



**Prospectus regarding listing of SEK
1,100,000,000 floating rate subordinated callable
notes issued by Länsförsäkringar Bank AB (publ)**

Arranger



IMPORTANT INFORMATION

Notice to investors

This prospectus (the “**Prospectus**”) has been prepared by Länsförsäkringar Bank AB (publ) (the “**Issuer**”) for the listing on NASDAQ OMX Stockholm AB (“**NASDAQ OMX Stockholm**”) of subordinated notes issued on 28 March 2013 (the “**Notes**”). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

This prospectus has been prepared pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lagen (1991:980) om handel med finansiella instrument*) (the “**Trading Act**”) and the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council (as amended). On 27 May 2013 the Prospectus was approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**Swedish FSA**”) pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the Swedish FSA does not imply that the Swedish FSA guarantees that the information provided in the Prospectus is correct and complete.

The Prospectus must be read together with each document incorporated by reference in this Prospectus, the terms and conditions of the Notes, which are included in this Prospectus at pages 12 to 22 (inclusive) (the “**Terms and Conditions**”) and any supplement to this Prospectus. The Prospectus and the documents incorporated by reference in this Prospectus are available at www.lansforsakringar.se/finansiertbank and free of charge at the Issuer’s head office. Words and expressions defined in the Terms and Conditions have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

Investing in Notes involves risk and risk taking. Anyone considering investing in Notes is thus recommended to carefully investigate the Prospectus and in particular “**Risk Factors**”.

Each potential investor in the 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 Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this 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 Notes and the impact the Notes 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 Notes;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant 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.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- (a) the Notes are legal investments for it;
- (b) the Notes can be used as collateral by it for various types of borrowing; and
- (c) other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

This 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 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. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 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.

This 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 Prospectus.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes to the business of the Issuer or the Issuer and its subsidiaries and affiliates taken as a whole (the “**Bank Group**”) since the date of this Prospectus. If the information in this 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.

Forward-looking statements

To the extent the Prospectus contain 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 materialise. 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.

Factors that could cause the Issuer’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 forward-looking statements included in this Prospectus apply only to the date of the 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 or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

Presentation of financial information

The Issuer’s consolidated historical financial statements for the financial years ended 31 December 2011 and 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and have been audited by the Issuer’s auditor, and the Issuer’s unaudited interim financial statements for the period January – March 2013, are incorporated by reference in, and form part of, this Prospectus. Certain financial and other information presented in this Prospectus has been rounded off for the purpose of making this Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals.

With the exception of the Issuer’s consolidated historical financial statements for the financial years ended 31 December 2011 and 31 December 2012, no information in this Prospectus has been audited or reviewed by an auditor. Financial data in this Prospectus that has not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

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Risk factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons which may not be considered risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read all other information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

RISKS RELATING TO THE ISSUER

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. Significant risks that the Issuer is exposed to are credit risk, market risk, risks relating to disruptions in the global credit markets and economy, liquidity risk, counterparty risk, operational risk, regulatory risk and competition and business risks (see below). Failure to control these risks can result in a material adverse effect on the Issuer's financial position.

Risks relating to the Swedish Banking Industry

Sweden has one of the most consolidated banking sectors in Europe, dominated by four large banks. The risks within the banking sector mainly consist of credit, market and refinancing risk. Credit risk refers to the risk that a counterparty cannot meet its obligations and the risk that any pledged assets will not cover the claim. Market risk is defined as the risk that changes in interest rates, exchange rates and share prices will lead to a decline in the value of the bank's net assets and liabilities. The banking sector in Sweden has comparatively low levels of credit and market risk. The low credit risk profile reflects the predominance of retail business among Swedish banks. High cost efficiency and low risk profiles are hallmarks of the Swedish banking sector. Increasing competition and lower margins are future challenges for all participants within the sector, which could affect the Issuer's financial position.

Credit risks

Investors investing in the Notes take a credit risk on the Issuer. Credit risk 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). The Issuer's credit risk primarily arises from its lending activities. Furthermore, credit risk includes transfer risk, settlement risk and credit risk in financial instruments such as derivatives. One of the Bank Group's core and main businesses is residential mortgage lending to Swedish borrowers. The business risk principally pertains to credit risks on the Bank Group's customers. Although the Bank Group's business shows relatively low credit risks and it has historically showed low credit losses, largely due to the fact that its lending is granted against security over stable security in the form of Swedish residential real property (*fastigheter*), residential site leasehold rights (*tomträtter*) and residential tenant ownership rights (*bostadsrätter*), the volume of historical credit losses cannot be taken as an indication as to the volume of any future credit losses. As the principal part of the Bank Group's lending is made against security over real property, site leasehold rights and tenant ownership rights, the risks associated with the Bank Group's business are linked to the development of the Swedish real estate and housing market.

Market risks

The Issuer currently lends in Swedish Kronor but may fund itself in foreign currencies. The currency risk arising in connection with the funding is limited by the use of derivative instruments. There are also interest rate risks in the Issuer's business, which arise when there is an imbalance in the interest rate structure between its assets and liabilities and corresponding off-balance-sheet items. Although the Issuer limits its exposure to interest rate fluctuations by the use of derivative instruments, such risks will always form an inherent part of the Issuer's business.

Risks relating to disruptions in the global credit markets and economy

Financial markets are subject to periods of volatility which may impact the Issuer's ability to raise debt in a similar manner, and at a similar cost, to the funding raised in the past. During the financial crisis in 2007 to 2009, the global financial system experienced severe credit and liquidity conditions and disruptions leading to a reduction in liquidity, greater volatility, general widening of spreads and, in some cases, lack of price transparency in money and capital markets interest rates. During 2012, in addition to the high sovereign budget deficits and debt in Greece, Ireland and Portugal, the European economy subsequently weakened and the status of government finances in mainly Spain and Italy declined, causing attention to once again be directed to the serious fiscal, monetary and political challenges faced by Europe. Despite rescue packages provided to certain of the aforementioned countries during the past three years, uncertainty over the outcome of these measures and worries about sovereign finances and the stability of the euro area have continued to persist, not least when considering the downgraded credit ratings of several EU countries, and have resulted in further volatility in the global credit and liquidity markets. Market concerns over exposure of European banks and insurers to these countries as well as to each other have also resulted in a widening of credit spreads, increased costs of funding and negative credit ratings outlook for some European financial institutions. These conditions and changes in investment markets, including changes in interest rates, exchange rates and returns from equity, property and other investments, may affect the financial performance of the Issuer. In addition, the financial performance of the Issuer could be adversely affected by a worsening of general economic conditions in the markets in which it operates.

Liquidity and financing risks

Liquidity risk is the risk of the Issuer, due to insufficient cash and cash equivalents, being unable to fulfil its commitments or only being able to fulfil its commitments by borrowing cash and cash equivalents at a significantly higher cost. Liquidity risk also refers to the risk of financial instruments that cannot immediately be converted to cash and cash equivalents without decreasing in value. Financing risk is the risk that the Issuer, in the event of financing a maturity, does not successfully refinance the maturity or only succeeds in borrowing at substantially increased costs. The Issuer's lending is to a large extent made on longer terms than the Issuer's funding. Therefore, the Issuer is dependent on the ability to refinance borrowings upon their maturity.

Counterparty risks

Counterparty risk is the risk of a counterparty being unable to fulfil its commitments to the Issuer, which could lead to losses. The Issuer's counterparty risk relates to agreements with counterparties for interest-rate and currency swaps. Failure to control these risks can result in a material adverse effect on the Issuer's financial position.

Operational risks

Although identification, management and control of operational risks are clear and integrated parts of the Issuer's business, deficiencies or errors in internal processes and control routines, human errors, IT systems failure or external events that affect operations may occur. This could result in a material adverse effect on the Issuer's financial position, business, the products and services it offers or its assets.

The impact of changes to the capital adequacy framework and other regulatory risks

The Issuer's business is subject to regulation and regulatory supervision. Any significant regulatory developments could have a material effect on how the Issuer conducts its business and on the Issuer's results of operations. The Issuer is subject to numerous financial services laws, regulations, administrative actions and policies. Any significant changes to this regulatory framework could materially affect the Issuer's business, the products and services it offers or the value of its assets.

