

2007 Länsförsäkringar Bank

ANNUAL REPORT

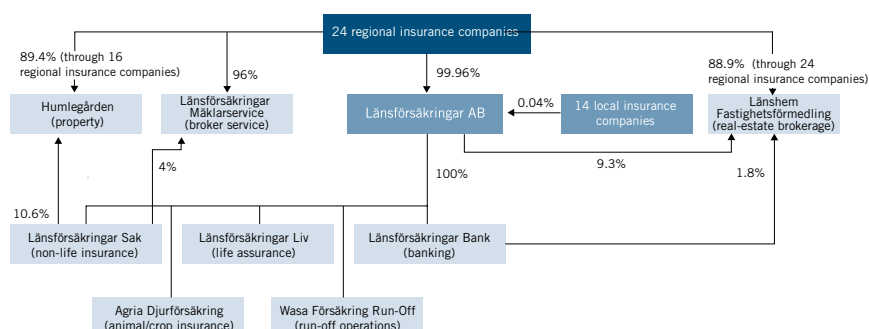


Contents

Länsförsäkringar Bank	II
Länsförsäkringar Bank with subsidiaries ...	III
Key events during 2007	IV
2007 in brief.....	1
Statement by the President	2
Vision and strategy	4
Customers.....	6
Economic environment	8
Bank market.....	10
Lending	12
Savings.....	14
Payments.....	16
Borrowing operations.....	18
Sustainability	20
Employees	22
Board of Directors' Report	24
Five-year summary	31
Income statement	32
Balance sheet.....	33
Cash-flow statement.....	34
Change in shareholders' equity	35
Notes to the financial statements	36
Audit Report.....	69
Corporate Governance Report	70
Definitions	73
Board of Directors	74
Executive Management and Auditors	75
Financial calendar	76
Addresses	77

Länsförsäkringar Bank

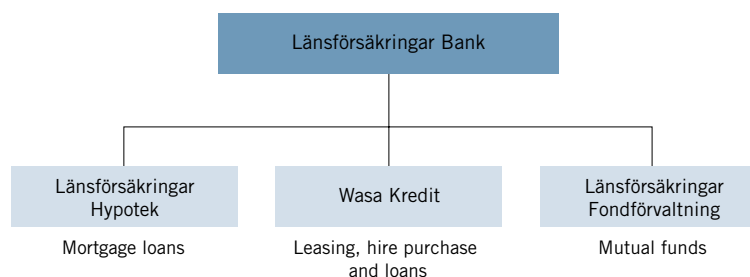
— part of Länsförsäkringar



The Länsförsäkringar Alliance comprises 24 local and customer-owned regional insurance companies, and the jointly owned Länsförsäkringar AB, with subsidiaries in such areas as non-life insurance, life assurance, unit-linked insurance, banking services and animal insurance. The organization is based on a strong belief in local presence and customer contact occurs through the regional insurance companies.

Economies of scale are achieved through Länsförsäkringar AB and service and strategic development work creates opportunities for the regional insurance companies to become successful in their individual markets. Länsförsäkringar offers a wide range of insurance, pension solutions, banking services and other financial solutions for companies and private individuals. The number of customers amounts to approximately 3.2 million and the Länsförsäkringar Alliance has a joint total of 5,700 employees.

- Länsförsäkringar is a full-service bank and is the sixth largest retail bank in Sweden, with a business volume of SEK 162 billion.
- The bank directs its services primarily to private individuals and farmers and offers a full range of services for these customers. Personal interaction is Länsförsäkringar's strength and its many meeting places provide customers with the freedom to meet the bank on their own terms.
- Banking business can be conducted at the regional insurance companies' more than 100 branches throughout Sweden and via Internet and telephone banking. Customers can withdraw and deposit money at Svensk Kassaservice (Swedish Cashier Service), pay for their purchases with bank and credit/debit cards, withdraw cash from the country's ICA supermarkets and use ATMs in Sweden and abroad.
- Länsförsäkringar has the most satisfied retail bank customers and the most satisfied mortgage customers according to the Swedish Quality Index. The number of customers amounts to 665,000.



Länsförsäkringar Bank

Länsförsäkringar Bank

Deposits and some lending are conducted by the Parent Company. Deposits amounted to SEK 30 billion and lending to SEK 11 billion. The Parent Company is also responsible for card and payment operations.

Länsförsäkringar Hypotek

Länsförsäkringar Hypotek, the bank's mortgage institution, finances lending for private residences, tenant-owned apartments and leisure homes. Lending amounted to SEK 48 billion.

Länsförsäkringar Fondförvaltning

Länsförsäkringar Fondförvaltning manages SEK 65 billion in 31 mutual funds with different investment orientations. Länsförsäkringar's funds are available as direct fund saving, as various unit-linked products and through the PPM system.

Wasa Kredit

Wasa Kredit is a finance company that conducts leasing and hire purchase, as well as unsecured lending. The leasing and financing operations focus primarily on cars, machinery financing, campers and leisure boats. Lending amounted to approximately SEK 9 billion.



In February, Standard & Poor's upgraded the bank's credit rating to A (stable) and Moody's upgraded its rating to A2 (stable). Länsförsäkringar's household insurance customers received an offering for interest-free mortgage loans for two months.		A record was set for online loan applications. New offices were opened in Uppsala, Avesta and Stockholm.	
January	February	March	April
A new office was opened in Stenungsund.		The Swedish Financial Supervisory Authority granted Länsförsäkringar Hypotek a permit to issue covered bonds. Stock index bond China Growth 6 set a sales record.	

Key events in 2007

- In February, Standard & Poor's and Moody's upgraded the bank's credit rating to A (stable) / A2 (stable).
- In March, the Swedish Financial Supervisory Authority approved subsidiary Länsförsäkringar Hypotek's application for a permit to issue covered bonds.
- In May, the bank became a card issuer.
- In June, Länsförsäkringar Hypotek began issuing covered bonds immediately after receiving the highest credit rating from both Moody's as well as Standard & Poor's.
- In September, the Swedish Quality Index survey revealed that Länsförsäkringar's retail bank customers are the most satisfied customers.
- In December, the Swedish Quality Index survey revealed that, for the third consecutive year, Länsförsäkringar's mortgage customers are the most satisfied in the entire Swedish bank market.
- In December, Kaupthing Bank's retail mortgage stock worth SEK 1.2 billion was acquired.

Key events after year-end

- In February, an improved banking and insurance offering was launched for farmers, which included first-lien mortgages for agricultural and forestry properties.
- On February 13, 2008, former Deputy CFO Anders Borgcrantz was appointed as Acting President of Länsförsäkringar Bank. President Tomas Johansson is sick and will be on sick leave for an extended period of time.



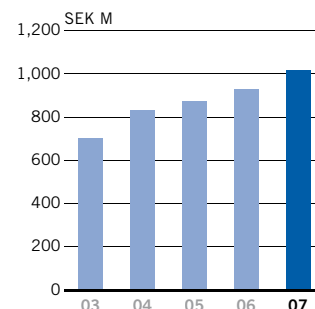
	Standard & Poor's assigned Länsförsäkringar Hypotek's covered bonds its highest rating. Länsförsäkringar Hypotek began issuing covered bonds.		Parts of the fund company were integrated into the bank to achieve a homogenous fund offering for customers.
May	June	July	August
Moody's assigned Länsförsäkringar Hypotek's covered bonds its highest rating. An improved offering for switching banks was launched. The bank became a card issuer.		An offering targeted at young people was launched. A new office was opened in Ronneby.	

2007 in brief

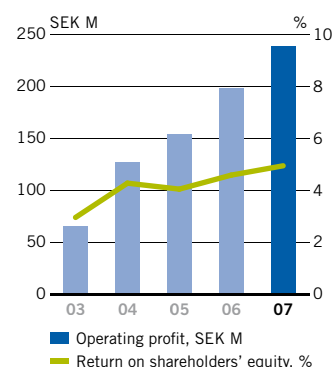
- Profit before loan losses amounted to SEK 290 M (236) and operating profit amounted to SEK 238 M (198), an increase of 20%.
- Income was up 8% to SEK 1,106 M (1,023).
- Net interest income rose by 10% to SEK 1,017 M (927).
- Operating expenses increased by 4% to SEK 816 M (787).
- The cost/income ratio before loan losses improved to 0.74 (0.77).
- Loan losses remained low, amounting to SEK 51 M (38).
- Return on equity after standard tax was 5.0% (4.6).
- Lending to the public increased 24% to SEK 67 billion (54) and deposits from the public rose 22% to SEK 30 billion (24).
- Mortgage lending by the subsidiary Länsförsäkringar Hypotek rose by 30% to SEK 48 billion (37).
- Fund volumes amounted to SEK 65 billion (62), an increase of 5%.
- Issued securities increased to SEK 46 billion (32), of which covered bonds amounted to SEK 37 billion.
- The number of customers rose to 665,000 (640,000), of which 106,300 (90,400) were mortgage customers.

Key figures	2003	2004	2005	2006	2007
Return on equity, %	3.0	4.3	4.1	4.6	5.0
Return on total capital, %	0.24	0.33	0.43	0.35	0.34
Investment margin, %	2.6	2.2	1.9	1.6	1.4
Cost/income ratio before loan losses	0.86	0.81	0.79	0.77	0.74
Cost/income ratio after loan losses	0.92	0.86	0.84	0.80	0.78
Capital adequacy according to Basel II transition rules, %	—	—	—	—	10.63
Capital adequacy according to Basel I, %	13.00	11.37	11.28	10.59	—
Tier 1 ratio according to Basel II transition rules, %	—	—	—	—	8.85
Tier 1 ratio according to Basel I, %	9.95	9.00	9.02	8.61	—
Percentage of doubtful receivables, gross %	0.1	0.2	0.5	0.4	0.4
Percentage of doubtful receivables, net %	0.7	0.6	0.1	0.1	0.1
Provision ratio for doubtful receivables, %	83.1	76.3	91.0	84.7	85.9

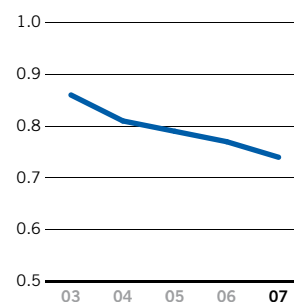
Net interest income



Operating profit



Cost/income ratio before loan losses



Länsförsäkringar Hypotek's covered bonds were included in the OMX index.
New stores were opened in Mörbj and Sickla.

Länsförsäkringar exceeds 150,000 bank card customers.
Kaupling Bank's retail mortgage portfolio worth SEK 1.2 billion was acquired.
Länsförsäkringar had the most satisfied mortgage customers according to the SQI*.
New store opened in Solna.

September	October	November	December
Länsförsäkringar has the most satisfied retail bank customers according to SQI*.		An offering was launched that includes pregnancy insurance, fund savings and child insurance in a single product. A market surveillance service was launched for orders related to purchasing and selling shares. New store opened at Gärdet, Stockholm.	

*1 Swedish Quality Index



Statement by the President

2007 – An eventful growth year

Länsförsäkringar is a strong banking alternative. For several years, our market shares and earnings have grown steadily, and 2007 was no exception. It was a historical growth year on all fronts, with major increases in volume primarily for mortgage lending, but also for our savings products. We surpassed all goals. We also have Sweden's most satisfied bank customers in the retail market.

Strong growth

Länsförsäkringar holds a position as a challenger in the Swedish bank market. In comparison with the preceding year, growth increased by nearly 60% and operating profit rose 20% to nearly SEK 240 M – our best result to date. We are also one of the fastest-growing players in the Swedish mortgage market, with a 30% increase in volume. We have a fantastic growth platform in the regional insurance companies' 2.5 million private customers.

In 2007, we also continued to improve support for our interactions with customers, with new and improved processes, system support and Internet applications – all to further improve our banking services and make them more accessible for customers.

Swedish bank market 2007

During the year, the Swedish bank market was characterized by continued intense competition. In the mortgage market, competition was intense, and expanded offerings and higher service levels among bank players were launched within other submarkets. Many bank players integrated non-life insurance into their offerings during the year. An increasing number of players are

following the concept of combining banking and insurance, which was launched by Länsförsäkringar as early as 1996.

Our view on the bank offering

We aim to be a strong banking alternative for customers. We have made investments in developing strong total offerings and partial offerings that lead to total offerings. Customers should always benefit from gathering their loans, savings and everyday financial services with us. For many customers, such services as a favorable mortgage offering are the foundation of the total offering. As a result, we are particularly pleased with the positive effect our mortgage initiatives had during 2007, when we captured about 7% of market growth.

To strengthen our payment services, we became a card issuer. This enabled us to lower the costs of card transactions, while increasing security during card use.

During the year, we offered savings accounts with favorable interest rates, a broad range of stock index bonds and successful funds. In total, 19 of 31 surpassed their index during the year, which is the highest number to date. According to Morningstar's comparison of average fig-

ures over a three-year period, we are the top Swedish fund manager.

During the year, Länsförsäkringar also decided to substantially improve and broaden its offering to agricultural customers. Länsförsäkringar has offered farmers its own first-lien mortgages since February 2008, when its cooperation agreement with Landshypotek expired. These first-lien mortgages allow us to offer better total solutions for banking and insurance that are adapted to the needs of farmers.

Customers remain satisfied

We believe that positive customer meetings are vital, regardless of whether the meetings are held in person or via our Internet or telephone banking services. Personal interaction is crucial for customers. Länsförsäkringar has customer-oriented local operations and a total offering within banking and insurance. This enables us to meet all of our customers' financial needs in a single context.

We have also received a quality marking that confirms that customers appreciate our concept. The Swedish Quality Index survey revealed that we had the most satisfied bank customers in the retail market in 2007. For

the third consecutive year, we also had the most satisfied mortgage customers.

Attractive offerings

Household financing is the hub of the bank's customer relations. Household financing customers' banks are often their main banks and the banks' relationships with these customers are long-term and close.

Household financing customers have more meetings and, as a result, have the opportunity to receive better advice and a larger number of offerings. Therefore, we strive to attract more household financing customers through attractive offerings.

During the year, we focused on improving our customer interactions online. In the spring, Länsförsäkringar will launch a new webshop based on Länsförsäkringar's offering within banking and insurance. The site will enable customers to manage their banking transactions, life assurance and non-life insurance through the same channel.

Stable bank player in a turbulent credit market

The year was also eventful when it came to the capital market. During the first half of the year, investors showed considerable interest in purchasing shares and interest-bearing securities. The OMX Nordic Exchange Stockholm continued to rise and the capital markets offered excellent opportunities for all types of borrowers.

We began issuing covered bonds according to plan, which means that we have now strengthened our position in the Swedish liquid market for covered bonds. Our covered bonds were granted the highest possible credit rating from Standard & Poor's and Moody's, AAA/Aaa. The banking operation's rating was also raised by both rating agencies during the year – to A/A-1 and A2/P1, respectively – and given

stable forecasts. We are now one of three players in the Swedish market for covered bonds with the highest rating from both rating agencies, which is a major acknowledgement. It will strengthen our competitiveness and give us the power to continue challenging by providing customers with high-quality service, excellent prices and favorable terms.

“ We believe that positive customer meetings are vital, regardless of whether the meetings are held in person or via our Internet or telephone banking services. ”

The second half of 2007 was largely characterized by declining market prices and the international turmoil that erupted as a result of problems in the market for subprime loans and subsequent problems for the various loan structures in which these loans were sold. Despite this international credit turmoil, the Swedish market functioned satisfactorily. We maintained a high level of liquidity and borrowing rested on a secure foundation thanks to our high percentage of deposits and the opportunity to issue covered bonds with the Swedish market as our base.

Favorable credit quality

Implementing the new capital adequacy rules, Basel II, was another important milestone for our operations. Since February 2007, we calculate capital requirements for all household exposure in accordance with the advanced Internal Ratings-based Approach (IRB approach). Accordingly, we have an effective tool that promotes transparent risk analysis and high-precision capital adequacy. The new risk classification approach reveals that our credit portfolio has a high level of credit quality. We have

strong loan-to-value ratios in our credit portfolio and a favorable geographic spread. Most of our customers are private individuals using private residences as collateral.

We continue to challenge

The credit market, a decline in international growth that spilled over into Sweden and weakening housing price trends contributed to market growth being expected to decrease in 2008 in comparison with the preceding year. Competition for customers is intensifying and focus has been shifted to savings products and service. An increasing number of bank customers are cutting back on their more risk-intensive investments to protect their finances. Lending accounts, fixed-income funds, index funds and stock index bonds will become more significant for customers.

We will continue to challenge the large banks by offering customers superior service, reasonably priced products and favorable terms. The bank that is able to meet customers at the right place and with the right products will emerge on top.

The Länsförsäkringar brand is also the strongest in the financial industry, which ensures customers of our credibility. Therefore, I look forward to another successful year with confidence. ■



Anders Borgcrantz

Acting President of Länsförsäkringar Bank



Vision and strategy

Challenger in the bank market

Länsförsäkringar's vision is to be the customers' first choice for non-life insurance, life assurance and the banking services. The banking operations play a key role in realizing Länsförsäkringar's vision and strengthening customer relations. Länsförsäkringar aims to be a challenger in the bank market.

Vision – first choice for customers

Länsförsäkringar aims to be the customers' first choice for non-life insurance, life assurance and banking services.

The banking operations play a key role in realizing Länsförsäkringar's vision and strengthening customer relations.

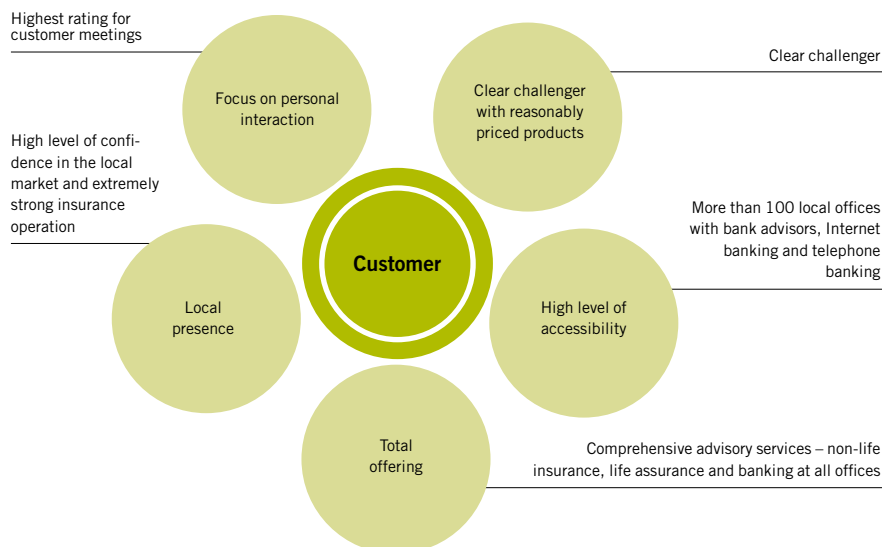
Business concept – reasonably priced banking services

The business concept for the banking operations is to offer reasonably priced banking services to private individuals and farmers. Länsförsäkringar aims to be a challenger in the bank market, offering a high-quality bank offering and a coordinated banking and insurance offering for customers.

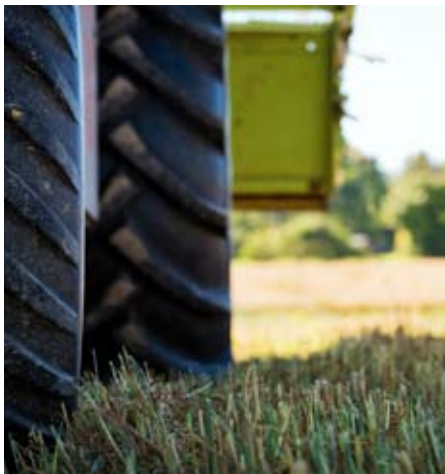
Market goal – profitable growth through customer satisfaction

- Profitable growth in all sub-markets and core business.
- The most satisfied customers within banking and insurance.
- Increased proportion of full-service customers.

Customer meetings



Like Länsförsäkringar's other banking and insurance offerings, the banking operations are based on personal interaction and local presence through the 24 local, customer-owned regional insurance companies. Länsförsäkringar aims to be a challenger in the bank market, with reasonably priced products and a total banking and insurance offering.



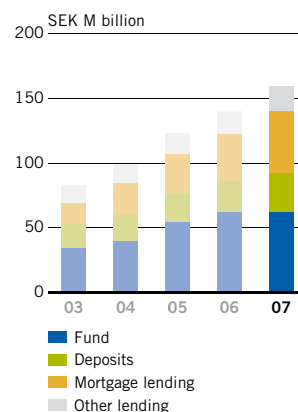
Local strength in transactions

Customer contact always takes place within the local, independent regional insurance companies. From the customer's perspective, the regional insurance companies serve as local banks, just like with non-life insurance and life assurance. By working strategically based on Länsförsäkringar's overall core values – local focus, accessibility and a personal approach – the banking operations create strong, close customer

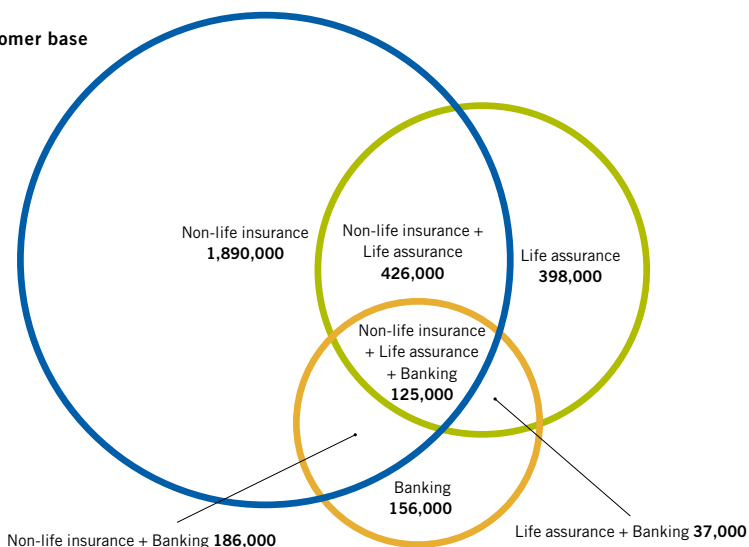
relations. The regional insurance companies handle customer transactions and all customer contact on the bank's behalf. The strategy is to create a local offering with strong local market awareness.

Becoming a full-service customer should be worthwhile. That is why customers with a substantial involvement in Länsförsäkringar are rewarded. A common strategic offering, which will lead to more full-service customers, is currently being launched. ■

Business volumes, total



Strong customer base



The banking operations further develop Länsförsäkringar's existing customer relations. For example, approximately one million private-home insurance customers use banking services, particularly mortgage and household financing services. Länsförsäkringar has 3.2 million customers and the banking operations have 665,000 customers.



Customers

Meetings with Sweden's most satisfied customers

It is through customer meetings that Länsförsäkringar must distinguish itself from other banks. Customer meetings begin with the total offering – starting with customer requirements for financial banking services, while a coordinated offering within banking and insurance should always be available.

Interaction through several channels

Personal interaction with customers, Internet and telephone banking are always adapted to customer requirements. Different life situations require adapted advisory services and different types of financing, savings, payment solutions and insurance.

Personal meetings with customers are conducted at the independent regional insurance companies' more than 100 local branches. Every regional insurance company knows its market and customers best, allowing them to build strong customer relationships. Because they are independent, the regional insurance companies are able to remain flexible and quickly adapt to local conditions

Mortgage advisory services are also provided through Länsförsäkringar's real-estate brokerage company Länshem Fas-

tighetsförmedling, which has offices throughout the country. Länshem offers customers assistance in selling and purchasing homes and financing, insurance solutions and personal financial advice is offered through the 24 regional insurance companies.

Regardless of the service required, customers can choose to take care of their banking business through meetings with a private financial advisor, Internet banking or telephone banking. They can pay for their purchases by card, use ATMs in Sweden and abroad, withdraw cash from the country's ICA supermarkets and make deposits and withdrawals at Svensk Kassaservice (Swedish Cashier Service). Following the closure of Svensk Kassaservice in 2008, an agreement will be signed with a new partner. Every customer meet-

ing through these various channels should occur in an optimal way for the customer.

Webshop with a local touch

The webshop, which will be launched in April 2008, is an extension of the customer meetings that take place through our Internet banking services. Using the webshop, it will be even easier for customers to manage their involvements, make changes and purchase services within payments, savings, lending and insurance. Customers must be able to purchase more services in a simple manner. The webshop's interface is adapted to the local market of each regional insurance company.

According to the Swedish Quality Index, customers believe that Länsförsäkringar was one of the best Internet banks in Sweden in 2007. The Internet



banking services received the highest rating in two out of three categories: security and user-friendliness.

More full-service customers

Becoming a full-service customer should be worthwhile. That is why customers with a substantial involvement in Länsförsäkringar are rewarded. The bank's strategic target groups that require several products within the banking operations are:

- Private residence owners and their families.
- Farmers.

Common strategic offerings are currently being launched.

Household financing customers

Länsförsäkringar is focusing on increasing the percentage of household financing customers. Household financing customers' banks are often their primary banks and the relationship is long-term and close. These customers have more meetings and, as a result, have the opportunity to receive better advice and a larger number of offerings. Household financing customers have access to salary accounts, bank or credit cards and Internet banking services. Slightly more than seven out of ten have household insurance and four out of ten are full-service customers with Länsförsäkringar, with household financing and insurance and pension savings.

Strong brand

For the first time, a survey was performed to assess the strength of Länsförsäkringar's brand in relation to all competitors within the industry for banking, insurance and pensions. SIFO's survey revealed that Länsförsäkringar has the industry's strongest brand. The red and blue square is recognized by 89% of the population, according to a study conducted by GFK Sverige AB.

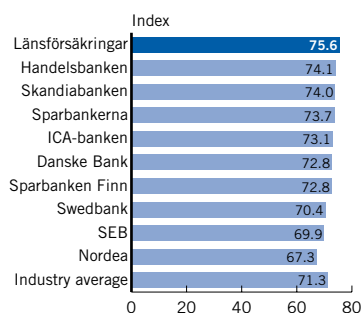
Sweden's most satisfied bank and mortgage customers

According to the Swedish Quality Index 2007, Länsförsäkringar had the most satisfied retail bank customers. Länsförsäkringar received an overall rating of 75.6, which is significantly higher than the industry average of 71.3. Better adapted banking products, improved security and accuracy in customer management are key factors for ensuring customer satisfaction. Customers ranked the bank number one in nearly all categories, including image, expectations, product quality, service and value for money.

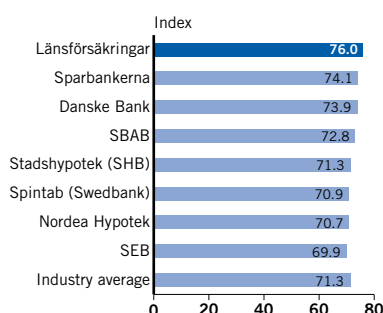
For the third consecutive year, Länsförsäkringar also had the most satisfied mortgage customers, according to the Swedish Quality Index 2007. The company's products and services are better than other mortgage institutions and banks, according to customers. Länsförsäkringar received an overall rating of 76.0, which was significantly higher than the average for the entire industry, 71.3. ■



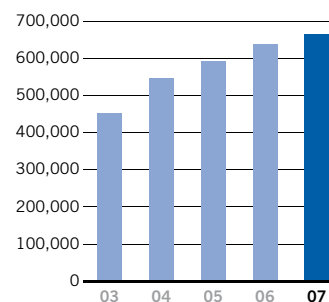
**Customer satisfaction, SQI
Bank**



**Customer satisfaction, SQI
Mortgage loans**



Number of bank customers





Economic environment

An eventful year in the international credit market

From a capital market perspective, 2007 was an eventful year. The year started out strong and positive, with favorable forecasts and rising stock exchanges worldwide. In July, problems arose due to US subprime lending, followed by turmoil and uncertainty in the international capital market that continued throughout the year.

Exceptionally strong Swedish growth

The Swedish economy reported strong trends during 2007, primarily due to consumption growth.

However, the contribution of net exports was negative since imports increased to meet growing domestic demand. The strengthening of the SEK in relation to the USD curbed export growth. During the first six months of the year, risk inclination remained high among investors. Interest in purchasing shares was considerable due to the rising OMX Nordic Exchange Stockholm. In addition, the money and bond markets offered excellent opportunities for all borrowers.

The labor market gathered speed during the year, incomes increased and the fiscal policy stimulated income through tax reliefs. The rate of salary increases rose further in light of the strong Swedish economy. Increasing income strengthened household purchasing power, which was evident in the substantial rise in consumption. Loan origination continued to increase. Lending to Swedish households rose to SEK 1,822 billion (1,634) in 2007.

Global credit market turmoil

Following several years of low and falling risk premiums, a crisis arose in the international credit market during the second half of the year, resulting in risk premiums increasing substantially. The root of the crisis stemmed from the US subprime loan market. When subprime borrowers' problems relating to their capacity to repay loans became clear, related products were also revalued, resulting in substantially increased risk premiums. Investors became more cautious, which was reflected in increased volatility and expanded credit spreads. Increasing numbers of players opted to invest in government bonds.

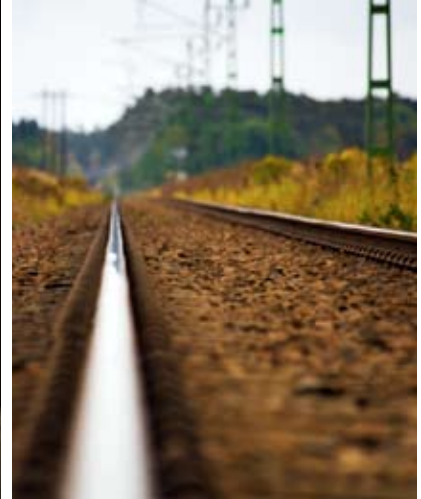
Uncertainty concerning the risks actually being taken by major players had resulted in a contraction of the market, which resulted in major disturbances in the interbank market. These market disturbances caused several central banks to implement major operations to provide assistance in the form of extra liquidity. Despite substantial efforts by the central banks, particularly in the US, to aid the financial market by providing liquidity, the uncertainty continued. So far,

the US housing crisis has resulted in substantially falling housing prices and declining investments in housing. US households have become more cautious, which has reduced consumption. The US economy grew by 2% in 2007, but slackened substantially toward the end of the year. Net exports contributed positively, which compensated for part of the decline in investments.

International turmoil

The credit turmoil in the US also spilled over into other parts of the world. Europe, which had experienced favorable economic growth, was also affected by the credit turmoil. Although the effects of the credit market turmoil were limited to the financial sector, there are several signs that indicate that this financial unrest could also affect the rest of the European economy, particularly because demand from the US has deteriorated.

Growth regions, such as Brazil, India, China and other Asian countries, continued to expand substantially during 2007 and compensated to a certain extent for the weaker growth of the US economy during



the second half of the year. Global growth in 2007 was about 5%, approximately the same level as in previous years. In 2008, the rate of global growth is expected to decrease.

Strong Swedish financial stability

The Swedish financial market functioned reasonably well despite the international credit turmoil. When the European market for covered bonds was impacted negatively as the banks' market maker commitment

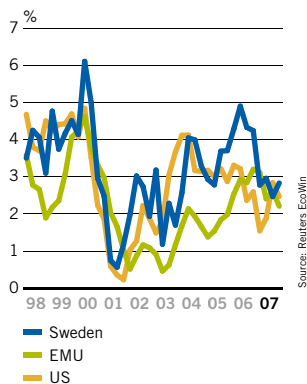
stopped functioning, the Swedish market continued to function essentially as usual, albeit with lower sales.

So far, the Swedish banks have also coped well with the credit turmoil. The Riksbank judged financial stability to be favorable at the end of 2007. Swedish banks were financially strong and had favorable profitability. Corporate and household borrowers displayed the necessary prerequisites to repay their loans. Accordingly, the banks' ability to withstand negative and

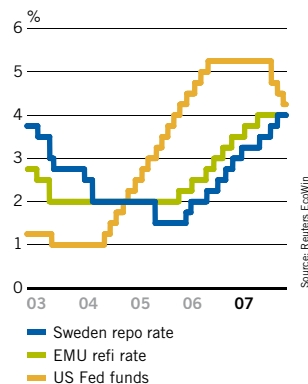
unforeseen events was deemed strong by the Riksbank.

