

Länsförsäkringar Alliance January–March 2014

INTERIM REVIEW

First quarter of 2014 compared with first quarter 2013

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 1,410 M (1,188).
- The technical result in the Alliance's non-life insurance operations amounted to SEK 524 M (265). The combined ratio amounted to 94 (99).
- Investment income in the Alliance amounted to SEK 1,180 M (1,241). Solvency capital strengthened SEK 4,644 M to SEK 41,524 M.
- Operating profit for the Bank Group totalled SEK 197 M (136). Net interest income strengthened to SEK 584 M (544).
- Profit for Länsförsäkringar Fondliv amounted to SEK 77 M (59). Premium income amounted to SEK 2,328 M (2,742). Commission income amounted to SEK 278 M (233).
- Profit for Länsförsäkringar Liv amounted to SEK 211 M (71). The solvency ratio was 117% (113) and the total return amounted to 2.6% (negative 2.4).

First quarter of 2014 compared with fourth quarter of 2013

- Operating profit for the Alliance's non-life insurance operations amounted to SEK 1,410 M (989).
- The technical result in the Alliance's non-life insurance operations amounted SEK 524 M (293). The combined ratio for the quarter was 94 (98).
- Investment income in the Alliance amounted to SEK 1,180 M (1,393). Solvency capital strengthened SEK 1,066 M to SEK 41,524 M.
- Operating profit for the Bank Group totalled SEK 197 M (175). Net interest income amounted to SEK 584 M (579).
- Profit for Länsförsäkringar Fondliv amounted to SEK 77 M (70). Premium income amounted to SEK 2,328 M (2,129). Commission income amounted to SEK 278 M (263).
- Profit for Länsförsäkringar Liv amounted to SEK 211 M (428). The solvency ratio was 117% (118) percent. The total return amounted to 2.6% (0.9).

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

The quarter was characterised by volatility in the financial markets. In Europe we saw signals of a continuously cautiously positive economic trend. Continued low inflation has increased expectations regarding additional expansive measures from the European Central Bank, which has led to further downward pressure on European interest rates. In Sweden, low inflation has also continued to press down short-term interest rates with longer maturities fell.

The Länsförsäkringar Alliance began the year strongly, in terms of both earnings and growth. Profit for the Alliance's total non-life insurance business strengthened, largely due to

an increased portfolio combined with lower claims costs. In the banking operations, business volumes continued to rise, and profit increased 45%. Managed assets in the unit-linked life assurance company also continued to increase. The Alliance's total solvency capital strengthened during the quarter by slightly more than SEK 1 billion.

Ever since Sweden's Minister of Finance, Anders Borg, announced the government's plans to abolish group registration of VAT, Länsförsäkringar has focused intently on influencing the proposal, which distorts competition and impacts Länsförsäkringar's federal corporate structure more than others.

We believe that the proposal is unreasonable and we see it as our duty to stand up for our customers who are also our owners.

We continuously receive confirmation that we are meeting the expectations our customers have of us. Most recently, the Reputability Barometer showed that, for the sixth consecutive year, we are the financial-sector brand with the highest confidence. This result is proof that we are clear in the values that we stand for and always base our actions on customer interests.



Länsförsäkringar Alliance

The Länsförsäkringar Alliance consists of 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 each regional insurance company. The starting point is the local presence and decision-making. Experience shows 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 5,900 employees.

The Länsförsäkringar Alliance is not a Group in the legal sense of the term. Most of the non-life insurance business within the Länsförsäkringar Alliance is underwritten in the 23 customer-owned regional insurance companies. The business conducted by Länsförsäkringar AB's non-life insurance company comprises 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 consist 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 the Länsförsäkringar AB Group have been eliminated.

Credit rating

Länsförsäkringar AB's credit rating is A3/Stable from Moody's. Länsförsäkringar Bank's credit rating is A3/Stable from Moody's. Länsförsäkringar Hypotek's covered bonds have the highest credit rating of Aaa from Moody's and AAA/stable, from Standard & Poor's. Länsförsäkringar Sak's rating from Moody's is A2/stable.

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.

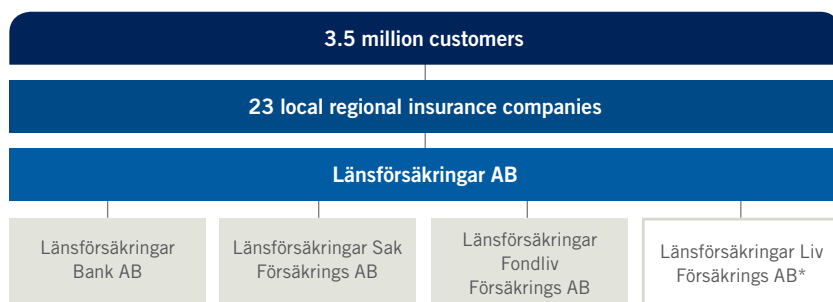
Market commentary

In the financial markets, the first quarter of the year was characterised by volatility. US economic statistics were weaker than expected and negatively surprised the market. This combined with the concern surrounding trends in emerging economies initially led to global stock markets falling slightly and then largely recovering at the end of the quarter. However, the Japanese stock market ended the period slightly down. The exceptionally cold and stormy winter in the US was the main reason for the weak statistics, and accordingly, it was considered to be a temporary decline.

