

Länsförsäkringar AB

Interim report January–June 2015

JANUARY–JUNE 2015 COMPARED WITH JANUARY–JUNE 2014

- The Group's operating profit amounted to SEK 845 M (714). The return on equity amounted to 8% (7).
- Operating profit in the non-life insurance operations amounted to SEK 326 M (308). Premiums earned after ceded reinsurance amounted to SEK 2,474 M (2,203).
- Operating profit for the Bank Group totalled SEK 559 M (428). Net interest income strengthened to SEK 1,411 M (1,208).
- Operating profit for Länsförsäkringar Fondliv amounted to SEK 266 M (171). Premium income amounted to SEK 4,635 M (4,585). Commission income amounted to SEK 697 M (570).
- Net sales for the Parent Company amounted to SEK 1,280 M (1,198).

SECOND QUARTER OF 2015 COMPARED WITH FIRST QUARTER OF 2015

- The Group's operating profit amounted to SEK 358 M (487). The return on equity amounted to 6% (9).
- The Group's equity rose SEK 1,559 M to SEK 19,426 M. In June, Länsförsäkringar Bank AB issued an Additional Tier 1 Capital loan of SEK 1,200 M.
- Operating profit in the non-life insurance operations amounted to SEK 155 M (171). Premiums earned after ceded reinsurance amounted to SEK 1,247 M (1,227).
- Operating profit for the Bank Group totalled SEK 280 M (279). Net interest income amounted to SEK 726 M (685).
- Operating profit for Länsförsäkringar Fondliv amounted to SEK 134 M (132). Premium income amounted to SEK 2,181 M (2,454). Commission income amounted to SEK 354 M (343).
- Net sales for the Parent Company amounted to SEK 702 M (578).

STEN DUNÉR, PRESIDENT OF LÄNSFÖRSÄKRINGAR AB:

“ The US economy continued to perform strongly during the second quarter. Increasingly positive signals on a slow recovery also started to appear in Europe, although as with the rest of the world focus was directed to developments in Greece, which have a decisive impact on the cooperation in the eurozone. Greece's path out of the crisis is long and uncertain. While it is true that the markets were volatile, they nevertheless reacted relatively cautiously, except for the stock-market trend in China. There is the great risk of a period of major fluctuations in the future due to recent developments. In Sweden, low inflation continued and the Riksbank pursued its robust monetary-policy measures in the form of interest rate cuts and bond-buying stimulus.

The Länsförsäkringar AB Group's operating profit amounted to SEK 845 M, up 18% compared with the first six months of 2014. However, volatile markets impacted the earnings trend for the quarter.

The bank is growing at high profitability, and profit increased

SEK 130 M year-on-year. Länsförsäkringar's banking offering based on the 23 regional insurance companies is very popular among customers. Growth in lending continued at high credit quality and with low loan losses. The macroeconomic risks related to household indebtedness remain in focus and Länsförsäkringar welcomes additional initiatives that could result in a stronger mortgage repayment culture. In unit-linked life assurance, insurance capital amounted to SEK 8.6 billion for the first six months of the year, contributing to an earnings improvement of SEK 95 M. Favourable premium growth and stable claims costs also contributed to a SEK 18 M year-on-year improvement in profit in the non-life insurance operations.

We are in the final stages of the time-consuming work on Solvency II – a highly comprehensive and complex set of regulations. These regulations ultimately serve an important function, but it is nonetheless unsatisfactory that so many issues remain unclear with less than six months before the legislation is to come into effect in Sweden.

Market commentary

During the second quarter, the US economy recovered after the set-back in the first quarter. The US labour market performed strongly with higher employment figures and falling unemployment, while inflation remained weak. The strong USD trend broke to a certain extent during the second quarter when expectations of interest-rate rises from the Federal Reserve fell slightly.

The Chinese economy reported major turbulence when the sharp stock-market upswing turn into a tangible decline. The regime's vigorous efforts to halt a slump show how the Chinese economy works and the power held by the regime.

The European economy also revealed glimmers of hope with rising confidence among households and companies and loan origination that appears to be in recovery. The ECB continued its bond-buying stimulus scheme to support economic recovery and inflation.

However, focus during the quarter was increasingly directed to developments in Greece. Developments to date have led only to relatively limited market fluctuations, but the path out of the crisis is long and uncertain.

The Swedish economy continued to perform well during the quarter. GDP growth was higher and employment continued to grow strongly, although unemployment remained at high levels. The SEK performed more strongly than Riksbank forecasts, which, combined with increased uncertainty in the economic environment driven by the situation in Greece, resulted in the Riksbank lowering the key interest rate by 0.10 percentage points to -0.35% on 2 July. At the same time, the Riksbank announced that it would expand its purchase of government bonds by a further SEK 45 billion. Global stock markets fell marginally during the second quarter. However, the Japanese stock market continued to report a strong upswing in local currency and the US stock market ended just above zero, while European and Swedish shares fell. Rising long-term interest rates pressed the stock markets during the quarter.

In the credit market, spreads for US loans broadened during the period and particularly for credits of a higher credit quality. A larger range of new share issues in

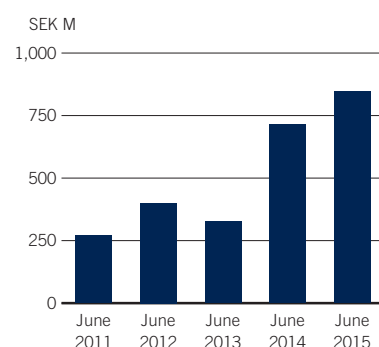
the corporate-bond market combined with concern for Greece were some of the underlying factors. For European credits, spreads generally broadened to a greater extent, with the problems in Greece having more of an impact here. The interest-rate difference in Swedish mortgage bonds compared with the government bond curve also widened during the period, mainly in the segments with longer terms.

JANUARY-JUNE 2015 COMPARED WITH JANUARY-JUNE 2014

The report provides commentary on the performance in January-June 2015 compared with January-June 2014, unless otherwise stated.

Group earnings

GROUP OPERATING PROFIT



The Group's operating profit increased 18% to SEK 845 M (714). The return on equity amounted to 8% (7).

The earnings trend was positive for all business units, although the trend was not as strong as in the first quarter due to such factors as a weaker stock-market performance and increased credit spreads. Revaluation effects of properties, recognised in equity, had a positive effect of SEK 200 M on comprehensive income for the period. Earnings for the Parent Company were adversely affected by costs for withdrawing from a rental contract for office premises during the quarter.

