

Länsförsäkringar Hypotek

January – March 2009

INTERIM REPORT

The period in brief

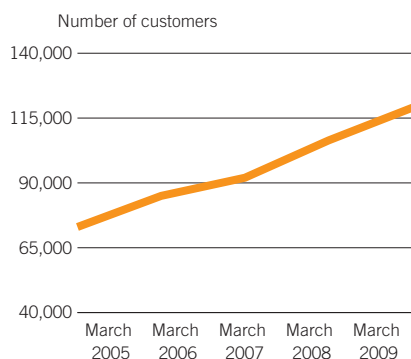
- Operating profit increased 56% to SEK 37 M (24).
- Net interest income rose by 19% to SEK 89 M (75).
- Loan losses amounted to positive SEK 3 M (0), net.
- Lending increased by 16% to SEK 56 billion (49).
- Credit quality was highly favourable and the operations maintained a low risk profile.
- The capital adequacy ratio amounted to 11.1% (11.1) and the Tier 1 ratio to 8.7% (9.1).
- The number of customers rose to 119,000 (106,400).

Figures in parentheses pertain to the same period in 2008.

Anders Borgcrantz,
President of Länsförsäkringar Hypotek:

We are continuing to grow and strengthen our position in the retail mortgage market and are very gratified with the confidence that customers have shown in us. The credit portfolio comprises almost exclusively lending to private individuals with residential properties as collateral. These private residences are located only in Sweden and have a favourable geographic spread. We recognised no loan losses during the period, and our loan origination is conservative and based on low risk.

CUSTOMER TREND



Key figures

Group	Jan. 1, 2009 –Mar. 31, 2009	Jan. 1, 2008 –Mar. 31, 2008	Full-year 2008
Return on shareholders' equity, %	4.5	3.1	4.1
Return on total capital, %	0.2	0.2	0.2
Investment margin, %	0.52	0.56	0.65
Cost/income ratio before loan losses	0.31	0.38	0.34
Cost/income ratio after loan losses	0.25	0.39	0.34
Capital adequacy ratio, %	11.1	11.1	10.5
Tier 1 ratio, %	8.7	9.1	8.2
Percentage of doubtful receivables, %	0	0	0
Provision ratio in relation to lending, %	0.07	0.09	0.08
Loan losses, %	0	0	0

Quarterly development

SEK M	Q1 2009	Q4 2008	Q3 2008	Q2 2008	Q1 2008
Net interest income	89.1	126.1	87.1	72.9	74.9
Net commission	-61.5	-54.0	-43.0	-40.0	-37.7
Net profit/loss of financial transactions	21.8	-5.0	10.8	0.9	1.8
Other operating income	0	-	0	0	0
Total operating income	49.4	67.1	54.9	33.8	39.0
Staff costs	-2.5	-2.6	-2.9	-2.9	-2.7
Other administrative expenses	-13.0	-16.8	-13.5	-12.0	-12.2
Total expenses before loan losses	-15.5	-19.4	-16.4	-14.9	-14.9
Profit before loan losses	33.9	47.7	38.5	18.9	24.1
Loan losses, net	3.1	-0.5	0.3	0.3	-0.3
Operating profit	37.0	47.2	38.8	19.2	23.8

Market commentary

The trend in housing prices levelled out during the first quarter as a result of the decline in the real economy. However, this trend was offset to a certain extent by low interest rates, which led to lower mortgage expenses for customers. Länsförsäkringar is well positioned in the retail mortgage market and its portfolio has a favourable geographic spread in Sweden.

Confidence in the Swedish capital market remains high, meaning that demand for covered bonds has been satisfactory. As a result, the difference in interest rates between mortgage bonds and government bonds has fallen since year-end. During the first quarter, Länsförsäkringar Hypotek executed a number of large borrowing transactions to meet increased demand and growth.

Continued growth

Retail mortgage volumes continued to rise to SEK 56 billion (49) during the first quarter due to an attractive offering on the market. Two new branches were opened during the first quarter of 2009 and Länschem Fastighetsförmedling's 81 branches throughout Sweden serve as a new sales channel.

