

October 28, 2008

Länsförsäkringar AB (publ)

CORPORATE REGISTRATION NUMBER 556549-7020

INTERIM REPORT JANUARY–SEPTEMBER 2008



The President of Länsförsäkringar Aktiebolag (publ), Corporate Registration Number 556549-7020, hereby presents, on behalf of the Board of Directors, the interim report for the period January 1–September 30, 2008.

Ownership

Länsförsäkringar AB (publ) is wholly owned by the 24 regional insurance companies and 14 local insurance companies.

Group structure

In addition to the Parent Company, Länsförsäkringar AB (publ), the Group includes the wholly owned companies Länsförsäkringar Bank AB (publ) and subsidiaries, Försäkringsaktiebolaget Agria (publ) and subsidiaries, Wasa Försäkring Run-Off AB and subsidiaries, Länsförsäkringar Sak Försäkringsaktiebolag (publ) and subsidiaries, and Länsförsäkringar IT Center AB (publ). In addition to these companies, the Group includes one dormant company.

Länsförsäkringar Liv Försäkringsaktiebolag (publ) and subsidiaries is not consolidated in the Group accounts since the company's earnings are distributed in their entirety to the policyholders.

Operations

The Länsförsäkringar AB Group conducts operations in such areas as non-life insurance, life assurance and banking. Another task is to provide service to the regional insurance companies and assume responsibility for the Länsförsäkringar Alliance's joint strategic and development activities. The Länsförsäkringar AB Group shall create possibilities for the regional insurance companies to be successful in their respective markets.

New organization January 1, 2009

Measures to enhance the company's competitiveness and reduce costs were announced in August. From January 1, 2009, service and administration resour-

ces will be shared among the subsidiaries and operations within Länsförsäkringar AB. Within the Länsförsäkringar AB Group, the goal is to reduce operating expenses by a total of 20%.

EARNINGS FOR THE GROUP

SEK M	Jan. 1, 2008 – Sep. 30, 2008	Jan. 1, 2007 – Sep. 30, 2007
Insurance operations	–2,289	1,316
Banking operations	186	172
Other operations	–342	–45
Income before tax	–2,445	1,443

Insurance operations

The insurance operations, including their entire investment income, reported a loss of SEK 2,289 M (profit: 1,316). Although the entire decline in earnings was attributable to weaker investment income, the insurance operations reported a stable performance. The insurance operations include a life-assurance transaction that generated a loss of SEK 6 M (gain: 2).

Premiums earned after ceded reinsurance rose by 33% to SEK 2,272 M (1,704). This increase in volume compared with the corresponding period in the preceding year was due to growth in the health and animal insurance business areas and also the acquisition of operations. At the end of 2007, Länsförsäkringar Sak and its subsidiaries acquired a group life assurance portfolio from Länsförsäkringar Liv with full-year volumes of SEK 390 M. On July 1, 2008, Länsförsäkringar Sak acquired two companies from the Federation of Swedish Farmers (LRF), Länsförsäkringar EFEL Skadeförsäkring AB and Länsförsäkringar EFEL Livförsäkring AB, with full-year volumes of SEK 260 M.

Claims payments after ceded reinsurance rose as a result of the increase in business volumes and amounted to an expense of SEK 1,592 M (expense: 1,194). The claims outcome was favorable throughout the first three quarters of 2008 and the claims ratio, including claims adjustment costs, was 79% (80) after the third quarter. Operating expenses rose to 29% (27).

The total return on the investment assets in the insurance operations amounted to a negative 9.2% (positive: 8.8).

Länsförsäkringar International Försäkringsaktiebolag obtained a concession at the beginning of 2008. The company has secondary establishments in Latvia and Lithuania.

Banking operations

Profit before loan losses amounted to SEK 232 M (209) and operating profit amounted to SEK 186 M (172).

Lending to the public rose by 19% to SEK 76 billion (63), of which mortgage lending in the subsidiary Länsförsäkringar Hypotek rose by 18% to SEK 52 billion (44). Deposits from the public increased by 19% to SEK 33 billion (28).

The volume of managed funds amounted to SEK 54 billion (67) in 28 (31) mutual funds with different investment orientations. The lower fund volume is due to the decrease in the value of the stock market.