In the aftermath of the global economic crisis, many initiatives for regulatory changes have been taken, including an overview of the capital adequacy framework. On 16 December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") published its final guidelines for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions and on 13 January 2011, it published the minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability (the "**Basel III Framework**").

To begin the process of implementing the Basel III Framework in the EU, on 20 July 2011 the European Commission published the corresponding proposed changes at the EU level to replace the amended 2006/48/EC and 2006/49/EC Directives (CRD II), with two legislative instruments: a Regulation

establishing the prudential requirements institutions need to respect and a Directive (through an amendment of Directive 2002/87/EC) governing the access to deposit taking activities (together, known as “CRR / CRD IV”). To complement the CRR / CRD IV legislative package, on 6 June 2012 the European Commission proposed a new Directive on a comprehensive framework for dealing with ailing banks (Proposal for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms, COM(2012) 280/3, the “Crisis Management Directive”). The CRD IV is expected to be finalised in 2013 and implemented during 2014, based on the latest compromise text dated 27 March 2013 from the European Council and the European Parliament, which is expected to reflect the final form of the CRD IV. At the time of this Prospectus, the content and the proposed time table of the Crisis Management Directive is still uncertain.

As a result of the envisaged changes once introduced in Sweden, the Issuer may be required to raise additional tier 1, core tier 1 and tier 2 capital by way of further issuances of securities and such changes could result in existing tier 1 and tier 2 securities ceasing to count towards the Issuer’s regulatory capital, either at the same level as present or at all. Any failure by the Issuer to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer’s profitability and results and may also have other effects on the Issuer’s financial performance and on the pricing of the Notes, both with or without the intervention by regulators or the imposition of sanctions.

Competition and the demand for the Issuer’s products

In recent years the Swedish residential mortgage market (on which the Issuer is active) has seen strong growth in demand for mortgage loans and, as the Swedish residential mortgage market is currently dominated by a few major banks and state owned institutions, potential increased competition and lower margins are future challenges for the Issuer and other Swedish mortgage institutions. Even though the Issuer deems that it has a strong position to meet such increased competition, no assurance can be given that such increased competition may not have a negative impact on the Issuer’s financial performance. The demand for the Issuer’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.

Business risks

Business risk is comprised of strategic risk, earnings risk and reputational risk.

Strategic risk

Institutional changes and changes in basic market conditions may occur to the Issuer. The ability of the Board of Directors and President to plan, organize, follow up on and control the operations and to continuously monitor market conditions is important. Failure to do so may result in a material adverse effect on the Issuer’s financial position.

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. Although a considerable portion of the Bank Group’s business operations is mortgage lending and mortgage lending has a low level of volatility, earnings risk is associated with all of the Bank Group’s products and portfolios.

Reputational risk

Reputational risk is the risk of a tarnished reputation among customers, owners, employees, authorities and other parties resulting in reduced income. Reputational risk is difficult to assess, but could be substantially damaging to the Issuer’s operations based on a well-established brand, if materialized.

RISKS RELATING TO THE NOTES

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. 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 will be made for the Notes to be admitted to listing on the official list and trading on the Regulated Market of the NASDAQ OMX Stockholm exchange, there is no assurance that such application will be accepted or that

an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes.

Interest rate risks

Interest on the Notes will accrue at a floating rate. Investments in notes with a floating interest rate involve a risk of lowered interest rates and hence less return on the investment.

Modification, waivers and substitution

Pursuant to the Terms and Conditions, certain majorities of Noteholders have the right to make decisions and take measures that bind all Noteholders, including those who vote in a manner contrary to the majority. Consequently, the actions of the majority in such matters could impact the Noteholders' rights under the Notes or the Finance Documents in a manner that would be undesirable for some of the Noteholders.

Change of law

The Terms and Conditions are based on Swedish law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to Swedish law or administrative practice after the date of issue of the Notes.

Risks relating to credit ratings

The Notes have been assigned ratings by Standard & Poor's. There is no guarantee that such ratings can be maintained or that such credit ratings reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Rating agencies may amend their rating methodology making it more difficult to maintain a certain rating. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the relevant rating agency at any time. Any such revision or withdrawal could adversely affect the market value of the relevant Notes.

The Issuer's obligations under the Notes are subordinated

The rights of the Noteholders will, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer.

Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated, there is a significant risk that an investor in the Notes will lose all or some of his investment should the Issuer become insolvent.

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

A major part of the Issuer's business is to serve its customers with mortgage loans. All mortgage loans are, however, held by the Issuer's subsidiary Länsförsäkringar Hypotek AB (publ) ("**LF Hypotek**") and, as a significant share of the Issuer's revenue derives from the mortgage loans held LF Hypotek, the Issuer is reliant on the ability of LF Hypotek to advance loans or make dividend distributions to the Issuer so as to enable it to meet its payment obligations (including making payments under the Notes). The Issuer is thus dependent upon receipt of sufficient income arising from the operations of LF Hypotek.

All of the Issuer's subsidiaries, including LF Hypotek, (the "**Subsidiaries**") are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments or to make funds available for such payments. The ability of the Subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds, corporate restrictions, the terms of each operation's indebtedness (including, but not limited to, LF Hypotek's issuance of covered bonds) and Swedish law. No present or future subsidiary of the Issuer will guarantee or provide any security for the Issuer's obligations under the Notes and consequently the Noteholders do not have any recourse to the assets of the Subsidiaries.

If any subsidiary of the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceeding, the creditors of such subsidiary, will generally be prioritised due to their position in the capital structure and will generally be entitled to payment in full from the sale or other disposal of the assets of such a subsidiary before the

Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions from such a subsidiary.

The Issuer may redeem the Notes on the occurrence of a Capital Event

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the Notes upon the occurrence of a Capital Event (as defined in the Terms and Conditions) at par together with accrued interest on any Interest Payment Date.

There can be no assurance that the Noteholders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

Call options are subject to the prior consent of the Swedish FSA

The Issuer has the option to redeem the Notes five years after they have been issued on the First Call Date or on any Interest Payment Date falling after the First Call Date. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA.

The Noteholders have no rights to call for the redemption of the Notes and should not invest in the Notes in the expectation that such a call will be exercised by the Issuer. The Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There can be no assurance that the Swedish FSA will permit such a call or that the Issuer will exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

No limitation on issuing debt

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to the Notes or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Notes. Such issuance may reduce the amount recoverable by the Noteholders upon the bankruptcy or any liquidation of the Issuer.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in SEK. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than SEK. These include the risk that exchange rates may significantly change (including changes due to devaluation of SEK or revaluation of Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to SEK would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Clearing and settlement

The Notes are affiliated to Euroclear Sweden's account-based system. Clearing and settlement as well as payment of interest and the repayment of principal are carried out within this system. The Issuer will discharge its payment obligations under the Notes by making payments to Euroclear Sweden for distribution to the applicable account holders. Investors are therefore dependent on the functionality of Euroclear Sweden's system in order to receive timely payments under the Notes.

The Crisis Management Directive may affect the rights of Noteholders

The Crisis Management Directive includes proposals to give regulators resolution powers to write down certain debt of a failing bank (or to convert such debt into equity) to strengthen its financial position and allow it to continue as a going concern subject to appropriate restructuring. It is currently unclear whether measures ultimately adopted in this area will apply to any debt currently in issue, or whether certain grandfathering rules will apply.

It is possible that pursuant to the Crisis Management Directive or other resolution or recovery rules which may in the future be applicable to the Issuer, new powers may be given to the Swedish FSA or another

relevant authority which could be used in such a way as to result in the Notes absorbing losses in the course of any resolution of the Issuer.

The determination that all or part of the nominal amount of the Notes will be subject to the Crisis Management Directive may be inherently unpredictable and may depend on a number of factors which may be outside of the Issuer's control. Accordingly, trading behaviour in respect of Notes which are subject to the Crisis Management Directive is not necessarily expected to follow trading behaviour associated with other types of securities.