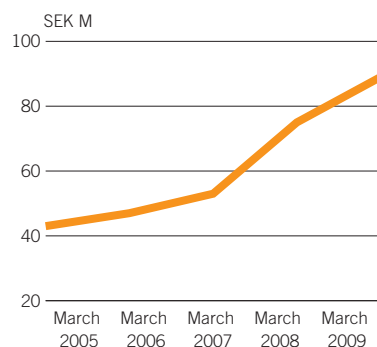
Earnings and profitability

Profit before loan losses rose by 40% to SEK 34 M (24) and operating profit rose by 56% to SEK 37 M (24). The increase is attributable to higher volumes and improved funding costs. Return on shareholders' equity improved to 4.5% (3.1).

Income

Net interest income rose by 19% to SEK 89 M (75). This increase is due to strong growth in lending volumes and improved funding costs. The investment margin declined to 0.52% (0.56) as a result of the lower market interest rates, which had a negative impact on the return of shareholders' equity and flows.

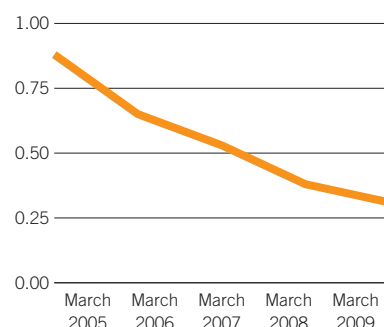
NET INTEREST INCOME



Expenses

Operating expenses increased by SEK 1 M, or 4%, to SEK 16 M (15), which was attributable to slightly increased administrative expenses, while staff costs declined. The cost/income ratio strengthened to 0.31 (0.38) before loan losses and strengthened to 0.25 (0.39) after loan losses. The improved cost/income ratios are attributable to income increasing at a faster rate than expenses.

COST/INCOME RATIO



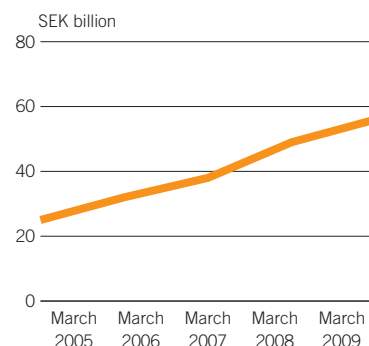
Loan losses

Loan losses amounted to positive SEK 3 M (0), net. Doubtful receivables rose to SEK 2 M (1), corresponding to a share of doubtful receivables amounting to 0% (0). For more information regarding doubtful receivables, reserves and loan losses, refer to Notes 8 and 9.

Business volumes

Total assets amounted to SEK 62 billion (51), an increase of 22% or SEK 11 billion. Lending to the public rose by 16%, or SEK 7 billion, to SEK 56 billion (49) and from year-end the change was 5% or SEK 2 billion.

LENDING



Credit portfolio

Essentially all lending that occurs in Länsförsäkringar Hypotek qualifies to be included in the company's covered-bond operations, known as the cover pool, in accordance with the Swedish Covered Bonds (Issuance) Act (2003:1223). The credit portfolio primarily comprises loans secured by collateral in private homes and tenant-owned apartments, and only a small portion of leisure homes. The average loan-to-value ratio (LTV) is 58% (59) and the average commitment per borrower is SEK 744,000 (716,000). The quality of the

portfolio remains extremely high and has not been affected by the deterioration of the real economy. The geographic spread in Sweden is highly favourable and collateral mainly comprises private homes.

Cover pool	Mar. 31, 2009	Mar. 31, 2008
Volume, SEK billion	54	48
Collateral	Private homes	Private homes
OC ¹⁾ , minimum level, %	5	5
OC ¹⁾ , actual level, %	23	26
Special account, billion	5.4	3.4
Percentage of special account in cover pool, %	9	7
Weighted average LTV ²⁾ , %	58	59
Average age, months	50	N/A
Number of properties	73 704	67 384
Average commitment, SEK 000s	744	716
Average loan, SEK 000s	346	333
Interest-rate type, up to 12 months, %	53	47
Interest-rate type, fixed, %	47	53

¹⁾ OC indicates the relationship between the assets (lending) and liabilities (borrowing) in relation to the liabilities. High OC indicates that the operations have a large surplus of assets and a favourable margin in the event of, for example, a price drop in the value of the assets.

