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Strong growth across all divisions – another excellent quarter ¹

Premium and deposits during third quarter 2005

Skandia today announces a significant increase in year on year growth over 2004 for Q3 2005, with total premiums and deposits rising during the third quarter to SEK 32.4 billion, compared with SEK 24.1 billion for the same period in 2004. The increase corresponds to 34% in Swedish kronor and 32% in local currency. All divisions contributed to the increase, with UK, Asia Pacific & Offshore up 22% in premiums and deposits in local currency, Europe & Latin America up 72% and the Nordic division up 29% in local currency.

Unit linked assurance premiums rose 32% in local currency, to SEK 22.8 billion (17.1). New sales of unit linked assurance rose 27% in local currency, to SEK 2.9 billion (2.3).

Mutual fund deposits increased to SEK 9.0 billion (6.5) where Europe & Latin America was the main contributor to the increase.

Hans-Erik Andersson, President and CEO of Skandia said:

“This quarter’s growth represents another quarter of delivery by Skandia, reinforcing our belief in our business plans, and in the future of this strongly growing company. All of our three business divisions contributed to this growth. We have seen a continued turnaround in Sweden, and strong growth delivered in the UK and especially in our Offshore markets. In Europe our French, Spanish and Italian operations delivered significant volume increases, running at approximately 100% of last year’s volumes, while importantly we have seen a certain recovery in Germany of new sales which grew slightly compared with Q2 2005. Premiums continue to increase significantly compared to last year.

Skandia's total premium and deposits are more than 20% ahead of our 2005 business plan for the period January - September. The plan was described in our shareholder information document published on 19 October 2005.

These results have again demonstrated that the Skandia customer proposition remains highly compelling across all the markets in which we operate. The strong growth reinforces our view that the standalone prospects for the Skandia business offer a highly compelling investment proposition for shareholders.”

¹ All comparative figures pertain to the corresponding period a year earlier, unless otherwise stated.

January–September 2005

Skandia's total premiums and deposits increased to SEK 92.3 billion (72.9). The increase was 26% in local currency.

Unit linked assurance premiums written grew to SEK 64.3 billion (49.7), an increase of 30% in local currency. New sales of unit linked assurance also continued to rise to SEK 8.5 billion (7.0). This corresponds to an increase of 22% in local currency.

Mutual fund deposits increased to SEK 26.1 billion (21.6).

UK, Asia Pacific & Offshore

Premiums and deposits in the UK (including Royal Skandia) totalled SEK 51.8 billion (42.1) during the period January–September, an increase of 24% in local currency. Of this total, unit linked assurance accounted for SEK 43.6 billion (34.4) and mutual funds for SEK 8.2 billion (7.7).

New sales of unit linked assurance rose 25% in local currency during the period January–September, to SEK 5.3 billion (4.3). Royal Skandia continues to note success from new inheritance tax solutions and the growing distribution channels of institutions and private banks. New sales for Royal Skandia rose 47% in local currency compared with the same period a year ago. Skandia UK continues to see strong sales of pension products that have been developed ahead of forthcoming reforms in the pensions market next year. New sales of pension products grew 30% in local currency compared with the same period in 2004.

Mutual fund deposits in Australia decreased by 5% in local currency during the period January–September, while they increased by 9% in the UK in local currency.

Europe & Latin America

Total premiums and deposits grew to SEK 21.9 billion (15.2) during the period January–September, an increase of 41% in local currency compared with the same period a year ago. Unit linked assurance premiums written rose 34% in local currency, to SEK 10.3 billion (7.6). New sales of unit linked assurance amounted to SEK 1.5 billion (1.3), an increase of 15% in local currency.

In France, successes in unit linked assurance continued, and new sales more than doubled compared with the same period a year ago. In Germany new sales were low during the second quarter, similar to the rest of the market. During third quarter the company is showing a slight recovery, with new sales rising 6% in local currency over the second quarter. Unit linked assurance premiums in Germany continued to develop well and rose by 35% in local currency during January–September compared to the same period last year. New sales in Italy experienced a continued favourable trend during the third quarter, rising 90% in local currency compared with the same quarter a year ago.

Mutual fund deposits rose a full 49% in local currency during the period January–September, to SEK 10.2 billion (6.5), mainly attributable to Spain and Colombia. Mutual fund deposits in Spain rose 131% in local currency during the third quarter, compared with the same quarter a year ago. After a very strong growth in mutual funds deposits from new distribution channels in Spain during the second and third quarters, the strong growth rate is expected to level off during fourth quarter.

Nordic

Combined premiums and deposits for the Nordic division (excluding Skandia Liv) amounted to SEK 10.7 billion (9.0) during the period January–September. Unit linked assurance premiums written rose 21% in local currency, to SEK 8.1 billion (6.7).

