

Länsförsäkringsgruppen

INTERIM REPORT ON JANUARY – JUNE 2003

First six months of 2003 in brief

- Substantial market share growth in all three core businesses – non-life insurance, life assurance and banking operations. Growth rose to 29.8% (28.8) within non-life insurance, by 2.2 percentage points to 11.0% (8.8) within life and unit-linked assurance and to 2.8% (2.5) within banking operations.
- Strong earnings improvements within all three core businesses.
- Housing mortgage market grew by 149% to SEK 12.2 (4.9) billion.
- The technical result for non-life operations improved to a profit of SEK 105 M (loss: 36). The operating result improved sharply to a profit of SEK 336 M (loss: 1,938).
- The result for life assurance operations amounted to a profit of SEK 894 M (loss: 7,561).
- The result from bank operations amounted to a profit of SEK 12.4 M (2.3).
- Program initiated to reduce IT costs by SEK 150 M annually. Longer term, the aim is that annual IT costs will be SEK 300 M lower than today, a 25% reduction.
- Independent inquiry has been appointed into the internal transactions between Länsförsäkringar Liv (life) and Länsförsäkringar Sak (non-life) that have occurred since 1998.
- Länsförsäkringar continues to strengthen the model established for providing policyholders in the life business with influence and for increased independence. Customer opportunities for influence and insight will be enhanced via a newly formed policyholder association. Half of the members of Länsförsäkringar Liv's Board are independent from the owners.



MARKET SHARES

	June 30, 2003, %	June 30 2002, %	Change in percentage points
Non-life insurance premiums, total	29.8	28.8	+1.0
Third party liability insurance	36.1	35.1	+1.0
Homeowners insurance	41.8	42.3	-0.5
Home content insurance	25.2	24.6	+0.6
Leisure home insurance	43.3	42.8	+0.5
Boat insurance	26.2	24.5	+1.7
Commercial and property insurance	34.5	34.4	+0.1
Agria Djurförsäkring (animal and crop insurance)	64.0	64.0	0.0
Life assurance, total new sales	11.0	8.8	+2.2
Occupational pension	11.1	9.2	+1.9
Savings market	11.7	8.0	+3.7
Private pensions	10.6	8.3	+2.3
Life assurance, premium income	8.7	8.7	0.0
Occupational pension	8.0	8.2	-0.2
Savings market	6.9	6.6	+0.3
Private pensions	15.4	17.6	-2.2
Mutual funds, net flow	7.1	5.9	+1.2
Bank deposits	2.8	2.5	+0.3
Bank lending	2.2	1.8	+0.4

Market and customer trend

During the first half of the year, Länsförsäkringar continued to grow within its three core businesses: non-life insurance, life assurance and banking operations.

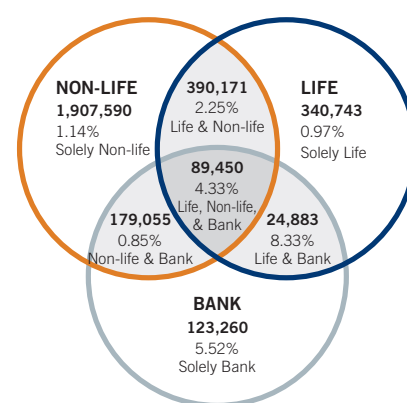
More than 50,000 new customers chose Länsförsäkringar during the period and the number of customers now totals approximately 3,055,000. Länsförsäkringar's business strategy focuses on satisfying all customer requirements. The average number of products per customer rose during the period as a result of a favorable trend within bank and non-life insurance operations. Agricultural customers continue to comprise the customer category that has most products per customer, followed by commercial customers and private customers.

Sales in the non-life insurance market rose sharply during the period. One reason underlying Länsförsäkringar's success in further improving its competitiveness is that it has not increased its premiums at the same rate as its competitors. New sales of life assurance rose sharply during the first half of the year. Measured in terms of new sales, Länsförsäkringar's market share rose from 8.8 to 11.0%. In terms of premium income, the market

share was unchanged at 8.7%. Länsförsäkringar noted a particularly favorable trend in the market for occupational pension, as a result of proactive measures implemented in the past few years.

Banking operations reported an extremely favorable first half of the year. The share of the lending market amounted to 2.2%. The market share for borrowing is now 2.8%.