The earnings improvement for the non-life insurance operations was primarily due to favourable earnings in Agria. The Bank Group's operating profit rose 31% to SEK 559 M (428), as a result of higher net interest income and increased

commission income and lower loan losses. The managed assets of unit-linked insurance operations increased 19% to SEK 102 billion (86), which contributed to operating profit strengthening to SEK 266 M (171).

The total return amounted to 2.6% (3.1). Properties, which amounted to about 22% of the investment assets, yielded the highest return contributing 2.2 percentage points to the total return. Equities performed positively during the first half of the year, contributing 0.5 percentage points to the total return. In the fixed-income portfolio, US loans with lower credit quality and senior loans had a positive impact, while government and mortgage bonds contributed negatively. The return on fixed-income portfolios amounted to 0.0 percentage points. Hedge funds and currencies contributed 0.1% percentage points and negative 0.2 percentage points, respectively.

In 2014, Länsförsäkringar Sak applied a liability hedging to hedge interest-rate risk in the discounted annuity reserve. In conjunction with transferring the portfolio of most of the annuity reserve at year-end, the corresponding liability hedge was discontinued. This liability hedging made a significant contribution to total return during the first six months of 2014.

The Group's capital situation

The Länsförsäkringar AB Group is a financial conglomerate. The Group's companies are encompassed by regulations on group solvency in accordance with legislation on financial conglomerates, legislation on banking operations and legislation on insurance operations.

The capital surplus in the financial conglomerate amounted to SEK 4,252 M, up SEK 493 M during the quarter.

The capital base rose SEK 506 M during the second quarter to SEK 19,782 M. Länsförsäkringar Bank's issue of Tier 1 capital of SEK 1,200 M, combined with the positive earnings for the quarter, contributed to the change in the capital base. At the same time, deductions for non-transferable surpluses increased. The rules on assessing the transferability of surpluses in the financial conglomerate have been interpreted in such a manner that capital is to be retained in the banking operations.

rations for Pillar II risks, even though these rules are not formal capital requirements under the conglomerate regulations.

The capital requirement, measured by applying the rules on financial conglomerates, increased SEK 13 M, with respect to the transition rules from Basel I being binding for some of the legal units in the Bank Group.

The capital surplus in the insurance group amounted to SEK 2,543 M, up SEK 276 M for the quarter.

The Core Tier 1 ratio for the group encompassed by the group rules for banking operations (consolidated situation), meaning the Länsförsäkringar Bank Group consolidated with Länsförsäkringar AB, increased sharply during the quarter from 15.4% to 19.9%, largely due to Länsförsäkringar Bank receiving permission to change its models for the Internal Ratings-based Approach. The issue of Tier 1 capital also led to the Tier 1 ratio and total capital adequacy ratio strengthening by 2.4 percentage points. Further information about the capital situation under the group rules for banking operations is provided under the section on "Banking" below.

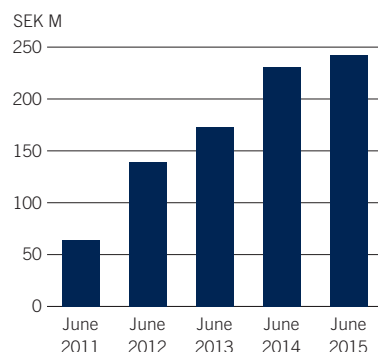
Non-life insurance

Operating profit amounted to SEK 326 M (308), mainly attributable to an improved technical result. The technical result for insurance operations reported a profit of SEK 243 M (231). The improvement was primarily due to improved premiums earned in Agria combined with a more stable trend in claims costs than previously. The motor hull business also contributed to the earnings improvement. Premiums earned after ceded reinsurance increased 12% to SEK 2,474 M (2,203). The increase was the result of portfolio growth and previous premium increases in the pet-insurance business, Agria's international operations and in accident and health insurance.

Claims payments after ceded reinsurance rose to SEK 1,733 M (1,592), while the claims ratio declined to 70% (72) as a

result of higher premiums earned combined with a stabilised claims-cost trend. The expense ratio improved to 21% (20). The combined ratio improved to 91% (92).

TECHNICAL RESULT



The Länsförsäkringar Sak Group's total return amounted to 3.9% (3.4). Properties, which amounted to about 32% of the investment assets at the end of the half-year, yielded the highest return contributing 3.6 percentage points to the total return. Hedge funds performed positively during the year and contributed 0.1 percentage points. The fixed-income portfolio, which has a short duration, made a total contribution of 0.1 percentage points, with primarily US credits of lower credit quality and senior loans accounting for the largest contribution.

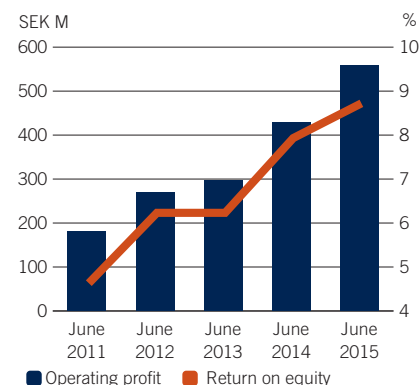
A liability hedge to hedge interest-rate risk in the discounted annuity reserve was previously applied. Most of this liability hedge, which previously represented a large portion of the portfolio, was discontinued in connection with the portfolio transfer of the annuity reserve to the regional insurance companies in December 2014. The liability hedge made a significant contribution to the total return during the first six months of 2014. The improved total return for other assets was due to a larger contribution from primarily properties, but also higher returns from hedge funds, while the fixed-income portfolio made a lower contribution. Revaluations of properties are recognised directly in equity and are not included in earnings.

Banking

Operating profit rose 31% to SEK 559 M (428), as a result of higher net interest income and increased commission income and lower loan losses. Return on equity strengthened to 8.8% (8.0). Net interest income increased 17% to SEK 1,411 M (1,208), mainly attributable to higher volumes and improved margins.

Net gains from financial items amounted to SEK 61 M (1). Net commission amounted to an expense of SEK -200 M (-186). Operating expenses totalled SEK 763 M (765). Operating expenses excluding impairment amounted to SEK 733 M (690) and the increase was due to the fund company's higher administration costs related to increased volumes.

OPERATING PROFIT AND RETURN ON EQUITY

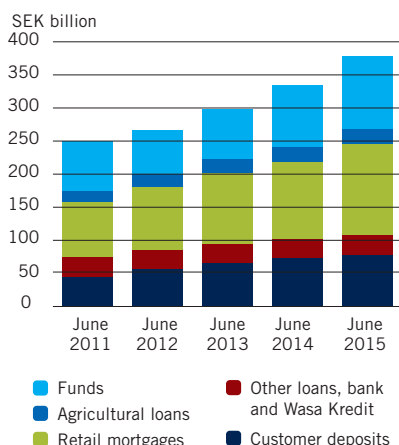


Loan losses amounted to SEK 0 M (-23), net, corresponding to loan losses of 0.00% (-0.03). Reserves totalled SEK 312 M (377), corresponding to a reserve ratio in relation to loans of 0.15% (0.21). The cost/income ratio was 0.58 (0.65) before loan losses and 0.58 (0.63) after loan losses.