The trend from the second quarter in Sweden is continuing, and new sales of unit linked assurance rose 15% during the period January–September. New sales in Sweden during the third quarter alone totalled SEK 0.4 billion (0.3), an increase of 38% compared with the same quarter in 2004. In the key corporate clients segment, new sales rose 31%, while new sales in the private segment rose 68%.

Mutual fund deposits rose 15% during the period January–September, as a result of continued favourable performance by Skandia Fonder.

Skandia Liv

Premiums written by Skandia Liv in Sweden amounted to SEK 3.4 billion during the third quarter, compared with SEK 2.6 billion in the same period a year ago. New sales during the third quarter totalled SEK 0.6 billion, an increase of 49% compared with the same quarter a year ago. The increase is mainly attributable to higher new sales in the “kapitalpension” and occupational pensions segments.

Premiums written during the period January–September amounted to SEK 9.7 billion (8.7). New sales totalled SEK 1.8 billion, compared with SEK 1.5 billion during the same period a year ago.

Skandia’s interim report for the period January–September 2005 will be released on 17 November 2005.

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Premiums and deposits for the first nine months and third quarter of 2005

PREMIUMS AND DEPOSITS

SEK billion	Unit linked assurance		Mutual Funds ¹⁾		Other ²⁾		Total	
	2005 9 mos.	2004 9 mos.	2005 9 mos.	2004 9 mos.	2005 9 mos.	2004 9 mos.	2005 9 mos.	2004 9 mos.
UK	24,9	21,7	8,2	7,7			33,1	29,4
Royal Skandia	18,7	12,7					18,7	12,7
Switzerland	2,0	0,9	0,4	0,3			2,4	1,2
Australia			5,2	5,3			5,2	5,3
Other	0,3	0,1					0,3	0,1
UK, Asia Pacific & Offshore	45,9	35,4	13,8	13,3	0,0	0,0	59,7	48,7
Spain	1,5	1,3	5,7	3,0	0,5	0,6	7,7	4,9
Italy	3,4	2,3					3,4	2,3
Germany	2,7	2,0	0,2	0,2			2,9	2,2
Austria	1,3	1,2	0,0	0,1			1,3	1,3
France	1,1	0,5			0,8	0,4	1,9	0,9
Poland	0,2	0,2					0,2	0,2
Other	0,1	0,1					0,1	0,1
Europe	10,3	7,6	5,9	3,3	1,3	1,0	17,5	11,9
Colombia			3,6	2,2	0,1	0,1	3,7	2,3
Mexico	0,0	0,0	0,5	0,7			0,5	0,7
Chile			0,2	0,3			0,2	0,3
Other								
Latin America	0,0	0,0	4,3	3,2	0,1	0,1	4,4	3,3
Europe & Latin America	10,3	7,6	10,2	6,5	1,4	1,1	21,9	15,2
Sweden	7,7	6,3	2,1	1,8	0,4	0,4	10,2	8,6
Denmark	0,4	0,4	0,0	0,0	0,1	0,0	0,5	0,4
Nordic	8,1	6,7	2,1	1,8	0,5	0,4	10,7	9,0
Total ³⁾	64,3	49,7	26,1	21,6	1,9	1,5	92,3	72,9

¹⁾ The business in Spain pertains to discretionary management.

²⁾ Includes life assurance and "Other Business"

³⁾ Cases where the table does not sum up are attributable to rounding differences.

PREMIUMS AND DEPOSITS

	Unit linked assurance		Mutual Funds ¹⁾		Other ²⁾		Total	
	2005	2004	2005	2004	2005	2004	2005	2004
SEK billion	Q3	Q3	Q3	Q3	Q3	Q3	Q3	Q3
UK	8,4	8,1	2,8	2,2			11,2	10,3
Royal Skandia	7,2	4,7					7,2	4,7
Switzerland	0,7	0,2	0,1	0,1			0,8	0,3
Australia			1,9	1,9			1,9	1,9
Other	0,1	0,1					0,1	0,1
UK, Asia Pacific & Offshore	16,4	13,0	4,8	4,2	0,0	0,0	21,2	17,2
Spain	0,8	0,2	2,0	0,8	0,1	0,2	2,9	1,2
Italy	1,4	0,7					1,4	0,7
Germany	0,9	0,7	0,1	0,1			1,0	0,8
Austria	0,4	0,4	0,0	0,0			0,4	0,4
France	0,4	0,2			0,3	0,2	0,7	0,4
Poland	0,1	0,1					0,1	0,1
Other	0,0	0,0					0,0	0,0
Europe	4,0	2,2	2,1	0,9	0,4	0,4	6,5	3,4
Colombia			1,3	0,7	0,1	0,0	1,4	0,7
Mexico	0,0	0,0	0,2	0,3			0,2	0,3
Chile			0,1	0,1			0,1	0,1
Other								
Latin America	0,0	0,0	1,7	1,2	0,1	0,0	1,7	1,2
Europe & Latin America	4,0	2,2	3,7	2,0	0,5	0,4	8,2	4,6
Sweden	2,2	1,8	0,5	0,3	0,1	0,1	2,8	2,2
Denmark	0,2	0,1			0,0	0,0	0,2	0,1
Nordic	2,4	1,9	0,5	0,3	0,1	0,1	3,0	2,3
Total ³⁾	22,8	17,1	9,0	6,5	0,6	0,5	32,4	24,1

¹⁾ The business in Spain pertains to discretionary management.

