

Länsförsäkringar Alliance

INTERIM REPORT, JANUARY – JUNE 2006

Summary

- Continued strong profitability within non-life insurance operations. The technical result amounted to SEK 1,326 M (1,297).
- Premium income from life assurance and unit-linked insurance amounted to SEK 6,108 M (4,763). Investment earnings amounted to a loss of SEK 853 M (9,207) M and premiums earned rose by 8% to SEK 5,048 M (4,686).
- Operating income from bank operations amount to SEK 111 M (102) before loan losses and SEK 82 M (69) after loan losses. Lending to the public rose by 18% to SEK 51 billion (43). Deposits from the public rose by 14% to SEK 23 billion (20).
- The number of customers in the regional insurance companies after the first half of the year was 3,171,000, an increase of 24,000 during the first six months of the year. An increasing number of customers are choosing to become full-service customers.

Figures in parentheses pertain to the corresponding period in 2005.

Tommy Persson, Managing Director of Länsförsäkringar AB, the Group's jointly-owned company:

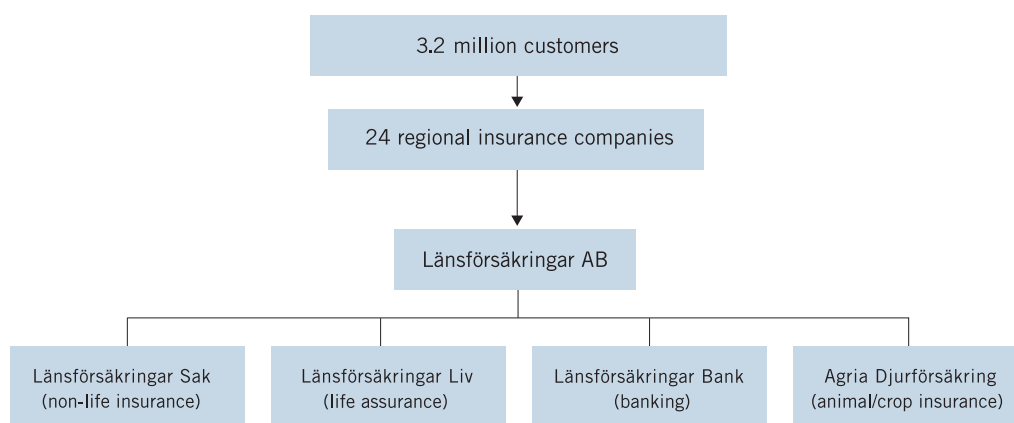
We can report the strongest technical result ever for non-life insurance. The life assurance company has an extremely favorable financial situation, which among other indicators, is reflected in a solvency ratio of 135%, collective consolidation of 109% and highly competitive bonuses. The bank operations are continuing to perform positively and according to plan. Customer confidence is rising. Länsförsäkringar is progressing favourably and we are now further increasing focus on strong growth with profitability.

The Länsförsäkringar Alliance is neither a legal entity nor, in the legal sense of the term, a Group; it is an alliance between 24 independent regional insurance companies that jointly own Länsförsäkringar AB. Länsförsäkringar's earnings from non-life insurance consist of the sum total of the earnings of the 24 regional insurance companies and of the jointly-owned Länsförsäkringar AB, excluding life assurance and banking.



Länsförsäkringar Alliance in brief, January–June 2006

The Länsförsäkringar Alliance consists of 24 local, customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB, with subsidiaries in non-life insurance, life assurance, unit-linked insurance, banking and animal/crop insurance. The organization is based on a strong belief in local presence, and customer contact always occurs at the regional insurance companies. Economies of scale are achieved through Länsförsäkringar AB, and service and strategic development efforts create possibilities for the regional insurance companies to be successful in their respective markets. Länsförsäkringar offers a wide range of insurance, bank services and other financial solutions for companies and private individuals. The number of customers is approximately 3.2 million and the Länsförsäkringar Alliance has a total of 5,000 employees.