Any indication that Notes will become subject to the Crisis Management Directive could have an adverse effect on the market price of the relevant Notes. Potential investors should consider the risk that a Noteholder may lose all of its investment in such Notes, including the principal amount plus any accrued but unpaid interest, in the event that the Crisis Management Directive occurs.

U.S. Foreign Account Tax Compliance Withholding

The U.S. has introduced tax legislation, the Foreign Account Tax Compliance Act ("**FATCA**"), which may incline the Issuer to enter into an agreement with the U.S. tax authorities, *inter alia*, agreeing to report and withhold tax on transactions involving certain entities with certain connections to the U.S. If the Issuer enters into such agreement, it may under certain circumstances have to deduct U.S. tax on payment under the Notes to certain investors, and such investors may not receive the full amount as anticipated in the terms of the Notes.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes, neither the Issuer nor any other party involved in making payments under the Notes would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed, receive less interest or principal than expected. The Noteholders should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

Overview of the Notes

This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes should therefore be based on an assessment on all information contained in this Prospectus as well as all documents incorporated therein by reference. The complete terms and conditions applicable to the Notes are found on pages 12 to 22 below.

| | |
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| Issuer | Länsförsäkringar Bank AB (publ), a public limited liability company incorporated in Sweden with Reg. No. 516401-9878. |
| Notes | Floating rate subordinated callable notes. |
| Status of the Notes | The Notes constitute subordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. The rights of the Noteholders shall, in the event of the voluntary or involuntary liquidation (<i>likvidation</i>) or bankruptcy (<i>konkurs</i>) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least <i>pari passu</i> with all other subordinated indebtedness of the Issuer. |
| ISIN code | SE0005130671. |
| Total and Nominal Amount | The Nominal Amount of each Note is SEK 1,000,000 and the aggregate nominal amount of the Notes is SEK 1,100,000,000. |
| Issue Date | 28 March 2013. |
| Total amount of Notes | In total 1,100 Notes have been issued and will be listed. |
| Interest | The Notes will carry interest at a rate equivalent to three (3) months STIBOR plus 2.50 per cent <i>per annum</i> . Such interest will accrue during three (3) months interest periods, be calculated on an actual/360-days basis and will be paid at the end of each three-month interest period. |
| Final Maturity Date | 28 March 2023. |
| Early redemption | The Issuer may redeem all (but not some only) of the outstanding Notes on (i) the First Call Date, (ii) any Interest Payment Date falling after the First Call Date, or (iii) any Interest Payment Date prior to the First Call Date if a Capital Event has occurred. Such early redemption is subject to the consent of the Swedish FSA and to giving not less than twenty (20) nor more than sixty (60) Business Days' notice to the Noteholders. |
| First call date | The First Call Date, falling on the fifth anniversary of the Issue Date. |
| Redemption amount | All Notes will be redeemed in full at an amount equal to the Nominal Amount of each Note together with accrued but unpaid interest. |
| Form of the Notes | The Notes are issued in dematerialised book-entry form in accordance with the Financial Instruments Accounts Act (<i>lagen (1998:1479) om kontoföring av finansiella instrument</i>) and will be registered on a VP account on behalf of the relevant Noteholder. Hence, no physical notes will be issued. |
| Listing | The Issuer will apply to have the Notes listed on NASDAQ OMX Stockholm. The Notes are expected to be listed on such exchange by 31 July 2013. The estimated costs in relation to the admission to trading is expected to approximately SEK 110,000 in aggregate. |

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| Issuing Agent | Swedbank AB (publ), Reg. No. 502017-7753, Regeringsgatan 13, 10534 Stockholm, Sweden. |
| Central Securities Depositary | Euroclear Sweden AB, Reg. No. 556112-8074, Box 191, 101 23 Stockholm, Sweden. |
| Noteholder's Meeting | 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 to decide upon any issue or matter in relation to the Finance Documents. |
| Direct Communication | Consent, approval, instructions or agreement by the Noteholders can also be obtained by way of direct communication from the Issuer of the Issuing Agent. |
| No Petition | A no petition limitation applies in relation to a Noteholder, other than as expressly permitted under Clause 3.3 of the Terms and Conditions. |
| Prescription | The right to receive repayment of the principal of the Notes will be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of Interest (excluding capitalised interest) will be prescribed and become void three (3) years from the relevant due date for payment. |
| Rating | <p>The Notes have been assigned a rating of BBB+ by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's").</p> <p>Standard & Poor's is established in the European Union and is registered under Regulation (EU) No 1060/2009 (as amended) (the "CRA Regulation"). As such Standard & Poor's is 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 above credit rating is valid as at the date of this Prospectus.</p> <p>Please also refer to the section "<i>Risks relating to credit ratings</i>" on page 7 above for information on risks relating to credit ratings and to the section "<i>Credit ratings of the Issuer</i>" on page 24 below for information on credit ratings of the Issuer and complete Standard & Poor's rating scale.</p> |
| Governing Law | The Notes are governed by Swedish law. |

Terms and Conditions of the Notes

1. DEFINITIONS AND CONSTRUCTION

1.1 In these terms and conditions (the “**Terms and Conditions**”):

“**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.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes held by a Group Company or an Affiliate.

“**Affiliate**” means (i) a Controlling Party and (ii) an entity under common control with the Issuer.

“**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.

“**Capital Event**” means the determination by the Issuer, after consultation with the Swedish FSA, that, as a result of any amendment to or change in the Capital Regulations from those which are in effect at the trade date, 21 March 2013, the Notes are fully excluded from the Tier 2 Capital of the Issuer.

“**Capital Regulations**” means, at any time, (i) regulations, directives, guidelines or similar of the EU and its institutions, (ii) the Swedish Capital Adequacy and Large Exposures Act and (iii) the regulations, requirements, guidelines and policies relating to capital adequacy of the Swedish FSA and/or any European successor then in effect.

“**Controlling Party**” means Länsförsäkringar AB (publ), Reg. No. 556549-7020, or any other party (if any) in direct control of the Issuer from time to time.

“**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, Box 191, 101 23 Stockholm, Sweden.

“**Final Maturity Date**” means the date falling ten (10) years after the Issue Date or, if such date is not a Business Day, the next Business Day.

“**Finance Documents**” means these Terms and Conditions and any other document designated by the parties thereto as a Finance Document.

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

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth anniversary of the Issue Date.

“**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 5 (*Interest*).

“**Interest Payment Date**” means 28 March, 28 June, 28 September and 28 December of each year or, to the extent such day is not a Business Day, the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not). The first Interest Payment Date shall be 28 June 2013 and the last Interest Payment Date shall be the Redemption Date.

“**Interest Period**” means:

- (a) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and

- (b) in respect of each subsequent Interest Period, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date.

“**Interest Rate**” means STIBOR plus 2.50 per cent. *per annum* as determined for each Interest Period by the Issuing Agent on the relevant Quotation Day.

“**Issue Date**” means 28 March 2013.

“**Issuer**” means Länsförsäkringar Bank AB (publ), a public limited liability company (*aktiebolag*) incorporated under the laws of Sweden with Reg. No. 516401-9878.

“**Issuing Agent**” means Swedbank AB (publ), or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Nominal Amount**” has the meaning set forth in Clause 2.2.

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

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

“**Notes**” means the debt instruments (*skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

“**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 Final Maturity Date or the date on which the Notes are to be repaid in accordance with Clause 8 (*Redemption of the Notes*).

“**Regulated Market**” means NASDAQ OMX Stockholm or any other 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 18.1.

“**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.

“**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 quoted by leading banks in the Stockholm interbank market, for deposits of SEK 100,000,000 for the relevant period.

“**Swedish Capital Adequacy and Large Exposures Act**” means the Swedish act on capital adequacy and large exposures (*Lag (2006: 1371) om kapitaltäckning och stora exponeringar*) as amended or replaced from time to time.

“**Swedish FSA**” means the Swedish financial supervisory authority (*Finansinspektionen*).

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

“**Tier 2 Capital**” means tier 2 capital (*supplementärt kapital*) as defined in Chapter 3 of the Swedish Capital Adequacy and Large Exposures Act.