Business volumes increased SEK 44 billion to SEK 378 billion (334). Deposits increased 8% to SEK 78 billion (73) and the market share remained unchanged at 4.6% at 31 May 2015.

Fund volumes increased 17% to SEK 110 billion (94). Lending increased 14% to SEK 191 billion (167). Retail mortgages in Länsförsäkringar Hypotek increased 17% to SEK 137 billion (117) and the market share of the Bank Group's household lending amounted to 5.3% (4.9) on 31 May 2015.

BUSINESS VOLUMES FOR THE BANK GROUP



Funding and liquidity

The Bank Group has a low refinancing risk and the maturity structure is highly diversified. Debt securities in issue increased to a nominal SEK 132 billion (120), of which covered bonds amounted to SEK 99 billion (93), senior long-term funding to SEK 29 billion (22) and short-term funding to SEK 2 billion (4). The average remaining term for the long-term funding was 3.4 years (3.0). In April, Länsförsäkringar Hypotek issued a seven-year Euro benchmark transaction for a nominal amount of EUR 500 M. Covered bonds were issued with a volume corresponding to a nominal SEK 17 billion (14), repurchased covered bonds to a nominal SEK 2 billion (5) and matured covered bonds to a nominal SEK 15 billion (15) during the period. Länsförsäkringar Bank issued senior unsecured bonds in the nominal amount of SEK 11 billion (6) during the period.

The liquidity reserve totalled SEK 38 billion (41), according to the Swedish Bankers' Association's definition. The liquidity reserve is invested in securities with very high credit quality and that are eligible for transactions with the Riksbank and, where appropriate, with the ECB. By utilising the liquidity reserve, contractual undertakings for almost than two years can be met without needing to secure new funding in the capital market.

The Liquidity Coverage Ratio (LCR) amounted to 191% (174) according to the Swedish Financial Supervisory Authority's definition and to an average of 226% (306) in the second quarter of 2015.

Capitalisation

Länsförsäkringar Bank issued an Additional Tier 1 Capital loan of SEK 1.2 billion during the period. The loan bears an interest rate corresponding to 3 months Stibor +325 base points, is undated and cannot be repurchased until after five years. The loan meets all requirements to be included as Tier 1 capital under the capital adequacy rules. The Additional Tier 1 Capital loan strengthens the capital ratio for both Länsförsäkringar Bank and the consolidated situation. During the second quarter, Länsförsäkringar AB received a dividend corresponding to SEK 312 M, which impacted Core Tier 1 capital in the consolidated situation in the same amount.

Capital adequacy, consolidated situation¹ With the CRR (575/2013) coming into effect, the consolidated situation also includes the parent mixed financial holding company Länsförsäkringar AB, in addition to the Bank Group. The bank has submitted an application to the Swedish Financial Supervisory Authority for exemption from the provision on the consolidated situation under the Swedish Special Supervision of Credit Institutions and Investment Firms Act. The Financial Supervisory Authority announced on 6 June 2015 that an exception had not been granted. This will not lead to any further action since a new share issue was implemented in March to offset the effects of the new rules, if an exemption was not granted.

During the period, Länsförsäkringar Bank and the subsidiary Länsförsäkringar Hypotek received permission from the Swedish Financial Supervisory Authority to change its IRB model for calculating Loss Given Default (LGD) for loans secured on residential property for private individuals. This change will result in a lower Risk Exposure Amount (REA) and thus a higher Core Tier 1 ratio. However, the changed model will entail a corresponding increase in the Pillar II capital requirement due to the risk weight floor for mortgages. Furthermore, Länsförsäkringar gained approval for all of its companies

that apply the IRB approach to change the limit between what is classified as retail exposures and exposures to corporates. The total effect of these changes expressed in REA is SEK 11 billion.

CAPITAL RATIO

Consolidated situation (SEK M)	30 June 2015	31 Mar 2015
IRB Approach	29,924	41,083
retail exposures	22,460	32,474
exposures to corporates	7,464	8,610
Standardised Approach	9,512	10,296
Total REA	48,999	61,381
Core Tier 1 capital	9,729	9,426
Tier 1 capital	10,929	9,426
Total capital	13,226	11,726
Core Tier 1 ratio	19.9%	15.4%
Tier 1 ratio	22.3%	15.4%
Total capital ratio	27.0%	19.1%

Unit-linked insurance

Operating profit for Länsförsäkringar Fondliv amounted to SEK 266 M (171).

Premium income in the income statement amounted to SEK 74 M (49) and pertains to the portion of premiums containing insurance risk.

Income from fees from the financial component of agreements increased 18% to SEK 332 M (282). Management remuneration rose 28% to SEK 362 M (284). The improved fees and management remuneration were largely due to an increase in volumes on the basis of higher returns and positive net inflows.

Operating expenses were in line with the preceding year and amounted to SEK 443 M (431).

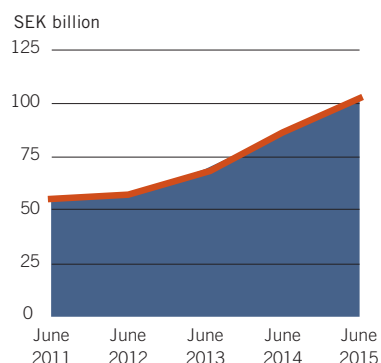
Total premium income for Länsförsäkringar Fondliv amounted to SEK 4,635 M (4,585) for the period. Capital transferred declined to SEK 755 M (1,018).

Insurance capital amounted to SEK 102 billion on 30 June 2015. This represents a 9% increase during the period. The increase was due to positive returns and a positive net flow.

Total sales excluding collective-agreement occupational pensions amounted to SEK 5,601 M, up 6%.

¹ The comparative period pertains to 31 December 2014

MANAGED ASSETS FOR UNIT-LINKED INSURANCE



Fund and guarantee management
Some 88% of the funds in the fund range performed positively during the first half of 2015. In six of the funds, the value rose more than 20% and in 26 of the funds, the value increased more than 10%. Funds with the highest total returns were dominated by funds that invest in China, Russia and Asia. The best performances were in the following funds: GAM Star China, Alfred Berg Russia and Fidelity China Focus. However, these three funds had the lowest returns in June due to the stock-market trend in China and Russia. The funds investing in fixed-income instruments in emerging markets, Investment Grade and commodity funds performed the weakest during the period.