LÄNSFÖRSÄKRINGAR ALLIANCE, NON-LIFE INSURANCE

	Jan. 1–June 30 2006	Jan. 1–June 30 2005
Premiums earned after ceded reinsurance, SEK M	8,092	8,042
Technical result from non-life insurance operations, SEK M	1,326	1,297
Operating income, SEK M	944	3,529
Combined ratio, SEK M	89	89

LÄNSFÖRSÄKRINGAR AB GROUP EXCL. LIFE ASSURANCE

	Jan. 1–June 30 2006	Jan. 1–June 30 2005
Technical result from non-life insurance operations, SEK M	165	142
Operating income, SEK M	–330	885
Solvency margin, %	449	436

LÄNSFÖRSÄKRINGAR BANK

	Jan. 1–June 30 2006	Jan. 1–June 30 2005
Deposits from the public, SEK M	22,611	19,856
Lending to the public, SEK M	50,741	43,086
Operating income after loan losses, SEK M	82	69

AGRIA DJURFÖRSÄKRING

	Jan. 1–June 30 2006	Jan. 1–June 30 2005
Premiums earned after ceded reinsurance, SEK M	454	403
Technical result, SEK M	38	39

LÄNSFÖRSÄKRINGAR LIV (LIFE)

	Jan. 1–June 30 2006	Jan. 1–June 30 2005
Premium income, net, SEK M	5,048	4,686
Net profit for the period, SEK M	6,108	4,763
Solvency ratio, %	135	129
Collective consolidation, %	109	108

Länsförsäkringar Liv is a limited company but operates according to mutual principles and all profits accrue to policyholders.

Credit ratings

Company	Institute	Rating
Länsförsäkringar AB	Standard & Poor's	A–/stable
Länsförsäkringar AB	Moody's	A3/stable
Länsförsäkringar Bank	Standard & Poor's	A–/positive A2/K1
Länsförsäkringar Bank	Moody's	A3/stable/ P–2
Länsförsäkringar Sak AB	Standard & Poor's	A/stable
Länsförsäkringar Sak AB	Moody's	A2/stable
Humlegården	Standard & Poor's	A/stable
Agria Djurförsäkring	Standard & Poor's	A–/pi*

*pi means that the rating, for which there is no forecast, is based on public information such as annual reports.

Non-life insurance*

- Continued strong profitability in non-life insurance operations. The technical result amounted to SEK 1,326 M (1,297)
- Combined ratio was stable at 89 (92).
- Negative trends in the financial market impacted operating income, which declined to SEK 944 M (3,529).

The technical result from the non-life insurance operations remained strong and amounted to SEK 1,326 M (1,297) for the first half of 2006. Operating income before tax fell from SEK 3,529 M in the preceding year to SEK 944 M. This decline is due to negative trends in the financial markets compared with the corresponding period in 2005.

Total premiums earned rose by 1% as a result of the market displaying trends of increasingly intense price pressure after a long period of stable profitability. The total market for non-life insurance rose during the first half of the year by slightly more than 1%. Total market shares for non-life insurance are approximately 30%**.

A number of insurance policies performed positively in the large areas of household and car insurance during the first half of 2006. The market share for private-home insurance is 41%*** and for car insurance is 37%***. Our position in commercial in-

surance, in which the pricing competition is most intense, is strong, with a market share of approximately 36%**.

The non-life insurance operations have been working on claims-prevention measures and internal efficiency activities for a long period of time. Profitability in the non-life insurance operations was stable with a combined ratio of 88.7% (89.3). The claims trend during the first six months of the year was favorable with only a few large-claim cases. Claims costs in nominal terms amounted to 70.2% (71.3). The expense ratio was 18.5% (18.2).

Länsförsäkring Alliance's specialist company for animal insurance. Agria Djurförsäkring, reported a technical result a SEK 38 M. Premium income was SEK 445 M.

The regional insurance companies are intensifying their drive in the health area. Focus is directed toward product developments to meet companies' anxiety over high sick leave figures and co-financing costs

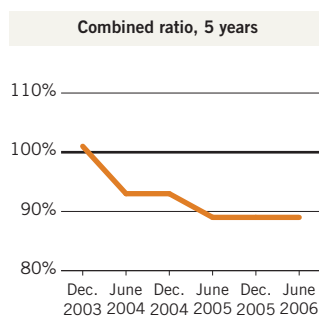
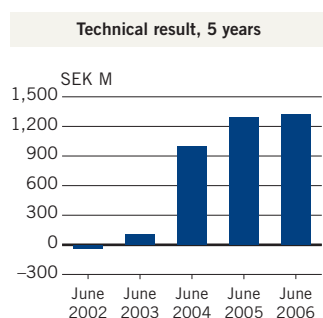
for ill employees. Customers' increasingly extensive needs for insurance solutions in healthcare, medical care and rehabilitation make the health market a highly attractive development area.

