

THIS BASE PROSPECTUS WAS APPROVED BY THE SWEDISH FINANCIAL SUPERVISORY AUTHORITY ON 27 SEPTEMBER 2012 AND IS VALID FOR TWELVE MONTHS FROM SUCH DATE.



LÄNSFÖRSÄKRINGAR AB (publ)
Medium Term Note Programme

Arranger

Nordea Bank AB (publ)

IMPORTANT INFORMATION

Notice to investors

Länsförsäkringar AB (publ) (the “**Issuer**”) may from time to time issue medium term notes (the “**Notes**”) under this Medium Term Note Programme (the “**Programme**”). The maximum Nominal Amount of all Notes outstanding from time to time under this Programme may not exceed SEK 2,500,000,000 (or the equivalent in Euro) or as agreed by the Arranger and the Issuer in accordance with the Terms and Conditions.

This base prospectus (the “**Base Prospectus**”) has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Base Prospectus is correct and complete.

This Base Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Base Prospectus.

This Base Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Base Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. No Notes have been, or will be, registered under the United States Securities Act of 1933 (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

No person has been authorized to provide any information or make any statements other than those contained in this Base Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorized or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Base Prospectus nor the offering, sale or delivery of any Note implies that the information in this Base Prospectus is correct and current as at any date other than the date of this Base Prospectus or that there have not been any changes in the Issuer’s or the Group’s business since the date of this Base Prospectus. If the information in this Base Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Trading Act.

Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Forward-looking statements and market data

The Base Prospectus may contain certain forward-looking statements that reflect the Issuer’s current views or expectations with respect to future events and financial and operational performance. The words “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialize. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement. The forward-looking statements included in this Base Prospectus apply only to the date of the Base Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section. Factors that could cause the Issuer’s and the Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “Risk factors”.

The Base Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Base Prospectus is also derived from estimates made by the Issuer.

Presentation of financial information

This Base Prospectus contains the Issuer’s consolidated historical financial statements for 2010, 2011 and the first half-year interim period of 2011 and 2012, which have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the EU. The financial statements for the full years 2010 and 2011 have been audited by the Issuer’s auditor. Certain financial and other information presented in this Base Prospectus have been rounded off for the purpose of making this Base Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals. This Base Prospectus has not been reviewed by any auditor.

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CERTAIN DEFINITIONS

In this Base Prospectus, the following definitions are used:

Issuer	means Länsförsäkringar AB (publ).
Group	means the Issuer and its subsidiaries, each a “ Group Company ”.
Alliance	means the Länsförsäkringar Alliance, comprising the Group and the Owners.
Owners	means the 23 independent regional mutual insurance companies and 14 local insurance companies which hold the shares in the Issuer.
LF Bank	means Länsförsäkringar Bank Aktiebolag (publ).
LF Fondliv	means Länsförsäkringar Fondliv Försäkringsaktiebolag.
LF Liv	means Länsförsäkringar Liv Försäkringsaktiebolag (publ).
LF Sak	means Länsförsäkringar Sak Försäkringsaktiebolag (publ).
Programme	means this Medium Term Note Programme.
Euroclear Sweden	means Euroclear Sweden AB.
NASDAQ OMX	means NASDAQ OMX Stockholm AB.
SFSA	means Finansinspektionen, the Swedish Financial Supervisory Authority.
SEK and EUR	means Swedish kronor and Euro, respectively. M refers to million.
Arranger	means Nordea Bank AB (publ).

Words and expressions defined in the Terms and Conditions beginning on page 12 have the same meanings when used in this Base Prospectus, unless expressly stated or the context requires otherwise.

Risk factors

Risk and risk-taking are inevitable parts of investing in the Notes. There are risks both regarding circumstances linked to the Issuer and those which bear no specific relation to the Issuer. In addition to the other information in this Base Prospectus as well as a general evaluation of external factors, investors should carefully consider the following risk factors before making any investment decision. The occurrence of any of the events discussed below could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations. Moreover, the trading price of the Notes could decline and the Issuer may not be able to pay interest or principal on Notes when due, and investors could lose all or part of their investment. The risks described below are not the only ones the Issuer and the Group are exposed to. Additional risks that are not currently known to the Issuer, or that the Issuer currently considers to be immaterial, could have a material adverse effect on the Issuer's and or the Group's business and the Issuer's ability to fulfill its obligations under the Notes. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

RISKS RELATING TO THE ISSUER

In General on risks relating to the Issuer

Operations originating from the Issuer and the Group give rise to different types of risks. The majority of these risks arise in subsidiaries of the Group. Below the risks are grouped together accordingly, and when a certain risk is attributed to the Group as a whole it is presented on a collective basis. The risks associated directly with the Issuer's business are primarily attributable to the Issuer's financing and its investment in assets that are not the shares of subsidiaries, for example, mutual fund units, bank accounts and short-term money market instruments from issuers with high credit ratings.

Business risks

Strategic risk

The Group is exposed to strategic risk, meaning that institutional changes and changes in basic market conditions may occur. Strategic risk also includes the ability of the Board of Directors and President to plan, organise, follow up on and control the operations and to continuously monitor market conditions. Failure to manage and control strategic risk could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Earnings risk

Earnings risk is 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 Group's products and portfolios and could, if materialised, materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Reputation risk

Reputation risk is the risk of a tarnished reputation among customers, owners, employees, authorities and other parties resulting in reduced demand for the Group's products and thus reduced income. Reputation risk is difficult to assess, but this type of risk could be substantially damaging to operations such as those conducted within the Group, which are based on a well-established brand.

Regulatory risks

Most of the Group's businesses are subject to regulation and regulatory supervision. Any significant regulatory developments could have a material effect on how the businesses within the Group are conducted and on the results of operations. The companies within the Group are subject to numerous financial services laws, regulations, administrative actions and policies. Any significant regulatory development could have material effects on how business within the Group is conducted and on the results of operations.

Operational risks

Although identification, management and control of operational risks are integrated parts of the Issuer's business, the Issuer's business involves operational risks. Operational risks are generally defined as the risks of incurring losses due to deficiencies or errors in internal processes and control routines, human errors, incorrect systems or external events that affect operations. Failure in identifying, managing and

controlling operational risks could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Market risks

Equity risk and property risk

The assets of the Issuer are subject to risks in relation to their value. For example, through its various investments, the Issuer is exposed to fluctuations in the value of equities, property, bonds, etc. Equity exposure in the non-life insurance companies' and the Issuer's investment portfolios varies over time, depending on market outlook and decisions on the use of capital in the Group. The Group's property investments are held by the non-life insurance companies. The Group's property risk overwhelmingly derives from the ownership of its own premises in Stockholm. The materialisation of the above described equity risk and property risk could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Credit spread risk

The Group is exposed to the risk that the value of assets declines due to increases in the difference between market interest rates on non-government bonds and government securities. It cannot be ruled out that a decline in asset value could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Interest rate risks

The Group is exposed to the risk that the net value of assets and liabilities declines due to changed market interest rates. Within non-life insurance, this risk particularly applies to claims annuities. On 31 December 2011, an increase in market interest rates of 1 percentage point would have increased the net value of interest-bearing assets and liabilities, including derivatives, by SEK 33 M (52). It cannot be ruled out that a decline of the net value of assets and liabilities could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Currency risk

The banking operations of the Group currently involves lending in SEK, however LF Bank may fund itself in foreign currencies. The Group is hence exposed to the risk that the net value of assets, liabilities and technical provisions decline due to fluctuations in foreign exchange rates. Currency risk also emanates from the non-life investments in foreign subsidiaries. The total net currency exposure on 31 December 2011 amounted to less than 1 per cent of the total investment assets in the non-life insurance companies and the Issuer jointly. If the currency risk is materialised, it could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Counterparty risks

The Group is exposed to the risk that counterparties are unable to fulfil their commitments and that any collateral provided does not cover the receivable. The Group's exposure to counterparty risk primarily arises through ceded reinsurance and the use of financial derivatives. Counterparty risks also arise through the insurance companies' and the Issuer's deposits in accounts in external banking institutions. In the banking business the counterparty risk relates to agreements with counterparties for interest-rate and currency swaps. If any of the counterparty risks are materialised, it could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

The credit crunch, the recent financial market turmoil and financial crisis

It is difficult to predict rapid and severe changes in economic and market conditions and to what extent such changes may affect the business of the Issuer. There is no way to be certain that measures instigated by the Issuer are satisfactory to reduce any credit, market and liquidity risks. In spite of the past few years' turmoil on the financial markets the Issuer is not aware of any effects thereof that render any of the Issuer's risk reducing measures in relation to credit, market and liquidity risks unsatisfactory or ineffective. The credit crunch has entailed limited access to liquidity in the primary and secondary markets. Like many other companies, the banking operations of the Group are dependent on fund raising and liquid capital markets, since one of the main funding sources are the debt capital markets.

Concerns about, or a default by, one financial institution could lead to significant liquidity problems, losses or defaults by other financial institutions because the commercial soundness of many institutions may be closely related as a result of credit, trading, clearing or other relationships between institutions. This risk is sometimes referred to as systemic risk and may adversely affect financial intermediaries, such

as clearing agencies, clearinghouses, banks, securities firms and exchanges with which the Group interacts on a daily basis, and could materially adversely affect the Group.

Concentration risk

Concentration risk is the risk originating from the fact that a portfolio is not diversified enough. Concentrations are results of groups of connected counterparties, and counterparties operating in the same economic sector, geographic region or sharing the same activity or commodity, etc. Although concentration risk is reduced by decisions determining the maximum exposure per reinsurer by, ISDA and CSA agreements, per counterparty in financial derivatives and per counterpart in the liquidity management in the banking business, by discretionary reinsurance of insured and by the diversification of the Group's investment assets, this does not eliminate the concentration risk which could, if materialised, materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Liquidity and financing risks

The Group is exposed to the risks of being unable, due to insufficient cash and cash equivalents, to fulfil commitments or only being able to fulfil commitments by borrowing cash and cash equivalents at a significantly higher cost than usual or by divesting assets at a loss. Moreover, there is a risk that the Issuer or another Group Company may not be able to convert financial instruments immediately into cash and cash equivalents without a decrease in value.

Liquidity and financing risks for the Group are primarily an issue for the banking operations of the Group and the Issuer. The Issuer's liquidity is mainly affected by dividends and Group contributions from subsidiaries, any requirements for contributions to be made to subsidiaries, dividends to owners and interest payments on loans raised in the capital market. The liquidity and financing risks could, if materialised, materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Risks specifically relating to the insurance business

Competition

The non-life insurance industry is highly competitive, resulting, for example, in a downward pressure on premiums. It is essential to the business of the Issuer that the competitive environment is sufficiently monitored and that the Issuer has capacity to maintain or increase its market share.

The non-life insurance market remains characterised by clear competition from small traditional non-life insurance companies, banks that are starting non-life insurance operations, new players and foreign companies. In addition to more players establishing operations in the non-life insurance market, distribution channels are being developed and both the Internet and insurance brokers are gaining importance. Increased competition could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Risks associated with non-life insurance business

The purpose of non-life insurance operations is to transfer risk from the policyholder to the insurer. The insurer collects premiums from a large number of policyholders and undertakes to compensate them if an insured loss occurs. Correct pricing of insurance contracts is crucial for earnings in insurance operations. However, there is an inherent uncertainty in insurance operations and unfavourable results may occur. The risks in non-life insurance operations comprise premium risks, reserve risks and disaster risks. If the Group fails in correctly pricing insurance contracts, it could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Premium risk

The Group is exposed to the risk that claims costs and operating expenses for new claims are not covered by premiums earned. It is important for the Issuer to maintain a sufficient relationship over time between premiums and claims in relation to different products. The Issuer is exposed to risks when performing risk assessments and designing underwriting procedures. If the Issuer fails in maintaining the relationship between premiums and claims, it could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Reserve risk

Reserve risk is the risk that the technical reserves will not suffice to cover incurred claims. An estimate of the provisions for the outstanding claims is associated with uncertainty as to how much claims, perhaps many years ahead, may cost.

The reserve risk is especially apparent in third-party motor liability insurance, which accounts for a large portion of the Group's undertaking. In this case, there is considerable uncertainty concerning the future cost trend, due to the fact that legislation and decisions by public authorities can affect the distribution of costs for third-party motor liability claims between the insurance companies and society, and that the prospects for rehabilitation are difficult to assess in many cases. If the technical reserves will not suffice to cover incurred claims, this could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Catastrophe risk

The Group is exposed to losses occurring as a result of extreme weather conditions, natural disasters, epidemics or catastrophes caused by human activities leading to a very large claims burden. The catastrophe risk is characterised as low frequency, high severity events.

The Group administers common reinsurance cover for the Alliance with respect to storms and natural disasters where LF Sak assumes a certain level of risk for its own account. The other operational area where LF Sak, for its own account, is exposed to certain catastrophe risk is in the internationally received reinsurance. The catastrophe risk could, if materialised, materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Risks associated with life assurance business

The Group's life assurance risk derives from the claims annuities operations and the operations of Länsförsäkringar Grupplivförsäkrings AB, which are subject to mortality risk and morbidity risk. Biometric risks mainly refer to paying life assurance, mortality risk and risk of morbidity is the risk of losses occurring as a result of the insured living longer, the mortality of the insured being higher and the morbidity of the insured being higher than assumed. Life assurance risk also occurs in the unit-linked insurance operations in LF Fondliv. In unit-linked insurance operations, risk pertaining to the uncertainty of mortality and morbidity are assessed as less significant, while expense risks and surrender risk are more significant. Expense risk is the risk that the estimated costs will not cover the Group's actual business costs. Surrender risk is the risk of losses occurring as a result of a change in the premium payments, repurchases or transfers deviating from that which has been assumed. Increased cancellations lead to lower income, and accordingly fewer opportunities for covering the Group's actual expenses. If any of these risks are materialised, it could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Risks specifically relating to the banking business

Competition

Sweden has one of the most consolidated banking sectors in Europe. The Swedish banking market is dominated by a few large banks and the Swedish residential mortgage market is dominated by a few bank-owned and one government-owned mortgage institutions.

Increased competition is a future challenge for all the players within the sector. Even though the Issuer deems that the Group has a strong position to meet the increased competition, no guarantee can be given that the increased competition may not have a negative impact on the Group's financial performance. The demand for the Group's products is also dependent on the customers' forecasts for the future, market rates and other factors that have an influence on the customers' financial situation. Increased competition in the banking business could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Credit risks in lending operations

Credit risk in lending operations is the potential risk of financial loss arising from the failure of a counterparty to fulfil its financial obligations as they fall due and such loss is not covered by any collateral. One of the Group's main businesses is residential mortgage lending to Swedish borrowers (conducted through LF Bank and its subsidiaries). The volume of historical credit losses is not any indication as to the volume of any future credit losses. Operating within the banking sector and offering financial products and services involves taking calculated risks. The risks linked with these products and services are taken consciously and shall be reflected in, and covered by, the prices offered to the

customers. If the credit risk in the lending operations is materialised, this could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

Liquidity and financing risks

Liquidity and financing risks are the risks of being unable, due to insufficient cash and cash equivalents, to fulfil commitments or only being able to fulfil commitments by borrowing cash and cash equivalents at a significantly higher cost than usual or by divesting assets at a loss. Liquidity and financing risks also refers to the risk of not being able to convert financial instruments immediately into cash and cash equivalents without a decrease in value. The lending is to a large extent made on longer terms than the funding. Therefore, LF Bank is dependent on the ability to refinance borrowings upon their maturity. If any of the liquidity and financing risks are materialised, this could materially adversely affect the Issuer's and/or the Group's operations, financial position and results of operations.

RISKS RELATING TO THE NOTES

The Notes will be structurally subordinated to the liabilities of the Issuer's subsidiaries

The Issuer is dependent upon other entities within the Group, including to enable it to make payments under the Notes (for which the Issuer will be reliant on the ability of other entities within the Group to advance loans or make dividend distributions to the Issuer). The Notes will be unsecured and no present or future subsidiary of the Issuer will guarantee the Notes. Further, the Group Companies will have other secured and/or unsecured creditors. If the subsidiaries of the Issuer becomes subject to any foreclosure, dissolution, winding-up, liquidation, recapitalization, administrative or other bankruptcy or insolvency proceeding, the Noteholders will not be entitled to proceed against the assets of any such subsidiary.

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular tranche, such tranche is to be consolidated with and form a single series with a tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application may be made for the Notes issued under the Programme to be admitted to listing on a Regulated Market or any other market where transferable debt instruments are traded, there is no assurance that such application will be accepted, that any particular series of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular series of Notes.

Interest rate risks

Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate Notes. Changes in the general level of interest rates, in particular STIBOR and EURIBOR (as applicable), may adversely affect the value of floating rate Notes. Changes in the expected interest rate level for different categories of risk in investments may also affect the value of both fixed and floating rate Notes.

