

Länsförsäkringar Bank

INTERIM REPORT JANUARY – MARCH 2008

Summary

- Profit before credit losses amounted to SEK 77 M (66) and operating profit amounted to SEK 63 M (54).
- Income was up 8% to SEK 280 M (259).
- Net interest income rose 15% to SEK 270 M (234).
- Operating expenses rose by 5% to SEK 203 M (193).
- The cost/income ratio improved to 0.73 (0.75).
- Loan losses remained low and amounted to SEK 13 M (12).
- Return on shareholders' equity after standard tax rose to 4.8% (4.7).
- Lending to the public was up 23% to SEK 69 billion (56) and deposits from the public rose 25% to SEK 31 billion (25).
- Mortgage lending in the subsidiary Länsförsäkringar Hypotek rose 27% to SEK 49 billion (38).
- The number of customers rose to 667,000 (634,000).

Figures in parentheses pertain to January – March 2007.

Anders Borgcrantz, Acting President of Länsförsäkringar Bank:

The success in Länsförsäkringar's banking operations are continuing with undiminished strength. We have highly favorable growth in volumes and are growing on the mortgage market. Our new offering with first-lien mortgages for agricultural and forestry properties was successful. Deposit volumes are growing, and customers are mainly choosing fixed-interest accounts. The credit portfolio is of a very high quality with strong loan-to-value ratios and favorable geographic spread. We also remain well prepared in the form of high liquidity for covering a year's maturing refinancing.



Key figures

Group	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Full-year 2007
Return on equity, %	4.8	4.7	5.0
Return on total capital, %	0.29	0.33	0.34
Investment margin, %	1.2	1.5	1.4
Cost/income ratio before loan losses	0.73	0.75	0.74
Cost/income ratio after loan losses	0.77	0.79	0.78
Capital adequacy ratio, %	10.67	11.21	10.63
Tier 1 ratio, %	8.88	9.30	8.85
Percentage of doubtful receivables, gross %	0.5	0.5	0.4
Percentage of doubtful receivables, net %	0.1	0.0	0.0
Provision ratio for doubtful receivables, %	81.1	94.0	90.7

Parent Company

Return on equity, %	0.2	0.1	neg
Return on total capital, %	0.02	0.01	neg
Investment margin, %	0.8	0.6	0.8
Interest margin, average, %	0.53	0.49	0.60
Cost/income ratio before loan losses	0.96	0.98	0.99
Cost/income ratio after loan losses	0.97	0.99	1.01
Capital adequacy ratio, %	43.79	45.47	46.65
Tier 1 ratio, %	35.97	37.61	38.31
Percentage of doubtful receivables, gross %	0.29	0.17	0.28
Percentage of doubtful receivables, net %	0.00	0.00	0.00
Provision ratio for doubtful receivables, %	100.00	100.00	100.00

Quarterly development, Group

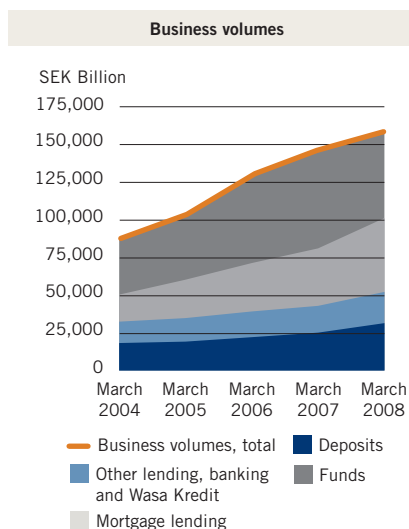
SEK M	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Net interest income	270.4	277.7	258.9	246.2	234.1
Net profit/loss from financial items at fair value	-1.3	1.8	-2.0	0.4	1.9
Net commission	-23.2	-14.4	-10.6	-11.8	-7.7
Other operating income	34.0	36.1	31.6	33.2	30.7
Total operating income	279.9	301.2	277.9	268.0	259.0
Personnel costs	-75.2	-80.7	-68.6	-65.3	-61.7
Other expenses	-127.7	-140.4	-132.8	-135.8	-131.2
Total expenses before loan losses	-202.9	-221.1	-201.4	-201.1	-192.9
Profit before loan losses	77.0	80.1	76.5	66.9	66.1
Loan losses	-13.5	-13.5	-16.3	-9.2	-12.1
Operating profit	63.5	66.6	60.2	57.7	54.0

Koncernen

Total assets

Total assets amounted to SEK 92 billion (67), corresponding to an increase of 38% compared to the same period last year. Lending to the public rose by 23% or SEK 13 billion to SEK 69 billion (56). All lending was in Swedish kronor. Mortgage lending in the subsidiary Länsförsäkringar Hypotek amounted to SEK 49 billion (38), an increase of 27%. Deposits from the public rose by 25% or SEK 6 billion to SEK 31 billion (25).

Issued securities rose by 53% or SEK 18 billion to SEK 52 billion (34), of which covered bonds amounted to SEK 40 billion.



