

Länsförsäkringar AB

Year-end Report 2013

Full-year 2013 compared with full-year 2012

- The Group's operating profit amounted to SEK 923 M (819) and equity rose SEK 1,268 M during the year. The return on equity amounted to 5% (5).
- Operating profit in the non-life insurance operations amounted SEK 427 M (486). Premiums earned after ceded reinsurance amounted to SEK 4,121 M (4,022).
- Operating profit for the Bank Group totalled SEK 647 M (555). Net interest income strengthened to SEK 2,230 M (2,071).
- Profit for Länsförsäkringar Fondliv amounted to SEK 246 M (128). Premium income amounted to SEK 9,473 (8,713). Commission income amounted to SEK 994 M (955).
- Net sales for the Parent Company amounted to SEK 2,503 M (2,462).

Fourth quarter of 2013 compared with third quarter of 2013

- The Group's operating profit amounted to SEK 322 M (276). The return on equity amounted to 5% (4).
- The Group's equity rose SEK 232 M to SEK 15,183 M (14,951).
- Operating profit in the non-life insurance operations amounted SEK 203 M (96). Premiums earned after ceded reinsurance amounted to SEK 1,074 M (1,039).
- Operating profit for the Bank Group totalled SEK 175 M (174). Net interest income amounted to SEK 579 M (556). Business volumes rose SEK 9 billion during the quarter to SEK 314 billion.
- Profit for Länsförsäkringar Fondliv amounted to SEK 70 M (73). Premium income amounted to SEK 2,129 (2,178). Commission income amounted to SEK 263 M (260).
- Net sales for the Parent Company amounted to SEK 738 M (551).

Sten Dunér, President, Länsförsäkringar AB:

"We look back on a year of substantial fluctuations in both the stock markets and fixed-income markets. Several central banks continued to pursue a highly expansive monetary policy, while the underlying financial performance has been weak. Interest rates were low at the start of the year but rose following expectations that the Federal Reserve would reduce its bond-buying stimulus. Positive signals in Europe and higher growth in the US contributed to 2013, rather pleasingly, turning into a strong year on the stock markets. In Länsförsäkringar's fund offering, 30 of our best funds increased by more than 20%.

2013 was also a strong year for the Länsförsäkringar AB Group. We see improvements in the performance of all lines of business. The technical result in the non-life insurance business improves by more than 40% and the combined ratio falls to 93%. It is primarily Agria (animal insurance) and Business Area Health that contribute to this result, and it is also these operations that account for the largest share of growth. In our banking operations, business volumes rose SEK 31 billion and profit increased 16%. Managed assets in the unit-linked life assurance company rose SEK 15 billion and, as

volumes are rising, our profitability is improving.

During the year, we have conducted a number of successful development projects to create even better tools for our customer meetings. For example, we have continued the successful development of our mobile services. Customer's demand for leading-edge mobile services is increasing at a rapid pace and in this we are at the very forefront, for which we have also received several accolades.



Market commentary

Both the stock markets and fixed-income markets experienced substantial fluctuations during the year. The development was driven by the highly expansive monetary policies of several central banks, while underlying economic trends have remained weak. Global growth was hampered by debt reduction in both the public sector and among households. Several countries pursued an austere fiscal policy while private consumption was impeded by high savings. The central banks have continued a highly expansive monetary policy and the purchase of government and mortgage bonds by the Federal Reserve has made substantial imprints on the market. Interest rates were low at the start of the year then rose sharply following expectations that the Federal Reserve would reduce its bond-buying stimulus, which it also did from January 2014. Improved economic indicators from the US, as well as from Europe, gave support to rising interest rates. However, short-term market interest rates remained low as a result of low key interest rates as well as promises from central banks to keep monetary policies expansive for a long period of time.

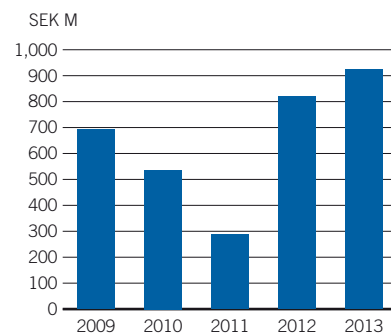
Similar to Länsförsäkringar's economic environment, the Swedish economy displayed a weaker performance during the year and unemployment remained relatively high. At the end of the year, the Riksbank further lowered its key interest rate to 0.75% due to the very low inflation. Leading global stock markets posted a strong performance during the year. The Swedish stock market also displayed a strong trend, while the performance of emerging economies was considerably weaker and more volatile. The difference between government bond rates and the interest rate for mortgage bonds or other loans was reduced during the year. Even the credit market was impacted by rising interest rates during the summer when the market expected a more rapid downshift in the Federal Reserve's bond-buying stimulus, but it has since recovered.

Full-year 2013 compared with full-year 2012

The report provides commentary on the performance in 2013 compared with 2012, unless otherwise stated.

Group's earnings

CONSOLIDATED OPERATING PROFIT



Operating profit amounted to SEK 923 M (819) and all of the Group's lines of business strengthened their earnings year-on-year. Strong performance of managed assets in the unit-linked insurance operations and unchanged administration expenses contributed to a 92% increase in profit to SEK 246 M (128). Stronger net interest income and increased commission income contributed to operating profit in the bank rising 16% to SEK 647 M (555). Net interest income strengthened on the basis of a favourable trend of business volumes and well offset the negative impact of low market interest rates on deposit margins. The technical result from non-life insurance operations strengthened SEK 130 M and the combined ratio improved to 93%. Return on equity remained unchanged at 5%, despite stronger earnings, which was due to the strengthening of capital carried out during the year.

Group's equity

In 2013, the Group's equity rose SEK 1,268 M to SEK 15,183 M. This is mainly explained by a contribution of SEK 500 M from the owners and the issuance of subordinated debt in Länsförsäkringar Bank that was conducted to finance the Group's continued growth.

The Länsförsäkringar AB Group is a financial conglomerate and subject to a special solvency test. According to this solvency test, the Group had a surplus of

SEK 3,609 M (1,929) at year-end. The surplus has increased SEK 196 M during the fourth quarter by profit for the period slightly exceeding the increase in the capital requirements and by including the bank's earnings for the entire second half of the year.

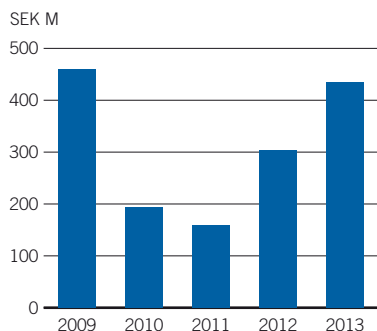
Non-life insurance

The technical result was stronger than in the preceding year primarily due to strong earnings in Agria's animal insurance and in Business Area Health. Veterinary care is being restructured, which had a negative impact on earnings during the year. Fewer and larger players are influencing the direction, availability and costs in veterinary care. The higher claims costs are offset by changes to insurance conditions and price adjustments, and earnings stabilised in the autumn. Agria's international business has recovered strongly and reported a profit after having divested unprofitable areas. Profit for Business Area Reinsurance was slightly lower than in the year-earlier period. Both the Länsförsäkringar Alliance's Swedish business and assumed reinsurance were affected by many major claims in 2013. However, the decline in earnings was limited by the inclusion of some parts of claims costs in external reinsurance cover for the business. Key figures improved during the year. The combined ratio amounted to 93.2 (96.6) and the expense ratio improved to 21.9 (23.9).