The performance of the Swedish stock market was weaker than in the US and Europe. The rise in the stock market during the first six months of the year reversed toward the end of the year, with share prices eventually falling 3.8% for the full-year 2007. The USD declined significantly in value in relation to the SEK and EUR during 2007. ■

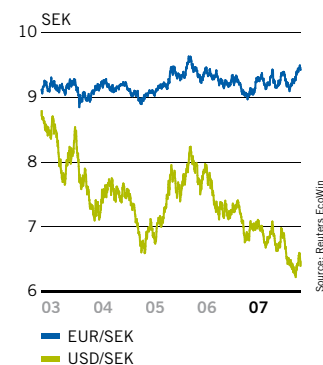
GDP growth



Key interest rates



Currency exchange rates





Bank market

Increased competition in the Swedish bank market

The year 2007 was characterized by intense competition. The strong Swedish economy and housing price trends favored growth in the mortgage market. Industry migration between banking and insurance continued.

Swedish banks in 2007

For several years, Länsförsäkringar has held a position within banking, insurance and pensions. Industry migration between the banking and insurance sectors continued during the year and Swedish and foreign players were established in the market. For example, Swedbank initiated cooperation with Folksam and Nordea began selling Vesta non-life insurance.

The banks also gained ground among real-estate brokers with the aim of simplifying the distribution of mortgage lending. The 24 regional insurance companies have owned Länshem Fastighetsförmedling for several years. In 2007, Danske Bank purchased Skandiamäklarna and DnB NOR

purchased Svensk Fastighetsförmedling.

At the same time, the significance of the Internet has grown as online services have improved and developed. Banks, regardless of their size, have become more accessible to customers thanks to Internet banking services. The banks that best understand customer demands for online services will have an advantage. At the end of 2007, the banks had approximately 6.5 million Internet customers in a country with a total population of 9 million.

Mortgage market

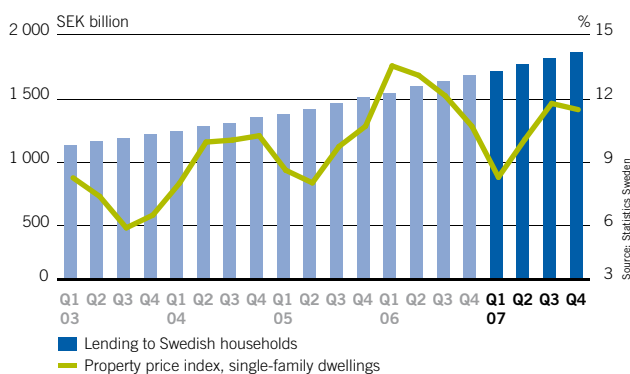
Housing price trends remained strong during the year, with a price increase of 11% for 2007. The strong Swedish economy,

increasing incomes, abolished property tax and strengthened purchasing power, combined with low interest rates, were the driving forces behind the trend.

Loan origination increased in 2007 and total lending from mortgage institutions amounted to SEK 1,412 billion (1,250). Households became more indebted, while the value of the assets increased significantly due to strong housing price trends. In 2007, the repo rate was raised from 3.00% to 4.00%. This increased household interest expenses for mortgages and contributed to a weakening of housing price trends toward the end of the year.

Competition among the banks in the mortgage market was intense. Läns-

Lending to households and housing price trends



försäkringar captured 7% of market growth and strengthened its position as the sixth largest player in the mortgage market, with a total market share of 3.4%.

Savings market

The net wealth of Swedish households increased to SEK 8,864 billion (6,403). The labor market remained strong, incomes increased and household purchasing power strengthened. Household bank savings increased substantially to slightly more than SEK 831 billion (712) at the end of 2007. Länsförsäkringar's market share for deposits was 2.9%.

Approximately 74% of all Swedes save in funds. Including premium pension savings, this number increases to 94%. The range of funds is expanding as customer interest grows. In 2007, some 80 fund companies offered savings in approximately 4,200 funds. At year-end 2007, total fund savings amounted to about SEK 1,650 billion (1,500). Länsförsäkringar is Sweden's fifth largest fund company, with a market share of 3.9%.

Customer interest in structured products with asset protection, such as stock index bonds, increased substantially during the year. In 2007, stock index bonds totaling SEK 94 billion (59) were sold in the market.

Payment flow

During 2007, the trend of using bank cards as a means of payment continued to increase. The number of payments made with bank cards is growing, with cards being used increasingly often and for smaller amounts. Bank cards account for approximately 60% of the total number of transactions.

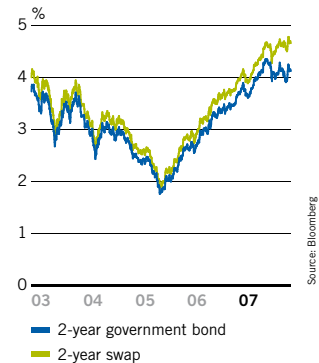
The number of payments made via Internet banking is increasing and is the most common method used by customers for paying bills.

The payment market will face major changes when SEPA (Single Euro Payment Area) is fully implemented in 2010. SEPA's objective is to create a common, borderless payment area, primarily within the euro area, that will also affect non-euro countries, including Sweden. SEPA aims to enable simpler, cheaper and faster payments within Europe.

Bank customers

Intense competition and customer awareness resulted in an increase in transparency in the bank market. Product price, quality and service are crucial to customer relations and sales. It is through personal interaction that relationships are established. Customers are also demanding faster and simpler self-service, through such channels as the Internet. ■

Interest-rate trends for government bonds and interest-rate swaps





Lending

Substantial growth in mortgage loans

Länsförsäkringar's mortgage volumes increased substantially and its market share was strengthened. The new risk classification approach, IRB, demonstrated that the credit quality of the credit portfolio is extremely high. The geographic spread and loan-to-value ratios are favorable and customers are primarily private individuals using private residences as collateral.

Offering

Länsförsäkringar offers mortgage loans for private residences, tenant-owned apartments and, to a certain extent, apartment buildings. In addition, the company also offers unsecured loans, overdraft facilities and loans to farmers. Leasing and financing operations – for machinery financing, cars, campers and leisure boats, for example – are offered by the subsidiary Wasa Kredit.

Operations during the year

Total lending rose to SEK 67 billion (54) during the year, an increase of 24%. Mortgage lending rose to SEK 48 billion (37), an increase of 30%. This increase in mortgage lending was due to the increasing number

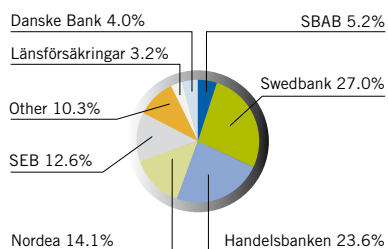
of customers who became aware of the offering enabling customers to gather their household insurance, salary accounts and mortgages in Länsförsäkringar. Länsförsäkringar captured 7% of market growth. At the end of the year, Länsförsäkringar also acquired the Swedish retail mortgage portfolio from Kaupthing Bank worth SEK 1.2 billion. The market share for mortgage loans increased to 3.4% (3.0) and the market share for mortgage loans and bank lending to households increased to 3.2% (2.8).

Agricultural operations

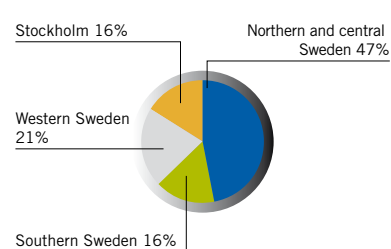
Länsförsäkringar has cooperated with Landshypotek for several years to provide first-lien mortgages on agricultural proper-

ties. This cooperation ended on February 10, 2008 and Länsförsäkringar began offering its customers first-lien mortgages for agricultural and forestry properties. Second-lien mortgages for agricultural properties and operating credits for agricultural operations are offered by Länsförsäkringar's banking operations. On December 31, 2007, agricultural mortgages amounted to SEK 3.0 billion (2.8). The agricultural market reported positive trends during the year, with rising grain and milk prices. Mortgage lending increased and investments were made in agricultural operations. During the year, Wasa Kredit began offering machinery financing for agricultural operations, a product that has performed favorably.

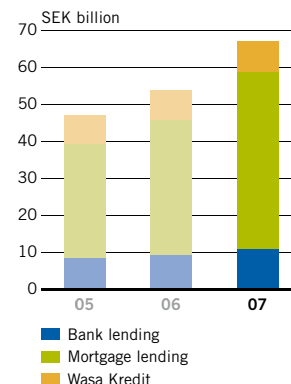
Market shares, lending bank and mortgage lending



Geographic distribution, mortgages



Lending volumes



The number of agricultural customers increased to 45,000 (40,000) during the year.

Favorable credit quality

The new risk classification approach, IRB, was introduced in February 2007, and showed that Länsförsäkringar has excellent credit quality in its credit portfolio. The geographic distribution and loan-to-value ratios are favorable. Customers are private individuals who use private residences as collateral for mortgages. Credit quality and risk classification provide additional opportunities to diversify risks and pricing for customers.

The number of doubtful receivables is low, having dropped during recent years. Net loan losses amounted to SEK 51 M (38). Household exposure accounts for 95% of the credit portfolio and agricultural operations for slightly less than 5%. In total, 96% of the loans amount to a maximum of SEK 500,000.

Covered bond operations

Essentially all lending that is conducted through Länsförsäkringar Hypotek qualifies to be included in the covered bond operations. In 2007, an independent review of the operations was performed in accordance with the Swedish Act on Issuance of Covered Bonds (2003:1223). The review was carried out at the request of the Swedish Financial Supervisory Authority and showed that all requirements were met.

In accordance with the act, the covered bonds carry preferential right in the issuing institution's cover pool. On December 31, 2007, the cover pool had a volume of SEK 45 billion, comprising mortgage loans with Swedish private residences as collateral. The number of properties in the cover pool amounted to 64,952.

Cover pool	December 31, 2007
Volume:	SEK 45 billion
Collateral:	Private homes
Weighted average LTV:	59%
Seasoning:	27 months
Number of properties:	64,952
Average commitment:	702,000
Average loan:	327,000
Interest-rate type:	variable 47% fixed 53%

Favorable geographic distribution in Sweden

Simplified lending routines

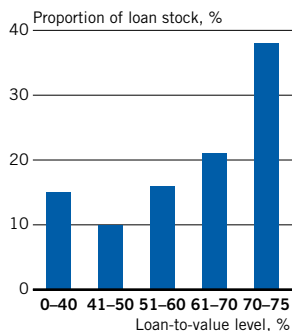
During the year, lending routines were further simplified to create better customer meetings. Measures such as improving the integration of the property register and the Swedish Credit Information Center are intended to provide advisors and customers more efficient credit handling. For example, an online loan application service is now included in the credit rating system, which enables customers to have their credit rated and receive a credit decision immediately. Improvements to and simplification of online credit management will also be carried out in the future. ■

Products

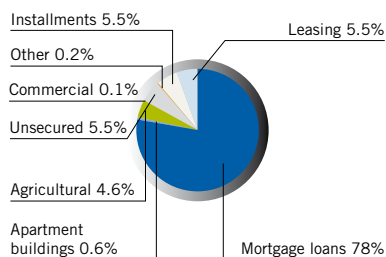
- Mortgage loans
- Unsecured loans
- Overdraft facilities
- Loans to farmers
- Leasing
- Installments



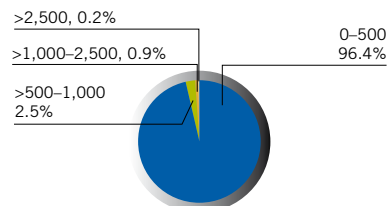
Loan-to-value distribution, mortgages



Distribution of loan portfolio by product



Distribution of loan portfolio by size



Savings

Increased deposits and active fund strategy



Deposit volumes increased, particularly during the second half of the year. Customers transferred their investments to more secure savings, such as savings accounts, fixed-interest accounts and stock index bonds. As part of the company's active fund strategy, Länsförsäkringar placed growing demands on external fund managers.

Offering

Länsförsäkringar has a broad range of savings and investment products. Savings accounts offer a favorable interest rate and free withdrawals. Salary accounts are customers' transaction accounts. Fixed-interest accounts provide customers with fixed-term savings over a period of three months, one, two or five years, with a highly favorable interest rate. Customers can save directly in 31 funds with a variety of investment orientations and purchase stock index bonds. Using the share trading service, customers can purchase Swedish share-related securities listed on the OMX Nordic Exchange Stockholm and the Equities Market Place

(Aktietorget) and Swedish interest-bearing securities online. Savings products for agricultural operations include business accounts, investment accounts, forestry accounts and forest damage accounts. Forestry accounts and forest damage accounts are also available as fixed-interest accounts.

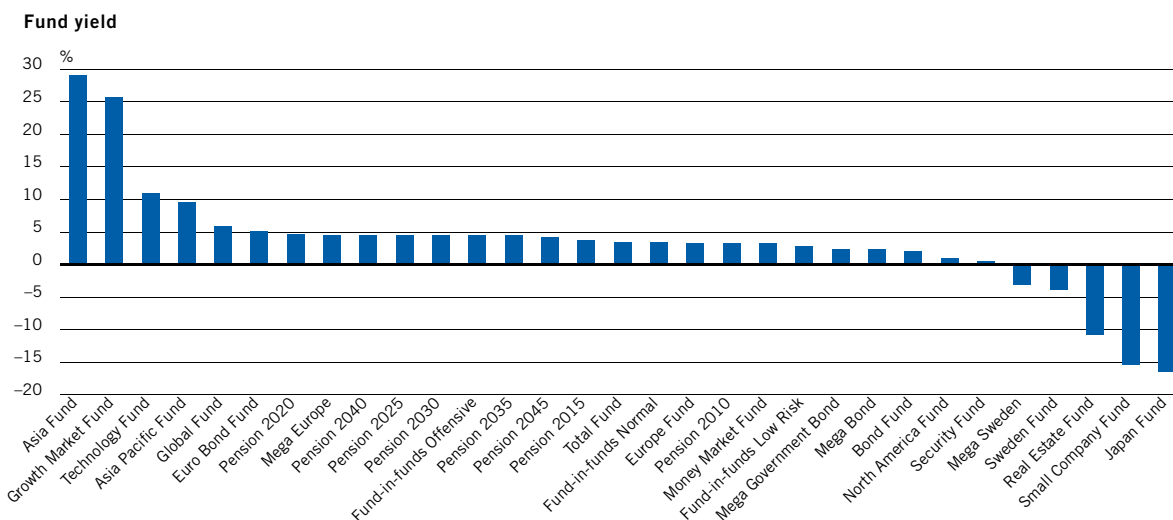
The banking operations also offer life assurance, capital insurance and pension insurance through Länsförsäkringar Liv.

Operations during the year

In 2007, total deposits increased by 22% to SEK 30 billion (24). The market share, measured as deposits from households amounted to 2.9% (3.0). This increase in

deposits was due to market growth and primarily to customer requirements for more secure investments, particularly during the second half of the year. Fixed-interest accounts and savings accounts increased most.

Fund savers reweighted their holdings from equity funds to fixed-income funds and savings accounts due to the decline of the stock market. The number of deposit customers rose to 15,000 and transaction volumes in share trading increased by 5%. Deposits from agricultural operations rose to SEK 2.4 billion (2.0), an increase of 20%.



Improved offering to fund savers

Länsförsäkringar is the fifth largest fund company in Sweden, with a market share of 3.9% (3.9). The market share measured as sales on a 12-month rolling basis, amounted to 6.8% (3.6). On December 31, 2007, SEK 65 billion (62) was managed in 31 (30) mutual funds with various investment orientations.

During the autumn, parts of the fund operations were integrated into the bank to provide customers with a more homogeneous offering. For example, an offering that includes pregnancy insurance, fund savings and child insurance in a single package was launched in November 2007.

During the year, Länsförsäkringar's stock funds generated returns between positive 29.2% and negative 16.5%. The strongest return was generated by the Asia Fund, at 29.2%, and the Growth Market Fund, at 25.7%. A total of 19 (6) funds surpassed their index, which is the highest number to date. In addition, eight funds were upgraded by Morningstar and three received the highest rating during the year. Of the 30 largest fund companies, measured by the number of funds with a Morningstar rating, Länsförsäkringar Fondförvaltning is ranked first, with an average of 3.68 stars with a three-year rating. Morningstar's overall rating comprises a weighted average of the three, five and ten-year ratings. Länsförsäkringar's overall rating is an average of 3.36 stars, corresponding to a fifth-place ranking. The aim of the management strategy is to find the optimal manager for each fund. During the year, four funds changed managers as part of the new strategy, including three fund-in-funds, which resulted in improved yield after the manager switch. On December 31, 2007, three funds were managed by Länsförsäkringar Fondförvaltning and 28 funds had external management.

Successful stock index bonds

Länsförsäkringar offers stock index bonds in cooperation with HQ Bank. Some 20

new stock index bonds with various structures, maturities and market exposure were issued during the year and were highly successful due to decline and turmoil in the stock market. Sales of stock index bonds increased to SEK 261 million.

Customer protection strengthened by MiFID

On November 1, 2007, Länsförsäkringar's adjustment to the new Securities Markets Act began. The background to the new act was the EU's Markets in Financial Instruments Directive (MiFID), which was adopted to increase customer protection. Länsförsäkringar's adjustment to the act primarily affected the online share trading service and advisory meetings concerning sales of funds and stock index bonds. The new act resulted in clearer and more extensive information and improved customer protection in connection with customer investments in securities.

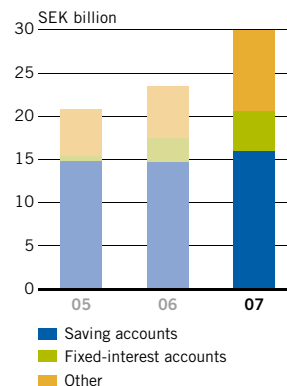
Fast process for switching banks

Länsförsäkringar has a smooth and fast process that enables customers to switch banks easily. It takes no more than 30 minutes for customers to switch banks at one of the regional insurance companies' offices. Using the Internet, customers are able to open savings and personal accounts themselves. The percentage of accounts opened online increased to 15% during the year. ■

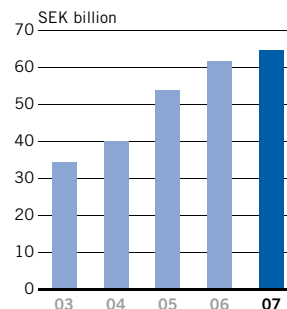
Products

- Personal accounts (salary accounts)
- Savings accounts
- Fixed-interest accounts
- Premium bonds
- Funds
- Stock index bonds
- Share trading service
- Savings products for agricultural operations

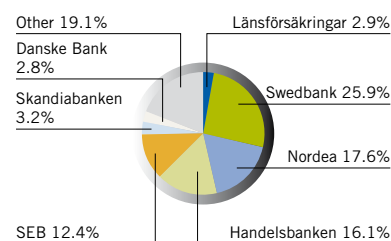
Deposit volumes



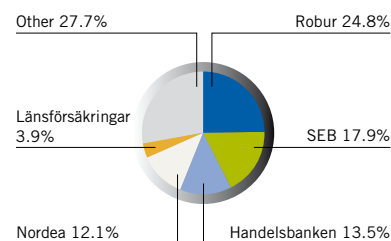
Fund volumes



Market shares, deposits



Market shares, funds





Payments

Increased investment in Internet banking and cards

The number of household financing customers increased during 2007. The bank became a card issuer and bank card use and income from card transactions rose, while the cost of card transactions decreased. Card security also increased, which resulted in more secure transactions.

Offering

Länsförsäkringar's payment services are available online and using bank cards. Bank card customers can withdraw money from all ATMs in Sweden and abroad. The regional insurance companies own and manage 67 (56) ATMs in Sweden. Bank card customers can also withdraw cash at ICA supermarkets throughout Sweden and make deposits and withdrawals at Svensk Kassaservice (Swedish Cashier Service). Following the closure of Svensk Kassaservice in 2008, an agreement will be signed with a new partner.

Operations during the year

Payment transactions rose to SEK 65 million (43), which is an increase of 52%. Of these payments, 95% (94) were Internet payments. The number of card customers amounted to 151,000 (127,000) and the number of Internet bank customers amounted to 301,000 (277,000). Of the payment services, bank card transactions, bank giro and private giro accounted for the largest volumes. These increased volumes demonstrate that expanded online self service was a major customer success and an excellent complement to personal meetings.

Länsförsäkringar's payment services were improved during the year to make it easier for customers to open accounts and share deposits, order cards, code generators and PIN codes, and start fund savings online. Customer opportunities for improved self-service increase accessibility.

Household financing customers, with salary accounts and bank or credit cards, have all the necessary services to manage their finances from home. During the year, the number of household financing customers rose to 129,000 (113,000), a customer proportion of 20% (18).





Products

- Visa credit/debit card
- MasterCard bank card
- Foreign payments
- Electronic invoices
- Private giro
- Bank giro
- Internet payments
- ATMs
- Auto giro
- Bank ID

Card issuer and increased security

In May 2007, Länsförsäkringar became a card issuer, thereby reducing its production costs and increasing security. All bank cards have a chip that increases security when the card is used at ATMs and in stores. In the spring, an additional service was launched that enabled PIN codes to be retrieved via the Internet bank rather than being sent to customers. This service is much appreciated by customers because it enables them to receive their new PIN codes faster and more securely. The service has been used by more than 60% of card

holders during the year. Since the autumn, customers have been able to order and sign for cards and overdraft facilities online using Bank ID.

The 24 regional insurance companies' payment flows

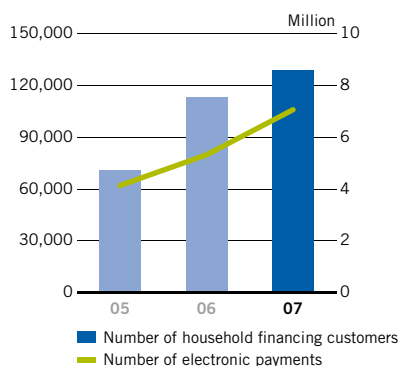
Both Länsförsäkringar Bank and the 24 regional insurance companies benefit from using the company's own bank. An important part of the offering within the Länsförsäkringar Alliance involves managing the flow of deposits and payments to the bank. In 2007, the number of transactions

by the regional insurance companies increased from three to 12 million.

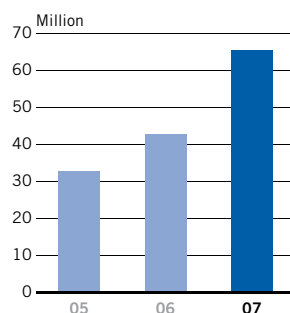
SEPA

Work on the common European structure – the Single European Payment Area (SEPA) – continued during 2007 and the structure is expected to be fully implemented by 2010. One of SEPA's aims is to simplify customers' use of bank cards in Europe and to create a borderless European payment market. ■

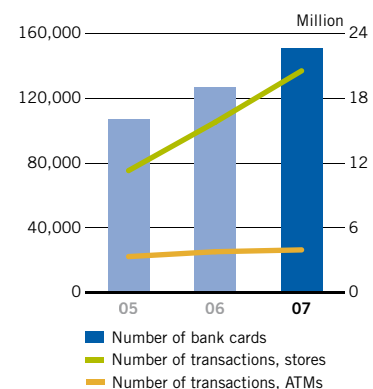
Household financing customers and electronic payments



Total number of payments



Number of bank cards and card transactions





Borrowing operations

Covered bonds

The Banking Group's deposits and lending are stable and increasing. Growth within mortgage lending in the subsidiary Länsförsäkringar Hypotek has prompted the Banking Group to diversify its borrowing in the Swedish and international markets. Accordingly, Länsförsäkringar Hypotek began issuing covered bonds on June 18, 2007.

Borrowing strategy

Most of the banking operations' borrowing occurs through the subsidiary Länsförsäkringar Hypotek. The aim of the borrowing operations is to cover short and long-term capital requirements. The objective is to do so at a price in line with competitors' best prices.

Länsförsäkringar Hypotek's primary area of focus is Swedish institutional investors and its secondary area of focus is European institutional investors. As a new issuer of covered bonds, the company focuses on establishing a benchmark curve in the Swedish market. Borrowing occurs continuously through on tap issues. In 2007, market mak-

ers for the covered borrowing were Danske Consensus, Swedbank, SEB and Nordea. A repo facility is linked to the covered bonds to help maintain favorable liquidity.

Introduction

On June 18, 2007, Länsförsäkringar Hypotek introduced covered bonds in the Swedish market. The introduction was executed through an exchange offer directed toward holders of bonds issued under Länsförsäkringar Bank's borrowing programs. The exchange was highly successful, with 100% of investors in the benchmark program and 92% in the Swedish MTN program accepting the offer. On June 26, 2007,

a corresponding exchange offer was also implemented for bonds issued under the Parent Company's EMTN program, for which the acceptance rate was 77%. On December 31, 2007, Länsförsäkringar Hypotek had three benchmark loans outstanding, with maturity dates between 2009 and 2011.

On December 31, 2007, long-term borrowing amounted to SEK 46 billion (32), of which covered bonds accounted for SEK 37 billion. Short-term borrowing, which is conducted through Länsförsäkringar Bank, amounted to SEK 7 billion (4).

Covered bonds

		The covered bonds were assigned the highest credit rating from Moody's.		Issuance of the covered bonds began.	
March 23, 2007	May 29, 2007	June 7, 2007	June 18, 2007		
Länsförsäkringar Hypotek received a permit from the Swedish Financial Supervisory Authority to issue covered bonds in accordance with the Swedish Act on Issuance of Covered Bonds (2003:1223).		The covered bonds were assigned the highest credit rating from Standard & Poor's.			

OMX bond index

In October, Länsförsäkringar Hypotek's covered-bond loans 501, 502 and 503 were included in the OMX bond index. To be included in the index, bonds must be listed as OMX STO Benchmark Bonds, have a minimum nominal volume of SEK 3 billion and adequate market pricing.

Rating

In February 2007, Länsförsäkringar Bank's credit rating was raised from A- to A (stable) by Standard & Poor's and from A3 (stable) to A2 (stable) by Moody's. In February, Standard & Poor's also raised the rating for short-term borrowing from A-2 to A-1. Moody's raised the rating for short-term borrowing from P-2 to P-1 and Länsförsäkringar Bank's financial strength rating was raised from C- to C. The increase was a confirmation of the banking opera-

tions' positive trend and strategic significance for the Länsförsäkringar Alliance. The high capital adequacy, high credit quality and continued positive improvements in the performance of the banking operations were also cited as reasons for the upgrade.

On May 29, 2007, Länsförsäkringar Hypotek's covered bonds were assigned the highest credit rating, Aaa, from Moody's. On June 7, 2007, the covered bonds also were assigned the highest credit rating, AAA, from Standard & Poor's. Accordingly, Länsförsäkringar Bank became one of three players in the market for covered bonds with the highest rating from both rating agencies.

Liquidity management

The bank's liquidity portfolio comprises investments with high credit quality in SEK. On December 31, 2007, the percent-

age of government securities amounted to approximately 50%. The remaining portion comprised short-term investments in bank and mortgage bonds, as well as covered bonds or mortgage bonds that will become covered bonds in the near future. The level of liquidity in investments is extremely high and all investments can be used as collateral for loans from the Riksbank. The liquidity available on December 31, 2007 was sufficient to cover refinancing needs for more than 12 months.

In December, the bank became the eighth counterparty to the Riksbank regarding repos and now participates in the system for liquidity compensation, which provides an opportunity for managing access to liquidity. For more information about risk and liquidity management, see page 28. ■

RATING

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Bank	Standard & Poor's	A/stable	A-1(K-1)
Länsförsäkringar Bank	Moody's	A2/stable	P-1
Länsförsäkringar Hypotek*	Standard & Poor's	AAA	–
Länsförsäkringar Hypotek*	Moody's	Aaa	–

* Refers to the company's covered bonds.

BANK BORROWING PROGRAMS

Program	Currency	Framework, SEK M	Outstanding, SEK M
Länsförsäkringar Hypotek's program for covered medium-term notes	SEK	20,000	5,347
Länsförsäkringar Hypotek's program for ongoing issuance of covered bonds	SEK	Unlimited	24,635
Länsförsäkringar Hypotek's program for EUR medium-term covered notes	EUR	2,000 ¹⁾	753 ¹⁾
Länsförsäkringar Bank's program for MTN	SEK	20,000	18,6
Länsförsäkringar Bank's program for issuance of benchmark loans	SEK	Unlimited	0.1
Länsförsäkringar Bank's program for CP	SEK	15,000	6,610
Länsförsäkringar Bank's program for ECP	EUR	1,500 ¹⁾	–
Länsförsäkringar Bank's program for EMTN	EUR	2,000 ¹⁾	229.8 ¹⁾

¹⁾ Amounts in EUR M.



Sustainability

Business development for sustainable development in society

In June 2007, a new environmental action plan was introduced throughout the Länsförsäkringar Alliance, which stipulated that environmental issues must be a natural part of the operations in all agreements and with all counterparties. In 2007, the environmental work of the banking operation focused on increasing efficiency in customer processes, improving and simplifying Internet services and reducing the amount of paper used and was carried out in cooperation with such groups as the Swedish Society for Nature Conservation.

Environmental management system

Länsförsäkringar Bank is certified in accordance with ISO 14001:2004. This certification ensures that environmental work carried out within the operation is conducted in a systematic and efficient manner and is integrated into the company. By gradually making improvements, the environmental impact of the operation will decrease so that products and services can be sold with environmental credibility.

New action plan

In June 2007, a new environmental action plan was introduced throughout the Länsförsäkringar Alliance. Environmental issues must be a natural part of operations in all agreements and with all counterparties. Through environmentally driven business development, active external environmental communications and dedicated managers and employees, Länsförsäkringar can contribute to the public debate and an improved sustainable society. In 2008, Länsförsäkringar will invest in more environmentally friendly travel to reduce carbon-dioxide emissions and continue to provide environmental training for its managers and employees.

The bank's environmental work and objectives

By practicing environmental consideration in its business development, Länsförsäkringar aims to achieve a stronger customer offering and reduce its impact on the environment. During 2007, Länsförsäkringar continuously informed its customers about its more efficient services that create a reduced impact on the environment. In 2007, the environmental work of the banking operations focused on increasing efficiency in customer processes, improving and simplifying Internet services and reducing the amount of paper used. More customers opened accounts and switched banks online. In 2007, 16% of the Banking Group's customers chose not to receive a printed six-month statement and other balance statements. For its annual balance statements for 2007, the company sent the annual statements from the fund company and the bank together in one envelope, which provides a more coordinated overview of the customers' banking and fund commitments.

Cooperation for a better environment

During 2007, the banking operations conducted a campaign to encourage customers

to stop having bank statements sent home. For every customer that waived their right to have a bank statement sent home, the bank donated SEK 10 to the Swedish Society for Nature Conservation's project to review the municipalities' readiness in the event of floods. In November 2007, the bank signed an agreement to work toward a sustainable construction and real estate sector by becoming a player in the Building/Living Dialogue Project. The participants in this project aim to implement commitments to create a healthy indoor environment and efficient use of energy and resources.

Common environmental policy

The environmental work carried out within the Länsförsäkringar Alliance is based on a common environmental policy. The policy states that the environment shall be taken into consideration in decisions that are made and actions that are taken to reduce the Group's environmental impact. The environmental policy also emphasizes the importance of competence development and of influencing customers and suppliers to contribute to sustainable development in society. ■





Employees Dedicated and motivated employees

Länsförsäkringar's values of customer benefits, consideration and results characterize the company culture. Management by objectives is based on individual target contracts, which are established by employees and their managers with a direct link to the business plan. The employee survey for 2007 revealed that dedication and motivation are high among the company's employees.

Länsförsäkringar's company culture

The company culture is characterized by Länsförsäkringar's values of customer benefits, consideration and results. Länsförsäkringar is proud of its long history and strong market position in insurance.

High goals

The banking operation has high business goals that require motivated and dedicated employees. To achieve these goals, Länsförsäkringar works to continuously improve competence development and follow-up on the individual target contracts. Healthcare and individual health plans help the company's employees remain healthy.