In the rapidly growing health market, Länsförsäkringar maintained its market share at approximately 40 percent during the first half of 2006.

KEY FIGURES

	Jan. 1–Jun. 30 2006	Jan. 1–Jun. 30 2005	Full-year 2005
Premiums earned ¹⁾ , SEK M	8,092	8,042	16,215
Technical result, SEK M	1,326	1,297	2,496
Operating income, SEK M	944	3,529	7,027
Solvency capital, SEK M	28,079	23,343	28,015
Solvency margin, %	169	141	171
Claims ratio	70	71	71
Expense ratio	19	18	18
Combined ratio	89	89	89

¹⁾ After ceded reinsurance.



*Länsförsäkringar's earnings from non-life insurance consist of the sum of the earnings of the 24 regional insurance companies, Agria and of the jointly-owned Länsförsäkringar AB, excluding life assurance and banking. The value and changes in value of the regional companies' holdings of shares in Länsförsäkringar AB and subordinated loans have been eliminated.

**Swedish Insurance Federation: market shares as per March 31, 2006, percentage of total premium income.

***Swedish Insurance Federation: market shares as per March 31, 2006, percentage of number of insurance policies.

Life assurance and pension insurance

- Premium income for life and unit-linked assurance rose by 8% and amounted to SEK 5,048 M (4,686).
- Profit for the first half of the year was SEK 6,108 M (4,763). The occupational pension directive affected interest-rate assumptions for technical reserves, which has had a positive effect on earnings.
- Investment earnings amounted to a loss of SEK 853 M (9,207).

Länsförsäkringar Liv (Life)

SEK M	Jan.1–Jun.30 2006	Jan.1–Jun.30 2005	Full-year 2005
Premium income, net	5,048	4,686	9,472
Total assets	146,450	130,826	140,681
Return, New World, %	1.0	6.5	17.1
Total return, traditional life assurance, %	–0.2	6.5	14.9

The total premium income for life insurance and unit-linked assurance was up 8% to SEK 5,048 M (4,686). New sales amounted to SEK 7,842 M (7,615).

A new drive in the private market and the collective pension market was initiated during the first half of 2006 with the launch of a new private pension product, “Guarantee Pension.” This initiative will be substantially strengthened during the second half of the year.

Traditional life assurance

SEK M	Jan.1–Jun.30 2006	Jan.1–Jun.30 2005	Full-year 2005
Premium income, net	2,934	2,793	5,790
Investment income, net	–432	5,821	13,111
Profit after tax	6,094	4,917	4,760
Investment assets	102,412	100,508	105,147
Total assets	114,419	105,702	111,104
Solvency ratio, %	135	129	126
Collective consolidation, %	109	108	114

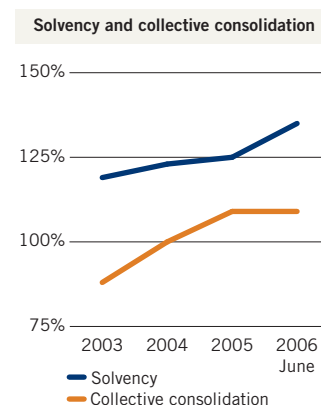
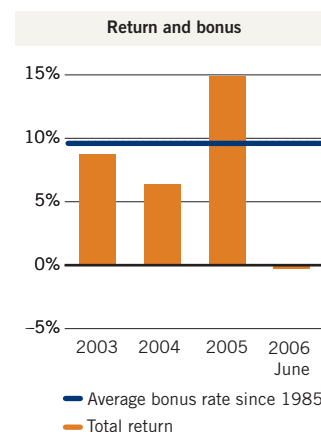
The total return in the traditional life assurance operations for the first half of the year amounted to a negative 0.2% (pos: 6.5). Länsförsäkringar’s strategy involving a large portion of equities in the portfolio was favorable for high returns until the downturn in the stock markets in May and June. Thereafter, portions of the share port-

folio declined in value. Swedish equities yielded a return of 4.8% (14.2) and the return for foreign equities was a negative 3.2% (pos: 7.8). The total return for the fixed-income portfolio was negative 1.5% (pos: 4.4).