Premium income for Guarantee Management amounted to SEK 228 M (324). The decline was due to the lower capital transferred. Managed assets amounted to SEK 2.2 billion (1.6). The total return was 1.9% (3.1).

Rating

Länsförsäkringar AB's credit rating is A3/Stable from Moody's. Länsförsäkringar Bank's credit rating is A1/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	A1/Stable	P-1
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	

¹⁾ Pertains to the company's covered bonds

Significant events after the end of the interim period

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 give rise to various types of risks, with credit risk in the Bank Group and market risks and insurance risks attributable to the Group's non-life insurance and unit-linked life-assurance companies comprising most of the risks. Credit risk in the bank is affected by the macroeconomic situation in Sweden since all loans are granted in Sweden. Loan losses remained very low.

Market risks primarily arise in Länsförsäkringar Fondliv on the basis of indirect exposure to market risk, since income in the unit-linked insurance operations is dependent on trends in the financial market. Länsförsäkringar Sak's market risk occurs on the basis of investment decisions concerning the management of investment assets and is less extensive than Länsförsäkringar Fondliv's market risk.

Life-assurance risks relate primarily to cancellation risk in Länsförsäkringar Fondliv, meaning the risk of external transfers out of the company and also lower future fee income.

Non-life insurance risks arise in Länsförsäkringar Sak including animal and crop insurance in the subsidiary Agria Djurförsäkring.

Market and insurance risks in non-life insurance and the unit-linked insurance operations are maintained at a stable and controlled level.

The risks that arise directly in Länsförsäkringar AB are primarily attributable to the company's financing, investments in liquidity and the business-support operations conducted on behalf of the subsidiaries and the regional insurance companies.

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 2014 Annual Report. No significant changes in the risk profile for the Group or the Parent Company took place during the first six months of 2015.

Related-party transactions

In 2015, the Länsförsäkringar AB Group has had the same type of agreements as those described in the notes to the 2014 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.

SECOND QUARTER OF 2015 COMPARED WITH FIRST QUARTER OF 2015

The Group's operating profit amounted to SEK 358 M (487).

The Länsförsäkringar Sak Group's operating profit amounted to SEK 155 M (171). The lower second-quarter earnings were due to a slightly weaker earnings in the insurance operations and lower investment income.

The Bank Group's operating profit amounted to SEK 280 M (279). Increased operating income and improved net interest income contributed to earnings, but increased operating expenses meant that earnings were unchanged compared with the first quarter. Return on equity amounted to 8.5% (9.1).

Länsförsäkringar Fondliv's operating profit amounted to SEK 134 M (132). Premium income amounted to SEK 40 M (34). Management remuneration amounted to SEK 186 M (176), which was positively impacted by higher managed assets, while fees remained unchanged at SEK 166 M. Operating expenses declined SEK 25 M to SEK 209 M (234).

PARENT COMPANY EARNINGS, JANUARY-JUNE 2015 COMPARED WITH JANUARY-JUNE 2014

Profit after financial items for the Parent Company amounted to SEK 176 M (946). Earnings were impacted by lower dividends of SEK 412 M (1,066) from subsidiaries and non-recurring expenses for withdrawing from a rental contract for office premises. Income amounted to SEK 1,280 M (1,198).

A new share issue of SEK 600 M was implemented during the first quarter. The Parent Company paid a shareholders' contribution of SEK 500 M to Länsförsäkringar Bank AB in the first quarter.

PARENT COMPANY EARNINGS, SECOND QUARTER OF 2015 COMPARED WITH FIRST QUARTER OF 2015

Profit after financial items for the Parent Company amounted to SEK 136 M (40). Earnings were impacted by dividends of SEK 312 M (100) from subsidiaries and non-recurring expenses for withdrawing from a rental contract for office premises.

The results of the operations during the period and the financial position of the Länsförsäkringar AB Group and the Parent Company at 30 June 2015 are shown in the following financial statements with accompanying notes for the Group and Parent Company.

KEY FIGURES

Länsförsäkringar AB Group	Q 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
SEK M						
Group						
Operating profit	358	487	421	845	714	1,469
Net profit for the period	263	395	342	658	583	1,159
Return on equity, % ¹⁾	6	9	8	8	7	7
Total assets, SEK billion	383	375	339	383	339	356
Equity per share, SEK ²⁾	1,749	1,714	1,616	1,749	1,616	1,675
Solvency capital ³⁾	21,496	21,073	19,087	21,496	19,087	19,767
Solvency margin, % ⁴⁾	465	458	415	465	415	455
Capital base for the financial conglomerate ⁵⁾	19,782	19,276	17,823	19,782	17,823	17,802
Necessary capital requirement for the financial conglomerate ⁵⁾	15,530	15,517	13,967	15,530	13,967	14,988
Insurance operations ⁶⁾						
<i>Non-life insurance operations</i>						
Premiums earned (after ceded reinsurance)	1,190	1,165	1,059	2,355	2,092	3,880
Investment income transferred from financial operations	11	10	31	21	61	130
Claims payments (after ceded reinsurance) ⁷⁾	-765	-743	-750	-1,508	-1,520	-2,251
Technical result, non-life operations	116	121	135	236	224	604
<i>Premium income, non-life insurance</i>						
Premium income before ceded reinsurance	1,171	2,999	1,176	4,170	3,905	8,444
Premium income after ceded reinsurance	1,145	1,759	1,134	2,904	2,684	4,050
<i>Life-assurance operations</i>						
Premium income after ceded reinsurance	62	211	55	273	224	329
Fees pertaining to financial agreements	166	166	142	332	282	570
Investment income, net	-49	77	40	28	52	108
Claims payments (after ceded reinsurance)	-63	-65	-46	-128	-102	-206
Technical result, life-assurance operations	142	133	102	275	423	621
Operating profit for insurance operations ⁸⁾	289	303	313	592	479	1,164
<i>Key figures</i>						
Cost ratio ⁹⁾	27	27	26	27	26	29
Expense ratio ¹⁰⁾	21	21	19	21	20	22
Claims ratio ¹¹⁾	70	69	71	70	73	65
Combined ratio	91	90	90	91	92	87
Management cost ratio, life-assurance operations ¹²⁾	1	1	1	1	1	1
Direct yield, % ¹³⁾	1.0	0.1	0.6	1.1	0.6	2.0
Total return, % ¹⁴⁾	1.4	1.6	2.0	3.0	3.2	4.9
Total return, % ¹⁵⁾	1.6	1.5	1.2	3.1	1.9	3.1
<i>Financial position</i>						
Investment assets, SEK billion ¹⁶⁾	12	12	17	12	17	12
Unit-linked insurance assets – policyholder bears the risk, SEK billion	100	103	84	100	84	91
Technical reserves (after ceded reinsurance), SEK billion	8	8	15	8	15	7
Capital base for the insurance group ¹⁷⁾	8,732	8,774	–	8,732	–	7,618
Solvency margin for the insurance group ¹⁷⁾	6,188	6,507	–	6,188	–	6,275

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KEY FIGURES, CONT.