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

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

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

- (a) any agreement or instrument is a reference to that agreement or instrument as replaced, supplemented, amended, novated or varied from time to time;
- (b) 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;
- (c) a provision of law is a reference to that provision as amended or re-enacted; and
- (d) a time of day is a reference to Stockholm time unless otherwise indicated or the context otherwise requires.

2. LOAN AMOUNT AND UNDERTAKING TO MAKE PAYMENTS

2.1 The Notes are denominated in Swedish Kronor.

2.2 The nominal amount of each Note is SEK 1,000,000 (the “**Nominal Amount**”). The aggregate nominal amount of the Notes is SEK 1,100,000,000.

2.3 All Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 Each Note is constituted by these Terms and Conditions.

3. STATUS OF THE NOTES

3.1 The Notes constitute subordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights of the Noteholders shall, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, be subordinated in right of payment to the claims of depositors and other unsubordinated creditors of the Issuer but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer. For the avoidance of doubt, the Noteholders will, in the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*), rank in priority of any holders of any class of share capital of the Issuer.

3.2 The Issuer reserves the right to issue further subordinated notes and other subordinated obligations in the future, which may rank *pari passu* with the Notes.

3.3 Prior to the Final Maturity Date, a Noteholder may only declare the Notes (or any accrued interest) due and payable if the Issuer is placed into bankruptcy (*försatt i konkurs*) or is the subject of liquidation proceedings (*trätt i likvidation*).

3.4 No Noteholder who in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer shall be indebted to the Issuer shall be entitled to exercise any right of set-off or

counterclaim against moneys owed by the Issuer in respect of the Notes held by such Noteholder.

4. NOTES IN BOOK-ENTRY FORM

- 4.1 The Notes will be registered on behalf of the Noteholders on a VP Account and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. 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.
- 4.2 For the purpose of or in connection with any Noteholders' Meeting under Clause 11 (*Noteholders' Meeting*) or any direct communication to the Noteholders under Clause 12 (*Decisions by way of direct communication*), the Issuing Agent shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes.

5. INTEREST

The Notes shall carry interest at the Interest Rate, such interest shall accrue during Interest Periods and be calculated on an actual/360-days basis.

6. PAYMENT OF INTEREST AND REPAYMENT OF PRINCIPAL

- 6.1 The Issuer shall redeem all (but not some only) outstanding Notes in full on the Final Maturity Date at a price per Note equal to the Nominal Amount together with accrued but unpaid interest.
- 6.2 Payment of Interest in respect of the Notes shall be made on each Interest Payment Date for the preceding Interest Period.
- 6.3 Any payment, repayment or redemption amount 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, or to such other person who is registered with the CSD on such date as entitled to receive the relevant payment, repayment or redemption amount.
- 6.4 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.
- 6.5 If payment or repayment is effectuated in accordance with this Clause 6, 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, unless the Issuer or the CSD (i) was aware that the amount was paid to the wrong recipient or (ii) failed to exercise the care which should reasonably have been exercised in the circumstances.

7. DEFAULT INTEREST

- 7.1 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 relevant Interest Rate. Accrued default interest shall not be capitalised.
- 7.2 No default interest shall accrue if the failure to pay was attributable to the CSD, in which case the relevant Interest Rate shall apply instead.

8. EARLY REDEMPTION AND ISSUER'S PURCHASE OF NOTES

8.1 Early redemption at the option of the Issuer

Subject to Clause 8.4 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 8.6 (*Notice of early redemption*), the Issuer may redeem all (but not some only) outstanding Notes on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

8.2 Issuer's purchase of Notes

The Issuer may, subject to Clause 8.4 (*Consent from the Swedish FSA*) and applicable law, at any time purchase Notes on the market or in any other way. The Notes so purchased by the Issuer must be cancelled immediately by the Issuer and may not be retained or sold.

8.3 Early redemption upon the occurrence of a Capital Event

If a Capital Event occurs prior to the First Call Date, the Issuer may, at its option, but subject to Clause 8.4 (*Consent from the Swedish FSA*) and giving notice in accordance with Clause 8.6 (*Notice of early redemption*), redeem all (but not some only) outstanding Notes on any Interest Payment Date.

8.4 Consent from the Swedish FSA

The Issuer may not redeem or purchase, as contemplated by this Clause 8, any outstanding Notes without the prior consent of the Swedish FSA.

8.5 Early redemption amount

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

8.6 Notice of early redemption

Redemption in accordance with Clauses 8.1 (*Early redemption at the option of the Issuer*) and 8.3 (*Early redemption upon the occurrence of a Capital Event*) shall be made by giving not less than twenty (20) nor more than sixty (60) Business Days' notice to the Noteholders in accordance with Clause 17 (*Notices*). Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Notes at the applicable amounts specified above in Clause 8.5 (*Early redemption amount*).

9. LISTING

The Issuer shall use its best efforts to ensure that the Notes are listed on NASDAQ OMX Stockholm within thirty (30) from the Issue Date and shall ensure that the Notes are so listed by the latest within sixty (60) days from the Issue Date, and that the Notes remain so listed or, if such listing is not possible to obtain or maintain, listed on another Regulated Market. The Issuer shall, following a listing, take all actions on its part to maintain the listing of the

Notes as long as any Notes are outstanding, however not longer than up to and including the last day on which trading in the Notes on the exchange reasonably can, pursuant to the then applicable regulations by the exchange and the CSD, take place before the Redemption Date.

10. NOTEHOLDERS' CONSENT

- 10.1 A request by the Issuer or the Issuing Agent for consent, approval, instructions 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:
- 10.2 If at a Noteholders' Meeting, the provisions in Clause 11 (*Noteholders' Meeting*) 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 voting at the Noteholders' Meeting.
- 10.3 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.
- 10.4 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.
- 10.5 The following matters shall require the consent of the Issuer and Noteholders representing at least eighty (80) 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 of Clause 2 (*Loan amount and undertaking to make payments*) or Clause 3 (*Status of the Notes*);
 - (b) a change to the terms dealing with the requirements for Noteholder consent set out in Clauses 10 (*Noteholders' consent*), 11 (*Noteholders' meeting*) and 12 (*Decisions by way of direct communication*);
 - (c) an extension of the term of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
 - (d) a change to an Interest Rate or the Nominal Amount (other than as a result of an application of Clause 8.2); and
 - (e) early redemption of the Notes, other than as permitted by these Terms and Conditions.
- 10.6 Subject to the terms of Clause 14 (*Amendments to the Finance Documents*), any change to, or waiver of, the Finance Documents that does not require a higher majority shall, in addition to the consent of the Issuer, require the consent of Noteholders representing at least 67 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.
- 10.7 Any matter not covered by Clauses 10.5 and 10.6 shall require the consent of the Issuer and 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.

- 10.8 Notwithstanding Clauses 10.5 to 10.7, any decision that adversely affects some but not all of the Noteholders (in their capacity as Noteholders) shall require the consent of all Noteholders that are adversely affected.
- 10.9 If any matter decided in accordance with this Clause 10 would require consent from the Swedish FSA, such consent shall be sought by the Issuer.
- 10.10 Notes held by a Group Company or an Affiliate shall not entitle to participation in decisions in respect of matters requiring Noteholders consent or any voting rights at a Noteholders' Meeting.
- 10.11 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.
- 10.12 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.
- 10.13 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 on its website 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 Finance 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 by the Issuer or the Issuing Agent 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 five (5) Business Days and no later than ten (10) Business Days from the Issuing Agent's notice.
- 11.4 Unless the Noteholders' Meeting determines otherwise, the meeting shall be opened by the Issuing Agent appointing a chairman, a keeper of the minutes and person(s) to attest the minutes.
- 11.5 Directors, the managing director and other senior executives of the Issuer, the Issuer's auditors and legal advisors shall be entitled to participate at Noteholders' Meetings, in addition to the Noteholders and their respective proxies. Representatives shall present a duly issued power of attorney, which is to be approbated by the chairman.
- 11.6 Minutes shall be kept at the Noteholders' Meeting, which shall include the time, date and location of the meeting, a list of those present, the matters discussed, the outcome of the voting, and the resolutions passed. The voting register shall be written down or appended to the minutes. The minutes shall be signed by the keeper of the minutes. The minutes shall be attested by the chairman if he or she did not keep the minutes and by at least one (1) person appointed at the Noteholders' Meeting to attest the minutes. The minutes shall then be

provided to the Issuing Agent. The minutes shall be provided to the Noteholders no later than ten (10) Business Days after the Noteholders' Meeting in accordance with Clause 17 (*Notices*). New or amended Terms and Conditions shall be appended to the minutes and provided to the CSD through the Issuing Agent or another party appointed by the Issuing Agent. The minutes shall be held in safekeeping by the Issuing Agent.