According to the 2008 Swedish Quality Index (SKI) customer survey, Länsförsäkringar strengthened its position as the bank with the most satisfied retail customers and increased its lead over other Swedish banks, particularly in terms of customer loyalty.

Investment income

The Group's investment income amounted to a loss of SEK 2,393 M (profit: 1,546) for the period.

Following a week start to the year, many stock markets rose in mid-March only to fall again between mid-May and mid-July. Rising commodities prices created a sense of uncertainty concerning inflation. As oil prices declined in the middle of the summer, these concerns about inflation began to wane, which in turn had a positive impact on the market. In September, however, the financial crisis escalated, resulting in substantial stock-markets fluctuations.

Several companies in the financial sector were near bankruptcy. Investors hedged all forms of risk and opted for treasury bills and bonds over equities. Central banks and governments throughout the world were forced to implement several massive bailout measures to rescue falling banks and stabilize liquidity management.

The return on investment assets for the Länsförsäkringar AB Group, excluding the banking operations, amounted to negative 8.1% (8.3).

Parent Company

Profit after financial items for the Parent Company amounted to SEK 1 M (291). Earnings include dividends from the subsidiaries in the amount of SEK 354 M (330).

Risks and uncertainty factors of the operations

The risks associated with the operations of the Länsförsäkringar AB Group and the Parent Company, and how they are

managed, are described in the 2007 Annual Report.

The intensification of the financial crisis after the summer, resulting in falling share prices, caused the value of the Group's equity portfolios to drop. Reallocation of investments was made during the quarter to reduce the proportion of equities in the investment portfolio, thereby decreasing the risk associated with these assets.

Länsförsäkringar Sak's acquisition of personal insurance policies from the Federation of Swedish Farmers (LRF) on July 1, 2008 is increasing the business volumes in the Group's insurance operations regarding direct insurance, measured as premium income, by approximately SEK 260 M. In 2008, operations commenced in Latvia and Lithuania but only to a minor extent.

Related-party transactions

The Länsförsäkringar AB Group's companies have the same types of agreements in 2008 as those described in the notes to the 2007 Annual Report. The most important related-party transactions during the interim period are reported in Note 5.

Events after the close of the period

The new organization to be implemented in 2009 is expected to result in a 20% decrease in the number of employees. Accordingly, restructuring costs for this reduction in personnel will be charged against profit in the fourth quarter of 2008.

The Group's investment assets were reallocated in October to further reduce the risks in the investment portfolio.

Accounting principles

Länsförsäkringar AB prepares its consolidated accounts in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations of these standards issued by the International Financial Reporting Interpretations Committee (IFRIC), as approved by the European Commission for application within the EU.

IAS 34 Interim Financial Reporting is applied to this interim report. In all other respects, the interim report for the Group and the Parent Company has been prepared in accordance with the same accounting principles and calculation methods applied in the 2007 Annual Report.

The results of the operations during the period and the financial position of the Länsförsäkringar AB Group and the Parent Company at September 30, 2008 are shown in the following income statement and balance sheet with accompanying notes.

This interim report is unaudited.

Key figures

Länsförsäkringar AB Group	Sep. 30, 2008	Sep. 30, 2007	Dec. 31, 2007
Group			
Operating profit/loss, SEK M	-2,445	1,443	1,270
Profit/loss for the period, SEK M	-1,736	1,032	922
Return on shareholders' equity, % ¹⁾	-18	12	11
Total assets, SEK M	124,031	108,081	116,241
Shareholders' equity per share, SEK	1,330	1,670	1,648
Solvency capital, SEK M	9,067	12,056	11,652
Solvency margin, %	271	527	429
Capital base for the financial conglomerate, SEK M	11,820	–	14,413
Capital requirement for the financial conglomerate, SEK M	8,419	–	8,088
Insurance operations			
Premiums earned (after ceded reinsurance), SEK M	2,098	1,703	2,430
Investment income transferred from financial operations, SEK M	368	300	421
Claims payments (after ceded reinsurance), SEK M ²⁾	-1,456	-1,192	-1,601
Operating expenses, SEK M ³⁾	-815	-604	-992
Other income and expenses, SEK M	17	19	34
Technical result, non-life insurance operation, SEK M	212	226	294
Technical result, life assurance operations, SEK M	-6	2	-1
Remaining investment income, SEK M	-2,499	1,119	790
Operating profit/loss, SEK M	-2,289	1,316	1,169
Investment assets, SEK M ⁴⁾	17,388	20,229	18,476
Total yield, % ⁵⁾	-9.2	8.8	7.2
Expense ratio ⁶⁾	29	27	30
Claims ratio ⁷⁾	79	80	76
Combined ratio	108	107	107
Banking operations			
Return on shareholders' equity, % ⁸⁾	4.6	4.9	5.0
Investment margin, %	1.24	1.45	1.43
Cost/income ratio before loan losses	0.74	0.74	0.74
Capital adequacy ratio, % ⁹⁾	10.6	10.0	10.6
Tier 1 capital ratio, % ⁹⁾	8.7	8.3	8.9