As a result, the Federal Reserve continued to reduce its asset purchases. Despite this, the US interest rate on ten-year bonds fell from 2.5% to 2.1%. The decline in interest rates can generally be attributed to the slightly weaker statistics, but was also due to global concern regarding emerging economies and intensified geopolitical tension in Ukraine.

Signals from Europe about the economic trend remained cautiously positive, while inflation remained alarmingly low. Expectations regarding additional expansionary measures from the European Central Bank increased, which led to further downward pressure on European interest rates. For Sweden, the economic statistics signalled a surprising strong fourth quarter of 2013, whereas other economic indicators gave mixed signals about the Swedish economy at the start of 2014.

Inflation in Sweden also remained low, which pressed down short-term Swedish interest rates due to the higher probability of a further interest-rate cut by the Riksbank. Swedish interest rates with long maturities also fell, due to both these domestic factors and also to the decline in the US and European long-term interest rates. The Swedish stock market performed according to the same trend as seen in other global stock markets, with a fall at the start of the quarter and a recovery at the end of the quarter. In the credit market, spreads compressed during the first quarter, which suggests a heightened risk appetite among investors. The Swedish interest rate margins between mortgage bonds and the government bond curve shrank during the quarter.



* The company is operated in accordance with mutual principles and is not consolidated in Länsförsäkringar AB.

Financial overview

Report commented on the development Q1 2014 compared to the same period in 2013, unless otherwise stated.

LÄNSFÖRSÄKRINGAR ALLIANCE

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Total capital, SEK M	42,393	37,873	41,518	41,518
Non-life insurance				
Solvency capital, SEK M	41,524	36,880	40,458	40,458
Solvency margin, %	198	188	206	206
Return on equity, %	13	12	9	10
Premiums earned after ceded reinsurance, SEK M	5,162	4,890	5,086	20,067
Technical result, SEK M	524	265	293	1,247
Operating profit, SEK M	1,410	1,188	989	3,863
Combined ratio	94	99	98	98

LÄNSFÖRSÄKRINGAR AB, GROUP¹⁾

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Operating profit, SEK M	293	186	322	923
Solvency capital, SEK M	18,229	17,339	18,031	18,031
Total assets, SEK M	339,492	306,669	322,550	322,550
Return on equity, %	6	4	5	5

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

LÄNSFÖRSÄKRINGAR SAK, GROUP

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premiums earned after ceded reinsurance, SEK M	1,180	1,085	1,074	4,122
Technical result, SEK M	86	68	147	434
Operating profit, SEK M	89	57	202	427

LÄNSFÖRSÄKRINGAR BANK, GROUP

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Deposits from the public, SEK M	69,825	63,466	69,220	69,220
Loans to the public, SEK M	163,393	152,472	162,003	162,003
Operating profit, SEK M	197	136	175	647
Return on equity, %	8	6	7	7
Tier 1 ratio, % ²⁾	14	14	15	15

²⁾ Comparative periods calculated in accordance with Basel II-rules

LÄNSFÖRSÄKRINGAR FONDIV

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premium income, SEK M ³⁾	9,056	9,528	9,473	9,473
Profit, SEK M	77	59	70	246
Managed assets, SEK M	80,545	67,463	77,517	77,517
Solvency ratio	1.7	2.1	1.7	1.7

LÄNSFÖRSÄKRINGAR LIV, KONCERNEN

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premium income, SEK M ³⁾	3,119	4,444	3,388	3,388
Profit, SEK M	211	71	428	5,174
Collective consolidation, traditional management, %	111	109	107	107
Collective consolidation, New Trad, %	117	–	115	115
Solvency ratio, %	117	113	118	118

³⁾ In accordance with Insurance Sweden's definition, measured as rolling 12-month figures.

Non-life insurance

- The technical result in the Alliance's non-life insurance operations strengthened to SEK 524 M (265).
- Solvency capital strengthened SEK 1,066 M during the period, and amounted to SEK 41,524 M.
- The combined ratio amounted to 94 (99).
- Investment income amounted to SEK 1,180 M (1,241)

Non-life insurance, Länsförsäkringar Alliance

KEY FIGURES, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premiums earned after ceded reinsurance	5,162	4,890	5,086	20,067
Technical result	524	265	293	1,247
Operating profit	1,410	1,188	989	3,863
Investment income	1,180	1,241	1,393	4,441
Solvency capital	41,524	36,880	40,458	40,458
Solvency margin, %	198	188	206	206
Expense ratio	19	20	19	19
Claims ratio	75	79	79	79
Combined ratio	94	99	98	98