According to the long-term strategy for how pension savers’ funds are to yield the best returns, 40% of the so-called reference portfolio is to comprise listed shares. The portion of unlisted shares is to be 10%. Accordingly, Länsförsäkringar is striving for a total equities portion of 50%. The equities portion is currently in line with the long-term target. To enable a high equities portion in the portfolio at limited risk, hedging strategies are applied in the form of an equity hedge and an interest-rate hedge. Hedging strategies protect the savers’ funds against a decline in the stock market or hike in interest rates, which had a positive effect in 2006 with both the rising interest rates and fall on the stock market.

Länsförsäkringar Liv has a strong balance sheet and the solvency ratio was 135% (129) on June 30, 2006. Solvency is a measure of a life assurance company’s financial position and shows the value of the company’s assets in relation to its guaranteed undertakings towards customers. The lowest permitted solvency ratio is 104%. Solvency also determines the scope for action in the investment of assets. Good solvency provides scope for equities in the investment portfolio, which from experience involves potential for substantial increases in value.

Collective consolidation amounted to 109% (108) at June 30, 2006. Collective consolidation is a measure of a life assu-



rance company’s capacity to provide a bonus and shows the value of the company’s assets in relation to guaranteed undertakings to customers and non-guaranteed bonuses for customers, that is, the entire capital assured. The measure is theoretical since it reflects a situation where the company would pay out the entire capital assured during a single day. The shortest payment period in a traditional pension insurance policy is five years and the average maturity is about 23 years.

As a result of the very positive total re-

turn during 2005, the bonus rate was raised to 9% before taxes and fees on March 1, 2006 for customers saving in pension insurance and life assurance. Return for the second quarter 2006 was negative. Since a life assurance company cannot have a higher bonus rate than total return over time, the bonus rate was lowered to 6% from July 1, 2006.

The average annual bonus rate since the life assurance operation commenced in 1985 is 9.5%.

New World

Länsförsäkringar's New World management alternative combines the security of traditional management with the opportunities provided by unit-linked management. The high portion of equities, 70%, generates potential for a good return in the long term. After five years or in the event of death, the customer is guaranteed repayment of the paid premiums less fees and yield tax. New World management is only available from Länsförsäkringar.

The New World portfolio rose by 1.0% (6.5) in the first half of 2006. Holdings in Swedish and European equities made the greatest contribution to the New World return thus far this year. Asian equities also generated a favorable return and the American holdings made a positive contribution. Interest rates rose during the first half of the year, which had a negative impact on the New World portfolio

The New World portfolio has generated an average annual return of 8.1% since it was started in 1996.

Assets in the New World portfolio are hedged, meaning that the level of return is not affected by the trend of the Swedish krona against other currencies. This measure was positive this year since the krona strengthened against foreign currencies.

Unit-linked insurance

	Jan.1–Jun.30 2006	Jan.1–Jun.30 2005	Full-year 2005
Premium income, net	2,113	1,893	3,683
Investment income, net	–549	3,402	6,933
Profit/loss after tax	–42	–39	–97
Total assets	32,921	27,710	32,261

In addition to Länsförsäkringar's own funds, the offering includes funds from ABN Amro, Carlson, Fidelity, Lannebo, SEB and Société Générale. There were considerable differences between the returns in the best and worst performing funds in Länsförsäkringar's fund offering during the first half of 2006.

Funds that performed the best rose on average by 10%, while the average for the total offering was below minus 2 percent. The fund that performed the very best was Carlson SmallCap Fund which rose by 13.6%. Lannebo SmallCap, ABN Amro China and SEB Sweden SmallCap Chance/Risk also generated returns of more than 10%. The smallcap funds performed highly favorably at the beginning of the year, although they fell sharply during the second quarter.

Real estate funds continued to benefit from low interest rates despite the rises in such rates this year. SEB Real Estate Fund and Länsförsäkringar Real Estate Fund in-

creased by 8.1% and 6.7% respectively. The Moscow Stock Exchange managed well despite investors fleeing the risk markets in May and June and ABN Amro Russia rose was up 9.6%.

The strengthening of the SEK against the USD and other currencies weakened the return for all funds invested outside Sweden. This trend was particularly noted in the North America funds and global funds where the shares prices of equities held by these funds rose while profits from these funds were negative for Swedish savers. The stock-market trend in Europe was so positive that the funds generated favorable returns for Swedish savers. The top-performing fund was SEB Europe Fund SmallCap which was up 8.8%.