Operating profit amounted to SEK 427 M (486). Earnings performed more weakly compared with the year-earlier period, primarily as a result of lower investment income on investment assets. The lower return was largely due to the liability hedge in nominal and real return bonds which is used to hedge the interest-rate risk in the company's discounted claims annuities reserve. At year-end, the liability hedge amounted to approximately 31% of the investment assets and accounted for the largest negative contribution, negative 3.0 percentage points in the return. However, the negative result from the liability hedges is offset by a positive change in value of the claims annuities reserve. The risk level in the investment portfolio was reduced compared with the year-earlier period. The total return amounted to a ne-

gative 0.9% (pos: 3.7). The return, excluding the liability hedge, amounted to 3.1% (5.2). The fixed-income portfolio and property holdings accounted for most of the return.

TECHNICAL RESULT



The performance of premium volumes was stable and premiums earned increased compared with the preceding year. The increase primarily derives from Agria's Swedish animal insurance business and Business Area Health, the performance in both premium volumes and the number of policies was positive.

Banking

Operating profit rose 16% to SEK 647 M (555), primarily due to higher net interest income and increased commission income. Net interest income strengthened 8% to SEK 2,230 M (2,071) as a result of higher lending volumes and margins, while low market interest rates had a negative impact on deposit margins. Net gains from financial items declined to a loss of SEK 86 M (gain: 5) due to the negative effects of changes in fair value and the repurchase of own debt. Net commission resulted in a decrease in expense of SEK 253 M (385) as a result of higher income from the fund, card and securities business.

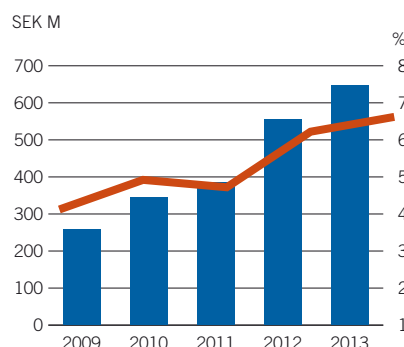
Operating expenses rose 8% to SEK 1,331 M (1,235). The increase was due to higher fund management costs, higher staff costs and higher depreciation.

Loan losses remained very low and amounted to SEK 126 M (91), net, corresponding to loan losses of 0.08% (0.06).

Reserves totalled SEK 422 M (325), corresponding to a reserve ratio in relation to loans of 0.25% (0.21). The cost/income ratio before loan losses strengthened to 0.63 (0.66) and the cost/income ratio after loan losses strengthened to 0.69 (0.70).

Return on equity strengthened to 6.7% (6.3).

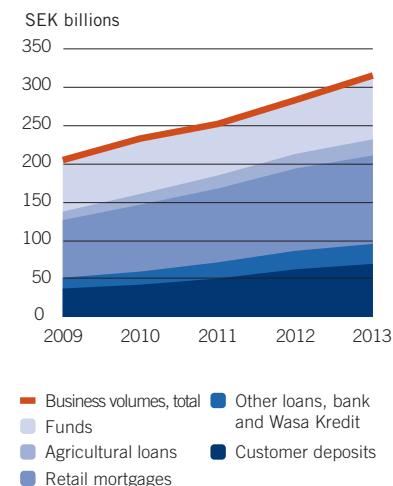
OPERATING PROFIT AND RETURN ON EQUITY



Business volumes increased SEK 31 billion to SEK 314 billion (283). Deposits from the public increased 11% to SEK 69 billion (62) and the market share strengthened to 4.5% (4.3) per December 31.

Net savings in Länsförsäkringar Fondförvaltning increased SEK 3.2 billion and fund volumes rose 18% to SEK 83 billion (70). Lending increased 8% to SEK 162 billion (150). Retail mortgages in Länsförsäkringar Hypotek increased 11% to SEK 112 billion (101) and the market share of household lending amounted to 5.0% (4.9) per December 31, 2013.

BUSINESS VOLUMES



Funding and liquidity

Debt securities in issue rose 8% to SEK 124 billion (114), of which senior funding accounted for SEK 22 billion (18) and covered bonds for SEK 99 billion (91).

The Bank Group has a low refinancing risk and a highly diversified maturity structure of funding. Long-term financing takes place on the capital market through covered bonds and senior funding. During the year, the bank increased the percentage of senior funding. Issuances took place at longer maturities than on average. Issued covered bonds amounted to a nominal SEK 23.5 billion (28.5), repurchased covered bonds to a nominal SEK 7.2 billion (16.0) and matured covered bonds to a nominal SEK 8.4 billion (6.6) during the year.

Länsförsäkringar Bank issued senior unsecured bonds in the nominal amount of SEK 10.7 billion (11.4) during the year.

The liquidity reserve amounted to SEK 45.9 billion (40.6) and is invested in securities with very high credit quality that 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 Bank Group's Liquidity Coverage Ratio (LCR) amounted to 230% (277) on December 31, 2013 and was an average of 253% (248) during the fourth 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 exposures and to corporate and the agricultural exposures up to SEK 5 M. The 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. Länsförsäkringar is following developments regarding CRD IV (Capital Requirements Regulation) and concludes that uncertainties still exist in a number of areas. Good preparedness is in place for the introduction of these regulations.

The loan portfolio consisted to 88% (88) of retail credits in accordance with the Advanced IRB Approach. The Core Tier 1 ratio according to Basel II strengthened to 14.7% (13.1), the capital adequacy ratio strengthened to 18.7% (15.6) and the Tier 1 ratio strengthened to 14.7% (13.7).

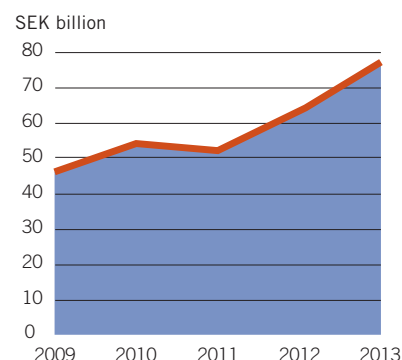
Unit-linked insurance

Profit improved substantially to SEK 246 M (128), as a result of the strong stock market performance, increased premium inflow and unchanged administration expenses. Income from customer fees for unit-linked insurance contracts rose 16% to SEK 501 M.

Management remuneration amounted to SEK 493 M, and increased by 16%. Operating expenses totalled SEK 790 M (731). The increase in operating expenses is explained by higher selling expenses attributable to increased volumes.

Managed assets rose SEK 14.5 billion to SEK 77.5 billion.