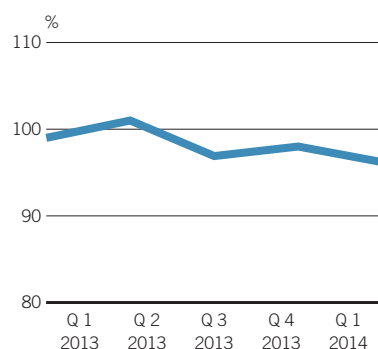
Earnings

The Länsförsäkringar Alliance's operating profit for non-life insurance operations strengthened to SEK 1,410 M (1,188), and the improvement was mainly due to a strong technical result. The technical result increased SEK 259 M to SEK 524 M (265) due to premium increases, portfolio increases and slightly lower claims costs compared with the year-earlier period. Investment income amounted to SEK 1,180 M (1,241). Falling interest rates and a favourable stock-market trend during the first quarter of the year contributed to high investment income.

The combined ratio amounted to 94 (99). The reasons for the improvement in the combined ratio were the higher premiums earned combined with the slightly lower claims costs and operating expenses. The claims ratio amounted to 75 (79) and the expense ratio to 19 (20).

Solvency capital strengthened SEK 1,066 M since year-end and amounted to SEK 41,524 M. The solvency margin was 198% (188).

COMBINED RATIO, ROLLING 12-MONTH FIGURES



Business volumes

Premiums earned rose 6% to SEK 5,162 M (4,890), attributable to both premium and portfolio increases. Premium volumes in commercial insurance rose 6%, mainly in municipal insurance. In private insurance, premium volumes increased just under 6%, with the largest increase in motor-hull insurance and homeowner and household insurance. Growth was also favourable in Agria, particularly in pet-insurance during the first quarter.

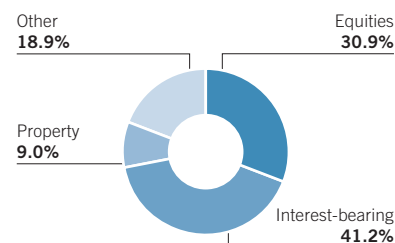
Claims trend

Claims payments after ceded reinsurance amounted to SEK 3,845 M (3,860). The claims trend in the first quarter was favourable compared with the year-earlier period. The claims ratio improved 4 percentage points year-on-year to 75% and was mainly due to the higher premiums earned combined with slightly falling claims costs. Costs fell mainly for fire and water damage and accident claims, while claims in motor-hull business increased slightly during the quarter. The storms that hit southern Sweden at the end of 2013 also affected the first quarter of the year.

Capital and investments

The local regional insurance companies and the non-life insurance companies in Länsförsäkringar AB strive to retain a strong solvency margin to maintain uniform premium pricing over time. In line with the investment strategies, a percentage of assets is invested in low-risk interest-bearing securities to ensure the commitments 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.

ALLOCATION OF INVESTMENT ASSETS



Total investment assets amounted to SEK 76.1 billion on March 31, 2014.

Bank

- Operating profit rose 45% to SEK 197 M (136) and the return on equity strengthened to 7.5% (5.9). Net interest income rose 7% to SEK 584 M (544).
- Loan losses remained very low and amounted to SEK 16 M (33), corresponding to loan losses of 0.04% (0.08).
- Business volumes rose 11% to SEK 321 billion (290). Deposits increased 10% to SEK 70 billion (63) och lending increased 7% to SEK 163 billion (152).
- The number of customers increased 5% to 894,000, the number of bank cards rose 11% to 396,000 and the number of deposit accounts increased 11% to 1,364,000.

Länsförsäkringar Bank, Group

KEY FIGURES, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Deposits from the public	69,825	63,466	69,220	69,220
Loans to the public	163,393	152,472	162,003	162,003
Operating profit	197	136	175	647
Return on equity, %	8	6	7	7
Cost/income ratio before loan losses	0.62	0.65	0.62	0.63

Earnings

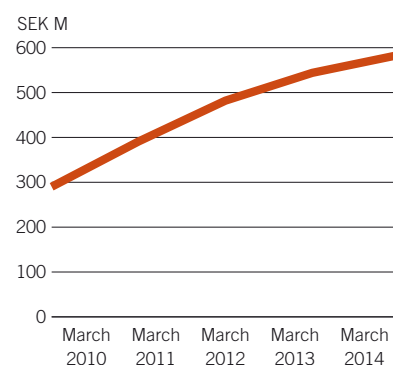
Operating profit rose 45% to SEK 197 M (136), primarily due to improved net gains from financial items, higher net interest income and increased commission income. Net interest income increased 7% to SEK 584 M (544), mainly attributable to higher volumes. Net gains from financial items improved to SEK -1 M (-48) due to the positive effects of changes in fair value and the repurchase of own debt. Net commission amounted to an expense of SEK -79 M (-64). Operating expenses rose 10% to SEK 345 M (312).