¹⁾ Profit before tax plus change in surplus value of owner-occupied property less standard tax at a rate of 28% as a percentage of average shareholders' equity adjusted for dividends. Figures for the quarter have not been adjusted on an annual basis.

²⁾ Excluding claims adjustment costs.

³⁾ Including claims adjustment costs.

⁴⁾ Investment assets comprise owner-occupied property, shares and participations in associated companies, investment property, loans to Group companies, shares and participations, bonds and other interest-bearing securities, derivatives (assets and liabilities) and cash and bank balances.

⁵⁾ Total yield is calculated as the sum of all direct yield and changes in the value of the investment portfolio in relation to the average value of the investment assets during the year.

⁶⁾ Excluding claims adjustment costs in accordance with the Swedish Financial Supervisory Authority's instructions.

⁷⁾ Including claims adjustment costs in accordance with the Swedish Financial Supervisory Authority's instructions.

⁸⁾ Profit before tax less standard tax at a rate of 28% as a percentage of average shareholders' equity adjusted for dividends. Figures for the quarter have been adjusted on an annual basis.

⁹⁾ In accordance with transitional rules for Basel II.

Consolidated earnings trend

SEK M	Q1-3 2008	Q1-3 2007	Q3 2008	Q3 2007
Premiums earned after ceded reinsurance	2,272.5	1,703.7	814.1	597.0
Net interest income	927.8	747.3	333.1	284.5
Investment income, net	-2,393.5	1,545.6	-880.1	289.6
Other operating income	2,401.6	2,153.3	751.3	787.9
Total operating income	3,208.4	6,149.9	1,018.4	1,959.0
Claims payments after ceded reinsurance	-1,592.4	-1,194.0	-554.3	-416.8
Other expenses	-4,060.6	-3,512.9	-1,307.9	-1,235.8
Total expenses	-5,653.0	-4,706.9	-1,862.2	-1,652.6
Operating profit/loss	-2,444.6	1,443.0	-843.8	306.4

Consolidated income statement

SEK M	Jan. 1, 2008 - Sep. 30, 2008	Jan. 1, 2007 - Sep. 30, 2007
Premiums earned before ceded reinsurance	3,531.3	2,887.3
Reinsurers' portion of premiums earned	-1,258.8	-1,183.6
Premiums earned after ceded reinsurance	2,272.5	1,703.7
Interest income	5,390.5	3,097.4
Interest expense	-4,462.7	-2,350.1
Net interest income	927.8	747.3
Investment income, net	-2,393.5	1,545.6
Commission revenue	634.4	698.3
Other operating income	1,767.2	1,455.0
Total operating income	3,208.4	6,149.9
Claims payments before ceded reinsurance	-2,255.6	-2,675.4
Reinsurers' portion of claims payments	663.2	1,481.4
Claims payments after ceded reinsurance	-1,592.4	-1,194.0
Commission expense	-897.3	-869.6
Personnel costs	-1,088.8	-987.2
Other administration expenses	-1,928.0	-1,506.9
Loan losses	-45.8	-37.6
Other expenses	-100.7	-111.7
Total expenses	-5,653.0	-4,706.9
Operating profit/loss	-2,444.6	1,443.0
Tax	708.5	-411.2
Net profit/loss for the period	-1,736.1	1,031.7
Profit/loss attributable to Parent Company's shareholders	-1,736.1	1,031.7
Profit attributable to minority shareholders	-	-
Earnings per share before and after dilution, SEK	-276	164

Profit per business segment is reported in Note 2.