MANAGED ASSETS



The total market share in unit-linked insurance measured in premium income increased, which means that Länsförsäkringar Fondliv was the second largest company in the market, according to third-quarter statistics.

Premium income amounted to SEK 9,473 (8,713). Capital transferred strengthened premium income by SEK 2,627 M. Most of the premium flow is recognised in the balance sheet. Premium

income in the income statement amounted to SEK 61 M (19) and pertains to the portion of premiums containing insurance risk. From 2013, risk insurance is underwritten in Länsförsäkringar Fondliv, which explains the improved premium income recognised in profit and loss.

Fund management

2013 began with sharply rising stock markets and market interest rates. Positive signals in Europe, higher growth in the US, improved gains in the companies and a general increase in risk willingness provided nourishment for the stock markets during 2013. There were temporary declines during the year, driven by political unrest, rising interest rates and relatively high share valuations. Almost 80% of funds in the range performed positively during 2013. The 30 best funds increased more than 20%. Among these, funds targeted towards the US, Swedish small companies and Europe were noticeable. On the negative side were funds investing in emerging markets and commodities that were adversely affected by the weak commodities market, lower export and a weak economic climate. Fixed-income funds struggled to hold their positions in the fluctuating fixed-income climate, and some ended on a minus. The SEK weakened during the year, which contributed positively to funds investing outside Sweden.

Significant events during the year

A new share issue of SEK 500 M took place in March to strengthen Länsförsäkringar AB's financial basis for continued investments in banking and insurance.

In 2013, work on strengthening the key figures and balance sheet for Länsförsäkringar Liv has continued. This work contributed to the solvency ratio for Länsförsäkringar Liv improving by 5 percentage points to 118%. Focus has been directed to activities in New Trad where customers can choose to change the conditions of their insurance. The

changing conditions involves lower guarantee levels combined with lower fees, which allows an investment mix with improved opportunities for future increases in the value of savings.

Rating

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. Länsförsäkringar Sak's rating was revised from A2/negative to A2/stable by Moody's.

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.

Significant events after year-end

No significant events took place after the end of the interim period.

Risks and uncertainty factors of the operations

The Group's banking and insurance operations generates various types of risks, with credit risk in Länsförsäkringar Bank and market risks and insurance risks attributable to the Group's non-life insurance and unit-linked life assurance companies constitute the primary risks. Market risk occurs on the basis of investment decisions concerning the management of the non-life insurance company's investment

assets. The unit-linked life assurance company also has indirect exposure to market risk since income in the unit-linked insurance operations is dependent on the trends in the financial market. Credit risk in Länsförsäkringar Bank is affected by the macroeconomic situation in Sweden since all loans are granted in Sweden. Loan losses remain low and market and insurance risks in non-life insurance and the unit-linked assurance operations are maintained at a stable and controlled level. The risks that arise directly in the Parent Company are primarily attributable to the company's financing, investments of liquidity and the business-support operations conducted on behalf of the subsidiaries and the regional insurance companies. Adjustments within the Group's insurance companies to the new Solvency II rules continued during the second six months of the year including the Swedish Financial Supervisory Authority's preliminary review of the partial internal model. A more detailed description of the risks to which the Group and Parent Company are exposed and how these risks are managed is presented in the 2012 Annual Report. No significant changes in the risk profile for the Group or the Parent Company have taken place since the description provided in the Annual Report 2012.

Related-party transactions

In 2013, the Länsförsäkringar AB Group has had the same type of agreements as those described in the notes to the 2012 Annual Report. The most important related-party transactions during the interim period are reported in note 3 for the Group and note 2 for the Parent Company.

Fourth quarter of 2013 compared with third quarter of 2013

The Group's operating profit for the fourth quarter amounted to SEK 322 M (276).

The earnings trend in the non-life insurance operations improved compared with the preceding quarter. The strong

performance was primarily a result of the improved earnings in both the Swedish animal insurance business in Agria, but also Business Area Health which had a stronger performance during the quarter. The trend in business volumes was weaker than in the preceding quarter, due to a weaker rate of increase in Agria, while Business Area Health and Business Area Reinsurance reported a strong performance.

The Bank Group's operating profit increased to SEK 175 M (174). The cost/income ratio before loan losses was unchanged at 0.62.

Fourth-quarter profit for the unit-linked life assurance company fell to SEK 70 M (73). Higher managed assets contributed to higher income of SEK 263 M (260), while operating expenses declined and claims payments made increased.

Parent company earnings 2013 compared with 2012

Profit after financial items for the Parent Company amounted to SEK 249 M (198). The improved earnings were primarily due to increased dividends from subsidiaries SEK 387 M (347). Income increased and amounted to SEK 2,503 M (2,462). An impairment loss on the holdings in Länsförsäkringar Liv Försäkrings AB had a negative impact of SEK 100 M (100) on earnings. Equity strengthened on the basis of a new share issue of SEK 500 M.

During the year, a shareholders' contribution of SEK 625 M was paid to Länsförsäkringar Bank, of which SEK 290 M was converted subordinated debt.

The results of the operations during the period and the financial position of the Länsförsäkringar AB Group and the Parent Company at December 31, 2013 are shown in the following financial statements with accompanying notes for the Group and Parent Company.

Key figures

Länsförsäkringar AB Group	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Amounts in SEK M unless otherwise stated							
Group							
Operating profit	322	276	140	186	127	923	819
Net profit for the period	220	203	108	150	176	682	684
Return on equity, % ¹⁾	5	4	3	4	4	5	5
Total assets, SEK billion	323	313	316	307	291	323	291
Equity per share, SEK	1,557	1,533	1,508	1,497	1,479	1,557	1,479
Solvency capital ²⁾	18,031	17,651	17,427	17,339	15,590	18,031	15,590
Solvency margin, % ³⁾	427	418	422	424	388	427	388
Capital base for the financial conglomerate ⁴⁾	16,373	16,076	16,130	16,169	14,590	16,373	14,590
Necessary capital requirement for the financial conglomerate	12,764	12,663	12,611	12,724	12,661	12,764	12,661
Insurance operations ⁵⁾							
<i>Non-life insurance operations</i>							
Premiums earned (after ceded reinsurance)	1,020	987	960	938	952	3,905	3,795
Investment income transferred from financial operations	40	39	38	35	43	152	162
Claims payments (after ceded reinsurance) ⁶⁾	-675	-676	-615	-647	-624	-2,613	-2,557
Technical result, non-life operations	94	102	94	61	41	351	263
<i>Premium income, non-life insurance</i>							
Premium income before ceded reinsurance	1,351	935	950	2,713	1,301	5,949	5,703
Premium income after ceded reinsurance	762	868	923	1,455	708	4,009	3,771
<i>Life-assurance operations</i>							
Premium income after ceded reinsurance	47	33	44	154	35	279	249
Fees pertaining to financial agreements	130	134	118	119	212	501	402
Investment income, net	35	7	8	11	3	62	18
Claims payments (after ceded reinsurance)	8	-33	-34	-33	-35	-91	-140
Technical result, life-assurance operations	120	90	54	220	26	484	378
Operating profit for insurance operations ⁷⁾	274	169	116	116	142	675	613
<i>Key figures</i>							
Cost ratio ⁸⁾	28	25	27	32	35	28	30
Expense ratio ⁹⁾	22	19	20	25	30	21	24
Claims ratio ¹⁰⁾	73	75	71	75	70	73	73
Combined ratio	95	94	91	101	100	95	97
Management cost ratio, life-assurance operations ¹¹⁾	1	1	1	1	1	1	1
Direct yield, % ¹²⁾	0.5	-0.1	0.3	0.1	0.4	0.8	1.2
Total return, % ¹³⁾	0.8	-0.2	-1.0	-0.1	0.4	-0.6	3.5
Total return, % ¹⁴⁾	1.3	0.6	0.8	0.4	1.1	3.1	4.9
<i>Financial position</i>							
Investment assets, SEK billion ¹⁵⁾	17	17	16	17	17	17	17
Unit-linked insurance assets – policyholder bears the risk, SEK billion	78	72	68	67	62	78	62
Technical reserves (after ceded reinsurance), SEK billion	14	14	14	15	14	14	14