Lending

Lending to the public increased 23% to SEK 69 (56) billion. Mortgage lending in the subsidiary Länsförsäkringar Hypotek rose 27% to SEK 49 billion (38). The new offering of first-lien mortgages for agricultural and forestry properties was highly successful and at the end of the period agricultural credits amounted to SEK 500 M (0).

Deposits

Deposits increased by 24% or SEK 6 billion to SEK 31 billion (25). The increase in deposits is primarily attributable to fixed-interest accounts.

Borrowing

The primary financing in the capital market takes place through the subsidiary Länsförsäkringar Hypotek. The bank strengthened its competitiveness in the capital market through the covered bonds. At the end of the first quarter of 2008, the covered bonds amounted to SEK 40 billion (0). Borrowing issued under Länsförsäkringar Bank's borrowing program amounted to SEK 12 billion (34). The turmoil that hit the credit markets in the third quarter of 2007 continued in the first quarter of 2008. The bank's borrowing has functioned well and the operations were characterized by low risk levels in both lending and in the liquidity portfolios. Liquidity was further strengthened and remains highly favorable.

Capital adequacy

Länsförsäkringar applies the new Internal Ratings-based Approach (IRB Approach), in accordance with the permit from the Swedish Financial Supervisory Authority. The aim of the new rules is to achieve enhanced transparency and risk management, and thereby greater stability in the financial system. The advanced risk classification method provides the most opportunities to strategically and operationally manage credit risks and is used for all household exposure. The Standardized Approach is currently applied to agriculture and other exposures to calculate the capital requirement for credit risk. The changes in the capital base will emerge gradually since the transition rules involve a three-year adaptation period. In 2007, the Group applied a 5% reduction of the capital requirement and another 5% reduction for 2008 according to transition rules. In accordance with the applicable transition rules, the Group's capital adequacy ratio amounted to 10.67%, while the Tier 1 ratio amounted to 8.88%. The target level for capital adequacy is 10.5% and for the Tier 1 ratio 8.5%. A deviation of ± 0.5 percentage points is allowed for both targets. The capital require-

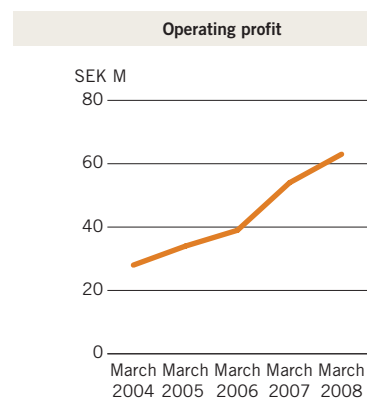
ment for the portion of the portfolio that is now calculated in accordance with the IRB Approach and that will apply when the Basel II provisions are fully implemented, declined by 58%, from SEK 3,308 M to SEK 1,379 M. For more information on the calculation of capital adequacy, refer to note 10.

Rating

Länsförsäkringar Bank has a credit rating of A (stable) from Standard & Poor's and A-2 (stable) from Moody's. The rating for short-term borrowing is A-1 according to Standard & Poor's. Länsförsäkringar Bank's Financial Strength Rating is C. Länsförsäkringar Hypotek's covered bonds have the highest credit rating, Aaa, from Moody's. The covered bonds also have the highest credit rating, AAA, from Standard & Poor's. Accordingly, Länsförsäkringar Hypotek is one of three players in the Swedish market for covered bonds with the highest rating from both rating institutions.

Earnings and profitability

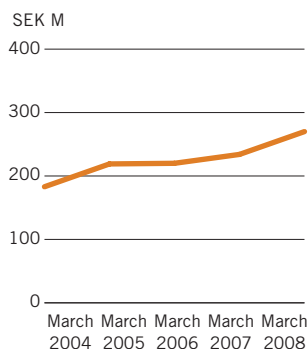
Profit amounted to SEK 77 M (66) before loan losses and SEK 63 M (54) after loan losses. This corresponds to an average return on shareholders' equity of 4.8% (4.7).



Income

Net interest income rose 15% to SEK 270 M (234), an increase attributable to higher lending and deposit volumes to the public. An amount of SEK 3 M (3) for mandatory government deposit insurance was charged against net interest income. The investment margin amounted to 1.2% (1.5). The lower investment margin is attributable to a change in the product mix. Net commission declined to negative SEK 24 M (neg: 8). The decline is attributable to lower fund management volumes and higher compensation to the regional insurance companies, which are dependant on volume. Other operating income amounted to SEK 34 M (31). Income rose by a total of 8% to SEK 280 M (259).

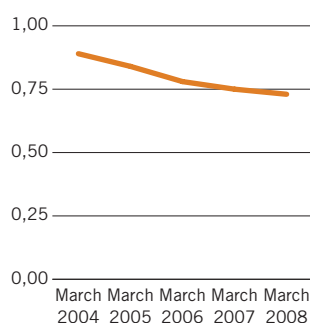
Net interest income



Expenses

Operating expenses rose by SEK 10 M to SEK 203 M (193). The increase is due to greater functionality and a broader range of products which led to higher operating expenses. The cost/income ratio was 0.73 (0.75) before loan losses and 0.77 (0.79) after loan losses.