Consolidated balance sheet

SEK M	Sep. 30, 2008	Dec. 31, 2007
TILLGÅNGAR		
Goodwill	Note 3 366.6	164.8
Other intangible assets	1,019.9	699.4
Deferred tax assets	483.8	13.9
Tangible assets	100.9	104.3
Owner-occupied property	2,406.2	2,363.0
Shares in Länsförsäkringar Liv Försäkrings AB	510.4	461.2
Shares and participations in associated companies	18.1	17.4
Reinsurers' portion of technical reserves	5,989.6	5,696.9
Investment property	290.9	287.0
Lending	75,721.8	67,040.0
Shares and participations	3,813.7	6,654.3
Bonds and other interest-bearing securities	23,833.6	21,222.6
Derivatives	1,620.2	1,200.7
Change in value of hedge portfolios	-153.3	-247.7
Other receivables	2,042.8	2,641.7
Prepaid expenses and accrued income	1,003.3	1,005.9
Cash and bank balances	4,962.2	6,915.8
Total assets	124,031.0	116,241.2
SHAREHOLDERS' EQUITY PROVISIONS AND LIABILITIES		
Shareholders' equity		
Share capital	629.8	629.8
Other capital contributed	4,801.3	4,801.3
Reserves	197.9	188.1
Profit brought forward including profit for the period	2,743.9	4,757.0
Shareholders' equity attributable to the Parent Company's shareholders	8,372.8	10,376.1
Minority interests	0.0	0.0
Total shareholders' equity	8,372.9	10,376.1
Subordinated debt	114.0	114.0
Technical reserves	20,443.2	19,424.7
Deferred tax liabilities	1,064.3	1,175.6
Other provisions	276.4	283.4
Issued securities	54,634.4	48,815.5
Deposits from the public	32,706.4	29,350.7
Liabilities to credit institutions	734.1	707.2
Derivatives reported as liabilities	1,281.6	606.2
Change in value of hedge portfolios	-255.6	-215.5
Current tax liabilities	5.3	225.8
Other liabilities	1,896.7	3,228.9
Accrued expenses and deferred income	2,757.4	2,148.6
Total shareholders' equity provisions and liabilities	124,031.0	116,241.2

Changes in consolidated shareholders' equity

SEK M	Shareholders' equity attributable to the Parent Company's shareholders					
	Share capital	Other capital contributed	Reserves	Profit brought forward incl. net profit for the year	Total	Minority interests
Opening shareholders' equity Dec. 31, 2006	629.8	4,801.3		4,236.0	9,667.1	0.0
Adjustment in conjunction with transition to IFRS			89.2	-177.7	-88.5	
Adjusted shareholders' equity Jan. 1, 2007	629.8	4,801.3	89.2	4,058.3	9,578.5	0.0
Change in translation reserve			-2.1		-2.1	
Revaluation of owner-occupied property			136.0		136.0	
Change in value of financial instruments			11.5		11.5	
Net profit for the period				1,031.7	1,031.7	
Dividend at SEK 38 per share				-239.3	-239.3	
Closing shareholders' equity Sep. 30, 2007	629.8	4,801.3	234.6	4,850.7	10,516.4	0.0
Opening shareholders' equity Jan. 1, 2008	629.8	4,801.3	188.1	4,757.0	10,376.1	0.0
Change in translation reserve			-30.1		-30.1	
Revaluation of owner-occupied property			70.3		70.3	
Change in value of financial instruments			-30.4		-30.4	
Net profit for the period				-1,736.1	-1,736.1	
Dividend at SEK 44 per share				-277.1	-277.1	
Closing shareholders' equity Sep. 30, 2008	629.8	4,801.3	197.9	2,743.9	8,372.8	0.0

The number of shares amounts to 6,297,583 (6,297,583).

Of total shareholders' equity, SEK 5,458.4 M (5,981.9) is restricted shareholders' equity.