A substantial upturn in Japanese shares turned into a decline this year. The Japan funds fell by 8-27%. There was a distinct trend among investors to flee from high-risk investments since funds specializing in IT and technology fell by more than 10%.

Since interest rates rose in several fixed-income funds, it has become difficult to generate positive returns. When interest rates rise, the market value of the funds' bond investments decreases and the net asset value of the funds falls. Those particularly affected are fixed-income funds investing outside Sweden where returns have also been reduced by currency fluctuations.

Fund-of-funds and mixed funds also performed poorly. These funds were weakened by both the strengthening of the SEK and rising interest rates and are currently at a minus at the end of the first half-year.

INVESTMENT INCOME IN 2006 FOR LÄNSFÖRSÄKRINGAR LIV INCLUDING PROPERTY COMPANIES AND NEW WORLD

Investment	Market-value Jan. 1, 2006	%	Net-investment	Change in value	%	Market-value June 30, 2006	%	Direct-return	%	Total return	%
SEK M											
Interest-bearing, total	58,125	57	–2,861	–1,867	–3.3	53,397	53	1,024	1.8	–843	–1.5
Total equities, excl. Alternative Investments	33,106	32	4,705	–1,075	–3.2	36,736	36	574	1.7	–501	–1.5
Alternative Investments	6,376	6	488	–518	–8.9	6,346	6	1,418	24.4	900	15.5
Properties	5,111	5	–154	193	3.8	5,150	5	67	1.3	260	5.1
Financing of investments	–13	0	0	0	0.0	–13	0	0	0.0	0	0.0
SUBTOTAL	102,705	100	2,178	–3,267	–3.2	101,616	100	3,083	3.0	–184	–0.2
Other ¹⁾	5,741		261	–108		5,894		–65		–173	
TOTAL	108,446		2,439	–3,375	–3.1	107,510		3,018	2.8	–357	–0.3

¹⁾The item "Other" includes the surplus value of shares in Group and associated companies.

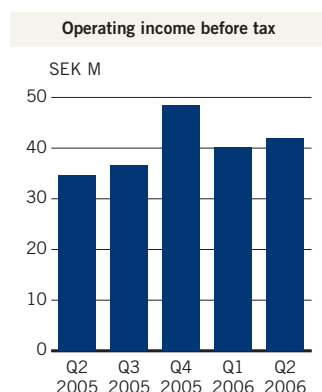
Bank

- Operating income amounted to SEK 111 M (102) before loan losses and to SEK 82 M (69) after loan losses.
- Lending to the public increased by 18% to SEK 51 billion (43).
- Deposits from the public rose by 14% to SEK 23 billion (20).
- Income was up 4% to SEK 493 M (472) and administrative costs rose 3% to SEK 381 M (369).
- Net interest income was up 2% to SEK 443 M (435).
- The cost/income ratio fell to 0.77 (0.78).
- The number of customers increased to 594,000 (584,000).

The operations are continuing to grow and deliver results, despite increasingly intense competition and depressed margins. Profits for the first half of 2006 are further proof of the strength and sustainability of the operations.

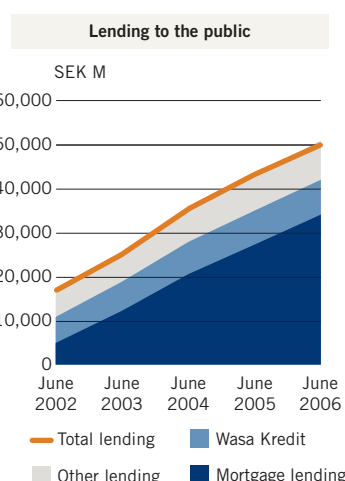
Earnings and profitability

Operating income amounted to SEK 111.3 M (102.3) before loan losses and to SEK 82.1 M (69.1) after loan losses. This corresponds to a return on average equity of 3.9% (3.9). Remuneration to the regional insurance companies, which was previously reported as general administration expenses, shall be reported as commission expense as from this interim report and shall therefore be included in net commission income. All comparative values have been restated in the same manner.



Total assets

Total assets grew by 20.9%, amounting to SEK 56.8 billion (47.0).



Deposits from the public rose by 13.9%, or SEK 2.8 billion, to SEK 22.6 billion (19.9). Lending to the public increased by 17.8%, or SEK 7.7 billion, to SEK 50.7 billion (43.0).