- 11.7 Without amending or varying the regulations regarding the calling and holding of Noteholders' Meetings set out in these Terms and Conditions, the Issuing Agent may prescribe such further regulations regarding the calling and the holding of such meetings as the Issuing Agent may deem appropriate.
- 11.8 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).
- 11.9 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 11.8 shall not apply to such second Noteholders' Meeting.
- 11.10 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. The Issuing Agent shall make sure that an excerpt of the debt register as of the Record Date prior to the date of the Noteholder's Meeting is available at the Noteholder's Meeting and the Issuing Agent shall be entitled to obtain such information from the debt register kept by the CSD in respect of the Notes.

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, instructions 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 such person who is registered as Noteholder on a VP Account on the Record Date prior to the date on which the communication is sent, by registered mail in accordance with Clause 17 (*Notices*).
- 12.2 A communication from the Issuing Agent or the Issuer in accordance with Clause 12.1 shall include (i) the request by the Issuer or the Issuing Agent for consent, approval, instructions 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.
- 12.4 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 distribution of the communication pursuant to Clause 12.1 may exercise voting rights as a Noteholder. The Issuing Agent shall make sure that an excerpt of the debt register as of the Record Date prior to the distribution of the communication is obtained and the Issuing Agent shall be entitled to obtain such information from the debt register kept by the CSD in respect of the Notes.

13. REPLACEMENT OF THE ISSUING AGENT

The Issuing Agent may retire from its assignment according to these Terms and Conditions or be dismissed by the Issuer, provided that the Issuer has approved that a business bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the retiring Issuing Agent retires or is dismissed. If the Issuing Agent is subject to bankruptcy or financial re-organisation according to law or regulations from a supervising authority, the Issuer shall immediately appoint a new Issuing Agent which immediately shall replace the retiring Issuing Agent as issuing agent in accordance with these Terms and Conditions.

14. AMENDMENTS TO THE FINANCE DOCUMENTS

- 14.1 Notwithstanding Clause 10 (*Noteholders' Consent*), the Issuer and the Issuing Agent may, without the prior consent of the Noteholders, agree to amend or modify the Finance Documents in order to rectify obvious errors and mistakes.
- 14.2 The Issuer and the Issuing Agent shall promptly notify the Noteholders of any amendments made in accordance with Clause 14.1, setting out the date from which the amendments will be effective.
- 14.3 If any amendment or modification of the Finance Documents in accordance with this Clause 14 would require consent from the Swedish FSA, such consent shall be sought by the Issuer.

15. NO PETITION

A Noteholder may not take any steps whatsoever to recover any amount due or owing to it pursuant to the Finance Documents, or procure the winding-up, bankruptcy, or liquidation of the Issuer or the making of an administration order in relation to the Issuer or the filing of documents with the court in relation to the Issuer or the service of a notice of intention to appoint an administrator in relation to the Issuer in respect of any of the liabilities of the Issuer under the Finance Documents, other than to the extent expressly permitted under Clause 3.3.

16. PRESCRIPTION

- 16.1 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 in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 16.2 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.

17. NOTICES

- 17.1 Any communication to be made under or in connection with the Finance Documents (i) to the Issuing Agent shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*), (ii) to the Issuer shall be given at the address registered with the Swedish Companies Registration Office and (iii) to the Noteholders shall be given at their addresses as registered with the CSD, in each case when the communication is

dispatched or, in respect of Clause 12 (*Decisions by way of direct communication*), on the Record Date set out in Clause 12.1.

- 17.2 Any communication or document made or delivered by one person to another under or in connection with these Terms and Conditions will only be effective:
- (a) if by way of fax, when received in legible form;
 - (b) if by way of e-mail, when received in readable form; or
 - (c) 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.

- 17.3 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.

18. FORCE MAJEURE AND LIMITATION OF LIABILITY

- 18.1 The Issuing Agent shall not 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 the Issuing Agent itself takes such measures, or is subject to such measures.
- 18.2 Damage that may arise for a Noteholder shall not be indemnified by the Issuing Agent if it has observed normal care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- 18.3 Should an obstacle described above arise which prevents the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 18.4 The provisions in this Clause 18 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

19. RIGHT TO REPRESENT A NOTEHOLDER

- 19.1 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes owned by it. Any such representative may act independently under these Terms and Conditions in relation to the Notes for which such representative is entitled to represent the Noteholder.
- 19.2 If the beneficial owner (*ägaren*) of any Notes registered in the name of a nominee wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney from the nominee.

20. GOVERNING LAW AND JURISDICTION

- 20.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with Swedish law.
- 20.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).
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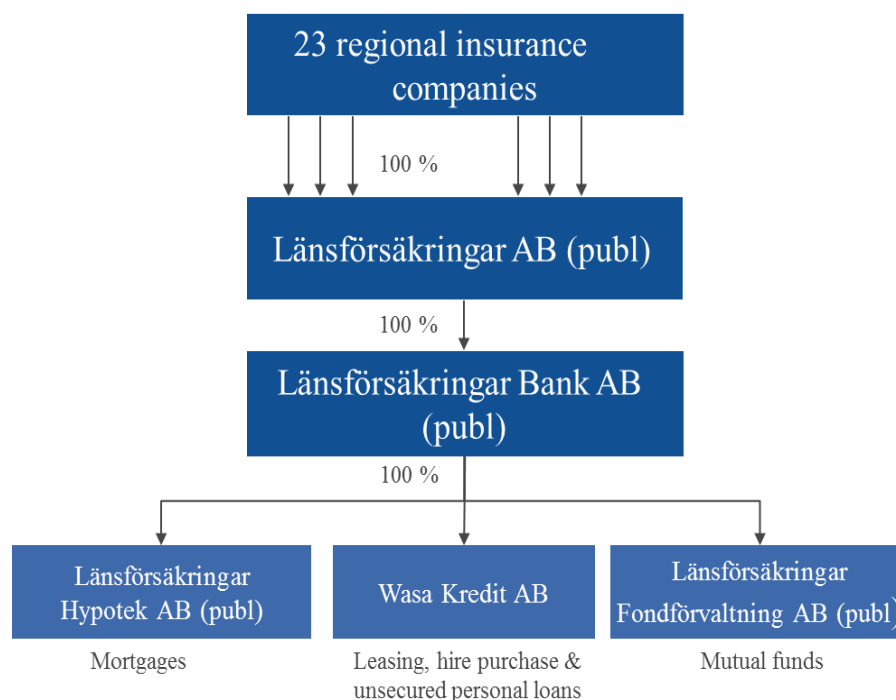
Description of the Issuer

OVERVIEW¹

The Bank Group is part of the Länsförsäkringar Alliance (the “**Alliance**”), one of the larger insurance and banking operations in Sweden. The Alliance is a mutually owned banking and insurance group. Länsförsäkringar Bank AB (publ) (the “**Issuer**”) is wholly owned by Länsförsäkringar AB (publ) (“**LFAB**”). LFAB is principally owned by 23 independent and customer-owned regional insurance companies in Sweden (the “**LFAB Shareholders**”) which, together with LFAB and its subsidiaries, including the Bank Group, comprise the Alliance. The banking operations offer a full range of banking services to private individuals, farmers and small businesses. Sales, advisory services and customer services are carried out through 130 (125) of the branches of the 23 regional insurance companies and via mobile services, the Internet and telephone. Sales and certain administration of banking services are carried out at the branches of the regional insurance companies. The regional insurance companies are reimbursed for sales, administration and service through a reimbursement system based on volumes managed. Another part of the full-service offering is the 150 (143) branches of the real-estate brokerage Länsförsäkringar Fastighetsförmedling throughout Sweden.