²⁾ According to the "Maximum LTV (loan-to-value) per property" calculation method.

During a stress test of the cover pool based on a 20% price drop in the market value on March 31, 2009, the weighted average LTV increased to 65% compared with an actual weighted average LTV of 58% on March 31, 2009.

Borrowing and liquidity

Länsförsäkringar's long-term borrowing with covered bonds rose by 13% or SEK 6 billion to SEK 46 billion (40). Securities issued amounted to SEK 6.6 billion (5.0) for the first quarter. Repurchased securities amounted to SEK 3.2 billion (0.1) and past due securities totalled SEK 0 billion (2.2) for the first quarter. Liquidity, which is managed for the entire Group by the Parent Company, remained favourable.

Programme	Limit, Nom	Issued, Nom Q1 2009, SEK billion	Outstanding, Nom Mar. 31, 2009, SEK billion	Remaining term, Mar. 31, 2009, Years
Benchmark	Unlimited	0.8	29.0	1.9
MTCN	SEK 20 billion	5.8	10.8	1.4
EMTCN	EUR 2 billion	-	6.0	1.8
Total		6.6	45.8	

Rating

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

Capital adequacy

Länsförsäkringar applies the Internal Ratings-based Approach (IRB Approach). The aim is to achieve enhanced transparency and, thereby, greater stability in the financial system. The advanced risk-classification method provides the greatest opportunities to strategically and operationally manage credit risks and is used for all retail exposures. The Standardised Approach is currently applied to other exposures to calculate the capital requirement for credit risk. Changes in the capital requirement will emerge gradually since the transition rules involve a three-year adaptation period. In accordance with the transition rules, the capital requirement will be reduced to 80% of the Basel I rules in 2009. In accordance with the applicable transition rules, the company's capital adequacy ratio amounted to 11.1% (11.1) and the Tier 1 ratio was 8.7% (9.1) on March 31, 2009. The target level is 10.5% for the capital

adequacy ratio and 8.5% for the Tier 1 ratio. A deviation of +/- 0.5 percentage points is permitted for both targets. In accordance with Pillar I of the new rules, the capital requirement, excluding transition rules, amounted to SEK 903 M on March 31, 2009, a decrease of 67% compared with SEK 2,729 M according to Basel I regulations. For more information on the calculation of capital adequacy, refer to Note 11.

Interest-rate risk

On March 31, 2009, an increase in market interest rates of 1 percentage point would have resulted in a decrease in the value of interest-bearing assets and liabilities, including derivatives, of SEK 20 M (+20).

Risks and uncertainties

The global financial crisis continues to have a major impact on the financial sector. The acute liquidity situation has been abated by the actions of governments and central banks. Though the situation in the real economy is expected to worsen.

The company is primarily exposed to credit risks and financial risks. The operations are characterised by a low risk profile that has not changed significantly despite the financial crisis. A detailed description of risks is available in the 2008 Annual Report.

Income statement

SEK M	Note	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Interest income	3	1,089.6	1,145.5	5,146.8
Interest expense	4	-1,000.5	-1,070.6	-4,785.8
Net interest income		89.1	74.9	361.0
Commission income	5	0.5	0.4	1.9
Commission expense	6	-62.0	-38.1	-176.7
Net profit/loss of financial transactions	7	21.8	1.8	8.5
Other operating income		0	0	0.1
Total operating income		49.4	39.0	194.8
Staff costs		-2.5	-2.7	-11.1
Other administrative expenses		-13.0	-12.2	-54.5
Total operating expenses		-15.5	-14.9	-65.6
Profit before loan losses		33.9	24.1	129.2
Loan losses, net	8	3.1	-0.3	-0.2
Operating profit		37.0	23.8	129.0
Tax		-9.7	-6.7	-36.2
PROFIT FOR THE PERIOD		27.3	17.1	92.8

Comprehensive profit and profit for the period concur.