Noteholder representation

Certain majorities of Noteholders are permitted to bind all Noteholders in relation to certain decisions, including those who vote in a manner contrary to the majority. Consequently, the actions of the majority in such matters could impact a Noteholder's rights in a manner that would be undesirable for some of the Noteholders.

Clearing and settlement

The Notes will be affiliated to Euroclear Sweden's account-based system. Clearing and settlement as well as payment of interest and the repayment of principal is carried out within the said system. Investors are therefore dependent on the functionality of Euroclear Sweden's system.

Change of law

The Notes are subject to Swedish and applicable European laws and administrative practice in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to Swedish or European law or administrative practice after the date of this Base Prospectus, nor can any

assurance be given as to whether any such change could adversely impact the ability of the Issuer to make payments under the Notes.

Credit ratings may not reflect all risks

As of the date of this Base Prospectus, the Issuer, LF Bank, LF Hypotek , LF Sak and Agria Djurförsäkring have each been assigned with credit ratings from either Standard & Poor's Rating Services, a division of Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"), or Moody's Investors Service Limited ("**Moody's**").

One or more independent credit rating agencies may assign credit ratings to an issue of Notes or a Group Company. The ratings may not reflect the potential impact of all risks related to structure, market or the additional factors discussed in this Base Prospectus, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any rating agency as a result of changes in or unavailability of information or if, in any rating agency's judgement, circumstances so warrant. Noteholders will not have any right of recourse to any rating agency in relation to any of the ratings, confirmations in respect of such ratings, or changes to the ratings given by the relevant rating agency. A qualification, downgrade or withdrawal of any of the ratings mentioned above may impact upon the other ratings, the market value and/or liquidity of any series of Notes.

Rating agencies may seek to rate Notes or Group Companies without having been requested to do so by the Issuer, and if such "unsolicited ratings" are lower than the comparable rating assigned to Notes by rating agencies requested by the Issuer, such unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, and unless the context otherwise requires, any references to "ratings" or "rating" in this Base Prospectus are to solicited ratings assigned by an rating agency only.

See also "Description of the Programme – Rating".

Description of the Programme

GENERAL

The Issuer has established the Programme to issue Notes from time to time. Notes may be issued in SEK or EUR and with fixed or floating interest rates. The maximum Nominal Amount of all Notes outstanding from time to time under the Programme may not exceed SEK 2,500,000,000 (or the equivalent in Euro) or as agreed by the Arranger and the Issuer in accordance with the Terms and Conditions. An Issuing Agent will be appointed by the Issuer for each issue of a series of Notes.

It is the Board of Directors of the Issuer which decides on any issues of Notes under the Programme. The Board of Directors may also authorise one or several other persons to decide on Note issues. The Notes issues under this Programme form one of the pillars for the long-term financing of the Group. The Group may also finance itself by way of other means.

FORM OF THE NOTES

The Notes will be issued in dematerialized book-entry form and registered on a VP account on behalf of the relevant Noteholders. Hence, no physical notes will be issued. The Notes will be registered in accordance with the Financial Instruments Accounts Act (*lagen (1998:1479) om kontoföring av finansiella instrument*) and registration requests relating to the Notes shall be directed to an Account Operator. The Nominal Amount of each Note will be SEK 1,000,000 or EUR 100,000 (as applicable).

STATUS OF THE NOTES

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer other than those mandatorily preferred by law.

TERMS AND CONDITIONS AND FINAL TERMS

All Notes issued under the Programme are governed by the Terms and Conditions. Each specific series of Notes will also be subject to specific Final Terms for such Notes, which together with the Terms and Conditions govern such Notes. Each series of Notes issued under the Programme will be identified by a unique ISIN (International Securities Identification Number).

Below is a description of the interaction between the Terms and Conditions and the Final Terms.

Terms and Conditions

The Terms and Conditions are standardised and generally applicable to all Notes issued under the Programme.

Final Terms

Final Terms are prepared for each series of Notes issued under the Programme. The Final Terms shall be prepared in accordance with and based on the form of Final Terms (see "Form of Final Terms" below). The Final Terms include the specific terms applicable for a series of Notes. Hence, the applicable Final Terms must always be read together with the Terms and Conditions. In certain cases the applicable Final Terms may contain a note as to if clauses possible for election in the Terms and Conditions have been elected. The Final Terms will *inter alia* regulate the Nominal Amount, currency, interest and maturity date of the relevant series of Notes.

Final Terms in respect of Notes that are offered to the public or otherwise admitted to trading on a Regulated Market will be filed with the SFSA as soon as practicable, if possible in advance of the beginning of the offer and at the latest prior to the admission to trading. Such Final Terms will be published on the website of the Issuer.

PRICING AND INTEREST

Notes may be issued under the Programme at a discount or at a premium compared to the Nominal Amount of the Notes. The issue price and interest rate for a series of Notes cannot be determined in advance but is set in connection with the actual issuance of the Notes. Interest may be set at a floating interest rate based on STIBOR or EURIBOR, plus a margin, or at a fixed interest rate.

Fixed interest Notes

Fixed interest Notes carry interest at the relevant Interest Rate from (but excluding) the Issue Date up to (and including) the Redemption Date. Interest is paid on each Interest Payment Date for the preceding Interest Period. Fixed interest is usually calculated on a 30/360-days basis (30/360), meaning the convention that each month is 30 days and that a year has 360 days.

Floating interest Notes

The Interest Rate in respect of floating interest Notes shall be calculated periodically based on the relevant base rate plus the applicable margin set out in the Final Terms. Interest is paid on each Interest Payment Date for the preceding Interest Period. Interest is usually calculated on an actual/360-days basis (actual/360) meaning the convention that the actual number of days is used for the interest accrual period and that a year has 360 days.

If the relevant base rate is STIBOR, STIBOR means (a) the applicable percentage rate per annum displayed on Reuters screen SIOR as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period or (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request from banks reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period.

If the relevant base rate is EURIBOR, EURIBOR means (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period or (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request from banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for the relevant period.

LISTING

Notes issued under the Programme may be listed on a Regulated Market or any other market where transferrable debt instruments are traded. If relevant, an undertaking from the Issuer to apply for a listing of any series of Notes will be set out in the applicable Final Terms. The estimated costs associated with such listing will also be set out in the applicable Final Terms. Although the Issuer may undertake to apply for a listing of the Notes, there is no assurance that such application will be accepted, that any particular series of Notes will be so admitted or that an active trading market will develop.

RATING

A credit rating is a rating which a borrower may receive from an independent credit rating agency with respect to its ability to perform its financial obligations. If Notes which are to be issued under the Programme will, or have been, assigned a credit rating, this will be stated in the Final Terms. The assignment of ratings to the Notes is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be revised or withdrawn at any time. Hence, each Noteholder is obliged to keep itself updated regarding any rating of Notes.

In general, European regulated investors are restricted under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending.

Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

See also “Risk factors – Risks relating to the Notes - Credit ratings may not reflect all risks”.

PRESCRIPTION

The right to receive payment of the Nominal Amount shall be statute-barred and become void ten (10) years from the relevant Redemption Date and the right to receive payment of interest shall be statute-barred and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments which have become statute-barred.

FURTHER ISSUANCES

The Issuer is entitled to, from time to time, issue additional tranches of Notes under an existing series of Notes, provided that such Notes in all respects have the same Terms and Conditions as the existing series of Notes (with the exception of the amount of the first interest payment or the price of the Notes) so that such additional tranches of Notes can be merged and constitute one single series together with the outstanding Notes in such series.

THE CSD

Euroclear Sweden, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is the initial Central Securities Depository (CSD) and registrar in respect of the Notes.

The Issuer shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of Notes. At the request of the Issuing Agent, the Issuer shall promptly request and provide such information to the Issuing Agent or provide the Issuing Agent with a power of attorney to obtain the relevant information from the CSD. The Issuing Agent shall also be entitled to obtain information from the register kept by the CSD in respect of the Notes directly, if permitted by applicable laws at the date of such request.

GOVERNING LAW

The Terms and Conditions of the Notes and any non-contractual obligations relating thereto are governed by and shall be construed in accordance with the material provisions of Swedish law. Any dispute or claim arising in relation to any Notes shall be determined by Swedish courts, with the District Court of Stockholm (*Stockholms tingsrätt*) as the court of first instance.

Terms and Conditions of the Notes

TERMS AND CONDITIONS FOR NOTES ISSUED UNDER LÄNSFÖRSÄKRINGAR AB (PUBL) SEK 2,500,000,000 MEDIUM TERM NOTE PROGRAMME

The following terms and conditions dated 27 September 2012 shall apply to each medium term note that Länsförsäkringar AB (publ) issues under its MTN Programme in Swedish kronor or Euro. The maximum amount of all medium term notes outstanding from time to time may not exceed SEK 2,500,000,000 or the equivalent thereof in EUR.

Each series of medium term notes will be subject to final terms containing additional terms and conditions. The final terms will prevail in the event of any inconsistency. The final terms together with these terms and conditions will constitute the complete terms and conditions for the relevant medium term notes. Any references below to "these terms and conditions" shall be deemed to include the provisions of the relevant final terms. The final terms for medium term notes offered to the public or otherwise listed with an exchange will be published on the website of Länsförsäkringar AB (publ) and submitted to the Swedish Financial Supervisory Authority and will also be made available at the office of Länsförsäkringar AB (publ).

1. DEFINITIONS AND CONSTRUCTION

1.1 In these terms and conditions (the "**Terms and Conditions**") and any applicable Final Terms (as defined below):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a VP Account in respect of its Notes.

"**Accounting Principles**" means international accounting standards within the meaning of IAS Regulation 1606/2002 (or as otherwise adopted or amended from time to time) as applicable to the business of the Group (including options chosen by the Group) and as used in Sweden.

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Notes held by a Group Company.

"**Arranger**" means Nordea Bank AB (publ), Swedish Reg. No. 516406-0120, Capital Markets and Treasury Operations, C23, 105 71 Stockholm, Sweden.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business, other than over the Internet only, in Stockholm, Sweden.

"**Change of Control**" means an event or series of events resulting in the Issuer ceasing to be, directly or indirectly, controlled and owned to at least eighty (80) per cent by local or regional insurance companies.

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB. Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**Event of Default**” means an event or circumstance specified in Clause 9.1.

“**EURIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Reuters screen EURIBOR01 as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request from banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for the relevant period.

“**Euro**” or “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Final Terms**” means, in respect of a series of Notes issued under the same ISIN, the issue terms relating to the Notes that supplement or vary these Terms Conditions.

“**Final Maturity Date**” has the meaning ascribed to it in the Final Terms.

“**Financial Indebtedness**” means:

- (a) moneys borrowed;
- (b) the amount of any liability under any finance leases (a lease which in the accounts of the Group is treated as an asset and a corresponding liability, however not including current or future leases, which as of the date hereof are considered as not being financial leases);
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition are met under the Accounting Principles);
- (d) any bond or other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) other transactions, included but not limited to futures, having the commercial effect of a borrowing;
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (g).

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*).

“**Group**” means the Issuer and its direct and indirect Subsidiaries from time to time (each a “**Group Company**”).

“**Interest**” means the interest on the Notes calculated in accordance with Clause 4 (*Interest*).

“**Interest Payment Date**” has the meaning ascribed to it in the Final Terms.

“**Interest Period**” means, (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment

Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” has the meaning ascribed to it in the Final Terms.

“**Issue Date**” has the meaning ascribed to it in the Final Terms.

“**Issuer**” means Länsförsäkringar AB (publ), Swedish Reg. No. 556549-7020, SE-106 50 Stockholm, Sweden.

“**Issuing Agent**” has the meaning ascribed to it in the Final Terms.

“**Material Subsidiary**” means any Subsidiary of the Issuer whose earnings or net assets exceeds 10 per cent of the consolidated earnings or net assets, as applicable, of the Issuer, all as calculated by reference to the then latest audited accounts of such Subsidiary (consolidated, if it has Subsidiaries) and the then latest consolidated audited accounts of the Issuer, provided that:

- (a) if a Subsidiary of the Issuer becomes a Group Company after the date on which the latest audited financial statements of the Issuer have been prepared, the contribution of that Subsidiary will be determined from its latest audited financial statements (consolidated if it has Subsidiaries);
- (b) the consolidated earnings and net assets of the Issuer will be determined from its latest audited financial statements, adjusted (where appropriate) to reflect the earnings and net assets of any company or business subsequently acquired or disposed of; and
- (c) if a Material Subsidiary disposes of all or substantially all of its assets to another Group Company, it will immediately cease to be a Material Subsidiary and the other Group Company will immediately become a Material Subsidiary (if not already).

“**Nominal Amount**” has the meaning ascribed to it in the Final Terms.

“**Noteholder**” means a person who is registered on a VP Account as holder of a Note or otherwise entitled to receive payment in respect of a Note. In respect of a Note registered with an authorised nominee (*förvaltare*) in accordance with the Financial Instruments Accounts Act, the authorised nominee shall be deemed to be the Noteholder for the purpose of applying the Terms and Conditions.

“**Noteholders’ Meeting**” has the meaning set forth in Clause 11 (*Noteholders’ Meeting*).

“**Notes**” means the debt instruments (*skuldförbindelse*) of the type set forth in Chapter 1 Section 3 of the Swedish Financial Instruments Accounts Act and which are issued under any Final Terms.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to a relevant date (or such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market).

“**Redemption Date**” means the date on which the Notes are to be repaid in full in accordance with Clause 6 (*Redemption of the Notes*).

“**Regulated Market**” means any regulated market (*reglerad marknad*) (as defined in the Securities Market Act (*lag (2007:528) om värdepappersmarknaden*)).

“**Relevant Party**” has the meaning set forth in Clause 16.1.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**Subsequent Notes**” means any tranche of Notes issued after the Issue Date for a series of Notes but forming part of such series.

“**Subsidiary**” means any Swedish or foreign legal entity (wheter incorporated or not), which at any time is a subsidiary (*dotterföretag*) to the Issuer, directly or indirectly, as defined in the Companies Act (*aktiebolagslagen*), for the avoidance of doubt not including the mutual company Länsförsäkringar Försäkringsaktiebolag (publ).

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Reuters screen SIOR as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request from banks reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period.

“**Total Nominal Amount**” means the total Nominal Amount of the Notes outstanding from time to time.

“**Transaction Documents**” means these Terms and Conditions, the Final Terms and any other document designated by the Issuer and the Issuing Agent as a Transaction Document.

“**VP Account**” means a securities account (account for shares and other securities (*avstämningskonto*)) according to the Financial Instruments Accounts Act in which each Noteholder’s holding of Notes is registered, or such other securities account in a similar dematerialised system in which the Notes may be registered from time to time.

1.2 Unless a contrary indication appears, any reference in the Terms and Conditions to:

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as replaced, supplemented, amended, novated or varied from time to time;
- (c) a “**regulation**” includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time unless otherwise indicated or the context otherwise requires.

1.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the Issuing Agent’s spot rate of exchange for purchasing Swedish Kronor with payment in the other currency with delivery on the relevant date.

1.4 The Final Terms together with these Terms and Conditions will constitute the complete Terms and Conditions for a series of Notes. Any reference to the Terms and Conditions shall include the relevant Final Terms.

1.5 Terms defined in the Final Terms shall have the same meaning in these Terms and Conditions.

2. STATUS OF THE NOTES AND UNDERTAKING TO MAKE PAYMENTS

- 2.1 The maximum total Nominal Amount of all Notes outstanding from time to time may not exceed SEK 2,500,000,000.
- 2.2 The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them, and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer other than those mandatorily preferred by law.
- 2.3 The Issuer may, at one or several occasions, issue Subsequent Notes. Subsequent Notes shall be issued subject to the Terms and Conditions, for the avoidance of doubt including the Final Terms for the series of Notes in which the Subsequent Notes are issued. Subsequent Notes may be issued at a discount or at a higher price than the Nominal Amount. Each Subsequent Note issued shall entitle its respective holder to Interest (if applicable) only from the end of the previous Interest Period for which Interest has been paid, but shall otherwise have the same rights as the other Notes in the series.
- 2.4 The Issuer undertakes to repay the Nominal Amount and to pay Interest in accordance with these Terms and Conditions.

3. NOTES IN BOOK-ENTRY FORM

- 3.1 The Notes will be registered in accordance with the Financial Instruments Accounts Act on behalf of the Noteholders on a VP-Account and no physical certificates will be issued. Registration requests relating to the Notes shall be directed to an Account Operator. Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Föräldrabalken*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall be required to register their entitlement to receive payment in accordance with the Financial Instruments Accounts Act.
- 3.2 The Issuer shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Issuing Agent, the Issuer shall request and provide such information to the Issuing Agent.