Continued on next page

Key figures, cont.

Länsförsäkringar AB Group	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Banking operation							
Net interest income	579	556	551	544	544	2,230	2,071
Operating profit	175	174	161	136	127	647	555
Net profit for the period	118	129	126	106	117	479	433
Return on equity, % ¹⁶⁾	7	7	7	6	6	7	6
Total assets, SEK billion	213	209	214	205	197	213	197
Equity	8,288	7,878	7,716	7,632	7,171	8,288	7,171
Cost/income ratio before loan losses ¹⁷⁾	0.62	0.62	0.64	0.65	0.68	0.63	0.66
Investment margin, % ¹⁸⁾	1.09	1.05	1.04	1.08	1.10	1.06	1.11
Tier 1 ratio according to Basel II, % ¹⁹⁾	14.7	14.3	14.5	14.1	13.7	14.7	13.7
Capital adequacy ratio according to Basel II, % ²⁰⁾	18.7	18.2	18.6	18.3	15.6	18.7	15.6
Loan losses in relation to loans, % ²¹⁾	0.08	0.08	0.07	0.08	0.07	0.08	0.06

¹⁾ Operating profit plus change in value of owner-occupied property less standard tax at 22.0% (26.3) in relation to average equity adjusted for share issue and dividends.

²⁾ Total of shareholders' equity, subordinated loan and deferred taxes.

³⁾ Solvency capital as a percentage of full-year premium income after ceded reinsurance.

⁴⁾ The financial conglomerate comprises the Parent Company Länsförsäkringar AB, all insurance companies in the Group, Länsförsäkringar Bank AB, Wasa Kredit AB, Länsförsäkringar Hypotek AB and Länsförsäkringar Fondförvaltning AB. The financial conglomerate also includes Länsförsäkringar Liv Försäkrings AB, despite the Länsförsäkringar Liv Group is not consolidated in the Länsförsäkringar AB Group. The capital base is calculated in accordance with the aggregation method. In accordance with the Swedish Special Supervision of Financial Conglomerates Act (2006:531).

⁵⁾ The earnings, key figures and financial position of the insurance operations are presented in accordance with Chapter 6, Section 2 of the Swedish Annual Accounts Act for Insurance Companies and Swedish Financial Supervisory Authority's directives and general guidelines FFFS 2008:26.

⁶⁾ Excluding claims adjustment costs.

⁷⁾ The operating profit of the insurance operations includes the Länsförsäkringar Sak Group's and Länsförsäkringar Fondliv's investment income and other non-technical income and expenses.

⁸⁾ Operating expenses and claims adjustment costs as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance.

⁹⁾ Operating expenses as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Excluding claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

¹⁰⁾ Claims payments as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Includes claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

¹¹⁾ Operating expenses and claims adjustment costs in relation to the average value of investment assets, investment assets for which the policyholder bears the investment risk and cash and cash equivalents.

¹²⁾ Direct yield refers to the total of rental income from properties, interest income, interest expense, dividends on shares and participations, administrative expenses of asset management and operating expenses for properties in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

¹³⁾ Total return is calculated as the sum of direct yields and changes in the value of the investment portfolio in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

¹⁴⁾ Total return is calculated as the sum of direct yields and changes in the value of the investment portfolio, excluding returns from real return bonds held for the purpose of hedging the discounted claims annuities reserve, in relation to the average value of the investment assets during the period. Pertains to non-life insurance and life-assurance.

¹⁵⁾ Investment assets comprise owner-occupied property, shares and participations in associated companies, investment property, loans to Group companies, shares and participations, bonds and other interest-bearing securities, derivatives (assets and liabilities), cash and cash equivalents, and interest-bearing liabilities.

¹⁶⁾ Operating profit plus less standard tax at 22.0% (26.3) in relation to average equity adjusted for changes in value of financial assets recognised in equity.

¹⁷⁾ Total expenses before loan losses in relation to total income.

¹⁸⁾ Net interest in relation to average total assets.

¹⁹⁾ Tier 1 capital base in relation to the closing risk-weighted amount.

²⁰⁾ Closing capital base in relation to the closing risk-weighted amount.

²¹⁾ Net loan losses in relation to the carrying amount of loans to the public and to credit institutions.

Financial statements – Group

CONSOLIDATED INCOME STATEMENT

SEK M	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Premiums earned before ceded reinsurance	1,941	1,340	1,330	1,495	1,891	6,105	6,012
Reinsurers' portion of premiums earned	–902	–320	–328	–400	–906	–1,949	–1,969
Premiums earned after ceded reinsurance	1,039	1,020	1,002	1,094	985	4,156	4,043
Interest income	2,388	2,409	2,305	2,387	2,518	9,488	10,429
Interest expense	–1,789	–1,837	–1,739	–1,822	–1,958	–7,187	–8,278
Net interest income	598	572	566	564	560	2,301	2,151
Change in unit-linked insurance assets – policyholder bears the risk	3,195	2,299	122	2,635	1,232	8,251	3,659
Dividends in unit-linked insurance assets – policyholder bears the risk	0	4	–	–	78	4	1,085
Investment income, net	–20	–46	–51	–86	0	–203	59
Commission income	597	488	468	462	516	2,014	1,745
Other operating income	615	445	519	456	421	2,036	2,036
Total operating income	6,025	4,783	2,626	5,124	3,790	18,558	14,778
Claims payments before ceded reinsurance	–1,499	–861	–770	–955	–1,043	–4,084	–3,986
Reinsurers' portion of claims payments	832	153	121	276	384	1,381	1,290
Claims payments after ceded reinsurance	–667	–708	–649	–680	–659	–2,704	–2,697
Change in life-assurance reserve	27	18	26	–91	21	–1	–2
Change in unit-linked insurance liabilities – policyholder bears the risk	–3,228	–2,323	–122	–2,635	–1,400	–8,308	–4,846
Commission expense	–579	–476	–514	–506	–604	–2,074	–2,029
Staff costs	–418	–384	–432	–423	–427	–1,657	–1,588
Other administration expenses	–806	–620	–767	–572	–567	–2,765	–2,706
Loan losses	–32	–32	–30	–33	–28	–126	–91
Total expenses	–5,703	–4,507	–2,486	–4,939	–3,664	–17,635	–13,958
Operating profit	322	276	140	186	127	923	819
Tax	–102	–72	–32	–35	50	–242	–135
Net profit for the period	220	203	108	150	176	682	684
Earnings per share before and after dilution, SEK	21	22	11	16	19	70	73