Cost/income ratio



Loan losses

Loan losses remain low and the credit portfolio has a high level of quality. Depending on the product, provisions were mostly made after group-wise appraisal and only to a limited extent after individual review. Net loan losses amounted to SEK 13 M (12). The increase is attributable to the sale during the year of receivables previously written off.

Interest-rate risk

On March 31, 2008, an increase of market interest rates by 1 percentage would have caused an increase in the value of interest-bearing assets and liabilities, including derivatives, of SEK 4 M (decrease: 1). In addition to the information in this interim report, a detailed description of risk and risk control is available in the 2007 Annual Report. The company's risks and distribution of risks have not changed significantly during the reporting period.

Key events after the period

Tomas Johansson will leave his position as President of Länsförsäkringar Bank. He is on sick leave and will return after the summer but to a new position as a director in Länsförsäkringar AB's executive staff. Recruitment of a new President of Länsförsäkringar Bank is ongoing. Anders Borgcrantz is, as previously announced, acting President of Länsförsäkringar Bank until further notice.

Parent Company

Deposits and part of the lending are conducted by the Parent Company. Lending to the public amounted to SEK 12 billion (10) and deposits from the public amounted to SEK 31 billion (25). Funding amounted to SEK 12 billion (34). Most of the Group's lending operations are conducted through Länsförsäkringar Hypotek and Wasa Kredit. The Parent Company's operating profit amounted to SEK 3 M (1). Operating income amounted to SEK 108 M (89). Expenses, excluding loan losses, amounted to SEK 104 M (87). Loan losses amounted to SEK 1 M (1).

Subsidiaries

Länsförsäkringar Hypotek

Mortgage lending in the bank's mortgage institution increased by 27% or SEK 10 billion to SEK 49 billion (38). Up to 75% of the market value of mortgage loans are granted by Länsförsäkringar Hypotek and the remainder by the Parent Company. Operating profit amounted to SEK 24 M (12).

SEK M	Mar. 31, 2008	Mar. 31, 2007
Total assets	50,642	38,836
Lending volume	48,816	38,454
Net interest income	75	53
Operating income	24	12

Wasa Kredit

Wasa Kredit is a finance company whose operations focus on car financing, computer financing, financing for heavy machinery and unsecured loans. Wasa Kredit's operating profit amounted to SEK 24 M (23). The lending volume totaled SEK 8 billion (8).

SEK M	Mar. 31, 2008	Mar. 31, 2007
Total assets	8,971	8,470
Lending volume	8,458	8,133
Net interest income	83	79
Operating income	24	23

Länsförsäkringar Fondförvaltning

Länsförsäkringar is Sweden's fifth largest fund company. The market share measured as net sales on 12 months amounted to 14.9% (5.8). Länsförsäkringar manages SEK 58 billion (65) in mutual funds with different investment orientations. The mutual funds are available as direct fund saving, as various unit-linked products and through the PPM system.

Operating profit amounted to SEK 12 M (18). The decline in profit was due to the decrease in value of the stock market in the past six months, which has reduced managed fund volumes.

SEK M	Mar. 31, 2008	Mar. 31, 2007
Total assets	256	246
Assets under management	57,489	64,954
Net commission income	58	68
Net inflow	-5	630
Operating income	12	18

Income statement

SEK 000s	Note	Group			Parent Company		
		Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Full-year 2007	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Full-year 2007
Interest income	2	1,627,729	870,619	4,541,060	627,980	558,005	2,174,305
Interest expenses	3	-1,357,344	-636,506	-3,524,157	-517,553	-456,701	-1,738,445
Net interest income		270,385	234,113	1,016,903	110,427	101,304	435,860
Dividends received		1	1	3,330	1	1	364
Commission revenue	4	213,514	216,352	918,879	40,418	29,010	143,551
Commission expense	5	-236,669	-224,096	-963,426	-89,451	-82,922	-364,989
Net profit/loss from financial items at fair value	6	-1,333	1,915	2,073	-2,431	966	1,935
Other operating income		33,960	30,738	128,255	49,211	40,574	164,880
Total operating income		279,858	259,023	1,106,014	108,175	88,933	381,601
Personnel costs		-75,234	-61,696	-276,289	-34,551	-21,831	-105,063
Other administration expenses		-115,386	-124,160	-503,133	-59,443	-60,214	-245,364
Total administration expenses		-190,620	-185,856	-779,422	-93,994	-82,045	-350,427
Depreciation/amortization and impairment of tangible and intangible assets		-12,302	-7,124	-37,035	-9,966	-5,007	-27,189
Total expenses before loan losses		-202,922	-192,980	-816,457	-103,960	-87,052	-377,616
Profit before loan losses		76,936	66,043	289,557	4,215	1,881	3,985
Loan losses, net	7	-13,461	-12,131	-51,063	-1,102	-1,022	-7,479
Total operating profit/loss		63,475	53,912	238,494	3,113	859	-3,494
Tax		-17,773	-15,095	-62,914	-872	-240	3,480
NET PROFIT/LOSS FOR THE PERIOD		45,702	38,817	175,580	2,241	619	-14
Earnings per share, SEK		4.79	4.07	18.39	0.23	0.06	0.00