4. INTEREST

- 4.1 The Notes carry Interest on the Nominal Amount at the Interest Rate from (but excluding) the Issue Date up to (and including) the Redemption Date.
- 4.2 Interest is calculated in accordance with the Final Terms.
- 4.3 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from the due date up to the date of actual payment at a rate which is two (2) per cent higher than the Interest Rate.

5. PAYMENT OF INTEREST AND REPAYMENT OF PRINCIPAL

- 5.1 Payment of applicable Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 5.2 Any payment or repayment due under the Notes shall be made to such person who is registered as a Noteholder on a VP Account on the Record Date prior to an Interest Payment Date or other relevant due date.
- 5.3 If a Noteholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. However, Interest only accrues up to and including the relevant payment date. Should the CSD, due to a delay

on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Noteholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.

- 5.4 If payment or repayment is effectuated in accordance with the above, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective if such payment was made to a person not entitled to receive such amount.

6. REDEMPTION OF THE NOTES

6.1 Redemption at maturity

The Issuer shall redeem all outstanding Notes in full on their Final Maturity Date at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

6.2 Early redemption due to a Change of Control

Upon a Change of Control occurring, each Noteholder shall have the right to request that its Notes be redeemed by the Issuer, at a price per Note equal to the Nominal Amount (plus accrued but unpaid Interest), during a period of 40 Business Days following a notice from the Issuer of the Change of Control pursuant to Clause 7.1(c) (after which time period such rights lapse). If a Noteholder has so requested, the Issuer shall redeem the relevant Notes (if necessary by way of a repurchase transaction) within 20 Business Days from the end of such period.

6.3 Early redemption due to illegality

The Issuer may redeem all outstanding Notes at a price per Note equal to the Nominal Amount plus accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations in respect of the Notes.

Redemption in accordance with this Clause 6.3 shall be made by the Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders and the Issuing Agent in accordance with Clause 15 (*Notices*). Any such notice is irrevocable and, upon expiry of such notice period, the Issuer is bound to redeem the Notes.

6.4 Issuer's purchase of Notes

The Issuer may, subject to applicable law, at any time purchase Notes on the market or in any other way. The Notes held by the Issuer may at the Issuer's discretion be retained, sold or cancelled by the Issuer.

7. INFORMATION UNDERTAKINGS

- 7.1 The Issuer will make the following information available to the Noteholders and the Issuing Agent by way of press release and by publication on the website of the Group (www.lansforsakringar.se):

- (a) as soon as the same become available, but in any event within four months after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within two months after each semi-annual interim period, its unaudited consolidated half year report or year-end report, as applicable;
- (c) as soon as it becomes aware that a Change of Control has occurred; and
- (d) if the Notes are listed on a Regulated Market in Sweden, any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of such Regulated Market.

- 7.2 The Issuer is obliged to immediately notify the Issuing Agent (with full particulars) if (i) a Change of Control or (ii) any circumstance specified in Clause 9 (*Acceleration and Prepayment of the Notes*) occurs, and shall provide the Issuing Agent with such further information as it may request following receipt of such notice. Should the Issuing Agent not receive such information, the Issuing Agent is entitled to assume that no such circumstance exists or can be expected to occur provided that the Issuing Agent does not have actual knowledge of such circumstance.
- 7.3 The Issuing Agent might have other business relationships with the Issuer or another entity in the Group other than in relation to the Transaction Documents which could lead to a situation where the Issuing Agent obtains information of the nature referred to above in this Clause 7. The Issuing Agent might be prevented from disclosing such information to a Noteholder. The Issuing Agent shall be deemed not to have information concerning the Issuer's or the Group's activities or conditions referred to this Clause 7 except for information provided solely by, or on behalf of the Issuer, in relation to the Notes. The Issuing Agent is allowed to forward any such information to a Noteholder.

8. GENERAL UNDERTAKINGS

8.1 Negative pledge

- 8.1.1 The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist any Security over any of its assets or revenues to secure bonds, notes or other securities (however defined), which are or may become quoted, listed or otherwise traded on a Regulated Market or any other trading platform.
- 8.1.2 Clause 8.1.1 shall not apply in respect of Länsförsäkringar Bank AB (publ), Länsförsäkringar Hypotek AB (publ) and Wasa Kredit AB.

8.2 Listing

If applicable under the Final Terms, the Issuer shall use its best efforts to ensure that the Notes are listed on NASDAQ OMX Stockholm not later than the date set out in the Final Terms, or, if such listing is not possible to obtain or maintain, on another Regulated Market. The Issuer shall, following a listing, take all reasonable actions on its part to maintain the listing of the Notes.

9. ACCELERATION AND PREPAYMENT OF THE NOTES

- 9.1 The Issuing Agent shall promptly declare, on behalf of the Noteholders, all of the Notes due for payment in accordance with a written request from Noteholders representing not less than 10 per cent of the Total Nominal Amount or a decision from a Noteholders' Meeting, if (each an "Event of Default"):
- (a) the Issuer does not pay on the due date any amount payable by it under the Notes, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
 - (b) the Issuer does not comply with any terms or conditions of the Transaction Documents (other than those terms referred to in Clause 9.1(a)), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within twenty (20) Business Days of the earlier of the Issuing Agent giving notice and the Issuer becoming aware of the non-compliance;
 - (c) any Financial Indebtedness of the Issuer or any Material Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of

an event of default (however described) or any such Financial Indebtedness is not paid when due (or within any applicable grace period), provided that no Event of Default will occur under this paragraph (c) if the aggregate amount of the relevant Financial Indebtedness is less than SEK 150,000,000;

- (d) the Issuer or a Material Subsidiary is, or is deemed for the purposes of any Swedish law to be, insolvent, or admits inability to pay its debts as they fall due within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*), suspends making payments on any of its debts or commences negotiations with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*)), or is subject to involuntary liquidation;
- (e) any distress, attachment, execution or other legal process is levied or enforced against any assets of the Issuer or any Material Subsidiary, having an aggregate value of SEK 50,000,000, and is not discharged or stayed within forty-five (45) days;
- (f) any merger plan (*fusionsplan*) involving the Issuer (provided that the Issuer will be absorbed by a new or existing entity) is adopted; or
- (g) any licence required for the conduct of the business, trade and ordinary activities of a Material Subsidiary, is withdrawn by the Swedish Financial Supervisory Authority (*Finansinspektionen*), or any Swedish or European authority superseding the Swedish Financial Supervisory Authority, by reference to such Material Subsidiary's failure to comply with regulatory requirements,

provided that, as regards any event in items (e) to (g) if it relates to a Material Subsidiary, a Noteholders' Meeting shall have resolved that in its objective reasonable opinion such event is materially prejudicial to the interests of the Noteholders.

9.2 Upon the Issuing Agent becoming aware of the occurrence of an Event of Default, the Issuing Agent shall notify the Noteholders thereof and promptly obtain the instructions of the Noteholders in accordance with Clause 10 (*Noteholders' consent*). If in the Issuing Agent's reasonable opinion the cost, loss or liability which it may incur in complying with such instructions will not be covered by an expected distribution of proceeds in accordance with Clause 9.3, the Issuing Agent may refrain from acting in accordance with such instructions until it has received such indemnities (or adequate Security) as it may reasonably require.

9.3 When the Notes have been accelerated in accordance with this Clause 9 (*Acceleration and Prepayment of the Notes*), all proceeds shall be distributed in the following order of priority, in accordance with the instructions of the Issuing Agent:

- (a) first, to pay all costs and expenses reasonably incurred by the Issuing Agent in connection with the acceleration of the Notes;
- (b) secondly, to pay Interest on the Notes *pro rata*;
- (c) thirdly, to pay principal on the Notes *pro rata*; and
- (d) fourthly, to pay any other amounts outstanding under the Transaction Documents *pro rata*.

9.4 If the right to accelerate the Notes is based upon a decision of a court of law or a government authority, it is not necessary that the decision has acquired legal force or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

10. NOTEHOLDERS' CONSENT

10.1 A request by the Issuer or the Issuing Agent for consent, approval or agreement by the Noteholders shall (at the option of the party making the request) be dealt with at a Noteholders' Meeting or by way of direct communication with each Noteholder:

- (a) If at a Noteholders' Meeting, the provisions in Clause 11 (*Noteholders' Meeting*) shall apply.
 - (b) If by way of direct communication, the provisions in Clause 12 (*Decisions by way of direct communication*) shall apply and the requirements for a certain majority among the Noteholders set out in this Clause 10, shall only apply in relation to the Noteholders that have replied to the communication from the Issuing Agent or the Issuer within the stipulated time period.
- 10.2 A request by the Issuer or the Issuing Agent for a decision by the Noteholders on a matter not covered by Clause 10.1 or a request by a Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount for any decision by the Noteholders shall always be dealt with at a Noteholders' Meeting in accordance with Clause 11.
- 10.3 The following matters shall require the consent of the Issuer and Noteholders representing at least 75 per cent of the Adjusted Nominal Amount held by the Noteholders voting at a Noteholders' Meeting or replying to a communication from the Issuing Agent or the Issuer:
- (a) a change to the terms dealing with the requirements for Noteholder consent;
 - (b) an extension of the term of the Notes or any delay of the due date for payment of any principal or Interest under the Notes;
 - (c) a change to the Interest Rate or the amount of principal or Interest which is payable by the Issuer under the Notes;
 - (d) early redemption of the Notes, other than as permitted by the Terms and Conditions; and
 - (e) any change in debtor under the Notes.
- 10.4 Any matter that does not require a higher majority shall require the consent of Noteholders representing more than 50 per cent of the Adjusted Nominal Amount held by the Noteholders voting at a Noteholders' Meeting or replying to a communication from the Issuing Agent or the Issuer.
- 10.5 Notes held by a Group Company shall not entitle to participation in decisions in respect of matters requiring Noteholders consent or any voting rights at a Noteholders' Meeting and such Notes shall not be considered when calculating if the necessary majority has been achieved for a consent in accordance with these Terms and Conditions.
- 10.6 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way.
- 10.7 A matter decided by a resolution passed at a duly convened and held Noteholders' Meeting or by way of direct communication with each Noteholder is binding on the Issuer and all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding to a communication.
- 10.8 Notice of the result of the voting on a Noteholders' Meeting or by way of direct communication with each Noteholder shall be published by the Issuer within ten (10) Business Days of such result being known, provided that the non-publication of such notice shall not invalidate such result.

11. NOTEHOLDERS' MEETING

- 11.1 Each of (i) the Issuer, (ii) the Issuing Agent, and (iii) a Noteholder (or Noteholders) representing at least ten (10) per cent of the Adjusted Nominal Amount, may at any time call for a meeting among the Noteholders, the Issuer and the Issuing Agent (a "**Noteholders' Meeting**"). Such request shall be made in writing to the Issuing Agent.
- 11.2 The Noteholders' Meeting may, subject to the requirements set out in Clause 10 (*Noteholders' consent*), decide upon any issue or matter in relation to the Transaction Documents.

- 11.3 The Issuing Agent shall convene a Noteholders' Meeting by sending a notice thereof to each Noteholder, no later than ten (10) Business Days after receipt of a meeting request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons). The notice shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including any request for consent, approval or agreement by the Noteholders) and (iv) a form of power of attorney. The Noteholders' Meeting shall be held no earlier than ten (10) and no later than (20) Business Days from the Issuing Agent's notice.
- 11.4 Subject to the other provisions of these Terms and Conditions, the Issuing Agent may prescribe such further regulations regarding the calling and/or the holding of Noteholders' Meetings as the Issuing Agent may deem appropriate.
- 11.5 Quorum at a Noteholders' Meeting only exists if a Noteholder (or Noteholders) representing at least twenty (20) per cent of the Adjusted Nominal Amount attend the meeting in person or by telephone conference (or appear through duly authorised representatives).
- 11.6 If a quorum does not exist at one Noteholders' Meeting, the Issuing Agent shall convene a second Noteholders' Meeting (in accordance with Clause 11.3). The quorum requirement in Clause 11.5 shall not apply to such second Noteholders' Meeting.
- 11.7 Only such persons who are, or who have been provided with a power of attorney by a person who is, registered as Noteholder on a VP Account on the Record Date prior to the date of the Noteholder's Meeting may participate and exercise voting rights as a Noteholder.

12. DECISIONS BY WAY OF DIRECT COMMUNICATION

- 12.1 If the Issuer or the Issuing Agent determines that a request by it for consent, approval or agreement by the Noteholders shall be decided by way of direct communication, the Issuing Agent shall, no later than ten (10) Business Days after receipt of a request from the Issuer (or such later date as may be necessary for technical or administrative reasons), send a communication to each Noteholder by registered mail in accordance with Clause 15 (*Notices*).
- 12.2 A communication from the Issuing Agent in accordance with Clause 12.1 shall include (i) the request by the Issuer or the Issuing Agent for consent, approval or agreement by the Noteholders, (ii) a description of the reasons for the request, (iii) a form for replying to the request (with an option to vote yes or no for each request) and (iv) the stipulated time period within which the Noteholder must reply to the request (such time period to be at least twenty (20) Business Days after the date on which the communication was dispatched).
- 12.3 No quorum requirement shall apply in respect of decisions taken by way of direct communication.

13. AMENDMENTS BY THE ARRANGER AND THE ISSUING AGENT TO THE TRANSACTION DOCUMENTS

- 13.1 Notwithstanding Clause 10 (*Noteholders' Consent*), the Arranger may, without the prior consent of the Noteholders, agree to any increase or decrease in the maximum total Nominal Amount pursuant to Clause 2.1 and the Issuing Agent may in all other respects agree to amend or modify the Transaction Documents, provided that such amendment or modification does not adversely affect the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes.
- 13.2 The Issuer shall promptly notify the Noteholders of any amendments made in accordance with Clause 13.1, setting out the date from which the amendments will be effective.

14. PRESCRIPTION

- 14.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of Interest (excluding capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments which has become statute-barred.
- 14.2 If such term of limitation periods are duly interrupted, in accordance with the Swedish Act on Limitations (*preskriptionslag 1981:130*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of Interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period as such date is determined pursuant with the provisions of the Swedish Act on Limitations.

15. NOTICES

- 15.1 Any communication to be made to the Issuer or the Issuing Agent under or in connection with the Transaction Documents shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) from time to time and to the Noteholders at their addresses as registered with the CSD from time to time.
- 15.2 Any communication or document made or delivered by one person to another under or in connection with the Transaction Documents will only be effective:
- (a) if by way of e-mail, when received in readable form; or
 - (b) if by way of letter, when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;
- and, if a particular department or officer is specified as part of its address details, if addressed to that department or officer.
- 15.3 Any notice received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

16. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 16.1 None of the Issuer, the Issuing Agent or the CSD (each a “**Relevant Party**”) shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance. The reservation in respect of strikes, lockouts, boycotts and blockades applies even if a Relevant Party itself takes such measures, or is subject to such measures.
- 16.2 Damage that may arise for a Noteholder shall not be indemnified by a Relevant Party if it has observed normal care. A Relevant Party shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct. In addition, the Issuing Agent will not be liable for any action taken or omitted by it under or in connection with any Transaction Document unless directly caused by its gross negligence or wilful misconduct.
- 16.3 Should an obstacle described above arise which prevents a Relevant Party from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 16.4 The provisions in this Clause 16 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

17. GOVERNING LAW AND JURISDICTION

These terms and conditions shall be governed by and construed in accordance with the laws of Sweden.

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Place: Stockholm

Date: 27 September 2012

LÄNSFÖRSÄKRINGAR AB (publ)
as Issuer

Name:

Form of Final Terms

FINAL TERMS FOR NOTES ISSUED PURSUANT TO LÄNSFÖRSÄKRINGAR AB (PUBL)'S MEDIUM TERM NOTE PROGRAMME

Series [●], Tranche [●]

[SEK / EUR] [Total Nominal Amount] [Interest basis] Notes due [year]

GENERAL

- A. This document constitutes the final terms (the “**Final Terms**”) of the medium term notes (the “**Notes**”) issued by Länsförsäkringar AB (publ) (the “**Issuer**”) and must be read in conjunction with the base prospectus dated 27 September 2012 [and [*describe any supplement to the base prospectus*],] [which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”) (the “**Base Prospectus**”) and, in particular, the terms and conditions (the “**Terms and Conditions**”) contained therein. Full information on the Issuer and the Notes is only available on the basis of the combination of such documents.
- B. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). The Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons.
- C. The Notes issued by the Issuer will be subject to the Terms and Conditions set out in the Base Prospectus and also to these Final Terms.
- D. Unless otherwise defined in these Final Terms, terms defined in the Terms and Conditions shall have the same meanings when used in these Final Terms and the rules of construction set out in the Terms and Conditions shall apply also to these Final Terms.

