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## **June sales SEK 13.0 billion<sup>1)</sup>**

Total sales were level with the preceding month.

### *New sales through June*

New sales of unit linked assurance increased outside the USA by 11 per cent compared with the same period a year ago, due to strong development for unit linked assurance with annual premium. The decline in new sales, including the USA, was therefore limited to 15 per cent.

### *Sales through June*

Skandia's sales through June amounted to SEK 77.8 billion (113.5). Sales are reported exclusive of paid-in premiums to Skandia Liv, totalling SEK 7.7 billion (5.9), and discretionary management inflows for Skandia Asset Management.

Of total sales, SEK 51.3 billion (76.9) pertain to unit linked assurance, SEK 20.2 billion (32.5) to mutual fund savings products, and SEK 4.9 billion (3.0) to direct sales of funds.

### *USA*

In the USA, sales of variable annuities through June totalled USD 2.2 billion (5.1), and sales of mutual funds totalled USD 1.3 billion (2.6). Sales of variable annuities during the second quarter were on the same level as during the first quarter.

### *Other markets*

In the UK, sales totalled GBP 1.5 billion (2.1). In Sweden, SkandiaLink's sales amounted to SEK 6.1 billion (5.8). Sales in New Markets totalled SEK 8.4 billion (8.9).

Recalculated to average exchange rates, sales from January through June were favourably affected by currency movements in the amount of SEK 7.5 billion.

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<sup>1</sup> All comparison figures pertain to the corresponding period a year earlier, unless otherwise indicated.

In order to achieve accurate recognition of income and expenses, Skandia has been using the embedded value method since 1989 for business control as well as for external reporting according to the group overview.

Skandia's result measurement is described in the 2000 Annual Report, which also includes a sensitivity analysis describing the impact of various factors on the result. The trend in the stock markets is significant for the result. Since contracts in force span long periods of time, sharp swings in the financial markets during a short period of time have a major impact on the present value of future profits. The sensitivity analysis presented in the Annual Report shows that a one per cent increase or decrease in the stock market affects the result by +/- SEK 176 million, respectively. The negative trend in the stock markets during the first half of the year entails that the trend for the indexes that are relevant for Skandia is expected to be in the range of minus 15-17 per cent, compared with anticipated fund growth of 3.0 per cent during the first half of the year. The combined result impact during the first half is thereby estimated to be 18-20 per cent.

The negative result effect of the above is an expression of the impact of the stock market during the first half in relation to Skandia's assumptions for fund growth, and will be permanent only under the condition that the stock market does not recover. As stated in Skandia's Annual Report, p. 11, Skandia's long-term assumption for fund growth is approximately 6 per cent per year.

The interim report for the second quarter will be released on 8 August 2001. Sales for the month of July will also be presented on 8 August 2001.

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## **Definitions of sales**

### ***Sales***

Sales pertain to paid-in premiums and deposits in funds from Skandia's customers.

### ***New sales***

New sales pertain to single and regular premiums from unit linked contracts entered into in 2001, recalculated to full-year figures. According to industry practice, new sales are defined as regular premiums recalculated to full-year figures plus 1/10 of single premiums during the period.

**Appendix: Sales per month and exchange rates in 2001 and 2000**

Sales per month (SEK billion)	Insurance and mutual funds	Direct sales of funds	Total
<b>2001</b>			
January	12.3	0.7	<b>13.0</b>
February	11.6	0.4	<b>12.0</b>
March	13.3	0.4	<b>13.7</b>
April	12.2	0.9	<b>13.1</b>
May	12.0	1.0	<b>13.0</b>
June	11.5	1.5	<b>13.0</b>
<b>Total</b>	<b>72.9</b>	<b>4.9</b>	<b>77.8</b>

Sales per month (SEK billion)	Insurance and mutual funds	Direct sales of funds	Total
<b>2000</b>			
January	16.7	0.7	<b>17.4</b>
February	18.7	0.4	<b>19.1</b>
March	23.9	0.6	<b>24.5</b>
April	18.5	0.5	<b>19.0</b>
May	17.4	0.4	<b>17.8</b>
June	15.3	0.4	<b>15.7</b>
<b>Subtotal</b>	<b>110.5</b>	<b>3.0</b>	<b>113.5</b>
July	14.1	0.5	<b>14.6</b>
August	14.6	0.6	<b>15.2</b>
September	14.0	0.6	<b>14.6</b>
October	15.5	1.5	<b>17.0</b>
November	14.9	1.6	<b>16.5</b>
December	14.0	1.5	<b>15.5</b>
<b>Total</b>	<b>197.6</b>	<b>9.3</b>	<b>206.9</b>

Exchange rates		2001 30 June	2001 31 May	2001 31 Mar.	2000 31 Dec.	2000 30 June	2000 31 May	2000 31 Mar.
<b>SEK</b>								
<b>EUR</b>	<b>Closing rate</b>	9.22	9.13	9.15	8.86	8.41	8.36	8.30
<b>EUR</b>	<b>Average rate</b>	9.08	9.04	9.00	8.45	8.39	8.40	8.50
<b>GBP</b>	<b>Closing rate</b>	15.31	15.29	14.82	14.22	13.38	13.46	13.82
<b>GBP</b>	<b>Average rate</b>	14.69	14.51	14.22	13.86	13.70	13.80	13.82
<b>USD</b>	<b>Closing rate</b>	10.89	10.77	10.39	9.54	8.81	9.00	8.67
<b>USD</b>	<b>Average rate</b>	10.26	10.03	9.74	9.17	8.73	8.73	8.61
<b>JPY</b>	<b>Closing rate</b>	0.087	0.091	0.083	0.083	0.083	0.084	0.082
<b>JPY</b>	<b>Average rate</b>	0.085	0.084	0.083	0.085	0.082	0.082	0.080