The Issuer is a limited liability public company incorporated on 12 March 1996 for an unlimited duration under the Swedish Companies Act (Sw: *Aktiebolagslagen 2005:551*). The Issuer is registered in the Swedish Companies Registration Office in Sundsvall under the corporate name Länsförsäkringar Bank AB (publ) with registration number 516401-9878. The registered office of the Issuer is Stockholm, Sweden. The complete address and telephone number of the Issuer is Tegeluddsvägen 11-13, SE-106 50 Stockholm, Sweden and +46 (0)8-588 400 00. The Issuer has three subsidiaries: LF Hypotek, the Issuer’s mortgage institution; Wasa Kredit AB (“**Wasa Kredit**”), a finance company offering leasing, hire purchase and personal loans; and Länsförsäkringar Fondförvaltning AB (publ) (“**LF Fondförvaltning**”), which manages mutual funds. The Board of Directors of the Issuer, in taking any decisions, do so after taking into account the best interests of the Issuer and their responsibilities as directors. The Issuer is not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Issuer. The Issuer relies upon its parent, LFAB, for the injection of necessary capital. The Issuer’s financial condition and results of operations are impacted by the conditions prevailing within the Alliance.

The following diagram shows the structure of the Bank Group and its owners:



¹ Unless expressly stated otherwise, all figures herein pertain to 2012 except for figures in parentheses which pertain to 2011.

The Issuer is the fifth largest retail bank in Sweden (source: Statistics Sweden) with 954,000 customers and a business volume (loans, deposits and funds) of SEK 283 billion as of December 31, 2012. In 2012, the business continued to grow in all main product segments. According to the 2012 Swedish Quality Index, the Issuer has Sweden's most satisfied retail bank customers for the eighth time in nine years. Swedish Quality Index is part of the European network EPSI Rating, an organisation concerned with the research and rating of non-financial performance indicators such as customer and employee satisfaction.

Credit ratings of the Issuer

The Issuer has been assigned long term ratings of and A (stable) from Standard & Poor's Credit Market Services Europe Limited ("**Standard and Poor's**") and A2 (negative) from Moody's Investors Service Ltd. ("**Moody's**") as well as short term ratings of A-1 from Standard & Poor's and P-1 from Moody's in relation to its unsecured and unsubordinated obligations. Please note, however, that these ratings are separate from the ratings of the Notes. For more information on the rating of the Notes, please refer to the section *Overview of the Notes* on page 10.

Each of Standard & Poor's and Moody's is established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). 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 credit ratings are valid as at the date of this Prospectus.

The Issuer's long term ratings are marked in bold in the below chart and is also available at the Issuer's website, www.lansforsakringar.se/finanssielltbank.

| Moody's | Standard & Poor's |
|--------------------------|------------------------------|
| <i>Long term rating</i> | |
| Aaa | AAA |
| Aa1 | AA+ |
| Aa2 | AA |
| Aa3 | AA- |
| A1 | A+ |
| A2 | A |
| A3 | A- |
| Baa1 | BBB+ |
| Baa2 | BBB |
| Baa3 | BBB- |
| Ba1 | BB+ |
| Ba2 | BB |
| Ba3 | BB- |
| B1 | B+ |
| B2 | B |
| B3 | B- |
| Caa1 | CCC+ |
| Caa2 | CCC |
| Caa3 | CCC- |
| Ca | CC |
| C | C |
| D | D |
| <i>Short term rating</i> | |
| P-1 | A-1 |
| P-2 | A-2 |
| P-3 | A-3 |
| NP | B |
| | C |
| | D |

Strategy

The Issuer's strategy, which has not been changed since 2000, is to provide the Alliance's regional insurance companies' customers with a banking offering. All customer contact takes place at the 130 branches of the 23 regional insurance companies. The real estate brokerage Länsförsäkringar Fastighetsförmedling also conducts customer contacts at the 150 branches. The strategy for the Issuer's banking operations is primarily 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.

Large customer base

The Alliance has nearly 3.5 million customers. The prioritised target groups in the banking operations are the 2.9 million private individuals of which 1.8 million customers are home-insurance customers. Also the agricultural customers in the Alliance are a prioritised target.

A strong brand, local presence and customer-owned

The brand "Länsförsäkringar" is the strongest financial brand in Sweden according to the 2012 Reputability Barometer. Key contributory factors to the strategy are the strong brand, the Issuer's local presence via the regional insurance companies and the fact that the regional insurance companies are customer-owned. Brand is of major importance to customer choice particularly in times of financial concern. The insurance customers of the Alliance own the regional insurance companies, meaning that the bank is operated based on the principles of customer ownership. Customer-owned means that the customer is the ultimate priority.

Employees

In 2012, the Issuer had an average of 363 (327) employees.

Objectives

The Issuer's objectives are as follows:

- achieve continued profitable growth;
- have the most satisfied customers;
- increase the percentage of customers who combine their banking and insurance commitments.

Key figures of the Issuer in brief 2012

- Operating profit increased 44% to SEK 556 M (385 M).
- Return on equity strengthened to 6.3% (4.8%).
- Net interest income rose 20% to SEK 2,071 M (1,728 M).
- Loan losses remained very low and amounted to SEK 91 M (48 M), corresponding to loan losses of 0.06% (0.04%).
- Total business volumes rose 13% to SEK 283 billion (251 billion).
- Deposits increased 26% to SEK 62 billion (50 billion).
- Lending rose 12% to SEK 150 billion (134 billion).
- The Core Tier 1 ratio according to Basel II was 13.1% (11.5%) and the Tier 1 ratio according to Basel II was 13.7% (12.1%). The capital adequacy ratio according to Basel II was 15.6% (14.0%).
- The number of customers increased 7% to 954,000 (889,000), the number of bank cards rose 13% to 346,000 (306,000) and the number of deposit accounts increased 17% to 1,200,000 (1,029,000).

Regulatory framework

The Issuer is subject to the Swedish Companies Act and the Banking and Financing Business Act (Sw: *lagen 2004:297 om bank- och finansieringsrörelse*) which regulates, inter alia, the Issuer's lending activities. In addition, the act on Capital Adequacy and Large Exposures in Credit Institutions and Securities Companies (Sw: *lagen 2006:1371 om kapitaltäckning och stora exponeringar för kreditmarknadsinstitut och värdepappersbolag*) sets forth certain requirements on regulatory capital and exposures that the Issuer must observe. The Issuer is supervised by the Swedish FSA.

Credit quality

Loans to the public rose 12%, or SEK 16 billion, to SEK 150 billion (134 billion). Retail mortgages in LF Hypotek increased 14%, or SEK 12 billion, to SEK 101 billion (89 billion). All loans are granted in Sweden and in SEK. Loan losses remained very low and amounted to SEK 91 M (48 M), net, corresponding to loan losses of 0.06% (0.04%). Reserves totalled SEK 325 M (284 M), corresponding to an unchanged provision ratio of 0.21%. Impaired loans amounted to SEK 298 M (233 M) and the percentage of impaired loans was 0.19% (0.17%).

The loan portfolio, totalling SEK 150 billion (134 billion), has a favourable geographic distribution and maintains a high level of credit quality. Most of the total portfolio, 71% (72%), pertained to retail mortgages, of which 80% (80%) comprised collateral in single-family homes and 20% (20%) tenant-owned apartments. First-lien mortgages for agricultural properties rose 22% to SEK 16.7 billion (13.7 billion) and agricultural lending increased 15% to a total of SEK 19.3 billion (16.7 billion). First-lien mortgages, mainly to family-owned agricultural operations, accounted for 86% (82%) of agricultural lending.