CUSTOMER DISTRIBUTION, JUNE 30, 2003,
AND PERCENT CHANGE SINCE JANUARY 1, 2003



Total 3,055,000 customers

Länsförsäkringar's focus on satisfying all of the requirements of its customers was one of the reasons for the increase in the average number of products per customer.

Tommy Persson, Managing Director Länsförsäkringar AB:

”Länsförsäkringar's close proximity to its customers has once again proven to be a winning concept. Market growth continued to be noted in all segments. Growth in the life assurance market was particularly gratifying, as was the increased volumes in the housing mortgage sector. Our non-life insurance operations are once again generating profits, following the actions we have taken to ultimately achieve a combined ratio of 95%. Our efficiency-enhancing measures are generating clear-cut effects on earnings in all three core businesses. Work in this area is continuing and, when combined with the favorable trend in financial markets, will result in sharply improved earnings. This will also further strengthen our competitiveness and growth ambitions.”

Financial and asset management

In 2002, Länsförsäkringar entered into co-operation with ABN AMRO regarding the daily management of most of Länsförsäkringar's assets. In addition to its ownership responsibility, Länsförsäkringar retains responsibility for the return on the assets and also decides on the strategic investment orientation and risks assumed. ABN AMRO conducts its management activities in accordance with clear-cut risk levels and return requirements set by Länsförsäkringar.

Since ABN AMRO took over asset management, the relative return has improved sharply. The return on the largest management assignment – Länsförsäkringar Liv's total portfolio – was in line with the comparative index.

In its asset management ABN AMRO has succeeded well in the types of management assignments involving tactical allocation and currencies. Management results for the European fixed income segment and the Swedish short fixed-income portfolio also developed positively compared with the benchmark index. Japanese and European equities are examples of segments where ABN AMRO's management was less successful in relation to the comparative index. The total return in the life assurance sector was 2.8%. This was lower than the average return in the sector, due to Länsförsäkringar's strategy of reducing the portfolio's exposure to interest rates, combined with falling bond rates, a stra-

tegy that proved successful in July and August. The global trend in equities markets was strong during the second quarter and the investment orientation was changed in June, when the share of equities was increased. Accordingly, exposure to equities in the investment portfolio, which comprises the equities portion and exposure to stock markets via investments in derivative funds, now amounts to approximately 27%. The new investment orientation increases the potential for a competitive return if equities markets improve, without jeopardizing the amounts agreed under insurance contracts.

Länsförsäkringar's credit ratings

At mid-year, Länsförsäkringar AB, which is owned jointly by the regional insurance companies, had its credit rating from Moody's reduced from A1 to A3 with a negative outlook. Despite the reduction, Länsförsäkringar AB still has the best credit rating among all of the non-life insurance companies in the Nordic market.

Länsförsäkringar Sak (non-life), a wholly owned subsidiary of Länsförsäkringar AB, has received a credit rating of A with a stable outlook from Standard & Poor's and thus has the best credit rating among all of the non-life insurance companies in the Swedish market.

Standard & Poor's has assigned Länsförsäkringar Bank credit ratings of K1 for short-term borrowing and BBB+/stable for long-term borrowing.

CREDIT RATINGS

Company	Institute	Rating
Länsförsäkringar Bank	Standard & Poor's	K1/BBB+ /stable
Länsförsäkringar AB	Moody's	A3
Länsförsäkringar Sak	Standard & Poor's	A

Non-life insurance*

- Market-leading position strengthened – market share in terms of paid-in premiums rose to 29.8% (28.8).
- Actions taken generated distinct results in the form of improved profitability and efficiency. Premiums earned rose by 21% to SEK 6,791 M (5,626). The technical result was a profit of SEK 105 M (loss: 36) and the operating result amounted to profit of SEK 336 M (loss: 1,938).
- The combined ratio improved to 106 % (110). Work aimed at achieving a combined ratio of 95% – by means of increased efficiency, claims-prevention measures and increased premiums – is continuing.
- Solvency margin remains strong at 107 % (148). Net asset value amounted to SEK 15,080 M (16,749).

In total, the market share in terms of paid-in premiums continues to rise and amounts to 29.8% (28.8), Länsförsäkringar's highest ever market share.