PART A – FINAL TERMS

1. NOTE IDENTIFICATION

ISIN: [●]

Series: [●]

Tranche: [Tranche 1] / [Tranche 2]

Denomination: [SEK / EUR]

Nominal Amount of each Note: [●]

Total Nominal Amount of all Notes: [●]

Issue Date: [●]

Issue price: [●]

2. REPAYMENT AND INTEREST

Final Maturity Date: [●]

Interest basis: [Fixed interest rate] / [Floating interest rate].

Interest Rate: [[STIBOR] / [EURIBOR] plus [●] per cent *per annum* / [●] per cent *per annum*].

Interest Payment Date: [Annually] / [semi-annually] / [quarterly] / [monthly] on [●] each year or, to the extent such day is not a Business Day, the immediately preceding Business Day[, unless such day is the last day of a calendar month in which case such day shall occur on the immediately following Business Day]. The first Interest Payment Date shall be [●] and the last Interest Payment Date shall be the Redemption Date.

Day Count Convention: [Actual/360] / [30/360]

3. OTHER

Business Day Convention: [Any reference in the Terms and Conditions to a day which is not a Business Day, shall be deemed to refer to the following Business Day (following business day).]

[Any reference in the Terms and Conditions to a day which is not a Business Day, shall be deemed to refer to the following Business Day unless that day falls in the next calendar month, in which case the relevant day shall be deemed to refer to the immediately preceding Business Day (modified following business day).]

Listing: [Not applicable] / [Applicable. The date referred to in Clause 8.2 of the Terms and Conditions shall be [●]].

Issuing Agent: [●]

PART B – OTHER INFORMATION

For the avoidance of doubt, the information contained in this Part B of the Final Terms does not form part of the Terms and Conditions.

Dealer[s]: [●]

Use of proceeds: [●]

Rating of the Notes: [Not applicable] / [●]

Estimated expenses in conjunction with any admission to trading: [●]

Conflicts of interest: *[Specify only in case any person involved in the issue has any interests in relation to the Notes and/or if there are any interests in relation to the Notes that are of importance for the issue and that are not disclosed in the Base Prospectus or in any supplements to the Base Prospectus.]*

We hereby certify that the above Final Terms together with the Terms and Conditions are binding upon ourselves.

Place:

Date:

LÄNSFÖRSÄKRINGAR AB (publ)
as Issuer

Name:

Description of the Issuer

OVERVIEW

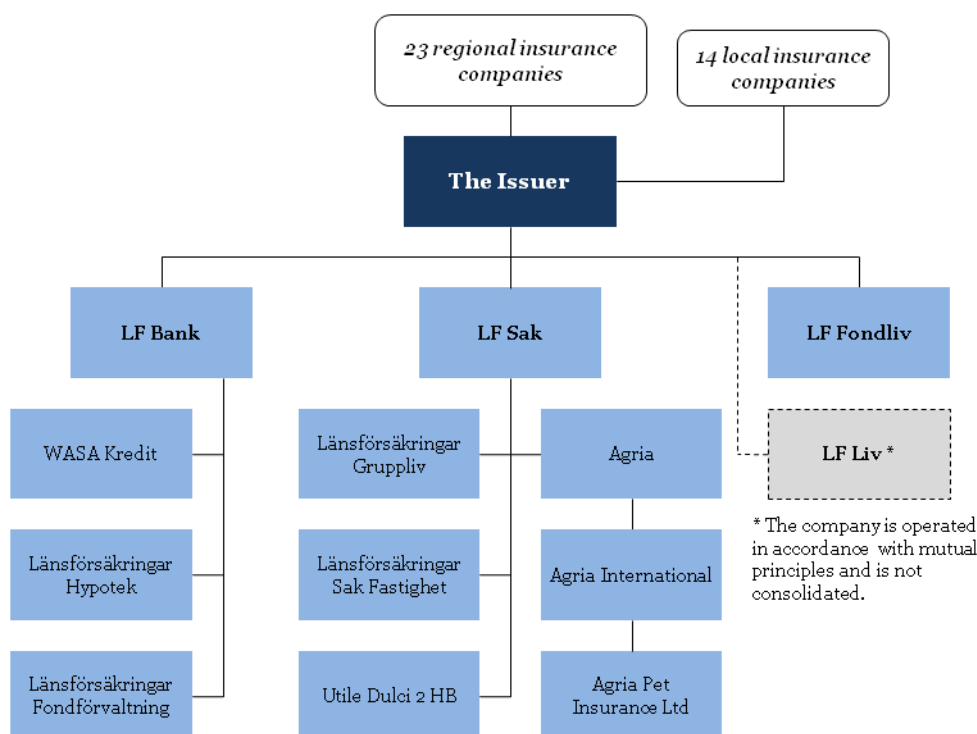
Länsförsäkringar AB (publ) (the “**Issuer**”) together with its subsidiaries (the “**Group**”) operates within various business segments in the financial services market, such as non-life insurance, life assurance, banking services, real-estate brokerage and other financial solutions for corporate customers and private individuals. The Issuer is owned by 23 independent regional mutual insurance companies and 14 local insurance companies incorporated in Sweden (see “– The Issuer, the Group and the Alliance – Ownership” below) which, together with the Group, comprise the Länsförsäkringar Alliance.

The Issuer’s legal and commercial name is Länsförsäkringar AB (publ), and its Swedish corporate registration No. is 556549-7020. The registered office of the Board is located in Stockholm, Sweden. The Issuer was incorporated in Sweden on 13 November 1997 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 6 February 1998. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Issuer itself does not operate under any specific concessions and it is not subject to supervision by the Swedish Financial Supervisory Authority (*Finansinspektionen*), although the Group is classified as a financial conglomerate and subject to special capital requirements under the Swedish Conglomerates (Special Supervision) Act (*lagen (2006:531) om särskild tillsyn över finansiella konglomerat*).

The Issuer functions as the hub of the Alliance. The Issuer’s tasks are to conduct joint banking and insurance operations, pursue the strategic development activities for the Group and to provide services in areas that can generate economies of scale and efficiency, all to enhance the ability of the Owners to operate successfully in their respective local markets.

In addition to the Issuer, the Group encompasses LF Bank, LF Sak, LF Fondliv, LF Liv and the subsidiaries of these companies. LF Liv and its subsidiaries are not consolidated in the consolidated financial statements since the company is operated in accordance with mutual principles meaning that the policyholders are responsible for all risks and earnings accrue in their entirety to the policyholders.

The following chart sets out an overview of the legal corporate structure of the Alliance and the Group.¹



¹ The full legal names of the entities in this chart can be found in the Issuer’s 2011 Annual Report.

Within the Alliance, the Issuer and its subsidiaries (as to which, see “Description of the Issuer – Business” below):

- hold the concession for the traditional life assurance and unit-linked business and the licence for the banking business;
- underwrite certain products directly such as animal and crop insurance, medical insurance, accident insurance, environmental insurance and cargo insurance;
- function as the primary provider of risk reinsurance for the Owners;
- provide business service to the regional insurance companies in areas in which economies of scale and efficiency arise for example product development and IT operations and management; and
- own and develop the Länsförsäkringar brand.

The Issuer and the other companies within the Group generate their revenues based on the bank, non-life insurance and unit-linked business and on the services which are provided to the Owners. In 2011, the Group recorded an operation profit of SEK 284 M¹ and as at 31 December 2011 had SEK 254 billion in total assets.

The Alliance is one of the largest financial groups in Sweden,² currently servicing approximately 3.4 million customers, with total assets under management of approximately SEK 65 billion as at 31 December 2011 and generating total premiums earned of SEK 18.7 billion in 2011. As at 31 December 2011, the Alliance was the Swedish market leader in non-life insurance with a total market share of 28.9 per cent in terms of premiums paid.³ In addition, the Alliance has significant operations in the life insurance sector, with a reported market share of 10.4 per cent of new sales as at 31 December 2011, according to Svensk Försäkring as well as a growing banking business.⁴

As per June 2012 the result before tax for the Alliance strengthened to SEK 1,128 M (-361) and the combined ratio improved to 97 (102), and effect of a more favourable claims situation and premium increases. The market share for non-insurance rose to 29.4 %.

Operating profit for the Group rose to SEK 392 M (271) as per June 2012. Return on equity was 5% (5). The operating result for the banking operations rose 49 % to SEK 270 M (181), primarily due to higher net interest income. Return on equity strengthened to 6.3 % (4.7). The non-life insurance shows steady growth and the operating profit amounted to SEK 242 M (186) with an combined ratio of 97% (105). The unit-linked insurance company reported a profit amounted to SEK 61 M (102). The decline in profit explains of higher nonrecurring operating expenses pertain to investments to cover Länsförsäkringar’s combined pension offering since traditional management is no longer offered. The solvency capital strengthened to SEK 15,914 M (11,858).

The organisational structure of the Group and the Alliance entails that the Issuer’s financial condition and results of operations, to a large extent, is dependent on both the Owners and the subsidiaries of the Group. Similarly, the Owners’ results are dependent on the results of the Alliance. However, the Alliance is distinct from the Issuer and the Owners and is not a legal entity, but rather an alliance of independent companies coordinating their businesses.

¹ Excluding profits of LF Liv and its subsidiaries. Such profits are not consolidated in the consolidated financial statements since the company’s earnings accrue in their entirety to the policyholders.

² Please refer to “Description of the Issuer – Business” below. The Länsförsäkringar Alliance’s earnings from nonlife insurance consist of the total of the earnings of the 23 regional insurance companies and of the jointly owned Länsförsäkringar AB Group, excluding the Life Assurance Group, the Bank Group and LF Fondliv. The value and changes in the value of the Länsförsäkringar AB share, as well as subordinated loans and the Länsförsäkringar AB Group’s liabilities to and receivables from the regional insurance companies have been eliminated.

³ Source: Svensk Försäkring.

⁴ Source: Svensk Försäkring.

Two-year summary

The Group	Jan – Jun	2011	Jan – Jun	2010
	2012		2011	
Operating profit/loss, SEK M	392	284	271	536
Solvency capital, SEK M	15,914	15,564	11,858	10,613
Total assets, SEK M	276,886	253,988	190,987	173,850
Return on equity, %	5	2	5	6

The Alliance	Jan – Jun	2011	Jan – Jun	2010
	2012		2011	
Total capital, SEK M	34,533	33,215	34,683	35,038
Return on equity, %	6	-5	-1	8

HISTORY

The Alliance was constituted in its original form in 1917. Although the Issuer was originally established to meet the need of the regional and local insurance company members to establish reinsurance coverage, its operations and resources have expanded to encompass additional areas of responsibility (including financial and risk management, IT, legal and marketing). A banking subsidiary, LF Bank was established in 1996 to complement the non-life insurance business and strengthen existing customer relationships. LF Bank's initial focus was on rural and regional customers in Sweden and on taking deposits and offering mortgage lending (the latter mainly through its subsidiary Länsförsäkringar Hypotek AB). Today, LF Bank is a full-service bank. In 1998, the Alliance acquired Wasa Försäkring, a Swedish insurance and financial group, resulting in the Alliance becoming the largest non-life insurance provider in Sweden. The life assurance business was established in 1985 and in 2011 the Issuer acquired the unit-linked business LF Fondliv from the traditional life company LF Liv.

COMPETITIVE STRENGTHS

The Group's and consequently the Alliance's principal competitive strengths in the Swedish insurance and financial services market include:

- owning one of the strongest brands in its areas of business;¹
- its unique business concept of forming the Alliance which offers non-life insurance, life assurance and banking services and operates through 23 local financial department stores;
- its strong distribution channels, accessing approximately 3.4 million customers, and a solid local and regional focus provided by the Owners who own, monitor and service the Alliance's large customer base and ensure that products can be highly tailored to suit individual needs and maximise customer satisfaction;
- excellent customer satisfaction (please refer to "Business – Bank" below for further information and source); and
- strong capital base within the Alliance.

STRATEGY

The Group's principal objective is to be the customers' first choice within the Alliance's three core business areas: life assurance, non-life insurance and banking. To accomplish this objective, the Group's strategy is to develop strong, competitive products that strengthen the Länsförsäkringar brand and to increase customer contacts through local presence, availability and personal service. In particular, the Group is currently in the process of further expanding the business of health care insurance and environmental insurance.

THE ISSUER, THE GROUP AND THE ALLIANCE

General

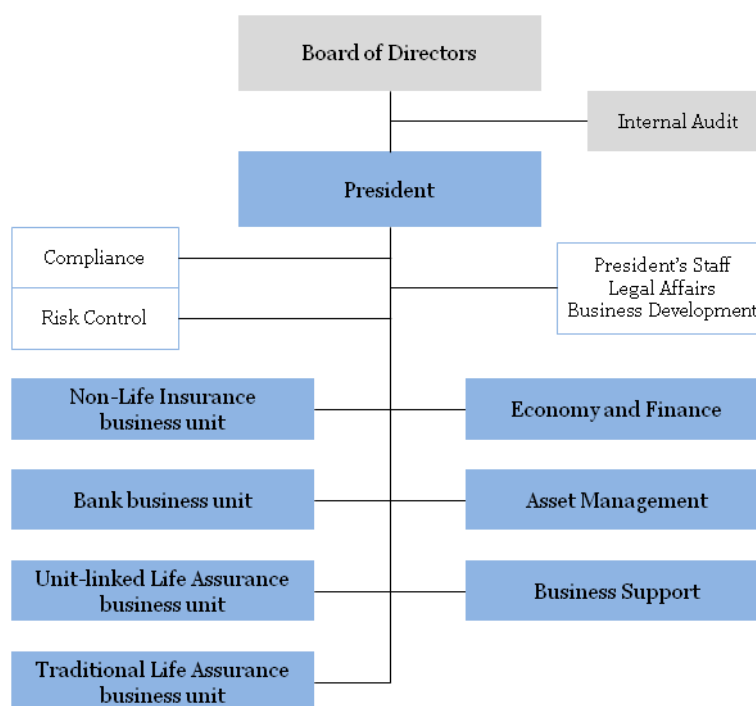
Business activities are conducted with a focus on generating returns on the investments of the Owners. The business service operation is responsible for providing the service requested by the Owners using

¹ Source: Nordic Brand Academy's 2012 *Anseendebarmetern* (the "Reputation Barometer") showed that Länsförsäkringar holds the highest reputation among financial brands in Sweden.

shared resources, and is responsible for the Alliance’s overall development requirements. For example, customer and concept development is coordinated under a single function, regardless of the area of operation. The Issuer’s single overarching objective is to provide the Owners with the correct tools for locally creating and further developing their customer relationships.

Together with its subsidiaries the Issuer operates in the areas of non-life insurance, life assurance, unit-linked insurance, ceded reinsurance, medical insurance, accident insurance, cargo insurance and animal and crop insurance, as well as banking services and fund management. In terms of operations, the Group is organised into four business units: Non-Life Insurance, Bank, Unit-linked Life Assurance and Traditional Life Assurance, as well as support functions Economy and Finance, Asset Management and Business Support, which conduct development, IT and service operations. In addition, there are two President’s staff functions, an internal audit function, as well as a function for compliance and risk control.

The operational structure of the Group is illustrated in the chart below.



The operations of the Issuer are very important to the Owners in order to generate economies of scale. Instead of developing resources at the local level, the Owners can share expenses in such areas as product development, IT operations and management, brand communication and methods for strengthening customer relationships. The cooperation between banking, insurance and real-estate brokerage can also generate greater knowledge about customers and facilitate the understanding of customers’ total needs. This division of duties among the Owners and the Issuer seeks to create a clear focus for each company, where the Issuer’s task is to create conditions for the Owners to be more effective in their roles. Since economic efficiency is a basic prerequisite for this to be possible, certain non-life insurance operations are considered best suited to a joint concession. This interface does not affect customer relations, which are managed by the respective Owner in the same manner as a local bank or life-assurance company. This is the foundation of the Alliance concept, where experience show that local decision-making authority combined with joint strength can create substantial added value for customers.

The scope of the joint operations of the Group is determined by the regional insurance companies. Owner control is not only exercised through participation at the general meeting of the Issuer and through representation on the board of the Issuer, but also through a consortium agreement which constitutes the framework for the regional insurance companies’ ownership in the Issuer.

A key element in the Alliance’s business model is that responsibility for business should, where possible, be exercised locally. Consequently, certain products which are developed within the Group are transferred to the Owners once such products are considered to be mature enough. There are also certain products

(animal and crop insurance, environmental insurance, medical insurance, accident insurance and cargo insurance) that may be provided by the Group companies, alongside the regional insurance companies, directly to customers. Business activities are conducted with a focus on generating returns on the investments of the Owners to a certain level of risk.

Ownership

As noted previously, the Issuer is jointly-owned by the Owners. The Owners in their turn are owned by their customers.

The table below sets out information in respect of the 23 regional insurance companies' respective shareholdings in the Issuer as at 30 June 2012.