Balance sheet

SEK 000s	Note	Group			Parent Company		
		Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007
ASSETS							
Cash and central bank account balances		64,664	131,753	71,517	64,664	131,753	71,517
Eligible treasury bills		8,670,399	-	7,964,124	8,670,399	-	7,964,124
Lending to credit institutions		5,743,386	1,913,419	5,233,671	23,505,148	45,211,920	24,554,908
Lending to the public	8	69,164,917	56,210,262	67,039,996	11,891,604	9,622,679	10,983,774
Bonds and other interest-bearing securities		6,420,029	7,101,164	3,105,321	6,420,029	7,101,164	3,105,321
Shares and participations		11,089	9,489	11,089	11,089	9,489	11,089
Shares and participations in Group companies		-	-	-	3,036,400	2,661,400	3,036,400
Derivatives	9	414,292	418,111	545,525	240,984	262,391	293,285
Fair value changes of hedged items in portfolio hedge of interest-rate risk		-126,625	-118,638	-247,682	953		-509
Intangible assets		262,689	155,417	246,805	186,570	128,590	183,288
Tangible assets		21,208	16,218	20,596	14,521	9,389	13,242
Deferred tax assets		2,502	919	5,077	-	760	2,575
Other assets		381,973	315,338	370,986	85,115	68,388	89,493
Prepaid expenses and accrued income		933,636	558,727	726,552	279,713	655,317	262,531
TOTAL ASSETS		91,964,159	66,712,179	85,093,577	54,407,189	65,863,240	50,571,038
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY							
Liabilities to credit institutions		536,803	1,122,845	707,233	5,255,514	1,402,624	5,866,277
Deposits and borrowing from the public		31,285,523	25,016,586	29,735,323	31,408,827	24,688,380	29,901,508
Issued securities		52,093,842	34,089,445	45,980,690	11,777,618	34,170,683	8,967,414
Derivatives	9	271,898	203,560	300,606	180,030	109,146	211,030
Fair value changes of hedged items in portfolio hedge of interest-rate risk		-144,523	-81,238	-215,459	-	-	-
Deferred tax liabilities		79,622	30,466	64,358	15,264	15,082	-
Other liabilities		390,741	363,020	1,805,524	132,892	48,428	268,543
Accrued expenses and deferred income		2,416,575	1,480,209	1,727,529	664,085	889,039	385,751
Provisions		13,714	14,357	14,041	8,898	7,254	9,225
Subordinated debt		1,150,000	1,050,000	1,150,000	1,150,000	1,050,000	1,150,000
TOTAL LIABILITIES AND PROVISIONS		88,094,195	63,289,250	81,269,845	50,593,128	62,380,636	46,759,748
SHAREHOLDERS' EQUITY							
Share capital (9,548,708 shares)		954,871	954,871	954,871	954,871	954,871	954,871
Other capital contributed		2,477,480	2,152,480	2,477,480	18,380	18,380	18,380
Other reserves		169	-	-361	169	-361	-361
Profit brought forward		391,742	276,761	216,162	2,838,400	2,509,095	2,838,414
Net profit for the year		45,702	38,817	175,580	2,241	619	-14
TOTAL SHAREHOLDERS' EQUITY		3,869,964	3,422,929	3,823,732	3,814,061	3,482,604	3,811,290
TOTAL LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY		91,964,159	66,712,179	85,093,577	54,407,189	65,863,240	50,571,038
MEMORANDUM ITEMS							
For own liabilities, assets pledged		2,110,000	605,000	1,605,000	2,110,000	605,000	1,605,000
Contingent liabilities		90,256	90,162	91,168	71,113	63,882	72,025
Commitments							
Approved but not disbursed		652,940	508,851	457,576	308,020	170,252	187,361
Approved but unutilized overdraft facilities		1,339,454	1,095,614	1,428,593	39,704,135	9,114,001	39,107,756
Interest-rate-related agreements		49,567,500	26,740,000	9,361,919	6,075,000	1,600,000	15,604,763
Currency-related agreements		10,144,006	14,297,790	44,772,500	15,746,011	14,297,790	4,710,000
Total commitments		61,703,900	42,642,255	56,020,588	61,833,166	25,182,043	59,609,880

