

Länsförsäkringar Alliance

INTERIM REPORT, JANUARY – SEPTEMBER 2005

Summary

- Substantial earnings improvement within non-life insurance operations. The technical result amounted to SEK 2 055 M (1 592) and operating income before tax was SEK 5 672 M (2 034). The combined ratio improved to 89 (92).
- Premium income from the life assurance operations rose by 6% to SEK 6,670 M (6,281). The total return was 9.9% (3.1).
- Operating income from bank operations improved to SEK 106 M (90) after loan losses. Net interest income rose by 8% to SEK 650 M (604).
- For the second consecutive year, Länsförsäkringar Alliance has Sweden's most satisfied bank customers in the private market, according to SKI (Swedish Quality Index).

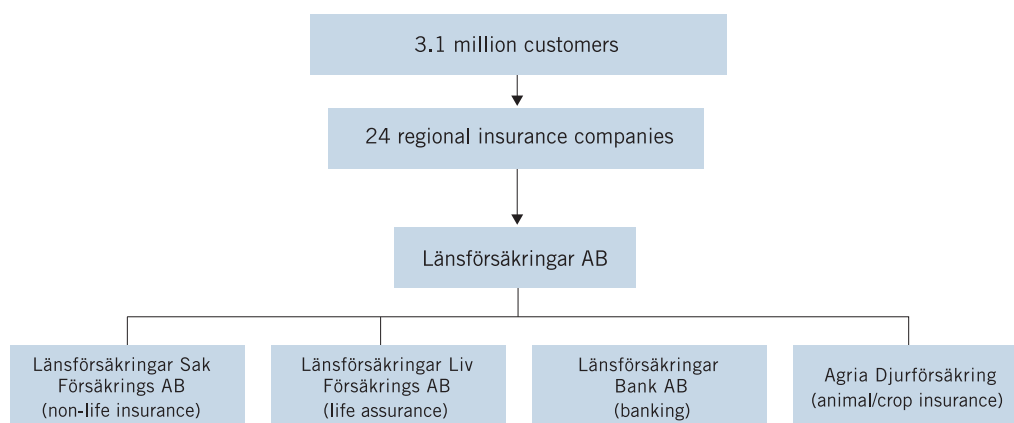
Tommy Persson, Managing Director Länsförsäkringar AB, the Group's jointly-owned company:

There is every indication of a record year for the 24 regional insurance companies, which combined form the Länsförsäkringar Alliance. The earnings trend is very strong within non-life insurance, life assurance and banking, and market positions are being strengthened. We received confirmation in September that the local concept, with proximity to customers, which for many years has formed the foundation for success in insurance, is just as applicable in banking when the SKI (Swedish Quality Index) survey showed for the second consecutive year that we have Sweden's most satisfied bank customers in the private market.



Länsförsäkringar Alliance* in brief, January – June 2005

The Länsförsäkringar Alliance comprises 24 independent regional insurance companies and the jointly owned Länsförsäkringar AB with subsidiaries. Länsförsäkringar offers a broad range of insurance and bank services and is the market leader within Swedish non-life insurance, with a market share of approximately 31%. Länsförsäkringar has about 11% of the market for life assurance and pension insurance, and about 3% of the bank market.



LÄNSFÖRSÄKRINGAR ALLIANCE, NON-LIFE INSURANCE

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Premiums earned after ceded reinsurance, SEK M	12,057	11,730
Operating income, SEK M	5,672	2,034
Combined ratio	89	92

LÄNSFÖRSÄKRINGAR AB, EXCL. LIFE ASSURANCE

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Operating income, SEK M	1,435	392
Solvency margin, %	469	278

LÄNSFÖRSÄKRINGAR BANK

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Deposits from the public, SEK M	20,409	18,599
Lending to the public, SEK M	45,112	37,362
Operating income after loan losses, SEK M	106	90

AGRIA DJURFÖRSÄKRING

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Premiums earned after ceded reinsurance, SEK M	625	586
Technical result, SEK M	56	70

LÄNSFÖRSÄKRINGAR LIV (LIFE)

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Premium income, net, SEK M	6,670	6,281
Net profit for the period, SEK M	3,430	547
Collective consolidation, %	111	101
Solvency ratio, %	125	121

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-/stable A2/K1
Länsförsäkringar Bank	Moody's	A3/stable/P-2
Länsförsäkringar Sak	Standard & Poor's	A/stable
Länsförsäkringar Sak	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.