Consolidated cash-flow statement

SEK M	Jan. 1, 2008 – Sep. 30, 2008	Jan. 1, 2007 – Sep. 30, 2007
Cash flow from operating activities	-7,138.2	-7,779.3
Cash flow from investing activities	-571.6	-659.3
Cash flow from financing activities	5,757.2	12,369.9
Cash flow for the period	-1,952.6	3,931.3
Cash and cash equivalents at the beginning of the period	6,915.8	3,477.1
Cash flow for the period	-1,952.6	3,931.3
Exchange-rate differences in cash and cash equivalents	-1.0	-1.3
Cash and cash equivalents at the end of the period	4,962.2	7,407.1
Cash and cash equivalents		
Cash and bank balances	4,962.2	7,407.1

A disclosure concerning the acquisition of operations is presented in Note 4.

Notes to the consolidated income statement and balance sheet

NOTE 1 ACCOUNTING PRINCIPLES

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of these standards issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. In addition, the Swedish Annual Accounts Act for Insurance Companies (1995:1560) and the Swedish Financial Supervisory Authority's regulations and guidelines FFFS 2006:17 and 2007:14 are applied. The Group also follows recommendation RFR 1.1 Supplementary Accounting Rules for Groups and statements issued by the Swedish Financial Reporting Board.

The interim report for the Group and Parent Company has been prepared in accordance with IAS 34 Interim Financial Reporting.

The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2.1 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. In most cases, this means that the Parent Company applies the same IFRS as those applied in the consolidated accounts.

The deviations arising between the Parent Company's and the Group's accounting principles are due to the limitations on the possibility of applying IFRS in the Parent Company, as a result of the Swedish Annual Accounts Act and the Pension Obligations Vesting Act and, in certain cases, for tax reasons.

In all other respects, the interim report for the Group and the Parent Company has been prepared in accordance with the same accounting principles and calculation methods as those applied in the 2007 Annual Report.

NOTE 2 PROFIT PER BUSINESS SEGMENT

Jan. 1, 2008–Sep. 30, 2008

SEK M	Insurance operations	Banking operations	Other operations	Eliminations	Total
Premiums earned before ceded reinsurance	3,531.3				3,531.3
Reinsurers' portion of premiums earned	-1,258.8				-1,258.8
Premiums earned after ceded reinsurance	2,272.5				2,272.5
Interest income		5,390.5			5,390.5
Interest expense		-4,538.5		75.8	-4,462.7
Net interest income		852.0		75.8	927.8
Investment income, net	-2,126.9	5.0	165.1	-436.6	-2,393.5
Commission revenue	9.0	625.4			634.4
Other operating income	727.4	110.4	1,867.7	-938.3	1,767.2
Total operating income	881.9	1,592.8	2,032.8	-1,299.0	3,208.4
Claims payments before ceded reinsurance	-2,255.6				-2,255.6
Reinsurers' portion of claims payments	663.2				663.2
Claims payments after ceded reinsurance	-1,592.4				-1,592.4
Commission expense	-184.2	-716.2		3.1	-897.3
Personnel costs	-471.5	-232.0	-430.9	45.6	-1,088.8
Other administration expenses	-922.3	-412.3	-1,489.7	896.3	-1,928.0
Loan losses		-45.8			-45.8
Other expenses	-0.4		-100.3		-100.7
Total expenses	-3,170.8	-1,406.3	-2,020.9	945.0	-5,653.0
Operating profit/loss	-2,288.9	186.5	11.8	-354.0	-2,444.6
Tax	664.9	-52.2	95.8		708.5
Net profit/loss for the period	-1,624.0	134.3	107.6	-354.0	-1,736.1