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Net profit for the period	220	203	108	150	176	682	684
Other comprehensive income							
Items that cannot be transferred to profit for the period							
Revaluation of owner-occupied property	14	13	26	–	26	53	49
Revaluation of defined-benefit pension plans	7	–	–	–	–7	7	–7
Tax attributable to items that cannot be reversed to profit for the period	–5	–3	–6	15	32	2	25
Total	16	10	21	15	50	62	67
Items that have been transferred or can be transferred to profit for the period							
Translation differences attributable to foreign operations	6	4	9	–18	0	0	–2
Cash-flow hedges	–14	–1	16	14	0	15	0
Change in fair value of available-for-sale financial assets	–8	42	–54	26	–45	7	–58
Tax attributable to items that have been transferred or can be transferred to profit for the period	12	–9	8	–9	12	2	15
Total	–4	36	–21	13	–33	24	–45
Total other comprehensive income for the period, net after tax	12	46	0	28	17	87	22
Comprehensive income for the period	232	249	108	178	193	768	706

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Dec 31, 2013	Dec 31, 2012
ASSETS		
Goodwill	711	710
Other intangible assets	3,804	3,952
Deferred tax assets	13	22
Property and equipment	58	80
Owner-occupied property	2,423	2,448
Shares in Länsförsäkringar Liv Försäkrings AB	208	308
Shares and participations in associated companies	31	24
Reinsurers' portion of technical reserves	7,208	6,731
Loans to the public	162,003	149,942
Unit-linked insurance assets – policyholder bears the risk	76,207	62,384
Shares and participations	1 148	948
Bonds and other interest-bearing securities	47,979	44,669
Treasury bills and other eligible bills	4,881	5,222
Derivatives	1,101	1,900
Change in value of hedge portfolios	551	878
Other receivables	2,807	2,397
Prepaid expenses and accrued income	3,933	3,948
Cash and cash equivalents	7,484	4,429
TOTAL ASSETS	322,550	290,994

SEK M	Dec 31, 2013	Dec 31, 2012
EQUITY AND LIABILITIES		
Equity		
Share capital	975	941
Other capital contributed	9,240	8,774
Reserves	496	410
Retained earnings including profit for the period	4,472	3,790
Total equity	15,183	13,915
Subordinated liabilities	2,000	900
Technical reserves	20,753	20,582
Provisions for life assurance – policyholder bears the risk	76,712	62,580
Deferred tax liabilities	861	799
Other provisions	132	172
Debt securities in issue	124,866	115,476
Deposits from the public	68,752	61,901
Due to credit institutions	1,600	1,063
Derivatives	2,801	3,111
Change in value of hedge portfolios	646	2,177
Other liabilities	3,284	3,421
Accrued expenses and deferred income	4,961	4,897
TOTAL EQUITY AND LIABILITIES	322,550	290,994

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Share capital	Other capital contributed	Reserves	Retained earnings including net profit for the period	Total
Opening equity, January 1, 2012	941	8,774	387	3,097	13,198
Adjustment for retroactive application				9	9
Adjusted opening equity, January 1, 2012	941	8,774	387	3,106	13,208
Comprehensive income for the period			6	508	514
Closing equity, December 31, 2012	941	8,774	410	3,790	13,915
Opening equity, January 1, 2013	941	8,774	410	3,790	13,915
Comprehensive income for the period			87	682	768
Shareholders' contribution					
New share issue	34	466			500
Closing equity, December 31, 2013	975	9,240	496	4,472	15,183

The number of shares amounted to 9,749,715 (9,407,249). Of total equity, SEK 5,770 (5,736) is restricted equity.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	2013	2012
Cash flow from operating activities before changes in working capital	7,708	8,088
Cash flow from changes in working capital	-14,339	-19,909
Cash flow from operating activities	-6,631	-11,821
Cash flow from investing activities	-206	-229
Cash flow from financing activities	9,889	13,286
Net cash flow for the period	3,053	1,236
Cash and cash equivalents, January 1	4,429	3,193
Net cash flow for the period	3,053	1,236
Exchange-rate differences in cash and cash equivalents	1	0
Cash and cash equivalents at end of period	7,484	4,429

Notes to the consolidated financial statements

NOTE 1 ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the Swedish Annual Accounts Act for Insurance Companies (1995:1560) and the regulation FFRS 2008:26 of the Swedish Financial Supervisory Authority were applied. The Group also complies with recommendation RFR 1 Supplementary Accounting Rules for Groups and statements issued by the Swedish Financial Reporting Board. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

According to IAS 1 Presentation of Financial Statements, the presentation of items in other comprehensive income was changed in 2013. The items are divided into two categories: items that have been transferred or can be transferred to net profit for the period and items that cannot be transferred to net profit for the period.

The Group applies IFRS 13 Fair Value Measurement, a new accounting standard for the measurement of financial instruments, from January 1, 2013. The standard is a collection and development of the principles for the measurement of fair value from other IFRSs. The introduction of IFRS 13 has entailed additional disclosure requirements.

The Group's segment reporting was changed on January 1, 2013. Previously, the Asset management operating segment was recognised. The investment income recognised in the Asset management segment is now recognised in the Non-life Insurance and Parent Company segments, respectively. The Other operations operating segment has changed name to Parent Company. Earnings per operating segment for 2012 have been restated in accordance with the new segment classification.

Effective January 1, 2013, the Group changed from recognising actuarial gains and losses according to the corridor method to recognising them in their entirety in other comprehensive income in the period in which they arise, according to IAS 19 Employee Benefits. The changes were applied retroactively in accordance with IAS 8 and impacted the financial statements for the current period, the preceding period and accumulated at the start of the comparative period as follows:

SEK M	2012
Change in net profit for the year	-1.0
Change in actuarial gains/loss in other comprehensive income	-7.3
Change in tax attributable to items recognised in other comprehensive income	1.6
Change in comprehensive income for the year	-5.7
Change in total comprehensive income for the year	-6.7

SEK M	Dec 31, 2012	Jan 1, 2012
Change in pension commitments	-2.9	-12.4
Change in deferred tax assets	-0.6	-3.3
Change in retained earnings	2.2	9.1

In all other respects, the interim report for the Group has been prepared in accordance with the same accounting policies and calculation methods applied in the 2012 Annual Report.