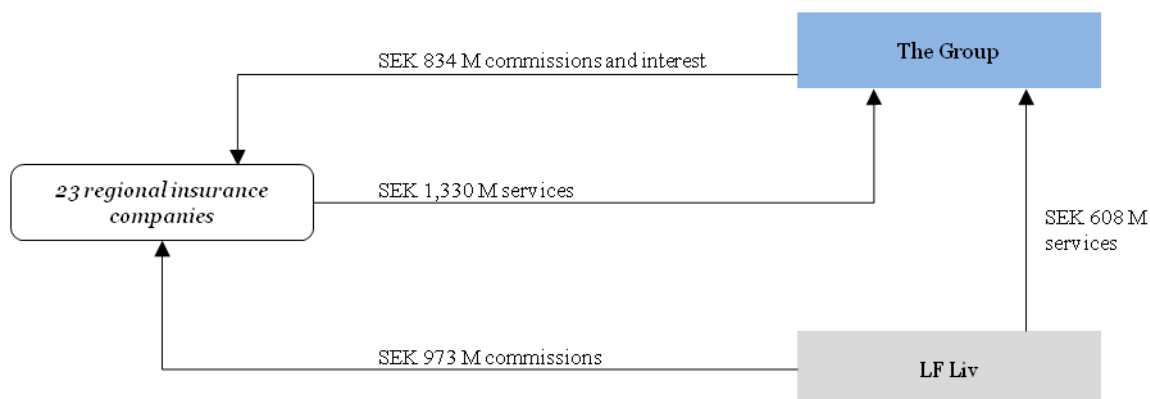
Shareholder	Number of shares			Share of equity, %
	A	B	C	
Länsförsäkringar Skåne	141,849	771,722	–	9.7
Länsförsäkringar Stockholm	129,212	748,237	–	9.3
Länsförsäkringar Östgöta	114,155	583,063	–	7.4
Dalarnas Försäkringsbolag	104,708	517,570	–	6.6
Länsförsäkringar Älvsborg	100,176	514,862	–	6.5
Länsförsäkringar Göteborg och Bohuslän	87,010	515,041	934	6.4
Länsförsäkringar Bergslagen	86,351	434,137	–	5.5
Länsförsäkringar Jönköping	82,812	419,680	–	5.3
Länsförsäkringar Uppsala	73,298	376,183	–	4.8
Länsförsäkringar Västerbotten	57,195	290,232	–	3.7
Länsförsäkringar Södermanland	58,117	285,932	–	3.7
Länsförsäkringar Halland	56,785	285,258	–	3.6
Länsförsäkringar Gäddede-Kristianstad	49,982	286,011	–	3.6
Länsförsäkringar Gävleborg	60,058	270,352	–	3.5
Länsförsäkringar Kalmar län	56,717	261,469	–	3.4
Länsförsäkringar Västernorrland	50,186	244,134	–	3.1
Länsförsäkringar Skaraborg	64,058	222,213	–	3.0
Länsförsäkringar Jämtland	35,795	199,055	–	2.5
Länsförsäkringar Kronoberg	36,701	179,725	–	2.3
Länsförsäkringar Värmland	31,160	179,433	–	2.2
Länsförsäkringar Norrbotten	16,960	113,586	–	1.4
Länsförsäkringar Blekinge	23,088	106,487	–	1.4
Länsförsäkringar Gotland	16,305	64,816	–	0.9
14 local insurance companies	–	–	4,439	0.05
Total number of shares	1,532,678	7,869,198	5,373	100.0

The value of each company's respective shareholding in the Issuer is included in its net asset value and the return on Owners' equity shall be at a market-based level and include a risk premium. As at 30 June 2012, the value of each of the Issuer's shares was SEK 1,443. The ownership of the Issuer by the regional insurance companies, as well as the rights and obligations among the Owners, are governed by a consortium agreement (the "**Consortium Agreement**") between those Owners holding Series A shares in the Issuer (the "**Consortium**"). Series A shares carry ten times the voting rights of B or C shares, and may only be held by regional insurance companies. Under the Consortium Agreement, the members of the Consortium have preferential rights to issues of new shares issued for cash consideration pro rata to their existing holdings. The Consortium Agreement also sets out the restrictions applicable to transfers of shares in the Issuer.

The Consortium Agreement sets out the decision-making process in respect of matters affecting shareholdings in the Issuer. In keeping with the principle of voluntary collaboration within the Alliance, all parties undertake to find solutions in respect of issues of strategic importance, with the aim of achieving consensus. The members of the Consortium also agree to abide by a number of undertakings governing the relations between the parties to the Consortium Agreement, such as the free exchange of information between the parties, the restriction on expanding the geographical scope of operations without consultation with the Issuer, and the equal sharing of responsibility in respect of shared business operations. Breach of any of the terms of the Consortium Agreement by any party may result in the exclusion of such party from the Consortium.

The financial relationships that arise within the Alliance as a result of the shared business responsibility are conducted according to ordinary business principles. In 2011, the Group paid commissions and interests of approximately SEK 834 M to the regional insurance companies and LF Liv paid commissions for the life insurance operations of approximately SEK 973 M. At the same time, the regional insurance companies paid approximately SEK 1,330 M, and LF Liv approximately SEK 608 M, for services provided by the Group. Cash flow is also produced by the joint reinsurance programme from the regional companies to the Group.

The diagram below illustrates the principal flow of funds between the Alliance and the Group as at 31 December 2011 and their approximate amounts. In addition, the 23 regional companies and LF Liv pay certain commissions to the Group for certain individual services which vary from year to year and some of which are outsourced externally.



Asset Management Structure

The responsibility for the asset management within the Alliance rests in part with each regional insurance company of the Alliance and in part with the Issuer. Within the Issuer, there is a specialist function responsible for asset management for the Group's assurance insurance and non-life insurance companies.

The Boards of the regional insurance companies and of the Issuer strive to retain a strong solvency margin to maintain even pricing over time. The aim is to strike a balance between risk and available surplus capital, and high priority is assigned to safeguarding key figures. The companies invest a portion of their assets in low-risk interest-bearing securities to ensure the commitments in the non-life insurance operations. At the same time, the strong solvency margin means that, particularly in the regional insurance companies, a buffer of capital is in place, which allows investments in assets with higher anticipated returns, for example, in equities. The level of risk in the Issuers portfolio is low with a low percentage of equities.

Within the Issuer the Asset Management is conducting the asset portfolio for the non-life business and the life assurance business.

BUSINESS

The Issuer

Most of the operations in the Group and the Alliance are carried out, either by the Issuer's subsidiaries or by the Owners. As previously indicated, the Issuer has three main tasks: (i) to conduct business activities in non-life insurance, life assurance and banking services, (ii) providing business service to the regional insurance companies in areas in which economies of scale and efficiency arise, and (iii) conducting the Group's joint strategic development activities.

The Issuer conducts business activities, develops products and concepts, channels and tools and provides service so that:

- the Owners, the regional insurance companies, can offer their customers a broad range of products and services.
- private individuals, companies and farmers in Sweden are able to live with a sense of security.

The business activities are carried out in the Non-life insurance, Banking, Unit-linked and Traditional Life Assurance business units. The business activities are conducted to generate a profit so that the company can pay competitive returns on equity at a market level, including a risk premium over risk-free interest, through value growth and dividends to the Owners. The financial control of the business units is primarily based on the Owners' yield requirements and risk tolerance.

Non-Life Insurance

Almost all contact with customers regarding non-life insurance is maintained through the 23 regional insurance companies and the majority of non-life insurance in the Alliance is underwritten in the local regional insurance companies with local concessions. However, LF Sak conducts certain development-related operations, primarily pertaining to non-life insurance business. In 2011, business was underwritten in the areas of medical, healthcare, accident, property, cargo and liability insurance. In addition, insurance cover is provided for nationwide customers in the commercial automotive area (third-party liability insurance and motor-vehicle insurance) and animal insurance under the Agria brand. In addition, LF Sak also handles the Länsförsäkringar Alliance's internal and external reinsurance and underwrites assumed international reinsurance. LF Sak holds a concession for non-life underwriting and is under the supervision of the SFSA.

The technical result of the non-life activities of the Alliance amounted to SEK 856 M and the technical result of non-life activities of the Group to SEK 159 M as at 31 December 2011. The total assets under the management of the Group amounted to 15.9 billion as at 31 December 2011.

The Alliance was the market leader in Sweden (in terms of paid premiums) with a market share of 28.9 per cent of the total non-life insurance market as at 31 December 2011. Within the non-life insurance sector, the Alliance's products include motor vehicle insurance, agricultural insurance, animal and crops insurance, transportation insurance, recycling insurance, homeowners insurance, home contents insurance, leisure home insurance, third-party liability insurance, commercial and property insurance, health and welfare insurance and boat insurance.

The animal and crop insurance business which is conducted by Försäkringsaktiebolaget Agria, a subsidiary of LF Sak, had premium earned amounting to SEK 1.9 billion in 2011. Agria held, as at 31 December 2011, a market share of approximately 56.7 per cent of the Swedish market for animal and crop insurance, according to Svensk Försäkring.

Product development is one of the Group's most important tasks. An area of focus is claims adjustment and claims service. In times of fierce competition and price pressure, insurance companies are striving to offer their customers other forms of value than just lowest price. Efficiency enhancements to reduce operating expenses are becoming increasingly important for market players to retain competitiveness in a climate of intensifying competition.

Key figures

Non-Life Insurance	Jan – Jun 2012	2011	Jan – Jun 2011	2010
Premiums earned after ceded reinsurance, SEK M	2,012	4,003	1,969	3,769
Profit/loss before appropriations and tax, SEK M	242	88	186	313
Technical result for insurance operations, SEK M	138	159	64	193
Expense ratio	22	23	24	22
Claims ratio	75	78	81	79
Combined ratio	97	101	105	101

Competition

The non-life insurance market in Sweden is considered a mature market, dominated by four competitors. It is characterised by partnerships between banks, companies and other organisations. Group solutions are becoming increasingly common as is the use of new channels such as the Internet and mobile solutions. The common feature of all of these ventures is that they are to strengthen distribution volumes and facilitate communication with customers in the situations in which needs for insurance solutions arise.

As shown in the table below, the Alliance's principal competitors in the Swedish non-life insurance market are If, Trygg-Hansa and Folksam.

Insurance company	Market share (%) in premiums paid	
	2011	2010
Länsförsäkringar	28.9	28.8
If	18.7	18.9
Trygg-Hansa	15.8	16.0
Folksam	15.4	15.2

Source: Svensk Försäkring.

Banking

The banking business unit offers banking services to private individuals, farmers and small businesses. Sales, advisory services and customer service are carried out through the Owners and their branches (of which there are about 125 throughout Sweden) as well as via the Internet and telephone.

LF Bank

LF Bank is the banking entity of the Alliance. LF Bank operates under a licence as a bank, under the supervision of the SFSA. The task of LF Bank is to create conditions for the 23 regional companies to conduct successful banking operations, for example conduct business activities, develop products, concepts, channels and tools and provide service to the regional insurance companies in areas generating economies of scale. The banking operation is important to the Alliance because it serves as an important distribution channel to enable cross-selling activities and packaged solutions for other Alliance products (such as insurance, savings and pension products). A total of 93 % of bank customers, with Länsförsäkringar as their primary bank, are also existing insurance customers to Länsförsäkringar.

The strategy for the banking operations is based on the existing infrastructure of the Alliance: a large customer base, a strong brand and the value basis and core values of the customer-owned regional insurance companies.

LF Bank is the fifth largest retail bank on the Swedish market.¹ Business volumes, which comprise deposits, fund volumes and loans, amounted to SEK 251 billion as at 31 December 2011. Lending to the public amounted to SEK 134 billion, deposits from the public amounted to SEK 50 billion and fund volumes amounted to SEK 67 billion. The market share for household deposits and retail mortgages in Sweden was 4.6 per cent as at 31 December 2011 according to Statistics Sweden. The number of bank customers as at 31 December 2011, was 889,000. The number of customers with LF Bank as their primary bank was 255,000.

Key figures

Banking	Jan – Jun 2012	2011	Jan – Jun 2011	2010
Deposits from the public, SEK M	57,330	49,610	44,903	41,590
Loans to the public, SEK M	141,647	134,011	125,767	117,910
Operating profit, SEK M	270	385	181	345
Return on equity, %	6,3	4,8	4,7	5,0
Cost/income ratio before loan losses	0,66	0,71	0,72	0,72

LF Bank was named “2011 Bank of the Year” by Swedish financial magazine Privata Affärer. According to the 2011 Swedish Quality Index (*Svenskt Kvalitetsindex*), an index compiled by SIQ (Swedish Institute for Quality) together with EPSI Rating, LF Bank has Sweden's most satisfied retail bank customers for the seventh time in eight years. LF Bank also has Sweden's most satisfied retail mortgage customers for the seventh consecutive year according to the 2011 Swedish Quality Index.

The Bank and its subsidiaries apply the Internal Ratings-based Approach (the “**IRB Approach**”) in its banking business. The advanced IRB Approach is deemed to provide the greatest opportunities to strategically and operationally manage credit risks and is used for all retail exposure. The basic IRB Approach is used for agricultural exposures. Since May 2012, the advanced IRB Approach is approved by the SFSA for counterparty exposures to corporates and the agricultural sector up to SEK 5 M and the

¹ Source: Statistics Sweden (SCB).

fundamental IRB Approach for counterparty exposures to corporates and the agricultural sector above SEK 5 M. The Standardised Approach continues to be applied to exposures to central governments, local governments, county councils, institutions and off-balance sheet items. LF Bank is monitoring the Capital Requirements Directive CRD IV and assesses that the banking operations have a solid basis on which to meet currently known requirements. At 30 June, the capital adequacy ratio according to Basel II amounted to 14.9 per cent (14.1) and the Tier 1 ratio to 12.9 per cent (12.1). The target level for Tier 1 ratio is 12 percentage points when Basel II is fully implemented. The capital target is permitted to vary +/- 0.5 percentage points. LF Bank has received a long-term credit rating of A/stable and a short-term credit rating of A-1 (K-1) from Standard & Poor's. The credit ratings from Standard & Poor's were confirmed in July 2012. The bank has received a long-term credit rating of A2/Negative and a short-term rating of P-1 from Moody's.

In addition to LF Bank, the Group's banking operations comprise three subsidiaries of LF Bank: Wasa Kredit AB ("**Wasa Kredit**"); Länsförsäkringar Hypotek AB (publ) ("**LF Hypotek**"); and Länsförsäkringar Fondförvaltning AB (publ) ("**LF Fondförvaltning**"). LF Bank and LF Hypotek account for most of the lending of the Group's banking operations.

LF Hypotek

Mortgage lending in LF Bank's mortgage institution, LF Hypotek, amounted to SEK 89 billion as at 31 December 2011. Retail mortgages up to 75 per cent of the market value of the collateral on the granting date are granted by LF Hypotek and mortgages above this level by LF Bank. The operating profit totalled SEK 189 million as at 31 December 2011. The number of mortgage customers was 161,000 as at 31 December 2011. LF Hypotek is an authorized credit market company under the supervision of the SFSA.

Wasa Kredit

Wasa Kredit is an authorised credit market company under the supervision of the SFSA whose operations focus on car financing, computer financing, financing for heavy machinery, as well as leisure segments such as campers and boats, in the form of leasing and hire purchase. Wasa Kredit's lending volumes totalled SEK 12 billion and the operating profit amounted to SEK 166 as at 31 December 2011.

LF Fondförvaltning

LF Fondförvaltning manages SEK 67 billion in 33 mutual funds with different investment orientations as at 31 December 2011. The funds are available as direct fund savings, IPS (Individual Pension Savings), Investment Savings Accounts, unit-linked insurance and through the national premium pension savings system. The volume of managed funds fell by 8 per cent, or SEK 5 billion, in 2011, mainly due to the negative trend in asset values in the equities market during the year. The operating profit amounted to SEK 98 million as at 31 December 2011. LF Fondförvaltning is authorised by the SFSA to conduct fund operations.

Borrowing

Most of the loans in the banking operations are granted using covered bonds issued by LF Hypotek, which have the highest credit rating from Moody's (Aaa/Stable) and from Standard & Poor's (AAA/Stable), and are eligible for transactions with the Riksbank and the European Central Bank (ECB). As at 31 December 2011, bonds accounted for 60 per cent of the banking operations' financing sources, deposits for 31 per cent, equity for 4 per cent, commercial papers for 3 per cent and liabilities to credit institutions and subordinated debt for the remainder. Deposits in the banking operations amounted to 72 per cent of financing, excluding LF Hypotek.

The aim of the borrowing operations is to cover short and long-term capital requirements at a price in line with relevant competitors' prices. The primary source of financing is long-term borrowing in bonds in Sweden, with benchmark loans for the institutional market. In the past two years, borrowing has also taken place by issuing Euro Benchmark bonds. The terms of long-term borrowing are adjusted through swap agreements to achieve a fixed-interest period that matches the fixed-interest period of the loans, and all currency risk is hedged by using derivatives.