*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.

Non-life insurance*

- Excellent financial results – the technical result amounted to SEK 2,055 M (1,592) and the operating income amounted to SEK 5,672 M /2,034).
- Combined ratio was 89 (92).
- Investment in health-related products has taken shape.

The technical result from Länsförsäkringar Alliance's non-life insurance operations amounted to SEK 2,055 M and operating income before tax was SEK 5,672 M. The substantial improvement in operating earnings is mainly attributable to the favorable trend in the financial markets.

Business volumes in non-life insurance have increased somewhat since 2004. Premiums earned after ceded reinsurance rose during the period to SEK 12,057 M, an increase of 2.8% and in line with the increase in the non-life insurance market as a whole.

Despite the very large claims incurred during the year, the total cost of claims declined by 0.6%. Through the company's internal reinsurance program in combination with reinsurance cover in the international market, the very large claims registered with the Länsförsäkringar Alliance had only a limited effect on earnings. However, in the longer term, the level of reinsurance premiums will be raised. The claims trend was otherwise favorable. The claims ratio amounted to 71%, a decline of 2 percentage points. Operating expenses were SEK 2,119 M, giving an expense ratio of 18% (a decline of 1 percentage point).

The year has been characterized by extensive damage. During the summer, the international reinsurance sector was impacted by a number of major incidents involving storm and flooding damage. The effects of Hurricane Gudrun led to total claims costs of SEK 2.8 billion gross for Länsförsäkringar Alliance. However, in the short term, costs arising in conjunction with the storm will only have a marginal effect

on earnings due to the Länsförsäkringar Alliance's extensive reinsurance cover.

Länsförsäkringar Alliance's long-term goal of attaining a combined ratio of at most 95% was achieved already in 2004, when it amounted to 93%. The combined ratio for the third quarter was 89%, an improvement of 3 percentage points on the year-earlier period. The non-life insurance operation has continued to work actively profitability-enhancing measures in the form of damage prevention and efficiency enhancement, resulting in further improved profitability in 2005.

Länsförsäkringar Alliance's specialist company for animal and crop insurance, Agria, reported a technical result of SEK 56 M (70). Premiums earned after ceded reinsurance amounted to SEK 625 M (586).

Länsförsäkringar Alliance retains its strong position in the market despite additional companies entering the non-life insurance market. Measured in terms of premiums paid, the market share was 31.2%. However, in the private market, the market share, in terms of the number of policies, declined marginally, while it rose in the corporate market. Additional players have entered the corporate market, increasing competition and pressure on prices. Increasing volumes of corporate business are handled by agents. The total market for non-life insurance currently amounts to SEK 52,893 M, which is an increase of SEK 455 M, or slightly less than 1% compared with the year-earlier period.

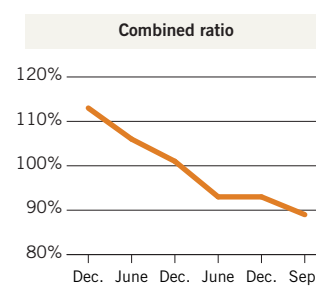
Länsförsäkringar Alliance's focus on health-related products continues. There is

continued focus on the development of products in response to business owners' concerns regarding the high prevalence of sick leave among employees and the expensive co-financing of costs that business owners now incur when employees are absent due to illness or injury. Much focus has been placed on creating an efficient organization to development work in this area. The growing need for insurance solutions in the areas of preventive healthcare, healthcare and rehabilitation make the market a highly exciting development area.