Länsförsäkringar AB Group	Q 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-Year 2014
Banking operation						
Net interest income	726	685	624	1,411	1,208	2,580
Operating profit	280	279	231	559	428	935
Net profit for the period	218	231	180	449	334	712
Return on equity, % ¹⁸⁾	9	9	8	9	8	8
Total assets, SEK billion	249	237	220	249	220	232
Equity	11,679	10,320	9,162	11,679	9,162	9,597
Cost/income ratio before loan losses ¹⁹⁾	0.59	0.56	0.69	0.58	0.65	0.62
Investment margin, % ²⁰⁾	1.20	1.13	1.10	1.16	1.09	1.15
Common Equity Tier 1 capital ratio Bank Group, %	23.0	17.4	16.0	23.0	16.0	16.2
Tier 1 ratio Bank Group, % ²¹⁾	25.9	17.4	16.0	25.9	16.0	16.2
Total capital ratio Bank Group, % ²²⁾	31.5	21.7	20.5	31.5	20.5	20.6
Common Equity Tier 1 capital ratio consolidated situation, %	19.9	15.4	13.5	19.9	13.5	13.9
Tier 1 ratio consolidated situation, % ²¹⁾	22.3	15.4	13.5	22.3	13.5	13.9
Total capital ratio consolidated situation, % ²²⁾	27.0	19.1	17.3	27.0	17.3	17.5
Loan losses in relation to loans, % ²³⁾	0.00	0.00	-0.09	0.00	-0.03	0.00

1) Operating profit less standard tax at 22.0% in relation to average equity adjusted for share issue and for Additional Tier 1 Capital loan.

2) Equity adjusted for Additional Tier 1 Capital loan per share.

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

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

5) 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 deduction and aggregation method. Effective 2014, an EU Regulation (342/2014) applies to methods of calculation for solvency testing. This means that special consideration is to be made of whether there is any practical or legal impediment to transferring the surplus in a company. Given this, the companies of the Bank Group have been included by company in the calculations in order to support consideration of the transferability of surpluses per company. The capital requirement is affected since the transition rules under Basel I are taken into account for each company individually instead of for the Bank Group as a whole.

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

7) Excluding claims adjustment costs.

8) 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.

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

10) 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.

11) 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.

12) 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.

13) 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.

14) 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.

15) Total return is calculated as the sum of direct yields and changes in the value of the investment portfolio, excluding returns from nominal and 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.

16) Investment assets comprise owner-occupied property, shares and participations in associated companies, 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.

17) The insurance group comprises the Parent Company Länsförsäkringar AB and all insurance companies in the Group. The insurance group also includes Länsförsäkringar Liv Försäkrings AB, despite the Länsförsäkringar Liv Group is not consolidated in the Länsförsäkringar AB Group. According to the Swedish Insurance Business Act (2010:2043).

18) Operating profit plus less standard tax at 22.0% in relation to average equity adjusted for changes in value of financial assets recognised in equity and for Additional Tier 1 Capital loan.

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

20) Net interest in relation to average total assets.

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

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

23) 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 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Premiums earned before ceded reinsurance	1,562	1,741	1,414	3,303	2,956	8,587
Reinsurers' portion of premiums earned	-318	-371	-314	-689	-660	-4,409
Premiums earned after ceded reinsurance	1,244	1,370	1,100	2,614	2,296	4,178
Interest income	1,759	1,853	2,151	3,612	4,454	8,523
Interest expense	-1,032	-1,159	-1,522	-2,191	-3,227	-5,913
Net interest income	727	695	629	1,421	1,227	2,610
Change in unit-linked insurance assets – policyholder bears the risk	-3,614	10,162	4,412	6,549	6,226	11,506
Dividends in unit-linked insurance assets – policyholder bears the risk	–	–	–	–	–	3
Investment income, net	-33	117	135	83	116	146
Commission income	663	639	547	1,302	1,072	2,292
Other operating income	577	472	478	1,049	945	1,937
Total operating income	-436	13,455	7,302	13,018	11,882	22,673
Claims payments before ceded reinsurance	-947	-1,069	-901	-2,016	-1,836	-8,067
Reinsurers' portion of claims payments	119	261	183	380	358	5,627
Claims payments after ceded reinsurance	-828	-808	-718	-1,636	-1,479	-2,440
Change in life-assurance provision	36	-115	27	-80	-64	-3
Change in unit-linked insurance liabilities – policyholder bears the risk	3,657	-10,231	-4,447	-6,574	-6,272	-11,608
Commission expense	-667	-642	-563	-1,309	-1,087	-2,294
Staff costs	-498	-471	-476	-968	-920	-1,735
Other administration expenses	-906	-701	-744	-1,607	-1,370	-3,132
Loan losses	-0	-0	39	-0	23	7
Total expenses	794	-12,968	-6,881	-12,174	-11,168	-21,204
Operating profit	358	487	421	845	714	1,469
Tax	-94	-92	-79	-187	-131	-310
NET PROFIT FOR THE PERIOD	263	395	342	658	583	1,159
Earnings per share before and after dilution, SEK	25	39	35	64	60	117

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK M	Q 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Net profit for the period	263	395	342	658	583	1,159
Other comprehensive income						
Items that have been transferred or can be transferred to profit for the period						
Translation differences attributable to foreign operations	6	18	14	23	19	34
Cash-flow hedges	64	20	1	85	-53	4
Change in fair value of available-for-sale financial assets	-125	-37	11	-161	4	-0
Tax attributable to items that have been transferred or can be transferred to profit for the period	13	4	-3	17	11	-1
Total	-41	5	24	-36	-19	37
Items that cannot be transferred to profit for the period						
Revaluation of owner-occupied property	187	13	13	200	26	-22
Revaluation of defined-benefit pension plans	–	–	–	–	–	-7
Tax attributable to items that cannot be reversed to profit for the period	-41	-3	-3	-44	-6	6
Total	146	10	10	156	21	-22
Total other comprehensive income for the period, net after tax	105	15	34	120	1	15
Comprehensive income for the period	368	410	375	778	584	1,174