Long-term senior borrowing and short-term borrowing on the basis of commercial papers takes place through LF Bank.

Borrowing primarily takes place using benchmark loans for the institutional market, with issuances concentrated to large volumes in a number of bond loans that maintain a high level of liquidity.

In the Swedish market, benchmark bonds with normal terms of up to five years are issued through on-tap issuances. Borrowing also takes place with a Medium Term Covered Note programme (MTCN) and a Euro Medium Term Covered Note programme (EMTCN) in the European market. LF Bank has a domestic commercial paper programme for short-term borrowing and a Medium Term Note programme (MTN) for long-term borrowing in the Swedish market. In the European market, there is a Euro Medium Term Note programme (EMTN) for long-term borrowing and also a Euro Commercial Paper programme (ECP) for short-term borrowing. The structure of the borrowing programmes at 31 December 2011 was as follows: 53 per cent in Swedish Benchmark bonds, 21 per cent EMTCN, 11 per cent MTN and 10 per cent MTCN.

Competition

In the Swedish banking sector, the Alliance is a relatively small competitor. Measured in terms of total lending to households including mortgages, the Group's banking division had approximately SEK 134 billion as at 31 December 2011, corresponding to a market share of 4.6 per cent as at 31 December 2011 (according to Statistics Sweden). The market share, measured as deposits in retain market, was 3.8 per cent as at 31 December 2011 (according to Statistics Sweden).

In the household and retail mortgage lending area, the Alliance's principal competitors are Swedbank, Handelsbanken, Nordea, SEB, SBAB and Danske Bank.

Bank	Market share (%) in household and retail mortgage lending	
	2011	2010
Swedbank	25.8	26.5
Handelsbanken	22.7	22.8
Nordea	14.1	14.2
SEB	13.9	12.6
SBAB	5.9	6.1
Länsförsäkringar	4.6	4.4
Danske Bank	4.0	4.0

Source: Statistics Sweden.

Life Assurance and pension assurance

The financial markets experienced extensive turmoil in 2011 and interest rate falls in Sweden were extreme. Long-term market interest rates had declined to historically low levels at the end of 2011. The trend in interest rates affected the traditional life assurance industry as companies' technical liabilities were discounted by the market interest rate. Liabilities increase when the rate falls.

Trends in the financial market led to LF Liv undertaking a series of steps to limit the negative consequences caused by these trends. LF Liv followed a predetermined action plan for such situations, which involved successive sales of the liquid portions of the company's equity portfolio and increases to the duration of assets by purchasing long-term obligations and through derivative contracts. Another step in reducing the effects of the financial crisis was the discontinuation of underwriting new insurance policies under traditional management on 6 September 2011 (the main exception being collective agreement pensions, for which LF Liv has entered into agreements with pension selection centres). Moreover, LF Liv's subsidiary LF Fondliv was sold to the Issuer in October 2011.

In 2011, the Alliance offered its customers four different management forms for pension and endowment insurance. LF Fondliv offered unit-linked insurance and LF Liv offered Traditional Management, New World and Insured Pension. In Q1 2012, a new management form including a guarantee element was launched within LF Fondliv.

Total sales amounted to SEK 17,567 M (20,237) in 2011. The market share, measured in new sales of the total life-assurance sales market, amounted to 10.4 per cent (7.5) on 31 December 2011, according to preliminary statistics from Svensk Försäkring. In 2011, total premium income for traditional insurance and unit-linked insurance amounted to SEK 13,048 M (12,893). The occupational pension product area represented 67 per cent of total premiums paid, while collective agreement pensions represented 13 per cent and Reflex Kapital 8 per cent of total premiums paid. 50 per cent of premium income derived from unit-linked insurance and 50 per cent from traditional insurance.

Unit-linked Life Assurance

On 31 October 2011, the Issuer acquired LF Fondliv from LF Liv at a purchase price of SEK 5.2 billion. As a result, LF Fondliv became a wholly owned, profit-distributing subsidiary of the Issuer and is therefore consolidated in the Group from said date. The acquisition is in line with the Group's long-term strategy of being a strong contender in the occupational pension market but was accelerated due to financial turmoil in 2011.

LF Fondliv offers its customers unit-linked life assurance through the 23 regional insurance companies and through insurance brokers (with the concession to conduct unit-linked life assurance operations held by LF Fondliv).

The company offering comprises 30 funds under the Group's own brand and about 40 external funds, totaling approximately 70 funds. Funds under the own brand are found in the Group's own mutual fund company and are administered by carefully selected external managers. The external funds provide additional breadth and variety in the offering and were chosen because they posted favourable results compared with other similar funds in the market. Systematic reviews are continuously performed over time to ensure that the funds and managers continue to perform well. Those that fail to meet requirements, for whatever reason, are replaced.

LF Fondliv conducts unit-linked insurance activities which involve customers selecting the investment orientations and risk levels themselves. Customer savings are invested in one or more funds chosen by the customers themselves, meaning that the customers assume the risks associated with their choice of investment.

Key figures

LF Fondliv	Jan – Jun 2012	2011	Jan – Jun 2011	2010
Premium income ¹⁾ , SEK M	4,174	6,518	3,356	6,345
Fees from financial agreements, SEK M	209	397	207	380
Investment income, net, SEK M	1,708	-6,148	-1,598	3,789
Profit after tax, SEK M	61	297	102	132
Total assets, SEK M	58,594	54,090	56,590	55,995

1) According to Svensk Försäkring's definition.

A fundamental component of the operations is the Group's systematic focus on distribution via independent insurance brokers. In 2011, the Group was named Best Broker Desk by the Swedish Insurance Brokers' Association (*Svenska försäkringsmäklares förening*) for the fifth consecutive year.

The Alliance's total market share for unit-linked insurance, measured in sales value, amounted to 11.0 per cent (9.1) in 2011. The share of the strategically important sub-market of non-collectively agreed occupational pensions was 18.7 per cent (23.6). The Swedish life-assurance market declined 8 per cent in 2011, measured in premium income. The table below sets forth the competitive situation of the Alliance in terms of sales of new unit-linked insurance.

Unit-linked life assurance company	Market share (%) in new sales	
	2011	2010
SEB Trygg Liv	18.9	22.2
Folksam	13.8	21.2
Länsförsäkringar	11.0	9.1
SPP	8.5	5.8
Skandia	8.4	5.9
Nordea Liv	8.4	6.8
Handelsbanken	7.7	8.2
Swedbank Försäkring	6.0	4.9
Movestic	5.9	4.4
AMF Pension	5.2	7.4
Övriga	6.2	4.1

Source: Svensk Försäkring.

Traditional Life Assurance

A subsidiary of the Issuer, LF Liv is the entity through which the Alliance principally carries on its traditional life insurance business. LF Liv is operated on mutual principles, which means that all surplus is returned to the insured in the form of a bonus and ensures that the company is self sufficient and self financing.

LF Liv is not consolidated into the Group and risks pertaining to LF Liv are therefore not described in this section. Although LF Liv has significance for the Group and the Alliance. Turbulence in the financial markets during the summer and autumn of 2011 had major impact on LF Liv. The balance sheet and key figures were seriously impacted by historically low interest rates. To strengthen LF Liv's balance sheet and improve its key figures, all liquid shares were gradually sold and the duration of the fixed-income portfolio was increased. A stop on underwriting new insurance policies under traditional management was introduced in September 2011. LF Liv sold its subsidiary LF Fondliv to the Issuer on 31 October 2011. LF Liv's efforts to strengthen its balance sheet and improve key figures are of major significance for the entire Alliance, since the brand is shared.

Numerous measures has been taken during 2012 in order to ensure the key figures. The share of interest bearing long-term assets in the investment portfolio and interest related investments linked to SEK have increased. Furthermore On the opposite, property investments and investments in shares have decreased. The risks associated with the investments have decreased further during the first six months of 2012. This first and foremost relates to private equity divestments. This has decreased the share of investments in the portfolio with risks relating to shares, including alternative investments, from 11 to 6 per cent.

Key figures

LF Liv	Jan – Jun 2012	2011	Jan – Jun 2011	2010
Premium income, net, SEK M	2,342	6,161	3,434	6,300
Investment income, net, SEK M	2,603	7,585	1,672	4,440
Profit/loss after tax, SEK M	3,071	-16,012	-8,356	4,044
Investment assets, SEK M	107,980	108,649	104,995	104,756
Investment assets, New World, SEK M	12,773	12,564	13,327	13,065
Total assets, SEK M	126,997	128,760	124,059	123,446
Collective consolidation, %	110	109	105	107
Solvency ratio, %	112	111	127	141
Return, New World, %	4.6	-3.8	2.0	8.9
Total return, traditional life assurance, %	2.0	6.5	1.1	4.1

The Alliance had the most satisfied customers in the occupational-pension sector for corporate customers, according to the 2011 Swedish Quality Index. The table below shows the competitive situation of the Alliance in terms of sales of new life insurance policies.

Life insurance company	Market share (%) in new sales	
	2011	2010
Skandia	15.2	12.5
Folksam	11.4	9.4
AMF Pension	10.8	8.2
SEB	10.5	10.3
Länsförsäkringar	10.4	6.7
Swedbank Försäkringar	7.8	10.0
Nordea Liv	6.3	6.4
Alecta	6.2	6.5
SPP	6.1	4.2

Source: Svensk Försäkring

SELECTED FINANCIAL INFORMATION

Two-year summary

The Group

All amounts in SEK M unless otherwise stated.

The Group	Jan – Jun 2012	2011	Jan – Jun 2011	2010
GROUP				
Operating profit/loss	392	284	271	536
Net profit/loss for the year	294	212	210	418
Return on equity, % ¹⁾	5	2	5	6
Total assets, SEK billion	277	254	191	174
Number of shares, 000s	9,407	9,407	7,251	7,251
Equity per share, SEK	1,440	1,403	1,398	1,356
Solvency capital				
Equity	13,548	13,202	10,138	9,831
Subordinated debt	900	900	1,014	114
Deferred tax	1,467	1,462	706	668
Total solvency capital	15,914	15,564	11,858	10,613
Solvency margin ²⁾	393	388	301	278
Capital base for the financial conglomerate ³⁾	14,034	13,665	15,014	13,480
Necessary capital requirement for the financial conglomerate	12,240	11,620	10,878	9,970
Average number of employees	Not available	1,376	Not available	1,341
INSURANCE OPERATIONS⁴⁾				
<i>Non-life insurance operations</i>				
Premiums earned (after ceded reinsurance)	1,891	3,754	1,849	3,549
Investment income transferred from financial operations	78	189	153	201
Claims payments (after ceded reinsurance) ⁵⁾	-1,318	-2,713	-1,442	-2,495
Technical result, non-life insurance operations	103	121	59	192
<i>Premium income, non-life insurance</i>				
Premium income before ceded reinsurance	3,560	5,768	3,519	5,671
Premium income after ceded reinsurance	2,292	3,764	2,264	3,605
<i>Life-assurance operations</i>				
Premium income after ceded reinsurance	174	251	163	219
Fees pertaining to financial agreements	209	61	–	–
Investment income, net	7	8	5	1
Claims payments (after ceded reinsurance)	-62	-157	-85	-179
Technical result, life-assurance operations²⁴⁾	301	92	6	1
Operating profit/loss for insurance operations⁶⁾	507	147	186	323
<i>Key figures</i>				
Cost ratio ⁷⁾	29	30	32	31
Expense ratio ⁸⁾	22	23	24	23
Claims ratio ^{9), 21)}	76	79	81	78
Combined ratio ²¹⁾	98	102	105	101
Management cost ratio, life-assurance operations ^{10), 22)}	1	2	14	12
Direct yield ¹¹⁾	0.7	2.7	1.8	1.9
Total return ¹²⁾	1.8	6.0	3.3	4.3
<i>Financial position</i>				
Investment assets, SEK billion ¹³⁾	16	15	16	16
Unit-linked insurance assets – policyholder bears the risk, SEK billion	56	52	–	–
Technical reserves (after ceded reinsurance), SEK billion	14	14	14	14
BANKING OPERATIONS				
Net interest income	1,003	1,728	814	1,363
Operating profit	270	385	181	345
Net profit for the year	199	298	134	245

Return on equity, % ¹⁴⁾	6.3	4.8	4.7	5.0
Total assets, SEK billion	187	170	164	149
Equity	6,707	6,332	6,073	5,529
Cost/income ratio before loan losses ¹⁵⁾	0.66	0.71	0.72	0.72
Investment margin, % ¹⁶⁾	1.12	1.07	1.06	0.93
Tier 1 ratio according to Basel II, % ¹⁷⁾	12.9	12.1	12.1	11.8
Capital adequacy ratio according to Basel II, % ¹⁸⁾	14.9	14.0	14.1	13.5
Capital adequacy ratio according to transition rules, % ¹⁹⁾	8.9	9.3	9.4	9.4
Loan losses in relation to loans, % ^{20), 23)}	0.06	0.04	0.04	0.03
OTHER OPERATIONS				
Income	1,086	5,314	1,212	2,184
Operating profit/loss	-92	-125	-101	-112

¹⁾ Operating profit plus change in value of owner-occupied property less standard tax at 26.3% (28.0% between 2007 and 2008) in relation to average equity adjusted for new share issue and dividends.

²⁾ Solvency capital as a percentage of premium income after ceded reinsurance.

³⁾ The financial conglomerate comprise the Parent Company Länsförsäkringar AB, all of the insurance companies in the Group, Länsförsäkringar Bank AB, Wasa Kredit AB, Länsförsäkringar Hypotek AB and Länsförsäkringar Fondförvaltning AB. The financial conglomerate also includes Länsförsäkringar Liv Försäkrings AB, despite the Länsförsäkringar Liv Group not being consolidated in the Länsförsäkringar AB Group. The capital base is calculated in accordance with the aggregation method. In accordance with the Swedish Special Supervision of Financial Conglomerates Act (2006:531).

⁴⁾ The earnings, financial position and key figures of the insurance operations are recognised in accordance with Chapter 6, Section 2 of the Swedish Annual Accounts Act for Insurance Companies and Chapter 6, Section 2 of FFFS 2008:26, the regulation and general advice of the Swedish Financial Supervisory Authority.

⁵⁾ Excluding claims adjustment costs.

⁶⁾ The operating profit of the insurance operations includes the Länsförsäkringar Sak Group's and Länsförsäkringar Fondliv's investment income and other non-technical income and expenses.

⁷⁾ Operating expenses include claims adjustment costs as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance.

⁸⁾ Operating expenses as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Excluding claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

⁹⁾ Claims payments as a percentage of premiums earned after ceded reinsurance. Pertains only to non-life insurance. Includes claims adjustment costs in accordance with the regulation of the Swedish Financial Supervisory Authority.

¹⁰⁾ Operating expenses and claims adjustment costs in relation to the average value of investment assets, investment assets for which the policyholder bears the investment risk and cash and cash equivalents.

¹¹⁾ Direct yield refers to the total of rental income from properties, interest income, interest expense, dividends on shares and participations, administrative expenses of asset management and operating expenses for properties in relation to the average value of the investment assets during the year.

¹²⁾ Total return is calculated as the sum of all direct yields and changes in the value of the investment portfolio in relation to the average value of the investment assets during the year.

¹³⁾ Investment assets comprise owner-occupied property, shares and participations in associated companies, investment property, loans to Group companies, shares and participations, bonds and other interest-bearing securities, derivatives (assets and liabilities), cash and cash equivalents, and interest-bearing liabilities.

¹⁴⁾ Operating profit less standard tax at 26.3% (28.0% between 2007 and 2008) in relation to average equity adjusted for changes in value of financial assets recognised in equity.

¹⁵⁾ Total expenses before loan losses in relation to total income.

¹⁶⁾ Net interest in relation to average total assets.

¹⁷⁾ Tier 1 capital at year-end in relation to the closing risk-weighted amount.

¹⁸⁾ Closing capital base in relation to the closing risk-weighted amount.

¹⁹⁾ In accordance with Basel I for 2006.

²⁰⁾ Net loan losses in relation to the carrying amount of loans to the public and to credit institutions.

²¹⁾ After recalculation in 2010 in accordance with new accounting policy for indexation of claims annuities.

²²⁾ Länsförsäkringar Fondliv is included in 2011 for two months.

²³⁾ After recalculation in accordance with the new accounting policy for loan losses.

²⁴⁾ The Länsförsäkringar Sak Group's technical result amounted to SEK 159 M in 2011. This Group includes Länsförsäkringar Gruppliv Försäkrings AB, which is recognised in the life-assurance operations. The technical result for Länsförsäkringar Gruppliv Försäkrings AB amounted to SEK 38 M in 2011.

The Alliance

Key figures with respect to the Alliance appear in the table below.