In the third-party liability insurance segment, Länsförsäkringar increased the total number of insurance policies during the first half of the year. However, the trend during the most recent quarter indicates stagnation, mainly due to the impact of the implemented increases in premiums.

In total, the commercial and property market, measured in terms of paid-in premiums, rose by 23.2%. Länsförsäkringar increased by a corresponding amount and followed the currently positive trend in the commercial market. The increase was due to both higher premiums and a growing insurance portfolio.

The program launched last autumn with the aim of reducing the combined ratio to 95% within a couple of years has generated results. The combined ratio improved to 106% (110) during the period.

The actions taken comprise a combination of efficiency-enhancing measures, mainly involving IT, increased premiums and claims-prevention measures. Länsförsäkringar's revenues rose at a greater rate than costs during the period. Premiums earned rose by 21% to SEK 6,791 M (5,626). Claims costs increased by 17% to SEK 5,774 M (4,945). The claims ratio improved to 85 % (88).

The technical result amounted to a profit of SEK 105 M (loss: 36). The favorable trend in financial markets during the second quarter was the main reason underlying the improvement in the operating result to profit of SEK 336 M (loss: 1,938).

Länsförsäkringar's specialist company for animal and crop insurance, Agria Djurförsäkring, reported a sharply improved technical profit of SEK 37 M (12) and operating profit of SEK 36 M (loss: 39). Agria's premium income rose to SEK 376 M (333).

Mkr	Jan-June 2003	Jan-June 2002	Full-year 2002
Premiums earned ¹⁾	6,791	5,626	11,859
Technical result	105	-36	-431
Operating result	336	-1,938	-4,527
Net asset value	15,080	16,749	14,657
Solvency margin, %	107	148	117
Claims ratio, %	85	88	90
Expense ratio, %	21	22	23
Combined ratio, %	106	110	113

¹⁾After ceded insurance

* Länsförsäkringar's earnings from non-life insurance operations consist of the sum total of the earnings of the 24 regional insurance companies and of the Länsförsäkringar AB Group, including bank and mutual fund operations. The value and changes in value of the regional insurance companies' holdings of shares in Länsförsäkringar AB and debenture loans have been eliminated. Länsförsäkringar is neither a legal entity nor, in the legal sense of the term, a group; it is a cooperation between 24 regional insurance companies that jointly own Länsförsäkringar AB.

Life assurance

- Premium income from life and unit-linked assurance operations amounted to SEK 4,058 M (4,128).
- Investment income amounted to SEK 3,112 M (neg: 8,918) and profit of SEK 894 M (loss: 7,561) was reported for the first half of the year.
- Bonus rate was increased to 3.0% before taxes and fees for payments made after April 7, 2003. For payments made before April 7, bonus rate remains unchanged at 0.5%.
- Market share rose during the first half of 2003, from 8.8% to 11.0% in terms of new sales. In terms of premium income, the market share was unchanged at 8.7%.
- Administrative expenses during the first half of the year were reduced by 16%.

LIFE AND UNIT-LINKED ASSURANCE

SEK M	Jan 1– June 30, 2003	Jan 1– June 30 2002	Full-year 2002
Premium income, net	4,058	4,128	8,126
Collective consolidation ratio, %	88	90	86
Solvency level, %	119	128	119
Total assets	107,426	110,716	103,685

Combined premium income from life and unit-linked assurance operations amounted to SEK 4,058 M (4,128). Although this was a decrease of nearly 2%, it represented a distinct reversal of trends, as premium income decreased by 10% in 2001 and by 8% in 2002. In terms of premium income, the market share was unchanged at 8.7%.

New sales totaled SEK 14,580 M (12,869) and the market share rose from 8.8% to 11.0%. In the occupational pension market, Länsförsäkringar's market share rose from 9.2 to 11.1%. The increased market shares were attributable to successful marketing in the occupational pension segment and to penetration of the major companies segment.