From January 1, 2014, the Bank Group applies a changed credit reserve model that more fairly shows the credit risk in relation to the regional insurance companies in accordance with contractual terms and conditions. Loan losses remained very low and amounted to SEK 16 M (33), net, corresponding to loan losses of 0.04%

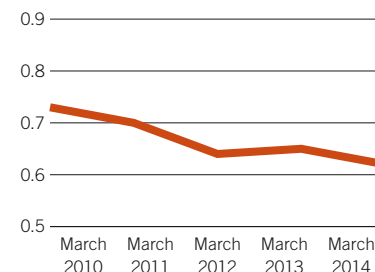
(0.08). Reserves totalled SEK 423 M (370), corresponding to a reserve ratio in relation to loans of 0.25% (0.23). The cost/income ratio before loan losses strengthened to 0.62 (0.65) and the cost/income ratio after loan losses strengthened to 0.65 (0.72).

Return on equity amounted to 7.5% (5.9).

NET INTEREST INCOME



COST/INCOME RATIO BEFORE LOAN LOSSES

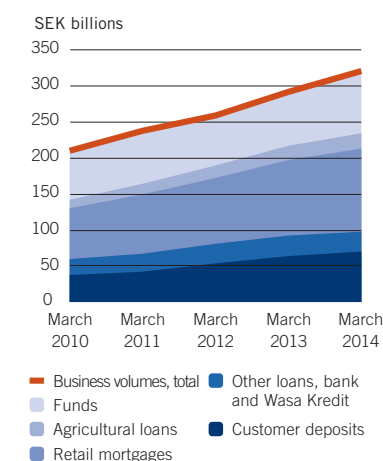


Business volumes

Business volumes increased SEK 7 billion to SEK 321 billion during the first quarter. Deposits from the public increased 10% to SEK 70 billion (63) and the market share strengthened to 4.6% (4.4) at February 28, 2014.

Fund volumes increased 19% to SEK 88 billion (74). Monthly savings in funds performed well, as did fund transfers, Individual Pension Savings (IPS) and the number of securities depositories. Lending increased 7% to SEK 163 billion (152). Retail mortgages in Länsförsäkringar Hypotek increased 9% to SEK 114 billion (104) and the market share of household lending amounted to 5.0% (4.9) on February 28, 2014.

BUSINESS VOLUMES



Funding and liquidity

Debt securities in issue rose 10% to SEK 130 billion (118), of which senior unsecured funding accounted for SEK 23 billion (22) and covered bonds for SEK 105 billion (90).

The Bank Group has a low refinancing risk and the maturity structure of funding is highly diversified. Long-term financing takes place in the capital market through covered bonds and senior unsecured bonds.

Covered bonds were issued at a volume corresponding to a nominal SEK 9.5 billion (3.7), with repurchased covered bonds amounting to a nominal SEK 2.9 billion (1.5) and matured covered bonds to a nominal SEK 1.1 billion (2.3) for the period.

Länsförsäkringar Bank issued senior unsecured bonds in the nominal amount of SEK 4.8 billion (8.1) during the period.

The liquidity reserve amounted to SEK 52.0 billion (43.6) 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, contractual undertakings for about two years can be met without needing to secure new funding in the capital market. The Bank Group's Liquidity Coverage Ratio (LCR) amounted to 428% (205) on March 31, 2014 and was an average of 251% (250) during the first quarter of 2014.

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. 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. On March 31, 2014, 88% of the loan portfolio comprised household loans in accordance with the Advanced IRB Approach.

The Core Tier 1 ratio according to Basel III was 14.1%. Tier 1 capital amounted to SEK 7,249 M and the Tier 1 ratio was 14.1%. The capital base was SEK 9,578 M and the capital adequacy ratio amounted to 18.6%.

With CRR (575/2013) coming into force, Länsförsäkringar Bank will be subject to a change of rules regarding the reporting of capital adequacy regarding the consolidation level. Under CRR, the consolidated situation is to also include the parent mixed financial holding company Länsförsäkringar AB, in addition to the Bank Group. According to the new consolidation level, the Core Tier 1 ratio amounted to 11.3% and the capital adequacy ratio to 15.0%. To better reflect the actual risk and capital situation of the Bank Group, Länsförsäkringar Bank has applied to the Swedish Financial Supervisory Authority for an exemption under CRD IV. A decision on this application had not yet been received when this interim report was prepared. If an exemption is not granted, it is the owner's intention to contribute capital so that Länsförsäkringar Bank will remain well-capitalised in accordance with the new consolidation method.

Unit-linked insurance

- Profit for Länsförsäkringar Fondliv strengthened to SEK 77 M (59).
- Unit-linked life assurance company manages SEK 80.5 billion for life-assurance and pension insurance customers. Managed assets rose 4%, which was due to favourable returns and a positive net inflow during the quarter.
- Premium income amounted to SEK 2,328 M (2,742) accumulated during the year. Lower amount of capital transferred has resulted in the worsening trend. Capital transferred contributed with SEK 413 M (804).