NOTE 2 EARNINGS PER SEGMENT

Jan 1, 2013 – Dec 31, 2013, SEK M	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned before ceded reinsurance	4,122	61			-27	4,156
Interest income			2,230		71	2,301
Change in unit-linked insurance assets – policyholder bears the risk		8,251				8,251
Dividends in unit-linked insurance assets – policyholder bears the risk		4				4
Investment income, net	155	53	-86	336	-662	-203
Commission income	119	994	1,140		-240	2,013
Other operating income	299	61	212	2,502	-1,038	2,036
Total operating income	4,696	9,423	3,497	2,839	-1,897	18,558
Claims payments before ceded reinsurance	-2,940	-36			272	-2,704
Change in life-assurance provision	-1					-1
Change in unit-linked insurance liabilities – policyholder bears the risk		-8,307				-8,307
Commission expense	-360	-572	-1,393		250	-2,074
Staff costs	-324	-53	-427	-875	22	-1,657
Other administration expenses	-637	-206	-904	-1,714	697	-2,765
Loan losses			-126			-126
Total expenses	-4,261	-9,175	-2,850	-2,590	1,241	-17,635
Technical result	434	248			-683	-
Non technical recognition	-7	-1			8	-
Operating profit/loss in profit and loss	427	247	647	249	-647	923
Tax						-242
Profit for the period						682
Income distribution						
External income	4,419	9,184	3,525	1,913	-482	18,558
Internal income	206	244	-28	926	-1,347	-
Total operating income	4,625	9,428	3,497	2,839	-1,830	18,558

The distribution into operating segments matches how the Group is organised and is monitored by Group Management.

The Non-life Insurance segment pertains to non-life and group life-assurance; group life-assurance comprises a minor portion only. The Länsförsäkringar Alliance's internal and external reinsurance and run-off of previously underwritten international reinsurance are also included.

The Unit-linked insurance segment pertains to life-assurance with links to mutual funds.

The Bank segment pertains to deposits and lending operations. The legal structure of Länsförsäkringar Bank Group matches the product offering to customers.

The Parent Company segment pertains to service, IT and development for the Länsförsäkringar Alliance, administration of securities funds and costs for joint functions.

Depreciation/amortisation and impairment: Depreciation of property and equipment and amortisation of intangible assets is included in "Other administration expenses in Non-life Insurance and Unit-linked Life Assurance. The impairment of the holdings in Länsförsäkringar Liv is included in net investment income in "Parent Company".

Investment income, net Investment income, net, for non-life insurance includes return on investments, return on securities held to hedge claims annuities operations and discounting claims annuities reserve. The change in value of properties in property-owning subsidiaries is recognised in other comprehensive income. Fair value changes are included in the bank. Dividends from subsidiaries and interest expense are included in the Parent Company.

Continued on next page

NOTE 2 EARNINGS PER SEGMENT, CONT.

2012-01-01–2012-12-31, Mkr	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned before ceded reinsurance	4,024	19				4,043
Interest income			2,071		80	2,151
Change in unit-linked insurance assets – policyholder bears the risk		3,659				3,659
Dividends in unit-linked insurance assets – policyholder bears the risk		1,085				1,085
Investment income, net	169	8	5	271	–395	59
Commission income	119	955	984		–314	1,745
Other operating income	298	41	190	2,462	–955	2,036
Total operating income	4,609	5,768	3,251	2,733	–1,583	14,778
Claims payments before ceded reinsurance	–2,923	–16			243	–2,697
Change in life-assurance provision	–2					–2
Change in unit-linked insurance liabilities – policyholder bears the risk		–4,846				–4,846
Commission expense	–366	–522	–1,369		229	–2,029
Staff costs	–330	–46	–397	–850	34	–1,588
Other administration expenses	–684	–207	–838	–1,685	708	–2,706
Loan losses			–91			–91
Total expenses	–4,305	–5,637	–2,695	–2,535	1,214	–13,958
Technical result	304	130			–435	–
Non technical recognition	182	–4			–178	–
Operating profit/loss in profit and loss	486	127	556	198	–548	819
Tax						–135
Profit for the period						684
Income distribution						
External income	4,550	5,450	3,279	1,442	57	14,778
Internal income	192	217	–28	1,292	–1,673	–
Total operating income	4,742	5,667	3,251	2,733	–1,616	14,778

NOTE 3 RELATED-PARTY TRANSACTIONS

SEK M	Income Jan-Dec	Expenses Jan-Dec	Receivables Dec 31	Liabilities Dec 31	Commitments Dec 31
2013					
Associated companies	0	–5	17	–	–
Länsförsäkringar Liv Group	405	–167	504	1,696	1,472
Regional insurance companies	1,862	–1,855	6,694	9,894	52
Other related parties	21	–13	3	29	5
2012					
Associated companies	3	–5	–	–	–
Länsförsäkringar Liv Group	489	–76	401	1,514	1,733
Regional insurance companies	1,761	–1,636	6,399	9,012	–
Other related parties	25	–12	0	23	–

Income and expenses include interest. Receivables and liabilities to regional insurance companies include technical reserves.

NOTE 4 ACQUISITIONS OF OPERATIONS
Acquisitions of operations 2013

During 2013, the Länsförsäkringar AB Group did not acquire any operations.

Change in additional purchase price 2013

2011 Länsförsäkringar AB acquired Länsförsäkringar Fondliv Försäkrings AB from Länsförsäkringar Liv Försäkrings AB. The acquisition agreement states that an additional purchase price of SEK 950 M is to be paid in seven annual part payments to Länsförsäkringar Liv Försäkrings AB. Fastställd förvärvsanalys redovisades i årsredovisning för 2012.

During 2013, an installment of the additional purchase price was paid to Länsförsäkringar Liv Försäkrings AB. The installment totalled SEK 136 M (136). The value of the additional purchase price was SEK 593 M (715) on December 31, 2013.

NOTE 5 GOODWILL

SEK M	Dec 31, 2013	Dec 31, 2012
Cost		
Opening cost, January 1	710	712
Exchange-rate differences	1	–2
Closing cost	711	710
Acquisition of Länsförsäkringar Fondliv Försäkrings AB	372	372
Acquisition of Länsförsäkringar Gruppliv Försäkrings AB	35	35
Acquisition of insurance portfolio	144	144
Acquisition of Agria Pet Insurance Ltd	160	159
Closing cost	711	710
No impairment losses have been recognised. The value of goodwill is tested annually on December 31.		
Assumption	2013	2012
Long-term growth, %	2.0	2.0
Discount rate, %	7.5	7.5
Exchange rate GBP/SEK	10.6	10.6

Impairment test is based on the value in use. A cash-flow estimate was made for the period 2014 and ahead and based on a forecast period of 3-5 years. After that, cash flows are extrapolated with a 2% growth rate. The growth assumption is based on experience and discount rates corresponding to the yield requirement on equity. A market value is calculated for Länsförsäkringar Fondliv according to MCEV. The calculation is performed based on the present value of future gains in the insurance portfolio. These future gains are measured and discounted using a market-based, risk-free yield curve.