Thriving and loyal employees

The Banking Group has 335 (293) employees, of which 172 (138) are women. The average age among employees is 41 and 76% have worked for the company for up to ten years. The average length of employment is 10 years. Employee turnover is a low 9% (6). Employee loyalty to the bank is strong and employee satisfaction is exceptionally high. At 2.8%, sickness absence is extremely low, but this figure has continued to drop slightly in recent years. Whenever an employee is absent due to illness, he or

she is contacted by a nurse who provides medical advice. In addition, all employees are covered by medical insurance.

Competence development

Over a short period of time, Länsförsäkringar has grown and become Sweden's sixth largest retail bank. This was possible thanks to the company's employees, who built up the bank's business and position during the same period. As in recent years, project development and implementation in 2007 required considerable resources. During the year, training has been carried out in several areas. Investments in competence development are made continuously based on each employee's professional role for the purposes of securing staffing and providing supplemental training or expanding competence when necessary. Achieving the critical competence for the business requires continuous competence development, which Länsförsäkringar carries out in a structured and systematic manner.

Management by objectives

In the banking operations, salaries and other remunerations are kept at market level to attract the right employees. The management-by-objectives model uses target con-

tracts that offer extra remuneration if the goals are met by the employee. Employees, together with their managers, formulate target contracts that are directly linked to the objectives of the bank. The aim is that these individual goals will enable each employee to understand his or her part in the banking operations. Each target contract contains a maximum of five weighted goals and the reward for fulfilling the goals is extra remuneration based on the bank's results.

Satisfied employees

The 2007 employee survey revealed that the company's employees are satisfied with their work. The employee index of the survey showed that the criteria that received the highest marks were often ranked as the most important for ensuring motivation and dedication at the workplace.

Leadership program

Länsförsäkringar's leadership is characterized by consideration, respect, empathy and curiosity about diversity. A leader should always be a role model and dedicate time to practicing his or her leadership skills. Approximately 63% of managers are men and 37% are women. Leadership is measured using a leadership index, according to which



the bank's leadership received an extremely positive ranking during the year. In addition, a leadership program was established in 2007, the aim of which is to strengthen the leadership of the company's managers and broaden their perspective when it comes to business and economic environments.

Work environment, healthcare and health

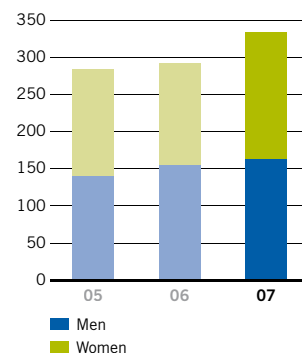
Länsförsäkringar works systematically to deal with health issues and offers healthcare and exercise opportunities in its own premises. The 2007 health index survey revealed that work environment and employee health were ranked highly among the company's employees.

Strengthened brand in the recruiting market

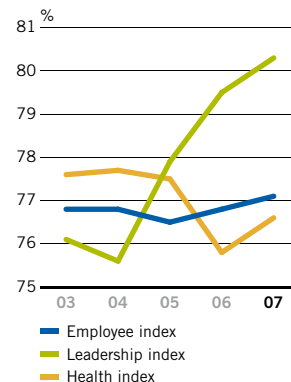
Competition in the recruiting market is intensifying. In the 2007 Företagsbarometer survey, which is targeted at university students in Sweden, Länsförsäkringar received an extremely high mark. The regional insurance companies throughout Sweden, in particular, are noticing that competition for employees and competence requirements are intensifying. One advantage that the company holds is that Länsförsäkringar has the strongest brand in the private and commercial markets within banking, insurance and pensions according to SIFO's survey for 2007. ■



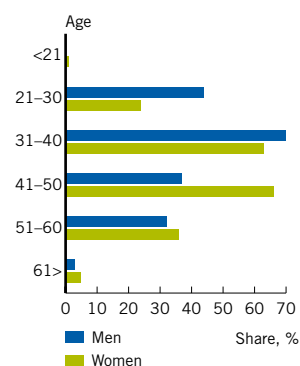
Employee distribution, women/men



Employee index



Age distribution 2007



Board of Directors' Report

The Board of Directors of Länsförsäkringar Bank AB (publ) hereby submits the Annual Report for 2007.

GROUP

Ownership and Group structure

Länsförsäkringar Bank is part of the Länsförsäkringar AB Group, with Länsförsäkringar AB as the Parent Company, which is owned by 24 independent and customer-owned regional insurance companies and 14 local insurance companies. The regional insurance companies offer customer products via their three core businesses: banking operations, non-life insurance and life assurance. Länsförsäkringar Bank is 100%-owned by Länsförsäkringar AB (publ) (556549-7020).

The Banking Group comprises the Parent Company Länsförsäkringar Bank AB (publ) (516401-9878) and the wholly owned subsidiaries Länsförsäkringar Hypotek AB (556244-1781), Wasa Kredit AB (556311-9204) and Länsförsäkringar Fondförvaltning AB (publ) (556364-2783). All companies are domiciled in Stockholm.

Operations

The Group offers private individuals and farmers payment services, savings and lending products. It also carries out commercial lending activities through the wholly owned subsidiary Wasa Kredit in the form of leasing and installment plans.

Länsförsäkringar Bank works through 24 independent regional insurance companies who are responsible for providing service, distribution and sales of the bank's products. The bank's customers can receive financial advice and services from any of the regional insurance companies' just over 100 (90) branches that conduct banking operations. The bank branches are located at, or adjacent to, the regional insurance branches. The regional insurance companies are reimbursed for sales, administration and customer care through a reimbursement system based on volumes managed.

The total number of customers in the Banking Group amounted to 665,000 (640,000).

Total assets

In 2007, total assets increased by 36% to SEK 85 billion (63).

Lending to the public rose by 24% or SEK 13 billion to SEK 67 billion (54), with all lending in Swedish kronor. Accordingly, lending accounted for 78% of total assets. Mortgage lending by Länsförsäkringar Hypotek amounted to SEK 48 billion (37), an increase of 30%.

Interest-bearing securities (bonds, certificates and treasury bills in the banking operations) rose 97% during the year to SEK 11 billion (6).

Deposits from the public rose by 22% or SEK 6 billion to SEK 20 billion (24).

Issued securities increased by 45% or SEK 14 billion to SEK 46 billion (32), of which covered bonds amounted to SEK 37 billion.

Investments, Group, SEK M	Dec. 31, 2007	Dec. 31, 2006	Change in %
Interest-bearing securities	11,069	5,607	+97.4
Lending to the public ¹⁾	67,040	53,884	+24.4
Credit institutions	5,233	2,113	+147.6
Other	1,752	934	+87.7
Total investments	85,094	62,538	+36.1

¹⁾ Including leasing

Financing, Group, SEK M	Dec. 31, 2007	Dec. 31, 2006	Change in %
Deposits from the public	29,735	24,379	+22.0
Credit institutions	707	351	+101.6
Borrowing and issued securities	45,981	31,635	+45.3
Other	3,697	1,939	+90.6
Subordinated loans	1,150	1,050	+9.5
Shareholders' equity	3,824	3,184	+20.1
Total liabilities and shareholders' equity	85,094	62,538	+36.1

Lending portfolio

The table below shows lending broken down by segment. The trend during the year indicates a clear increase in the percentage of mortgage loans.

SEK M	Dec. 31, 2007	%	Dec. 31, 2006	%
Mortgage loans	52,477	78	40,679	75
Unsecured	3,702	6	3,379	6
Installments	3,693	5	3,512	7
Leasing	3,679	5	3,293	6
Agriculture	3,093	5	2,819	5
Apartment buildings	431	1	253	1
Other	220	0	186	0
Lending to the public, gross	67,295	100	54,121	100
Provisions	-255		-237	
Lending to the public, net	67,040		53,884	

Capital adequacy

The new capital adequacy rules, Basel II, were introduced in February 2007.

Accordingly, Länsförsäkringar applies the Internal Ratings-based Approach (IRB approach), in accordance with the permit from the Swedish Financial Supervisory Authority. The aim of the new rules is to achieve enhanced transparency and risk management, and thereby greater stability in the financial system. The advanced risk classification method provides the most opportunities to strategically and operationally manage credit risks and is used for all household exposure. The standardized approach is at present applied to agriculture and other exposures to calculate the capital requirement for credit risk. The changes in the capital base will emerge gradually since the transition rules involve a three-year adaptation period. In 2007, the Group applied a 5% reduction.

In accordance with the applicable transition rules, the capital adequacy ratio amounted to 10.63%, while the Tier 1 ratio amounted to

8.85%. The target level for capital adequacy is 10.5% and for the Tier 1 ratio 8.5%. A deviation of +/-0.5 percentage points is allowed for both targets. The capital requirement for the portion of the portfolio that is now calculated in accordance with the IRB approach and that will apply when the Basel II provisions are fully implemented, declined by 57%, from SEK 3,154 M to SEK 1,356 M.

Unconditional shareholders' contributions totaling SEK 525 M were received from the Parent Company Länsförsäkringar AB during the year.

Earnings and profitability

Profit before loan losses amounted to SEK 290 M (236) and operating profit amounted to SEK 238 M (198). Profit after tax amounted to SEK 176 M (139), which corresponds to a 5.0% (4.6) return on equity.

Income

Net interest income rose 10% to SEK 1,017 M (927), an increase attributable to higher lending and deposit volumes to the public. An amount of SEK 12 M (10) for mandatory government deposit insurance was charged against net interest income. The investment margin – net interest income as a percentage of the average total assets – amounted to 1.43% (1.62). The lower investment margin is attributable to a higher proportion of low-margin products and competition in lending. Net commission declined to negative SEK 45 M (neg: 33). The decline is attributable to higher compensation to the regional insurance companies. Other operating income, including dividends, amounted to SEK 132 M (115). Income rose by a total of 8% to SEK 1,106 M (1,023).

Expenses

Operating expenses rose by 4% or SEK 29 M to SEK 816 M (787). The increase is due to greater functionality and a broader range of products, which led to higher operating expenses. The cost/income ratio was 0.74 (0.77) before loan losses and 0.78 (0.80) after loan losses.

Loan losses

Depending on the product, provisions were mostly made after group-wise appraisal and only to a limited extent after individual review. Net loan losses amounted to SEK 51 M (38). The increase is attributable to the sale during the year of receivables previously written off.

Most satisfied customers

In 2007, Länsförsäkringar had the most satisfied retail bank and mortgage customers in Sweden, according to the Swedish Quality Index survey. Customers consider Länsförsäkringar to be a highly priceworthy alternative. Länsförsäkringar is also ranked the highest by customers in the areas of image, customer expectations, and product and service quality. Within the banking operations, the number of household financing customers rose to 129,000 (113,000) during 2007, which amounts to 20% (18) of total customer base. Household financing customers have personal accounts, cards and internet banking.

Rating

In February 2007, Länsförsäkringar Bank's credit rating was raised from A– to A (stable) by Standard & Poor's and from A3 (stable) to A2 (stable) by Moody's. In

In February, Standard & Poor's also raised the rating for short-term borrowing from A-2 to A-1. Moody's raised the rating for short-term borrowing from P-2 to P-1 and Länsförsäkringar Bank's financial strength rating was raised from C- to C. The increase was a confirmation of the banking operations' positive trend and strategic significance for the Länsförsäkringar Alliance. The high capital adequacy, high credit quality and continued improvements in the performance of the banking operations were also cited as reasons for the raise.

On May 29, 2007, Länsförsäkringar Hypotek's covered bonds were assigned the highest credit rating, Aaa, from Moody's. On June 7, 2007, they were assigned the highest credit rating, AAA, from Standard & Poor's. Accordingly, Länsförsäkringar Hypotek is one of three players in the Swedish market for covered bonds with the highest rating from both rating institutes.

RATING

Company	Agency	Long-term rating	Short-term rating
Länsförsäkringar Bank	Standard & Poor's	A/stable	A-1(K-1)
Länsförsäkringar Bank	Moody's	A2/stable	P-1
Länsförsäkringar Hypotek*	Standard & Poor's	AAA	–
Länsförsäkringar Hypotek*	Moody's	Aaa	–

* Refers to the company's covered bonds.

Key events during the year

- In May, Länsförsäkringar Bank became a card issuer.
- In June, the subsidiary Länsförsäkringar Hypotek began issuing covered bonds after receiving a permit from the Swedish Financial Supervisory Authority in March. The covered bonds received the highest rating from Moody's (Aaa) in May and from Standard & Poor's (AAA) in June.
- In September, the Swedish Quality Index revealed that Länsförsäkringar has Sweden's most satisfied retail bank customers.
- In December, the Swedish Quality Index revealed that Länsförsäkringar has Sweden's most satisfied mortgage customers.
- In December, Kaupthing Bank's retail mortgage portfolio was acquired.

Key events after year-end

On February 13, 2008, former Deputy CFO Anders Borgcrantz was appointed as Acting President of Länsförsäkringar Bank. President Tomas Johansson is sick and will be on sick leave for an extended period of time.

Transition to International Financial Reporting Standards (IFRS)

From 2007, Länsförsäkringar Bank prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS).

Following implementation of the new regulations, the comparative figures for 2006 have been restated. See the restated income statement and balance sheet in accordance with IFRS in Note 46.

The transition to IFRS is primarily affected by IAS 39 and the bank's reporting of financial instruments.

The bank applies hedge accounting when it is deemed the method that best reflects the company's operations. The model comprises loan receivables and borrowing at a fixed interest rate for which the interest-rate risk is hedged using a derivative.

The remuneration paid by the customer in conjunction with premature payment of fixed-term borrowing was previously reported as interest income distributed over the remaining duration of the original loan. This remuneration is recognized in income in its entirety on payment as net profit from financial items at fair value.

Certain fees charged to customers in conjunction with granting of credit are now recognized as interest income instead of commission revenue. Fees related to borrowing (classified as transaction costs) are recognized as interest expense over the duration of the issued security. These fees were previously reported as commission expense.

Environment

Länsförsäkringar Bank is certified in accordance with ISO 14001:2004. This certification ensures that environmental work carried out within the operation is conducted in a systematic and efficient manner and is integrated into the company. By gradually working to make continuous improvements, the environmental impact of the operation will decrease so that products and services can be sold with environmental credibility.

In June 2007, a new environmental action plan was introduced throughout the Länsförsäkringar Alliance. Environmental issues must be a natural part of operations in all agreements and with all counterparties. Through environmentally driven business development, active external environmental communications and dedicated managers and employees, the Länsförsäkringar Alliance can contribute to the public debate and an improved sustainable society. In 2008, Länsförsäkringar will invest in more environmentally friendly travel to reduce carbon dioxide emissions and provide environmental training for its managers and employees.

By practicing environmental consideration in its business development, Länsförsäkringar aims to achieve a stronger customer offering and reduce its impact on the environment. During 2007, Länsförsäkringar continuously informed its customers about its more efficient services that create a smaller impact on the environment. In 2007, the environmental work of the banking operations focused on increasing efficiency in customer processes, improving and simplifying Internet services and reducing the amount of paper used. More customers opened accounts and switched banks online. In 2007, 16% of the Banking Group's customers chose not to receive a printed six-month statement and other balance statements. For its annual balance statements for 2007, the company plans to send the annual statements from the fund company and the bank together in one envelope, which will provide a more coordinated overview of the customers' banking and fund commitments.

During 2007, the banking operations conducted a campaign to encourage customers to stop having bank statements sent home. For every customer that waived their right to have a bank statement sent home, the bank donated SEK 10 to the Swedish Society for Nature Conservation's project to examine the municipalities' readiness in the event of floods. In November 2007, the bank signed an agreement to work toward a sustainable construction and real estate sector by becoming a player in the Building/Living Dialogue Project. The participants in this project aim to implement commitments to create a healthy indoor environment and efficient use of energy and resources.

The environmental work carried out within the Länsförsäkringar Alliance is based on a common environmental policy. The policy states that the environment shall be taken into consideration in decisions that are made and actions that are taken to reduce the Group's environmental impact through continuous improvements. The environmental policy also emphasizes the importance of competence development and of influencing customers and suppliers to contribute to sustainable development in society.

Employees

The banking operation has high business goals that require motivated and dedicated employees. To achieve these goals, Länsförsäkringar works to continuously improve competence development and follow-up on the individual target contracts. Healthcare and individual health plans help the company's employees remain healthy.

Investments in competence development are made continuously based on each employee's professional role for the purposes of securing staffing and providing supplemental training or expanding competence when necessary. Achieving the critical competence for the business requires continuous competence development, which Länsförsäkringar carries out in a structured and systematic manner. In the banking operations, salaries and other remunerations are kept at market level to attract the right employees. The management-by-objectives model uses target contracts that offer extra remuneration if the goals are met by the employee. Employees, together with their managers, formulate target contracts that are directly linked to the objectives of the bank. The aim is that these individual goals will enable each employee to understand his or her part in the banking operations. Each target contract contains a maximum of five weighted goals and the reward for fulfilling the goals is extra remuneration based on the bank's results.

The 2007 employee survey revealed that the company's employees are satisfied with their work. The survey showed that the criteria that received the highest marks were often ranked as the most important for ensuring motivation and dedication at the workplace.

Länsförsäkringar works systematically to deal with health issues. The 2007 health index survey revealed that work environment and employee health were ranked highly by the company's employees.

Competition in the recruitment market is intensifying. In the 2007 Företagsbarometer survey, which is targeted at university students in Sweden, Länsförsäkringar received an extremely high mark. The regional insurance companies throughout Sweden, in particular, are noticing that competition for employees and competence requirements are intensifying.

One advantage that the company holds is that Länsförsäkringar has the strongest brand in the private and commercial markets within banking, insurance and pensions according to SIFO's survey for 2007.

PARENT COMPANY

Strategic cooperation

The cooperation initiated with Landshypotek on January 1, 1998 expired in February 2008.

During the summer of 2002, cooperation was initiated with Svensk Kassaservice (Swedish Cashier Service), allowing the bank's customers to make cash deposits and withdrawals at slightly more than 500 Svensk Kassaservice offices and its partners, and with some 2,300 rural mail carriers. In conjunction with the closure of Svensk Kassa-service in 2008, agreements will be signed with new partners.

Since June 2006, bank card customers have been able to withdraw cash at 1,400 ICA supermarkets throughout Sweden. Based on the agreement, bank card customers can withdraw a maximum of SEK 2,000 in one transaction without making a purchase.

An online share-trading service was developed in cooperation with OMX AB and began operating in November 2002.

In 2003, the Parent Company acquired 10% of the shares in Finansiell ID Teknik BID. From the beginning of 2004, the bank's customers were able to order an electronic Bank ID.

Earnings

Profit before loan losses amounted to SEK 4 M (loss: 15) and operating loss amounted to SEK 4 M (loss: 30). Profit after tax amounted to SEK 0 M (loss: 23).

Group contributions paid by the subsidiary Länsförsäkringar Hypotek amounted to SEK 7 M. The Group contributions were reported directly against shareholders' equity.

Operating income amounted to SEK 382 M (337), while expenses, excluding loan losses, amounted to SEK 378 M (352). Loan losses for the year totaled SEK 8 M (15).

PROPOSED DISTRIBUTION OF THE PARENT COMPANY'S UNAPPROPRIATED EARNINGS (SEK)

Profit brought forward	2,308,734,806
Shareholders' contribution received	525,000,000
Group contribution received, net	4,680,000
Net loss for the year	-13,760
Total	2,838,401,046

The Board proposes that the following amount be brought forward to 2008: 2,838,401,046

The Group's unappropriated earnings amount to SEK 2,868,861,000.

SUBSIDIARIES

Länsförsäkringar Hypotek

In 2007, mortgage lending in the bank's mortgage institution increased by 30% to SEK 48 (37) billion. A total of 85% (86) of lending pertains to private residences, 15% (13) to tenant-owned apartments and 0% (1) to leisure homes and other.

Up to 75% of the market value of mortgage loans is granted by Länsförsäkringar Hypotek and the remainder by the Parent Company.

The market share in lending to the public amounted to 3.4% (3.0). The number of mortgage customers increased by 18% and amounted

to 106,300 (90,400) at December 31, 2007. Operating profit amounted to SEK 58 M (36).

SEK M	2007	2006
Total assets	48,332	36,883
Lending volume	47,555	36,550
Net interest income	236	182
Operating profit	58	36

Wasa Kredit

Wasa Kredit is a finance company whose operations focus on car financing, computer financing, financing for heavy machinery and unsecured loans. Wasa Kredit's operating profit amounted to SEK 98 M (117). The lending volume totaled SEK 9 billion (8). In terms of lending, 41% (40) pertains to car financing, 17% (17) to unsecured loans, 42% (43) to machinery financing and the remainder to supplier financing and leisure.

SEK M	2007	2006
Total assets	9,245	8,438
Lending volume	8,501	8,070
Net interest income	339	355
Operating profit	98	117

Länsförsäkringar Fondförvaltning

Länsförsäkringar is Sweden's fifth largest fund company with a market share of 3.9% (3.9). The market share measured as net sales amounted to 6.8% (3.6). Länsförsäkringar Fondförvaltning manages SEK 65 billion (62) in 31 (30) mutual funds with different investment orientations. Länsförsäkringar's mutual funds are available as direct fund saving, as various unit-linked products and through the PPM system. The vast majority of Länsförsäkringar Fondförvaltning's funds are continuously managed by ABN AMRO Kapitalförvaltning and its parent company ABN Amro Bank NV, but also by Carnegie, Goldman Sachs and Legg Mason.

During the year, Länsförsäkringar's equity funds generated returns between positive 29.2% and negative 16.5%. The Asia Fund and Growth Market Fund generated the highest returns of 29.2% and 25.7%, respectively, during the year.

During the autumn, parts of the fund operations were integrated into the bank to provide customers with a more standardized offering.

Operating profit amounted to SEK 83 M (76). The improvement was due to realized efforts to streamline expenses and continued favorable volume growth. A 62% portion of the increase in assets under management is due to net sales and 38% to value growth.

SEK M	2007	2006
Total assets	263	218
Assets under management	64,562	61,652
Net commission revenue	277	260
Net flow	1,796	3,024
Operating profit	83	76

For more information on the Group and the bank's reported earnings, financial position, average number of employees and capital adequacy, refer to the following income statement, balance sheet, cash-flow statement, supplementary disclosures and capital adequacy analysis.

All figures in the Annual Report are reported in SEK 000s unless specified otherwise.

RISK MANAGEMENT

Responsibility of the Board

The Board of Directors is ultimately responsible for the Banking Group's operations and, as a result, for protecting the Group's affairs and creating risk awareness in the Group. The Board accomplishes these objectives by annually establishing a central risk strategy and a risk policy document that ensure a sound and well-balanced process for risk-taking and risk management. A sound and well-balanced process should be characterized by deliberate focus on changes in the operations and their surroundings. The Board is also responsible for establishing all of the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks. Through the Banking Group's Compliance and Internal Audit functions, the Board is also responsible for ensuring that the requirement compliance and management of risks is satisfactory.

Responsibility of the President

The President is responsible for the administration in accordance with the risk strategies and risk policies established by the Board. This means that the President is responsible for ensuring that the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks as intended and decided by the Board.

The President is the Chairman of an Asset Liability Committee (ALCO), formed on January 1, 2008, whose main task is to follow up on the Banking Group's capital and financial matters. Such issues were previously handled by the Finance Committee.

Responsibility of Risk Control

Risk Control is an independent unit and has an independent position in relation to the commercial operations which it monitors and controls. Risk Control reports to the President. Risk Control is responsible to the Board of Directors for ensuring that risk policies are followed, risk limits are monitored and non-compliance is reported to Board. Risk Control's responsibility for managing risks includes identifying, measuring, following up on, controlling and reporting risks.

The Länsförsäkringar Bank Group is exposed to several risks:

- Credit risk
- Financial risk
- Operational risk
- Business risk

CREDIT RISK

Credit risk is defined as the risk of incurring losses as a result of a counterparty not being able to fulfill its commitments to the Banking Group and the risk that the counterparty's pledged collateral will not cover the Banking Group's receivables. The Banking Group calculates all household portfolios in accordance with the advanced Internal Ratings-based method (IRB), which corresponds to approximately 90% of the Banking Group's assets. This means that a considerable portion of its

credit exposure is calculated using a method that aims to identify and classify risk for each individual counterparty. As a result, the Banking Group is essentially an effective tool that promotes transparent risk analysis and an accurate capital adequacy. A standardized approach is currently used for other exposure.

The loan portfolio consists entirely of credits within Sweden. The majority of the Banking Group's lending portfolio comprises mortgage loans, which are characterized as low average loan-to-value ratios, with favorable geographic spread.

FINANCIAL RISK

Financial risk is a natural part of the bank's operations. Risks must continuously be identified, measured, controlled and reported in a structured and homogeneous manner and according to the methods established by the Board. The overall framework for the financial operations within the Banking Group is defined in the Financial Policy adopted by the Board. The aim of the Financial Policy is to state the Board's approach to the management of financial risk. The Financial Policy primarily comprises the management of:

- Liquidity risk
- Interest-rate risk
- Financing risk
- Currency risk
- Counterparty risk
- Credit risk associated with financial investments

Liquidity risk

Länsförsäkringar Bank's Treasury unit is responsible for liquidity management within the Banking Group.

Liquidity risk is defined as the risk of the Banking Group, due to insufficient cash and cash equivalents, being unable to fulfill its commitments or only being able to fulfill its commitments by borrowing cash and cash equivalents at a significantly higher cost. This definition is closely linked to the definition of financing risk below. Liquidity risk also refers to the risk of financial instruments that cannot immediately be converted to cash and cash equivalents without decreasing in value.

Liquidity is defined as cash and cash equivalents and securities. Liquidity must be accessible within not more than three days.

Liquidity risks associated with the risk of financial instruments decreasing in value are minimized by essentially investing exclusively in high-liquidity instruments in the form of domestic government securities, domestic covered bonds and mortgage certificates that are pledgeable at the Riksbank.

Liquidity risk is quantified using liquidity forecasts that contain all financial cash flows and expected cash flows, as well as the net lending increases adopted.

Monitoring of liquidity is conducted as follows:

- Liquidity is observed every day.
- Risk Control creates a weekly compilation of liquidity.
- Liquidity limits are reviewed quarterly by ALCO on the initiative of the CFO.
- According to a company mandate, the CFO also has the option of immediately raising the limit.

Due to the substantial expansion in lending in recent years, the Banking Group has gone from a surplus of deposits to capital market share issues in the domestic and international markets. In June 2007, the company began issuing covered bonds through Länsförsäkringar Hypotek with the aim of diversifying borrowing sources and minimizing liquidity risk.

Interest-rate risk

Interest-rate risk arises if assets, liabilities and derivatives do not have matching terms. Whenever possible, fixed lending should be matched by corresponding borrowing or through interest-rate derivatives. In principle, this means that no time differences should exist. In practice, this is impossible, so the Board has established interest-rate risk limits. However, these limits are so conservative that the basic principle for matching still applies.

The Financial Policy defines interest-rate risk as a parallel shift in the yield curve of 100 points.

Interest-rate risk for the Banking Group is normally between SEK 5 M and SEK 20 M. As of December 31, 2007, a one-percentage-point increase in the market rate would result in an increase in the value of interest-bearing assets and liabilities, including derivatives, in the amount of SEK 29 M (15).

Financing risk

Financing risk means that the Banking Group, in the event of financing maturity, does not successfully refinance the maturity or only succeeds in borrowing at substantially increased costs. This definition is closely linked to the definition of liquidity risk. By using the largest possible number of financing sources with expanded investor bases and by distributing financing maturities over time, the Banking Group's financing risk decreases. The Banking Group also received an improved rating to a current rating of A from Standard & Poor's and to a current rating of A2 from Moody's. In 2007, Länsförsäkringar Hypotek also received a rating of AAA/Aaa for the covered bonds issues.

Currency risk

Currency risk refers to the risk of a currency changing in value in relation to another currency. Currency risks arise because losses may be incurred if the exchange rate changes negatively. All borrowing that takes place in a foreign currency is swapped before settlement in SEK in accordance with the Financial Policy, thereby eliminating currency risk in its entirety.

Counterparty risk

Counterparty risk is the risk of a counterparty being unable to fulfill its commitments to Länsförsäkringar Bank, which could lead to losses. In this context, counterparty refers to counterparties for interest-rate and currency swaps. The Banking Group has a number of swap counterparties, all with high ratings and established ISDA agreements. For Länsförsäkringar Hypotek's covered bond operations, ISDA agreements are in place, as well as accompanying unilateral CSA agreements. CSA agreements involve commitments concerning delivery and receipt of collateral in the event of market changes affecting swap exposure.

Credit risk in financial investments

Credit risk is the risk of a financial investment not being repaid or only part of the original investment being repaid. The Financial Policy stipulates that investments shall only be made in highly rated securities.

See the description of liquidity risk above.

OPERATIONAL RISK

Operational risk is defined as the risk of losses arising due to inappropriate or unsuccessful internal processes, human error, incorrect systems or external events. This definition also includes legal risks. Based on this definition, operational risk encompasses the entire Banking Group.

Operational risk is primarily categorized into the following areas:

- Internal fraud
- External crime
- Legal risks
- Damage to physical assets
- Interruptions and disturbances to operations and systems
- Risk of error

All significant processes within the Banking Group and the banking operations of the regional insurance companies are required to perform an analysis of the operational risk associated with the process. These risk analyses are included in the Banking Group's total risk assessment in accordance with the Basel regulations. Since the operations, the external environment as well as threats are constantly changing, quality assurance must be regularly performed of the processes. This is carried out to ensure that the risks remain within the Banking Group's tolerance level. Risk analysis is one of the tools used to prepare basis for decision-making to introduce measures for handling significant risk. The purpose of the analysis is to:

- Identify and reduce significant operational risks
- Plan security activities
- Create awareness of operational risks
- Comply with the Swedish Financial Supervisory Authority's requirements for measuring and assessing operational risk

Every part of the organization is responsible for planning an annual risk analysis. Carrying out the analysis and managing the results in an action list. The risk analysis model is based on:

- Predefined events
- Other events

The analysis is normally performed in two stages:

- Stage 1, Risk analysis – Risks are defined and assessed based on their consequences and probability. Risk analyses are conducted once per year.
- Stage 2, Action planning – Action is to be taken for significant risks. Proposed solutions are discussed and implemented. This is carried out continuously within the process in order to manage risk.

Incident management

The Banking Group has developed an IT system for reporting operational risk events or incidents. This system enables all employees to report possible incidents. The system automatically divides the incidents into the categories established by the Swedish Financial Super-

visory Authority. Risk Control periodically prepares a summary of the incidents in its reports.

Incident management is an important part of the Banking Groups operational risk management. Incident statistics contribute to the annual assessment and forecast of operational risk incident reporting enables the company to quickly identify critical problems and act upon these.

Model for assessing operational risk

Assessment of identified operational risk is based on a model that is applied throughout the operation. Each identified risk is assessed on the following basis:

- Consequences – how will the operation be affected if the risk occurs?
- Probability – how likely is it that the risk will occur?

These factors are totaled to determine a risk value for the operational risk. The management within the Banking Group are responsible for performing the risk analyses – that is, identifying and assessing operational risk – within their area of responsibility. All employees have a responsibility to report incidents. The management is responsible for taking action against intolerable risks within their areas of responsibility. The heads of operation are responsible for reporting their analyses and actions to Risk Control.

The President is overall responsible for managing operational risk. The process to identify, measure, control and report operational risk is delegated to the Risk Control unit and the risk manager, who reports directly to the President and Board of Directors. Accordingly, assessments of operational risk are reported continuously as new products, markets or activities are introduced among others.

BUSINESS RISK

According to the Banking Group's definition, business risk comprises the following risks:

- Strategic risk
- Earnings risk
- Reputation risk

Strategic risk

The Banking Group has identified strategic risk as a significant business risk that must be taken into consideration. Strategic risk refers to institutional changes and changes in basic market conditions that may occur. Strategic risk also includes the ability of the Board of Directors and President to plan, organize, follow up on and control the operations and to continuously monitor market conditions.

Earnings risk

Earnings risk is defined by the Banking Group as volatility in earnings that creates a risk of lower income due to an unexpected decrease in income as a result of such factors as competition or volume reductions. Earnings risk is associated with all of the Banking Group's products and portfolios. A considerable portion of Banking Group's business operations is mortgage lending. Mortgage lending has a low level of volatility.