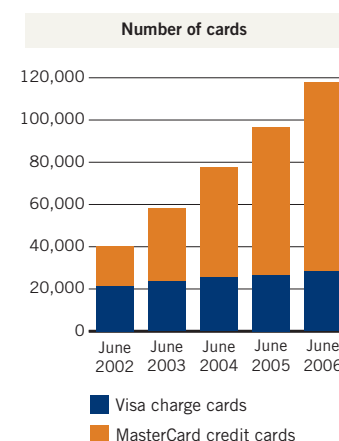
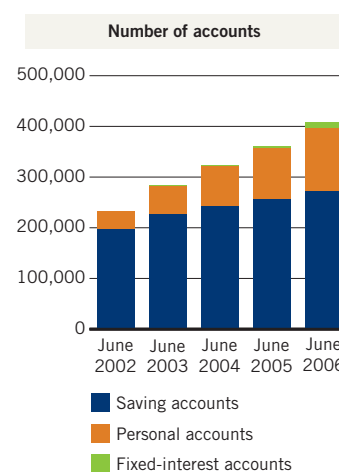
Revenue

Net interest income rose by 2.0% to SEK 443.4 M (434.7). The increase is primarily attributable to higher volumes. The investment margin amounted to 1.6% (1.9). The change is due mainly to a proportionally higher percentage of mortgage loans.

Net commission income rose by 87.7% to negative SEK 4.9 M (neg: 39.7).

Expenses

Operating expenses rose by 3.3% or SEK 12.2 M to SEK 381.5 M (369.3). The cost/income ratio amounted to 0.77 (0.78) before loan losses and 0.83 (0.85) after loan losses.



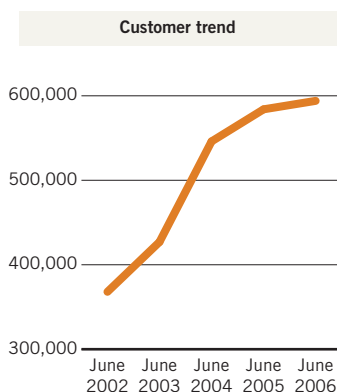
Borrowing

Borrowing and securities issuance increased by 26.6% or SEK 5.8 billion to SEK 27.8 billion (22.0).

	Limit	Exercised June 30, 2006
Commercial papers	SEK 15 billion	SEK 3,1 billion
MTN (Medium Term Note)	SEK 20 billion	SEK 10.4 billion
EMTN (Euro Medium Term Note)	EUR 2 billion	EUR 1,6 billion

Rating

In January 2006, Standard & Poor's changed its outlook for the bank from "stable" to "positive." Consequently, the rating for long-term borrowing is A-(positive) and the rating for short-term borrowing, A-2, was confirmed. Standard & Poor's referred to the strategic significance of the operations for the entire Länsförsäkringar Alliance and to the involvement of the owner. They also referred to the high capital adequacy and favorable trend of banking transactions among the regional insurance companies. The long-term credit rating from Moody's is A3/stable, and the short-term rating, P-2.



Basel II

As of January 1, 2007, Länsförsäkringar Bank, with subsidiaries, following approval by the Swedish Financial Supervisory Authority (Finansinspektionen) will calculate capital adequacy for credit risks in accordance with the Internal Ratings-based Approach (the IRB approach) for household borrowings. Work with realizing this goal is progressing as planned.

Covered bonds

As described in the preceding interim report, during the third quarter of 2006, Länsförsäkringar Bank's subsidiary, Länsförsäkringar Hypotek, will submit an application to the Swedish Financial Supervisory Authority for permission to issue covered bonds in accordance with the Act on Issuance of Covered Bonds (2003:1223). Development activities to realize this issuance are proceeding according to plan.

Provided the company is granted per-

mission by the Swedish Financial Supervisory Authority (Finansinspektionen), future borrowings by means of bond issues will be in covered bonds. The goal is to achieve a triple A rating for the covered borrowing. When it files the application, the company will announce when the issuance of covered bonds may begin and how bonds and other debt instruments previously issued by the Parent Company, Länsförsäkringar Bank, will be handled.

The intention is that holders of previously issued bonds will be given the opportunity to exchange their holdings in order to participate in the subsidiary's secured debt.

