286) as a result of increased commission income. Commission income increased 16% to SEK 842 M (728) due to higher income from securities, card and payment business.

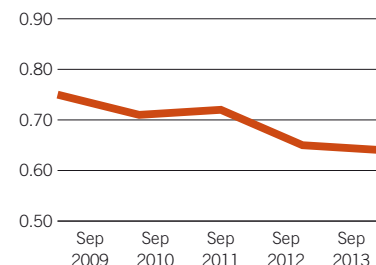
NET INTEREST INCOME



The cost/income ratio before loan losses strengthened to 0.64 (0.65) and the cost/income ratio after loan losses amounted to 0.70 (0.69).

Commission income rose 10% to SEK 990 M (899). The increase was mainly due to higher staff costs and IT costs. Higher fund management costs and the build-up of the banking operations' joint backoffice function led to increased non-recurring expenses.

COST/INCOME RATIO BEFORE LOAN LOSSES

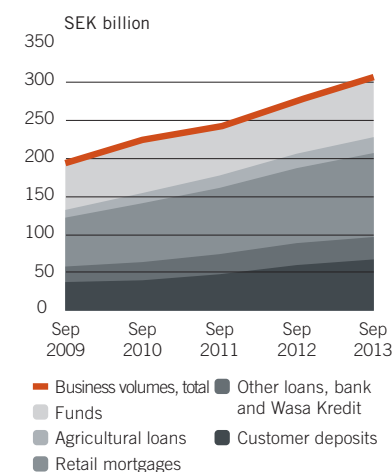


Loan losses remain very low and amounted to SEK 95 M (64), net, corresponding to loan losses of 0.08% (0.06). Reserves amounted to SEK 416 M (316), corresponding to a reserve ratio in relation to loans of 0.25% (0.21).

Business volumes

Business volumes increased 11% to SEK 305 billion (274). Deposits from the public rose 12% to SEK 67 billion (60) and the market share strengthened to 4.5% (4.2) at August 31. Länsförsäkringar's market growth was the third largest in Sweden between January and August 2013. Net savings in Länsförsäkringar increased SEK 1.9 billion and fund volumes rose 14% to SEK 78 billion (69). The Bank Group's lending rose 10% to SEK 160 billion (146). Retail mortgages in Länsförsäkringar Hypotek increased 12% to SEK 110 billion (98) and the market share of household and retail mortgages strengthened to 5.0% (4.8) at August 31, 2013.

BUSINESS VOLUMES



Funding and liquidity

Debt securities in issue rose 7% to SEK 119 billion (111), of which senior funding amounted to unchanged SEK 24 billion and covered bonds increased to SEK 95 billion (87).

The Bank Group has low refinancing risk and the maturity structure of funding is highly diversified. Long-term financing primarily takes place in the capital market through covered bonds and senior funding. During the period, primarily covered bonds with longer maturities were issued and own debt was repurchased. Issued covered bonds amounted to a nominal SEK 17.8 billion (19.9), repurchased covered bonds to a nominal SEK 5.9 billion (10.7) and matured covered bonds to a nominal SEK 8.1 billion (6.5) for the period.

Länsförsäkringar Bank issued senior unsecured bonds in the nominal amount of SEK 10.5 billion (10.6) during the period.

The liquidity reserve amounted to SEK 41.0 billion (39.0) and is invested in securities with very high credit quality and the liquidity of the investments is high. All Swedish securities included in the liquidity reserve are eligible for transactions with the Riksbank and, where appropriate, with the ECB. By utilising the liquidity reserve, contracted undertakings

for about one and a half years can be met without needing to secure new funding in the capital market. The Group's Liquidity Coverage Ratio (LCR) amounted to 276% (177) on September 30, 2013 and to an average of 250% (240) during the third quarter of 2013.

Capital adequacy

The Bank Group applies the Internal Ratings-based Approach (IRB Approach). The advanced IRB Approach is applied to all retail exposure and to counterparty exposures to corporates and the agricultural sector up to SEK 5 M. Foundation IRB Approach is used for counterparty exposures to corporates and the agricultural sector in excess of SEK 5 M, and the Standardised Approach for other exposures. On September 30, 2013, an unchanged 88% of the loan portfolio comprised retail credits in accordance with the advanced IRB Approach. The Core Tier 1 ratio according to Basel II strengthened to 13.7% (12.0), the capital adequacy ratio strengthened to 18.2% (14.4) and the Tier 1 ratio strengthened to 14.3% (12.6).