Loan portfolio

| Lending segment, % | Dec 31, 2012 | Dec 31, 2011 |
|----------------------------------|--------------|--------------|
| Retail mortgages | 71% | 72% |
| Agricultural loans | 13% | 12% |
| Leasing | 4% | 4% |
| Hire purchase | 4% | 4% |
| Unsecured loans | 4% | 4% |
| Multi-family homes | 2.5% | 2% |
| Industrial and office properties | 0.5% | 0.2% |
| Other | 1.0% | 1.8% |
| Total | 100% | 100% |

Funding strategy of the Bank Group

The Bank Group manages its funding and liquidity with the aim to have a sufficiently strong liquidity position to ensure that it can handle periods with stress in the capital markets, when access to new funding is limited or not even available. The liquidity risk is controlled and limited through a survival horizon methodology, meaning how long all known contracted obligations can be met without any access to capital market financing.

Given its retail oriented business mix and large mortgage lending operation the Bank Group's main funding sources are naturally retail deposits and covered bonds. The amount of deposits held by the Issuer has increased during the last years and currently represent 33% of its total funding. The covered bonds are issued out of the issuers subsidiary LF Hypotek and mainly in form of liquid benchmark bonds in the domestic Swedish market. In recent years the funding diversification has been enhanced through the issuance of Euro benchmark covered bonds as well as through covered bonds issued in CHF and NOK. Senior unsecured debt and commercial papers are issued by the Issuer.

The market risk that arises from the lending and the funding operations are managed mainly through derivatives. Using derivatives increases the flexibility of borrowing activities, entailing that the financing can be based on market conditions without exposing the operation to interest rate and currency risks.

Intercreditor agreement and subordination of the Issuer's claims against LF Hypotek

The Issuer and LF Hypotek have granted, and will grant additional, loans to certain borrowers. Such loans are secured by security granted to the Issuer and LF Hypotek jointly and/or on a first and second ranking basis with respect to existing and/or future obligations of the borrowers (the "Joint Collateral"). The Issuer and LF Hypotek have, in an intercreditor agreement, agreed that, unless otherwise agreed in a specific case in relation to a certain borrower, LF Hypotek's claims in respect of the Joint Collateral (and any income from the realisation thereof) shall rank senior to the Issuer's claims in respect thereof.

Liquidity facility agreement between the Issuer and LF Hypotek

The Issuer and LF Hypotek have entered into a liquidity facility agreement, pursuant to which the Issuer makes available a committed liquidity loan facility to LF Hypotek to support its ability to repay principal and pay interest on covered bonds issued under LF Hypotek's covered bond programmes.

Credit policy

The lending portfolio is entirely comprised of loans in Sweden, which are geographically well-distributed across Sweden meaning there is no concentration in a particular region. Loan origination is primarily directed towards mortgages for private individuals' homes and family-owned agricultural operations. All loans are calculated on the basis of the credit regulations determined by the Board and the credit process is largely automated. The regional insurance companies are knowledgeable about their customers, possess in-depth local market knowledge and have a full-service customer approach that benefits the entire business. In the remuneration model between the Issuer and the regional insurance companies, there is a strong incentive to maintain excellent credit quality. The banking operations impose strict requirements on customers' repayment capacity and the quality of collateral. In connection with credit scoring, the repayment capacity of borrowers and households is stress tested and the quality of the loan portfolio and the borrowers' repayment capacity is continuously monitored and reviewed. The decision-support model, combined with the expertise, local market knowledge and credit responsibility of the regional insurance companies, creates favourable conditions for balanced and consistent loan origination and a loan portfolio of very high credit quality.

Risk management

The overall objective is to protect shareholders' equity and the investors' and depositors' capital. Returns are maximised through active and secure financial management within the guidelines of the Bank Group's overall risk policy. A sound financial management is ensured by the Issuer being proactive, maintaining clear divisions of responsibility and exercising strict controls. All limits, methods of measuring, financial instruments, reporting and responsibilities in respect of the policy are to be well defined and updated and modified as appropriate. The divisions of responsibility in financial management are of utmost importance. This means that position taking and executing roles should have no influence on risk control and back office functions.

Division of Responsibility in Risk Management

The Board of Directors of the Issuer is ultimately responsible for the Bank Group's operations and, as a result, for safeguarding the Bank Group's assets and for creating risk awareness in the Bank Group. The Board of Directors of the Issuer achieves this goal, among others, by annually establishing central risk tolerances and risk strategies that ensure a sound and well-balanced process for risk-taking and risk management. Such a process should be characterised by a deliberate focus on changes in the operations and its macro-economic environment. The Board of Directors of the Issuer is also responsible for establishing all of the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks. Through the Bank Group's Compliance, Risk Control and Internal Audit functions, the Board of Directors of the Issuer is also responsible for ensuring that the Issuer's regulatory compliance and risks are managed in a satisfactory manner. The President is responsible for the ongoing administration of the Issuer in accordance with the risk tolerances and risk strategies established by the Board of Directors of the Issuer. This means that the President is responsible for ensuring that the methods, models, systems and processes that form the internal measurement, control and reporting of identified risks work in the manner intended and decided by the Board of Directors of the Issuer. The President is the Chairman of an Asset Liability Committee (ALCO) whose main task is to follow up capital and financial matters arising in the Bank Group. Risk Control is an independent unit and has an independent position in relation to the corporate operations that it has been assigned to monitor and control. Risk Control is under the supervision of the President and is responsible to the Board of Directors of the Issuer for ensuring that risk policies are complied with, risk limits are monitored and non-compliance is reported to the President and Board of Directors of the Issuer. In addition, Risk Control is responsible for the validation of the risk-classification system (the IRB Approach) and its use in the Issuer's operations. One of the most important tasks of the Risk Control is to ensure that the Issuer's operations have active risk management and that the risk tolerance established by the Board of Directors of the Issuer is converted into limits according to which the operations conduct their activities.

Capital adequacy

The Bank Group applies the Internal Ratings Based Approach (IRB Approach). The advanced IRB Approach is applied to all retail exposure and to counterparty exposures to corporates and the agricultural

sector up to SEK 5 M. The fundamental IRB Approach is used for counterparty exposures to corporates and the agricultural sector in excess of SEK 5 M. The Standardised Approach is used for other exposures. On December 31, 2012, 88% of the loan portfolio comprised retail credits in accordance with the advanced IRB Approach. Core Tier 1 ratio according to Basel II amounted to 13.1% (11.5%). The capital base strengthened to SEK 7,546 M (6,668 M) and the capital adequacy ratio according to Basel II was 15.6% (14.0%). Tier 1 capital strengthened to SEK 6,612 M (5,747 M) net, and the Tier 1 ratio according to Basel II totalled 13.7% (12.1%).

The Swedish Bankers' Association

The Swedish Bankers' Association organises banks and financial institutions established in Sweden. The aim is to contribute to a sound and efficient regulatory framework that facilitates banks to help create economic wealth for customers and society. The Issuer is a member of the association. More information on the association and the Swedish banking market can be found on the association's website, www.swedishbankers.se.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT, SUPERVISORY BODY AND AUDITOR

Board of Directors

The Board of the Issuer consists of eleven members. The table below sets out the name and current position of each Board member.

| Name | Position |
|---------------------|--------------------------|
| Sten Dunér | Chairman |
| Ingemar Larsson | Deputy chairman / Member |
| Christer Villard | Member |
| Örian Söderberg | Member |
| Christian Bille | Member |
| Per-Åke Holgersson | Member |
| Bengt-Erik Lindgren | Member |
| Ingrid Ericson | Employee representative |
| Max Rooth | Employee representative |
| Torleif Carlsson | Deputy member |
| Maria Eriksson | Deputy member |

STEN DUNÉR

Born 1951. Chairman of the Board since 2009.

Other current assignments include: President and CEO of Länsförsäkringar AB, Chairman of Länsförsäkringar Sak, Länsförsäkringar Fondliv, Svensk Försäkrings and the Swedish Insurance Employers' Association (FAO). Board member of Länsförsäkringar Liv Försäkrings AB Fastighets AB Balder and Svenskt Näringsliv.

INGEMAR LARSSON

Born 1949. Deputy chairman of the Board since 2008.

Other current assignments include: President of Länsförsäkringar Göteborg och Bohuslän. Board member of Platzer Fastigheter Holding AB.