²⁾ Includes life assurance and "Other Business"

³⁾ Cases where the table does not sum up are attributable to rounding differences.

**UNIT LINKED ASSURANCE
NEW SALES**

	Single premium		Annual premium ¹⁾		Total annualised new sales ²⁾	
	2005	2004	2005	2004	2005	2004
SEK billion	9 mos.	9 mos.	9 mos.	9 mos.	9 mos.	9 mos.
UK	20,1	17,1	0,9	0,9	2,9	2,6
Royal Skandia	17,0	11,3	0,7	0,5	2,4	1,6
Switzerland	1,6	0,5	0,1	0,1	0,2	0,1
Other	0,3	0,1	0,0	0,0	0,0	0,0
UK, Asia Pacific & Offshore	39,0	29,0	1,7	1,5	5,5	4,4
Spain	1,5	1,2	0,0	0,0	0,2	0,1
Italy	3,2	2,2	0,1	0,0	0,4	0,3
Germany	0,0	0,0	0,5	0,5	0,5	0,5
Austria	0,1	0,2	0,2	0,2	0,2	0,2
France	1,9	0,9	0,0	0,0	0,2	0,1
Poland	0,1	0,1	0,0	0,0	0,0	0,0
Other	0,1	0,1			0,0	0,0
Europe	6,9	4,7	0,8	0,8	1,5	1,3
Mexico	0,0	0,0	0,0	0,0	0,0	0,0
Latin America	0,0	0,0	0,0	0,0	0,0	0,0
Europe & Latin America	6,9	4,7	0,8	0,8	1,5	1,3
Sweden	2,7	1,4	1,1	1,1	1,4	1,2
Denmark	0,2	0,1	0,1	0,1	0,1	0,1
Nordic	2,9	1,5	1,2	1,2	1,5	1,3
Total ³⁾	48,8	35,2	3,7	3,5	8,5	7,0

¹⁾ Periodic premiums recalculated to full-year figures.

²⁾ Single and regular premiums from unit linked contracts written during the period. 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.

³⁾ Cases where the table does not sum up are attributable to rounding differences.

UNIT LINKED ASSURANCE NEW SALES

	Single premium		Annual premium ¹⁾		Total annualised new sales ²⁾	
	2005	2004	2005	2004	2005	2004
SEK billion	Q3	Q3	Q3	Q3	Q3	Q3
UK	6,8	6,5	0,3	0,3	1,0	0,9
Royal Skandia	6,6	4,2	0,3	0,1	0,9	0,6
Switzerland	0,5	0,1	0,0	0,0	0,1	0,0
Other	0,1	0,1			0,0	0,0
UK, Asia Pacific & Offshore	14,0	10,9	0,6	0,4	2,0	1,5
Spain	0,7	0,2			0,1	0,0
Italy	1,3	0,6	0,0	0,0	0,1	0,1
Germany	0,0	0,0	0,1	0,2	0,1	0,2
Austria	0,1	0,0	0,1	0,1	0,1	0,1
France	0,7	0,3	0,0	0,0	0,1	0,0
Poland	0,1	0,0	0,0	0,0	0,0	0,0
Other	0,0	0,0			0,0	0,0
Europe	2,9	1,2	0,2	0,3	0,5	0,4
Mexico	0,0	0,0	0,0	0,0	0,0	0,0
Latin America	0,0	0,0	0,0	0,0	0,0	0,0
Europe & Latin America	2,9	1,2	0,2	0,3	0,5	0,4
Sweden	0,7	0,3	0,4	0,3	0,4	0,3
Denmark	0,0	0,0	0,0	0,0	0,0	0,0
Nordic	0,7	0,3	0,4	0,3	0,4	0,3
Total ³⁾	17,6	12,5	1,2	1,0	2,9	2,3

¹⁾ Periodic premiums recalculated to full-year figures.

²⁾ Single and regular premiums from unit linked contracts written during the period. 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.

³⁾ Cases where the table does not sum up are attributable to rounding differences.

EXCHANGE RATES

Currency		2005 30 Sept.	2004 30 Sept.
EUR	Closing rate	9.32	9.04
EUR	Average rate	9.22	9.16
GBP	Closing rate	13.67	13.17
GBP	Average rate	13.45	13.56