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK M	30 Jun 2015	31 Dec 2014
ASSETS		
Goodwill	748	735
Other intangible assets	3,601	3,610
Deferred tax assets	40	38
Property and equipment	62	51
Owner-occupied property	2,427	2,265
Shares in Länsförsäkringar Liv Försäkrings AB	8	8
Shares and participations in associated companies	69	66
Reinsurers' portion of technical reserves	11,858	11,529
Loans to the public	191,225	179,424
Unit-linked insurance assets– policyholder bears the risk	100,083	91,359
Shares and participations	1,754	1,487
Bonds and other interest-bearing securities	38,863	43,733
Treasury bills and other eligible bills	6,334	5,409
Derivatives	5,450	5,276
Change in value of hedge portfolios	1,007	1,147
Other receivables	12,552	4,516
Prepaid expenses and accrued income	2,773	3,621
Cash and cash equivalents	4,434	1,657
TOTAL ASSETS	383,287	355,933

SEK M	30 Jun 2015	31 Dec 2014
EQUITY AND LIABILITIES		
Equity		
Share capital	1,042	1,007
Other capital contributed	10,272	9,708
Additional Tier 1 instrumenst	1,200	–
Reserves	631	511
Retained earnings including profit for the period	6,281	5,631
Total equity	19,426	16,857
Subordinated liabilities	2,300	2,000
Technical reserves	19,844	18,664
Unit-linked insurance liabilities – policyholder bears the risk	100,776	92,250
Deferred tax liabilities	1,000	948
Other provisions	285	179
Debt securities in issue	133,070	130,514
Deposits from the public	77,412	75,845
Due to credit institutions	15,448	3,390
Derivatives	2,519	2,756
Change in value of hedge portfolios	3,067	3,824
Other liabilities	3,975	3,640
Accrued expenses and deferred income	4,164	5,066
TOTAL EQUITY AND LIABILITIES	383,287	355,933

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK M	Share capital	Other capital contributed	Additional Tier 1 instruments	Reserves	Retained earnings including net profit for the period	Total
Opening equity, 1 January 2014	975	9,240	–	496	4,472	15,183
Comprehensive income for the period	–	–	–	1	583	584
Shareholders' contribution						
New share issue	32	468	–	–	–	500
Closing equity, 30 June 2014	1,007	9,708	–	498	5,055	16,267
Opening equity, 1 July 2014	1,007	9,708	–	498	5,055	16,267
Comprehensive income for the period	–	–	–	13	576	590
Closing equity, 31 December 2014	1,007	9,708	–	511	5,631	16,857
Opening equity, 1 January 2015	1,007	9,708	–	511	5,631	16,857
Comprehensive income for the period	–	–	–	120	658	778
Issued additional Tier 1 instruments	–	–	1,200	–	–9	1,191
Shareholders' contribution						
New share issue	36	564	–	–	–	600
Closing equity, 30 June 2015	1,042	10,272	1,200	631	6,281	19,426

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK M	1 Jan 2015 –30 Jun 2015	1 Jan 2014 –30 Jun 2014
Operating activities		
Profit before tax	845	714
Adjustment for non-cash items	3,120	3,154
Tax paid	–74	94
Cash flow from operating activities before changes in working capital	3,891	3,962
Cash flow from changes in working capital		
Change in shares and participations, bonds and other interest-bearing securities and derivatives	1,117	1,032
Increase (–)/Decrease (+) in operating receivables	–19,662	–6,520
Increase (+)/Decrease (–) in operating liabilities	12,967	7,023
Cash flow from operating activities	–1,688	5,497
Investing activities		
Acquisitions of associated companies	–	–25
Purchase of intangible assets	–143	–119
Purchase of property and equipment	–53	–34
Divestment of property and equipment	–1	–
Cash flow from investing activities	–197	–179
Financing activities		
New share issue	600	500
Change in debt securities in issue	2,857	–3,185
Additional Tier 1 Capital loan	1,200	–
Cash flow from financing activities	4,657	–2,685
Net cash flow for the year	2,771	2,633
Cash and cash equivalents, 1 January	1,657	2,145
Exchange-rate differences in cash and cash equivalents	6	5
Cash and cash equivalents, 31 December	4,434	4,782

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 FFFS 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.

Accounting for equity instruments

Länsförsäkringar Bank AB issued an Additional Tier 1 Capital instrument in 2015, for which the contractual conditions entail a perpetual term and do not have any compulsory coupon payments. The nature of the instrument is considered to be an equity instrument and the coupon payments are considered to be equity transactions.

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 2014 Annual Report.

NOTE 2 EARNINGS PER SEGMENT

1 Jan 2015 – 30 Jun 2015, SEK M	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned after ceded reinsurance	2,474	74	–	–	66	2,614
Net interest income	–	–	1,411	–	10	1,421
Change in unit-linked insurance assets – policyholder bears the risk	–	6,549	–	–	–	6,549
Investment income, net	21	32	62	367	–398	83
Commission income	10	697	767	–	–172	1,302
Other operating income	159	146	50	1,279	–584	1,049
Total operating income	2,664	7,497	2,290	1,645	–1,078	13,018
Claims payments after ceded reinsurance	–1,733	–49	–	–	147	–1,636
Change in life-assurance provision	–	–	–	–	–80	–80
Change in unit-linked insurance liabilities – policyholder bears the risk	–	–6,574	–	–	–	–6,574
Commission expense	–228	–243	–968	–	129	–1,309
Staff costs	–198	–85	–242	–452	9	–968
Other administration expenses	–263	–270	–521	–1,018	465	–1,607
Loan losses	–	–	–0	–	–	–0
Total expenses	–2,422	–7,221	–1,731	–1,470	670	–12,174
Technical result	243	275	–	–	–518	–
Non technical recognition	83	–9	–	–	–74	–
Operating profit	326	266	559	176	–482	845
Tax	–	–	–	–	–	–187
Net profit for the period	–	–	–	–	–	658
Income distribution						
External income	2,559	7,317	2,295	683	164	13,018
Internal income	105	180	–4	962	–1,243	–
Total operating income	2,664	7,497	2,290	1,645	–1,078	13,018

The distribution into operating segments matches how the Group is organised and is monitored by Group Management. The technical result is presented for Non-life Insurance and Unit-linked Life Assurance since the result is followed up 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. Amortisation pertaining to acquired intangible assets under Unit-linked Life Assurance is included in eliminations and adjustments of administration expenses. 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.