CHRISTER VILLARD

Born 1949. Member of the Board since 2006.

Other current assignments include: Chairman of Länsförsäkringar Stockholm, Chairman of Wallenstam AB, Aptic AB, Stockholms Köpmanklubb, Segulah III and IV. Board member of AB Segulah.

ÖRIAN SÖDERBERG

Born 1952. Member of the Board since 2009.

Other current assignments include: President of Länsförsäkringar Jönköping, Chairman of Destination Jönköping and Board member of Wasa Kredit AB.

CHRISTIAN BILLE

Born 1962. Member of the Board since 2010.

Other current assignments include: President of Länsförsäkringar Halland and Board member of Länsförsäkringar Hypotek.

PER-ÅKE HOLGERSSON

Born 1953. Member of the Board since 2010.

Other current assignments include: Chairman of Länsförsäkringar Kronoberg, Board member of the SPMA Foundation, Älmeboda LRF and Kornö Gård AB.

BENGT-ERIK LINDGREN

Born 1950. Member of the Board since 2012.

Other current assignments include: Chairman of Länsförsäkringar Bergslagen, Chairman of Arver Lastbilar AB and Board Member of Nordanå Trä AB and AB Inlandsinnovation.

INGRID ERICSON

Born 1958. Member of the Board as employee representative since 2004.

Other current assignments include: Board member, Confederation of Professional Associations (SACO) and Board member of Länsförsäkringar AB's local SACO Board.

MAX ROTH

Born 1977. Employee representative FTF (Union of Insurance Employees) since 2011.

Other current assignments include: Board member of Länsförsäkringar AB's local FTF Board.

TORLEIF CARLSSON

Born 1953. Deputy member of the Board since 2010.

Other current assignments include: Employee representative of the Länsförsäkringar Alliance's Employee Association (LFP) and Deputy Board member LFP Länsförsäkringar Fondförvaltning.

MARIA ERIKSSON

Born 1968. Deputy member of the Board since 2012.

Other current assignments include: Employee Representative of SACO.

Executive Management

The executive management consists of a team of ten persons. The table below sets out the name and current position of each member of the executive management.

| Name | Position |
|-----------------------------|---|
| Rikard Josefson | President |
| Anders Borgcrantz | CFO |
| Susanne Bergh | Head of Internet |
| Susanne Calner | Head of Credit |
| Bengt Clemedtson | Head of Business |
| Sven Eggefalk | President Wasa Kredit |
| Eva Gottfridsdotter Nilsson | President of Länsförsäkringar Fondförvaltning |
| Maria Jerhamre Engström | Head of Product |
| Richard Lundberg | Head of Backoffice |
| Göran Zakrisson | Chief Risk Officer |

RIKARD JOSEFSON

Born 1965, President. Employed since June 2011.

ANDERS BORGCRANTZ

Born 1961, CFO. Employed since 2003.

SUSANNE BERGH

Born 1969, Head of Internet. Employed since 2009.

SUSANNE CALNER

Born 1969, Head of Credit. Employed since March 2012.

BENGT CLEMEDTSON

Born 1964, Head of Business. Employed since 2006.

SVEN EGGEFALK

Born 1969, President Wasa Kredit. Employed since December 2011.

EVA GOTTFRIDS DOTTER NILSSON

Born 1960, President of Länsförsäkringar Fondförvaltning. Employed since 2000.

MARIA JERHAMRE ENGSTRÖM

Born 1969, Head of Product. Employed since 2006.

RICHARD LUNDBERG

Born 1976, Head of Backoffice. Employed since 2012.

GÖRAN ZAKRISSON

Born 1953, Chief Risk Officer. Employed since 2004.

Supervisory Body
GÖRAN ZAKRISSON

Chief Risk Officer.

MARIA EDSPARR

Compliance officer.

DESIRÉE NORDKVIST

Head of Internal Audit.

Auditors

KPMG AB (Box 16106, SE-103 23 Stockholm, Sweden, telephone +46 8-723 91 00) is the Issuer's auditor. Stefan Holmström, born 1949, is the auditor in charge. Stefan Holmström is an authorised public accountant and member of FAR, the professional institute for accountants in Sweden.

Other information regarding the Board of Directors, Executive Management and the Supervisory Body

Business address

The address for all Board members and members of the executive management and the supervisory body is Tegeluddsvägen 11-13, SE-106 50 Stockholm, Sweden.

Conflicts of interest

To the best knowledge of the Issuer, no potential conflicts of interest exist between the private interests and other duties of the Board members, members of the executive management or members of the supervisory body and their duties towards the Issuer. The aforesaid applies also to other persons from the Issuer involved in the preparation of this Prospectus.

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Responsibility statement

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

General information

- (a) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issuance of the Notes. The issuance of the Notes was authorised pursuant to a resolution of the board of directors of the Issuer passed on 30 November 2012.
- (b) There has been no significant change in the financial or trading position of the Issuer or of the Bank Group since 31 December 2012.
- (c) There has been no material adverse change in the prospects of the Issuer or of the Bank Group since 31 December 2012.
- (d) Neither the Issuer nor any of its Subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the Notes, on the financial position or profitability of the Issuer or of the Bank Group.
- (e) The Notes have been accepted for clearance through Euroclear Sweden AB (which entity is in charge of keeping the records).
- (f) Until 28 March 2023, the following documents will be available, during usual business hours on any weekday (public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Issuing Agent:
 - (i) the constitutional documents of the Issuer;
 - (ii) the Issuer's annual report in respects of the years ended 31 December 2011 and 2012;
 - (iii) the most recently published quarterly unaudited interim consolidated and unconsolidated accounts of the Issuer; and
 - (iv) a copy of this Prospectus together with any supplement to this Prospectus.

In addition, a copy of this Prospectus and each document incorporated by reference is available on the Issuer's website www.lansforsakringar.se.

- (g) KPMG AB (Chartered Accountants) (a member of the Swedish Institute of Authorised Public Accountants) has audited, and rendered unqualified audit reports on, the accounts of the Issuer for the two years ended 31 December 2011 and 31 December 2012.
- (h) The Issuer confirms that the information sourced from the Swedish Quality Index on page 24, the information sourced from Statistics Sweden on page 24, the information sourced from the Reputability Barometer on page 25, as well as the ratings descriptions sourced from Standard & Poor's on page 24 of this document have been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by such parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Documents incorporated by reference

This Prospectus should be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years 2011 and 2012, together in each case with the audit report thereon. Such documents are incorporated in, and form part of this 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 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 Prospectus.

The information incorporated by reference above is available as follows:

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purposes only.

Information incorporated by reference

Reference

Interim Financial Statements for the period January – March 2013

| | |
|---|----------------------------|
| Consolidated Income Statement | Page 6 of the report |
| Consolidated Balance Sheet | Page 7 of the report |
| Consolidated Cash Flow Statement | Page 8 of the report |
| Consolidated Change in Shareholders' Equity | Page 8 of the report |
| Supplementary Disclosures (Notes) | Pages 9 – 17 of the report |

2012 Financial Statements

| | |
|---|---|
| Consolidated Income Statement | Page 30 of the 2012 annual report |
| Consolidated Balance Sheet | Page 30 of the 2012 annual report |
| Consolidated Cash Flow Statement | Page 31 of the 2012 annual report |
| Consolidated Change in Shareholders' Equity | Page 32 of the 2012 annual report |
| Supplementary Disclosures (Notes) | Pages 33 – 69 of the 2012 annual report |
| Audit Report | Page 89 of the 2012 annual report |

2011 Financial Statements

| | |
|---|---|
| Consolidated Income Statement | Page 44 of the 2011 annual report |
| Consolidated Balance Sheet | Page 44 of the 2011 annual report |
| Consolidated Cash Flow Statement | Page 45 of the 2011 annual report |
| Consolidated Change in Shareholders' Equity | Page 46 of the 2011 annual report |
| Supplementary Disclosures (Notes) | Pages 47 – 68 of the 2011 annual report |
| Audit Report | Pages 88 – 89 of the 2011 annual report |

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

With the exception of the Issuer's consolidated financial statements for 2011 and 2012, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Contact information

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