Cash-flow statement, indirect method

SEK 000s	Group		Parent Company	
	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007 – Mar. 31, 2007
Cash and cash equivalents, January 1	4,597,955	1,835,287	-638,303	1,551,564
Operating activities				
Operating profit	63,475	53,912	3,113	859
Adjustments for items not included in cash flow	467,391	211,439	291,589	226,003
Change in operating assets				
Change in eligible treasury bills	-706,275	-	-706,275	-
Change in lending to subsidiaries	-	-	679,018	-2,121,274
Change in lending to the public	-2,146,574	-2,343,922	-910,162	-359,803
Change in bonds and other interest-bearing securities	-3,316,034	-1,491,867	-3,317,139	-1,492,816
Change in derivative instruments	131,233	-249,782	52,301	-238,023
Change in other assets	-10,987	-6,002	4,378	-22,211
Change in operating liabilities				
Change in deposits and borrowing from the public	1,550,200	637,198	1,507,319	652,993
Change in issued securities	6,113,152	2,454,834	2,810,204	2,536,072
Change in other liabilities	-1,414,783	-128,847	-135,651	-123,191
Change in derivative instruments	-28,708	-222,393	-31,000	-243,701
Cash flow from operating activities	702,090	-1,085,430	247,695	-1,185,092
Investing activities				
Acquisition of tangible assets	-1,823	-9,721	-1,295	-9,243
Disposal of tangible assets	55	67	-	-
Acquisition of intangible fixed assets	-27,030	-17,876	-13,232	-10,405
Cash flow from investing activities	-28,798	-27,530	-14,527	-19,648
Financing activities				
Shareholders' contribution received	-	200,000	-	200,000
Shareholders' contribution paid	-	-	-	-15,000
Cash flow from financing activities	-	200,000	-	185,000
CASH FLOW FOR THE PERIOD	673,292	-912,960	233,168	-1,019,740
Cash and cash equivalents, March 31	5,271,247	922,327	-405,135	531,824
Items not included in cash flow				
Depreciation/amortization	12,302	7,124	9,966	5,007
Unrealized portion of net profit from financial items	1,326	-1,915	2,431	-966
Loan losses, excluding recoveries	21,653	17,308	2,332	1,309
Change in accrued expenses/income	481,962	206,925	261,152	205,899
Provisions	-327	432	-327	-101
Change in deferred tax	17,839	15,082	17,839	15,095
Income tax	-17,773	-15,095	-872	-240
Fair value recognized in shareholders' equity	530	-	530	-
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-50,121	-18,422	-1,462	-
	467,391	211,439	291,589	226,003
Cash and cash equivalents comprise:				
Cash and central bank account balances	64,664	131,753	64,664	131,753
Lending to credit institutions, terms of up to 3 months ¹⁾	5,743,386	1,913,419	4,785,715	1,802,695
Liabilities to credit institutions, terms of up to 3 months	-536,803	-1,122,845	-5,255,514	-1,402,624
	5,271,247	922,327	-405,135	531,824

1) Excluding subsidiaries

Change in shareholders' equity

Group	Share capital	Other capital contributed	Other reserves	Profit brought forward	Net profit for the period	Total
Opening balance, January 1, 2007	954,871	1,952,480		137,976	138,785	3,184,112
Net profit from the preceding year				138,785	-138,785	0
Unconditional shareholders' contribution received from Parent Company		200,000				200,000
Net profit for the period					38,817	38,817
Closing balance, March 31, 2007	954,871	2,152,480	-	276,761	38,817	3,422,929
Opening balance, April 1, 2007	954,871	2,152,480	-	276,761	38,817	3,422,929
Unconditional shareholders' contribution received from Parent Company		325,000				325,000
Group contribution paid				-84,165		-84,165
Tax effect of Group contribution paid				23,566		23,566
Fair value reserve			-361			-361
Net profit for the period					136,763	136,763
Closing balance, December 31, 2007	954,871	2,477,480	-361	216,162	175,580	3,823,732
Opening balance, January 1, 2008	954,871	2,477,480	-361	216,162	175,580	3,823,732
Net profit from the preceding year				175,580	-175,580	
Fair value reserve			530			530
Net profit for the period					45,702	45,702
Closing balance, March 31, 2008	954,871	2,477,480	169	391,742	45,702	3,869,964
Parent Company						
	Share capital	Statutory reserve	Fair value	Profit brought forward	Net profit for the period	Total
Opening balance, January 1, 2007	954,871	18,380		2,332,044	-23,310	3,281,985
Net profit from the preceding year				-23,310	23,310	
Unconditional shareholders' contribution received				200,000		200,000
Net profit for the period					619	619
Closing balance, March 31, 2007	954,871	18,380	-	2,508,734	619	3,482,604
Opening balance, April 1, 2007	954,871	18,380	-	2,508,734	619	3,482,604
Conditional shareholders' contribution received from Parent Company				325,000		325,000
Group contribution received				6,500		6,500
Tax effect of Group contribution received				-1,820		-1,820
Fair value reserve			-361			-361
Net loss for the period					-633	-633
Closing balance, December 31, 2007	954,871	18,380	-361	2,838,414	-14	3,811,290
Opening balance, January 1, 2008	954,871	18,380	-361	2,838,414	-14	3,811,290
Net profit from the preceding year				-14	14	-
Fair value reserve			530			530
Net profit for the period					2,241	2,241
Closing balance, March 31, 2008	954,871	18,380	169	2,838,400	2,241	3,814,061

Notes

NOTE 1 ACCOUNTING PRINCIPLES

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting. This means that the report is not complete as annual accounts are, rather it is a summary. The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the regulations and general advice of the Swedish Financial Supervisory Authority (FFFS 2006:16), and the recommendation of the Swedish Financial Accounting Standards Council RR 32:06. The accounting principles applied in the interim report comply with the accounting principles that were applied in the preparation of the 2007 Annual Report.