Länsförsäkringar's life assurance operations are implementing a comprehensive program of change during 2003, with the aim of enhancing operational efficiency and cutting operating expenses. Important components are reductions in lead-times and simplified customer offerings. A large number of customer documents were simplified and clarified during the first half of the year. For example, account

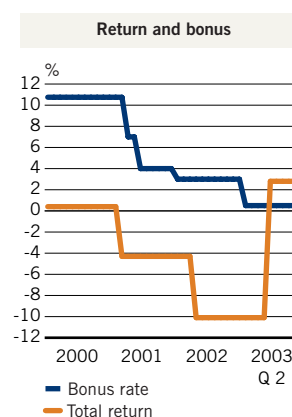
statements were given a new appearance and customers now receive only one statement regardless of the number of policies. The program of change also reduced operating expenses by 16%.

In May, Länsförsäkringar Liv's Board appointed an independent committee of inquiry, directed by Bertil Edlund, deputy chairman of the Financial Accounting Standards Council, with the purpose of investigating the internal transactions between Länsförsäkringar Liv and Länsförsäkringar Sak that have occurred since 1998, when Länsförsäkringar and Wasa merged. Bertil Edlund has co-opted Johan Munck and Ragnar Boman, secretary of the Stock Market Council, to the inquiry. In certain matters, Professor Rolf Skog, secretary of the inquiry into limited liability companies, will be commissioned. The initial aim was to present a report in October, but the presentation has now been postponed to enable additional expertise to be co-opted to the committee of inquiry. The results of the inquiry will be released before the end of the year.

Total return in the traditional life assurance business during the first half year was 2.8% (neg: 5.9). The more positive trend in the world's stock markets resulted in that total return, after several years of negative development, now is at a plus. The decline in interest rates contributed positively, although the effect on return was limited by the short terms of the fixed-income portfolio's holdings.

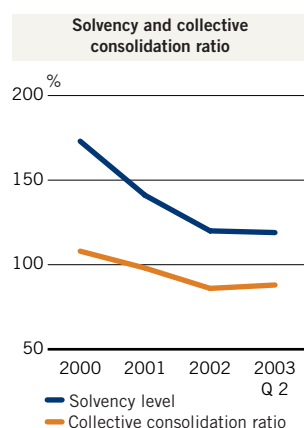
TRADITIONAL LIFE ASSURANCE

SEK M	Jan 1– June 30, 2003	Jan 1– June 30 2002	Full-year 2002
Premium income, net	2,321	2,374	4,996
Investment income, net	2,436	-6,170	-9,791
Profit/loss after taxes	1,038	-7,940	-12,546
Managements expense ration	1.1	1.0	1.2
Investment assets	84,512	88,130	81,590
Total assets	91,510	95,166	89,203
Solvency level, %	119	128	119
Collective consolidation ratio, %	88	90	86



Since April 7, 2003, Länsförsäkringar applies two different bonus rates for customers who save in pension and life assurance with traditional management. Customers who make payments after April 7 receive a bonus rate of 3% before taxes and fees, while the bonus rate for payment made prior to April 7 remains unchanged at 0.5% before taxes and fees. The average bonus rate for the period 1987 to 2002 amounted to 10.7%.

Länsförsäkringar Liv has a strong balance sheet and solvency at June 30, 2003 was 119%. Solvency is measured on the life assurance company's financial position. Solvency shows the value of the company's assets compared with the guaranteed commitments to the customers. The lowest permissible solvency is 104%. Solvency also determines the freedom of action in the investment of assets. A good solvency provides scope for shares in the investment portfolio, which based on experience provide the possibility for a favorable value increase. This is particularly evident when market interest rates are low.



At June 30, 2003, collective consolidation ratio was 88%, compared with 86% at year-end 2002. Collective consolidation is a measure of the life assurance company's ability to pay a bonus and shows the value of the company's assets compared with the guaranteed commitments and the non-guaranteed bonus to customers, that is, the entire insurance capital. The measure is theoretical, since it reflects a situation in which the company should pay out the entire insurance capital on one and the same day. The shortest payment time in traditional life assurance is five years and the average term is about 18 years.

The significance of a collective consolidation ratio less than 100% is that too much bonus has been distributed to the customers' insurance policies. Accordingly, to regain balance, the bonus rate of pay-

ment made prior to April 7 remain at 0.5% before taxes and fees, which means that the bonus is successively recovered.