For more information, see Länsförsäkringar Bank's interim report, January-September 2013.

Unit-linked insurance

- Profit for Länsförsäkringar Fondliv amounted to SEK 176 M (99).
- Premium income amounted to SEK 7,344 M (6,231).
- Managed assets amounted to SEK 73 billion on September 30, 2013, an increase of SEK 10 billion during the period. The increase was mainly due to the higher inflow of premiums and capital from new customers, but positive returns on capital also made a contribution to the improvement.
- Most of the unit-linked life assurance company's funds posted a positive performance during the period. The best performance was noted for equity funds that invested in US and Japanese equities, and in Swedish small-cap companies.

Fund management

In total, the stock markets in developed countries, led by Japan and the US, performed well during the year, while stock markets in growth markets had a negative return. Almost three quarters of the funds in Fondliv's range had a positive return after nine months and the eight best funds generated returns of more than 20%. Among the best funds are those investing in the US, Japan and in small Swedish companies. Funds investing in emerging markets and commodities performed less well. Fixed-income funds were negatively affected by rising market interest rates. The USD strengthened against the SEK, which moderated the returns on funds investing abroad.

Länsförsäkringar Fondliv

| KEY FIGURES, SEK M | Q 3 2013 | Q 2 2013 | Q 1 2013 | Kv 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|-------------|-------------|-------------|--------------|-----------------|-----------------|-------------------|
| Premium income, net (rolling 12 months) | 9,826 | 9,868 | 9,528 | 7,858 | 9,826 | 7,858 | 8,714 |
| Profit after tax | 73 | 44 | 59 | 38 | 176 | 99 | 128 |
| Managed assets | 72,897 | 69,180 | 67,463 | 59,503 | 72,897 | 59,503 | 62,949 |
| Solvency ratio | 2.2 | 2.1 | 2.1 | 2.5 | 2.2 | 2.5 | 2.2 |
| Total assets | 75,333 | 71,558 | 70,803 | 62,122 | 75,333 | 62,122 | 65,505 |

Earnings

The earnings trend in Länsförsäkringar Fondliv was positive as a result of the very strong performance for premium income and managed assets. Income increased 17%.

Managed assets amounted to SEK 72.9 billion on September 30, 2013, which is an increase of 16% since the start of the year.

Market development

Fondliv's market share in unit-linked insurance, measured in premium income, increased during the most recent 12-month period, thus making the company the second largest unit-linked life assurance company in the market. The market share for the second quarter of 2013

amounted to 13.6%. New sales in non-collectively agreed occupational pensions amounted to SEK 5.3 billion. Sales in the private-pension and savings markets amounted to SEK 1.0 billion. This is a 42% improvement compared with the year-earlier period. Since January 2013, accident and health insurance products have also been underwritten in Länsförsäkringar Fondliv.

Total premium income amounted to SEK 7,344 M (6,231), an improvement of 18%. Most of Fondliv's premium flows are recognised in the balance sheet. Premium income in the income statement amounted to SEK 42 M (14) and pertains to the portion of premiums containing insurance risk.

Traditional life assurance

- Profit for Länsförsäkringar Liv amounted to SEK 4.7 billion (2.7). The solvency ratio strengthened and amounted to 118% (111).
- In the Old Trad portfolio, the possibility of investing assets in more risk-exposed investments, such as equities, is limited. Rising interest rates during the quarter meant that the value trend in interest-bearing securities, which comprise a significant portion of the portfolio, was negative. The total return for Old Trad amounted to negative 3.9% (pos: 4.9). The return for New World, which has a larger share of equities, amounted to 7.7%.
- Länsförsäkringar Liv's work on measures to strengthen key figures continued during the third quarter. New Trad with changed conditions received a positive response from customers, with 10,000 customers having accepted the offer of changing the conditions of their insurance. The total return for New Trad amounted to 0.8% for the quarter.