Länsförsäkringar Fondliv

KEY FIGURES, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premium income, net (rolling 12 months)	9,056	9,528	9,473	9,473
Profit after tax	77	59	70	246
Managed assets	80,545	67,463	77,517	77,517
Solvency ratio	1.7	2.1	1.7	1.7
Total assets	83,744	70,803	79,930	79,930

Earnings

Profit for the unit-linked life assurance company strengthened to SEK 77 M (59). Income from customer fees for unit-linked insurance contracts rose 18% to SEK 140 M. Management remuneration amounted to SEK 135 M, up 18%. Operating expenses totalled SEK 273 M, an increase of SEK 84 M year-on-year. The increase in operating expenses is primarily explained by the takeover of personnel in connection with the formation of a joint life-assurance within the Länsförsäkringar Alliance. The increase in operating expenses for life-assurance will be met by increased revenues to corresponding extent.

Managed assets for life-assurance and pension insurance customers amounted to SEK 80.5 billion, up 4%, which was due to favourable returns and a positive net inflow during the quarter.

Premium income amounted to SEK 2,328 M, down SEK 414 M. The reason for this was that the amount of capital transferred was not as high as in the first quarter of 2013. Capital transferred amounted to SEK 413 M (804). Most of the premium flows are recognised in the balance sheet. Premium income in the income statement amounted to SEK 25 M (10) and pertains to the portion of premiums containing insurance risk.

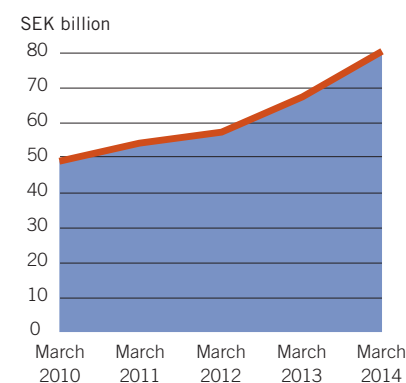
Fund management

Almost 80% of Fondliv's offering performed positively during the first quarter. The value growth trend for three funds was more than 10% after the first quarter. The best performance was noted for equity funds investing in Swedish equities, particularly property and small companies. However, the second best fund was

an India fund. Funds oriented to Russia, Eastern Europe and Japan performed negatively during the quarter.

Three new funds customised for pensions were launched in March, which were produced in cooperation with Länsförsäkringar's own fund company, Enter Fonder and Lannebo Fonder. These funds are targeted to customers who want to make a choice that can be sustained over time and they make it easier for customers who do not want to have to monitor their savings and change funds. The funds have a slightly lower risk than an equities fund so that pension savings can perform evenly and reliably, without compromising returns.

MANAGED ASSETS



Traditional life assurance

- Profit for Länsförsäkringar Liv amounted to SEK 0.2 billion (0.1).
- Falling interest rates negatively impacted earnings for the first quarter of 2014. The solvency ratio weakened and amounted to 117% (113).
- The total return for Old Trad amounted to 2.6% (neg: 2.4). Interest-bearing assets performed positively given the declining long-term market interest rates. The total return for New World amounted to 0.5% (4.3).
- New Trad with changed conditions received a positive response. About 3,000 customers accepted the offer of changing the conditions of their insurance during the first quarter. The total return for New Trad amounted to 2.0%.

Länsförsäkringar Liv

KEY FIGURES, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premium income, net (rolling 12 months)	3,119	4,444	3,388	3,388
Investment income, net	2,683	-2,114	1,601	-1,743
Profit after tax	211	71	428	5,174
Investment assets, New Trad	3,645	-	3,022	3,022
Investment assets, Old Trad	98,226	105,834	97,526	97,526
Investment assets, New World	12,677	13,472	12,977	12,977
Total assets	120,456	124,722	120,155	120,155
Solvency ratio, %	117	113	118	118
Collective consolidation, New Trad %	117	-	115	115
Collective consolidation, Old Trad	111	109	107	107
Total return, New Trad %	2.0	-	3.5	4.3
Total return, Old Trad	2.6	-2.4	0.9	-3.0
Total return, New World, %	0.5	4.3	5.1	12.8

Earnings and profitability

Profit for Länsförsäkringar Liv amounted to SEK 0.2 billion (0.1) for the first quarter of 2014. Earnings were largely affected by the trend in long-term market interest rates. Liabilities to the policyholders are discounted by the market interest rate, which increases provisions when long-term rates fall. Technical provisions increased SEK 1.4 billion during the first quarter. Investment income was positive affected by falling long-term interest rates and amounted to SEK 2.7 billion (expense: 2.1).

The company has discontinued underwriting new insurance policies for all management forms, although it does permit conditions to be changed from Old Trad to New Trad. Changing insurance

conditions to New Trad contributed positively to earnings, since guaranteed commitments decline, which has a positive effect on liabilities and earnings. Lower liabilities also provide greater scope for investments with higher expected returns.