UNIT-LINKED ASSURANCE

SEK M	Jan 1– June 30, 2003	Jan 1– June 30 2002	Full-year 2002
Premium income, net	1,738	1,754	3,131
Investment income, net	603	-3,326	-5,555
Profit/loss before taxes	-145	-132	-632
Total assets	16,912	16,492	15,050

As a result of rising stock markets and declining interest rates, a majority of Länsförsäkringar's funds report positive performance during the first half of 2003. The Internet Fund developed the best, which rose 33% when many Internet-related companies developed strongly. The Sweden Fund rose slightly less than 11%. The equities funds that provided the best return to date this year also include the Small Company Fund, Brain Fund and Pension 2000 funds.

The fixed-income funds developed favorably overall, which was due to declining short- and long-term interest rates. The Euro Bond Fund was the fixed-income fund that rose the most during the half-year, 4.6%. In total, 21 of the 25 Länsförsäkringar funds that are open for insurance savings yielded positive returns during the first half of the year. Of the 21 funds with benchmark indexes, five exceeded their respective comparison index. Länsförsäkringar Asia Fund and Europe Fund developed the best compared with the index.

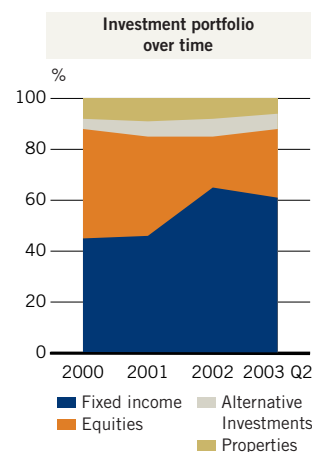
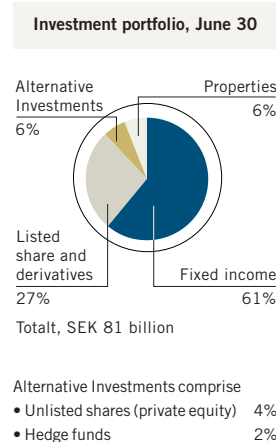
Investment direction, life assurance

During the beginning of the period, equities exposure in the traditional life portfolio was increased by about 7 percentage points through investment in derivative funds. Consequently, the equities exposure in the traditional life portfolio at June 30, 2003 was about 27%. Including private equity, the exposure amounted to 32%. The increased equity exposure was combined with reduced interest-rate risk in the fixed-income portfolio, due to signs

of a rising economy and resulting increase in interest rates.

During the spring the property portion of the traditional life assurance portfolio was reduced from slightly more than 8% to investment portfolio weighting, 5%, through the sales of properties for slightly more than SEK 2.5 billion.

The investment strategy for 2003 can be summarized in a readiness to further increase the equities portion without for this reason risking the amounts agreed in the insurance contracts. Through holdings in liquid interest-bearing securities, there are conditions for being able on short notice to reduce the fixed-income portion and to increase the equities portion. An increased equities exposure will be combined with extended protection against a sharp decline in share prices and a limit on the interest risk in the portfolio.



Banking operations

- Profit amounted to SEK 12.4 M (2.3) and the interest margin was 2.4% (2.8).
- Market share, measured as deposits from households, rose and amounted to 2.8% (2.5).
- The number of customers amounted to 427,000 (368,000), an increase of 59,000 since June 30, 2002.
- Sharp rise in housing mortgage market. Mortgage loans rose by 149% to SEK 12.2 billion (4.9).
- Lending to the general public rose 58% to SEK 25.3 billion (16.0) and deposits from the general public increased 24% to SEK 16.6 billion (13.4).

Today, Länsförsäkringar offers a complete range of banking products and services. Homeowners and farmers are the strategic target groups for the banking operations and are offered a total customer concept with high customer benefit. Intensive efforts are under way to create a higher awareness of Länsförsäkringar's banking operations – work that has yielded distinct results during the first half of the year. Länsförsäkringar is currently a bank that people change to and not solely a bank used as a complement.

The number of bank customers at June 30, 2003 was 427,000, of which 44,000 were mortgage loan customers.

Consolidated operating profit before loan losses amounted to SEK 36.9 M (12.9), and after loan losses to SEK 12.4 M (2.3).

This corresponds to a return on average equity before taxes of 1.8% (0.5). Revenues rose by 20% to SEK 374.3 (312.0), nearly twice as much as the increase of costs by 11%, to SEK 339.3 M (306.9).