Reputation risk

Reputation risk is difficult to assess, but this type of risk could be devastating for an operation like Länsförsäkringar, which is based on a well-established brand. Reputation risk is the risk of a tarnished reputation among customers, owners, employees, authorities and other parties resulting in reduced income.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

The Banking Group's internal capital adequacy assessment process (ICAAP) was designed based on the requirements of the Basel II rules, the requirements established by the Board of Directors and the internal demands of an increasingly complex business operation. The regulations aimed at financial companies' internal capital adequacy assessment processes are based on principles and are comprehensive in nature. To a large extent, this means that Länsförsäkringar Bank has the option and an obligation to design its process and, in the long run, its scope and level of sophistication. The Banking Group's procedures, implementation and results are to be reported to the Swedish Financial Supervisory Authority annually.

The CFO of Länsförsäkringar Bank is responsible for conducting the process work that leads to an internal capital adequacy assessment for the Banking Group and forms the basis for business planning and Board decisions concerning capital goals and capital forecasts. The CFO is responsible for developing a methodology document that describes the process and shall include at least the following:

- A detailed description of the capital assessment process and the areas of responsibility associated with the process.
- A detailed description of methods for calculating total capital that take Pillar 1 risks, Pillar 2 risks and conducted stress tests into consideration.

The process shall be carried out annually. The process shall include at least the following activities:

- Review of all risks
- Risk assessment
- Stress tests
- Capital calculations

At least once per year, the basic prerequisites for stress tests are to be reviewed by the Board of Directors. This review should act as a guide for the company's continuing work involving stress tests. Work involving stress tests is based on a number of scenarios and the impact of these scenarios on risk within the Banking Group. Risk Control is to participate in the ICAAP in its entirety and, in particular, assume responsibility for carrying out the stress tests. For more detailed information about Basel II, see "Risk and capital management in the Länsförsäkringar Bank Group" on our website.

For further information concerning risk management, see Note 44 Credit risk and Note 45 Capital adequacy analysis.

Five-year summary

Income statement, SEK M	Group					Parent Company				
	2003	2004	2005	2006	2007	2003	2004	2005	2006	2007
Interest income	1,593.7	2,051.0	2,105.8	2,579.2	4,541.1	1,021.6	1,284.1	1,273.3	1,598.3	2,174.3
Interest expense	-893.0	-1,221.3	-1,232.4	-1,652.1	-3,524.2	-685.3	-915.7	-918.2	-1,210.5	-1,738.4
Net interest income	700.7	829.7	873.4	927.1	1,016.9	336.3	368.4	355.1	387.8	435.9
Net commission revenue	-189.8	-111.3	-69.7	-33.0	-44.5	-193.1	-244.0	-230.7	-214.0	-221.4
Dividends received	2.4	3.2	3.4	3.4	3.3	0.1	0.0	0.0	0.1	0.4
Net profit/loss from financial items	-0.4	14.8	10.3	14.5	2.1	-0.4	14.8	4.8	4.6	1.9
Other operating income	91.3	152.2	135.9	111.2	128.2	123.4	147.9	167.1	158.4	164.8
Total operating income	604.2	888.6	953.3	1,023.2	1,106.0	266.3	287.1	296.3	336.9	381.6
General administration expenses	-460.7	-680.1	-717.3	-756.3	-779.4	-271.3	-298.1	-320.6	-331.6	-350.4
Depreciation/amortization	-57.7	-37.1	-33.4	-30.9	-37.0	-49.8	-25.3	-22.3	-20.5	-27.2
Total expenses before loan losses	-518.4	-717.2	-750.7	-787.2	-816.4	-321.1	-323.4	-342.9	-352.1	-377.6
Profit/loss before loan losses	85.8	171.4	202.6	236.0	289.6	-54.8	-36.3	-46.6	-15.2	4.0
Loan losses, net	-38.9	-44.8	-48.6	-37.8	-51.1	-11.1	-8.0	3.7	-15.2	-7.5
Income from banking operations/ operating income	46.9	126.6	154.0	198.2	238.5	-65.9	-44.3	-42.9	-30.4	-3.5
Insurance operations profit	18.0	-	-	-	-	-	-	-	-	-
Tax	-18.6	59.4	-44.7	-59.4	-62.9	18.2	107.4	11.3	7.1	3.5
Net profit/loss for the year	46.3	186.0	109.3	138.8	175.6	-47.7	63.1	-31.6	-23.3	0.0
Balance sheet, SEK M										
Cash and central bank account balances	75.1	146.4	75.6	72.6	71.5	75.1	72.2	75.6	72.6	71.5
Eligible treasury bills	-	-	-	-	7,964.1	-	-	-	-	7,964.1
Lending to credit institutions	602.1	1,577.2	1,296.7	2,113.5	5,233.7	21,076.0	29,923.5	36,875.5	43,293.3	24,554.9
Lending to the public	30,043.7	39,426.5	47,093.5	53,883.6	67,040.0	7,049.3	8,005.7	8,387.0	9,264.2	10,983.8
Shares and participations	3.8	5.2	7.5	9.5	11.1	1,255.7	1,916.6	2,451.9	2,655.9	3,047.5
Bonds and other interest-bearing securities	1,243.1	1,197.7	2,602.8	5,607.4	3,105.3	1,243.1	1,197.7	2,602.8	5,607.3	3,105.3
Derivatives	-	-	-	168.3	545.5	-	-	-	24.3	293.3
Fair value changes of hedged items, in portfolio hedge of interest-rate risk	-	-	-	-101.3	-247.7	-	-	-	-	-0.5
Intangible assets	77.7	82.0	101.4	143.6	246.8	77.7	67.7	86.8	123.2	183.3
Tangible assets	25.6	17.3	12.2	7.6	20.6	7.8	3.4	1.2	0.2	13.2
Deferred tax assets	-	-	-	0.9	5.1	-	-	-	0.8	2.6
Other assets	237.6	307.4	283.2	309.3	371.0	76.8	111.3	73.7	46.2	89.5
Prepaid expenses and accrued income	97.0	255.9	188.3	322.6	726.6	54.8	242.1	241.9	435.7	262.5
Total assets	32,405.7	43,015.6	51,661.2	62,537.6	85,093.6	30,916.3	41,540.2	50,796.4	61,523.7	50,571.0
Liabilities to credit institutions	995.5	195.5	308.4	350.8	707.2	1,037.7	248.6	769.3	526.4	5,866.3
Deposits and borrowing from the public	18,515.7	20,047.8	21,534.8	24,379.4	29,735.3	17,374.4	19,109.4	20,772.3	24,035.4	29,901.5
Issued securities	9,120.1	18,154.6	24,849.8	31,634.6	45,980.7	9,120.1	18,154.6	24,849.9	31,634.6	8,967.4
Derivatives	-	-	-	426.0	300.6	-	-	-	352.8	211.0
Liabilities in insurance operations	5.4	-	-	-	-	-	-	-	-	-
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-	-	-	-45.6	-215.4	-	-	-	-	-
Deferred tax liabilities	-	-	-	15.4	64.4	-	-	-	-	-
Other liabilities	307.5	375.7	295.1	491.9	1,805.5	262.9	198.6	131.1	171.6	268.5
Accrued expenses and deferred income	458.6	728.6	752.5	1,037.1	1,727.5	129.9	230.7	265.5	463.5	385.8
Provisions	21.0	21.8	19.7	13.9	14.1	4.3	6.4	4.3	7.4	9.2
Subordinated debt	1,050.0	1,050.0	1,050.0	1,050.0	1,150.0	1,050.0	1,050.0	1,050.0	1,050.0	1,150.0
Shareholders' equity	1,931.9	2,441.6	2,850.9	3,184.1	3,823.7	1,937.0	2,541.9	2,954.0	3,282.0	3,811.3
Total liabilities, provisions and shareholders' equity	32,405.7	43,015.6	51,661.2	62,537.6	85,093.6	30,916.3	41,540.2	50,796.4	61,523.7	50,571.0

Income statement

SEK 000s	Note	Group		Parent Company	
		2007	2006	2007	2006
Interest income	5	4,541,060	2,579,160	2,174,305	1,598,280
Interest expenses	6	-3,524,157	-1,652,060	-1,738,445	-1,210,497
Net interest income		1,016,903	927,100	435,860	387,783
Dividends received	7	3,330	3,395	364	87
Commission revenue	8	918,879	775,345	143,551	114,020
Commission expense	9	-963,426	-808,383	-364,989	-328,056
Net profit from financial items at fair value	10	2,073	14,480	1,935	4,576
Other operating income	11	128,255	111,221	164,880	158,520
Total operating income		1,106,014	1,023,158	381,601	336,930
Personnel costs	12	-276,289	-273,234	-105,063	-98,576
Other administration expenses	13,14	-503,133	-483,055	-245,364	-233,037
Total administration expenses		-779,422	-756,289	-350,427	-331,613
Depreciation/amortization and impairment of tangible and intangible assets	15	-37,035	-30,879	-27,189	-20,527
Total expenses before loan losses		-816,457	-787,168	-377,616	-352,140
Profit before loan losses		289,557	235,990	3,985	-15,210
Loan losses, net	16	-51,063	-37,796	-7,479	-15,181
Operating profit		238,494	198,194	-3,494	-30,391
Tax	17	-62,914	-59,409	3,480	7,081
NET PROFIT FOR THE YEAR		175,580	138,785	-14	-23,310
Earnings per share, before and after dilution, SEK (number of shares: 9,548,708)		18.39	14.53	0.00	-2.44

Balance sheet

SEK 000s	Note	Group		Parent Company	
		Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
ASSETS					
Cash and central bank account balances		71,517	72,631	71,517	72,631
Eligible treasury bills, etc.	18	7,964,124	–	7,964,124	–
Lending to credit institutions	19	5,233,671	2,113,474	24,554,908	43,293,302
Lending to the public	20	67,039,996	53,883,648	10,983,774	9,264,185
Bonds and other interest-bearing securities	21	3,105,321	5,607,382	3,105,321	5,607,382
Shares and participations	22	11,089	9,489	11,089	9,489
Shares and participations in Group companies	23	–	–	3,036,400	2,646,400
Derivatives	24	545,525	168,329	293,285	24,368
Fair value changes of hedged items in portfolio hedge of interest-rate risk	25	–247,682	–101,380	–509	–
Intangible assets	26	246,805	143,619	183,288	123,173
Tangible assets	27	20,596	7,610	13,242	165
Deferred tax assets	28	5,077	919	2,575	773
Other assets	29	370,986	309,336	89,493	46,177
Prepaid expenses and accrued income	30	726,552	322,587	262,531	435,690
TOTAL ASSETS		85,093,577	62,537,644	50,571,038	61,523,735
LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY					
Liabilities to credit institutions	31	707,233	350,818	5,866,277	526,417
Deposits and borrowing from the public	32	29,735,323	24,379,388	29,901,508	24,035,387
Issued securities	33	45,980,690	31,634,611	8,967,414	31,634,611
Derivatives	24	300,606	425,953	211,030	352,847
Fair value changes of hedged items in portfolio hedge of interest-rate risk	25	–215,459	–45,558	–	–
Deferred tax liabilities	34	64,358	15,384	–	–
Other liabilities	35	1,805,524	491,867	268,543	171,620
Accrued expenses and deferred income	36	1,727,529	1,037,144	385,751	463,513
Provisions	37	14,041	13,925	9,225	7,355
Subordinated debt	38	1,150,000	1,050,000	1,150,000	1,050,000
TOTAL LIABILITIES AND PROVISIONS		81,269,845	59,353,532	46,759,748	58,241,750
SHAREHOLDERS' EQUITY					
	39				
Share capital (9,548,708 shares)		954,871	954,871	954,871	954,871
Other capital contributed		2,477,480	1,952,480	18,380	18,380
Other reserves		–361	–	–361	–
Profit brought forward		216,162	137,976	2,838,414	2,332,044
Net profit for the year		175,580	138,785	–14	–23,310
TOTAL SHAREHOLDERS' EQUITY		3,823,732	3,184,112	3,811,290	3,281,985
TOTAL LIABILITIES, PROVISIONS AND SHAREHOLDERS' EQUITY		85,093,577	62,537,644	50,571,038	61,523,735
Memorandum items					
	40				
Pledged assets		1,605,000	605,000	1,605,000	605,000
Contingent liabilities/guarantees		91,168	93,421	72,025	67,141
Commitments		56,020,588	35,797,767	59,609,880	22,897,001
Other notes					
Company information	1				
Accounting principles	2				
Significant estimates and assessments	3				
Segment reporting	4				
Classification of financial instruments	41				
Maturity overview	42				
Fixed-interest periods	43				
Credit risk	44				
Capital adequacy analysis	45				
Restatement in accordance with IFRS	46				
Disclosures on related parties	47				

Cash-flow statement

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Cash and cash equivalents, January 1	1,835,287	1,063,888	1,551,564	389,384
Operating activities				
Operating profit	238,494	198,194	-3,494	-30,391
Adjustments for items not included in cash flow	297,155	213,157	140,351	98,163
<i>Change in operating assets</i>				
Change in eligible treasury bills	-7,964,124	-	-7,964,124	-
Change in lending to subsidiaries	-	-	21,889,501	-5,495,515
Change in lending to the public	-13,235,530	-6,867,852	-1,730,913	-894,675
Change in bonds and other interest-bearing securities	2,505,002	-2,991,194	2,503,995	-3,000,010
Change in derivative instruments	-377,196	-169,415	-268,917	-24,368
Change in other assets	-61,650	-63,827	-43,315	27,515
<i>Change in liabilities of operating activities</i>				
Change in deposits/borrowing from the public	5,355,935	2,844,645	5,866,121	3,263,078
Change in issued securities	14,346,080	6,784,822	-22,667,197	6,784,823
Change in other liabilities	1,313,657	166,867	96,923	40,525
Change in derivative instruments	-125,348	425,954	-141,817	352,847
Cash flow from operating activities	2,292,475	541,351	-2,322,886	1,121,992
Investing activities				
Acquisition of tangible assets	-18,896	-2,764	-13,145	-193
Disposal of tangible assets	229	708	-	-
Acquisition of intangible fixed assets	-134,540	-65,876	-87,236	-55,599
Acquisition of shares and participations	-1,600	-2,020	-1,600	-2,020
Cash flow from investing activities	-154,807	-69,952	-101,981	-57,812
Financing activities				
Shareholders' contribution received	525,000	300,000	525,000	300,000
Shareholders' contribution paid	-	-	-390,000	-202,000
Increase, subordinated loan	100,000	-	100,000	-
Cash flow from financing activities	625,000	300,000	235,000	98,000
CASH FLOW FOR THE YEAR	2,762,668	771,399	-2,189,867	1,162,180
Cash and cash equivalents, December 31	4,597,955	1,835,287	-638,303	1,551,564
Items not included in cash flow				
Depreciation/amortization	37,035	30,879	27,189	20,527
Unrealized portion of net profit from financial items	-2,941	-13,393	-1,935	-4,576
Loan losses, excluding recoveries	79,182	77,732	11,324	17,441
Change in accrued expenses/income	286,420	217,283	95,397	4,100
Provisions	116	-5,794	1,870	3,020
Change in deferred tax	44,816	15,212	-1,802	-773
Receivable/liability, Group contribution after tax	-60,599	-119,543	4,680	56,333
Income tax	-62,914	-59,409	3,480	7,081
Change in shareholders' equity according to IFRS	-	14,368	-	-4,990
Fair value recognized in shareholders' equity	-361	-	-361	-
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-23,599	55,822	509	-
	297,155	213,157	140,351	98,163
Cash and cash equivalents comprise:				
Cash and central bank account balances	71,517	72,631	71,517	72,631
Lending to credit institutions, terms of up to 3 months ¹⁾	5,233,671	2,113,474	5,156,457	2,005,350
Liabilities to credit institutions, terms of up to 3 months	-707,233	-350,818	-5,866,277	-526,417
	4,597,955	1,835,287	-638,303	1,551,564

¹⁾ Excluding lending to subsidiaries

Change in shareholders' equity

Group SEK 000s	Share capital	Other capital contributed	Other reserves	Profit brought forward	Net profit for the year	Total
Closing balance, December 31, 2005	954,871	1,652,480	–	134,247	109,335	2,850,933
Change to accounting principles due to IFRS				14,368		14,368
Opening balance, January 1, 2006	954,871	1,652,480	–	148,615	109,335	2,865,301
In accordance with decision of Annual General Meeting				109,335	–109,335	–
Unconditional shareholders' contribution received from Parent Company		300,000				300,000
Group contribution paid				–166,630		–166,630
Tax effect of Group contribution paid				46,656		46,656
Net profit for the period					138,785	138,785
Closing balance, December 31, 2006	954,871	1,952,480	–	137,976	138,785	3,184,112
Opening balance, January 1, 2007	954,871	1,952,480	–	137,976	138,785	3,184,112
In accordance with decision of Annual General Meeting				138,785	–138,785	–
Unconditional shareholders' contribution received from Parent Company		200,000				200,000
Conditional shareholders' contribution received		325,000				325,000
Group contribution paid				–84,165		–84,165
Tax effect of Group contribution paid				23,566		23,566
Fair value reserve			–361			–361
Net profit for the year					175,580	175,580
Closing balance, December 31, 2007	954,871	2,477,480	–361	216,162	175,580	3,823,732

Parent Company SEK 000s	Share capital	Statutory reserve	Fair value reserve	Profit brought forward	Net profit for the year	Total
Closing balance, December 31, 2005	954,871	18,380	–	2,012,304	–31,603	2,953,952
Change to accounting principles due to IFRS				–4,989		–4,989
Opening balance, January 1, 2006	954,871	18,380	–	2,007,315	–31,603	2,948,963
In accordance with decision of Annual General Meeting				–31,603	31,603	0
Unconditional shareholders' contribution received				300,000		300,000
Group contribution paid				78,240		78,240
Tax effect of Group contribution paid				–21,908		–21,908
Net profit for the period					–23,310	–23,310
Closing balance, December 31, 2006	954,871	18,380	–	2,332,044	–23,310	3,281,985
Opening balance, January 1, 2007	954,871	18,380	–	2,332,044	–23,310	3,281,985
In accordance with decision of Annual General Meeting				–23,310	23,310	
Unconditional shareholders' contribution received				200,000		200,000
Conditional shareholders' contribution received				325,000		325,000
Group contribution paid				6,500		6,500
Tax effect of Group contribution paid				–1,820		–1,820
Fair value reserve			–361			–361
Net profit for the year					–14	–14
Closing balance, December 31, 2007	954,871	18,380	–361	2,838,414	–14	3,811,290

Notes to the financial statements

Note 1	Company information	37	Note 26	Intangible assets	51
Note 2	Accounting principles	37	Note 27	Tangible assets	52
Note 3	Important estimates and assessments	41	Note 28	Deferred tax assets	52
Note 4	Segment reporting	42	Note 29	Other assets	53
Note 5	Interest income	44	Note 30	Prepaid expenses and accrued income	53
Note 6	Interest expense	44	Note 31	Liabilities to credit institutions	53
Note 7	Dividends received	44	Note 32	Deposits and borrowing from the public	53
Note 8	Commission revenue	44	Note 33	Issued securities	54
Note 9	Commission expense	44	Note 34	Deferred tax	54
Note 10	Net profit/loss from financial items at fair value	44	Note 35	Other liabilities	54
Note 11	Other operating income	44	Note 36	Accrued expenses and deferred income	54
Note 12	Personnel costs	45	Note 37	Provisions	54
Note 13	Other administration expenses	46	Note 38	Subordinated debt	55
Note 14	Remuneration to auditors	46	Note 39	Shareholders' equity according to Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL)	55
Note 15	Depreciation/amortization and impairment of tangible and intangible assets	46	Note 40	Memorandum items	56
Note 16	Loan losses, net	47	Note 41	Classification of financial instruments	56
Note 17	Tax	47	Note 42	Maturity overview	60
Note 18	Eligible treasury bills	47	Note 43	Fixed-interest periods	62
Note 19	Lending to credit institutions	48	Note 44	Credit risk	64
Note 20	Lending to the public	48	Note 45	Capital-adequacy analysis	65
Note 21	Bonds and other interest-bearing securities	48	Note 46	Restatement in accordance with IFRS	67
Note 22	Shares and participations	48	Note 47	Disclosure regarding related parties, pricing and agreements	68
Note 23	Shares and participations in Group companies	49			
Note 24	Derivatives	49			
Note 25	Fair value changes of hedged items in portfolio hedge of interest-rate risk	51			



NOTE 1 COMPANY INFORMATION

The consolidated accounts and annual accounts for Länsförsäkringar Bank AB (publ), Corp. Reg. No. 516401-9878, were presented on December 31, 2007. Länsförsäkringar Bank is a bank registered in Sweden, with its registered office in Stockholm. The address of the head office is Tegeluddsvägen 11–13.

The company is a wholly owned subsidiary of Länsförsäkringar AB, Corp. Reg. No. 556549-7020, with its registered office in Stockholm. Länsförsäkringar Bank is part of the Group for which Länsförsäkringar AB (publ), Corp. Reg. No. 556549-7020, with its registered office in Stockholm, prepares the consolidated accounts for the largest Group in which the company is included as a subsidiary.

The consolidated accounts and annual accounts for Länsförsäkringar Bank AB (publ) were approved by the Board and President for publication on April 4, 2008. Final approval of the consolidated accounts and annual accounts will be made by the Parent Company's Annual General Meeting on May 23, 2008.

NOTE 2 ACCOUNTING PRINCIPLES

Compliance with standards and legislation

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and interpretation statements issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Community for application within the EU. In addition, the Swedish Financial Accounting Standards Council's Recommendation RR 30:06 Supplementary Accounting Regulations for Groups, statements issued by the Emerging Issues Task Force, certain supplementary rules in the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), and regulations of the Swedish Financial Supervisory Authority (FFFS) are applied.

The Parent Company prepares its accounts in accordance with the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL), the regulations and general advice of the Swedish Financial Supervisory Authority (FFFS 2006:16) and the Swedish Financial Accounting Standards Council Recommendation RR32:06 Accounting for Legal Entities.

The deviations arising between the Parent Company's and the Group's principles are due to the limitations on the possibility of applying IFRS in the Parent Company as a result of the Swedish Annual Accounts Act for Credit Institutions and Securities Companies (ÅRKL) and in certain cases for tax reasons.

Conditions relating to the preparation of the Parent Company's and the Group's financial statements

The Parent Company Länsförsäkringar Bank's functional currency is Swedish kronor (SEK), which is also the reporting currency for the Parent Company and the Group. This means that the financial statements are presented in Swedish kronor (SEK). All amounts, unless otherwise stated, are rounded to the nearest thousand.

The reporting is based on historical acquisition costs. Financial assets and liabilities are reported at amortized cost, except for certain financial assets and liabilities that are valued at fair value (see Note 41) or when fair value hedge accounting is applied. Financial assets and liabilities valued at fair value comprise derivative instruments, financial instruments classified as financial assets and financial liabilities valued at fair value in the income statement or as financial assets available for sale.

The Group accounting principles stated below have been applied to all periods presented in the consolidated financial accounts and in the reporting and consolidation of the Parent Company and its subsidiaries. They have also been applied in the preparation of the Group's opening balance sheet in accordance with IFRS as per January 1, 2006, which explains the transition from accounting principles applied earlier to accounting principles in accordance with legally restricted IFRS.

Future application of newly added and revised IFRS or interpretations

The company does not apply newly adopted standards in advance. They will be applied in future periods and the company's assessment is that none of the changes will have a significant impact on earnings or position when the new rules are applied.

Assessments and estimates

The preparation of accounts in accordance with legally restricted IFRS requires that the management make assessments and estimates, and makes assumptions that affect the

application of the accounting principles and the reported amounts of income, expenses, assets, liabilities and contingent liabilities presented in the accounts. These assessments and estimates, as made by the management, are based on the best information available on the balance-sheet date. The actual outcome may deviate from these.

Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period in which the change is made if the change only affects that period, or in the period in which the change is made and future periods if the change affects the period in question and future periods. The assessments made by company management in the application of IFRS that have a significant impact on the financial statements, and estimates made that may result in significant adjustments to financial statements in subsequent years, are described in greater detail in Note 46.

Changed accounting principles

This is the first complete report prepared in accordance with IFRS and the transition is reported in accordance with IFRS 1 First-time Adoption of IFRS. The Parent Company applied IAS 8 during the transition.

The transition to IFRS is impacted by IAS 39. For a description of the effects, refer to Note 46 Restatement in accordance with IFRS. The effects of changed accounting principles on shareholders' equity are also contained in the computation of shareholders' equity. The comparative figures for 2006 have been restated in accordance with the new principles.

Description of accounting principles

Consolidated accounts

The consolidated accounts include the Parent Company and all companies in which Länsförsäkringar Bank directly or indirectly holds more than 50% of the total number of votes or in another manner has a controlling influence over the operational and financial management of the company and can derive economic benefits.

These companies have been included in the consolidated accounts in accordance with the purchase method. This method entails that the acquisition of a subsidiary is considered to be a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The consolidated acquisition cost is determined on the basis of an acquisition analysis performed when the acquisition takes place.

Intra-Group receivables and liabilities, income or expenses and unrealized gains or losses arising from intra-Group transactions between Group companies are eliminated in their entirety when the consolidated accounts are prepared.

Untaxed reserves

Untaxed reserves in the consolidated balance sheet have been divided into deferred tax liabilities and shareholders' equity. Changes in deferred tax liabilities due to changes in untaxed reserves are reported as deferred tax in the consolidated income statement.

Group contributions and shareholders' contributions

Group contributions and shareholders' contributions for legal entities are reported in accordance with the statement by the Swedish Financial Accounting Standards Council's Emerging Issues Task Force (URA 7) in 1998. Shareholders' contributions are reported directly against the shareholders' equity of the recipient and are capitalized in shares and participations from the donor to the extent that impairment is not required. Shareholders' contributions are recognized in the consolidated balance sheet as other capital contributed.

Group contributions are recognized according to financial implication. This entails that Group contributions that have been paid and received with the aim of minimizing the Group's total tax are recognized directly against retained earnings after deductions for their actual tax effect.

Related parties

Legal entities closely related to the Länsförsäkringar Bank Group include companies within the Länsförsäkringar AB Group, companies within the Länsförsäkringar Liv Group, the regional insurance companies, associated companies of the Länsförsäkringar AB Group and other related companies, comprising Mäklarservice and the realtor company Länshem Fastighetsförmedling. Legal entities closely related to the Parent Company Länsförsäkringar Bank also include its subsidiaries. Related key persons are Board members and senior managers and their close family members.

The assessment of whether a close relationship exists or not is based on the financial significance of the relationship and not only ownership. Accordingly, this includes the 24 regional insurance companies, with subsidiaries and 14 local companies, which

together own 100% of Länsförsäkringar AB. The Group has been assigned by the regional insurance companies to conduct operations in areas in which economies of scale constitute a decisive competitive advantage and to provide such service to the regional insurance companies, which, for reasons of efficiency, shall be produced and provided jointly within the Länsförsäkringar AB Group

Segment reporting

The Group's primary principle of division is business segment. A business segment is an identifiable part of the Group for accounting purposes that provides financial services that are exposed to different risks and opportunities than those found in other business segments. Geographic distribution is not applied since the operations are mainly conducted in Sweden with similar risks and opportunities. The Banking Group's segments are banking products, mortgage lending, leasing and installments, and fund management, which complies with the Banking Group's legal structure.

Pricing between the Group's segments is based on market conditions.

Segment information is provided only for the Group in accordance with IAS 14.

Transactions in foreign currency

The Parent Company's functional currency is Swedish kronor (SEK), which is also the reporting currency of the Parent Company and the Group. The functional currency is the currency in the primary financial environments in which the Group companies conduct their operations, which means that the financial statements are presented in Swedish kronor. Transactions in foreign currency are translated to the functional currency at the exchange rate on the date of the transaction.

Monetary items in foreign currency are translated to the functional currency at the exchange rate that applies on the balance-sheet date.

Translation differences arising due to the translation of balance-sheet items in foreign currency to the functional currency are reported in the income statement as exchange-rate gains or losses.

Income

Income is reported when (i) the income can be calculated in a reliable manner, (ii) it is probable that the financial benefits related to the transaction will accrue to the company, (iii) the degree of completion on the balance-sheet date can be calculated in a reliable manner, and (iv) the expenses that have arisen and the expenses that remain to complete the service assignment can be calculated in a reliable manner.

Income is valued at the fair value of what has been received or will be received. Income accounting is reported in accordance with the percentage of completion method, meaning that the income recognized is reported on the basis of the degree of completion of the assignment or the service on the balance-sheet date.

Interest income and interest expense

Interest income and interest expense presented in the income statement comprises interest on financial assets and liabilities that is valued at amortized cost, including interest on doubtful receivables, and interest from financial assets classified as assets available for sale. For interest-rate derivatives that hedge financial assets, paid and accrued interest is reported as interest income, and for interest-rate derivatives that hedge financial liabilities, these are reported as part of interest expenses. Unrealized changes in value of derivatives are reported in the item Net profit/loss from financial transactions.

Interest income on receivables and interest expense on liabilities are calculated and reported through application of the effective interest method or, if it is considered appropriate, through application of a method that results in interest income or interest expense that is a reasonable estimate of the result that would be achieved using a calculation based on the effective interest method.

Interest income and interest expense include, where appropriate, allocated amounts of fees received, which are included in the calculation of effective interest, transaction costs and any discounts and other differences between the original value of the receivable/liability and the amount settled at maturity.

Interest expense includes allocated amounts of issue expenses and similar direct transaction costs for loans raised.

Commission revenue and commission expense

Commission revenue is derived from various types of services provided to customers. The manner in which the commission income is reported depends on the purpose for which the fee was charged. The fees are recognized as income in pace with the provision of the services or in conjunction with the performance of a significant activity. Fees charged continu-

ously are reported as revenue in the period in which the service was provided. Fees charged for significant activities are recognized in income when the activity has been completed.

Commission expenses are dependent on the transaction and are recognized in the period in which the services are received.

Provision expenses include compensation to the regional insurance companies for their work with the company's customer-related issues in each of the regional insurance companies' geographic areas of operation.

Net profit/loss from financial transactions

The item Net profit/loss from financial transactions contains the realized and unrealized changes in value that occurred as a result of financial transactions.

Net profit/loss from financial transactions comprises the capital gain/loss on the divestment of financial assets and liabilities (including interest compensation received when customers pay loans prematurely) and the capital gain/loss from financial assets available for sale.

The item also includes realized and unrealized changes in value of derivative instruments that are financial hedge instruments, but to which hedge accounting is not applied, and unrealized changes in fair value of hedged items with regard to hedged risk in the hedging of fair value.

Ineffective portions of the hedge instrument and exchange-rate changes are also recognized as net profit/loss from financial transactions.

Net profit/loss on transactions valued at fair value in the income statement does not include interest or dividends. Realized profit or loss is calculated as the difference between the purchase consideration received and the value in the balance sheet at the time of the sale.

Other operating income

Income from assignments is recognized when the financial outcome of performed assignments can be reliably calculated and the financial advantages accrue to the company, primarily on a current account basis. Income is reported at the fair value of the amount that has been or will be received. Income is paid in the form of cash and cash equivalents.

Amounts received on behalf of another entity are not included in the company's income. The criteria for income recognition are applied individually to each transaction.

The percentage of completion method is applied, which means that income is reported in accordance with the degree of completion on the balance-sheet date.

Remuneration to employees

Current remuneration

Current remuneration to employees is calculated without discount and recognized as an expense when the related services are received.

A provision is recognized for the anticipated cost of profit share and bonus payments when the company has an applicable legal or informal duty to make such payments as a result of services received from employees and the obligation can be reliably calculated.

Remuneration after termination of employment

Pension plans

Within the Group, there are defined-contribution and defined-benefit pension plans. The plans are usually financed through payments from the respective Group company. The Group is generally covered by the FTP plan, which does not depend on any payments from employees.

Reporting and valuation of pension commitments occurs in accordance with IAS 19 Employee Benefits. The Parent Company applies the Swedish Financial Accounting Standards Council Recommendation RR32:06 Accounting for Legal Entities.

Defined-benefit pension plans

There is only one defined-benefit pension plan in the Banking Group. This is a pension agreement from 2006 for the insurance industry, by which persons born in 1955 or later can voluntarily retire at age 62. The terms and conditions of this plan are designed such that the pension comprises 65% of the pensionable salary at age 62.