KEY FIGURES

	Jan.1–Sep.30 2005	Jan.1–Sep.30 2004	Full-year 2004
Premiums earned ¹⁾ , SEK M	12,057	11,730	15,857
Technical result, SEK M	2,055	1,592	1,949
Operating income, SEK M	5,672	2,034	3,168
Net asset value, SEK M	25,782	18,996	20,297
Solvency margin, %	157	121	125
Claims ratio	71	73	74
Expense ratio	18	19	19
Combined ratio	89	92	93

¹⁾ After ceded reinsurance.



*Länsförsäkringar's earnings from non-life insurance consist of the sum of the earnings of the 24 regional insurance companies 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.

Life assurance

- The total return was 9.9% (3.1).
- Investment income amounted to SEK 14,221 M (3,351) and net profit was SEK 3,430 M (547).
- Premium income for life and unit-linked assurance rose by 6% and amounted to SEK 6,670 M (6,281).
- The bonus rate was increased as of October 1, from 4% to 6%.

Länsförsäkringar Liv (Life)

SEK M	Jan.1–Sep.30 2005	Jan.1–Sep.30 2004	Full-year 2004
Premium income, net	6,670	6,281	8,676
Total assets	134,196	115,501	120,967
Return, New World, %	12.6	4.9	9.6
Total return, traditional life assurance	9.9	3.1	6.8

Total premiums for life and unit-linked assurance amounted to SEK 6,670 M (6,281), up 6%. New sales amounted to SEK 10,302 M (11,939). During the first half of 2005, market share in terms of premium income was 8.5%. In terms of new sales, market share was 10.7%.

Länsförsäkringar is continuing to improve the efficiency of its life assurance operations. An important area in which efficiency can be improved is in customer contacts, where simpler and clearer tools will help strengthen the conditions for growth. The administrative result was unchanged compared with the corresponding period in the preceding year.

Traditional life assurance

SEK M	Jan.1–Sep.30 2005	Jan.1–Sep.30 2004	Full-year 2004
Premium income, net	4,000	3,666	5,255
Investment income, net	9,084	2,873	6,265
Profit after tax	3,672	1,211	3,720
Investment assets	101,890	87,501	93,855
Total assets	106,995	95,211	100,158
Solvency ratio, %	125	121	123
Collective consolidation, %	111	101	103

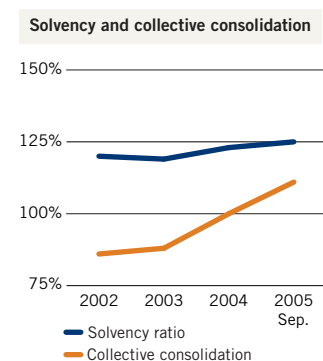
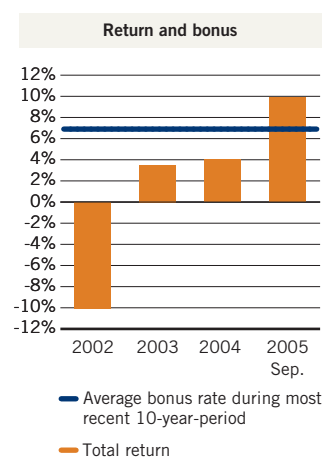
Traditional life assurance operations during the first three quarters generated a total

return of 9.9% (3.1). The strategy involving a large portion of equities in the portfolio, both listed and unlisted, favored high returns in view of the rallying stock markets to date during the year. Swedish equities yielded a return of 24.2% (12.6) and foreign equities 17.2% (negative: 0.3). The total return for the fixed-income portfolio was 4.2% (2.7).

The high returns during recent years have improved Länsförsäkringar Liv's balance sheet, thus providing scope for a large proportion of equities in the investment portfolio, which, according to experience facilitates favorable value growth on pension insurance policies. Consequently, the conditions for stable pension saving with favorable growth are good for customers intending to begin saving for their pensions.

The solvency ratio at September 30, 2005 was 125% (121). 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 was also strengthened and amounted to 111% (101) at September 30, 2005. Collective consolidation is a measure of a life assurance 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.