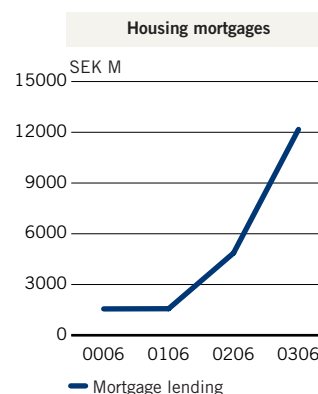
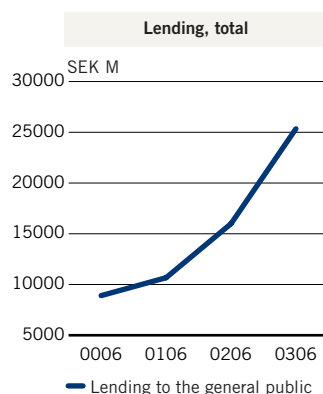
Lending to the general public rose 58%, or SEK 9.3 billion to SEK 25.3 billion (16.0). Deposits from the general public increased 24%, or SEK 3.2 billion to SEK 16.6 billion (13.4).

Mortgage loans increased by 149% or SEK 7.3 billion and amounted to SEK 12.2 billion (4.9). Most of the mortgage loans, more than 87%, pertains to financing of houses. The other portions are for tenant-owner rights and leisure homes.

In addition, the bank has a borrowing program comprising a certificate program with a limit of SEK 6 billion and an MTN program, with a limit of SEK 3 billion. Borrowing through certificates amounted at June 30, 2003 to SEK 4.2 billion and borrowing via the MTN program to SEK 1.6 billion. Länsförsäkringar's banking operations has received a credit rating of K1 for short-term borrowing and

BBB+/stable for long-term borrowing from Standard & Poor's credit rating institute.

SEK M	Jan 1– June 30, 2003	Jan 1– June 30 2002	Full-year 2002
Profit for the period	12.4	2.3	19.9
Total assets	26,743	17,060	22,302
Interest margin, %	2.4	2.8	2.8
No. of customers	427,000	368,000	393,000



Significant events after the end of the period

Syndicated loan

Länsförsäkringar Bank has assumed a syndicated loan on the international capital market. The loan was oversubscribed by EUR 50 M, whereby the loan limit was increased to EUR 150 M. The loan agreement pertains to borrowing during a three-year period. The lead managers are Bayern LB, Danske Bank and HSH Nordbank. In addition, 11 other European banks are included as lenders. Länsförsäkringar Bank entered into such a loan agreement as a consequence of the strong growth of the mortgage market, which resulted in an increased need for borrowing on the international capital market. This solution contributes to financing of the bank's expansion over the long term.

Mutual fund operations

- 21 of the total 36 funds posted positive yields.
- 5 of 32 funds exceeded their benchmark index.

Rising stock markets and falling interest rates contributed to more than 80% of Länsförsäkringar's funds posted a positive yield during the first half of 2003. Some 21 of the total 36 funds had a positive yield, while 5 of 32 funds exceeded their benchmark index. The average yield of the five most popular of Länsförsäkringar's funds was 4.5% during the period. Among these, the Sweden Fund posted a yield of nearly 11%. The best yield of all funds was 33% for the Internet Fund.