NOTE 2 INTEREST INCOME

SEK 000s	Group			Parent Company		
	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007
	Mar. 31, 2008	Mar. 31, 2007		Mar. 31, 2008	Mar. 31, 2007	
Interest income on lending to credit institutions	44,765	12,834	100,640	268,015	382,549	1,272,558
Interest income on lending to the public	920,381	631,525	2,956,402	166,154	122,924	565,045
Interest income on interest-bearing securities	140,800	39,711	210,037	140,800	39,711	210,037
Interest income on derivatives	521,761	186,544	1,273,759	53,011	12,821	126,665
Other interest income	22	5	222	-	-	-
Total interest income	1,627,729	870,619	4,541,060	627,980	558,005	2,174,305
Average interest rate on lending to the public during the period	5.4%	4.6%	4.9%	5.9%	5.2%	5.6%

NOTE 3 INTEREST EXPENSE

SEK 000s	Group			Parent Company		
	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007
	Mar. 31, 2008	Mar. 31, 2007		Mar. 31, 2008	Mar. 31, 2007	
Interest expense, liabilities to credit institutions	1,052	391	6,860	45,721	2,274	99,018
Interest expense, deposits and borrowing from the public	275,039	159,210	780,562	275,039	153,478	773,487
Interest expense, interest-bearing securities	545,906	271,249	1,416,165	126,353	271,249	674,852
Interest expense, subordinated debt	17,284	12,082	52,500	17,283	12,082	52,500
Interest expense, derivatives	515,063	190,660	1,256,559	50,156	14,704	127,077
Other interest expense including government deposit insurance	3,000	2,914	11,511	3,001	2,914	11,511
Total interest expense	1,357,344	636,506	3,524,157	517,553	456,701	1,738,445
Average interest rate on deposits from the public during the period	3.6%	2.5%	2.9%	3.6%	2.5%	2.9%

NOTE 4 COMMISSION REVENUE

SEK 000s	Group			Parent Company		
	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007
	Mar. 31, 2008	Mar. 31, 2007		Mar. 31, 2008	Mar. 31, 2007	
Payment commission	33,362	21,273	114,199	33,362	21,273	114,199
Lending commission	15,628	16,104	64,410	2,157	2,838	10,629
Deposit commission	1,569	1,276	3,549	1,569	1,276	3,549
Securities commission	162,787	177,189	735,677	3,162	3,113	14,130
Other commission	168	510	1,044	168	510	1,044
Total commission revenue	213,514	216,352	918,879	40,418	29,010	143,551

NOTE 5 COMMISSION EXPENSE

SEK 000s	Group			Parent Company		
	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007
	Mar. 31, 2008	Mar. 31, 2007		Mar. 31, 2008	Mar. 31, 2007	
Payment commission	34,091	31,704	133,094	26,473	24,437	109,306
Securities commission	672	1,193	5,101	672	1,193	5,101
Remuneration to regional insurance companies	103,277	91,698	398,785	60,711	55,798	239,058
Other commission	98,629	99,501	426,446	1,595	1,494	11,524
Total commission expense	236,669	224,096	963,426	89,451	82,922	364,989

NOTE 6 NET PROFIT/LOSS FROM FINANCIAL ITEMS AT FAIR VALUE

SEK 000s	Group			Parent Company		
	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007	Jan. 1, 2008–	Jan. 1, 2007–	Full-year 2007
	Mar. 31, 2008	Mar. 31, 2007		Mar. 31, 2008	Mar. 31, 2007	
Change in fair value						
Interest-related instruments	-40,495	-18,200	-28,026	-3,271	-92	-338
Currency-related instruments	-11,951	875	5,138	-835	875	2,165
Change in fair value of hedged item	50,126	18,421	23,598	1,466		-509
Interest compensation	994	819	2,232	209	183	617
Capital loss						
Interest-related instruments	-7	-	-869	-	-	-
Total net profit/loss from financial items at fair value	-1,333	1,915	2,073	-2,431	966	1,935

NOTE 7 LOAN LOSSES, NET

SEK 000s	Group			Parent Company		
	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Full-year 2007	Jan. 1, 2008– Mar. 31, 2008	Jan. 1, 2007– Mar. 31, 2007	Full-year 2007
Specific provisions for individually appraised loan receivables						
Write-off of confirmed loan losses during the period	28,049	295	61,904	279	170	1,720
Reversed earlier impairment of loan losses recognized in the interim accounts as confirmed losses		-	-59,508		-	
Impairment for loan losses during the period		10,553	78,742		-	1,978
Payment received for prior loan losses	-6,962	-3,936	-28,119		-	-3,845
Reversed impairment for loan losses no longer required	-5,134	-10,438	-29,175		-10,350	-10,350
Net expense for the period for individually appraised loan receivables	15,953	-3,526	23,844	279	-10,180	-10,497
Group-wise impairment of individually appraised receivables	-	-	-	-	-	-
Group-wise appraisal of homogenous groups of loan receivables with limited value and similar credit risk						
Write-off of confirmed loan losses during the period	842	5,921	12,261	842	5,921	12,261
Payment received for previously confirmed loan losses	-1,230	-1,241		-1,230	-287	
Provision/reversal of impairment for loan losses	1,836	17,076	29,906	5,151	11,667	20,663
Net expense for the period for group-wise appraised homogenous loan receivables	1,448	21,756	42,167	4,763	17,301	32,924
Net expense for the period for fulfillment of guarantees	-3,940	-6,099	-14,948	-3,940	-6,099	-14,948
Net expense of loan losses for the period	13,461	12,131	51,063	1,102	1,022	7,479