The Group's net commitments for defined-benefit plans are calculated by making an estimate of the future remuneration that the employees will have earned over their employment in both current and earlier periods. This remuneration is discounted at a present value. The discount rate is the interest rate on the balance-sheet date of a high-quality commercial paper with a term corresponding to that of the Group's pension commitments. When there is no longer an active market for such commercial papers, the market interest rate on government bonds with a corresponding term will be used instead. The calculation is performed by a qualified actuary by applying the Projected Unit Credit Method.

Actuarial gains and losses may arise in conjunction with the determination of the present value of the commitments. These gains and losses arise either because the actual outcome deviates from the earlier assumption or because the assumption is changed. The corridor rule is applied to actuarial gains and losses arising in conjunction with the calculation of the Group's commitments for various plans after January 1, 2006. The corridor rule entails that the portion of the accumulated actuarial gains and the losses that exceeds 10% of the greater of the commitments' present value is reported in earnings over the expected average remaining period of service for the employees encompassed by the plan. In all other cases, no actuarial gains and losses are taken into account.

The carrying amount of pensions and similar commitments reported in the balance sheet corresponds to the present value of the commitments at year-end, less the fair value of plan assets, unrecognized actuarial gains or losses and unrecognized expenses for service during earlier periods.

When the calculation results in an asset for the Group, the carrying amount of the asset is limited to the net of the unrecognized actuarial losses and unrecognized expenses for service during earlier periods and the present value of future repayments from the plan or reduced future deposits to the plan. When the remuneration amount of a plan is improved, the portion of the increase in remuneration attributable to the employees' service during earlier periods is reported as a cost in the income statement straight-line over the average period until the remuneration is earned in its entirety. A cost is reported directly in the income statement if the remuneration has been fully earned.

When there is a difference between how the pension cost is determined in the legal entity and in the Group, a provision or receivable pertaining to a special employer's contribution based on this difference is reported. The present value of the provision and the receivable is not calculated.

Defined-contribution pension plans

These pension plans are plans according to which the company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions.

The Group's payments of defined-contribution plans are reported as expenses during the period when the employee performed the services to which the contributions refer.

The pension agreement for the insurance industry, the FTP plan, through insurance with the Insurance Industry's Pension Fund (FPK) is a multi-employer defined-benefit pension plan. According to IAS 19 Employee Benefits, this pension plan entails that a company shall, as a rule, report its proportional share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension commitment. Disclosure shall also be presented in the accounts according to the requirements on defined-benefit pension plans.

FPK is currently unable to provide necessary information which is why the pension plans above are reported as a defined-contribution plan in accordance with item 30 of IAS 19. Also, no information is available on surpluses and deficits in the plan or whether these surpluses and deficits would then affect the contributions for the plan in future years.

Other long-term remuneration to employees

This item only comprises benefits in conjunction with an employee reaching a certain age or length of employment or retiring with a pension.

Remuneration for termination of employment

A cost for remuneration in conjunction with the termination of employment is reported only if the company is demonstrably obligated, without a realistic possibility of revocation, by a formal detailed plan to terminate employment before the normal time. When remuneration is provided as an offer to encourage voluntary redundancy, a cost is reported if it is probable that the offer will be accepted and the number of employees who may accept the offer can be reliably estimated.

Impairment

The carrying amounts of the Group's assets are assessed on every balance sheet-date to determine whether there are any indications of impairment. IAS 36 is applied to impairment assessments for assets that are not tested according to any other standard. These include financial assets tested in accordance with IAS 39 and deferred tax assets. The carrying amounts of the exempted assets above are tested according to the respective standard.

The Group continuously assesses assets that are not tested for impairment according to other standards if there are any indications that the assets have decreased in value. If there is an indication of an impairment required, the recoverable amount of the asset is calculated in accordance with IAS 36.

The recoverable amount is the highest of fair value minus selling expenses and value in use. In the calculation of the value in use, the future cash flow is discounted with a discount factor that takes into consideration risk-free interest and the risk associated with the specific asset. Impairment occurs when an asset's carrying amount exceeds its estimated recoverable amount.

Loan losses

Impairment of loan receivables is reported in the income statement as a write-off of loan losses confirmed during the year or as an allotment to a reserve for loan losses. Impairment for losses on guarantees is reported as a provision. The item Loan losses is reduced by recoveries and reversals on prior years' confirmed/probable loan losses.

Taxes

Income tax comprises current tax and deferred tax. Income tax is reported in the income statement, except when the underlying transaction is reported directly against shareholders' equity, whereby the related tax effect is reported in shareholders' equity.

Current tax is tax that shall be paid or received in the current year, with the application of the tax rates that are decided or decided in practice on the balance-sheet date. This also includes adjustments of current tax attributable to prior periods.

Deferred tax is calculated in accordance with the balance-sheet method, based on temporary differences between carrying amounts and tax bases of assets and liabilities. The following temporary differences are not taken into consideration: first reporting of assets and liabilities that are not acquisitions of operations and, at the time of the transaction, do not affect reported or taxable earnings. Nor are temporary differences attributable to participations in subsidiaries not expected to be reversed in the foreseeable future taken into consideration. The valuation of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realized or settled. Deferred tax is calculated with the application of the tax rates and tax rules established or decided in practice on the balance-sheet date.

Deferred tax assets on deductible temporary differences and tax loss carryforwards are only reported to the extent that it is likely that it will be possible to utilize these. The value of the deferred tax assets is reduced when it is no longer considered likely that they can be utilized.

Financial instruments

Financial instruments are reported in the balance sheet on the asset side and include lending, accounts receivable, various interest-bearing securities, derivatives and shares. Liabilities include securities issued, derivatives, deposits and lending, and accounts payable. For a more detailed description, see Note 41.

A financial asset or financial liability is recognized in the balance sheet when the company becomes party to this in accordance with the instrument's contractual conditions and is eliminated when the rights in the contract are realized, expire or the company loses control of them. Financial instruments are initially valued at fair value, plus a supplement for transaction costs, with the exception of derivatives and instruments that belong to the category of financial assets valued at fair value in the income statement, excluding transaction costs. A financial liability is eliminated from the balance sheet when the obligation in the contract is met or eliminated in another manner.

A financial asset and a financial liability are offset and reported as a net amount in the balance sheet only when a legal right exists to offset the amounts and the intention is present to settle the item in a net amount or simultaneously realize the asset and settle the liability.

Business transactions in the monetary, bond and equity markets are reported in the balance sheet on the transaction date, which is the time when the significant risks and rights are transferred between the parties. Deposits and lending transactions are reported on the settlement date.

In true repurchase transactions, the asset remains in the balance sheet of the selling party and payments received are reported as liabilities. Sold securities are reported as pledged assets.

A financial instrument is classified on initial reporting on the basis of the purpose of the acquisition of the instrument, but also the options contained in IAS 39. The classification determines how the financial instrument is valued after initial reporting as described below.

Financial assets valued at fair value in the income statement

This category comprises two sub-groups: financial assets held for trading and other financial assets that the company has initially decided to place in this category according to the Fair Value Option. Financial instruments in this category are continuously valued at fair value, with changes in value reported in the income statement. For valuation at market value, the current buying-rate is used and transaction costs are expensed directly.

Financial assets held for trading are derivatives that are financial hedging instruments, but for which hedge accounting is not applied.

This group also includes items attributable to the category Fair Value Option, which comprises bonds that carry a fixed interest rate, so that changes in the value of the bonds correspond with the results of changes in the value of the swap, thereby avoiding misleading earnings effects without subsequent requirements for hedge accounting.

Loan receivables and accounts receivable

Loan receivables are initially reported in the balance sheet at cost – the amount loaned to the borrower – less fees and supplements for costs received. Subsequently, loan receivables are reported continuously at cost after deductions for write-offs for loan losses.

Loan losses are primarily assessed at the Group level because the loans do not amount to significant amounts individually. The group-wise valuation is based on the experiences and historical loan losses of the companies, adjusted to reflect current circumstances.

If the impairment requirement declines in subsequent periods, the maximum impairment carried out is reversed.

The impairment of loan receivables is conducted as a write-off of loan losses confirmed during the year or as an allocation to the reserve for loan losses.

In the income statement, the impairment of loan receivables is reported as loan losses, which is carried out as a write-off of loan losses confirmed during the year or as an allocation to the reserve for loan losses.

Confirmed loan losses are those losses whose amount is regarded as finally established through acceptance of a composition proposal or through other claim remissions. In such situations, the receivable is written off from the balance sheet and is reported as a confirmed loss in the income statement.

Non-performing receivables are receivables for which interest, amortization or overdrafts fell due for payment more than 60 days ago. Doubtful receivables are a non-performing receivable or receivable for which payment is unlikely to be met in accordance with the contractual terms and conditions and for which the value of the collateral does not cover, with an adequate margin, both the principal and accrued interest, including compensation for any delays.

Recovered funds for doubtful receivables in which provisions have been made, are settled in the first instance against the principal and in the second, against interest. Interest on doubtful debts is reported in the income statement as of 2007.

Impairment for losses on guarantees is reported as a provision.

Investments held to maturity

Investments held to maturity are financial assets and comprise interest-bearing securities with fixed or determinable payments and determined terms that the company expressly intends and has the capacity to hold to maturity. Assets in this category are valued at amortized cost.

Financial assets available for sale

The category financial assets available for sale includes financial assets that have not been classified in any other category or financial assets that the company initially decided to classify in this category.

This category includes the company's liquidity surplus and holdings of shares and participations that are not reported as subsidiaries. Investments in shares and participations that are not listed in an active market and whose fair value can be calculated in a reliable manner have been valued at acquisition cost.

Assets in this category are continuously valued at fair value, with changes in value reported against shareholder's equity, except for changes in value due to impairment or exchange-rate differences for monetary items reported in the income statement. Furthermore, interest on fixed-income instruments is reported in accordance with the effective interest method in the income statement similar to dividends on shares. Any transaction costs for these instruments will be included in the acquisition cost when first reported and thereafter included in the continuous valuations.

Financial liabilities valued at fair value in the income statement

This category includes financial liabilities held for trading and derivatives in hedge accounting. The company's holding for trading comprises derivatives that are financial hedge instruments, but to which hedge accounting is not applied.

Other financial liabilities

All of the bank's financial liabilities, excluding derivatives, are included here. The liabilities are valued at amortized cost.

Hedge accounting

The bank's derivative instruments, which comprise interest and currency swaps, have been acquired in their entirety to hedge the risks of interest and exchange-rate exposure to which the company is subject.

All derivatives are valued at fair value in the balance sheet. To avoid misleading earnings effects due to financial hedges, the bank has chosen to apply hedge accounting.

The hedge-accounting strategy defined and applied by the bank is portfolio hedging of fair value in the lending and borrowing portfolio. Hedge accounting at fair value means that the hedged item is valued at fair value with respect to the hedged risk and that the change in fair value is reported in the income statement for both the hedge instrument and the hedged item.

The change in value of the derivative is reported in the income statement together with the change in value of the hedged item in the income statement under the item Net profit/loss on financial items at fair value.

Unrealized changes in value of hedge instruments are reported among Net profit/loss from financial items and interest coupons (accrued and paid) among interest income.

The application of portfolio hedging is based on the version of IAS 39 adopted by the EU, the "carve out" version.

To meet the demands of hedge accounting in accordance with IAS 39, unequivocal connection with the hedged item is required. In addition, it is required that the hedge effectively protects the hedged item, that the hedge documentation is prepared and that the effectiveness can be measured reliably. Hedge accounting can only be applied if the hedge relationship can be expected to be highly effective and subsequently to have had an effectiveness in the range of 80-125%. In the event that the conditions for hedge accounting are no longer met, the derivative instrument is reported at fair value with the change in value in the income statement.

For a small number of financial hedges for which the earnings consequence of not applying hedge accounting is deemed more limited, hedge accounting is not applied due to the extra administrative work involved in hedge accounting.

Other financial hedges comprise currency risk associated with borrowing and hedging of interest-rate risk in bonds that carry fixed interest rates, Fair Value Option. The Group also includes hedges with interest-rate ceilings for interest-rate risk associated with borrowing at variable interest rates. The loans are reported at amortized cost and the interest-rate ceiling is reported at fair value in the income statement.

The portfolio method that is applied implies that the lending and interest swaps used in the hedge instrument are distributed to various time pockets based on the contractual timing of interest renegotiation or maturity.

The evaluation of hedge relations occurs at least on the official reporting occasions, quarterly, but can also be carried out monthly if required.

Each designed hedge relationship is expected to be effective over the entire lifetime of the hedge relationship. Effectiveness is tested using two different methods, one forward-looking (prospective) assessment and one retrospective evaluation. Ineffectiveness is reported in the income statement.

Leasing

Lease agreements are classified in the consolidated accounts either as financial or operational leasing. Financial leasing exists if the financial risks and benefits associated with ownership have essentially been transferred to the lessee. If this is not the case, then this is a matter of operational leasing.

The Banking Group's assets that are leased under financial lease agreements are not reported as tangible assets since the risks associated with ownership are transferred to the lessee. Instead, the lease agreements are reported as lending to the lessee regarding future leasing fees. Payments received from these agreements are reported in part as repayment of lease receivables and in part as interest income.

Intangible assets

Intangible assets primarily comprise proprietary and acquired intangible assets with determinable useful lives that are expected to be of significant value to the operation in future years. These assets are reported at acquisition cost less accumulated amortization and impairment. Amortization is commenced when the asset is put into operation.

The Group's proprietary intangible assets are reported only if all of the following conditions are fulfilled:

- there is an identifiable asset
- it is probable that the developed asset will generate future economic benefits
- the acquisition cost of the asset can be calculated in a reliable manner
- it is technically and commercially usable and sufficient resources exist to complete development and thereafter use or sell the intangible asset.

The carrying amount of proprietary intangible assets includes all directly attributable salaries and materials.

The periods of amortization are determined based on a useful life that varies between three and five years and amortization occurs in accordance with the straight-line method. The periods of amortization and useful lives are retested at year-end of every fiscal year. Impairment requirements are tested in accordance with IAS 36 Impairment of Assets.

Additional expenses for capitalized intangible assets are reported as an asset in the balance sheet only when these expenses increase the future financial advantages of the specific asset to which they pertain. All other expenses are expensed as they arise.

Tangible assets

Equipment

Tangible assets are reported as assets in the balance sheet when, based on information available, it is likely that the future economic benefits associated with the holding will accrue to the company and that the acquisition cost of the asset can be calculated in a reliable manner.

Equipment is reported at acquisition cost less accumulated depreciation and any accumulated impairment. In accordance with the plan, depreciation takes place according to the straight-line method over the asset's expected useful life, commencing when the asset is put into operation. Depreciation and any scrapping and divestments are reported in the income statement.

Impairment requirements are tested annually according to IAS 36 Impairment of Assets. The periods of amortization and useful lives are retested at year-end of every fiscal year.

Useful lives of equipment:

Office equipment	5 years
Improvements to leased premises	5–7 years
Cars	5 years
Computer equipment	3–5 years

Provisions

A provision is reported in the balance sheet when the company has an existing legal or informal obligation as a result of an event that has occurred and it is probable that an outflow of financial resources will be required to settle the obligation and that a reliable estimate of the amount can be made.

Where the effect of when a payment is made is significant, provisions are calculated through the discounting of the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the time value of money and, if applicable, the risks related to the liability.

Contingent liabilities (guarantees)

A contingent liability is reported when there is a possible commitment originating from events that have occurred and whose occurrence is confirmed only by one or several uncertain future events or when there is a commitment that is not reported as a liability or provision because it is probable that an outflow of resources will be required.

NOTE 3 IMPORTANT ESTIMATES AND ASSESSMENTS

The company management, with the Audit Committee, has discussed the performance, selection and disclosures relating to the company's significant accounting principles and estimates, and the application of these principles and estimates.

Significant assessments in application of the company's accounting principles

The significant assessments in the application of the company's accounting principles are described below.

The company's issuance of covered bonds in June involved an exchange program targeted at holders of bonds issued under one of the Parent Company Länsförsäkringar Bank's program. This program was comparable to a conversion.

The company's remuneration to the regional insurance companies is reported as commission expense. The regional insurance companies are compensated for their work with Länsförsäkringar Bank's customer-related matters in each of the regional insurance companies' geographic areas. See Note 9.

Assessment of whether a leasing agreement is operational or financial required the company's judgment.

Significant sources of uncertainty in estimates

Impairment for loan losses

Loan losses are primarily assessed at the group-wise level because the loans do not amount to significant amounts individually. The group-wise valuation is based on the experiences and historical loan losses of the companies, adjusted to reflect current circumstances.

NOTE 4 SEGMENT REPORTING

Group 2007

SEK 000s

	Bank	Hypotek	Leasing & installments	Fund	Eliminations	Total
Income statement						
Interest income	2,174,305	3,102,513	652,519	5,134	-1,393,411	4,541,060
Interest expenses	-1,738,445	-2,866,062	-313,038	-23	1,393,411	-3,524,157
Net interest income	435,860	236,451	339,481	5,111	-	1,016,903
Dividends received	364	-	2,966	-	-	3,330
Commission revenue	143,551	1,561	52,220	721,547	-	918,879
Commission expense	-364,989	-129,154	-23,788	-445,495	-	-963,426
Net profit/loss from financial items at fair value	1,935	-57	195	-	-	2,073
Other operating income	164,880	294	40,229	1,064	-78,212	128,255
Total operating income	381,601	109,095	411,303	282,227	-78,212	1,106,014
Personnel costs	-105,063	-8,403	-152,090	-19,219	8,486	-276,289
Other administration expenses	-245,364	-45,168	-109,238	-176,494	73,131	-503,133
Total administration expenses	-350,427	-53,571	-261,328	-195,713	81,617	-779,422
Depreciation/amortization and impairment of tangible and intangible assets	-27,189	-	-5,950	-3,896	-	-37,035
Total expenses before loan losses	-377,616	-53,571	-267,278	-199,609	81,617	-816,457
Loan losses, net	-7,479	2,564	-46,148	-	-	-51,063
Operating profit/loss	-3,494	58,088	97,877	82,618	3,405	238,494
Appropriations	-	-	-171,500	-	171,500	-
Tax	3,480	-16,415	22,261	-23,266	-48,974	-62,914
Net profit for the year	-14	41,673	-51,362	59,352	125,931	175,580
Balance sheet						
Cash and central bank account balances	71,517	-	-	-	-	71,517
Eligible treasury bills, etc.	7,964,124	-	-	-	-	7,964,124
Lending to credit institutions	24,554,908	-	366,569	192,964	-19,880,770	5,233,671
Lending to the public	10,983,774	47,555,198	8,501,024	-	-	67,039,996
Bonds and other interest-bearing securities	3,105,321	-	-	-	-	3,105,321
Shares and participations	11,089	-	-	-	-	11,089
Shares and participations in Group companies	3,036,400	-	-	-	-3,036,400	-
Derivatives	293,285	467,259	3,108	-	-218,127	545,525
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-509	-247,173	-	-	-	-247,682
Intangible assets	183,288	-	61,798	1,719	-	246,805
Tangible assets	13,242	-	7,354	-	-	20,596
Deferred tax assets	2,575	-	2,369	133	-	5,077
Other assets	89,493	11,562	273,449	2,759	-6,277	370,986
Prepaid expenses and accrued income	262,531	545,405	29,045	65,029	-175,458	726,552
Total assets	50,571,038	48,332,251	9,244,716	262,604	-23,317,032	85,093,577
Liabilities to credit institutions	5,866,277	6,067,564	7,711,863	-	-18,938,471	707,233
Deposits and borrowing from the public	29,901,508	-	-	-	-166,185	29,735,323
Issued securities	8,967,414	37,013,276	-	-	-	45,980,690
Derivatives	211,030	307,703	-	-	-218,127	300,606
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-	-215,459	-	-	-	-215,459
Other liabilities	268,543	1,270,318	143,158	129,362	-5,857	1,805,524
Provisions	9,225	160	7,606	456	-3,406	14,041
Deferred tax liabilities	-	-	-	-	64,358	64,358
Accrued expenses and deferred income	385,751	1,149,668	307,841	58,647	-174,378	1,727,529
Subordinated debt	1,150,000	512,614	265,000	0	-777,614	1,150,000
Liabilities	46,759,748	46,105,844	8,435,468	188,465	-20,219,680	81,269,845
Untaxed reserves	-	-	226,443	-	-226,443	-
Shareholders' equity	3,811,290	2,226,407	582,805	74,139	-2,870,909	3,823,732
Total liabilities and shareholders' equity	50,571,038	48,332,251	9,244,716	262,604	-23,317,032	85,093,577

NOTE 4 SEGMENT REPORTING, continued
Group 2006
SEK 000s

	Bank	Hypotek	Leasing & installments	Fund	Eliminations	Total
Income statement						
Interest income	1,598,280	1,484,803	557,885	2,596	-1,064,404	2,579,160
Interest expense	-1,210,497	-1,302,657	-203,243	-67	1,064,404	-1,652,060
Net interest income	387,783	182,146	354,642	2,529	-	927,100
Dividends received	87	-	3 308	-	-	3,395
Commission revenue	114,020	1,568	49,500	610,257	-	775,345
Commission expense	-328,056	-109,012	-21,332	-349,983	-	-808,383
Net profit/loss from financial items at fair value	4,576	8,076	1,828	-	-	14,480
Other operating income	158,520	151	33,126	-	-80,576	111,221
Total operating income	336,930	82,929	421,072	262,803	-80,576	1,023,158
Personnel costs	-98,576	-6,249	-151,682	-22,223	5,496	-273,234
Other administration expenses	-233,037	-50,950	-113,907	-160,241	75,080	-483,055
Total administration expenses	-331,613	-57,199	-265,589	-182,464	80,576	-756,289
Depreciation/amortization and impairment of tangible and intangible assets	-20,527	-	-5,997	-4,355	-	-30,879
Total expenses before loan losses	-352,140	-57,199	-271,586	-186,819	80,576	-787,168
Loan losses, net	-15,181	10,005	-32,620	-	-	-37,796
Operating profit/loss	-30,391	35,735	116,866	75,984	-	198,194
Tax	7,081	-10,009	-34,981	-21,500	-	-59,409
Net profit for the year	-23,310	25,726	81,885	54,484	-	138,785
Balance sheet						
Cash and central bank account balances	72,631	-	-	-	-	72,631
Lending to credit institutions	43,293,302	174,456	50,603	153,675	-41,558,562	2,113,474
Lending to the public	9,264,185	36,549,595	8,069,868	-	-	53,883,648
Bonds and other interest-bearing securities	5,607,382	-	-	-	-	5,607,382
Shares and participations	9,489	-	-	-	-	9,489
Shares and participations in Group companies	2,646,400	-	-	-	-2,646,400	0
Derivatives	24,368	140,997	2,964	-	-	168,329
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-	-101,380	-	-	-	-101,380
Intangible assets	123,173	-	14,830	5,616	-	143,619
Tangible assets	165	-	7,445	-	-	7,610
Deferred tax assets	773	-	-	159	-13	919
Other assets	46,177	51	267,031	3,320	-7,243	309,336
Prepaid expenses and accrued income	435,690	119,169	25,046	55,759	-313,077	322,587
Total assets	61,523,735	36,882,888	8,437,787	218,529	-44,525,295	62,537,644
Liabilities to credit institutions	526,417	33,542,343	7,119,021	-	-40,836,964	350,818
Deposits and borrowing from the public	24,035,387	437,281	-	-	-93,280	24,379,388
Issued securities	31,634,611	-	-	-	-	31,634,611
Derivatives	352,847	73,106	-	-	-	425,953
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-	-45,558	-	-	-	-45,558
Other liabilities	171,620	24,252	202,487	102,574	-9,066	491,867
Provisions	7,355	-	6,007	563	-	13,925
Deferred tax liabilities	-	-	-	-	15,384	15,384
Accrued expenses and deferred income	463,513	523,918	305,839	55,846	-311,972	1,037,144
Subordinated debt	1,050,000	362,614	265,000	-	-627,614	1,050,000
Liabilities	58,241,750	34,917,956	7,898,354	158,983	-41,863,511	59,353,532
Untaxed reserves	-	-	54,943	-	-54,943	-
Shareholders' equity	3,281,985	1,964,932	484,489	59,547	-2,606,841	3,184,112
Total liabilities and shareholders' equity	61,523,735	36,882,888	8,437,786	218,530	-44,525,295	62,537,644

NOTE 5 INTEREST INCOME

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Interest income, lending to credit institutions	100,640	40,634	1,272,558	1,089,767
Interest income, lending to the public	2,956,402	2,137,591	565,045	405,140
Interest income, interest-bearing securities	210,037	75,371	210,037	75,371
Interest income from derivatives				
– Hedge accounting	1,214,343	306,536	5,214	–
– Non-hedge accounting	59,416	16,211	121,451	25,226
Other interest income	222	2,817	–	2,776
Total interest income	4,541,060	2,579,160	2,174,305	1,598,280
<i>of which interest income from doubtful receivables</i>	<i>2,400</i>	<i>2,576</i>	<i>1,978</i>	<i>1,145</i>
<i>of which interest income from financial items not valued at fair value</i>	<i>3,169,595</i>	<i>2,234,050</i>	<i>1,949,934</i>	<i>1,550,690</i>
Average interest rate on lending to the public during the year	4.7%	4.2%	4.2%	4.5%

NOTE 6 INTEREST EXPENSE

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Interest expense, liabilities to credit institutions	6,860	9,434	99,018	12,301
Interest expense, deposits and borrowing from the public	780,562	411,005	773,487	379,411
Interest expense, subordinated debts	52,500	39,243	52,500	39,243
Interest expense, interest-bearing securities	1,416,165	738,899	674,852	738,899
Interest expense, derivatives				
– Hedge accounting	1,197,273	421,783	5,756	–
– Non-hedge accounting	59,286	21,557	121,321	30,572
Other interest expense, including government deposit insurance	11,511	10,139	11,511	10,071
Total interest expense	3,524,157	1,652,060	1,738,445	1,210,497
<i>of which interest expense from financial items not valued at fair value</i>	<i>2,267,598</i>	<i>1,208,720</i>	<i>1,611,368</i>	<i>1,179,925</i>
Average rate of deposits from the public during the year	2.2%	1.7%	2.2%	1.7%

NOTE 7 DIVIDENDS RECEIVED

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Dividends received in shares	3,330	3,395	364	87

NOTE 8 COMMISSION REVENUE

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Payment commission	114,199	85,383	114,199	85,383
Lending commission	64,410	62,766	10,629	11,697
Deposit commission	3,549	6,076	3,549	6,076
Securities commission	735,677	619,791	14,130	9,535
Other commission	1,044	1,329	1,044	1,329
Total commission revenue	918,879	775,345	143,551	114,020

NOTE 9 COMMISSION EXPENSE

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Payment commission	133,094	94,242	109,306	94,242
Securities commission	5,101	5,134	5,101	5,134
Remuneration to regional insurance companies	398,785	362,001	239,058	223,034
Other commission	426,446	347,006	11,524	5,646
Total commission expense	963,426	808,383	364,989	328,056

Commission expense includes remuneration to regional insurance companies for their work with Länsförsäkringar Bank's, Länsförsäkringar Hypotek's and Länsförsäkringar Fondförvaltning's customer-related issues in the geographical area of operations of each regional insurance company. This solution creates a unique local presence and market awareness. From the customer's perspective, the regional insurance companies serve as local banks. The assignment, associated issues and remuneration are regulated in partnership agreements signed by the parties.

Remuneration pertaining to the bank is primarily calculated as the difference between an established internal interest rate and customer interest rate calculated on each company's deposits and lending volumes under management. Percentage remuneration based on the market value and the fund's management fee is paid for fund volumes under management.

NOTE 10 NET PROFIT/LOSS FROM FINANCIAL ITEMS AT FAIR VALUE

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Change in fair value				
Interest-related instruments	–28,026	171,833	–338	1,082
Currency-related instruments	5,138	3,134	2,165	3,134
Change in fair value of hedged item	23,598	–169,873	–509	–
Interest compensation	2,232	8,299	617	360
Capital gain/loss				
Interest-related instruments	–869	1,087	–	–
Total net profit/loss from financial items at fair value	2,073	14,480	1,935	4,576

	Group		Parent Company	
	2007	2006	2007	2006
Profit/loss by valuation category				
Derivative assets intended for risk management, non-hedge accounting	257,922	–294,624	235,603	–299,266
Other financial assets at fair value in the income statement	–14,833	–18,814	–14,833	–18,814
Derivative liabilities intended for risk management, non-hedge accounting	300,587	–273,421	152,529	–271,696
Loan receivables and accounts receivable	2,232	8,299	617	361
Financial liabilities at amortized cost	–540,101	593,991	–372,023	593,991
Change in fair value of derivatives that are hedge instruments in a hedge of fair value	–27,331	168,922	551	–
Change in fair value of hedged item with regard to the hedged risk in hedges of fair value	23,597	–169,873	–509	–
Total	2,073	14,480	1,935	4,576

NOTE 11 OTHER OPERATING INCOME

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Other income	128,255	111,221	164,880	158,520

NOTE 12 PERSONNEL COSTS

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Employees				
Salaries and remuneration	151,663	145,880	54,514	50,169
<i>of which variable salary</i>	<i>11,357</i>	<i>7,448</i>	<i>2,264</i>	<i>1,370</i>
Social security expenses	96,465	108,411	37,569	42,246
<i>of which pension costs</i>	<i>36,756</i>	<i>48,299</i>	<i>16,157</i>	<i>20,788</i>
Board of Directors, President and Executive Vice Presidents				
Salaries and remuneration	16,330	4,840	7,996	4,840
<i>of which salaries to the President and Executive Vice Presidents</i>	<i>14,365</i>	<i>3,759</i>	<i>6,716</i>	<i>3,757</i>
<i>of which variable salary to President and Executive Vice Presidents</i>	<i>2,551</i>	<i>730</i>	<i>1,110</i>	<i>730</i>
Social security expenses	13,126	3,759	6,122	3,759
<i>of which pension costs</i>	<i>6,171</i>	<i>1,748</i>	<i>2,799</i>	<i>1,748</i>
Other personnel costs	-1,295	10,344	-1,138	-2,438
Total salaries, remuneration and social security expenses				
Salaries and remuneration	167,993	150,720	62,510	55,009
<i>of which variable salary</i>	<i>13,908</i>	<i>8,178</i>	<i>3,374</i>	<i>2,100</i>
Social security expenses	109,591	112,170	43,691	46,005
<i>of which pension costs</i>	<i>42,927</i>	<i>50,047</i>	<i>18,956</i>	<i>22,536</i>
Other personnel costs	-1,295	10,344	-1,138	-2,438
Total personnel costs	276,289	273,234	105,063	98,576

Variable remuneration

Variable remuneration is paid to managers who have a bonus agreement. Remuneration is based on attained targets met in accordance with the business plan, the Employee Commitment Index, the leadership index and other individual goals. Variable remuneration may amount to not more than one month's salary or a maximum of two months' salary for senior management.

An incentive system is in place that encompasses all employees not included in other bonus agreements. A condition for payment of this remuneration is that the owners' requirements for the return on shareholders' equity in the Group are fulfilled. The maximum amount that can be paid per employee if the conditions are met is determined by the Board in December each year. One third of the established amount is paid to everyone regardless of individual performance. Payment of two thirds of the determined amount is based on the degree of completion of the individual goals in the goal contract.

Average number of employees

	Group		Parent Company	
	2007	2006	2007	2006
Men	164	155	45	40
Women	148	138	59	54
Total number of employees	312	293	104	94

Sickness absence

%	Group		Parent Company	
	2007	2006	2007	2006
Total sickness absence as a percentage of ordinary working hours	2.9	3.1	2.8	3.5
Percentage of absence pertaining to absence during a consecutive period of 60 days or more	48.2	45.7	53.2	52.0

Sickness absence by gender

	2007	2006	2007	2006
Total of overall working hours for men	0.9	1.2	0.7	0.9
Total of overall working hours for women	5.0	5.0	4.6	5.2

Sickness absence by age category

	2007	2006	2007	2006
Absence for employees aged 29 or younger	1.6	1.4	1.9	0.7
Absence for employees aged 30–49	2.4	2.8	1.7	2.0
Absence for employees aged 50 or older	5.0	5.2	5.5	7.4

Remuneration to senior executives

Directors' fees are payable in accordance with the decision of the Annual General Meeting. No fee is payable to employee representatives.