Parent Company

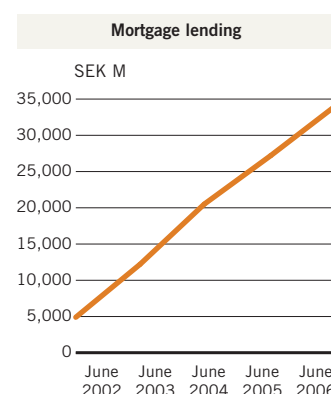
Deposits, funding and some lending are conducted by the Parent Company. Lending to the public rose to SEK 8.9 billion (8.1). Deposits from the public rose to SEK 22.6 billion (19.9). Most of the Group's lending operations are conducted through Länsförsäkringar Hypotek and Wasa Kredit. The major portion of the Bank Group's administration expenses is contained within the Parent Company.

Subsidiaries

Länsförsäkringar Hypotek

SEK M	June 30, 2006	June 30, 2005
Total assets	36,801	27,507
Lending volume	34,003	27,244
Operating profit	18.4	16.4
Return on shareholders' equity, %	1.5	1.8

Residential lending increased by 24.8% or SEK 6.8 billion to SEK 34.0 billion (27.2). Since June 2005, the company's market share (private homes and tenant-owned apartments) has increased by 0.2 percentage points and now amounted to 2.9%. The number of mortgage customers increased from 77,000 to 87,000. Most of Länsförsäkringar's loans consist of loans for private homes. First-lien mortgages are carried by Länsförsäkringar Hypotek and second-lien mortgages by the Parent Company. Operating income amounted to SEK 18.4 M (16.4).



Wasa Kredit

SEK M	June 30, 2006	June 30, 2005
Total assets	8,304	8,077
Lending volume	7,886	7,738
Operating profit	46.5	55.5
Return on shareholders' equity, %	12.4	15.9

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 income before appropriations and tax amounted to SEK 46.5 M (55.5). The lending volume totaled SEK 7.9 billion (7.7).

Länsförsäkringar Fondförvaltning AB

SEK M	June 30, 2006	June 30, 2005
Total assets	175	147
Assets under management	55,489	48,576
Net inflow	2,741	2,780
Operating profit	31.7	25.5
Return on shareholders' equity, %	62.8	68.9

Länsförsäkringar Fondförvaltning manages SEK 55 billion (49) in 31 (32) mutual funds with different investment orientations.

The market share measured as net sales amounted to 6.2% as per June 30. The market share measured as assets under management was 4.0%.

Income before tax and appropriations amounted to SEK 31.7 M (25.5).

Customer trends

Customers

The number of customers in the Länsförsäkringar Alliance was more than 3,171,000 at the end of the first half of the year, representing an increase of more than 24,000 during the first six months of the year. At the same time, an increasing number of customers are choosing to have products in several Länsförsäkringar product areas.

Private customers

The trend in the private market was highly encouraging. Cross sales during the first half of the year were at some of the highest levels recorded. Customers with products in non-life insurance, life assurance and

banking increased by more than 10%. The number of private customers rose by more than 18,000. A slight increase in the average number of products per customer also contributed to this positive trend.

Business customers

The trend in the corporate market was also positive during the first half of the year. The number of business customers rose by more than 6,000 and customers with products in more than one business area increased at the same time. In total, the number of products per customer rose, and motor insurance in particular expanded its customer base.

Agricultural customers

The number of agricultural customers decreased marginally during the half-year. This trend in the number of customers is expected to be reflected in the performance of the agriculture operations. Cross sales were positive during the period and the number of customers with products in all three core businesses increased by more than 5%. The number of products per customer increased during the period; motor insurance and bank products in particular had favorable growth. If this trend continues, the product average will rise to more than 5.5% per customer at year-end.

Income statements and balance sheets

NON-LIFE INSURANCE ¹⁾

Income statement, SEK M	Jan. 1–June. 30 2006	Jan. 1–June. 30 2005	Full-year 2005
Premiums earned, after ceded reinsurance	8,092	8,042	16,217
Investment income transferred from financial operations	401	440	818
Claims payments, after ceded reinsurance	–5,677	–5,735	–11,548
Operating expenses	–1,496	–1,456	–2,946
Other technical revenues/expenses	6	5	–26
Technical result from non-life insurance operations before bonuses and discounts	1,326	1,297	2,515
Bonuses and discounts	–63	–58	–926
Technical result from non-life insurance operations after bonuses and discounts	1,263	1,239	1,589
Total investment income	200	2,807	6,543
Investment income transferred to insurance operations	–401	–440	–818
Other non-technical expenses	–118	–77	–175
INCOME BEFORE APPROPRIATIONS AND TAX	944	3,529	7,138