Länsförsäkringar Alliance	Jan – Jun 2012	2011	Jan – Jun 2011	2010
ALLIANCE				
Total capital, SEK M	34,533	33,215	34,683	35,038
Return on equity, %	6	-5	-1	8
Non-life insurance				
Solvency capital, SEK M	33,832	32,709	34,151	34,668
Solvency margin, %	175	171	181	190
Premiums earned after ceded reinsurance, SEK M	9,574	18,756	9,312	18,184
Technical result, SEK M	631	856	236	529
Operating profit/loss, SEK M	1,128	-2,273	-361	2,552
Combined ratio	97	100	102	102

The Alliance is neither a legal entity nor, in the legal sense of the term, a group; it is an alliance between the 23 independent regional insurance companies that jointly own the Issuer. The Alliance's earnings from non-life insurance consist of the total of the earnings of the 23 regional insurance companies and of the Group, excluding the life assurance business and the banking business.

To achieve the correct total values for the Alliance, the balance between the Group and the regional insurance companies has been eliminated. The value and changes in the value of the shares in the Issuer, as well as subordinated loans and the Group's liabilities to and receivables from the regional insurance companies have been eliminated.

The 23 regional insurance companies and the Group apply the approved international financial reporting standards (IFRS).

CREDIT RATING

Standard & Poor's and Moody's have each assigned credit ratings to the Group Companies as per the below. Standard & Poor's and Moody's are established in the European Union and is registered under the CRA Regulation (as amended). As such Standard & Poor's and Moody's are included in the list of credit rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation. The below credit ratings are valid as at the date of this Prospectus.

Company	Agency	Long-term rating	Short-term rating
The Issuer	Standard & Poor's	A-/Stable	–
The Issuer	Moody's	A3/Negative	–
LF Bank	Standard & Poor's	A/Stable	A-1(K-1)
LF Bank	Moody's	A2/Negative	P-1
LF Hypotek ¹⁾	Standard & Poor's	AAA/Stable	A-1+
LF Hypotek ¹⁾	Moody's	Aaa/Stable	–
LF Sak	Standard & Poor's	A/Stable	–
LF Sak	Moody's	A2/Negative	–
Agria Djurförsäkring	Standard & Poor's	A-/pi ²⁾	–

¹⁾ Pertains to the company's covered bonds.

²⁾ pi ratings that do not involve forecasts but that are based on public information, such as annual reports.

Below are the reference scales stated for credit rating from Standard & Poor's and Moody's.

Risk classification	Standard & Poor's	Moody's
Highest Credit Quality	AAA	Aaa
Very High Credit Quality	AA	Aa
High Credit Quality	A	A
Good Credit Quality	BBB	Baa
Speculative (non-investment grade)	BB	Ba
Highly Speculative	B	B
Substantial Credit Risk	CCC	Caa
Very High levels of Credit Risk	CC	Ca

¹⁾ Terms with respect to risk classification, varies between the credit rating agencies. Within the risk classification categories the relevant rating agency may apply a modifier, for example (+) or (-) (S&P) and (1), (2) or (3) (Moody's).

The Issuer's credit ratings do not always reflect the risks associated with individual Notes under the MTN Programme. A credit rating does not constitute a recommendation to buy or sell or a recommendation to hold the investment. A credit rating may be subject to change, reduction or withdrawal at any time by the relevant rating agency.

Credit ratings are a way of evaluating credit risk. For more information regarding the import of the credit rating, visit www.standardpoors.com and www.moodys.com.

See also "Risk Factors – Risks relating to the Notes - Credit ratings may not reflect all risks".

RISK MANAGEMENT

The Board of Directors of the Issuer is responsible for following up risk in the Group, in its capacity as the Board of the Group's parent company. Correspondingly, the Boards of the subsidiaries are responsible for the risks in their respective business operations. An aggregated risk profile for the Group is reported to the Board of the Issuer every quarter.

The Group has a joint Finance Committee at Board level (see "Description of the Issuer – Board of Directors and management – Board committees" below). The Finance Committee is a forum for financial analyses of the business environment and macroeconomic analyses. The Committee prepares and coordinates the facts that the decision will be based on concerning asset management to be presented to the Board of each subsidiary for decision. The risks are identified, managed, measured when applicable, monitored and reported within the business operation (first line of defence). At Group management level, a Capital Committee addresses general issues regarding risk-taking, risk management, raising capital, use of capital and allocation of capital in the Group.

Risk Control is responsible for the independent risk control, including identification, measurement, monitoring and reporting of risks to the separate company's President and Board of Directors. The Compliance function is responsible for preventing the risk of non-compliance with external and internal regulations, and monitoring that the operations are being conducted in accordance with applicable regulations. The Internal Audit function, which reports directly to the Boards of the Issuer and its subsidiaries, examines and evaluates the internal control of the operations.

Insurance risks are managed by each insurance company. Risks in the insurance companies' investment assets that are managed for own account are managed by the group-wide asset management on behalf of the insurance companies, and credit risk in lending is managed by LF Bank and its subsidiaries.

Insurance risks

The non-life insurance operations in the Group comprise the insurance classes medical and accident, commercial and property, motor vehicle, third-party liability, marine, air and cargo, animal insurance, assumed reinsurance, group life and employment group. Where appropriate, the boards of directors of the non-life insurance companies limit non-life insurance risks through decisions on the highest permissible retention for different types of insurance risks and on the categories of reinsurer that may be used for ceded reinsurance.

In addition to non-life insurance risk, life insurance risks also arise in the Group partly in the form of the longevity risk from claim annuities primarily deriving from the operations with third-party motor liability insurance, and partly in the form of mortality risk and morbidity risk through the group life insurance conducted in a subsidiary of LF Sak. Life assurance risk also occurs in unit-linked insurance operations in LF Fondliv. In unit-linked insurance operations, risk pertaining to the uncertainty of mortality and morbidity are assessed less significant, while expenses risk and cancellation risk may hold more significance.

In the insurance classes of third-party motor liability, accident and animal insurance, a large number of independent risks are added, resulting in a favourable balancing of risk, provided that the premium tariffs reflect the actual risk differences between the various groups in the insurance collective. Tariffs and insurance conditions are monitored regularly and adjusted when required. In other lines of business, risk selection rules and risk inspection are the key instruments for controlling premium risk, alongside the premium calculation. Within the non-life insurance operations detailed internal underwriting guidelines have been adopted to ensure correct assessment and quantification of the risk that is being underwritten.

In an effort to limit the risk in insurance operations, the Group has insured itself against the risk of very large claims through ceded reinsurance.

As at 31 December 2011, the total commitment for current insurance policies and for claims outstanding was approximately SEK 20.4 billion. An estimate of the cost of claims outstanding – about SEK 18.9 billion – is associated with uncertainty as to how much claims, perhaps many years ahead, may cost. This is especially apparent in third-party motor liability insurance, which accounts for a large portion of the Group's undertaking. In this case, there is considerable uncertainty concerning the future cost trend, due to the fact that legislation and decisions by public authorities can affect the distribution of costs for third-party motor liability claims between the insurance companies and society, and that the prospects for rehabilitation are difficult to assess in many cases.

The trend in reserves is tracked continuously by means of various key figures and using comparisons with other insurance companies. The actuarial reserve calculation is developed continuously so that the methods applied are well adapted to the conditions for each line of business or part thereof. A significant element in the follow-up work is also the regular reviews of individual claims outstanding that are performed. The Group's non-life insurance portfolio has a relatively high duration given the large percentage of third-party motor liability insurance transactions, which is why changes in claims inflation have a significant impact on reserve requirements.

The Group has low exposure to disaster risks for own account.

Risks in asset management

Market risks arise in the Group primarily due to decisions concerning management of the non-life insurance companies' investment assets. Market risks also occur in the banking operations to a certain extent in the form of differences in fixed-interest periods between assets and liabilities, although such market risks comprise a small portion of the Group's total market risks. Limited market risk also occurs in the management of the Issuer's investment assets and LF Fondliv's investment assets for own account, but the investment portfolios are normally characterised by a low level of risk.

In the management of the non-life insurance companies' and the Issuer's assets, assessments are made of the potential for a favourable return and the risk level involved in the creation of investment strategies and for investment decisions of a more operational nature. The main asset classes in portfolio management are equities, interest-bearing securities, alternative investments and property. A portfolio composition is defined to serve as the starting point for distributing investments among asset classes and regions. Analyses of the expected future returns and the risk level for the asset classes that may be included in the investment portfolios are performed continuously.

Market risks in asset management are controlled by decisions in the Boards of each company concerning the asset allocation and the extent to which the actual portfolio may deviate from the defined portfolio. The Boards are responsible for the risk applying to investment operations.

Derivative instruments are utilised in the management of investment assets in order to enhance the efficiency of management and to achieve the desired risk profile.

Credit risk in lending operations

The lending operations of the Group, through LF Bank and its subsidiaries, are conducted only with borrowers in Sweden and mainly comprise mortgages, loans to farmers, hire purchase and leasing operations. The vast majority of the Group's loan portfolio comprises loans for private housing in the form of single-family homes and tenant-owned apartments. First-lien mortgages with loan-to-value ratios amounting to less than 75 per cent of the market value at the time the mortgage is granted account for the largest percentage of this product type. Low loan to-value ratios, combined with a favourable geographic distribution and local presence, are the core pillars in ensuring that the loan portfolio maintains a high level of credit quality.

The maximum lending levels for various types of loans and limits for the regional insurance company's loan origination are stipulated in guidelines approved by LF Bank's Board of Directors. The authority to grant loans depend on the size of the loans. The banking operations impose strict requirements in terms of customer selection and customers' repayment capacity.

LF Bank calculates all retail exposures in accordance with the advanced Internal Ratings-based Approach (IRB), which corresponds to predominant proportion of LF Bank's loan portfolio. 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. The bank received permission from the SFSA in December 2009 to use the basic IRB Approach for the portion of the loan portfolio pertaining to agricultural operations. The Standardised Approach is used for other exposures.

Counterparty risks

The Group's exposure to counterparty risk primarily arises through ceded reinsurance and the use of financial derivatives.

Regulations on the choice of reinsurance company are in place to limit counterparty risks on reinsurers. Minimum requirements stipulated for the choice of reinsurer include that reinsurers shall have at least an A credit rating from credit rating agency Standard & Poor's for transactions with long settlement periods

and at least a BBB credit rating for other types of transactions. In addition, efforts are made to ensure a spread of ceded reinsurance between many reinsurers.

Counterparty risks in financial derivatives are managed through regulations for approved exposure per counterparty. The size of the permitted exposure depends on the rating of the counterparty. Exposure is limited on the basis of ISDA agreements (netting agreements) and accompanying agreements on pledging collateral for certain attained counterparty exposure.

Operational risks

Each unit within the Group is responsible for managing operational risks within its particular area of responsibility. Risk analysis is performed annually in each of the Group's units. A common system support for reporting incidents, including estimates of the costs of incidents, has been introduced and is continuously developed. Continuity plans have been prepared for the Group and most of the larger units, and crisis-management simulations are held annually to strengthen the Group's crisis-management skills.

Operational risk analyses are performed annually in the operations. A joint method and reporting format are predominantly used in these analyses, although the work performed in the banking operations applies a more detailed method in some parts. Operational risks are identified, the consequences evaluated and probability assessed. Action plans are prepared for material risks, which are regularly followed up. Each Risk Control function facilitates analyses, compiles and reports on results and follows up action plans.

Common system support is used for incident management. A continuity plan is established annually for the Group and the Group's units adopt continuity plans for their specific operations.

Liquidity/financing risks

Liquidity risk in the Group is primarily an issue for the Issuer and LF Bank and its subsidiaries. The non-life insurance companies' liquidity risk is limited since most investment assets are available at short notice and a significant portion of the commitments have long durations.

LF Bank conducts active liquidity risk management to ensure that the financing of the lending operations is not jeopardised. The aim is to attain a favourable spread of financing sources. Liquidity is continuously planned and internal regulations on the lowest permissible liquidity are in place.

The Issuer's liquidity is mainly affected by dividends and Group contributions from subsidiaries, any requirements for contributions to be made to subsidiaries, dividends to owners and interest payments on loans.

BOARD OF DIRECTORS AND MANAGEMENT

Board of Directors

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

In accordance with the Issuer's Articles of Association, the Board shall comprise eight to 12 Board members elected by the General Meeting, with or without deputies. Board members are elected for a mandate period of two years. In addition, members appointed by trade unions are also members of the Board.

As at the date of this Base Prospectus, the Board comprises 12 members and two deputy members. Ten of the members were elected by the General Meeting. Two members and two deputies were appointed by the trade unions.

The Board of Directors consists of the following members:

Name	Position
Jan Fock	Chairman
Sune Nilsson	Deputy Chairman
Gösta af Petersens	Member
Hans Benndorf	Member
Fredrik Daveby	Member
Mats Fabricius	Member
Lars Hallkvist	Member
Ann-Christin Norrström	Member
Christer Olander	Member
Lars-Eric Åström	Member
Tomas Jönsson	Employee representative
Susanne Lindberg	Employee representative
Christer Ekehov	Employee representative (deputy member)
Åsa Jansson	Employee representative (deputy member)

JAN FOCK

Born 1949. Elected 2012. Chairman of the Board. Agronomist.

Other Board assignments: Board member of Granular AB, P.U.L.S AB, Walter Bengtssons foundation, Helsingborgs Evenemang och Idrottspark AB. Representative in Sydsvenska Industri- och Handelskammaren.

Previous experience: CEO of Länsförsäkringar Skåne and Länsförsäkringar Halland.

SUNE NILSSON

Born 1953. Elected 2008. Deputy Chairman of the Board. Consultant. Business school economist.

Other Board assignments: Chairman of Länsförsäkringar Göteborg och Bohuslän, Almi Väst AB, STS Travel School AB, Holisticon AG, Vicura AB, Board member of Sigma AB, Incit AB and Infocube AB.

Previous experience: CEO of Sigma AB and Mandator AB and President of PostNet AB.

GÖSTA AF PETERSENS

Born 1947. Elected 2004. Farm manager. Chartered surveyor's degree SLU, Pedagogic studies Teacher's College Uppsala.

Other Board assignments: Chairman of Länsförsäkringar Gotland, Gotlandsägg AB and Eskelunds hembageri AB.

Previous experience: President of Guteprodukter AB and Gotlands Trädgårdsprodukter.

HANS BENNDORF

Born 1954. Elected 2008. President of Länsförsäkringar Stockholm. Doctor of Philosophy in Business and Economics and Master of Science in Business and Economics at Stockholm School of Economics.

Other Board assignments: Chairman of Insurance Industry's Pension Fund (FPK), Sörman & Partners AB and Sörman & Partners KB, Board member of Länsförsäkringar Mäklarservice, Länsförsäkringar Fondliv and AB Huges Marina.

Previous experience: President of Länsförsäkringar Liv and Länsförsäkringar Fondliv, President of Postbanken, Vice President of Skandia Liv, Head of Foundation Marketing Technology Center.

FREDRIK DAVEBY

Born 1962. Elected 2010. President of Länsförsäkring Kronoberg. Master of Science in Agriculture.

Other Board assignments: Board member of Länsförsäkring Kronoberg and Eolus Vind AB, Vice Chairman of Swedish Fire Protection Committee of Agriculture, Chairman of Hjalmar Petri Holding AB.

Previous experience: Head of Members Södra Skogsägarna, Head of Development LRF, Agricultural advisor to Swedish Government Offices.

MATS FABRICIUS

Born 1952. Elected 2010. Master of Science in Agriculture.

Other Board assignments: Chairman of Länsförsäkringar Norrbotten, Norrbottensgården Slakteri AB, Norrbottensgården Utveckling AB and Polcirkeln Lantgård AB, Board member of Outinens Potatis AB.

Previous experience: Head of Business Area at HS Rådgivning Nord AB.

LARS HALLKVIST

Born 1963. Elected 2012. Lawyer, member of the Swedish Bar Association since 1994. Master of laws LL.M.

Other Board assignments: Chairman of Länsförsäkringar Älvsborg, Board member of Rappson Lapidus AB and Swegmark Invest AB.

Previous experience: More than 20 years of legal adviser to privately owned companies concerning general law especially merging and acquisition. Frequently appointed receiver in bankruptcy estates.

ANN-CHRISTIN NORRSTRÖM

Born 1952. Elected 2007. President of Länsförsäkringar Uppsala. Master of Science in Business and Economics.

Other Board assignments: Board member of Länsförsäkringar Uppsala, Länsförsäkringar Fastighets förmedling, Chairman of Uppsala Regional Office of the Chamber of Commerce, Board member of STUNS (Foundation for cooperation between the universities in Uppsala, the business sector and the community), Stockholm Chamber of Commerce, SLU Holding AB, the Insurance Industry Employers' Organisation (FAO), Uppsala County Administrative Board and Chairman of BoCity AB.