Länsförsäkringar Liv

| KEY FIGURES, SEK M | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|-------------|-------------|-------------|-------------|-----------------|-----------------|-------------------|
| Premium income, net (rolling 12 months) | 3,679 | 4,244 | 4,444 | 4,592 | 2,612 | 3,252 | 4,319 |
| Investment income, net | 238 | -1,496 | -2,114 | 3,629 | -3,372 | 6,303 | 7,660 |
| Profit after tax | 1,577 | 3,071 | 71 | -398 | 4,719 | 2,724 | 4,872 |
| Investment assets, New Trad | 1,935 | 68 | - | - | 1,935 | - | - |
| Investment assets, Old Trad | 98,933 | 102,407 | 105,834 | 109,655 | 98,933 | 109,655 | 109,490 |
| Investment assets, New World | 12,640 | 12,449 | 13,472 | 12,957 | 12,640 | 12,957 | 12,888 |
| Total assets | 121,279 | 124,111 | 124,722 | 128,092 | 121,279 | 128,092 | 135,036 |
| Solvency ratio, % | 118 | 116 | 113 | 111 | 118 | 111 | 113 |
| Collective consolidation, New Trad % | 113 | 114 | - | - | 113 | - | - |
| Collective consolidation, Old Trad, % | 106 | 107 | 109 | 110 | 106 | 110 | 111 |
| Return, New Trad, % | 0.8 | - | - | - | 0.8 | - | - |
| Total return, Old Trad, % | -0.2 | -1.3 | -2.4 | 2.9 | -3.9 | 4.9 | 6.1 |
| Return, New World, % | 3.6 | -0.2 | 4.3 | 4.5 | 7.7 | 9.1 | 12.2 |

Earnings

Profit for Länsförsäkringar Liv amounted to SEK 4.7 billion (2.7). The long-term market interest rates have increased sharply in 2013. The increase in interest rates meant that liabilities to the policyholders declined in value and thus contributed positively to earnings. Investment income in Länsförsäkringar Liv was negatively affected by rising market interest rates. Long interest-bearing investments declined in value.

The total return in Länsförsäkringar Liv's traditional portfolio, Old Trad, amount-

ed to a negative 3.9% (pos: 4.9) and net investment income included in profit and loss amounted to a loss of SEK 3.4 billion. The total return amounted to 0.8% for New Trad and for New world to 7.7% (9.1).

The solvency ratio for Länsförsäkringar Liv amounted to 118% (111) and the solvency rate amounted to 4.3 (2.6). The solvency ratio has strengthened 5 percentage points during the year due to rising interest rates, which reduced technical provisions, and changed insurance conditions for New Trad.

Traditional management

Länsförsäkringar Liv conducts traditional life assurance divided into two portfolios, New Trad and Old Trad, where New Trad makes up a small percentage of the portfolio. Investments in traditional life assurance are normally invested in listed equities and interest-bearing securities, as well as properties and alternative investments. For Länsförsäkringar Liv, the market trend has led to the investment portfolio in Old Trad being reweighted to secure the company's key figures and the savers' money. The investment portfolio in Old Trad mainly consists of interest-bearing investments and the share of equities exposure is low.

In 2013, the focus has been on the activities in New Trad. This means that customers are being offered an opportunity to change the conditions of their traditional insurance policies. Lower guarantee levels combined with lower fees allow a changed investment mix with higher expected returns and improved opportunities for future increases in the value of savings.

New Trad

Due to the greater risk scope that is created, New Trad can have a different distribution in its investment mix compared with Old Trad. New Trad has an equities portion of approximately 30% and investments in properties and bonds yielding higher returns. The higher element of risk in the investment portfolio entails higher expected returns and bonuses in the long term.

At the end of May, the offer was sent to the first customers inviting them to change the conditions of their insurance product to New Trad. The offer was positively received and, as of September 30, about 10,000 customers had accepted the offer of changing the conditions of their insurance. The process of contacting and informing customers continues. Collective consolidation for New Trad was 113% and the bonus rate is 5%.

Old Trad

No major changes between classes of assets have been made during 2013. On September 30, asset allocation in Länsförsäkringar's traditionally managed portfolio, Old Trad, was as follows: 92% interest-bearing securities, 2% equities, 4% alternative investments and 2% property. The return on the various asset classes was as follows: Interest-bearing securities negative 4.8% (pos: 5.5), equities 15.8% (1.4), alternative investments 2.7% (3.8) and properties 1.7% (4.2).

Länsförsäkringar Liv is in the final stage of the preparations for the forthcoming Solvency 2 regulations. A gradual adjustment to the transition rules for the discount rate prior to Solvency 2, as advised by the Swedish Financial Supervisory Authority, has been initiated and thus interest-rate durations could be reduced slightly.

New World

New World is a management form that is only offered by Länsförsäkringar Liv. Customers' capital is managed as traditional insurance, but with specific directionality. Approximately 30% of premiums are invested in bonds and 70% in Swedish and foreign equities. Customers are guaranteed to recoup a minimum of the premiums paid, subject to deductions for expenses and yield tax. Managed assets amounted to SEK 13 billion (13). The return was high and amounted to 7.7% (9.1).