1 Jan 2014 – 30 Jun 2014, SEK M	Non-life insurance	Unit-linked insurance	Bank	Parent Company	Eliminations and adjustments	Total
Premiums earned after ceded reinsurance	2,203	49	–	–	43	2,296
Net interest income	–	–	1,208	–	19	1,227
Change in unit-linked insurance assets – policyholder bears the risk	–	6,226	–	–	–	6,226
Investment income, net	62	46	42	1,007	–1,041	116
Commission income	10	570	629	–	–137	1,072
Other operating income	135	131	52	1,197	–570	945
Total operating income	2,410	7,022	1,932	2,204	–1,686	11,882
Claims payments after ceded reinsurance	–1,592	–29	–	–	142	–1,479
Change in life-assurance provision	–	–	–	–	–64	–64
Change in unit-linked insurance liabilities – policyholder bears the risk	–	–6,272	–	–	–	–6,272
Commission expense	–191	–284	–764	–	151	–1,087
Staff costs	–175	–96	–232	–421	4	–920
Other administration expenses	–221	–168	–532	–836	387	–1,370
Loan losses	–	–	23	–	–	23
Total expenses	–2,179	–6,849	–1,504	–1,258	621	–11,168
Technical result	231	172	–	–	–403	–
Non technical recognition	77	–1	–	–	–76	–
Operating profit	308	171	428	946	–1,139	714
Tax	–	–	–	–	–	–131
Net profit for the period	–	–	–	–	–	583
Income distribution						
External income	2,291	6,879	1,936	602	174	11,882
Internal income	119	143	–4	1,602	–1,860	–
Total operating income	2,410	7,022	1,932	2,204	–1,686	11,882

NOTE 3 RELATED-PARTY TRANSACTIONS

SEK M	Income Jan-Jun	Expenses Jan-Jun	Receivables 30 Jun	Liabilities 30 Jun	Commitments 30 Jun
2015					
Länsförsäkringar Liv Group	205	75	101	663	1,201
Regional insurance companies	895	970	7,740	13,417	56
Other related parties	14	13	4	46	5
2014					
Länsförsäkringar Liv Group	212	75	97	962	1,487
Regional insurance companies	852	793	7,662	10,525	52
Other related parties	9	7	5	24	5

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

NOTE 4 FAIR VALUE VALUATION TECHNIQUES

Financial assets and liabilities measured at fair value in the statement of financial position are presented in the table based on the valuation techniques applied:

Level 1 refers to prices determined from prices listed in an active market.

Level 2 refers to prices determined by calculated prices of observable market listings.

Level 3 refers to prices based on own assumptions and judgements.

Table 1 Fair value valuation techniques

30 June 2015, SEK M	Level 1	Level 2	Level 3	Total
Assets				
Owner-occupied property	–	–	2,427	2,427
Unit-linked insurance assets – policyholder bears the risk	100,083	–	–	100,083
Shares and participations	1,137	12	605	1,754
Bonds and other interest-bearing securities	38,781	–	82	38,863
Treasury bills and other eligible bills	6,334	–	–	6,334
Derivatives	1	5,449	–	5,450
Liabilities				
Derivatives	0	2,519	–	2,519

31 December 2014, SEK M				
Assets				
Owner-occupied property	–	–	2,265	2,265
Unit-linked insurance assets – policyholder bears the risk	91,359	–	–	91,359
Shares and participations	943	12	532	1,487
Bonds and other interest-bearing securities	43,702	–	31	43,733
Treasury bills and other eligible bills	5,409	–	–	5,409
Derivatives	1	5,275	–	5,276
Liabilities				
Derivatives	0	2,756	–	2,756

Continued on next page

NOTE 4 FAIR VALUE VALUATION TECHNIQUES, CONT.

Table 2 Change level 3	Owner-occupied property	Shares and participations	Bonds and other interest-bearing securities	Total
Opening balance, 1 January 2015	2,265	532	31	2,828
Acquisition	1	–	50	51
Divestments	–	–	–	–
Recognised in net profit for the year	–39	73	2	36
Recognised in other comprehensive income	200	–	–	200
Closing balance, 30 June 2015	2,427	605	82	3,115

Change level 3				
Opening balance, 1 January 2014	2,423	473	–	2,896
Acquisition	0	–	30	30
Divestments	–	–6	–	–6
Recognised in net profit for the year	–136	65	1	–70
Recognised in other comprehensive income	–22	–	–	–22
Closing balance, 31 December 2014	2,265	532	31	2,828

There were no significant transfers between Level 1 and Level 2 during 2015 or during 2014. There were no transfers from Level 3 in 2015 or 2014.

There are not normally active markets for owner-occupied property, which is why fair value is estimated using models based on discounted cash flows. These models are based on assumptions about future rent levels, occupancy, operating and maintenance expenses, yield requirements and interest-rate levels. The method applied to the calculation of fair value is the revaluation technique. All valuations are performed by external, independent valuation companies.

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. Holdings in private equity funds classified as shares in Level 3 are valued externally by the manager of each fund. The valuation of each fund is based on the valuation of the fund's holdings in portfolio companies. The valuation of underlying portfolio companies is based on systematic comparisons with market-listed comparable companies or on a value based on a relevant third-party transaction. In certain cases, the valuations are based on discounted cash flows or methods based on other unobservable data. The valuation is performed in accordance with industry practice, for example, International Private Equity and Venture Capital Valuation Guidelines, which are supported by many industry organisations, for example, the EVCA (European Venture Capital Association).

Bonds and other interest-bearing securities that are not listed on an active market comprise interest-bearing, unlisted loans that are valued using unobservable market data and are classified according to measurement Level 3. Valuations are performed by external managers based on generally accepted valuation techniques, which means that the underlying holdings held by the issuer of the loan are valued based on relevant observable market data wherever available. Holdings for which market data is not available are measured at a fair value corresponding to the cost adjusted for impairment. Gains and losses are recognised in profit and loss under Investment income, net.

For information and the determination of fair value, valuation techniques and inputs, see note 1 Accounting policies.

The fair value of shares in Länsförsäkringar Liv Försäkrings AB comprises cost adjusted for impairment requirements.

When calculating the fair value of deposits and lending, anticipated future cash flows have been discounted using a discount 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 on the accounting date or the most recent trading date. If external prices are not available or are deemed to deviate from market levels, and for measuring the fair value of subordinated liabilities, a standard method or valuation technique based on the estimated or original issue spread has been utilised.

The fair value of other receivables, cash and cash equivalents, due to credit institutions and other liabilities comprises a reasonable approximation of the cost of the assets and liabilities since these assets and liabilities have short terms.