Operating expenses for first quarter of 2014 declined 15% year-on-year. Claims paid amounted to SEK 1.7 billion (2.2). Investment assets according to the balance sheet fell to SEK 116.4 billion (121.0).

Traditional management

Länsförsäkringar Liv conducts traditional life assurance divided into four portfolios: New Trad, Old Trad, New World and Insured Pension. In 2014, the investment mix was relatively unchanged in all portfolios.

New Trad

New Trad entails a change of conditions in traditional insurance policies. The response from those customers who have received the offer has been positive and on March 31, 16,400 customers had accepted the offer to change the conditions of their insurance, of which approximately 3,000 customers changed their conditions in the first quarter. The work on expanding the offer to more customers continues. The New Trad investment mix comprised about 60% interest-bearing assets, 30% equities, 5% properties and 5% alternative investments. The total return amounted to 2.0%. Collective consolidation for New Trad was 117% and the bonus rate on March 31, 2014 was 6%.

Old Trad

The risk scope in Old Trad is limited, which also means that the scope for investing assets in more risk-exposed investments, such as equities, is limited. On March 31, asset allocation in the traditionally managed portfolio, Old Trad, was as follows: 92% interest-bearing securities, 5% alternative investments and the remainder was equities and property. The total return amounted to 2.6% (neg: 2.4). The return was as follows: Interest-bearing securities 2.6% (neg: 2.7), equities 4.7% (3.1), alternative investments 0.7% (1.5) and properties 1.1% (0.3). Collective consolidation in Old Trad was 111% and the bonus rate in the first quarter was 1%.

New World

In the New World management form, approximately 30% of the customers' capital is invested in bonds and 70% in equities. New World is a traditional insurance policy whereby customers are guaranteed to recoup at least the premiums paid, subject to deductions for expenses and yield tax. The return in March 2014 amounted to 0.5% (4.3).

Real-estate brokerage

Through the regional insurance companies, Länsförsäkringar Fastighetsförmedling offers a total solution for reliable mortgage transactions: real-estate brokerage, banking and insurance services all in one place.

Länsförsäkringar Fastighetsförmedling has 152 branches and almost 600 employees throughout Sweden. The strong growth has advanced Länsförsäkringar Fastighetsförmedling to the position of third largest brokerage in Sweden.

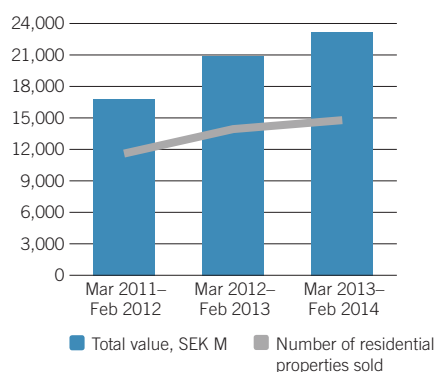
The real-estate brokerage is an integrated part of the local regional insurance companies' full-service offering. The aim is to offer customers a reliable mortgage transaction.

The operations are conducted in franchise form, where the regional insurance company acts as the franchiser for the local branch. This also means that Länsförsäkringar Fastighetsförmedling differs from national estate-agent chains by always being locally based.

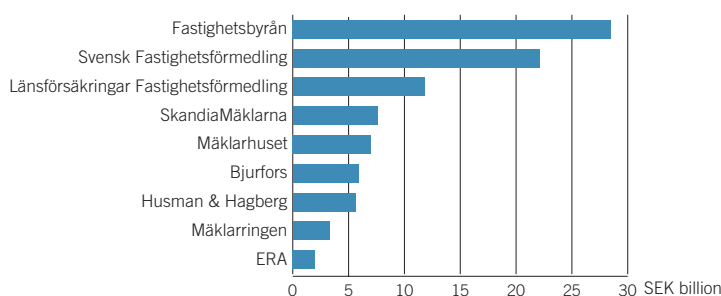
During the period March 2013 to February 2014 a total of 5,767 single-family homes, 8,089 tenant-owned apartments and 929 vacation homes were brokered. The value of the sales amounted to SEK 23.2 billion. During the period, sales of single-family homes and vacation homes resulted in SEK 2.1 billion in first-lien mortgages in Länsförsäkringar's mortgage institution. The market share amounted to 9.6% (8.9).

In April, Länsförsäkringar Fastighetsförmedling commenced a partnership with the new Blocket Bostad website (property classified advertisements), which has been developed together with three of Sweden's eight largest real-estate brokerage chains. By selecting Blocket Bostad as a partner, Länsförsäkringar Fastighetsförmedling's customers gain access to a modern property website that delivers the simplicity, user-friendliness and efficiency sought by both property sellers and buyers.