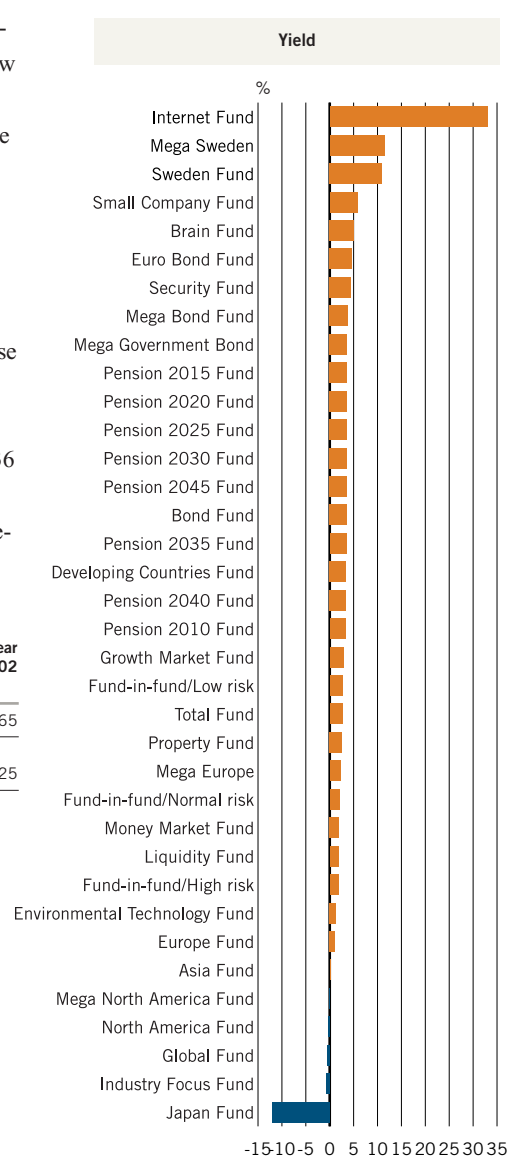
Länsförsäkringar's fixed-income funds continued to develop positively during the period. This was due to the decline in both short- and long-term interest rates. The Euro Bond Fund rose the most of the fixed-income funds during the first half of the year, 4.6%. The Bond Fund rose 3.6%, while the Liquidity Fund and Money Market Fund were up 2%.

Mega Europe, Asia, Europe and the Brain Funds posted the best performance compared with the index. The reason for Mega Europe's and Europe's performances exceeding the index was primarily successful company selections. Allocation between countries contributed positively to the Asia Fund's performance compared with the index.

The Japan Fund had the largest negative deviation from the index, 5.4% below the index. One reason for this was that telecom companies, which are among the largest holdings in the Fund, fell sharply during the period.

At June 30, Länsförsäkringar had a market share of 7.1% of the total net inflow to the fund market measures over a rolling 12-month period. This is an increase of 1.2 percentage points compared with the year-earlier period. In total, Länsförsäkringar manages SEK 30.2 billion in 36 different securities funds, an increase of SEK 1.8 billion compared with the corresponding period in the preceding year.

SEK M	Jan 1– June 30, 2003	Jan 1– June 30 2002	Full-year 2002
Managed volume	30,233	28,397	26,565
Income from fund management	9	9	25



Income statements and balance sheets

NON-LIFE INSURANCE ¹⁾

Income statement, SEK M	Jan 1– June 30 2003	Jan 1– June 30 2002	Full-year 2002
Premium income on own account, after ceded reinsurance	6,791	5,626	11,859
Investment income transferred from underwriting business	492	504	1,093
Insurance claims on own account	–5,774	–4,945	–10,707
Operating expenses	–1,407	–1,248	–2,700
Other technical income/expenses	4	27	24
Technical results of non-life underwriting before bonuses and discounts	105	–36	–431
Bonuses and discounts	–81	–87	–181
Technical results of non-life underwriting after bonuses and discounts	24	–123	–612
Total investment income	941	–1,181	–2,470
Investment income transferred to underwriting business	–492	–504	–1,093
Other non-technical income/expenses	–137	–130	–352
RESULT BEFORE APPROPRIATIONS AND TAXES	336	–1,938	–4,527

Balance sheet, SEK M	June 30 2003	Dec 31 2002
ASSETS		
Shares and participations	11,910	11,077
Bonds and other interest-bearing securities	16,371	16,488
Other investment assets	5,621	5,859
Total investment assets	33,902	33,424
Reinsurers' portion of technical reserves	5,521	1,878
Receivables	3,642	3,531
Other assets	3,869	3,275
Bank Group assets	26,739	22,293
Prepaid expenses and accrued revenues	951	693
TOTAL ASSETS	74,624	65,094

SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Shareholders' equity	7,311	7,030
Untaxed reserves	5,622	5,500
Technical reserves (before ceded insurance)	30,295	24,749
Other provisions and liabilities	6,626	7,446
Bank Group liabilities	23,766	19,203
Deferred expenses and prepaid revenues	1,004	1,166
TOTAL EQUITY, PROVISIONS AND LIABILITIES	74,624	65,094

¹⁾ Länsförsäkringar's earnings from non-life insurance operations consist of the sum total of the earnings of the 24 regional insurance companies and of the Länsförsäkringar AB Group, including bank and mutual fund operations. The value and changes in value of the regional insurance companies' holdings of shares in Länsförsäkringar AB and debenture loans have been eliminated. Länsförsäkringar is neither a legal entity nor, in the legal sense of the term, a group; it is a cooperation between 24 regional insurance companies that jointly own Länsförsäkringar AB.