Remuneration to the President and other senior executives comprises basic salary, variable salary, other benefits and pension costs. Senior executives are the nine persons who, together with the President, comprise the Senior Management Team.

Variable salary is maximized to three monthly salaries for the President and to two monthly salaries for other senior executives.

Pension benefits and other benefits for the President and other senior executives are included as part of total remuneration.

Remuneration and other benefits during the year, SEK M

Group	Basic salary	Variable remuneration	Other benefits	Pension costs	Total	Pension costs as a percentage of pensionable salary
2007						
President						
Tomas Johansson	2,464	600	62	1,586	4,712	56%
Executive Vice President						
Anders Borgcrantz	1,974	330	60	857	3,221	37%
Executive Vice President						
Gunilla Forsmark Karlsson	2,061	330	37	784	3,212	36%
Executive Vice President						
Bengt Jerning	1,081	180	60	429	1,750	34%
Chairman	–	–	–	–	–	–
Deputy Chairman						
Mats Ericsson	282	–	–	–	282	–
Board member						
Christer Villard	202				202	
Board member						
Leif Johanson	242				242	
Board member						
Hans Benndorf	202				202	
Board member						
Lennart Käll	134				134	
Board member						
Ylva Thunqvist	134				134	
Former Board member						
Lena Wahlgren	84				84	
Other senior executives (6 people)	6,425	1,399	316	2,972	11,112	38%
Total 2007	15,285	2,839	535	6,628	25,287	

2006

President						
Tomas Johansson	2,363	655	61	1,486	4,565	56%
Executive Vice President						
Anders Borgcrantz	1,828	300	60	325	2,513	15%
Executive Vice President						
Gunilla Forsmark Karlsson	739	160	15	262	1,176	15%
Executive Vice President						
Bengt Jerning	1,018	170	59	398	1,645	33%
Deputy Chairman						
Mats Ericsson	220				220	
Board member						
Lena Wahlgren	161				161	
Board member						
Christer Villard	147				147	
Board member						
Leif Johanson	189				189	
Board member						
Hans Benndorf	149				149	
Former Board member						
Ebba Lindsö	83				83	
Former Board member						
Ann-Cathrin Bengtsson	45				45	
Other senior executives (6 people)	6,431	1,193	358	2,828	10,810	38%
Total 2006	13,373	2,478	553	5,299	21,703	

NOTE 12 PERSONNEL COSTS, continued**Variable remuneration**

Variable remuneration includes anticipated bonus for the fiscal year. For information on calculation of the bonus, see below. Other benefits pertain to company car and pension benefits. Pension costs pertain to the impact on net profit for the year.

For the President and other senior management, variable remuneration is based on targets met in accordance with the business plan, index in the employee survey, management index and other individual targets.

Pensions

The age of retirement for the President and Executive Vice President is 60. His pension between the age of 60 and 65 is a defined-contribution plan. The pension premium for the President shall amount to 17% of pensionable salary up to 20 basic amounts, 42% of salary between 20 and 30 basic amounts, and 67% of salary over 30 basic amounts. The pension premium for the Executive Vice President shall amount to 14% of pensionable salary. Pension from the age of 65 will be subject to the terms of the pension agreements between the Swedish Insurance Employers' Association (FAO) and the Swedish Union of Insurance Employees (FTF).

The retirement age for other senior executives is 65. The pension will be subject to the terms of the pension agreements between the Swedish Insurance Employers' Association (FAO) and the Swedish Union of Insurance Employees (FTF).

Severance pay

A period of notice of six months shall apply if the President resigns of his own accord. If termination of employment is issued by the company, the period of notice is 12 months and the President shall also be entitled to severance pay corresponding to 12 months' salary. A mutual period of notice of six months applies to the Executive Vice President. If termination of employment is issued by the company, the Executive Vice President shall also be entitled to severance pay corresponding to 18 months' salary. For other senior executives, the bank applies the terms stipulated in the central agreements between the labor market parties.

Preparation and decision-making process applied to the issue of remuneration to senior management

Remuneration to the President is determined by the Chairman of the Board and is thereafter confirmed in the Board of Directors. Remuneration to other senior executives is determined by the President.

Loans to senior executives

	Banking Group		Parent Company		Länsförsäkringar AB Group	
	2007	2006	2007	2006	2007	2006
Directors	24,414	13,799	10,985	4,466	77,959	49,542
<i>of which loans from Bank</i>	<i>5,716</i>	<i>7,316</i>	<i>1,813</i>	<i>3,343</i>	<i>18,488</i>	<i>20,595</i>
<i>of which loans from Hypotek</i>	<i>18,698</i>	<i>6,452</i>	<i>9,172</i>	<i>1,123</i>	<i>59,471</i>	<i>28,734</i>
<i>of which loans from Wasa Kredit</i>	<i>–</i>	<i>31</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>213</i>
President and Executive Vice Presidents	301	1,973	–	1,400	4,495	8,107
<i>of which loans from Bank</i>	<i>301</i>	<i>1,973</i>	<i>–</i>	<i>1,400</i>	<i>1,197</i>	<i>3,864</i>
<i>of which loans from Hypotek</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>3,298</i>	<i>4,061</i>
<i>of which loans from Wasa Kredit</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>182</i>

Loans granted comprise personnel loans and other loans. Personnel loans carry loan terms comparable to what applies to other employees in the Group. The interest rate for employees is the repo rate less 0.5 %, but can never be lower than 0.5 %. The interest benefit is calculated in accordance with the Swedish National Tax Board's rules and is included in other benefits as above. The terms and conditions of other loans are market-based.

The Group has not pledged assets, other collateral or assumed any liability undertaking for the benefit of any senior executive.

Gender distribution in company management

	Group		Parent Company	
	2007	2006	2007	2006
Percentage women				
Board of Directors	19%	40%	30%	40%
Other senior executives	29%	11%	36%	14%

NOTE 13 OTHER ADMINISTRATION EXPENSES

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Costs for premises	35,326	26,567	14,727	10,143
IT costs	161,032	129,058	125,665	104,348
Consultant costs	27,321	30,269	22,658	19,752
Marketing	35,168	45,096	12,218	15,718
Management costs	116,008	93,071	5,478	5,773
Other administration expenses	128,278	158,994	64,618	77,303
Total administration expenses	503,133	483,055	245,364	233,037

NOTE 14 REMUNERATION TO AUDITORS**Audit fees**

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
KPMG Bohlins				
– Audit	1,913	1,529	901	613
– Other assignments	2,265	960	579	813
SET Revisionsbyrå AB				
– Audit	–	144	–	78

Audit assignments pertain to a review of the Annual Report and accounts, and the management by the Board of Directors and President, other work assigned to the company's auditors, and advice or other assistance required due to observations made during the review or implementation of such assignments. Everything else comes under Other assignments.

NOTE 15 DEPRECIATION/AMORTIZATION AND IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Depreciation of tangible assets	5,681	7,254	68	1,257
Amortization of intangible assets	31,354	23,625	27,121	19,270
Total depreciation/amortization	37,035	30,879	27,189	20,527

NOTE 16 LOAN LOSSES, NET

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Specific provisions for individually appraised loan receivables				
Write-off of confirmed loan losses during the year	61,904	67,791	1,720	6,082
Reversed earlier impairment of loan losses recognized in the year-end accounts as confirmed losses	-59,508	-61,908	-	-694
Impairment for loan losses during the year	78,742	78,771	1,978	371
Payment received for prior loan losses	-28,119	-39,725	-3,845	-2,049
Reversed impairment for loan losses no longer required	-29,175	-29,041	-10,350	-2,023
Net expense for the year for individually appraised receivables	23,844	15,888	-10,497	1,687
Group-wise impairment of individually appraised receivables	-	-	-	-
Group-wise appraisal of homogenous groups of loan receivables with limited value and similar credit risk				
Write-off of confirmed loan losses during the year	12,261	7,032	12,261	7,032
Payment received for previously confirmed loan losses	-	-211	-	-211
Provision/reversal of impairment for loan losses	29,906	16,598	20,663	8,184
Net expense for the year for group-wise appraised receivables	42,167	23,419	32,924	15,005
Net expenses for the year for fulfillment of guarantees	-14,948	-1,511	-14,948	-1,511
Net expense of loan losses for the year	51,063	37,796	7,479	15,181

All information pertains to receivables from the public.

NOTE 17 TAX

SEK 000s	Group		Parent Company	
	2007	2006	2007	2006
Current tax				
Tax expense/tax income for the period	23,566	46,656	-1,820	-21,907
Adjustment of tax expense attributable to earlier years	-	-2	-	0
Total current tax	23,566	46,654	-1,820	-21,907
Deferred tax				
Change in deferred tax expense on temporary differences	39,388	236	-1,636	236
Change in tax due to changes in accounting principles	-	-770	-	1,180
Change in deferred tax income/expense on capitalized taxable value of loss carry-forwards during the year	-40	13,289	-24	13,410
Total deferred tax	39,348	12,755	-1,660	14,826
Total reported tax expense	62,914	59,409	-3,480	-7,081
Reconciliation of effective tax rate				
Profit/loss before tax	238,493	198,194	-3,494	-30,391
Tax in accordance with applicable tax rate for Parent Company	66,778	55,494	-978	-8,509
Non-deductible costs	2,875	6,842	816	3,434
Non-taxable income	-1,953	-1,615	-1,682	-686
Increase in loss carryforwards without corresponding capitalizing of deferred tax	-191	6	-	-
Tax attributable to earlier years	-4,621	-1,879	-1,636	-1,879
Other	26	561	-	560
Total tax on net profit for the year	62,914	59,409	-3,480	-7 081
Applicable tax rate	28%	28%	28%	28%
Effective tax rate	26%	30%	-100%	-23%
Tax items charged against shareholders' equity				
Current tax in received/paid				
Group contribution	23,566	46,656	-1,820	-21,907

NOTE 18 ELIGIBLE TREASURY BILLS

Group and Parent Company

SEK 000s	Carrying amount		Amortized cost		Nominal amount	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Valuation category, assets available for sale						
Swedish government	7,964,124	-	7,941,441	-	8,000,000	-
Total	7,964,124	-	7,941,441	-	8,000,000	-

For a maturity overview, see Note 42.

NOTE 19 LENDING TO CREDIT INSTITUTIONS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Lending to subsidiaries	–	–	19,398,451	41,287,952
Deposit, Swedish banks	5,096,000	1,986,000	5,096,000	1,986,000
Other lending to credit institutions	137,671	127,474	60,457	19,350
	5,233,671	2,113,474	24,554,908	43,293,302

For information on fixed-interest periods, see Note 43.

NOTE 20 LENDING TO THE PUBLIC

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Loan receivables, gross	67,295,147	54,121,464	11,083,486	9,353,180
Impairment	–255,151	–237,816	–99,712	–88,995
Loan receivables, net	67,039,996	53,883,648	10,983,774	9,264,185
Doubtful loan receivables	281,284	248,349	99,712	89,911
Non-performing loan receivables included in doubtful loan receivables	165,147	151,872	52,111	52,887
Reconciliation of impairment for loan losses				
Opening balance	–237,816	–233,355	–88,995	–83,664
Reversed impairment for loan losses reported in the year-end accounts as confirmed losses	59,508	61,908	–	694
Reversed impairment no longer required for loan losses	64,862	59,241	10,350	2,023
Impairment for the year for loan losses	–203,555	–186,705	–21,067	–9,194
Payment pertaining to probable loan losses for the year	50,914	52,439	–	–
Value of collateral pertaining to probable loan losses for the year	10,936	7,510	–	–
Change due to changes in accounting principles		1,146	–	1,146
Closing balance	–255,151	–237,816	–99,712	–88,995

For information on fixed-interest periods, see Note 43.

NOTE 21 BONDS AND OTHER INTEREST-BEARING SECURITIES**Issued by organizations other than public bodies**

Group and Parent Company	Carrying amount		Fair value		Amortized cost		Nominal amount	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Valuation category, fair value in the income statement								
Swedish mortgage institutions	1,608,517	1,644,987	1,608,517	1,644,987	1,645,618	1,667,255	1,600,000	1,600,000
Swedish banks								
Total	1,608,517	1,644,987	1,608,517	1,644,987	1,645,618	1,667,255	1,600,000	1,600,000
Valuation category, assets available for sale								
Swedish mortgage institutions	1,496,804	–	1,496,804	–	1,496,889	–	1,500,000	–
Swedish banks								
Total	1,496,804	–	1,496,804	–	1,496,889	–	1,500,000	–
Valuation category, investments held to maturity								
Swedish mortgage institutions	–	3,463,612	–	3,463,163	–	3,463,612	–	3,477,000
Swedish banks	–	498,782	–	498,736	–	498,783	–	500,000
Total	–	3,962,395	–	3,961,899	–	3,962,395	–	3,977,000
	3,105,321	5,607,382	3,105,321	5,606,886	3,142,507	5,629,650	3,100,000	5,577,000

NOTE 22 SHARES AND PARTICIPATIONS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Other shares and participations	10,709	9,109	10,709	9,109
Tenant-owned apartments	380	380	380	380
Total shares and participations	11,089	9,489	11,089	9,489

All shares are unlisted.

NOTE 23 SHARES AND PARTICIPATIONS IN GROUP COMPANIES

Parent Company SEK 000s	Dec. 31, 2007			Dec. 31, 2006		
	Number of shares	Par value	Carrying amount	Number of shares	Par value	Carrying amount
Wasa Kredit AB	875,000	87,500	637,772	875,000	87,500	537,772
Länsförsäkringar Hypotek AB	70,335	70,335	2,233,628	70,335	70,335	1,958,628
Länsförsäkringar Fondförvaltning AB	15,000	1,500	165,000	15,000	1,500	150,000
Total shares and participations in Group companies			3,036,400			2,646,400

The bank has a total of three wholly-owned subsidiaries with registered offices in Stockholm. All shares are unlisted. Of the asset item, SEK 2,871,400,000 (2,496,400,000) pertains to holdings in credit institutions.

Shareholders' equity in Wasa Kredit AB (556311-9204) at December 31, 2007 amounted to SEK 583 M and net loss for the year was SEK 51 M. Shareholders' equity in Länsförsäkringar Hypotek AB (publ) (556244-1781) at December 31, 2007 amounted to SEK 222.6 M and net profit for the year was SEK 42 M.

The subsidiary Länsförsäkringar Fondförvaltning AB (publ) (556364-2783) was acquired on January 1, 2004. The company's shareholders' equity at December 31, 2007 amounted to SEK 74 M and net profit for the year was SEK 59 M. During the year, the subsidiaries received SEK 390 M in shareholders' contributions, which was attributable in its entirety to shares in subsidiaries.

NOTE 24 DERIVATIVES

2006 SEK 000s	Group		Parent Company	
	Par value	Fair value	Par value	Fair value
Derivative instruments with positive value				
<i>Derivatives in hedge accounting</i>				
Interest-rate derivatives	10,120,000	140,996	–	–
<i>Derivatives not in hedge accounting</i>				
Interest-rate derivatives	1,025,000	20,026	600,000	17,061
Currency derivatives	897,390	7,307	897,390	7,307
Total derivative instruments with positive value	12,042,390	168,329	1,497,390	24,368
Derivative instruments with negative value				
<i>Derivates in hedge accounting</i>				
Interest-rate derivatives	8,220,000	73,107	–	–
<i>Derivatives not in hedge accounting</i>				
Interest-rate derivatives	1,000,000	55,079	1,000,000	55,079
Currency derivatives	13,400,400	297,768	13,400,400	297,768
Total derivative instruments with negative value	22,620,400	425,953	14,400,400	352,847
2007 SEK 000s	Group		Parent Company	
	Par value	Fair value	Par value	Fair value
Derivative instruments with positive value				
<i>Derivatives in hedge accounting</i>				
Interest-rate derivatives	20,495,000	262,462	180,000	968
<i>Derivatives not in hedge accounting</i>				
Interest-rate derivatives	1,000,000	23,777	2,025,000	53,015
Currency derivatives	9,206,140	259,286	8,847,184	239,302
Total derivative instruments with positive value	30,701,140	545,525	11,052,184	293,285
Derivative instruments with negative value				
<i>Derivates in hedge accounting</i>				
Interest-rate derivatives	22,677,500	270,398	80,000	418
<i>Derivatives not in hedge accounting</i>				
Interest-rate derivatives	1,000,000	24,832	2,425,000	57,178
Currency derivatives	155,779	5,376	6,757,579	153,434
Total derivative instruments with negative value	23,833,279	300,606	9,262,579	211,030

NOTE 24 DERIVATIVES, continued

Group 2006 SEK 000s	Nominal amount/remaining maturity			Total	Assets (positive market values)	Liabilities (negative market values)
	Up to 1 year	> 1 year – 5 years	> 5 years			
Derivatives for trading purposes						
Interest rate-related contracts	175,000	1,850,000		2,025,000	20,026	55,079
Currency-related contracts	5,091,650	9,206,140		14,297,790	7,307	297,768
Derivatives for fair-value hedges						
Interest rate-related contracts	2,125,000	15,120,000	1,095,000	18,340,000	140,997	73,107
Total	7,391,650	26,176,140	1,095,000	34,662,790	168,329	425,954

Parent Company 2006 SEK 000s	Nominal amount/remaining maturity			Total	Assets (positive market values)	Liabilities (negative market values)
	Up to 1 year	>1 year – 5 years	>5 years			
Derivatives for trading purposes						
Interest rate-related contracts		1,600,000		1,600,000	17,062	55,079
Currency-related contracts	5,091,650	9,206,140		14,297,790	7,307	297,768
Total	5,091,650	10,806,140	–	15,897,790	24,368	352,847

Group 2007 SEK 000s	Nominal amount/remaining maturity			Total	Assets (positive market values)	Liabilities (negative market values)
	Up to 1 year	>1 year – 5 years	>5 years			
Derivatives for trading purposes						
Interest rate-related contracts	75,000	1,900,000	25,000	2,000,000	23,777	24,832
Currency-related contracts	3,837,099	5,524,820		9,361,919	259,286	5,376
Derivatives for fair-value hedges						
Interest rate-related contracts	7,435,000	33,072,500	2,665,000	43,172,500	262,462	270,398
Total	11,347,099	40,497,320	2,690,000	54,534,419	545,525	300,606

Parent Company 2007 SEK 000s	Nominal amount/remaining maturity			Total	Assets (positive market values)	Liabilities (negative market values)
	Up to 1 year	> 1 year – 5 years	> 5 years			
Derivatives for trading purposes						
Interest rate-related contracts	1,100,000	3,250,000	100,000	4,450,000	53,015	57,178
Currency-related contracts	7,263,025	8,341,738		15,604,763	239,302	153,434
Derivatives for fair-value hedges						
Interest rate-related contracts	20,000	200,000	40,000	260,000	968	418
Total	8,383,025	11,791,738	140,000	20,314,763	293,285	211,030

NOTE 25 FAIR VALUE CHANGES OF HEDGED ITEMS IN PORTFOLIO HEDGE OF INTEREST-RATE RISK

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Assets				
Carrying amount at beginning of year	-101,380	115,776	-	-
Changes during the year	-146,302	-217,156	-509	-
Carrying amount at year-end	-247,682	-101,380	-509	-
Liabilities				
Carrying amount at beginning of year	45,558	-	-	-
Changes during the year	169,901	45,558	-	-
Carrying amount at year-end	215,459	45,558	-	-

NOTE 26 INTANGIBLE ASSETS

Parent Company	Developed internally		Acquired		Total	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Acquisition cost						
Opening acquisition cost	280,376	225,378	16,999	16,398	297,375	241,776
Acquisitions during the year	87,236	54,998	-	601	87,236	55,599
Closing acquisition cost	367,612	280,376	16,999	16,999	384,611	297,375
Amortization						
Opening accumulated amortization	-167,778	-150,430	-6,424	-4,503	-174,202	-154,933
Amortization for the year	-24,238	-17,348	-2,883	-1,921	-27,121	-19,269
Closing accumulated amortization	-192,016	-167,778	-9,307	-6,424	-201,323	-174,202
Total intangible assets	175,596	112,598	7,692	10,575	183,288	123,173
Group						
SEK 000s	Developed internally		Acquired		Total	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Acquisition cost						
Opening acquisition cost	316,984	251,709	16,999	16,398	333,983	268,107
Acquisitions during the year	134,540	65,275	-	601	134,540	65,876
Closing acquisition cost	451,524	316,984	16,999	16,999	468,523	333,983
Amortization						
Opening accumulated amortization	-183,940	-162,237	-6,424	-4,503	-190,364	-166,740
Amortization for the year	-28,471	-21,703	-2,883	-1,921	-31,354	-23,624
Closing accumulated amortization	-212,411	-183,940	-9,307	-6,424	-221,718	-190,364
Total intangible assets	239,113	133,044	7,692	10,575	246,805	143,619

NOTE 27 TANGIBLE ASSETS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Equipment				
Opening acquisition cost	76,917	74,861	23,864	23,671
Purchases	18,896	2,764	13,145	193
Sales/scraping	-16,660	-708	-1,384	-
Closing acquisition cost	79,153	76,917	35,625	23,864
Opening depreciation	-69,307	-62,708	-23,699	-22,441
Sales/scraping	16,431	656	1,384	-
Depreciation for the year	-5,681	-7,255	-68	-1,258
Closing accumulated depreciation	-58,557	-69,307	-22,383	-23,699
Closing residual value according to plan	20,596	7,610	13,242	165
Tangible assets	20,596	7,610	13,242	165

NOTE 28 DEFERRED TAX ASSETS

Reported deferred tax assets and liabilities are attributable to the following:

Parent Company SEK 000s	Assets		Liabilities		Net	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Other financial investment assets	141	760	-	-	141	760
Liabilities	2,396	-	-	-	2,396	-
Utilization of loss carryforwards	38	13	-	-	38	13
Deferred tax assets (-)/deferred tax liabilities (+)	2,575	773	-	-	2,575	773
Offset	-	-	-	-	-	-
Net deferred tax assets (-)/deferred tax liabilities (+)	2,575	773	-	-	2,575	773

The Parent Company and Group have no temporary differences with tax effects in the Group or associated companies.

Change in deferred tax in temporary differences and loss carryforwards

	Amount at beginning of year	Reported in the income statement	Reported directly against shareholders' equity	Amount at year-end
Other financial investment assets	760	-760	140	140
Other assets	-	2,397	-	2,397
Liabilities	13	25	-	38
Deferred tax assets (-)/tax liabilities (+)	773	1,662	140	2,575

NOTE 28 DEFERRED TAX ASSETS, continued.

Group SEK 000s	Assets		Liabilities		Net	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Other financial investment assets	141	–	–	–	141	760
Other assets	–	760	–	–	–	–
Liabilities	4,882	159	–	–	4,882	159
Utilization of loss carryforwards	54	–	–	–	54	–
Untaxed reserves	–	–	–64,358	–15,384	–64,358	–15,384
Deferred tax assets (–)/deferred tax liabilities (+)	5,077	919	–64,358	–15,384	–59,281	–14,465
Offset	–	–	–	–	–	–
Net deferred tax assets (–)/deferred tax liabilities (+)	5,077	919	–64,358	–15,384	–59,281	–14,465

The Parent Company and Group have no temporary differences with tax effects in the Group or associated companies.

Change in deferred tax in temporary differences and loss carryforwards

	Amount at beginning of year	Reported in the income statement	Reported directly against shareholders' equity	Amount at year-end
Other financial investment assets	760	–760	140	140
Other assets		4,755	–	4,755
Liabilities	158	19	–	177
[Utnyttjande, av, underskottsavdrag]	1	4	–	5
Deferred tax assets (–)/tax liabilities (+)	919	4,018	140	5,077

NOTE 29 OTHER ASSETS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Accounts receivable	290,764	274,128	15,634	9,623
Other assets	80,222	35,208	73,859	36,554
Total other assets	370,986	309,336	89,493	46,177

NOTE 30 PREPAID EXPENSES AND ACCRUED INCOME

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Accrued interest income	555,198	210,523	193,894	389,912
Other accrued income	51,945	67,363	41,753	11,603
Prepaid expenses	119,409	44,701	26,884	34,175
Total prepaid expenses and accrued income	726,552	322,587	262,531	435,690

NOTE 31 LIABILITIES TO CREDIT INSTITUTIONS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
The Riksbank	343,000	–	343,000	–
Other Swedish credit institutions	364,233	350,818	5,523,277	526,417
Total liabilities to credit institutions	707,233	350,818	5,866,277	526,417

For information on fixed-interest periods, see Note 43.

NOTE 32 DEPOSITS AND BORROWING FROM THE PUBLIC

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Borrowing from the public	–	437,281	–	–
Deposits from insurance companies	3,412,588	1,702,322	3,412,588	1,702,322
Deposits from households	24,308,498	20,481,405	24,308,498	20,481,405
Deposits from other Swedish public	2,014,237	1,758,380	2,180,422	1,851,660
Total deposits from the public	29,735,323	24,379,388	29,901,508	24,035,387

For information on fixed-interest periods, see Note 43.

NOTE 33 ISSUED SECURITIES

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Valuation category, other financial liabilities				
Certificates	6,557,936	3,603,625	6,557,936	3,603,625
Bond loans	39,206,736	27,632,845	2,193,460	27,632,846
Cashiers' checks issued	216,018	398,140	216,018	398,140
Total securities issued, etc.	45,980,690	31,634,610	8,967,414	31,634,611

For information on fixed-interest periods, see Note 43.

NOTE 34 DEFERRED TAX

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Deferred tax	64,358	15,384	–	–

See note 28.

NOTE 35 OTHER LIABILITIES

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Accounts payable	89,763	72,855	36,414	42,271
Preliminary tax, customers	145,855	79,695	145,785	79,695
Other liabilities	1,569,906	339,317	86,344	49,654
Total other liabilities	1,805,524	491,867	268,543	171,620

NOTE 36 ACCRUED EXPENSES AND DEFERRED INCOME

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Accrued vacation pay	12,527	10,141	5,276	3,814
Accrued social security expenses	12,212	11,561	4,020	4,632
Accrued interest expense	1,150,147	596,358	216,565	415,134
Other accrued expenses	296,200	165,271	159,890	39,894
Prepaid rent	256,443	235,371	–	–
Other prepaid income	–	18,442	–	39
Total accrued expenses and deferred income	1,727,529	1,037,144	385,751	463,513

NOTE 37 PROVISIONS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Provisions for guarantees	3,011	3,413	3,011	3,413
Provisions for early retirement in accordance with the pension agreement	11,030	10,512	6,214	3,942
	14,041	13,925	9,225	7,355
Provisions for guarantees				
Carrying amount at beginning of period	3,413	4,335	3,413	4,335
Unutilized amount reversed during the period	–402	–922	–402	–922
Carrying amount at end of period	3,011	3,413	3,011	3,413

Defined-benefit pension plans

The Group has a number of defined-benefit pension plans. The largest of these plans is a pension agreement from 2006 for the insurance sector whereby persons born in 1955 or earlier are entitled to voluntarily retire from the age of 62. The conditions for this plan are such that approximately 65% of the pensionable salary at the age of 62 is received as a pension.

In addition to this plan, there are a number of minor plans that almost only encompass employees who have already reached retirement age. These plans cover old-age pensions and in some cases also survivor's pension. The pension amounts are paid in relation to the final salary level when the employee retires and in the vast majority of cases are life annuities. In the event that enumeration of the pension has been agreed, the Group follows the norms applied by the Insurance Industry's Pension Fund (FPK).

According to the 2006 pension agreement for the insurance sector, persons born in 1955 or earlier are entitled to voluntarily retire at the age of 62. The provision is calculated on an actuarial basis according to the insurance guidelines and basis for calculation applied for individually issued life assurance. The calculations are based on a summary of the ages and annual pensions calculated as an average per age group. A probability assessment has determined that 20% will utilize the option for early retirement.

Pensions and senior executive benefits

Defined-benefit pension plans, SEK 000s	Group	
	Dec. 31, 2007	Dec. 31, 2006
Present value of unfunded commitments	10,408	10,226
Present value of net commitments		
Unrecognized accumulated actuarial gains/losses	595	–
Adjustment	27	–
Net amount pertaining to defined-benefit plans (see below)	11,030	10,226

The net amount is reported in the following items in the balance sheet:

Other provisions	11,030	–
------------------	--------	---

Change in pension liability reported in the balance sheet:

Opening liability, January 1	10,512	–
Pension costs for the year according to specification below	778	10,226
Adjustment	–260	286
Closing liability, December 31	11,030	10,512

Change in present value for the year:

Commitments for defined-benefit plans, January 1	10,226	–
Costs for service during current period	389	10,226
Interest expense	389	–
Adjustment	–	286
Actuarial gains/losses	–596	–
Commitments for defined-benefit plans, December 31	10,408	10,512

Costs reported in the income statement:

Costs for service during the current period	389	–
Costs for service in prior periods	389	10,226
Adjustment	–	286
Total net expenses in the income statement	778	10,512

NOTE 37 PROVISIONS, continued.

	Group	
	Dec. 31, 2007	Dec. 31, 2006
Defined-benefit pension plans, SEK 000s		
Expenses are reported in the following lines in the income statement:		
Personnel costs	778	10,512
Assumptions pertaining to defined-benefit commitments:		
Discount rate	4.3%	3.8%
Expected rate of salary increase	2.6%	2.6%
Future increase of pensions	20.0%	20.0%
Historic information:		
Present value of defined-benefit commitments	10,408	10,226
Experience-based adjustment pertaining to defined-benefit commitments, amount or %		
	Parent Company	
	Dec. 31, 2007	Dec. 31, 2006
Pension commitments		
Provisions for pensions	6,214	3,942
Total	6,214	3,942

The year's change in value of capital value of own obligations for which there are no separated assets:

Opening capital value on January 1, 2007 in accordance with Swedish principles for calculation of pension commitments	3,942	–
Cost excluding interest expense charged to earnings	2,272	3,942
Capital value at December 31, 2007	6,214	3,942
Net pension commitments	6,214	3,942
The company's own pensions		
Cost excluding interest expense	2,094	3,942
Interest expense	178	–
Cost of the company's own pensions	2,272	3,942
Reported net cost attributable to pensions	2,272	3,942
Assumptions pertaining to defined-benefit obligations:		
Discount rate	3.5%	3.5%
Percentage expected to retire voluntarily at age 62	20.0%	20.0%
MEMORANDUM ITEMS	24,857	15,768

Defined-contribution pension plans

These pension plans are plans according to which the company pays fixed contributions to a separate legal entity and does not have a legal or informal obligation to pay additional contributions. The company's payments of defined-contribution plans are reported as expenses during the period when the employee performed the services to which the contributions refer. Primarily, contributions to the Insurance Industry's Pension Fund (FPK) are reported here. This plan encompasses all employees except for a few individuals who have individual solutions.

The pension agreement for the insurance industry, the FTP plan, through insurance with the Insurance Industry's Pension Fund (FPK) is a multi-employer defined-benefit pension plan. According to IAS 19, this pension plan entails that a company shall, as a rule, report its proportional share of the defined-benefit pension commitment and the plan assets and expenses associated with the pension commitment. Disclosure shall also be presented in the accounts according to the requirements on defined-benefit pension plans. FPK is currently unable to provide necessary information which is why the pension plans above are reported as defined-contribution plans in accordance with item 30 of IAS 19. Also, no information is available on surpluses and deficits in the plan or whether these surpluses and deficits would then affect the contributions for the plan in future years.

	Group		Parent Company	
	2007	2006	2007	2006
Expenses for defined-contribution plans	35,100	34,400	14,900	14,100

NOTE 38 SUBORDINATED DEBT

	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
SEK 000s				
Valuation category, other financial liabilities				
Subordinated loans	1,150,000	1,050,000	1,150,000	1,050,000
Total	1,150,000	1,050,000	1,150,000	1,050,000

Parent Company
Specification of subordinated loans from Länsförsäkringar AB

	Currency	Nominal amount	Carrying amount	Coupon rate of interest
Subordinated loans 2002/2012 LFAB	SEK	180,000	180,000	variable
Subordinated loans 2003/2013 LFAB	SEK	580,000	580,000	variable
Subordinated loans perpetual LFAB ¹⁾	SEK	290,000	290,000	variable
Subordinated loans 2007/2017 LFAB	SEK	100,000	100,000	variable
		1,150,000	1,150,000	

¹⁾ The terms of the loan are such that the loan qualifies as a Tier 1 capital contribution in accordance with the requirements of the Swedish Financial Supervisory Authority.