NOTE 6 INFORMATION ABOUT OFFSETTING

Information per type of instrument. Financial assets and liabilities covered by a legally binding agreement regarding netting or a similar agreement but that are not offset in the balance sheet. The Group has ISDA and CSA agreements with all derivative counterparties which means that all exposures shown below are covered by the two types of agreements.

Related amounts that are not offset in the balance sheet							
	Financial assets recognised in the balance sheet,	Financial liabilities amount that offset amount in the balance sheet	Amount recognised in the balance sheet	Financial Instruments	Provided (+) Received (-) collateral – secu- rities	Provided (+) Recieved (-) cash collateral	Net amount
December 31, 2013, SEK M							
Assets							
Derivatives	1,361	-261	1,101	-1,090	-	-16	-6
Repos (included in Cash and cash equivalents)	5,339	-	5,339	-	-5,339	-	-
Liabilities							
Derivatives	-2,780	-21	-2,801	1,090	-	114	-1,597
Repos (included in Due to credit institutions)	-531	-	-531	-	531	-	-
Total	3,389	-282	3,107	-	-4,808	98	-1,603
December 31, 2012, SEK M							
Assets							
Derivatives	2,093	-193	1,900	-1,660	-	-6	234
Repos (included in Cash and cash equivalents)	1,749	-	1,750	-	-1,750	-	-
Liabilities							
Derivatives	-3,104	-7	-3,111	1,660	-	496	-955
Repos (included in Due to credit institutions)	-576	-	-576	-	576	-	-
Total	162	-200	-37	-	-1,173	490	-721

NOTE 7 FAIR VALUE VALUATION TECHNIQUES

Determination of fair value through published price quotations or valuation techniques.

For information on determination of fair value, see note 1 of the Accounting policies.

December 31, 2013, SEK M	Instruments with published price quotations (Level 1)	Valuation techniques based on observable market data (Level 2)	Valuation techniques based on unobservable market data (Level 3)	Total
Assets				
Unit-linked insurance assets	76,207	-	-	76,207
Shares and participations	664	11	473	1,148
Bonds and other interest-bearing securities	47,979	-	-	47,979
Treasury bills and other eligible bills	4,881	-	-	4,881
Derivatives	1	1,100	-	1,101
Liabilities				
Unit-linked insurance commitments	-	76,712	-	76,712
Derivatives	0	2,801	-	2,801
December 31, 2012, SEK M				
Assets				
Unit-linked insurance assets	62,384	-	-	62,384
Shares and participations	239	-	700	948
Bonds and other interest-bearing securities	44,669	-	-	44,669
Treasury bills and other eligible bills	5,222	-	-	5,222
Derivatives	1	1,899	-	1,900
Liabilities				
Unit-linked insurance commitments	-	62,580	-	62,580
Derivatives	-	3,111	-	3,111

Continued on next page

NOTE 7 FAIR VALUE VALUATION TECHNIQUES, CONT

Change level 3	Shares and participations
Opening balance, January 1, 2013	700
Total profits and losses recognised:	
Acquisition	3
Divestments	-275
Recognised in net profit for the year	45
Closing balance, December 31, 2013	473
Profits and losses recognised in net profit for the period pertaining to assets included in the closing balance at December 31, 2013.	45
Change level 3	Shares and participations
Opening balance, January 1, 2012	715
Total profits and losses recognised:	
Acquisition	1
Divestments	-1
Recognised in net profit for the year	-15
Closing balance, December 31, 2012	700
Profits and losses recognised in net profit for the year pertaining to assets included in the closing balance at December 31, 2012.	-15

There were no significant transfers between level 1 to level 2 during neither 2013 nor 2012. During neither 2013 nor 2012 were no transfers from level 3.

Shares and participations in Level 3 are measured at equity per share based on the most recent company report. Delisted, insolvent companies are measured at zero, if no other listing can be found. During 2013, a larger individual unlisted investment was sold that was previously measured by an independent external party. For holding in Private Equity funds, measurement is received quarterly from each fund; the measurement follows guidelines from European Private Equity & Venture Capital Association. The measurement is certified annually by each fund's external auditors.

Gains and losses are recognised in profit and loss under the item Investment income, net.

Disclosures regarding the fair value of shares in Länsförsäkringar Liv Försäkrings AB, shares and participations in associated companies, deposits and loans and debt securities in issue, other receivables, cash and cash equivalents, due to credit institutions and other liabilities are provided in accordance with the valuation techniques based on unobservable Level 3 market data.

The fair value of other receivables, cash and cash equivalents, due to credit institutions and other liabilities comprises a reasonable approximation of the fair value based on the cost of the assets and liabilities.

The shares in Länsförsäkringar Liv Försäkrings AB are not listed on an active market. The fair value of the holdings has been estimated by using the cost of the shares. The fair value of shares and participations in associated companies comprises the earnings-adjusted cost.

When calculating the fair value of deposits and lending, anticipated future cash flows have been discounted using a discount interest rate set at the current deposit and lending rates applied.

The main principle for measuring the fair value of debt securities in issue is that the value is measured at prices from external parties at year-end or the most recent trading date. If external prices are not available or are deemed to deviate from market levels, a standard method or valuation technique based on the estimated or original issue spread is utilised.

SEK M	Dec 31, 2013		Dec 31, 2012	
	Book value	Fair value	Book value	Fair value
Assets				
Owner-occupied property	2,423	2,423	2,448	2,448
Shares in Länsförsäkringar Liv Försäkrings AB	208	208	308	308
Shares and participations in associated companies	31	31	24	24
Loans to the public	162,003	156,228	149,942	144,570
Unit-linked insurance assets – policyholder bears the risk	76,207	76,207	62,384	62,384
Shares and participations	1 148	1 148	948	948
Bonds and other interest-bearing securities	47,979	47,979	44,669	44,669
Treasury bills and other eligible bills	4,881	4,881	5,222	5,222
Derivatives	1,101	1,101	1,900	1,900
Other receivables	2,807	2,807	2,397	2,397
Prepaid expenses and accrued income	7,484	7,484	4,429	4,429
Cash and cash equivalents	306,273	300,498	274,671	269,299
Liabilities				
Subordinated liabilities	2,000		900	
Provisions for life assurance – policyholder bears the risk	76,712	76,712	62,580	62,580
Debt securities in issue	124,866	130,276	115,476	121,806
Deposits from the public	68,752	70,070	61,901	62,731
Due to credit institutions	1,600	1,600	1,063	1,063
Derivatives	2,801	2,801	3,111	3,111
Other liabilities	3,284	3,284	3,421	3,421
Total liabilities	280,015	284,743	248,452	255,752