Balance sheet, SEK M	June 30, 2006	June 30, 2005
ASSETS		
Shares and participations	22,993	20,158
Bonds and other interest- bearing securities	22,180	20,415
Other investment assets	10,089	8,577
Total investment assets	55,262	49,150
Reinsurers' portion of technical reserves	1,014	3,025
Other assets	10,202	9,724
TOTAL ASSETS	66,478	61,899
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Shareholders' equity	18,274	12,829
Untaxed reserves	3,326	6,514
Technical reserves (before ceded reinsurance)	32,396	32,282
Other liabilities	12,482	10,274
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	66,478	61,899

¹⁾ Länsförsäkringar's earnings from non-life insurance comprise the sum of the earnings for the 24 regional insurance companies and the Länsförsäkringar AB, excluding life assurance and banking. The balance between the regional insurance companies and Länsförsäkringar AB has been eliminated. The value and change in value of the regional insurance companies' holdings of shares in Länsförsäkringar AB, and the debenture loan, have been eliminated. Länsförsäkringar is neither a legal entity nor, in the legal sense of the term, a group; it is an alliance between 24 independent regional insurance companies that jointly own Länsförsäkringar AB.

LÄNSFÖRSÄKRINGAR LIV (LIFE)

Income statement, SEK M	Jan. 1–June. 30 2006	Jan. 1–June. 30 2005	Full-year 2005
Premium income before ceded reinsurance	5,122	4,790	9,609
Premium income after ceded reinsurance	5,048	4,686	9,472
Investment income, net	–853	9,207	20,165
Claims payments	–2,325	–2,583	–5,291
Other technical revenues	–	–	–
Change in technical reserves	5,446	–5,240	–17,527
Operating expenses	–665	–723	–1,379
Technical result, insurance operations	6,651	5,346	5,440
Non-technical expenses	–97	–89	–177
Income before tax	6,554	5,257	5,263
Tax	–446	–494	–679
NET PROFIT FOR THE PERIOD	6,108	4,763	4,584

Balance sheet, SEK M	June 30, 2006	June 30, 2005
ASSETS		
Intangible assets	1,750	1,774
Investment assets	99,710	96,263
Investment assets for which policyholders bear the investment risk	31,700	26,480
Reinsurers' portion of technical reserves	731	733
Receivables	7,262	328
Other assets	2,684	2,077
Prepaid expenses and accrued income	2,613	3,171
TOTAL ASSETS	146,450	130,826
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Share capital	8	8
Funds plus net profit for the period	24,220	19,898
Technical reserves	80,666	79,450
Reserves for life assurance for which policyholders bear the investment risk	31,700	26,485
Provisions for other risks and expenses	104	163
Deposits from reinsurers	726	770
Liabilities	8,660	3,657
Accrued expenses and prepaid income	366	395
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	146,450	130,826

BANK

Income statement, SEK M	Jan. 1–Jun. 30 2006	Jan. 1–Jun. 30 2005
Net interest income	443.4	434.7
Net commission income	–4.9	–39.7
Other revenue	54.3	76.6
Total revenue	492.8	471.6
General administration expenses	–341.5	–330.1
Other expenses	–40.0	–39.2
Total expenses	–381.5	–369.3
Income before loan losses	111.3	102.3
Loan losses, net	–29.2	–33.2
TOTAL OPERATING INCOME	82.1	69.1
Tax	–23.0	–19.3
NET PROFIT	59.1	49.8

Balance sheet, SEK M	June 30, 2006	June 30, 2005
ASSETS		
Lending to the public	50,741	43,086
Bonds and other interest-bearing securities	3,697	1,694
Intangible assets	117	88
Tangible assets	10	15
Other assets	2,223	2,094
TOTAL ASSETS	56,788	46,977

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits and borrowing from the public	23,066	20,794
Securities issued	27,811	21,025
Other liabilities	2,701	2,367
Shareholders' equity	3,210	2,791
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	56,788	46,977

Financial calender

Third quarter:

Interim report, January–September, Länsförsäkringar Bank: October 23, 2006.

Interim report, January–September, Länsförsäkringar Hypotek: October 23, 2006.

Solvency Report Life insurance: October 23, 2006.

Interim report, January–September, Länsförsäkringar Alliance: October 27, 2006.



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