Previous experience: Head of Risk Operations at Länsförsäkringar Gävleborg, Board member of Länsförsäkringar Liv, Aktietorget Uppland AB, Forskningsfonden and Gefle Dagblad.

CHRISTER OLANDER

Born 1944. Elected 2010. Master of Science in Business and Economics.

Other Board assignments: Chairman of Länsförsäkringar Kalmar län, Malin Olander MOOV AB, Board member of LFK Finans AB.

Previous experience: Authorised Public Accountant and partner at TRG Revision AB, Chairman of TRG Revision AB, IREV HB Institute for Education of Auditors. Training of auditors.

LARS-ERIC ÅSTRÖM

Born 1946. Elected 2008. Chairman of the Board since 2010. Forest farmer. Technical college engineer.

Other Board assignments: Chairman of Östgöta Brandstodsbolag, Board member of Bergvik Skog.

Previous experience: Chairman of Södra Skogsägarna and Swedish Federation of Forest Owners, Vice Chairman of Södra Cell, Board member of LRF Skogsägarna, National Board of Directors of Federation of Swedish Farmers (LRF), LRF Skogsförvaltning AB, Ägarfrämjandet.

TOMAS JÖNSSON

Born 1951. Elected 2001. Employee representative Swedish Confederation of Professional Association. Claims adjuster Non-life business unit. Master of laws, LL.M, Master of Science in Engineering.

Other Board assignments: Länsförsäkringar Sak, Bank and Insurance Section of Jusek.

Previous experience: Bank attorney Föreningsbanken.

SUSANNE LINDBERG

Born 1967. Elected 2012. Employee representative FTF. Claim adjuster.

Other Board assignments: Board member Länsförsäkringar Skåne, Länsförsäkringar Sak and Länsförsäkringar Fondliv .

Previous experience: Claim adjuster, Länsförsäkringar Skåne.

CHRISTER EKEHOV

Born 1953. Elected 2009. Employee representative (deputy member) Swedish Confederation of Professional Association. Legal Adviser Traditional Life Assurance business unit. Master of laws LL.M, Master of Science in Business and Economics.

Other Board assignments: Board member of Länsförsäkringar Liv and Länsförsäkringar Fondliv.

Previous experience: Board member of Länsförsäkringar Fondförvaltning and Länsförsäkringar Mäklarservice.

ÅSA JANSSON

Born 1972. Elected 2012. Employee representative (deputy member) FTF. Claims adjuster Non-Life business Agria Djurförsäkring. Food engineering graduate.

Other Board assignments: Länsförsäkringar Non-life, Deputy Chairman profit-sharing association Ekorren in Agria Djurförsäkring.

Previous experience: Recruitment consultant at Manpower.

Board committees

The Board has established a Finance Committee, an Audit Committee and a Remuneration Committee. The duties of the Committees are determined by the Board in its formal work plan or in separate instructions. None of the Committees has any general decision-making mandate. Each Committee must regularly report on its activities to the Board.

Finance Committee

The Board of Directors of Länsförsäkringar AB has appointed four of the total of eight members in a Group-wide Finance Committee for the Länsförsäkringar AB Group. The remaining members are appointed by the Boards of some of the subsidiaries. The Committee is intended to be a forum for financial analyses of the business environment and macroeconomics, as well as to prepare issues concerning asset management to be presented to each Board for decision. It is also the duty of the Finance Committee to monitor compliance with established objectives, investment orientation, chains of command, etc. The Board meeting immediately following the Annual General Meeting in 2012 appointed Jan Fock (Chairman), Sten Dunér (President), and Anne-Marie Pålsson to represent the Issuer on the Finance Committee. The other members of the Finance Committee are Karl-Olof Hammarkvist, Gunnar Wetterberg, Ann Sommer and Anders Östryd.

Audit Committee

The Audit Committee is responsible for preparing the Board's work in the following areas:

- The Issuer's and the Group's financial reporting and accounting issues.
- The Issuer's and the Group's internal governance and control.
- Internal audit work.
- External auditors' work.
- Outsourced work.

At the Board meeting immediately following the 2012 Annual General Meeting, Gösta af Petersens (Chairman), Jan Fock and Christer Olander were appointed members of the Audit Committee.

Remuneration Committee

The Remuneration Committee shall prepare issues on remuneration to company management, employees with overall responsibility for any of the company's control functions, as well as prepare decisions for measures to monitor application of the remuneration policy. The Committee shall also prepare the principles for remuneration and other terms of employment for company management. At the Board meeting immediately following the 2012 Annual General Meeting, Jan Fock (Chairman), Sune Nilsson and Gösta af Petersens were appointed members of the Remuneration Committee.

Group Management

As at the date of the Base Prospectus, the President of the Issuer is Sten Dunér. The President is responsible for the day-to-day management of the Issuer's activities in accordance with the guidelines and established policies and instructions of the Board of Directors. The President reports to the Board of Directors.

The Issuer's executive management consists of the following persons as at the date hereof:

Name	Position
Sten Dunér	President
Ann Sommer	President of Länsförsäkringar Sak
Rikard Josefson	President of Länsförsäkringar Bank
Gunilla Forsmark Karlsson	President of Länsförsäkringar Fondliv
Jörgen Svensson	President of Länsförsäkringar Liv
Cecilia Ardström	Financial Director
Malin Rylander-Leijon	CFO, Head of Finance & Risk
Sören Westin	Head of Business support

STEN DUNÉR

Born 1951. Employed 1982. President. Master of Science in Business and Economics.

Previous experience: CFO and other senior positions at Länsförsäkringar AB.

Board appointments: Chairman of Länsförsäkringar Sak, Länsförsäkringar Bank, Swedish Insurance Federation and Swedish Insurance Employers' Association (FAO), Board member of Fastighets AB Balder.

ANN SOMMER

Born 1959. Employed 1988. President of Länsförsäkringar Sak. Master of Science in Business and Economics.

Previous experience: President of WASA International, President of WASA Special Försäkrings AB, President of Wasa International UK, President of Stockholm Re.

Board appointments: Chairman of Försäkrings AB Agria and Länsförsäkringar Gruppliv. Board member of Länsförsäkringar Mäklarservice, Swedish Forest Agency, SOS International, Amice (Association of Mutual Insurers and Insurance Cooperatives in Europe).

RIKARD JOSEFSON

Born 1965. Employed 2011. President of Länsförsäkringar Bank. Bachelor of Arts.

Previous experience: President SEB Finans, Regional Director East SEB, Head of GTS Global Transaction Services SEB Merchant Banking.

Board appointments: Chairman Wasa Kredit, Länsförsäkringar Hypotek and Essen International AB. Board member of Länsförsäkringar Fondförvaltning and Livslust Foundation.

GUNILLA FORSMARK KARLSSON

Born 1958. Employed 2006. President of Länsförsäkringar Fondliv. Economics at Umeå University.

Previous experience: Executive Vice President of Länsförsäkringar Bank, President of Skandiabanken, President of Länsförsäkringar Mäklarservice, Executive Vice President of SEB Bolån.

Board appointments: The Council for Negotiation and Co-operation's (PTK) Education Foundation, Board member of Länsförsäkringar Gruppliv.

JÖRGEN SVENSSON

Born 1959. Employed 2008. President of Länsförsäkringar Liv. Studies in economy, law and marketing.

Previous experience: President of Länsförsäkringar Blekinge, various managerial positions at Skandia and If.

Board appointments: Board member of Länsförsäkringar Mäklarservice.

CECILIA ARDSTRÖM

Born 1965. Employed 2012. Financial Director. Economics at University of Gothenburg School of Business, Economics and Law.

Previous experience: Head of Treasury Tele2 AB, Head of Asset Management Folksam Group, KPMG Management Consulting.

Board appointments: Swedish Export Credit Corporation SEK.

MALIN RYLANDER-LEIJON

Born 1970. Employed 2001. CFO. Head of Finance & Risk. Master of Science in Business and Economics. Administration Programme, specialising in Economics, Uppsala University.

Previous experience: Head of Finance & Control, Länsförsäkringar Liv and auditor at SET Revisionsbyrå.

Board appointments: –

SÖREN WESTIN

Born 1953. Employed 2000. Head of Business support. Licentiate of Science in Business and Economics Umeå University.

Previous experience: Head of Service unit at Länsförsäkringar AB, President of Länsförsäkringar Jämtland, President of AB Länstidningen, member of Samhall AB's company management.

Board appointments: Länsförsäkringar Fastighets förmedling, Foundation for Research Fund of the Regional Insurance Companies and Swedish Motor Insurers.

Other information regarding the board of directors and group management

Conflicts of interest

The Issuer is not aware of any Board member or member of Group management having any personal interests that could conflict with the interests of the Issuer

Business address

The address for all Board members and members of the Group management is c/o the Länsförsäkringar AB, SE-106 50 Stockholm, Sweden.

CORPORATE GOVERNANCE – CONTROL ENVIRONMENT

The Issuer complies with the Swedish Code of Corporate Governance (*Svensk kod för bolagsstyrning*) in applicable parts, with consideration of the fact that the company is not a stock market company.

The Board of Directors is responsible for the control and governance of the operations. This responsibility includes the preparation of an efficient system for risk management and internal control. The internal control system encompasses all parts of the organization and is an integral part of each operation within the Group. Throughout the Group, routines and modes of action are coordinated by Group-wide regulations and guidelines that are approved and established in each subsidiary. Examples of such steering documents include Group instructions, reporting instructions, business control principles and attestation instructions.

The foundation of internal control relating to financial reporting is the control environment, consisting of the organisation, decision-making procedures and allocation of authorities and responsibilities among the various bodies that the Board of Directors, the President and management have established for the Issuer and the Group. The control environment also includes the values and corporate culture that the Board, the President and management communicate and work from to create appropriate and efficient operations. The Board of the Issuer has appointed an Audit Committee with the task of assuming responsibility for preparing the Board's quality assurance of the company's and Group's financial reporting and to monitor the efficiency of the company's and Group's internal governance and control. The Committee is also to prepare the direction, scope and coordination of the work of the Internal Audit and study the observations

and recommendations from the external auditors. Separate Audit Committees have been established by the Boards of some of the subsidiaries.

The process for internal control and risk management is based on the control environment and involves four main activities: risk assessment, control activities, information and communications, and follow-up.

Risk assessment

Risk assessment includes identifying and analysing the source of risks affecting internal control relating to financial reporting. These risks are analysed at Group level, Group-wide level and unit level. The Issuer and the Group are governed through common processes, in which risk management is built into every process and various methods are used to value and restrict risks and to ensure that identified risks are managed in accordance with established steering documents. Based on the risk analysis, the processes and control activities associated with key risks are assessed to identify material errors in the financial reporting.

Control activities

Risks in financial reporting are controlled through carefully prepared financial statements, standardised work routines with built-in control functions and the evaluation of ongoing improvements. The financial information is analysed 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 are published on the Issuer's intranet. Every manager must ensure that the regulations are communicated to affected subordinate staff.

Monitoring

The Internal Audit function was established to assist the Board of the Issuer in following up and ensuring that the scope and direction of the operations complies with the guidelines issued by the Board and that the operations are conducted in accordance with the targets established by the Board. Based on its reviews, the Internal Audit function shall form an opinion as to whether the operations are conducted in an efficient manner, whether 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, meaning the risk that inadequate compliance could tarnish the reputation of the company or result in financial losses or sanctions in accordance with legislation or regulations. Reporting is addressed to the respective Presidents and Boards of Directors.

AUDITORS

Stefan Holmström of KPMG AB (P.O. Box 16106, SE-103 23 Stockholm, Sweden) is the Issuer's auditor since 2000, with Johan Bäckström of KPMG AB is deputy auditor since 2000. Both Stefan Holmström and Johan Bäckström are authorized public accountants and members of FAR, the professional institute for accountants in Sweden.

General information

AUTHORISATION AND RESPONSIBILITY

The Issuer has obtained all necessary consents, approvals and authorisations in Sweden in connection with the implementation of the Programme. The Programme was authorised by resolutions of the Board of the Issuer on 18 September 2012.

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information, relating to the Issuer, contained in this Base Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

RECENT EVENTS

Trend information

There has been no material adverse change in the prospects of the Issuer since that date of its last published audited financial statements.

Significant changes

No significant changes in the financial or trading position of the Group have occurred since the publication of the interim report for the period January – June 2012.

LEGAL AND ARBITRATION PROCEEDINGS

The Issuer has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer's or the Group's financial position or profitability. The Issuer is, however, party to lawsuits and other disputes from time to time in the course of its normal operations.

MATERIAL CONTRACTS

Neither the Issuer, nor any other member of the Group, is party to any material agreement outside of its normal course of business which may result in another Group Company obtaining a right or incurring an obligation which may materially affect the Issuer's ability to perform its obligations in respect of the Notes.

CERTAIN INTERESTS

The Arranger (and closely related companies) has provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which it has received, or will receive, remuneration. In particular, it should be noted that the Arranger as at the date of this Base Prospectus is the lender under certain credit facilities with the Issuer as borrower and that the proceeds from the issuance of certain Notes may be applied by the Issuer to repay loans under such credit facilities.

SUPPLEMENTS TO THE BASE PROSPECTUS

If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes the Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes.

DOCUMENTS ON DISPLAY

Copies of the following documents are available at the Issuer's office, Tegeluddsvägen 11-13 in Stockholm, Sweden, during the validity period of this Base Prospectus (regular office hours):

- The Issuer's Articles of Association.
- The Issuer's Annual Reports for the financial years 2010 and 2011 (including audit reports).
- The Issuer's Interim Report for the period January – June 2012.
- This Base Prospectus, any supplement to this Prospectus that has been registered with and approved by the SFSA and applicable Final Terms for series of Notes issued under the Programme.

Information incorporated by reference

This Base Prospectus should be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years 2010 and 2011, together in each case with the audit report thereon, and the unaudited interim financial statements of the Issuer for the period 1 January – 30 June 2012. Such documents are incorporated in, and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

The financial statements referred to above are presented in:

- the Issuer's 2010 Annual Report, where reference is made to pages 27 – 88.
- the Issuer's 2011 Annual Report, where reference is made to pages 38 – 100.
- the Issuer's Interim Report for the period 1 January – 30 June 2012, where reference is made to pages 6 – 11.

Copies of documents incorporated by reference in this Base Prospectus, as well as the Base Prospectus itself, may be obtained without charge from the Issuer.

With the exception of the Issuer's consolidated financial statements for 2010 and 2011, no information in this Base Prospectus has been audited or reviewed by the Issuer's auditor.

Certain tax considerations in Sweden

The following is a summary of certain Swedish tax considerations relating to Notes issued under the Programme. The summary does not address all potential aspects of taxation in these jurisdictions that may be applicable to a potential investor in Notes issued under the Programme and it is neither intended to be, nor shall it be construed as, legal or tax advice. Prospective investors should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes issued under the Programme and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

This summary does not cover tax issues in cases where Notes are held as current assets in business operations or by a partnership. The tax consequences for investors depend in part on their particular circumstances. Moreover, the summary does not address Notes that are held on a so-called investment savings account (investeringssparkonto) and that are subject to special rules on standardised taxation. Specific tax rules may apply to certain categories of investors, for example, life insurance companies.

GENERAL

The disposal (including settlement) of a Note triggers capital gains taxation. The capital gain or the capital loss is computed as the difference between the consideration (less selling expenses) and the tax acquisition cost of the Note.

When computing the capital gain or the capital loss, the acquisition cost for all Notes of the same class and type shall be added together and computed collectively in accordance with the so-called average method (*genomsnittsmetoden*).

PRIVATE INDIVIDUALS

All capital income such as interest and capital gains on the Notes are taxed in the capital income category for private individuals and estates of deceased persons. The tax rate is 30%. A capital loss on the Notes is fully deductible in the same income category.

A currency gain or loss is included in the computation of the capital gain or loss.

Should a net loss arise in the capital income category a reduction is granted of the tax on income from employment and business operations, as well as property tax. This tax reduction is granted at 30% of the net loss that does not exceed SEK 100,000 and at 21% of any remaining net loss. An excess net loss cannot be carried forward to future years.

If amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased person) with residence for Swedish tax purposes, Swedish preliminary tax is normally withheld on such payments.

LIMITED LIABILITY COMPANIES

For limited liability companies (*aktiebolag*), all income, including interest and capital gains, is taxed as income from business activities at a rate of 26.3%. Capital losses on the Notes may normally be fully off-set against income in the business activities category.

Currency gains and losses are generally treated for tax purposes in accordance with the accounting treatment.

NON-RESIDENT NOTE HOLDERS

Non-resident investors are generally not taxable in Sweden in respect of the Notes as long as the investor does not have a permanent establishment in Sweden to which the Notes are effectively connected. Sweden does not impose withholding tax on payments of interest or principal.

EU SAVINGS TAX DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a

withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

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