On October 1, 2005, Länsförsäkringar Liv raised the bonus rate on traditional savings from 4% to 6% before taxes and

fees. This means that customers saving in pensions and life assurance are currently being offered one of the highest bonus rates in the industry.

The average annual bonus rate since the life assurance operation commenced in 1985 is 9.6%.

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 12.6% (4.9) in the first three quarters of 2005, with Swedish equities making the greatest contribution to the favorable return. European equities have also performed strongly so far this year, favored by low interest rates. The bond investments in the New World portfolio also performed favorably in 2005, mainly due to falling long-term interest rates. The New World portfolio has generated an average annual return of 7.7% since it was started in 1996.

Unit-linked insurance

Several of the equity funds open for insurance savings rose substantially during the first three quarters of 2005 and all of the funds generated a positive return. The return on equity funds varied between 14% and 87%. In addition to Länsförsäkringar's own funds, the offering includes funds from ABN Amro, Société Générale and Fidelity.

Funds that invest in growth markets are those that have performed best to date. Alfred Berg Russia was the fund that performed strongest during the first three quarters of 2005, up 87.4%. The ABN Amro Eastern Europe, Fidelity India Focus Fund and the Länsförsäkringar Growth Markets fund have also developed strongly, up 47.2–70.6%. Funds that invest in growth markets were also lifted by the weakening of the Swedish krona against the dollar since several countries in South America and Asia have currencies that are tied to the dollar.

The weaker SEK was the main reason why Länsförsäkringar North America Fund rose 19.4% following a weak performance on the US stock markets during the first three quarters. More diversified equity funds, such as Fidelity Global Focus, Länsförsäkringar Global Fund, Länsförsäkringar Total Fund, and the Länsförsäkringar Pension 2000 funds, rose by 20–27.6%.

The favorable returns for equity funds meant that Länsförsäkringar Fund-of-funds High Risk, which invests only in equity funds, rose by 30% by the end of September. Fund-of-funds Normal and Fund-of-funds Low Risk, which also include fixed-income funds, have risen by 23.4% and 16.3% respectively during the year.

Other funds generating a strong return are Fidelity Asian Special Situation Fund, Länsförsäkringar Asia Fund and Japan Fund, which have all improved by more than 30% this year.

The long-term fixed-income funds were favored by the further decline in long-term market interest rates. Länsförsäkringar Euro Bond Fund rose 8.7%, while Länsförsäkringar Bond Fund rose 4.7% during the first three quarters of the year.

UNIT-LINKED INSURANCE

	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004	Full-year 2004
Premium income, net	2,670	2,615	3,420
Investment income, net	5 154	857	1,565
Profit/loss after tax	–83	–149	–242
Total assets	29,873	22,197	23,366

INVESTMENT INCOME IN 2005 FOR LÄNSFÖRSÄKRINGAR LIV INCLUDING PROPERTY COMPANIES AND NEW WORLD

Investment	Market-value Jan. 1, 2005	%	Net-investment	Change in value	%	Market-value Sep 30, 2005	%	Direct-return	%	Total return	%
SEK M											
Fixed-income, total	46,283	51	9,610	484	1.0	56,377	57	1,579	3.2	2,063	4.2
Total equities, excl. Alternative Investments	34,192	37	–7,835	5,446	17.3	31,803	32	760	2.4	6,206	19.7
Alternative Investments*	6,959	8	–337	–361	–5.6	6,261	7	1,192	18.5	831	12.9
Properties*	3,497	4	714	31	0.9	4,242	4	101	2.9	132	3.8
Financing of investments	–13	0	0	0	0.0	–13	0	0	0.0	0	0.0
TOTAL	90,918	100	2,152	5,600	6.2	98,670	100	3,632	4.0	9,232	10.2
OTHER	5,465		–205	293		5 553		–109		184	
TOTAL	96,383		1,947	5,893	6.2	104,223		3,523	3.7	9,416	9.9

*An individual holding of SEK 945 M was transferred from Properties to Alternative Investments.