Jan. 1, 2007–Sep. 30, 2007

SEK M	Insurance operations	Banking operations	Other operations	Eliminations	Total
Premiums earned before ceded reinsurance	2,887.3				2,887.3
Reinsurers' portion of premiums earned	-1,183.6				-1,183.6
Premiums earned after ceded reinsurance	1,703.7				1,703.7
Interest income		3,097.4			3,097.4
Interest expense		-2,358.2		8.2	-2,350.1
Net interest income		739.1		8.2	747.3
Investment income, net	1,422.0	0.3	462.5	-339.3	1,545.6
Commission revenue	12.6	685.7			698.3
Other operating income	661.5	96.0	1,533.8	-836.3	1,455.0
Total operating income	3,799.9	1,521.1	1,996.3	-1,167.4	6,149.9
Claims payments before ceded reinsurance	-2,675.4				-2,675.4
Reinsurers' portion of claims payments	1,481.4				1,481.4
Claims payments after ceded reinsurance	-1,194.0				-1,194.0
Commission expense	-150.1	-715.8		-3.7	-869.6
Personnel costs	-408.1	-195.6	-399.7	16.2	-987.2
Other administration expenses	-720.8	-398.9	-1,212.2	825.0	-1,506.9
Loan losses		-37.6			-37.6
Other expenses	-10.6	-1.3	-99.7		-111.7
Total expenses	-2,483.5	-1,349.3	-1,711.5	837.4	-4,706.9
Operating profit/loss	1,316.3	171.9	284.8	-330.0	1,443.0
Tax	-374.1	-48.1	11.0		-411.2
Net profit/loss for the period	942.2	123.7	295.8	-330.0	1,031.7

Notes to the consolidated income statement and balance sheet, cont.

NOTE 3 GOODWILL

Of the change in goodwill of SEK 201.8 M at September 30, 2008, SEK 179.4 M is attributable to Länsförsäkringar Sak's acquisition of two companies from the Federation of Swedish Farmers, namely Länsförsäkringar EFEL Skadeförsäkring AB and Länsförsäkringar EFEL Livförsäkring AB. The companies were acquired on July 1, 2008 for a total of SEK 525 M. The opening goodwill value was revalued in an amount of SEK 39.2 M, which pertained to deferred tax in Pet Partner plc, and was restated at a new exchange rate.

NOTE 4 ACQUISITIONS OF OPERATIONS

During the period, Länsförsäkringar Sak acquired Länsförsäkringar EFEL Skadeförsäkring AB and Länsförsäkringar EFEL Livförsäkring AB. According to provisional acquisition analyses, assets and liabilities were distributed as specified below. The intangible assets acquired during the period totaling SEK 319.6 M pertain to customer registers.

SEK M	Jan. 1, 2008 –Sep. 30, 2008	Jan. 1, 2007 –Sep. 30, 2007
Assets and liabilities acquired in subsidiaries		
Goodwill	179.4	204.0
Intangible assets	319.6	140.1
Tangible assets		5.0
Operating receivables	8.5	68.9
Investment assets	406.4	
Cash and cash equivalents	113.8	20.3
Total assets	1,027.7	438.3
Deferred tax	–85.8	–39.2
Operating liabilities	–18.2	–65.8
Technical reserves	–398.6	
Total liabilities and provisions	–502.7	–105.0
Paid purchase price	525.0	333.2
Less acquired cash and cash equivalents	–113.8	–20.3
Impact on cash and cash equivalents	411.2	312.9

NOTE 5 RELATED-PARTY TRANSACTIONS

SEK M	Revenue Jan.–Sep.	Costs Jan.–Sep.	Receivables Jan.–Sep.	Liabilities Jan.–Sep.
Related-party transactions 2008				
Länsförsäkringar Liv Försäkrings AB Group	333.5	196.3	10.2	51.4
Regional insurance companies	1,032.8	544.5	4,935.7	7,703.5
Related-party transactions 2007				
Länsförsäkringar Liv Försäkrings AB Group	328.2	259.8	454.2	6.9
Regional insurance companies	931.8	337.5	4,282.5	6,977.7

Revenue and costs attributable to the regional insurance companies include interest. Receivables from and liabilities to regional insurance companies include technical reserves.