Table 3 Financial assets and liabilities

SEK M	30 Jun 2015		31 Dec 2014	
	Book value	Fair value	Book value	Fair value
Assets				
Shares in Länsförsäkringar Liv Försäkrings AB	8	8	8	8
Loans to the public	191,225	192,568	179,424	180,926
Unit-linked insurance assets – policyholder bears the risk	100,083	100,083	91,359	91,359
Shares and participations	1,754	1,754	1,487	1,487
Bonds and other interest-bearing securities	38,863	38,863	43,733	43,733
Treasury bills and other eligible bills	6,334	6,334	5,409	5,409
Derivatives	5,450	5,450	5,276	5,276
Other receivables	9,943	9,943	3,565	3,565
Cash and cash equivalents	4,434	4,434	1,657	1,657
Total assets	358,094	359,437	331,918	333,420
Liabilities				
Subordinated liabilities	2,300	2,390	2,000	2,127
Debt securities in issue	133,070	137,009	130,514	136,690
Deposits from the public	77,412	78,561	75,845	77,297
Due to credit institutions	15,448	15,448	3,390	3,390
Derivatives	2,519	2,519	2,756	2,756
Other liabilities	1,870	1,870	1,073	1,073
Total liabilities	232,619	237,797	215,578	223,333

FINANCIAL STATEMENTS – PARENT COMPANY

INCOME STATEMENT FOR THE PARENT COMPANY

SEK M	Q 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Net sales	702	578	632	1,280	1,198	2,491
Operating expenses						
External expenses	–604	–405	–457	–1,009	–818	–1,812
Staff costs	–236	–207	–219	–443	–414	–794
Depreciation/amortisation and impairment of property and equipment and intangible assets	–9	–9	–13	–18	–27	–110
Operating profit/loss	–147	–44	–56	–191	–60	–225
Profit/loss from financial items						
Profit from participations in Group companies	312	100	500	412	1,066	1,254
Interest income and similar profit/loss items	–2	9	10	7	21	52
Interest expense and similar profit/loss items	–28	–25	–39	–53	–80	–314
Profit/loss after financial items	136	40	414	176	946	767
Tax	2	0	20	2	28	25
PROFIT/LOSS FOR THE PERIOD	138	39	434	177	975	792

STATEMENT OF COMPREHENSIVE INCOME FOR THE PARENT COMPANY

SEK M	Q 2 2015	Q 1 2015	Q 2 2014	Jan-Jun 2015	Jan-Jun 2014	Full-year 2014
Profit/loss for the period	138	39	434	177	975	792
Other comprehensive income						
Items that have been transferred or can be transferred to profit for the period						
Cash-flow hedges	5	–6	–19	–1	–35	–56
Tax attributable to items that have been transferred or can be transferred to profit for the period	–1	1	4	0	8	12
Total other comprehensive income for the period	4	–5	–15	–1	–27	–44
Comprehensive income for the period	142	35	419	177	947	748

BALANCE SHEET FOR THE PARENT COMPANY

SEK M	30 Jun 2015	31 Dec 2014
ASSETS		
Fixed assets		
Intangible assets	110	111
Property and equipment	103	112
<i>Financial assets</i>		
Shares and participations in Group companies	16,892	16,342
Other fixed assets	44	42
Total financial assets	16,936	16,384
Total fixed assets	17,149	16,608
Current assets	2,249	2,330
Cash and bank balances	263	239
TOTAL ASSETS	19,661	19,177
EQUITY, PROVISIONS AND LIABILITIES		
Restricted equity	5,844	5,808
Non-restricted equity	10,408	9,668
Total equity	16,252	15,476
Provisions	229	122
Derivatives	42	41
Long-term liabilities	2,060	2,047
Current liabilities	1,079	1,491
TOTAL EQUITY, PROVISIONS AND LIABILITIES	19,661	19,177
PLEGDED ASSETS AND CONTINGENT LIABILITIES		
Pledged assets	1,201	1,190
Contingent liabilities	55	55
Total	1,256	1,245

STATEMENT OF CASH FLOWS FOR THE PARENT COMPANY

SEK M	1 Jan 2015 –30 Jun 2015	1 Jan 2014 –30 Jun 2014
Operating activities		
Profit after financial items	176	946
Adjustment for non-cash items	128	5
Income tax paid	–	–20
Cash flow from operating activities before changes in working capital	304	931
Cash flow from changes in working capital		
Increase (–)/Decrease (+) in operating receivables	77	–698
Increase (+)/Decrease (–) in operating liabilities	100	–549
Cash flow from operating activities	482	–316
Investing activities		
Shareholders' contribution paid	–500	–600
Acquisition of intangible assets	–50	–
Acquisition of property and equipment	–4	–1
Divestment of property and equipment	–3	–3
Repayment of loans	–499	–
Cash flow from investing activities	–1,056	–604
Financing activities		
New share issue	600	500
Cash flow from financing activities	600	500
Net cash flow for the year	25	–420
Cash and cash equivalents, 1 January	239	1 095
Cash and cash equivalents, 31 December	263	675

STATEMENT OF CHANGES IN EQUITY FOR THE PARENT COMPANY

Mkr	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, 1 January 2014	975	4,801	12	4,439	4,001	14,228
Comprehensive income for the period	–	–	–27	–	975	947
Shareholders' contribution						
New share issue	32	–	–	468	–	500
Closing equity, 30 June 2014	1,007	4,801	–15	4,907	4,976	15,675
Opening equity, 1 July 2014	1,007	4,801	–15	4,907	4,976	15,675
Comprehensive income for the period	–	–	–17	–	–183	–199
Closing equity, 31 December 2014	1,007	4,801	–32	4,907	4,793	15,476
Opening equity, 1 January 2015	1,007	4,801	–32	4,907	4,793	15,476
Comprehensive income for the period	–	–	–1	–	177	177
Shareholders' contribution						
New share issue	36	–	–	564	–	600
Closing equity, 30 June 2015	1,042	4,801	–33	5,471	4,970	16,252

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 2014 Annual Report.

NOT 2 DISCLOSURES ON RELATED PARTIES

SEK M	Income Jan-Jun	Expenses Jan-Jun	Receivables 30 Jun	Liabilities 30 Jun	Commit- ments 30 Jun
2015					
Group companies	962	90	236	254	–
Länsförsäkringar Liv Group	109	16	19	513	1,201
Regional insurance companies	614	36	132	177	–
Other related parties	12	5	2	6	–
2014					
Group companies	520	164	713	272	–
Länsförsäkringar Liv Group	124	13	22	627	1,487
Regional insurance companies	533	16	95	97	–
Other related parties	9	–	–	–	–

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, 17 July 2015

Sten Dunér
President

Financial calendar 2015

Interim Report July-September **22 October**

This interim report contains such information that Länsförsäkringar AB (publ) must publish in accordance with the Securities Market Act. The information was submitted for publication on 29 April 2015 at 13.00 Swedish time.

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