Bank

- Operating income before loan losses rose by 26% to SEK 149.7 M (119.1). After loan losses, operating income amounted to SEK 105.6 M (90.5).
- Net interest income rose by 8% to SEK 650.0 M (604.4).
- Mortgage loans issued by the subsidiary Länsförsäkringar Hypotek rose 32% to SEK 29.1 billion (22.0).
- Capital adequacy was 11.61% (11.69) and the Tier 1 ratio 9.26% (9.20).
- For the second consecutive year, Länsförsäkringar Alliance has Sweden's most satisfied bank customers (private customers). The total number of customers amounts to 588,000 (565,000), of whom 79,000 are mortgage customers.

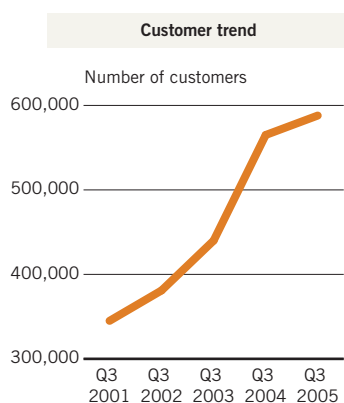
Operating income before loan losses increased by 17% since September 2004 and amounted to SEK 105.6 M. Net interest income rose by 8% to SEK 650.0 M.

Sweden's most satisfied bank customers for the second consecutive year

For the second consecutive year, SKI (Swedish Quality Index) shows that Länsförsäkringar's bank customers are more satisfied than private customers at other banks.



Länsförsäkringar is near the top of the list in all categories, including image, expectations, product quality, service quality and value for money. In addition, the survey shows that Länsförsäkringar is also the bank with the narrowest gap between customers' expectations and their perceptions of what they actually receive.



Lending

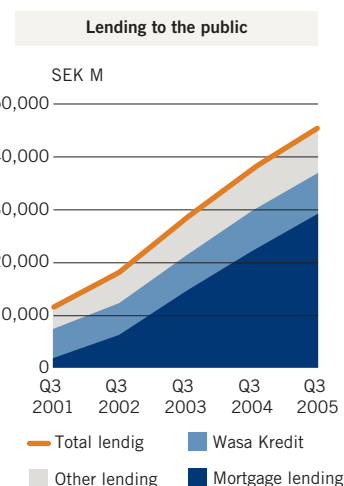
Länsförsäkringar is well positioned in the housing-loan market, which is subject to stiff competition, shown in part by an increased market share. The market share for private homes and tenant-owned apartments rose by 17 percent to 2.8%. Mortgage lending rose by 32% or SEK 7.1 billion to SEK 29.1 billion (22.0). Currently, 98% of lending consists of housing loans for private homes and tenant-owned apartments and the remaining 2% relating to loans for leisure homes and other financing. The number of mortgage customers rose from 63,000 to 79,000.

Lending to the public increased by 21% to SEK 45.1 billion (37.4) and deposits from the public rose 10% to SEK 20.4 billion (18.6).

Lending portfolio

The proportion of housing loans in the loan portfolio rose from 68% to 72%.

SEK M	Sep. 30, 2005	%	Sep. 30, 2004	%
Mortgages	32,732	72	25,500	68
Installment plans	3,426	8	3,416	9
Unsecured loans	3,192	7	3,098	8
Leasing	2,911	6	2,701	7
Agriculture	2,686	6	2,405	6
Apartment buildings	207	0,5	242	1
Other	201	0,5	211	1
Lending to the public, gross	45,355	100	37,573	100
Provisions	-243		-211	
Lending to the public, net	45,112		37,362	



Funding

Borrowing and issued securities increased by 44%, or SEK 7.0 billion, to SEK 22.7 billion (15.7).

	Limit	Utilized at Sep. 30, 2005
Commercial papers	SEK 15 billion	SEK 1.9 billion
MTN (Medium Term Note)	SEK 20 billion	SEK 11.2 billion
EMTN (Euro Medium Term Note)	EUR 2.0 billion	EUR 1.0 billion

Rating

Since May 2004, Länsförsäkringar Bank's credit ratings are Standard & Poor's A- (stable) for long-term borrowing and A-2/K-1 for short-term borrowing. The ratings from Moody's are A3 (stable) for long-term borrowing and Prime-2 for short-term borrowing.