The subordinated loans are subordinate to the bank's other liabilities, which means that they are liable for payment only once the other creditors have been repaid.

NOTE 39 SHAREHOLDERS' EQUITY ACCORDING TO SWEDISH ANNUAL ACCOUNTS ACT FOR CREDIT INSTITUTIONS AND SECURITIES COMPANIES (ÄRKL)

	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
SEK 000s				
Restricted shareholders' equity				
Share capital	954,871	954,871	954,871	954,871
Statutory reserve	18,480	18,480	18,380	18,380
Share premium reserve	–	–	–	–
Other funds	39,198	39,559	–	–
	1,012,549	1,012,910	973,251	973,251
Non-restricted shareholders' equity				
Profit brought forward	2,635,604	2,032,417	2,851,799	2,332,044
Net profit for the year	175,579	138,785	–13,760	–23,310
	2,811,183	2,171,202	2,838,039	2,308,734
Total shareholders' equity	3,823,732	3,184,112	3,811,290	3,281,985

The changes in shareholders' equity for the period and division according to IFRS are contained in the report Changes in shareholders' equity.

The disclosure requirement in accordance with chapter 5, section 14 of the Annual Accounts Act regarding specification of changes in shareholders' equity compared with the preceding year's balance sheet is presented on page 35.

Proposed distribution of the Parent Company's unappropriated earnings (SEK)

Profit brought forward	2,308,734,806
Shareholders' contribution received	525,000,000
Group contribution received, net	4,680,000
Net loss for the year	–13,760
To be carried forward	2,838,401,046
Total	
The Board of Directors proposes that the following amount be brought forward:	2,838,401,046

NOTE 40 MEMORANDUM ITEMS

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Pledged assets / collateral				
Pledged securities in the Riksbank	1,600,000	600,000	1,600,000	600,000
Pledged securities in VPC (Swedish Securities Register Center)	5,000	5,000	5,000	5,000
	1,605,000	605,000	1,605,000	605,000
Contingent liabilities / guarantees				
Guarantees	43,006	47,211	43,006	47,211
Early retirement at age of 62 in accordance with pension agreement, 80%	44,000	42,048	24,857	15,768
Other contingent liabilities	4,162	4,162	4,162	4,162
	91,168	93,421	72,025	67,141
Commitments				
Granted but undisbursed loans	457,576	396,942	187,361	112,499
Granted but unutilized overdraft facilities	1,428,593	1,163,035	39,107,756	6,886,712
Interest rate-related contracts	9,361,919	19,940,000	15,604,763	1,600,000
Exchange rate-related contracts	44,772,500	14,297,790	4,710,000	14,297,790
	56,020,588	35,797,767	59,609,880	22,897,001

NOTE 41 CLASSIFICATION OF FINANCIAL INSTRUMENTS

Group Dec. 31, 2007 SEK 000s	Loan receivables and accounts receivable	Assets valued at fair value in the income statement	Available for sale	Non-financial assets	Total	Fair value
Assets						
Cash and central bank account balances	71,517				71,517	71,517
Eligible treasury bills, etc.			7,964,124		7,964,124	7,964,124
Lending to credit institutions	5,233,671				5,233,671	5,233,671
Lending to the public	67,039,996				67,039,996	67,161,742
Bonds and other interest-bearing securities		1,608,517	1,496,804		3,105,321	3,105,321
Shares and participations			11,089		11,089	11,089
Derivatives		545,525			545,525	545,525
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-247,682				-247,682	-247,682
Intangible assets				246,805	246,805	
Tangible assets				20,596	20,596	
Deferred tax assets				5,077	5,077	
Other assets				370,986	370,986	
Prepaid expenses and accrued income	60,642	494,556		171,354	726,552	
Total assets	72,158,144	2,648,598	9,472,017	814,818	85,093,577	

SEK 000s	Liabilities valued at fair value in the income statement	Other financial liabilities	Non-financial liabilities	Total	Fair value
Liabilities					
Liabilities to credit institutions		707,233		707,233	707,233
Deposits and borrowing from the public		29,735,323		29,735,323	30,361,892
Issued securities		45,980,690		45,980,690	45,624,916
Derivatives	300,606			300,606	300,606
Fair value changes of hedged items in portfolio hedge of interest-rate risk		-215,459		-215,459	-215,459
Deferred tax liabilities			64,358	64,358	
Other liabilities			1,805,524	1,805,524	
Accrued expenses and deferred income	429,049	721,098	577,382	1,727,529	
Provisions			14,041	14,041	
Subordinated debt		1,150,000		1,150,000	1,150,000
Total liabilities	729,655	78,078,885	2,461,305	81,269,845	

NOTE 41 CLASSIFICATION OF FINANCIAL INSTRUMENTS, continued

Parent Company Dec. 31, 2007

SEK 000s	Loan receivables and accounts receivable	Assets valued at fair value in the income statement	Available for sale	Non-financial assets	Total	Fair value
Assets						
Cash and central bank account balances	71,517				71,517	71,517
Eligible treasury bills, etc.			7,964,124		7,964,124	7,964,124
Lending to credit institutions	24,554,908				24,554,908	24,554,908
Lending to the public	10,983,774				10,983,774	10,983,774
Bonds and other interest-bearing securities		1,608,517	1,496,804		3,105,321	3,105,321
Shares and participations			11,089		11,089	11,089
Shares and participations in Group companies				3,036,400	3,036,400	3,036,400
Derivatives		293,285			293,285	293,285
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-509				-509	-509
Intangible assets				183,288	183,288	
Tangible assets				13,242	13,242	
Deferred tax assets				2,575	2,575	
Other assets				89,493	89,493	
Prepaid expenses and accrued income	67,136	126,758		68,637	262,531	
Total assets	35,676,826	2,028,560	9,472,017	3,393,635	50,571,038	

SEK 000s	Liabilities at fair value in the income statement	Other financial Liabilities	Non-financial liabilities	Total	Fair value
Liabilities					
Liabilities to credit institutions		5,866,277		5,866,277	5,866,277
Deposits and borrowing from the public		29,901,508		29,901,508	30,528,077
Issued securities		8,967,414		8,967,414	8,889,862
Derivatives	211,030			211,030	211,030
Other liabilities			268,543	268,543	
Accrued expenses and deferred income	126,736	89,829	169,186	385,751	
Provisions			9,225	9,225	
Subordinated debt		1,150,000		1,150,000	1,150,000
Total liabilities	337,766	45,975,028	446,954	46,759,748	

NOTE 41 CLASSIFICATION OF FINANCIAL INSTRUMENTS, continued

Group Dec. 31, 2006

SEK 000s	Loan receivables and accounts receivable	Investments held to maturity	Assets valued at fair value in the income statement	Available for sale	Non-financial assets	Total	Fair value
Assets							
Cash and central bank account balances	72,631					72,631	72,631
Lending to credit institutions	2,113,474					2,113,474	2,113,474
Lending to the public	53,883,648					53,883,648	54,050,447
Bonds and other interest-bearing securities		3,962,395	1,644,987			5,607,382	5,606,886
Shares and participations				9,489		9,489	9,489
Derivatives			168,329			168,329	168,329
Fair value changes of hedged items in portfolio hedge of interest-rate risk	-101,380					-101,380	-101,380
Intangible assets					143,619	143,619	
Tangible assets					7,610	7,610	
Deferred tax assets					172	172	
Other assets	274,128				36,127	310,083	
Prepaid expenses and accrued income	80,358		130,165		112,064	322,587	
Total assets	56,322,859	3,962,395	1,943,481	9,489	299,592	62,537,644	

SEK 000s		Liabilities at fair value in the income statement	Other financial liabilities	Non-financial liabilities	Total	Fair value
Liabilities						
Liabilities to credit institutions			350,818		350,818	350,818
Deposits and borrowing from the public			24,379,388		24,379,388	24,424,389
Issued securities			31,634,610		31,634,610	31,874,323
Derivatives		425,954			425,954	425,954
Fair value changes of hedged items in portfolio hedge of interest-rate risk			-45,558		-45,558	-45,558
Deferred tax liabilities				15,384	15,384	
Other liabilities				491,867	491,867	
Accrued expenses and deferred income		247,705	348,653	440,786	1,037,144	
Provisions				13,925	13,925	
Subordinated debt			1,050,000		1,050,000	1,050,000
Total liabilities		673,659	57,717,911	961,962	59,353,532	

NOTE 41 CLASSIFICATION OF FINANCIAL INSTRUMENTS, continued

Parent Company Dec. 31, 2006

SEK 000s	Loan receivables and accounts receivable	Investments held to maturity	Assets valued at fair value in the income statement	Available for sale	Non-financial assets	Total	Fair value
Assets							
Cash and central bank account balances	72,631					72,631	72,631
Lending to credit institutions	43,293,302					43,293,302	43,276,991
Lending to the public	9,264,185					9,264,185	9,264,185
Bonds and other interest-bearing securities		3,962,395	1,644,987			5,607,382	5,606,886
Shares and participations				9,489		9,489	9,489
Shares and participations in Group companies					2,646,400	2,646,400	2,646,400
Derivatives			24,368			24,368	24,368
Intangible assets					123,173	123,173	
Tangible assets					165	165	
Deferred tax assets					773	773	
Other assets					46,178	46,178	
Prepaid expenses and accrued income	374,432		15,480		45,777	435,689	
Total assets	53,004,550	3,962,395	1,684,835	9,489	2,862,466	61,523,735	

SEK 000s		Liabilities at fair value in the income statement	Other financial liabilities	Non-financial liabilities	Total	Fair value
Liabilities						
Liabilities to credit institutions			526,417		526,417	526,417
Deposits and borrowing from the public			24,035,387		24,035,387	23,982,056
Issued securities			31,634,611		31,634,611	31,874,323
Derivatives		352,847			352,847	352,847
Other liabilities				171,620	171,620	
Accrued expenses and deferred income		247,705	167,429	48,379	463,513	
Provisions				7,355	7,355	
Subordinated debt			1,050,000		1,050,000	1,050,000
Total liabilities		600,552	57,413,844	227,354	58,241,750	

For deposits and lending with fixed-interest periods shorter than one year, Stibor flat is used and for deposits and lending with a fixed-interest period longer than one year, swap flat is used. For other financial items, the company believes that the carrying amount, in all material respects, reflects the fair value since the remaining maturity is relatively short.

NOTE 42 MATURITY OVERVIEW

Group 2007 SEK 000s	On demand	< 12 months	1 – 5 years	> 5 years	Without maturity/ Change in value	Average remaining time to maturity	Total carrying amount
Assets							
Cash and central bank account balances	71,517						71,517
Eligible treasury bills, etc.		8,000,000			-35,876	0.1 years	7,964,124
Lending to credit institutions		5,233,671					5,233,671
Lending to the public		1,354,697	7,984,864	57,700,434		37.4 years	67,039,996
Bonds and other interest-bearing securities		1,500,000	1,600,000		5,322	1.1 years	3,105,322
Derivatives					545,525		545,525
Other asset items					1,133,422		1,133,422
Total assets	71,517	16,088,368	9,584,864	57,700,434	1,648,393		85,093,577

Liabilities							
Liabilities to credit institutions	707,233						707,233
Deposits and borrowing from the public	29,735,323						29,735,323
Derivatives					300,606		300,606
Issued securities		14,779,901	30,881,460	216,018	103,311	1.7 years	45,980,690
Subordinated debt				760,000	390,000	7.3 years	1,150,000
Other liability items and shareholders' equity					7,219,725		7,219,725
Total liabilities and shareholders' equity	30,442,556	14,779,901	30,881,460	976,018	8,013,642		85,093,577

Parent Company 2007 SEK 000s	On demand	< 12 months	1 – 5 years	> 5 years	Without maturity/ Change in value	Average remaining time to maturity	Total carrying amount
Assets							
Cash and central bank account balances	71,517						71,517
Eligible treasury bills, etc.		8,000,000			-35,876	0.1 years	7,964,124
Lending to credit institutions		21,781,752	2,773,156			0.3 years	24,554,908
Lending to the public		535,883	1,412,426	9,035,964		26.2 years	10,983,773
Bonds and other interest-bearing securities		1,500,000	1,600,000		5,322	1.1 years	3,105,322
Derivatives					293,285		293,285
Other asset items					3,598,109		3,598,109
Total assets	71,517	31,817,635	5,785,582	9,035,964	3,860,840		50,571,038

Liabilities							
Liabilities to credit institutions	5,866,277						5,866,277
Deposits and borrowing from the public	29,901,508						29,901,508
Derivatives					211,030		211,030
Issued securities		6,893,575	1,824,630	216,018	33,192	0.8 years	8,967,415
Subordinated debt			760,000	390,000		7.3 years	1,150,000
Other liability items and shareholders' equity					4,474,808		4,474,809
Total liabilities and shareholders' equity	35,767,785	6,893,575	2,584,630	606,018	4,719,030		50,571,038

NOTE 42 MATURITY OVERVIEW, continued

Group 2006 SEK 000s	On demand	< 12 months	1 – 5 years	> 5 years	Without maturity/ Change in value	Average remaining time to maturity	Total carrying amount
Assets							
Cash and central bank account balances	72,631						72,631
Lending to credit institutions	108,124	2,005,350				0.1 years	2,113,474
Lending to the public		22,227,126	21,598,640	10,057,882		20.4 years	53,883,648
Bonds and other interest-bearing securities		3,977,000	1,600,000		30,382	1.0 years	5,607,382
Derivatives					168,329		168,329
Other asset items					692,180		692,180
Total assets	180,755	28,209,476	23,198,640	10,057,882	890,891		62,537,644
Liabilities							
Liabilities to credit institutions	350,818						350,818
Deposits and borrowing from the public	23,942,107	437,281					24,379,388
Derivatives					425,954		425,954
Issued securities		10,931,650	20,611,140	398,143	-306,322	2.0 years	31,634,611
Subordinated debt				760,000	290,000	6.8 years	1,050,000
Other liability items and shareholders' equity					4,696,873		4,696,873
Total liabilities and shareholders' equity	24,292,925	11,368,931	20,611,140	1,158,143	5,106,505		62,537,644

Parent Company 2006 SEK 000s	On demand	< 12 months	1 – 5 years	> 5 years	Without maturity/ Change in value	Average remaining time to maturity	Total carrying amount
Assets							
Cash and central bank account balances	72,631						72,631
Lending to credit institutions		21,550,031	21,115,657	627,614		1.7 years	43,293,302
Lending to the public		1,246,965	900,476	7,116,744		24.2 years	9,264,185
Bonds and other interest-bearing securities		3,977,000	1,600,000		30,382	1.0 years	5,607,382
Derivatives					24,368		24,368
Other asset items					3,261,867		3,261,867
Total assets	72,631	26,773,996	23,616,133	7,744,358	3,316,617		61,523,735
Liabilities							
Liabilities to credit institutions	526,417						526,417
Deposits and borrowing from the public	24,035,387						24,035,387
Derivatives					352,847		352,847
Issued securities		10,931,650	20,611,140	398,143	-306,322	2.0 years	31,634,611
Subordinated debt				760,000	290,000	6.8 years	1,050,000
Other liability items and shareholders' equity					3,924,473		3,924,473
Total liabilities and shareholders' equity	24,561,804	10,931,650	20,611,140	1,158,143	4,260,998		61,523,735

NOTE 43 FIXED-INTEREST PERIODS
Group Dec. 31, 2007

SEK 000s	<3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 – 5 years	>5 years	Without interest	Total	Average remaining fixed-interest period
Cash and central bank account balances							71,517	71,517	
Eligible treasury bills, etc.	7,964,124							7,964,124	0.1 years
Lending to credit institutions	5,233,671							5,233,671	
Lending to the public	40,441,029	261,412	5,687,467	12,280,027	6,059,066	2,310,995		67,039,996	1.1 years
Bonds and other interest-bearing securities	1,496,804	583,477	1,025,040					3,105,321	0.4 years
Other assets							1,678,948	1,678,948	
Total assets	55,135,628	844,889	6,712,507	12,280,027	6,059,066	2,310,995	1,750,465	85,093,577	
Liabilities to credit institutions	707,233							707,233	
Deposits from the public	28,585,016	329,101	455,468	286,016	79,722			29,735,323	0.1 years
Issued securities	19,307,509	864,123	150,012	18,368,748	7,074,281		216,017	45,980,690	1.4 years
Subordinated debt	1,150,000							1,150,000	
Other liabilities and provisions							3,696,599	3,696,599	
Shareholders' equity							3,823,732	3,823,732	
Total liabilities and shareholders' equity	49,749,758	1,193,224	605,480	18,654,764	7,154,003	–	7,736,348	85,093,577	
Interest derivatives, fixed interest received				13,900,000	5,897,500			19,797,500	2.4 years
Interest derivatives, fixed interest paid	1,520,000	2,875,000	3,240,000	10,360,000	4,965,000	2,415,000		25,375,000	2.6 years
	1,520,000	2,875,000	3,240,000	24,260,000	10,862,500	2,415,000	–	45,172,500	

Parent Company Dec. 31, 2007

SEK 000s	<3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 – 5 years	>5 years	Without interest	Total	Average remaining fixed-interest period
Cash and central bank account balances							71,517	71,517	
Eligible treasury bills, etc.	7,964,124							7,964,124	0.1 years
Lending to credit institutions	24,143,906		177,090	167,707	66,205			24,554,908	0.1 years
Lending to the public	10,432,453	35,833	66,412	262,404	137,261	49,411		10,983,774	0.2 years
Bonds and other interest-bearing securities	1,496,804	583,477	1,025,040					3,105,321	0.4 years
Other assets							3,891,394	3,891,394	
Total assets	44,037,287	619,310	1,286,542	430,111	203,466	49,411	3,962,911	50,571,038	
Liabilities to credit institutions	5,866,277							5,866,277	
Deposits from the public	28,751,201	329,101	455,468	286,016	79,722			29,901,508	0.1 years
Issued securities	7,869,143	864,123		17,990	140		216,018	8,967,414	0.2 years
Subordinated debt	1,150,000							1,150,000	
Other liabilities and provisions							874,549	874,549	
Shareholders' equity							3,811,290	3,811,290	
Total liabilities and shareholders' equity	43,636,621	1,193,224	455,468	304,006	79,862	–	4,901,857	50,571,038	
Interest derivatives, fixed interest received	100,000	150,000	300,000	680,000	145,000	50,000		1,425,000	
Interest derivatives, fixed interest paid	120,000	150,000	300,000	2,380,000	245,000	90,000		3,285,000	
	220,000	300,000	600,000	3,060,000	390,000	140,000	–	4,710,000	

NOTE 43 FIXED-INTEREST PERIODS, continued

Group Dec. 31, 2006

SEK 000s	<3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 – 5 years	>5 years	Without interest	Total	Average remaining fixed-interest period
Cash and central bank account balances							72,631	72,631	
Eligible treasury bills, etc.								0	
Lending to credit institutions	2,113,474							2,113,474	0.8 years
Lending to the public	37,812,806	1,371,370	2,163,774	7,228,978	4,167,317	1,139,403		53,883,648	1.0 years
Bonds and other interest-bearing securities	3,962,395	589,888	1,055,099					5,607,382	0.3 years
Other assets							860,509	860,509	
Total assets	43,888,675	1,961,258	3,218,873	7,228,978	4,167,317	1,139,403	933,140	62,537,644	
Liabilities to credit institutions	350,818							350,818	
Deposits from the public	23,100,116	160,321	636,908	389,204	92,839			24,379,388	0.1 years
Issued securities, etc.	21,711,637		2,702,388	349,988	6,472,457		398,143	31,634,613	1.1 years
Subordinated debt	1,050,000							1,050,000	0.2 years
Other liabilities and provisions							1,938,713	1,938,713	
Shareholders' equity							3,184,112	3,184,112	
Total liabilities and shareholders' equity	46,212,571	160,321	3,339,296	739,192	6,565,296	–	5,520,968	62,537,644	
Interest derivatives, fixed interest received					5,350,000			5,350,000	4.4 years
Interest derivatives, fixed interest paid	325,000	5,000,000	1,475,000	8,140,000	3,480,000	1,095,000		19,515,000	2.7 years
	325,000	5,000,000	1,475,000	8,140,000	8,830,000	1,095,000	–	24,865,000	

Parent Company Dec. 31, 2006

SEK 000s	<3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 – 5 years	>5 years	Without interest	Total	Average remaining fixed-interest period
Cash and central bank account balances							72,631	72,631	
Lending to credit institutions	33,788,178		2,195,484	710,182	6,599,459			43,293,303	0.7 years
Lending to the public	9,264,185							9,264,185	
Bonds and other interest-bearing securities	3,962,395	589,888	1,055,099					5,607,382	0.3 years
Other assets							3,286,234	3,286,234	
Total assets	47,014,758	589,888	3,250,583	710,182	6,599,459	–	3,358,865	61,523,735	
Liabilities to credit institutions	526,417							526,417	
Deposits from the public	23,193,396	160,321	199,627	389,204	92,839			24,035,387	0.1 years
Issued securities	21,711,637		2,702,388	349,988	6,472,457		398,143	31,634,613	1.1 years
Subordinated debt	1,050,000							1,050,000	0.2 years
Other liabilities and provisions							995,333	995,333	
Shareholders' equity							3,281,985	3,281,985	
Total liabilities and shareholders' equity	46,481,450	160,321	2,902,015	739,192	6,565,296	–	4,675,461	61,523,735	
Interest derivatives, fixed interest received								–	
Interest derivatives, fixed interest paid				1,000	600			1,600	3.1 years
	–	–	–	1,000	600	–	–	1,600	

NOTE 44 CREDIT RISK

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Loan receivables				
Gross				
Credit institutions	5,233,671	2,113,474	24,554,908	43,293,302
Public sector	133,085	144,889	–	–
Commercial sector	4,923,172	4,433,982	486,665	456,733
Household sector	62,232,720	49,534,823	10,590,651	8,891,700
Other	6,170	7,771	6,170	4,747
	72,528,818	56,234,939	35,638,394	52,646,482
Impairment				
Commercial sector	–59,705	–57,278	–2,773	–2,658
Household sector	–195,446	–180,539	–96,939	–86,337
	–255,151	–237,817	–99,712	–88,995

Net				
Credit institutions	5,233,671	2,113,474	24,554,908	43,293,302
Public sector	133,085	144,889	–	–
Commercial sector	4,863,467	4,376,704	483,892	454,075
Household sector	62,037,274	49,354,298	10,493,712	8,805,363
Other	6,170	7,771	6,170	4,747
	72,273,667	55,997,122	35,538,682	52,557,487

Securities				
Government securities and other public bodies	7,964,124	–	7,964,124	–
<i>Other issuers:</i>				
AAA/Aaa	1,025,040	1,055,099	1,025,040	1,055,099
A+/A1	583,477	589,888	583,477	589,888
A–/P1	1,496,804	3,463,612	1,496,804	3,463,612
	11,069,445	5,108,599	11,069,445	5,108,599

Derivatives, positive net exposure including accrued interest				
AA/Aaa	109,586	–	109,586	–
AA–/Aa1	148,551	9,944	108,475	7,534
A–/Aa1	39,805	6,605	14,747	–
	297,942	16,549	232,808	7,534

Memorandum items				
Granted but undisbursed loans	457,576	396,942	187,361	112,499
Granted but unutilized overdraft facilities	1,428,593	1,163,035	39,107,756	6,886,712
Total	1,886,169	1,559,977	39,295,117	6,999,211
Total credit risk exposure	85,527,223	62,682,247	86,136,052	64,672,831

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Collateral distribution for loan receivables, gross				
Private homes	44,426,448	35,187,563	4,478,177	3,514,164
Tenant-owned apartments	8,087,767	5,194,409	873,935	545,305
Apartment buildings	354,757	232,941	1,583	51,880
Agricultural/farm properties	1,928,867	1,744,227	1,928,867	1,744,227
Commercial properties	68,768	73,090	–	807
Industrial properties	13,394	9,632	925	935
Other guarantees	5,405	7,231	5,405	7,231
Other collateral	7,977,762	7,677,620	746,800	885,317
Unsecured credit	4,431,979	3,994,752	3,047,794	2,603,314
Credit institutions	5,233,671	2,113,474	24,554,908	43,293,302
	72,528,818	56,234,939	35,638,394	52,646,482

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Doubtful loan receivables				
Commercial sector	73,906	55,898	2,773	2,837
Household sector	208,270	192,451	96,939	87,074
Total	282,176	248,349	99,712	89,911
Non-performing loan receivables included in doubtful loan receivables				
Commercial sector	59,560	42,647	842	474
Household sector	136,886	109,225	51,269	52,413
	196,446	151,872	52,111	52,887

For further information concerning risk, see the Board of Directors' Report on page 28.

NOTE 44 CREDIT RISK, continued

SEK 000s	Group		Parent Company	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006
Impairment				
Specific impairment for individually appraised receivables				
Commercial sector	38,215	37,762	–	295
Household sector	40,279	52,648	–	10,053
	78,494	90,410	–	10,348
Impairment for homogenous groups of loan receivables appraised by group				
Commercial sector	21,490	19,516	2,773	2,363
Household sector	155,167	127,891	96,939	76,284
	176,657	147,407	99,712	78,647
Total impairment	255,151	237,817	99,712	88,995

NOTE 45 CAPITAL ADEQUACY ANALYSIS

Group SEK 000s	Basel II	Fully according to older regulations (Basel I)	
	2007	2007	2006
Tier 1 capital, gross	4,113,732	4,113,732	3,461,725
Less intangible assets, etc.	–246,805	–246,805	–143,619
Less deferred tax assets	–5,077	–5,077	–172
Less IRB deficit	–103,771		
Tier 1 capital, net	3,758,079	3,861,850	3,317,934
Tier 2 capital	860,000	860,000	760,000
Expanded capital base	–	–	–
Less Tier 2 capital	–103,771	–	–
Total capital base	4,514,309	4,721,850	4,077,934
Risk-weighted assets excluding transition rules	26,189,263	47,423,148	38,513,995
Risk-weighted assets including transition rules	42,457,738	47,423,148	38,513,995

Total capital requirement for credit risk

Capital requirements for credit risk in accordance with Standardized Approach/older regulations	639,316	3,793,852	3,081,120
Capital requirement for credit risk in accordance with IRB approach	1,355,507		
Capital requirement for operational risk	100,318		
Capital requirement	2,095,141		
Adjustment according to transition rules	1,301,478		
Total capital requirement	3,396,619	3,793,852	3,081,120
Tier 1 ratio, % before adjustment according to transition rules	14.35%	8.14%	8.61%
Capital adequacy ratio, % before adjustment according to transition rules	17.24%	9.96%	10.59%
Leverage ratio excluding transition rules	2.15	1.24	1.32
Tier 1 ratio, % after adjustment according to transition rules	8.85%		
Capital adequacy ratio, % after adjustment according to transition rules	10.63%		
Leverage ratio including transition rules	1.33		

Special information

IRB Provisions surplus (+) / deficit (–)	–207,541
IRB Total provisions (+)	146,267
IRB Anticipated loss amount (–)	–353,808

Capital requirement	
SEK 000s	Dec. 31, 2007
Credit risk in accordance with Standardized Approach	
Institutional exposure	152,214
Commercial exposure	342,849
Household exposure	21,470
Exposure with collateral in property	97,600
Non-performing items	2,259
High-risk items	–
Other items	22,924
Total capital requirement for credit risk	639,316

SEK 000s	2007
Credit risk in accordance with IRB approach	
Household exposure	
Property loans	829,632
Other household exposure	524,226
Exposure without counterparty	1,648
Total capital requirement for credit risk	1,355,506

SEK 000s	2007
Operational risk	
Standardized approach	100,318
Total capital requirement for operational risk	100,318
Total minimum capital requirement	2,095,141

Capital base

Capital base includes the Board's proposed appropriation of earnings.

NOTE 45 CAPITAL ADEQUACY ANALYSIS, continued

Parent Company SEK 000s	Basel II	Fully according to older regulations (Basel I)	
	Dec. 31, 2007	Dec. 31, 2007	Dec. 31, 2006
Tier 1 capital, gross	4,101,290	4,101,290	3,573,939
Less intangible assets, etc.	-183,288	-183,288	-123,176
Less deferred tax assets	-2,575	-2,575	-13
Less IRB deficit	-10,424		
Tier 1 capital, net	3,905,003	3,915,427	3,450,753
Tier 2 capital	860,000	860,000	760,000
Expanded capital base	-	-	-
Deduction Tier 2 capital	-10,424	-	-
Total capital base	4,754,579	4,775,427	4,210,753
Risk-weighted assets excluding transition rules	10,213,488	11,003,807	9,367,773
Risk-weighted assets including transition rules	10,193,013	11,003,807	9,367,773
Total capital requirement for credit risk			
Capital requirements for credit risk in accordance with Standardized Approach/older regulations	449,119	880,305	749,422
Capital requirement for credit risk in accordance with IRB approach	338,949		
Capital requirement for operational risk	29,011		
Capital requirement	817,079		
Adjustment according to transition rules	-1,638		
Total capital requirement	815,441	880,305	749,422
Tier 1 ratio, % before adjustment according to transition rules	38.23%	35.58%	36.84%
Capital adequacy ratio, % before adjustment according to transition rules	46.55%	43.40%	44.95%
Leverage ratio excluding transition rules	5.82	5.42	5.62
Tier 1 ratio, % after adjustment according to transition rules	38.31%		
Capital adequacy ratio, % after adjustment according to transition rules	46.65%		
Leverage ratio including transition rules	5.83		
Special information			
IRB Provisions surplus (+) / deficit (-)	-20,848		
IRB Total provisions (+)	79,036		
IRB Anticipated loss amount (-)	-99,884		

Capital requirement SEK 000s	Dec. 31, 2007
Credit risk in accordance with Standardized Approach	
Institutional exposure	137,628
Commercial exposure	290,131
Household exposure	1,516
Exposure with security in property	6,257
Non-performing items	494
Other items	13,093
Total capital requirement for credit risk	449,119

SEK 000s	Dec. 31, 2007
Credit risk in accordance with IRB approach	
Household exposure	
Property loans	210,388
Other household exposure	127,502
Exposure without counterparty	1,059
Total capital requirement for credit risk	338,949

SEK,000s	Dec. 31, 2007
Operational risk	
Standardized Approach	29,011
Total capital requirement for operational risk	29,011

Total minimum capital requirement	817,079
--	----------------

Capital base

Capital base includes the Board's proposed appropriation of earnings.

NOTE 46 RESTATEMENT IN ACCORDANCE WITH IFRS

Restated consolidated income statement on December 31, 2006

in conjunction with transition to IFRS

SEK 000s	Income statement according to Annual Report	Restatement	Income statement restated in accordance with IFRS
Net interest income	921,824	5,276	927,100
Net commission revenue	-12,215	-20,822	-33,037
Net profit/loss from financial items at fair value	1,087	13,393	14,480
Other income	114,615	-	114,615
Total income	1,025,311	-2,153	1,023,158
Personnel costs	-273,234		-273,234
Other expenses	-483,055		-483,055
Total general administration expense	-756,289	-	-756,289
Depreciation/amortization and impairment of tangible and intangible assets	-30,879		-30,879
Total expenses	-787,168	-	-787,168
Profit/loss before loan losses	238,143	-2,153	235,990
Loan losses	-37,198	-598	-37,796
Operating profit/loss	200,945	-2,751	198,194
Taxes	-60,179	770	-59,409
Net profit for the period	140,766	-1,981	138,785

Restated consolidated balance sheet on December 31, 2006

SEK 000s	Balance sheet according to Annual Report	Restatement	Balance sheet restated in accordance with IFRS
Assets			
Lending to credit institutions	2,113,474	-	2,113,474
Lending to the public	53,883,648	-	53,883,648
[Förändring av verkligt värde för räntesäkrade poster i säkringsportföljen]		-101,380	-101,380
Shares and participations	9,489	-	9,489
Bonds and other interest-bearing securities	5,629,650	-22,268	5,607,382
Derivatives	-	168,329	168,329
Other assets	819,698	37,004	856,702
Total assets	62,455,959	81,685	62,537,644
Liabilities, provisions and shareholders' equity			
Liabilities to credit institutions	350,818	-	350,818
Deposits and borrowing from the public	24,379,388	-	24,379,388
Issued securities	31,921,509	-286,899	31,634,610
Derivatives	-	425,954	425,954
[Förändring av verkligt värde för räntesäkrade poster i säkringsportföljen]	-	-45,558	-45,558
Other liabilities and provisions	1,582,519	-24,199	1,558,320
Subordinated debt	1,050,000	-	1,050,000
Shareholders' equity	3,171,725	12,387	3,184,112
Total liabilities, provisions and shareholders' equity	62,455,959	81,685	62,537,644

The transition to IFRS is affected by IAS 39 and implies, compared with earlier, that interest income is also recognized for doubtful loan receivables, that certain fees charged to customers in conjunction with granting of credit are now recognized as interest income instead of commission revenue as previously. Fees related to borrowing (classified as transaction costs) are recognized as interest expense over the duration of the issued security.