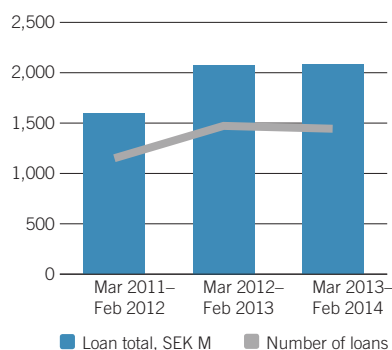
NUMBER OF SINGLE-FAMILY HOMES, VACATION HOMES AND TENANT-OWNED APARTMENTS SOLD



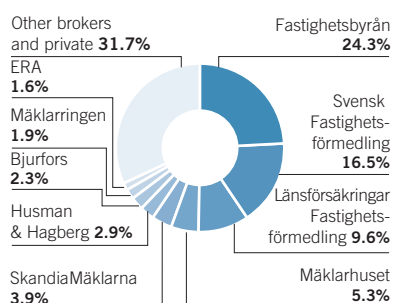
VALUE OF SALES OF SINGLE-FAMILY HOMES AND VACATION HOMES



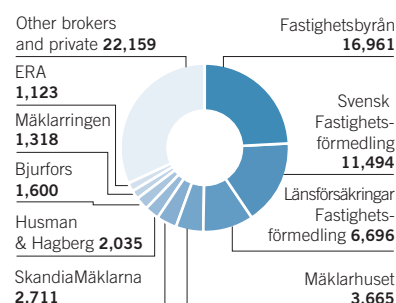
SINGLE-FAMILY HOMES AND LEISURE HOMES, SOLD BY LÄNSFÖRSÄKRINGAR FASTIGHETSFÖRMEDLING WHERE LOANS WERE INVESTED IN LÄNSFÖRSÄKRINGAR HYPOTEK



MARKET SHARES



NUMBER OF SINGLE-FAMILY HOMES AND VACATION HOMES SOLD



Financial statements

Länsförsäkringar Alliance non-life insurance

INCOME STATEMENT, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premiums earned after ceded reinsurance	5,162	4,890	5,086	20,067
Investment income transferred from financial operations	163	175	154	645
Claims payments after ceded reinsurance	-3,844	-3,860	-3,965	-15,589
Operating expenses	-958	-964	-987	-3,886
Other technical revenue/expenses	1	24	5	10
Technical result from non-life insurance operations before partner discounts	524	265	293	1,247
Bonuses and discounts	-43	-40	-306	-488
Technical result from non-life insurance operations after partner discounts	482	226	-13	759
Total investment income	1,180	1,241	1,393	4,441
Investment income transferred to insurance operations	-163	-151	-154	-645
Other non-technical expenses	-89	-127	-237	-692
OPERATING PROFIT	1,410	1,188	989	3,863

BALANCE SHEET, SEK M	Mar 31, 2014	Mar 31, 2013
ASSETS		
Shares and participations	37,680	37,342
Bonds and other interest-bearing securities	31,211	30,156
Other investment assets	7,225	7,315
Total investment assets	76,116	74,813
Reinsurers' portion of technical provisions	8,048	7,205
Receivables and other assets	8,809	7,739
Cash and bank balances	4,804	4,849
Prepaid expenses and accrued income	973	893
TOTAL ASSETS	98,751	95,500
EQUITY, PROVISIONS AND LIABILITIES		
Equity	34,170	33,386
Technical provisions (before ceded reinsurance)	49,294	47,929
Other provisions and liabilities	13,081	11,837
Accrued expenses and deferred income	2,206	2,348
TOTAL EQUITY, PROVISIONS AND LIABILITIES	98,751	95,500

Länsförsäkringar AB, Group

	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
CONSOLIDATED INCOME STATEMENT, SEK M				
Premiums earned before ceded reinsurance	1,542	1,495	1,941	6,105
Reinsurers' portion of premiums earned	-346	-400	-902	-1,949
Premiums earned after ceded reinsurance	1,196	1,094	1,039	4,156
Interest income	2,303	2,387	2,388	9,488
Interest expense	-1,705	-1,822	-1,789	-7,187
Net interest income	598	564	598	2,301
Change in unit-linked insurance assets – policyholder bears the risk	1,814	2,635	3,195	8,251
Dividends in unit-linked insurance assets – policyholder bears the risk	–	–	0	4
Investment income, net	-19	-86	-20	-203
Commission income	525	462	597	2,014
Other operating income	491	456	615	2,036
Total operating income	4,606	5,124	6,025	18,558
Claims payments before ceded reinsurance	-936	-955	-1,499	-4,084
Reinsurers' portion of claims payments	175	276	832	1,381
Claims payments after ceded reinsurance	-761	-680	-667	-2,704
Change in life-assurance reserve	-91	-91	27	-1
Change in unit-linked insurance liabilities – policyholder bears the risk	-1,825	-2,635	-3,228	-8,308
Commission expense	-550	-506	-579	-2,074
Staff costs	-444	-423	-418	-1,657
Other administration expenses	-626	-572	-806	-2,765
Loan losses	-16	-33	-32	-126
Total expenses	-4,312	-4,939	-5,703	-17,635
Operating profit	293	186	322	923
Tax	-52	-35	-102	-242
Net profit for the period	241	150	220	682
Earnings per share before and after dilution, SEK	26	16	21	70