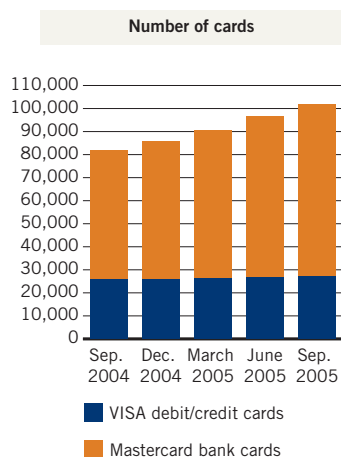
Basel II

Länsförsäkringar Bank has chosen to implement the advanced internal rating method providing the greatest opportunities to handle its credit risks strategically and operatively.

Swedish Financial Supervisory Authority has deemed Länsförsäkringar Bank's Basel application to be complete, which means that Länsförsäkringar Bank will be among the first group of companies seeking to use the new rules.

Savings and payments

The number of personal and savings accounts opened rose by 12% since September 2004. The greatest increase has been in the number of personal accounts, up 28%. The card stock has risen by 25% since September 2004 and amounted to nearly 102,000 cards, with the Master Card bank card accounting for the greatest increase.



Internet bank

The number of customers now connected to the Internet bank has risen by 10% since September 2004 and amounts to 309,000. The number of customers who manage their daily finances via the Internet bank has risen by 23%.

Of the total number of payments handled by the bank, 71% are conducted via the Internet and the remainder by postal giro. The Internet is and will become an increasingly important channel for both sales and customer communications. This can be

seen in the market increase in the number of loan applications received via the Internet. Since September 2004, the increase has been 81%. The number of Bank-ID users has risen by 136%, the largest increase occurring in connection with this year's tax return.

New products and services: Securities service extended with premium bonds

Länsförsäkringar is broadening its securities service and now act as a sales agent for Swedish National Debt Office's October issue of premium bonds (05:02), commencing October 12.

The securities service launched in November 2002, currently offers a wide selection. Customers can use the service to trade in all shares listed on the Stockholm Stock Exchange, obtain detailed share-price information in real time and to arrange their own monitoring lists.

Three-month fixed-interest account launched

During October, sales began of the Fixed-interest account with the new savings period of three months. The new savings alternative is intended to help attract new deposit customers, but is also a favorable alternative for those customers who currently have large amounts in their savings account.

Fund management

Länsförsäkringar Fondförvaltning manages SEK 51 billion (38) in 34 (35) mutual funds with different investment orientations. Länsförsäkringar's mutual funds are marketed by the regional insurance companies and through insurance brokers and are available both as direct fund saving and as various unit-linked products. Länsförsäkringar's mutual funds can also be linked to premium, contractual and occupational pension plans.

Mutual funds are an increasingly important aspect of Länsförsäkringar's savings offering, regardless of whether the customer invests in funds directly or through unit-linked insurance. At September 30, the top performers among Länsförsäkringar's funds

were the Growth Market Fund, which grew 47.2% and the Small Company Fund, which grew 39.4%.

Income before tax and appropriations amounted to SEK 40.6 M (21.9).

SEK M	Sep. 30, 2005	Sep. 30, 2004
Total assets	165.6	113.5
Assets under management	50,635	38,309
Net inflow	2,409	3,238
Operating income	40.6	21.9
Return on equity	62.0	68.6

Simplification for mutual fund customers

A streamlining of the fund selection will make matters easier for customers. The ambition is to reduce the number of funds. Earlier this year, the short-term fixed-income funds were merged and during the autumn, the Environmental Technology Fund will be liquidated.

Continued success for fund-of-funds

Länsförsäkringar's Funds-in-funds are continuing their highly successful trend. Since the start of the year, Fund-in-funds Normal Risk has risen by 23.4%. Fund-in-funds High Risk has performed even better, rising 30.2%. During the same period, the SAX index of the Stockholm Stock Exchange rose by 22.7%.