NOTE 8 LENDING TO THE PUBLIC

SEK 000s	Group			Parent Company		
	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007
Loan receivables, gross						
Public sector	137,922	132,824	133,085	-	-	-
Commercial sector	5,039,018	4,639,550	4,923,172	530,360	508,434	486,665
Household sector	64,263,104	51,681,514	62,232,720	11,459,866	9,199,017	10,590,651
Other	5,633	8,315	6,170	5,633	5,457	6,170
Total loan receivables, gross	69,445,677	56,462,203	67,295,147	11,995,859	9,712,908	11,083,486
Provision for individually reserved loan receivables						
Commercial sector	-49,672	-43,543	-38,215	-	-241	0
Household sector	-51,436	-49,072	-40,279	-	-11,549	0
Total individual provisions	-101,108	-92,615	-78,494	0	-11,790	0
Provision for group-wise reserved loan receivables						
Commercial sector	-20,503	-19,690	-21,490	-3,088	-2,881	-2,773
Household sector	-159,149	-139,636	-155,167	-101,167	-87,348	-96,939
Total group-wise provisions	-179,652	-159,326	-176,657	-104,255	-90,229	-99,712
Total provisions	-280,760	-251,941	-255,151	-104,255	-102,019	-99,712
Loan receivables, net						
Public sector	137,922	132,824	133,085	-	-	-
Commercial sector	4,968,843	4,576,317	4,863,467	527,272	505,553	483,892
Household sector	64,052,519	51,492,806	62,037,274	11,358,699	9,111,669	10,493,712
Other	5,633	8,315	6,170	5,633	5,457	6,170
Total loan receivables, net	69,164,917	56,210,262	67,039,996	11,891,604	9,622,679	10,983,774
Doubtful loan receivables						
Commercial sector	124,463	69,503	73,906	3,088	2,881	2,773
Household sector	221,899	198,572	207,378	101,167	87,348	96,939
Total doubtful loan receivables	346,362	268,075	281,284	104,255	90,229	99,712
Non-performing loan receivables included in doubtful loan receivables						
Commercial sector	60,584	49,953	45,411	842	1,761	842
Household, sector	140,995	121,432	119,736	60,767	48,914	51,269
Total non-performing loan receivables	201,579	171,385	165,147	61,609	50,675	52,111

Definitions:

A non-performing receivable is a claim for which interest payments, amortization or overdrafts are more than 60 days past due.

A doubtful receivable is a receivable for which payments are unlikely to be made in accordance with the terms of the claim, and for which the value of the collateral is not adequate with a secure margin to cover both the principal and accrued interest, including penalties for possible late payments.

NOTE 9 DERIVATIVE INSTRUMENTS SEK 000s	Par value		Fair value	
	Group	Parent Company	Group	Parent Company
Derivative instruments with positive values				
Interest-rate derivatives	20,392,500	2,520,000	205,087	42,163
Currency derivatives	6,073,979	8,564,209	209,205	198,821
Derivative instruments with negative values				
Interest-rate derivatives	29,575,000	3,555,000	251,561	49,451
Currency derivatives	4,070,027	7,181,802	20,337	130,579