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Net profit for the period	241	150	220	682
Other comprehensive income				
Items that have been transferred or can be transferred to profit for the period				
Translation differences attributable to foreign operations	4	-18	6	-0
Cash-flow hedges	-53	14	-14	15
Change in fair value of available-for-sale financial assets	-7	26	-8	16
Tax attributable to items that have been transferred or can be transferred to profit for the period	13	-9	12	-7
Total	-43	13	-4	24
Items that cannot be transferred to profit for the period				
Revaluation of owner-occupied property	13	–	14	53
Revaluation of defined-benefit pension plans	–	–	7	7
Tax attributable to items that cannot be reversed to profit for the period	-3	15	-5	2
Total	10	15	16	62
Total other comprehensive income for the period, net after tax	-32	28	12	87
Comprehensive income for the period	209	178	232	768

Länsförsäkringar AB, Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	Mar 31, 2014	Dec 31, 2013
ASSETS		
Goodwill	714	711
Other intangible assets	3,741	3,804
Deferred tax assets	18	13
Property and equipment	56	58
Owner-occupied property	2,417	2,423
Shares in Länsförsäkringar Liv Försäkrings AB	196	208
Shares and participations in associated companies	31	31
Reinsurers' portion of technical reserves	8,053	7,208
Loans to the public	163,393	162,003
Unit-linked insurance assets – policyholder bears the risk	79,066	76,207
Shares and participations	1,110	1,148
Bonds and other interest-bearing securities	51,728	47,979
Treasury bills and other eligible bills	7,936	4,881
Derivatives	1,900	1,101
Change in value of hedge portfolios	705	551
Other receivables	4,598	2,807
Prepaid expenses and accrued income	4,104	3,933
Cash and cash equivalents	9,726	7,484
TOTAL ASSETS	339,492	322,550

SEK M	Mar 31, 2014	Dec 31, 2013
EQUITY AND LIABILITIES		
Equity		
Share capital	975	975
Other capital contributed	9,240	9,240
Reserves	464	496
Retained earnings including profit for the period	4,713	4,472
Total equity	15,392	15,183
Subordinated liabilities	2,000	2,000
Technical reserves	22,413	20,753
Provisions for life assurance – policyholder bears the risk	79,573	76,712
Deferred tax liabilities	855	861
Other provisions	134	132
Debt securities in issue	131,183	124,866
Deposits from the public	69,368	68,752
Due to credit institutions	5,036	1,600
Derivatives	2,312	2,801
Change in value of hedge portfolios	1,644	646
Other liabilities	4,838	3,284
Accrued expenses and deferred income	4,744	4,961
TOTAL EQUITY AND LIABILITIES	339,492	322,550

Länsförsäkringar Liv, Group

INCOME STATEMENT, SEK M	Q 1 2014	Q 1 2013	Q 4 2013	Full-year 2013
Premium income after ceded reinsurance	860	1,129	776	3,388
Investment income, net	2,683	-2,114	1,601	-1,743
Claims payments	-1,745	-2,153	-1,656	-7,645
Change in technical provisions	-1,399	3,471	-238	11,842
Operating expenses	-104	-123	-149	-347
Technical result, life insurance operations	295	210	334	5,495
Non-technical expenses	-70	-133	117	-281
Profit before tax	225	77	452	5,214
Tax	-14	-6	-23	-40
PROFIT FOR THE PERIOD	211	71	428	5,174
Items that cannot be transferred to profit for the period	-	-	-1	-1
COMPREHENSIVE INCOME FOR THE PERIOD	211	71	427	5,173

BALANCE SHEET, SEK M	Mar 31, 2014	Dec 31, 2013
ASSETS		
Investment assets	110,798	112,755
Reinsurers' portion of technical provisions	605	605
Receivables	3,532	2,003
Other assets	3,478	3,708
Prepaid expenses and accrued income	2,042	1,084
TOTAL ASSETS	120,456	120,155
EQUITY, PROVISIONS AND LIABILITIES		
Equity	16,925	17,118
Technical provisions	93,348	97,563
Provisions for other risks and expenses	28	146
Deposits from reinsurers	605	605
Liabilities	9,519	4,345
Accrued expenses and deferred income	31	378
TOTAL EQUITY, PROVISIONS AND LIABILITIES	120,456	120,155

Financial calendar 2014

Second quarter:

Interim review, Länsförsäkringar Alliance	July, 18
Interim report, Länsförsäkringar AB.....	July, 18
Interim report, Länsförsäkringar Bank	July, 18
Interim report, Länsförsäkringar Hypotek.....	July, 18

Third quarter:

Interim review, Länsförsäkringar Alliance	October, 23
Interim report, Länsförsäkringar AB.....	October, 23
Interim report, Länsförsäkringar Bank	October, 23
Interim report, Länsförsäkringar Hypotek.....	October, 23

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