Balance sheet

SEK M	Note	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
ASSETS				
Lending to credit institutions		340.5	825.3	0.3
Lending to the public	9	56,425.9	48,837.3	53,592.4
Derivatives	10	2,271.4	348.9	2,167.5
Fair value changes of interest-rate hedged items in portfolio hedge		1,168.5	-127.6	1,044.0
Deferred tax assets		0	0	0
Other assets		693.2	13.8	4.0
Prepaid expenses and accrued income		852.9	743.9	653.1
TOTAL ASSETS		61,752.4	50,641.6	57,461.3
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY				
Liabilities to credit institutions		8,757.5	5,867.5	8,498.3
Debt securities in issue		45,726.3	40,316.2	42,284.8
Derivatives	10	1,342.8	269.7	1,188.8
Fair value changes of interest-rate hedged items in portfolio hedge		1,155.3	-144.5	991.8
Other liabilities		146.3	21.7	142.8
Accrued expenses and deferred income		1,583.0	1,554.7	1,340.9
Provisions		0.2	0.2	0.2
Subordinated debt		662.6	512.6	662.6
TOTAL LIABILITIES AND PROVISIONS		59,374.0	48,398.1	55,110.2
SHAREHOLDERS' EQUITY				
Share capital, 70,335 shares		70.3	70.3	70.3
Statutory reserve		14.1	14.1	14.1
Retained earnings		2,266.7	2,142.0	2,173.9
Net profit/loss for the period		27.3	17.1	92.8
TOTAL SHAREHOLDERS' EQUITY		2,378.4	2,243.5	2,351.1
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		61,752.4	50,641.6	57,461.3
MEMORANDUM ITEMS				
Pledged assets		NONE	NONE	NONE
Contingent liabilities		0.7	0.6	0.7
Commitments				
Repurchase transactions		3,691.1	-	7,953.8
Loans approved but not disbursed		279.6	130.8	162.7
Total commitments		3,970.7	130.8	8,116.5
Other notes				
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Cash flow statement, indirect method

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008
Cash and cash equivalents, January 1	0.3	-
Operating activities		
Operating profit	37.0	23.8
Adjustment of non-cash items	101.1	154.9
<i>Change in assets of operating activities</i>		
Change in lending to the public	-2,838.1	-1,262.4
Change in derivatives	-128.7	116.6
Change in other assets	-689.3	-23.9
<i>Change in liabilities of operating activities</i>		
Change in liabilities to credit institutions	259.2	-200.0
Change in debt securities in issue	3,441.5	3,302.9
Change in derivatives	154.0	-38.0
Change in other liabilities	3.5	-1,248.6
Cash flow from operating activities	340.2	825.3
Cash flow from investing activities	-	-
Financing activities		
Shareholders' contributions received	-	-
Subordinated debt received	-	-
Cash flow from financing activities	-	-
NET CASH FLOW FOR THE PERIOD	340.2	825.3
Cash and cash equivalents, March 31	340.5	825.3
<i>Non-cash items</i>		
Unrealised portion of net profit of financial items	24.8	1.8
Loan losses, excluding recoveries	4.6	2.0
Change in accrued expenses/income	42.4	206.5
Income tax	-9.7	-6.7
Fair value changes of interest-rate hedged items in portfolio hedge	39.0	-48.7
	101.1	154.9
Interest received amounts to	877.4	942.6
Interest paid amounts to	769.2	668.6
Tax paid amounts to	0.3	-
Cash and cash equivalents comprise:		
Lending to credit institutions, terms of up to 3 months	340.5	825.3

Change in shareholders' equity

SEK M	Share capital	Statutory reserve	Retained earnings	Net profit/loss for the period	Total
Opening balance, Jan. 1, 2008	70.3	14.1	2,100.3	41.7	2,226.4
In accordance with resolution by Annual General Meeting			41.7	-41.7	-
Total comprehensive profit for the period				17.1	17.1
Closing balance, March 31, 2008	70.3	14.1	2,142.0	17.1	2,243.5
Opening balance, April 1, 2008	70.3	14.1	2,142.0	17.1	2,243.5
Conditional shareholders' contribution received			125.0		125.0
Group contributions paid			-129.3		-129.3
Tax effect of Group contributions paid			36.2		36.2
Total comprehensive profit for the period				75.7	75.7
Closing balance, December 31, 2008	70.3	14.1	2,173.9	92.8	2,351.1
Opening balance, Jan. 1, 2009	70.3	14.1	2,173.9	92.8	2,351.1
In accordance with resolution by Annual General Meeting			92.8	-92.8	-
Total comprehensive profit for the period				27.3	27.3
Closing balance, March 31, 2009	70.3	14.1	2,266.7	27.3	2,378.4