Financial statements – Parent Company

INCOME STATEMENT FOR THE PARENT COMPANY

SEK M	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Net sales	738	551	636	578	699	2,503	2,462
Operating expenses							
External expenses	–522	–338	–455	–339	–483	–1,654	–1,619
Staff costs	–227	–198	–225	–225	–230	–875	–850
Depreciation/amortisation and impairment of property and equipment and intangible assets	–16	–14	–15	–16	–24	–61	–66
Operating profit/loss	–27	1	–59	–2	–38	–87	–73
Profit/loss from financial items							
Profit from participations in Group companies	127	2	392	0	91	521	438
Interest income and similar profit/loss items	18	1	1	7	37	26	39
Interest expense and similar profit/loss items	–85	–38	–50	–38	–128	–211	–206
Profit/loss after financial items	33	–34	283	–33	–38	249	198
Tax	–31	5	19	5	–23	–2	6
PROFIT/LOSS FOR THE PERIOD	2	–29	302	–28	–61	247	204

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013	Q 4 2012	Full-year 2013	Full-year 2012
Profit/loss for the period	2	–29	302	–28	–61	247	204
Other comprehensive income							
Items that have been transferred or can be transferred to profit for the period							
Cash-flow hedges	–14	–1	16	14	0	15	0
Tax attributable to items that have been transferred or can be transferred to profit for the period	4	0	–4	–3	0	–3	0
Total other comprehensive income for the period	–10	–1	13	11	0	12	0
Comprehensive income for the period	–8	–30	315	–17	–61	259	204

BALANCE SHEET FOR THE PARENT COMPANY

SEK M	Dec 31, 2013	Dec 31, 2012
ASSETS		
Intangible assets	120	130
Property and equipment	206	259
Shares and participations in Group companies	15,742	14,956
Derivates	15	–
Other fixed assets	216	604
Current assets	1,083	844
Cash and bank balances	1,095	1,229
TOTAL ASSETS	18,477	18,022
EQUITY, PROVISIONS AND LIABILITIES		
Equity	14,228	13,468
Provisions	77	82
Long-term liabilities	2,626	2,765
Current liabilities	1,546	1,707
TOTAL EQUITY, PROVISIONS AND LIABILITIES	18,477	18,022

PLEDGED ASSETS AND CONTINGENT LIABILITIES

Pledged assets	1,473	1,733
Contingent liabilities	107	129
Total	1,580	1,862

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK M	2013	2012
Cash flow from operating activities before changes in working capital	282	296
Cash flow from changes in working capital	–229	223
Cash flow from operating activities	53	519
Cash flow from investing activities	–687	–766
Cash flow from financing activities	500	395
Net cash flow for the period	–134	148
Cash and cash equivalents, January 1	1,229	1,083
Net cash flow for the period	–134	148
Cash and cash equivalents, September 30	1,095	1,229

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

SEK M	Restricted reserves		Non-restricted equity			Total
	Share capital	Statutory reserve	Hedging reserve	Share premium reserve	Retained earnings, including net profit for the year	
Opening equity, January 1, 2012	941	4,801	–	3,973	3,550	13,264
Comprehensive income for the period						
Closing equity, December 31, 2012	941	4,801	0	3,973	3,754	13,468
Opening equity, January 1, 2013	941	4,801	0	3,973	3,754	13,468
Comprehensive income for the period	–	–	12	–	247	259
Shareholders' contribution						
New share issue	34	–	–	466	–	500
Closing equity, December 31, 2013	975	4,801	12	4,438	4,001	14,228

Notes to the financial statements for the Parent Company

NOTE 1 ACCOUNTING POLICIES

The Parent Company prepares its accounts according to the Annual Accounts Act (1995:1554). The company also applies recommendation RFR 2 Accounting for Legal Entities from the Swedish Financial Reporting Board and statements issued pertaining to listed companies. The regulations in RFR 2 stipulate that the Parent Company, in the annual accounts for the legal entity, shall apply all IFRS adopted by the EU and statements to the extent that this is possible within the framework of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and with consideration to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and supplements to IFRS. In all other respects, the interim report has been prepared in accordance with the same accounting policies and calculation methods applied in the 2012 Annual Report.

NOT 2 DISCLOSURES ON RELATED PARTIES

SEK M	Income Jan–Dec	Expenses Jan–Dec	Receivables Dec 31	Liabilities Dec 31	Commit- ments dec 31
2013					
Group companies	1,446	–176	253	855	–
Länsförsäkringar Liv Group	400	–80	79	614	1,473
Regional insurance companies	1,134	–40	116	88	–
Other related parties	20	–	–	–	–
2012					
Group companies	1,304	–186	522	1,067	–
Länsförsäkringar Liv Group	488	–38	199	712	1,733
Regional insurance companies	1,135	–41	115	96	–
Other related parties	22	0	0	–	–

Income and expenses include interest.

The President submitted the report on behalf of the Board of Directors.

This report has not been reviewed by the company's auditor.

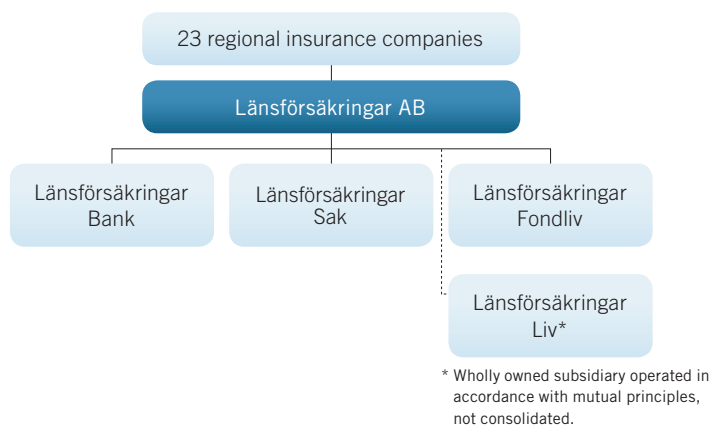
Stockholm, February 10, 2014

Sten Dunér
President

Financial calendar

Annual Report 2013	Week 11
Interim report January-March.....	April 29
Interim report April-June	Juli 18
Interim report July-September.....	October 23

This year-end report contains such information that Länsförsäkringar AB (publ) must publish in accordance with the Securities Market Act. The information was submitted for publication on February 10, 2014 at 15.00 a.m Swedish time.



The Länsförsäkringar Alliance comprises 23 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. The Länsförsäkringar Alliance is based on a strong belief in local presence and customer contacts are made at the regional insurance companies. The regional insurance companies offer a wide range of insurance, banking services and other financial solutions for private individuals, corporate customers and agricultural customers. The number of customers amounts to nearly 3.5 million and the Länsförsäkringar Alliance has a joint total of approximately 5,800 employees.

For further information, please contact:

Sten Dunér, President Länsförsäkringar AB,
+46 (0)8-588 411 15, +46 (0)73-964 11 15

Malin Rylander Leijon, CFO Länsförsäkringar AB,
+46 (0)8-588 408 64, +46 (0)73-964 08 64

Fanny Wallér, Director Corporate Communications Länsförsäkringar AB,
+46 (0)-588 414 69, +46 (0)70-692 77 79

Länsförsäkringar AB (publ), Corporate Registration Number 556549-7020
Street address: Tegeluddsvägen 11-13, Postal Address: 106 50 Stockholm
Telephone: +46 (0)8-588 400 00