Income statement for the Parent Company

SEK M	Jan. 1, 2008 –Sep. 30, 2008	Jan. 1, 2007 –Sep. 30, 2007
Net sales	1,021.4	817.6
Operating expenses		
External expenses	–941.8	–772.5
Personnel costs	–242.9	–215.7
Operating loss	–163.3	–170.6
Profit from financial items		
Profit from participations in Group companies	354.0	330.0
Interest income and similar profit/loss items	157.9	292.2
Interest expense and similar profit/loss items	–347.8	–161.0
Profit after financial items	0.9	290.6
Tax	98.9	9.5
Profit after tax	99.7	300.2

Balance sheet for the Parent Company

SEK M	Sep. 30, 2008	Dec. 31, 2007	Sep. 30, 2007
ASSETS			
Intangible assets	44.6	49.1	63.6
Shares and participations in Group companies	6,442.0	6,192.0	5,877.4
Other fixed assets	3,434.5	2,839.3	2,733.2
Current assets	984.2	2,309.9	2,261.2
Cash and bank balances	1,467.8	574.8	491.8
Total assets	12,373.1	11,965.0	11,427.3
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity	7,681.0	7,851.3	7,789.3
Provisions	52.3	53.1	42.6
Long-term liabilities	3,052.3	2,992.5	2,874.0
Current liabilities	1,587.5	1,068.1	721.3
Total shareholders' equity, provisions and liabilities	12,373.1	11,965.0	11,427.3

Changes in the Parent Company's shareholders' equity

SEK M	Sep. 30, 2008	Sep. 30, 2007
Shareholders' equity according to the balance sheet at December 31 in the year preceding the interim period	7,851.3	7,748.0
Changed accounting principles	–	–31.1
Adjusted shareholders' equity, Jan. 1	7,851.3	7,716.9
Dividends	–277.1	–239.3
Change in value, hedging	7.1	11.5
Profit for the period	99.7	300.2
Shareholders' equity at the end of the period	7,681.0	7,789.3

Cash-flow statement for the Parent Company

SEK M	Jan. 1, 2008 –Sep. 30, 2008	Jan. 1, 2007 –Sep. 30, 2007
Cash flow from operating activities	1,295.5	452.0
Cash flow from investing activities	317.4	–344.5
Cash flow from financing activities	–719.6	–167.3
Cash flow for the period	893.4	–59.8
Cash and cash equivalents at the beginning of the period	836.9	828.5
Cash flow for the period	893.4	–59.8
Cash and cash equivalents at the end of the period	1,730.3	768.7
The Parent Company's cash and cash equivalents in Länsförsäkringar Bank	–262.5	–276.9
Cash and bank balances in the Parent Company's balance sheet	1,467.8	491.8

Cash and cash equivalents for 2007 were adjusted by the balance in Länsförsäkringar Bank in the same manner as for the period January–September 2008.

Notes to the Parent Company income statement and balance sheet

NOTE 1 ACCOUNTING PRINCIPLES

The Parent Company prepares its report in accordance with the Swedish Securities Market Act (2007:528) and the Swedish Annual Accounts Act (1995:1554). The company also applies recommendation RFR 2.1 Accounting for Legal Entities and statements issued by the Swedish Financial Reporting Board. The regulations contained in RFR 2.1 stipulate that the Parent Company is to apply all IFRS and all statements approved by the EU in the annual report for the legal entity as far as possible within the framework of the Annual Accounts Act, the Pension Obligations Vesting Act and the relationship between accounting and taxation. The recommendation states the exceptions and additions to be made to IFRS.

NOTE 2 RELATED-PARTY TRANSACTIONS

SEK M	Revenue Jan.–Sep.	Costs Jan.–Sep.	Receivables Sep. 30	Liabilities Sep. 30
Related-party transactions 2008				
Länsförsäkringar Liv				
Försäkrings AB Group	334.7	309.3	378.3	1,280.8
Regional insurance companies	163.6	36.8	7.7	0.2
Related-party transactions 2007	501.6	75.5	68.2	44.7
Group companies				
Länsförsäkringar Liv				
Försäkrings AB Group	198.5	269.8	355.3	469.4
Regional insurance companies	127.1	3.7	0.8	0.0
Länsförsäkringsbolag	472.8	95.6	126.9	29.0

Stockholm, October 28, 2008

Håkan Danielsson
President



For further information, please contact

Håkan Danielsson, President, Länsförsäkringar AB, +46 8-588 400 00

Christer Baldhagen, Senior Vice President Corporate Communications, Länsförsäkringar AB, +46 8-588 415 01, +46 70-579 70 66