The remuneration paid by the customer in conjunction with premature payment of fixed-term borrowing was previously reported as interest income distributed over the remaining duration of the original loan. This remuneration is recognized in income in its entirety on payment as net profit from financial items at fair value.

Financial instruments subject to IAS 39 are classified and valued either at fair value or amortized cost, depending on classification of the instrument.

Restated Parent Company income statement on December 31, 2006

in conjunction with transition to IFRS

SEK 000s	Income statement according to Annual Report	Restatement	Income statement restated in accordance with IFRS
Net interest income	384,244	3,539	387,783
Net commission revenue	-211,283	-2,753	-214,036
Net profit/loss from financial items at fair value		4,576	4,576
Other income	158,607	-	158,607
Total income	331,568	5,362	336,930
Personnel costs	-98,576	-	-98,576
Other expenses	-233,037	-	-233,037
Total general administration expense	-331,613	-	-331,613
Depreciation/amortization and impairment of tangible and intangible assets	-20,527	-	-20,527
Total expenses	-352,140	-	-352,140
Profit/loss before loan losses	-20,572	5,362	-15,210
Loan losses	-14,035	-1,146	-15,181
Operating profit/loss	-34,607	4,216	-30,391
Taxes	8,261	-1,180	7,081
Net profit for the period	-26,346	3,036	-23,310

Restated Parent Company balance sheet on December 31, 2006

SEK 000s	Balance sheet according to Annual Report	Restatement	Balance sheet restated in accordance with IFRS
Assets			
Lending to credit institutions	43,293,302	-	43,293,302
Lending to the public	9,264,185	-	9,264,185
Shares and participations	2,655,889	-	2,655,889
Bonds and other interest-bearing securities	5,629,650	-22,268	5,607,382
Derivatives	-	24,367	24,368
Other assets	628,252	50,357	678,609
Total assets	61,471,278	52,457	61,523,735
Liabilities, provisions and shareholders' equity			
Liabilities to credit institutions	526,417	-	526,417
Deposits and borrowing from the public	24,035,387	-	24,035,387
Issued securities	31,921,509	-286,898	31,634,611
Derivatives		352,847	352,847
Other liabilities and provisions	654,026	-11,538	642,488
Subordinated debt	1,050,000	-	1,050,000
Shareholders' equity	3,283,939	-1,954	3,281,985
Total liabilities, provisions and shareholders' equity	61,471,278	52,457	61,523,735

All derivatives are reported at fair value. Lending and financial liabilities are reported at amortized cost. Lending and financial liabilities are reported at amortized cost except for the parts to which hedge accounting is applied or when the company chooses to utilize the fair value option.

In accordance with IAS 39, all derivatives shall be recognized at fair value. Hedge accounting at fair value means that the hedge instrument and the hedged item are valued at fair value and that the change in fair value is reported in the income statement.

The effectiveness of the hedging relationship is measured and valued and any ineffectiveness in the hedge affects the income statement.

**NOTE 47 DISCLOSURE REGARDING RELATED PARTIES,
PRICING AND AGREEMENTS**

Related parties

Related legal entities include the Länsförsäkringar AB Group's and the Länsförsäkringar Liv Group's companies, all associated companies, Länsförsäkringar Mäklarservice AB and the 24 regional insurance companies with subsidiaries.

From 2006, the local insurance companies that hold shares in Länsförsäkringar AB are considered to be legal entities related to the Alliance.

Related key persons are Board members, senior executives and close family members to these individuals.

Pricing

Negotiated prices are applied within the Länsförsäkringar Alliance, both for services performed on behalf of the regional insurance companies and the service offerings provided within the Länsförsäkringar AB Group.

The price of internal transactions is negotiated in service committees. These committees are to ensure good communication between the Group-wide units and the service centers and their customers. The committees' duties also include discussing and negotiating the content and price of inter-company transactions. After the parties in a service committee have reached an agreement, each manager produces a budget and price list for the forthcoming year which is later approved by Group management.

Agreements

Significant agreements for the Parent Company are primarily out-sourcing agreements with the 24 regional insurance companies and agreements with Länsförsäkringar Stockholm for the Telephone Bank.

Transactions

Parent Company	Receivables		Liabilities		Income		Expenses	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	2007	2006	2007	2006
Companies within the Banking Group	19,546,301	41,606,547	5,576,472	270,670	1,308,301	1,131,378	161,371	11,642
Other companies in the Länsförsäkringar AB Group	16,793	10,938	1,552,603	1,587,705	7,841	1,187	188,658	164,598
Regional insurance companies	20,792	67,637	2,131,228	1,576,425	98,771	91,612	297,397	253,682
Other related parties	–	–	–	–	1,985	1,861	–	–

Group	Receivables		Liabilities		Income		Expenses	
	Dec. 31, 2007	Dec. 31, 2006	Dec. 31, 2007	Dec. 31, 2006	2007	2006	2007	2006
Other companies in the Länsförsäkringar AB Group	22,807	18,198	1,728,332	1,755,811	7,928	1,187	255,050	195,717
Regional insurance companies	20,792	67,650	2,170,219	1,609,150	98,788	91,770	458,299	393,988
Other related parties	–	–	38,271	462,646	1,985	2,084	261,140	232,482

For information regarding remuneration to related key individuals such as members of the Board of Directors and senior executives, refer to note 12 Personnel costs. In all other respects, no transactions took place between these individuals and their related parties apart from normal customer transactions.

Stockholm April 4, 2008

Tommy Persson
Chairman

Hans Benndorf
Board member

Mats Ericsson
Deputy Chairman

Leif Johanson
Board member

Christer Villard
Board member

Tomas Johansson
Board member

Lennart Käll
Board member

Anders Borgcrantz
Executive Vice President

Ylva Thunqvist
Board member

Ingrid Ericson
Employee Representative

Katarina Timåker
Employee Representative

My audit report was submitted on April 4, 2008

Johan Bäckström
Authorized Public Accountant

Audit Report

To the General Meeting of shareholders in Länsförsäkringar Bank AB (publ)

Corporate registration number 516401-9878

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the President of Länsförsäkringar Bank AB (publ) for the 2006 financial year. The annual accounts and the consolidated accounts are included in the printed version of this document on pages 24–69.

These accounts and the administration of the company and the application of the Annual Accounts Act for Credit Institutions and Securities Companies when preparing the annual accounts and the consolidated accounts are the responsibility of the Board of Directors and the President. My responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on my audit.

I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain high, but not absolute, assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated accounts as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken

and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President. I also examined whether any Board member or the President has, in any other way, acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act for Credit Institutions and Securities Companies and thereby give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. The consolidated accounts have been prepared in accordance with International Financial Accounting Standards IFRS as adopted by the EU and the Annual Accounts Act for Credit Institutions and Securities Companies and give a true and fair view of the Group's financial position and results of operations. The Board of Directors' Report is consistent with the other parts of the annual accounts and the consolidated accounts.

I recommend to the Annual General Meeting that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the administration report and that the members of the Board of Directors and the

President be discharged from liability for the financial year.

Stockholm, April 4, 2008

Johan Bäckström
Authorized Public Accountant

Corporate Governance Report

Länsförsäkringar Bank is a wholly owned subsidiary of Länsförsäkringar AB, which in turn is owned by 24 customer-owned regional insurance companies and 14 local insurance companies.

It is Länsförsäkringar's intention to follow the Swedish Code of Corporate Governance (referred to below as the Code) in the applicable parts, with consideration of the fact that the bank is not a stock market company. Adaptations to the Code are intended to take place successively over the next few years. The major deviations from the provision of the Code and explanations for such deviations are presented below.

- Notice and holding of an Annual General Meeting. Deviation from the provisions of the Code with respect to the fact that the company is not a stock market company and has only one shareholder.
- Composition of the Board of Directors. Deviation from the provisions of the Code that at least two Board members shall be independent in relation to the bank's major shareholders.
- Work to increase number of independent directors is in progress.
- The mandate period for Board members is, as a general rule, two years. Deviation from the provisions of the Code of a maximum mandate period of one year due to the supremacy of the Annual General Meeting to dismiss and appoint a member irrespective of mandate period. A mandate period that is longer than one year contributes to ensuring continuity and establishing competence within the Board.
- A special section of the bank's website on corporate governance is intended to be established during 2008.

This Corporate Governance Report, including the report of the Board of Directors concerning internal control, is unaudited.

General Meeting

The shareholder exercises its voting rights at the Annual General Meeting. Decisions are made at the Annual General Meeting pertaining to: the Annual Report, the election of members of the Board and auditors, remunerations to Board members and auditors and other important matters to be addressed in accordance with laws or the Articles of Association. The proposal for remuneration to Board members presented at the Annual General Meeting is specified for the Chairman, Deputy Chairman and other directors, and includes remuneration for extra Board meetings and committee work, unless remuneration for such meetings and work is determined separately.

Nomination process

The Annual General Meeting of Länsförsäkringar AB appoints a Nomination Committee, which is charged with the duty of presenting, in consultation with the CEO of Länsförsäkringar AB, proposals for members of the Board of Directors and auditors of Länsförsäkringar Bank and other subsidiaries, and fees to these members and auditors, in addition to submitting proposals to Länsförsäkringar AB. The Nomination Committee follows an instruction adopted by the Annual General Meeting of Länsförsäkringar AB. Since the 2007 Annual General Meeting, the Nomination Committee has comprised Karin Starrin (Chairman) (Länsförsäkringar Halland), Lars Karbin (Deputy Chairman) (Länsförsäkringar Norrbotten), Ingemar Larsson (Länsförsäkringar Gothenburg and Bohuslän), Anders Stigers (Dalarnas Försäkringsbolag) and Göran Trobro (Länsförsäkringar Kristianstad).

External auditors

In accordance with the Articles of Association, Länsförsäkringar Bank shall have 1–3 auditors with 0–3 deputy auditors. Auditors are appointed for a mandate period of four years. At the 2004 Annual General Meeting, Johan Bäckström, KPMG Bohlins AB, was appointed auditor and Stefan Holmström, KPMG Bohlins AB, was appointed deputy auditor.

Board of Directors

In accordance with the Articles of Association, the Board of Directors of Länsförsäkringar Bank shall comprise 6–9 Board members, with 0–6 deputies. Board members are elected for a maximum mandate period of two years. In addition, members and deputies appointed by trade unions are also members of the Board. The bank has no time limit for the length of time for which a member may sit on the Board, or an upper age limit.

The Board currently comprises ten members and one deputy. Eight of the members were elected by the Annual General Meeting and two members and one deputy member were appointed by the trade unions. The Chairman of the Board is the President of the Parent Company Länsförsäkringar AB. The President is a member of the Board. Five members are Board members and/or Presidents of the regional insurance companies. One member is independent in relation to the bank's shareholders. The Chairman and Vice Chairman of the Board were appointed by the Annual General Meeting. The mandate periods and more detailed presentations of the Board members are presented in the Annual Report.

The Board is responsible for the organization and administration of the company and shall handle and make all decisions concerning issues of material significance and an overall nature relating to the company's operations. This includes determining an appropriate organization, the goals and strategies of the operation and guidelines for control and governance.

Every year, the Board adopts a formal work plan. The formal work plan includes regulations on the duties and responsibilities of the Board and its Chairman, the number of Board meetings, procedures for financial reports and reporting on the operations as well as procedures for Board meetings, notice of meetings, presentation of material, delegation of work duties within the Board and disqualification. The Board adopted a directive for the President. Furthermore, the Board adopted a larger number of policies, instructions and guidelines for the operations.

The Board shall remain informed about the performance of the company to continuously assess the company's financial situation and position.

In its work plan, the Board has stated that financial reporting is to be carried out in accordance with the established instructions and through regular Board meetings. During the year, the Board regularly reviewed the earnings and sales trends, the financial position and risk profile in relation to the budget and business plan. The Board conducts annual strategic seminars and evaluations of its own work. The Board also annually assesses the work of the President and his terms of employment. The Board meets the company's auditors at least once per year (see also Audit Committee below).

Chairman

According to the formal work plan, the Chairman shall lead the Board's work and ensure that the Board fulfills its duties. The Chairman shall also ensure that the Board meets as required, that the Board is provided with the opportunity to participate in meetings or receive satisfactory information and documentation for decision-making, and applies an appropriate working methodology. On the basis of ongoing contact with the President, the Chairman shall also keep informed of significant events and developments within the bank between Board meetings, and shall support the President in his work.

Internal audit

The Board appointed an internal audit function independent from the operating activities, with the primary task of ensuring that the scope and direction of the operations agree with the guidelines issued by the Board and that the operations are being conducted toward the targets established by the Board. The internal audit function is also to examine and assess the organization of the bank, its procedures, governance and control of the operations. The Board has adopted a separate instruction for the internal audit function.

Distribution of Board duties

The Board established its Presiding Officers, an Audit Committee and a Remuneration Committee. The duties of the Committees are determined by the Board in specific instructions. None of the Committees has a general mandate to make decisions. Each Committee is to regularly report its work to the Board.

Presiding Officers of the Board

The duties of the Presiding Officers are to plan the Board meetings and prepare issues of a general nature prior to Board meetings. Until the Board meeting following election in 2008, the Presiding Officers comprise Tommy Persson, Mats Ericsson, Tomas Johansson and the bank's Executive Vice President Anders Borgcrantz.

Audit Committee

The Audit Committee is responsible for preparing the Board's work with quality assurance of the bank's internal control of financial reporting, risk management and risk control, compliance with regulations, other internal control issues and matters referred by the Board to the Committee. The Audit Committee comprises three Board members. All members, including the Chairman are independent in relation to the company and management. The internal and external auditors, along with the bank's President and CFO, usually participate in the Committee's meetings. Until the statutory Board meeting following election in 2008, the Audit Committee comprises Mats Ericsson (Chairman), Leif Johanson and Tommy Persson.

Remuneration Committee

The Remuneration Committee shall prepare issues on remuneration and other terms of employment for the President and the principles for remuneration and other terms of employment for company management. Until the statutory Board meeting following election in 2008, the Remuneration Committee comprises Tommy Persson and Mats Ericsson.

Meetings and attendance

The table below shows the number of meetings held since the 2007 Annual General Meeting until February 2008, and the attendance by each Board member:

	Board of Directors	Audit Committee	Remuneration Committee
Total number of meetings	6	2	1
Hans Benndorf	6		
Ingrid Ericson	6		
Mats Ericsson	6	2	1
Håkan Haraldsson, deputy	6		
Leif Johansson	6	1	
Tomas Johansson	6		
Lennart Käll	6		
Tommy Persson	6	1	1
Ylva Thunqvist	4		
Katarina Timåker	5		
Christer Villard	6		

Internal control relating to financial reporting

This report on internal control relating to financial reporting in 2007 was prepared in accordance with the Code and in accordance with the Code guidelines of October 17, 2005, that were developed by committees from the Confederation of Swedish Enterprise and FAR. The report is unaudited.

The Banking Group's internal control and risk-management processes are designed to provide reasonable assurance of the reliability of the financial reporting and that it has been prepared in accordance with legal requirements, Swedish GAAP and any other regulations applicable to the operations.

The Banking Group applies a risk-assessment and risk-management procedure to ensure that risks to which each company is exposed are managed within the framework established by the Board.

The internal control and risk-management process involves five main activities: risk assessment, control activities, information and communications, and follow-up.

Control environment

The foundation of internal control relating to financial reporting is the control environment, consisting of the organization, decision-making procedures and allocation of authorities and responsibilities among the various bodies that the Board of Directors and the President have established for the company. These provisions are documented and communicated in guidance documents in the form of internal policies, guidelines and instructions. Examples of such guidance documents include reporting instructions, payment authorization instructions and internal control instructions.

The Board of Directors has appointed an Audit Committee to prepare for the work of the Board of Directors by quality-assuring the financial reporting. Moreover, as further preparation for the financial reporting, the Board of Directors has also instituted an internal audit function to support the Board of Directors in ensuring that the company's operations are conducted in accordance with the decisions of the Board of Directors.

The Board of Directors of the Parent Company is in charge of the Banking Group's guidelines for the control and direction of the operations. This responsibility includes the preparation of an efficient system for risk management and internal control of financial reporting. The Board shall also ensure that the company's organization is ordered so that bookkeeping, management of assets, financial control and the company's financial circumstances otherwise are controlled in a secure manner.

Within the shared areas of the Länsförsäkringar AB Group, there is a desire to coordinate routines and find common modes of action by establishing fundamental Group-wide rules. These basic rules are

described in our guidance documents – that is, policies, guidelines and instructions. The Group-wide guidance documents must be approved on an annual basis and incorporated in each subsidiary, for which process the respective President is in charge. Examples of such guidance documents are Group instructions, reporting instructions, guidelines for handling ethical issues

Risk assessment

Risk assessment includes identifying and analyzing the source of risks affecting internal control relating to financial reporting. These risks are analyzed at the company level and the Group level.

Control activities

Risks in financial reporting are controlled through carefully prepared financial statements, standardized work routines with built-in control functions and the evaluation of ongoing improvements. The financial information is analyzed and reviewed at various organizational levels before being presented publicly.

Efforts are ongoing to eliminate and reduce identified significant risks affecting internal control relating to financial reporting. This includes the development and improvement of control activities, and efforts to ensure that employees have the appropriate expertise.

Information and communications

Internal guidance documents are subject to review and reassessment at least once a year. All guidance documents, shared policies and guidelines are published internally. Every manager must ensure compliance with the regulations within his/her area of responsibility, and that the guidance documents are communicated to affected subordinate staff.

Follow-up

An independent review function – Internal Audit – has been established to assist the Board of Directors in following up the operation's compliance with decisions made by the Board of Directors. Through review and reporting, the Internal Audit shall form an opinion as to whether the operations are conducted in an efficient manner, if reporting to the Board provides a true and fair view of the operations, and whether the operations are conducted in accordance with applicable internal and external regulations. The Internal Audit function reports to the Board of Directors.

The Compliance function's task is to regularly identify, assess, monitor and report on compliance risks – that is, the risk of sanctions in accordance with laws or ordinances, and the risk of financial loss. Reporting is addressed to the CEO and to the Board of Directors of the company involved.

Definitions

Capital adequacy ratio

Closing capital base in relation to the closing risk-weighted amount.

Capital base

The sum of Tier 1 and Tier 2 capital minus items in accordance with Chapter 2, Section 7, third paragraph of the Capital Adequacy and Large Exposures Act.

Cost-income ratio

Total costs in relation to total income.

The cost-income ratio is calculated before and after loan losses.

Doubtful receivables

Receivables for which payments are unlikely to be made in accordance with the agreed terms. A receivable is not regarded as doubtful if there is adequate collateral to cover both the principal, interest and any penalties for possible late payments. The net of doubtful receivables is equivalent to doubtful receivables less specific provisions made for individually appraised receivables and provisions for receivables appraised by group.

Fixed-interest period

Agreed period during which the interest rate on an asset or liability is fixed.

Interest margin

The difference between the average interest rate on all assets and the average interest rate on all liabilities.

Investment margin

Net interest income in relation to average total assets.

Non-performing receivables

Receivables for which interest payments, amortization or overdrafts are more than 60 days past due.

Percentage of doubtful receivables

Doubtful receivables in relation to total lending to the public and to credit institutions.

Provision ratio for doubtful receivables

Provision for probable loan losses in relation to gross doubtful receivables.

Return on shareholders' equity

Earnings for the period, after appropriations and standard tax, in relation to average shareholders' equity, adjusted for new share issues and dividends.

Return on total capital

Operating income in relation to average total assets.

Risk-weighted amount

Total assets reported in balance sheet and off-balance-sheet commitments, valued in accordance with the Swedish Capital Adequacy and Large Exposures Act. Volumes are weighted taking into account assessed risk so that they are included in the risk-weighted amount by 0%, 20%, 50% or 100%.

Tier 1 capital

Shareholders' equity in the Parent Company including 72% of untaxed reserves, less intangible assets and deferred tax assets, capital contributions and provisions that may be included in the capital base as Tier 1 capital are described in Chapter 2, Section 6 of the Capital Adequacy and Large Exposures Act.

Tier 1 ratio

Tier 1 capital at year-end in relation to the closing risk-weighted amount.

Tier 2 capital

Subordinated loans with an original term of at least five years with a certain reduction if the remaining term is less than five years, plus capital contributions and provisions in accordance with Chapter 2, Section 6 of the Capital Adequacy and Large Exposures Act.

Board of Directors



Tommy Persson



Mats Ericsson



Hans Benndorf



Leif Johanson



Tomas Johansson



Lennart Käll



Ylva Thunqvist



Olle Törnelli



Christer Villard

Tommy Persson, born 1948
Chairman
President and CEO of Länsförsäkringar AB
Other Board appointments:
Deputy Chairman of Swedish Insurance Federation and CEA Comité Européen de Assurances. Board member of Länsförsäkringar AB, Kaupthing Búnaðarbanki hf, EurAPCo A.G. and Stockholm Chamber of Commerce.

Mats Ericsson, born 1954
Deputy Chairman
President of Länsförsäkringar Halland
Other Board appointments:
Board Chairman of Halland Fire Protection Association. Board member of Länsförsäkringar Halland, Länsförsäkringar Hypotek AB, Wasa Kredit AB, Movement Vård och Rehab AB and the Swedish Insurance Employers' Association (FAO).

Hans Benndorf, born 1954
Member of the Board
President of Länsförsäkringar Stockholm
Other Board appointments:
Board Chairman of Insurance Industry's Pension Fund (FPK) and Sörman & Partners. Board member of Länsförsäkringar Mäklarservice AB.

Leif Johanson, born 1952
Member of the Board
President of Länsförsäkringar Västernorrland
Other Board appointments:
Board member of Västernorrlandsfonden AB, Länsförsäkringar Västernorrland and L-förvaltning AB.

Tomas Johansson, born 1950
Member of the Board
President of Länsförsäkringar Bank
Other Board appointments:
Board Chairman of Länsförsäkringar Fondförvaltning AB, Wasa Kredit AB and Länsförsäkringar Hypotek AB. Board member of Läns hem Fastighetsförmedling AB and Svenska Bankföreningen.

Lennart Käll, born 1958
Member of the Board
President and CEO of Ticnet Travel Group
Other Board appointments:
Board member of Länsförsäkringar Stockholm, Xn Network AB and Inspanet AB.

Ylva Thunqvist, born 1958
Member of the Board
President of Länsförsäkringar Västerbotten
Other Board appointments:
Board member of Länsförsäkringar Västerbotten, the Norrland Fund and the Västerbotten Chamber of Commerce.

Olle Törnelli, born 1958
Secretary to the Board
Chief Legal Counsel of Länsförsäkringar AB.

Christer Villard, born 1949
Member of the Board
Other Board appointments:
Board Chairman of Länsförsäkringar Stockholm, Lennart Wallenstam Byggnads AB, Ramundbergets Alpina AB, Kaupthing Pension Consulting AB, Aptic AB, the Friends of the Drottningholm Theater and Segulah III and IV. Deputy Chairman of Sällskapet i Stockholm. Board member of Kaupthing Bank Sverige AB, AB Segulah and Seccredito AB.

Appointed by the employees

Ingrid Ericson, born 1958
Board member, Confederation of Professional Associations (SACO)
Other Board appointments:
Board member of Länsförsäkringar AB's local SACO Board.

Katarina Timåker, born 1967
Board member, Union of Insurance Employees (FTF)
Other Board appointments: None.

Håkan Haraldsson, born 1948
Deputy Board member, Länsförsäkringar Alliance Employee Association
Other Board appointments:
Board member of Östgöta Brandstodsbolag, Länsförsäkringar AB and Länsförsäkringar Fondförvaltning AB.

Gerd Silander, born 1958
Deputy Board member, Union of Insurance Employees (FTF)
Other Board appointments:
Board member of Länsförsäkringar Fondförvaltning AB.

Executive Management and Auditors



Tomas Johansson



Anders Borgcrantz



Bengt Clemedtson



Gunilla Forsmark Karlsson



Therese Lindé



Bengt Jerning



Mattias Nordin



Johan Nyman



Charlotte von Kraemer

Tomas Johansson, born 1950
*President and CEO**
Employed since 2000

Anders Borgcrantz, born 1961
*Executive Vice President,
Representative for the President
Acting President from February 13,
2008**
Employed since 2003

Bengt Clemedtson, born 1964
*Head of Marketing and Business
Development*
Employed since 2006

Gunilla Forsmark Karlsson, born
1958
Executive Vice President
Employed since 2006

Therese Lindé, born 1972
Head of Information
Employed since 2007

Bengt Jerning, born 1953
Head of Lending
Employed since 1991

Mattias Nordin, born 1967
*Head of Accounting and Business
Control*
Employed since 2005

Johan Nyman, born 1969
Head of Savings and Payments
Employed since 2001

Charlotte von Kraemer, born 1953
Head of HR
Employed since 1990.

* For more information, see page 25 "Key events
after year-end."

Regular Auditor

Johan Bäckström
Authorized Public Accountant
KPMG Bohlins AB



Financial calendar

Date	Activity
February 21, 2008	Year-end report 2007
April 2008	Annual Report 2007
April 22, 2008	Interim report, January–March 2008
August 25, 2008	Interim report, January–June 2008
October 27, 2008	Interim report, January–September 2008

Addresses

Länsförsäkringar Blekinge

Box 24
SE-374 21 Karlshamn
Visit: Kyrkogatan 21
Tel: +46 (0)454-30 23 00
E-mail: info@blekinge.lansforsakringar.se

Dalarnas Försäkringsbolag

Box 3
SE-791 21 Falun
Visit: Slaggatan 9
Tel: +46 (0)23-930 00
E-mail: info@dalarnas.se

Länsförsäkringar Älvsborg

Box 1107
SE-462 28 Vänersborg
Visit: Vallgatan 21
Tel: +46 (0)521-27 30 00
E-mail: info@alvsborg.lansforsakringar.se

Länsförsäkringar Gävleborg

Box 206
SE-801 03 Gävle
Visit: Slottstorget 3
Tel: +46 (0)26-14 75 00
E-mail: info@gavleborg.lansforsakringar.se

Länsförsäkringar Göttinge

Box 54
SE-281 21 Hässleholm
Visit: Andra Avenyen 14
Tel: +46 (0)451-489 00
E-mail: info@goinge.lansforsakringar.se

Länsförsäkringar Göteborg och Bohuslän

SE-404 84 Göteborg
Visit: Lilla Bommen 8
Tel: +46 (0)31-63 80 00
E-mail: info@gbg.lansforsakringar.se

Länsförsäkringar Halland

Box 518
SE-301 80 Halmstad
Visit: Strandgatan 10
Tel: +46 (0)35-15 10 00
E-mail: info@halland.lansforsakringar.se

Länsförsäkringar Jämtland

Box 367
SE-831 25 Östersund
Visit: Prästgatan 48
Tel: +46 (0)63-19 33 00
E-mail: info@lfz.se

Länsförsäkringar Jönköping

Box 623
SE-551 18 Jönköping
Visit: Barnarpsgatan 22
Tel: +46 (0)36-19 90 00
E-mail: info@jonkoping.lansforsakringar.se

Länsförsäkringar Kalmar län

Box 748
SE-391 27 Kalmar
Visit: Smålandsgatan 1
Tel: +46 (0)20-66 11 00
E-mail: info@kalmar.lansforsakringar.se

Länsförsäkring Kronoberg

Box 1503
SE-351 15 Växjö
Visit: Kronobergsgatan 10
Tel: +46 (0)470-72 00 00
E-mail: info@lfkronoberg.se

Länsförsäkringar Norrbotten

Box 937
SE-971 28 Luleå
Visit: Kungsgatan 13
Tel: +46 (0)920-24 25 00
E-mail: info@lfn.nu

Länsförsäkringar Skaraborg

Box 600
SE-541 29 Skövde
Visit: Rådhusgatan 8
Tel: +46 (0)500-77 70 00
E-mail: info@skaraborg.lansforsakringar.se

Länsförsäkringar Stockholm

SE-173 82 Stockholm
Visit: Hemvärnsgatan 9, Solna
Tel: +46 (0)8-562 830 00
E-mail: info@sth.lansforsakringar.se

Länsförsäkringar Södermanland

Box 147
SE-611 24 Nyköping
Visit: V Storgatan 4
Tel: +46 (0)155-48 40 00
E-mail: info@lfs.se

Länsförsäkringar Uppsala

Box 2147
SE-750 02 Uppsala
Visit: Svartbäcksgatan 44
Tel: +46 (0)18-68 55 00
E-mail: info@uppsala.lansforsakringar.se

Länsförsäkringar Värmland

Box 367
SE-651 09 Karlstad
Visit: Köpmannagatan 2 A
Tel: +46 (0)54-775 15 00
E-mail: info@varmland.lansforsakringar.se

Länsförsäkringar Kristianstad

Box 133
SE-291 22 Kristianstad
Visit: V Storgatan 49
Tel: +46 (0)44-19 62 00
E-mail: info@krstad.lansforsakringar.se

Länsförsäkringar Västerbotten

Box 153
SE-901 04 Umeå
Visit: Nygatan 19
Tel: +46 (0)90-10 90 00
E-mail: info@vasterbotten.lansforsakringar.se

Länsförsäkringar Västernorrland

Box 164
SE-871 24 Härnösand
Visit: Stora Torget 3
Tel: +46 (0)611-253 00
E-mail: info@vn.lansforsakringar.se

Länsförsäkringar Bergslagen

Box 1046
SE-721 26 Västerås
Visit: Stora Gatan 41
Tel: +46 (0)21-19 01 00
E-mail: info@lfbergslagen.se

Östgöta Brandstodsbolag

Box 400
SE-581 04 Linköping
Visit: Platensgatan 11
Tel: +46 (0)13-29 00 00
E-mail: info@ostgota.lansforsakringar.se

Länsförsäkringar Gotland

Box 1224
SE-621 23 Visby
Visit: Österväg 17
Tel: +46 (0)498-28 18 50
E-mail: info@lfgotland.se

Länsförsäkringar Skåne

Box 742
SE-251 07 Helsingborg
Visit: Södergatan 15
Tel: +46 (0)42-24 90 00
E-mail: info@skane.lansforsakringar.se

JOINT COMPANIES

Länsförsäkringar AB

SE-106 50 Stockholm
Visit: Tegeluddsvägen 11-13
Tel: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Liv

SE-106 50 Stockholm
Visit: Tegeluddsvägen 21
Tel: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Sak

SE-106 50 Stockholm
Visit: Tegeluddsvägen 11-13
Tel: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Bank

SE-106 50 Stockholm
Visit: Tegeluddsvägen 11-13
Tel: +46 (0)8-588 416 00
E-mail: info@lansforsakringar.se

Länsförsäkringar Fondförvaltning AB

SE-106 50 Stockholm
Visit: Tegeluddsvägen 21
Tel: +46 (0)8-588 400 00
E-mail: info@lansforsakringar.se

Agria Djurförsäkring

Box 70306
SE-107 23 Stockholm
Visit: Tegeluddsvägen 11-13
Tel: +46 (0)8-588 421 00
E-mail: info@agria.se

Humlegården Fastigheter

Box 5182
SE-102 44 Stockholm
Visit: Birger Jarlsgatan 25
Tel: +46 (0)8-678 92 00
E-mail: info@humlegarden.se

Länsförsäkringar Mäklarservice

Box 65
SE-171 74 Solna
Visit: Hemvärnsgatan 9
Fax: +46 (0)8-588 491 90