Market and customer trends

MARKET SHARE

	June 30 2005 %	June 30 2004 %	Change %-age points
Non-life insurance, total	31,2	32,0	-0,8
Third-party liability insurance	35,7	36,0	-0,3
Private home insurance	40,8	41,6	-0,8
Home content insurance	25,3	25,5	-0,2
Leisure home insurance	43,3	43,5	-0,2
Boat insurance	26,7	26,9	-0,2
Commercial and property insurance	37,7	38,4	-0,7
Animal insurance	61,7	62,2	-0,5
Life assurance total, new sales	10,7	10,8	-0,1
Occupational pension	12,4	12,2	0,2
Savings market	4,9	7,0	-2,1
Private pension plans	7,2	12,0	-4,8
Life assurance total, premium income	8,5	8,5	0
Occupational pension	9,6	8,5	1,1
Savings market	4,5	6,2	-1,7
Private pension plans	13,5	14,8	-1,3
Mutual funds managed assets, total	4,2	3,9	0,3
Net sales rolling 12-months	8,0	5,1	2,9
Bank, deposits	3,0	2,9	0,1
Bank, lending	2,3	2,4	-0,1
Mortgage, lending	2,7	2,4	0,3

Customers

Länsförsäkringar had approximately 3,130,000 customers at September 30, 2005. The number of total customers with products within non-life insurance, bank and life assurance, now amount to approximately 100,000. The increase during 2005, compared with the equivalent period in 2004, is stronger.

Private customers

During the period, the number of private customers rose by about 18,000, which is about 4,000 more than in the year-earlier period. The proportion of total customers has risen by slightly more than 2.9% during the year. In September, SKI (Swedish Quality Index) showed Länsförsäkringar to have Sweden's most satisfied bank customers in the private market for the second consecutive year.

Commercial customers

About 7,000 new commercial customers were gained during the period, representing an increase of 2.4%. The proportion of commercial customers that have purchased both life assurance and non-life insurance products rose during the period and now amounts to 82,000 companies. In September, Länsförsäkringar's strong position in the commercial market was confirmed by a survey conducted by the Swedish business magazine Affärsvärlden, in which approximately 2,000 Swedish companies ranked their insurance providers. Länsförsäkringar ranked first in non-life insurance for the third consecutive year and second in life assurance.

Agricultural customers

The number of agricultural customers increased by about 300 during the period. The fact that the increase is not greater partly reflects the trend in this sector. Länsförsäkringar's agricultural customers also

continue to be the customer category that purchases the highest average number of products per customer – about five products. The proportion of total customers amounts to 9%, meaning that 16,000 agricultural customers have products in non-life insurance, life assurance and bank.

Market

Market share in non-life insurance declined marginally compared with the year-earlier period. At the same time, several surveys show increased customer satisfaction in combination with an increasingly strong brand.

In the occupational pension market, market share is increasing in terms of both new policies and premium income, compared with the year-earlier period. However, the trend in private pensions is negative. Competition in the market for housing loans is intensifying and the pressure on lending rates is high. The players in the market have few opportunities to differentiate themselves. Low interest rates are, and will continue to be, the most important factor when home owners take out loans and this pervades the market: Länsförsäkringar is increasing its share of the home mortgage market and the deposits market. However, its share of the lending market has declined by 1% compared with the year-earlier period.

Income statements and balance sheets

NON-LIFE INSURANCE ¹⁾

Income statement, SEK M	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004	Full-year 2004
Premiums earned, after ceded reinsurance	12,057	11,730	15,857
Investment income transferred from financial operations	640	670	857
Claims payments, after ceded reinsurance	–8,529	–8,581	–11,799
Operating expenses	–2,119	–2,236	–2,963
Other technical revenues/expenses	5	9	–3
Technical result from non-life insurance operations before bonuses and discounts	2,055	1,592	1,949
Bonuses and discounts	–85	–83	–210
Technical result from non-life insurance operations after bonuses and discounts	1,969	1,509	1,739
Total investment income	4,527	1,365	2,483
Investment income transferred to insurance operations	–640	–670	–857
Other non-technical expenses	–185	–170	–198
INCOME BEFORE A PROPRIATIONS AND TAX	5,672	2,034	3,168