Real-estate brokerage

Through Länsförsäkringar Fastighetsförmedling the regional insurance companies offer a complete 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 154 branches throughout Sweden. 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.

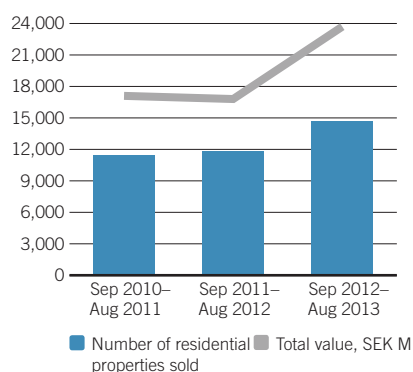
Earnings from the real-estate brokerage operations are not consolidated in the Länsförsäkringar Alliance's earnings.

A total of 5,743 single-family homes, 7,969 tenant-owned apartments and 992

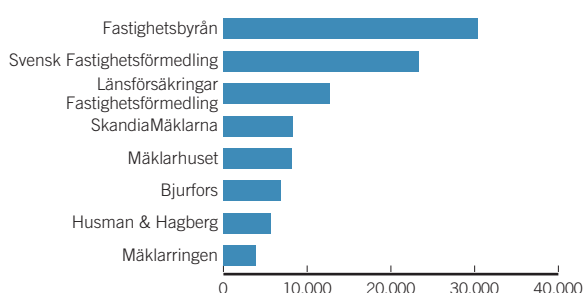
vacation homes were sold in the period September 2012 to August 2013.

During the period, sales of single-family homes and vacation homes resulted in SEK 2.4 billion in first-lien mortgages in Länsförsäkringar's mortgage institution, distributed between 1,569 transactions. The market share for the rolling twelve-month period amounted to 9.3% and 9.5% for eight months.

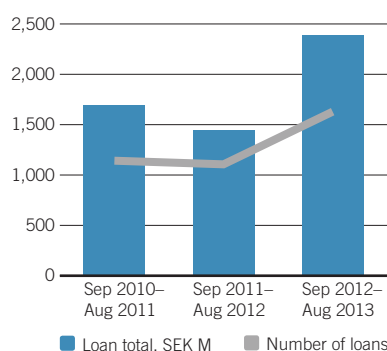
NUMBER OF SINGLE-FAMILY HOMES, VACATION HOMES AND TENANT-OWNED APARTMENTS SOLD



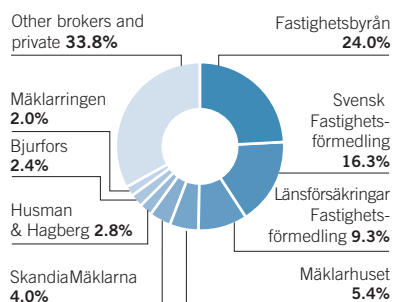
VALUE OF SALES OF SINGLE-FAMILY HOMES AND VACATION HOMES SEPTEMBER 2012-AUGUST 2013, SEK M



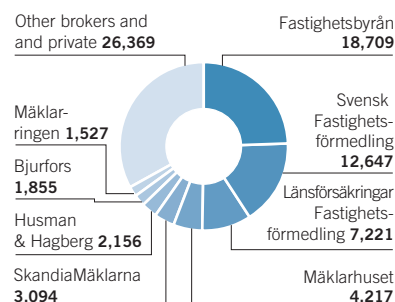
SINGLE-FAMILY HOMES AND VACATION HOMES, SOLD BY LÄNSFÖRSÄKRINGAR FASTIGHETS- FÖRMEDELING WHERE LOANS WERE INVESTED IN LÄNSFÖRSÄKRINGAR HYPOTEK, SEK M