LÄNSFÖRSÄKRINGAR LIV, GROUP

Income statement, SEK M	Jan 1– June 30 2003	Jan 1– June 30 2002	Full-year 2002
Premium income, gross	4,122	4,181	8,257
Premium income, net	4,058	4,128	8,126
Investment income, net	3,112	–8,918	–14,508
Claims payments	–2,375	–1,855	3,738
Change in other technical reserves	–2,705	361	650
Operating expenses	–723	–661	–1,857
Underwriting technical result	1,367	–6,945	–11,326
Non-technical result	–77	–70	–145
Result before appropriations and taxes	1,290	–7,015	–11,471
Tax	–396	–546	–971
PROFIT/LOSS FOR THE PERIOD	894	–7,561	–12,442

Balance sheet, SEK M	June 30 2003	Dec 31 2002
ASSETS		
Intangible assets	1,873	1,954
Investment assets	81,741	79,027
Pinvestment assets for which the life insurance policyholder bears the risk	15,603	13,762
ÅReinsurers' portion of technical reserves	479	478
Receivables	1,204	512
Other assets	3,383	4,766
Prepaid expenses and accrued revenues	3,143	3,186
TOTAL ASSETS	107,426	103,685

SHAREHOLDER'S EQUITY, PROVISIONS AND LIABILITIES		
Share capital	8	8
Funds plus result for the year	14,135	14,358
Technical reserves (before ceded insurance)	74,295	72,908
Reserves for life assurance for which the life assurance policyholder bears the risk	15,605	13,763
Provisions for other risks and costs	–54	167
Custodial accounts for reinsurers	518	476
Liabilities	2,404	1,512
Deferred expenses and prepaid revenues	515	494
TOTAL EQUITY, PROVISIONS AND LIABILITIES	107,426	103,685

BANKING OPERATIONS

Income statement, SEK M	Jan 1– June 30 2003	Jan 1– June 30 2002	Full-year 2002
Interest revenues	315.7	246.4	537.8
Commission revenues	10.7	14.4	27.6
Other revenues	47.9	51.2	83.9
Total revenues	374.3	312.0	649.3
Personnel expenses	88.5	82.3	162.5
Other expenses	250.8	224.6	478.5
Total expenses	339.3	306.9	641.0
Income before loan losses	35.0	5.1	8.3
Loan losses, net	24.5	10.6	13.2
Profit/loss from banking operations	10.5	–5.5	–4.9
Profit from insurance operations	1.9	7.8	24.4
TOTAL OPERATING PROFIT	12.4	2.3	19.5
Taxes	0	0	0.4
PROFIT FOR THE PERIOD	12.4	2.3	19.9

Balance sheet, SEK M	June 30 2003	June 30 2002
ASSETS		
Lending to the public	25,344	15,988
Bonds	798	502
Intangible and tangible assets	131	126
Assets in insurance operations	7	12
Other assets	463	432
TOTAL ASSETS	2,6743	17,060

LIABILITIES AND SHAREHOLDERS' EQUITY		
Lending to and deposits from the public	17,762	14,731
Securities issued	5,899	46
Liabilities in insurance operations	5	14
Other liabilities	1,296	1,081
Debenture loan	180	180
Shareholders' equity	1,601	1,008
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26,743	17,060

Organization

Länsförsäkringar comprises 24 local and customer-owned regional insurance companies and the jointly owned Länsförsäkringar AB, with subsidiaries within non-life insurance, life and unit-linked assurance, banking and asset management and animal insurance. The organization is

based on a strong belief in local presence and this is where the regional insurance companies' contacts occur. Through Länsförsäkringar AB, economies of scale are achieved and through service and strategic development the possibilities are created for the regional insurance companies to be successful in their respective markets.

Länsförsäkringar offers a broad range of insurance, banking services and other financial solutions, for companies as well as individuals. The number of customers exceeds three million and Länsförsäkringar has a total of 5,700 employees.



For further information, please contact

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