Notes

NOTE 1 ACCOUNTING POLICIES

Länsförsäkringar Hypotek prepares its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies, the Swedish Securities Market Act (2007:528), the regulations and general advice of the Swedish Financial Supervisory Authority (FFFS 2008:25) and the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities. The accounting policies applied in the interim report comply with the accounting policies that were applied in the preparation of the 2008 Annual Report.

NOTE 2 SEGMENT REPORTING

The business of the company is viewed as a homogeneous segment.

NOTE 3 INTEREST INCOME

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Interest income on lending to credit institutions	39.4	43.5	163.0
Interest income on lending to the public	576.8	575.1	2,522.3
<i>Interest income on derivatives</i>			
Hedge accounting	456.7	492.2	2,329.2
Non-hedge accounting	16.7	34.7	127.6
Other interest income	0	0	4.8
Total interest income	1,089.6	1,145.5	5,146.9
of which interest income on doubtful receivables	0.7	0.2	1.9
of which interest income from financial items not measured at fair value	616.1	618.6	2,690.1
Average interest rate on lending to the public during the period, %	4.2	4.7	5.0

NOTE 4 INTEREST EXPENSE

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Interest expense, liabilities to credit institutions	95.5	120.4	529.5
Interest expense, subordinated debt	6.4	7.6	33.3
Interest expense, interest-bearing securities	427.5	419.5	1,770.2
<i>Interest income on derivatives</i>			
Hedge accounting	454.2	488.2	2,327.5
Non-hedge accounting	16.9	34.9	125.2
Other interest expense	0	-	0.1
Total interest expense	1,000.5	1,070.6	4,785.8
of which interest income from financial items not measured at fair value	529.4	547.5	2,333.2

NOTE 5 COMMISSION INCOME

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Lending commission	0.5	0.4	1.9
Total commission income	0.5	0.4	1.9

NOTE 6 COMMISSION EXPENSE

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Remuneration to regional insurance companies	61.6	36.7	174.6
Other commission	0.4	1.4	2.1
Total commission expense	62.0	38.1	176.7
of which commission expense from financial items not measured at fair value	61.6	36.7	174.6

**NOTE 7 NET PROFIT/LOSS OF FINANCIAL
TRANSACTIONS**

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Change in fair value			
Interest-related instruments	34.3	-36.5	-158.9
Currency-related instruments	10.9	-11.1	69.6
Change in fair value of hedged item	-39.0	48.6	84.0
Interest compensation	18.6	0.8	8.0
Capital gain/loss			
Interest-related instruments	-3.0	0	4.6
Profit/loss from other financial assets	-	-	1.2
Total net profit of financial transactions	21.8	1.8	8.5

NOTE 8 LOAN LOSSES, NET

SEK M	Jan. 1, 2009– Mar. 31, 2009	Jan. 1, 2008– Mar. 31, 2008	Full-year 2008
Specific provisions for individually assessed loan receivables			
Write-off of confirmed loan losses during the period	-	-	-0.9
Reversed earlier impairment recognised in the interim accounts as confirmed losses	-	-	-
Impairment during the period	-0.4	-	-0.5
Payment received for prior confirmed loan losses	1.4	1.6	6.3
Reversed impairment no longer required	0	0.1	0.8
Net income/expense for the period for individually assessed loan receivables	1.0	1.7	5.7
Collective impairment of individually assessed loan receivables			
	-	-	-
Collective assessment of homogenous groups of loan receivables with limited value and similar credit risk			
Provision/reversal of loan losses	2.1	-2.0	-5.9
Net income/expense for the period for collectively assessed homogenous loan receivables	2.1	-2.0	-5.9
Net income/expense of loan losses for the period	3.1	-0.3	-0.2

All information pertains to receivables from the public.