MARKET SHARES



NUMBER OF SINGLE-FAMILY HOMES AND VACATION HOMES SOLD SEPTEMBER 2012-AUGUST 2013



Financial statements

NON-LIFE INSURANCE

| Resultaträkning, Mkr | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Ful-year 2012 |
|---|--------------|-------------|--------------|--------------|-----------------|-----------------|------------------|
| Premiums earned after ceded reinsurance | 5,104 | 4,990 | 4,890 | 4,900 | 14,984 | 14,474 | 19,363 |
| Investment income transferred from financial operations | 154 | 161 | 175 | 153 | 491 | 520 | 657 |
| Claims payments after ceded reinsurance | -3,760 | -3,983 | -3,860 | -3,682 | -11,603 | -11,016 | -14,549 |
| Operating expenses | -886 | -1,033 | -964 | -934 | -2,884 | -2,965 | -4,033 |
| Other technical revenue/expenses | -2 | -18 | 24 | 31 | 5 | 86 | 2 |
| Technical result from non-life insurance operations before partner discounts | 610 | 117 | 265 | 468 | 992 | 1,099 | 1,439 |
| Bonuses and discounts | -43 | -39 | -40 | -48 | -122 | -146 | -481 |
| Technical result from non-life insurance operations after partner discounts | 567 | 77 | 226 | 420 | 870 | 953 | 958 |
| Total investment income | 1,173 | 601 | 1,241 | 1,004 | 3,014 | 2,249 | 3,282 |
| Investment income transferred to insurance operations | -154 | -186 | -151 | -173 | -491 | -581 | -691 |
| Other non-technical expenses | -105 | -210 | -127 | -91 | -442 | -331 | -536 |
| PROFIT/LOSS BEFORE APPROPRIATIONS AND TAX | 1,480 | 283 | 1,188 | 1,160 | 2,952 | 2,289 | 3,013 |

| Balance sheet, SEK M | Sep 30, 2013 | Dec 31, 2012 |
|---|-----------------|-----------------|
| ASSETS | | |
| Shares and participations | 35,752 | 33,613 |
| Bonds and other interest-bearing securities | 30,165 | 28,316 |
| Other investment assets | 6,883 | 6,947 |
| Total investment assets | 72,800 | 68,876 |
| Reinsurers' portion of technical provisions | 7,111 | 6,728 |
| Receivables and other assets | 7,640 | 6,047 |
| Cash and bank balances | 4,589 | 5,185 |
| Prepaid expenses and accrued income | 910 | 953 |
| TOTAL ASSETS | 93,049 | 87,788 |
| EQUITY, PROVISIONS AND LIABILITIES | | |
| Equity | 32,538 | 29,338 |
| Technical provisions (before ceded reinsurance) | 39,659 | 44,787 |
| Other provisions and liabilities | 10,954 | 12,275 |
| Accrued expenses and deferred income | 2,055 | 1,388 |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 93,049 | 87,788 |

LÄNSFÖRSÄKRINGAR AB, GROUP

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|---------------|---------------|---------------|---------------|-----------------|-----------------|-------------------|
| Income statement, SEK M | | | | | | | |
| Premiums after ceded reinsurance | 1,020 | 1,002 | 1,094 | 990 | 3,117 | 3,058 | 4,043 |
| Net interest income | 572 | 566 | 564 | 552 | 1,703 | 1,591 | 2,151 |
| Investment income, net | -46 | -51 | -86 | -28 | -184 | 59 | 59 |
| Other operating income | 3,237 | 1,109 | 3,553 | 2,680 | 7,897 | 6,279 | 8,525 |
| Total operating income | 4,783 | 2,626 | 5,124 | 4,194 | 12,533 | 10,987 | 14,778 |
| Claims payments after ceded reinsurance | -708 | -649 | -680 | -658 | -2,036 | -2,037 | -2,697 |
| Other expenses | -3,799 | -1,837 | -4,260 | -3,244 | -9,896 | -8,258 | -11,261 |
| Total expenses | -4,507 | -2,486 | -4,939 | -3,902 | -11,932 | -10,295 | -13,958 |
| Operating profit | 276 | 140 | 186 | 292 | 601 | 693 | 819 |
| Tax | -72 | -32 | -35 | -67 | -139 | -185 | -135 |
| Profit for the period | 203 | 108 | 150 | 225 | 462 | 508 | 684 |
| Translation differences for from foreign operations | 4 | 9 | -18 | -5 | -6 | -2 | -2 |
| Cash-flow hedges | -1 | 16 | 14 | - | 29 | - | 0 |
| Revaluation of owner-occupied property | 13 | 26 | - | - | 39 | 23 | 49 |
| Revaluation of defined-benefit pension plans | - | - | - | - | - | - | -7 |
| Change in fair value of available-for-sale financial assets | 42 | -54 | 26 | -56 | 14 | -13 | -58 |
| Tax attributable to components attributable to other comprehensive income | -12 | 3 | 6 | 15 | -4 | -3 | 40 |
| COMPREHENSIVE INCOME FOR THE PERIOD | 249 | 108 | 178 | 179 | 536 | 514 | 706 |