Balance sheet, SEK M	June 30, 2005	June 30, 2004
ASSETS		
Shares and participations	21,164	15,928
Bonds and other interest- bearing securities	21,101	18,260
Other investment assets	8,433	8,337
Total investment assets	50,698	42,525
Reinsurers' portion of technical reserves	2,375	1,457
Other assets	10,341	9,005
TOTAL ASSETS	63,414	52,987

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

Shareholders' equity	13,896	9,845
Untaxed reserves	7,407	5,959
Technical reserves (before ceded reinsurance)	31,927	28,464
Other liabilities	10,184	8,719
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	63,414	52,987

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

Income statement, SEK M	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004	Full-year 2004
Premium income before ceded reinsurance	6,827	6,430	8,869
Premium income after ceded reinsurance	6,670	6,281	8,676
Investment income, net	14,221	3,351	6,882
Claims payments	–3,821	–3,058	–4,359
Other technical revenues	–	–	5
Change in technical reserves	–11,821	–4,264	–6,496
Operating expenses	–1,057	–1,064	–1,456
Technical result, insurance operations	4,191	1,251	3,252
Non-technical expenses	–133	–122	–162
Income before tax	4,058	1,129	3,090
Tax	–628	–582	–742
NET PROFIT	3,430	547	2,348

Balansräkning, Mkr

	Sep. 30 2005	Sep. 30 2004
ASSETS		
Intangible assets	1,730	1,776
Investment assets	97,657	83,910
Investment assets for which policyholders bear the investment risk	28,714	20,884
Reinsurers' portion of technical reserves	733	625
Receivables	115	2 150
Other assets	2,481	3,397
Prepaid expenses and accrued income	2,766	2,759
TOTAL ASSETS	134,196	115,501

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES

Share capital	8	8
Funds plus net profit for the period	18,055	14,739
Technical reserves	83,788	77,630
Reserves for life assurance for which policyholders bear the investment risk	28,722	20,887
Provisions for other risks and expenses	129	70
Deposits from reinsurers	809	712
Liabilities	2,291	1,053
Accrued expenses and prepaid income	394	402
TOTAL SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES	134,196	115,501

BANK

Income statement, SEK M	Jan. 1–Sep. 30 2005	Jan. 1–Sep. 30 2004
Net interest income	650.0	604.4
Net commission income	200.3	159.1
Other revenue	113.3	125.2
Total revenue	963.5	888.7
Personnel costs	–180.9	–164.3
Other expenses	–632.9	–605.3
Total expenses	–813.8	–769.6
Income before loan losses	149.7	119.1
Loan losses, net	–44.1	–28.6
TOTAL OPERATING INCOME	105.6	90.5
Tax	–29.6	0.0
NET PROFIT	76.0	90.5

Balance sheet, SEK M	Sep. 30 2005	Sep. 30 2004
ASSETS		
Lending to the public	45,112	37,362
Bonds	1,990	496
Tangible and intangible assets	106	105
Other assets	1,752	2,134
TOTAL ASSETS	48,960	40,097

LIABILITIES AND SHAREHOLDERS' EQUITY

Deposits and borrowing from the public	21,205	19,562
Securities issued	21,891	14,791
Other liabilities	1,996	2,348
Subordinated loan	1,050	1,050
Shareholders' equity	2,818	2,346
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	48,960	40,097

Financial calendar

The year-end report for 2005 will be published on February 14, 2006

About Länsförsäkringar Alliance

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 and unit-linked assurance, banking, fund management and animal 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 markets.

Länsförsäkringar offers a wide range of insurance, bank services and other financial solutions for companies and private individuals. The number of customers exceeds three million and the Länsförsäkringar Alliance has a total of 5,000 employees.



For further information, please contact

Tommy Persson, Managing Director, 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