NOTE 9 LENDING TO THE PUBLIC

SEK M	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
Loan receivables, gross			
Corporates	464.3	285.9	345.3
Retail	56,002.0	48,594.4	53,289.6
Other	0.2	-	0.2
Total loan receivables, gross	56,466.5	48,880.3	53,635.1
Impairment of individually reserved loan receivables			
Retail	-0.2	-1.7	-0.2
Total individual provisions	-0.2	-1.7	-0.2
Impairment of collectively reserved loan receivables			
Corporates	-0.4	0	-
Retail	-40.0	-41.3	-42.5
Total collective provisions	-40.4	-41.3	-42.5
Total provisions	-40.6	-43.0	-42.7
Loan receivables, net			
Corporates	463.9	285.9	345.3
Retail	55,961.8	48,551.4	53,246.9
Other	0.2	-	0.2
Total loan receivables, net	56,425.9	48,837.3	53,592.4
Doubtful loan receivables			
Corporates	-	-	-
Retail	2.3	1.3	0.4
Total doubtful loan receivables	2.3	1.3	0.4

Definitions:

A loan receivable is considered doubtful if a payment is more than 60 days past due or if there is reason to expect that the counterparty cannot meet its undertaking. A loan receivable whose unsettled interest, fees and capital are covered by collateral is not considered a doubtful receivable.

NOTE 10 DERIVATIVES

SEK M	Mar. 31, 2009		Mar. 31, 2008		Dec. 31, 2008	
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Derivatives with positive values						
Interest-rate derivatives	31,972.5	1,209.5	20,122.5	209.4	31,522.5	1,018.2
Currency derivatives	5,020.9	1,177.4	4,267.3	139.5	5,020.9	1,149.3
Collateral received, CSA	-	-115.5	-	-	-	-
Total derivatives with positive values	36,993.4	2,271.4	24,389.8	348.9	36,543.4	2,167.5
Derivatives with negative values						
Interest-rate derivatives	26,355.0	1,324.9	28,670.0	250.9	28,040.0	1,171.7
Currency derivatives	91.7	17.9	3,645.8	18.8	91.7	17.1
Total derivatives with negative values	26,446.7	1,342.8	32,315.8	269.7	28,131.7	1,188.8

NOTE 11 CAPITAL-ADEQUACY ANALYSIS

The company's statutory capital requirement according to Pillar I of the new capital-adequacy rules can be summarised in the following manner, with specifications according to the following sections:

SEK M	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
Tier 1 capital, gross	2,351.0	2,226.5	2,351.0
Less IRB deficit	-25.0	-21.9	-25.8
Tier 1 capital, net	2,326.0	2,204.6	2,325.2
Tier 2 capital	662.6	512.6	662.6
Deductions for Tier 2 capital	-25.0	-21.9	-25.9
Total capital base	2,963.6	2,695.3	2,961.9
Risk-weighted assets according to Basel II	10,782.1	9,008.1	10,737.3
Risk-weighted assets according to transition rules	26,163.0	24,268.4	28,292.3
Capital requirement for credit risk			
Capital requirement for credit risk according to Standardised Approach	112.9	76.6	93.6
Capital requirement for credit risk according to IRB Approach	773.8	633.8	755.1
Capital requirement for operational risk	15.8	10.3	10.3
Capital requirement	902.5	720.7	859.0
Adjustment according to transition rules	1,230.5	1,220.8	1,404.4
Total capital requirement	2,133.0	1,941.5	2,263.4
Tier 1 ratio according to Basel II, %	20.62	24.47	21.65
Capital adequacy ratio according to Basel II, %	26.27	29.92	27.58
Total capital ratio* according to Basel II	3.28	3.74	3.45
Tier 1 ratio according to transition rules, %	8.72	9.08	8.22
Capital adequacy ratio according to transition rules, %	11.12	11.11	10.47
Total capital ratio* according to transition rules	1.39	1.39	1.31
Special disclosures			
IRB provisions surplus (+)/deficit (-)	-50.0	-43.7	-50.5
IRB total provisions (+)	40.0	38.7	42.4
IRB expected loss amount (-)	-90.0	-82.4	-92.9
Capital requirement			
Credit risk according to Standardised Approach			
Exposures to institutions	43.5	26.8	33.4
Exposures to corporates	6.4	1.8	2.8
Retail exposures	-	0.7	-
Exposures secured on residential property	60.0	42.9	53.8
Past due items	0.5	0.3	0.5
Other items	2.5	4.1	3.1
Total capital requirement for credit risk according to Standardised Approach	112.9	76.6	93.6
Credit risk according to IRB Approach			
Retail exposures			
Exposures secured by real estate collateral	770.0	630.9	751.8
Other retail exposures	3.8	2.9	3.3
Total capital requirement for credit risk according to IRB Approach	773.8	633.8	755.1
Operational risk			
Standardised Approach	15.8	10.3	10.3
Total capital requirement for operational risk	15.8	10.3	10.3