NOTE 10 CAPITAL-ADEQUACY ANALYSIS

SEK 000s	Group			Parent Company		
	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007
Tier 1 capital, gross	4,113,732	3,674,112	4,113,732	4,101,290	3,771,985	4,101,290
Less intangible assets, etc.	-262,689	-155,417	-246,805	-186,570	-128,590	-183,288
Less deferred tax assets	-2,502	-919	-5,077	-	-760	-2,575
Less IRB deficit	-102,147	-47,852	-103,771	-11,313	655	-10,424
Tier 1 capital, net	3,746,395	3,469,925	3,758,079	3,903,408	3,643,290	3,905,003
Tier 2 capital	860,000	760,000	860,000	860,000	760,000	860,000
Deductions for Tier 2 capital	-102,147	-47,852	-103,771	-11,313	655	-10,424
TOTAL CAPITAL BASE	4,504,248	4,182,073	4,514,308	4,752,095	4,403,944	4,754,579
Risk-weighted assets excluding transition rules	27,003,720	23,348,550	26,189,250	11,592,378	9,208,950	10,213,488
Risk-weighted assets including transition rules	42,205,370	37,301,625	42,457,725	10,852,528	9,686,425	10,193,013
Total capital requirement for credit risk						
Capital requirement for credit risk in accordance with Standardized Approach	671,008	515,594	639,316	512,992	431,278	449,119
Capital requirement for credit risk in accordance with IRB approach	1,379,108	1,251,972	1,355,506	358,976	276,427	338,949
Capital requirement for operational risk	110,182	100,318	100,318	55,423	29,011	29,011
Capital requirement	2,160,298	1,867,884	2,095,140	927,390	736,716	817,079
Adjustment according to transition rules	1,216,132	1,116,246	1,301,478	-59,188	38,198	-1,638
Total capital requirement	3,376,430	2,984,130	3,396,618	868,202	774,914	815,441
Tier capital relationship as a percentage before adjustment according to the transition rules	13.87%	14.86%	14.35%	33.67%	39.56%	38.23%
Capital adequacy ratio as a percentage before adjustment according to the transition rules	16.68%	17.91%	17.24%	40.99%	47.82%	46.55%
Leverage ratio excluding transition rules*	2.09	2.24	2.15	5.12	5.98	5.82
Tier capital relationship as a percentage after adjustment according to the transition rules	8.88%	9.30%	8.85%	35.97%	37.61%	38.31%
Capital adequacy ratio as a percentage after adjustment according to the transition rules	10.67%	11.21%	10.63%	43.79%	45.47%	46.65%
Leverage ratio including transition rules*	1.33	1.40	1.33	5.47	5.68	5.83
Special disclosures						
IRB Provisions surplus (+)/deficit (-)	-204,293	-95,703	-207,541	-22,625	1,309	-20,848
IRB Total provisions (+)	155,648	220,896	146,267	82,855	74,506	79,036
IRB Anticipated loss amount (-)	-359,941	-316,599	-353,808	-105,480	-73,197	-99,884

NOTE 10 CONTINUED CAPITAL-ADEQUACY ANALYSIS

CAPITAL REQUIREMENT

SEK 000s	Group			Parent Company		
	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007	Mar. 31, 2008	Mar. 31, 2007	Dec. 31, 2007
Credit risk according to the Standardized Approach						
Institutional exposure	215,600	149,630	152,214	184,831	148,099	137,628
Commercial exposure	345,362	304,116	342,849	297,351	261,578	290,131
Household exposure	22,381	18,455	21,470	-	4,360	1,516
Exposure with collateral in property	65,867	11,478	97,600	19,172	7,829	6,257
Unsettled items	2,346	21,840	2,259	917	-	494
Other items	19,452	10,075	22,924	10,721	9,412	13,093
Total capital requirement for credit risks	671,008	515,594	639,316	512,992	431,278	449,119
Credit risk according to the IRB approach						
Household exposure						
Property credits	853,708	741,830	829,632	222,770	157,082	210,388
Other household exposure	523,704	508,845	524,226	135,044	118,594	127,502
Exposure without counterparty	1,697	1,297	1,648	1,162	751	1,059
Total capital requirement for credit risks	1,379,108	1,251,972	1,355,506	358,976	276,427	338,949
Operational risks						
Standardized Approach	110,182	100,318	100,318	55,423	29,011	29,011
Total capital requirement for operational risks	110,182	100,318	100,318	55,423	29,011	29,011
Total minimum capital	2,160,298	1,867,884	2,095,140	927,390	736,716	817,079

* Leverage ratio = total capital base / total capital requirement

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).

This interim report is unaudited.

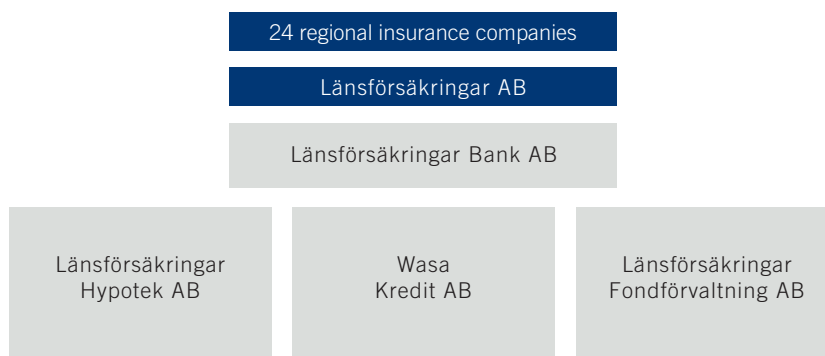
Stockholm, April 22, 2008

Anders Borgcrantz
Executive Vice President

Reporting dates in 2008:

Interim report, January – June August 25, 2008

Interim report, January – September October 27, 2008



The Länsförsäkringar Alliance organization is based on 24 local, independent and customer-owned regional insurance companies. The regional insurance companies jointly own Länsförsäkringar AB. In turn, Länsförsäkringar AB owns Länsförsäkringar Bank, with the subsidiaries Länsförsäkringar Hypotek, WasaKredit and Länsförsäkringar Fondförvaltning. Customer contact always occurs at the regional insurance companies. There are almost 100 branches. From the customer's viewpoint, the regional insurance companies operate as local banks, in the same manner as with non-life insurance and life assurance.

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