| | Sep 30, 2013 | Dec 31, 2012 |
|---|-----------------|-----------------|
| Statement of financial position, SEK M | | |
| ASSETS | | |
| Goodwill | 708 | 710 |
| Other intangible assets | 3,859 | 3,952 |
| Property and equipment | 48 | 80 |
| Owner-occupied property | 2,445 | 2,448 |
| Shares in Länsförsäkringar Liv Försäkrings AB | 269 | 308 |
| Shares and participations in associated companies | 26 | 24 |
| Reinsurers' portion of technical provisions | 7,114 | 6,731 |
| Loans to the public | 159,948 | 149,942 |
| Financial assets | 126,404 | 116,001 |
| Other assets | 12,668 | 10,796 |
| TOTAL ASSETS | 313,489 | 290,994 |
| EQUITY, PROVISIONS AND LIABILITIES | | |
| Equity | 14,951 | 13,915 |
| Subordinated liabilities | 2,000 | 900 |
| Provisions for which the life-assurance policyholder bears the risk | 72,361 | 62,580 |
| Technical provisions | 20,908 | 20,582 |
| Debt securities in issue | 120,653 | 115,476 |
| Deposits from the public | 66,361 | 61,901 |
| Financial liabilities | 7,941 | 6,351 |
| Other liabilities | 8,314 | 9,289 |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 313,489 | 290,994 |

LÄNSFÖRSÄKRINGAR LIV, GROUP

| | Q 3 2013 | Q 2 2013 | Q 1 2013 | Q 3 2012 | Jan-Sep 2013 | Jan-Sep 2012 | Full-year 2012 |
|---|-----------------|-----------------|-------------|-------------|-----------------|-----------------|-------------------|
| Income statement, SEK M | | | | | | | |
| Premium income after ceded reinsurance | 694 | 789 | 1,129 | 910 | 2,612 | 3,252 | 4,319 |
| Investment income, net | 238 | -1,496 | -2,114 | 3,629 | -3,372 | 6,303 | 7,660 |
| Claims payments | -1,739 | -2,097 | -2,153 | -1,964 | -5,989 | -5,477 | -7,491 |
| Change in technical provisions | 2,583 | 6,026 | 3,471 | -2,760 | 12,080 | -633 | 1,372 |
| Operating expenses | -62 | -13 | -123 | -69 | -198 | -285 | -412 |
| Technical result, non-life insurance operations | 1,715 | 3,290 | 210 | -254 | 5,134 | 3,161 | 5,448 |
| Non-technical expenses | -132 | -133 | -133 | -141 | -398 | -421 | -460 |
| Profit before tax | 1,582 | 3,076 | 77 | -395 | 4,735 | 2,741 | 4,987 |
| Tax | -6 | -5 | -6 | -6 | -17 | -18 | -115 |
| PROFIT FOR THE PERIOD | 1,577 | 3,071 | 71 | -401 | 4,719 | 2,724 | 4,872 |
| | | | | | | | |
| Balance sheet, SEK M | Sep 30, 2013 | Dec 31, 2012 | | | | | |
| ASSETS | | | | | | | |
| Investment assets | 112,749 | 126,529 | | | | | |
| Reinsurers' portion of technical provisions | 609 | 609 | | | | | |
| Receivables | 2,433 | 2,370 | | | | | |
| Other assets | 4,888 | 3,968 | | | | | |
| Prepaid expenses and accrued income | 602 | 1,560 | | | | | |
| TOTAL ASSETS | 121,279 | 135,038 | | | | | |
| EQUITY, PROVISIONS AND LIABILITIES | | | | | | | |
| Equity | 17,092 | 13,833 | | | | | |
| Technical provisions | 97,318 | 109,506 | | | | | |
| Provisions for other risks and expenses | 255 | 147 | | | | | |
| Deposits from reinsurers | 610 | 646 | | | | | |
| Liabilities | 5,634 | 10,504 | | | | | |
| Accrued expenses and deferred income | 370 | 400 | | | | | |
| TOTAL EQUITY, PROVISIONS AND LIABILITIES | 121,279 | 135,038 | | | | | |

Financial calendar 2013

| | |
|---|--------------------------|
| Annual review 2013, a summary of the Länsförsäkringar Alliance... | February 10, 2014 |
| Year-end report, Länsförsäkringar AB | February 10, 2014 |
| Year-end report, Länsförsäkringar Bank | February 10, 2014 |
| Year-end report, Länsförsäkringar Hypotek | February 10, 2014 |

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