* Total capital ratio = total capital base / total capital requirement

NOTE 11 CAPITAL-ADEQUACY ANALYSIS, CONTINUED

SEK M	Mar. 31, 2009	Mar. 31, 2008	Dec. 31, 2008
Capital-adequacy analysis according to Basel I			
Tier 1 capital	2,351.1	2,226.4	2,351.1
Tier 2 capital	662.6	512.6	662.6
Total capital base	3,013.7	2,739.0	3,013.7
Risk-weighted assets	34,109.6	28,552.5	32,136.6
Capital requirement for credit risk	2,728.8	2,284.2	2,570.9
Tier 1 ratio, %	6.89	7.80	7.32
Capital adequacy ratio, %	8.84	9.59	9.38
Total capital ratio	1.10	1.20	1.17

In addition to the Parent Company Länsförsäkringar Bank AB publ (556401-9878), the financial corporate group includes the wholly owned and fully consolidated subsidiaries Länsförsäkringar Hypotek AB publ (556244-1781), Wasa Kredit AB (556311-9204) and Länsförsäkringar Fondförvaltning AB publ (556364-2783).

NOTE 12 DISCLOSURES ON RELATED PARTIES, PRICING AND AGREEMENTS

Related legal entities include the Länsförsäkringar AB Group's and the Länsförsäkringar Liv Group's companies, all associated companies, Länsförsäkringar Mäklarservice, Länshem Fastighetsförmedling AB and the 24 regional insurance companies with subsidiaries.

Since December 31, 2008, no significant changes have occurred in the company's agreements with these related legal entities. Länsförsäkringar Hypotek's compensation to the regional insurance companies in accordance with prevailing outsourcing agreements is presented in Note 6 Commission expense.

Related key persons are Board members, senior executives and close family members to these individuals. Since December 31, 2008, no significant changes have occurred in the company's agreements with these persons.

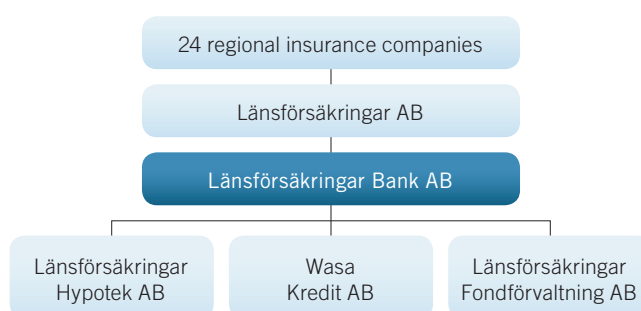
This interim report is unaudited.

Stockholm, April 22, 2009

Anders Borgerantz
President

Financial calendar

Interim report, January-June	August 25
Interim report, January-September	October 23



The Länsförsäkringar Alliance comprises 24 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB. The Länsförsäkringar Alliance is based on a strong belief in local presence and customer contacts are made at the regional insurance companies. The regional insurance companies offer a wide range of insurance, banking services and other financial solutions for private individuals, farmers and corporate customers. The number of customers amounts to slightly more than 3.2 million and the Länsförsäkringar Alliance has a joint total of 5,500 employees.

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