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Continued sales growth for Skandia ¹

New sales, premiums and deposits during fourth quarter of 2005

Skandia showed continued strong growth during the fourth quarter of 2005 compared with the same quarter a year earlier. Total premiums and deposits increased during the fourth quarter to SEK 35.3 billion, compared with SEK 25.2 billion during the fourth quarter of 2004. The increase corresponds to 40% in Swedish kronor and 31% in local currency. Sales increased in all divisions, with a 22% rise in premiums and deposits for the UK, Asia Pacific & Offshore division, a 46% rise for the Europe & Latin America division, and a 50% rise for the Nordic division, all in local currency.

Unit linked premiums rose 31% in local currency, to SEK 23.7 billion (17.2). New sales of unit linked assurance were level with the preceding year, at SEK 2.9 billion (2.9). New sales during the fourth quarter of 2004 were strongly affected by exceptionally strong demand in Germany. Excluding Germany, new sales rose 15% in local currency.

Mutual fund deposits increased to SEK 10.7 billion (7.1). Most of this gain is attributable to the Europe & Latin America division.

Full year 2005

Skandia's total premiums and deposits increased to SEK 127.6 billion (98.0). This corresponds to an increase of 28% in local currency.

Unit linked assurance premiums written grew to SEK 88.0 billion (66.9), an increase of 30% in local currency. New sales of unit linked assurance also continued to rise, to SEK 11.5 billion (10.0). This corresponds to an increase of 14% in local currency.

Mutual fund deposits increased to SEK 36.8 billion (28.8).

A plan for 2005 was laid out in Skandia's shareholder document that was published on 19 October 2005. Skandia's total premiums and deposits for 2005 exceeded the plan for the year by slightly more than 20%. New sales of unit linked assurance exceeded the plan by 15%.

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

UK, Asia Pacific & Offshore

Premiums and deposits in the UK (including Royal Skandia) totalled SEK 70.1 billion (56.1) during the year, an increase of 23% in local currency. Of this total, unit linked assurance accounted for SEK 58.8 billion (46.5) and mutual funds for SEK 11.3 billion (9.6).

New sales of unit linked assurance rose 19% in local currency during the year, to SEK 6.9 billion (5.8). Total market share reached 5.6% in Q3 2005 as new sales continue to outperform the industry.

In the UK, 2005 was characterised by strong sales of pension products that have been developed ahead of forthcoming reforms in the pensions market in 2006. New sales of pension products rose 35% in local currency compared with a year ago.

The UK Group's offshore arm, Royal Skandia, raised its new sales by 31% in local currency in 2005. This growth is driven by strong sales of single premium investments, particularly in the UK where they are used for tax planning. Sales have also been bolstered by strong support from private client banks, especially in the UK and Middle East. However, compared with the third quarter, the fourth quarter sales declined due to the uneven pattern of sales through private banking channels, coupled with price refinements to certain regular premium contracts designed to improve margins and use of capital.

Mutual fund deposits in the UK rose 15% in local currency. The greater inflow of mutual fund business in the UK can be credited to increasing demand for multi-manager solutions and the recent upturn in equity markets which have raised investor confidence. In Australia, deposits decreased slightly in local currency.

Europe & Latin America

Total premiums and deposits grew to SEK 31.6 billion (21.3), an increase of 42% in local currency compared with a year earlier. Unit linked premiums written rose 37% in local currency, to SEK 14.4 billion (10.3). New sales of unit linked assurance amounted to SEK 2.0 billion (2.2). The decline is attributable to the previously mentioned exceptional demand in Germany in December 2004, however the decline was compensated by the strong development in other markets within the division. New sales excluding Germany rose 33% in Swedish kronor compared with the preceding year.

In France, successes in unit linked assurance continued, and new sales more than doubled compared with the same period a year ago. In Germany, the trend from the third quarter continued, when the company showed a slight recovery in new sales. Part of this rise in new sales is attributable to annual premium increases for previously sold contracts with regular premium payments. Also, unit linked premiums written in Germany continued to develop favourably and rose 29% in local currency during the year. New sales of unit linked assurance in Italy rose 29% in local currency. Poland also showed favourable development, with new sales during the year rising 53% in local currency.

Mutual fund deposits rose 54% in local currency during year, to SEK 15.2 billion (9.2), mainly attributable to Spain and Colombia. Mutual fund deposits in Spain rose 87% in local currency during the year, thanks to new distributors. The anticipated slowdown in Spain during the fourth quarter did not materialise. However, there is still reason to believe that the exceptional growth in recent quarters will level off.

Nordic

Combined premiums and deposits for the Nordic division (excluding Skandia Liv) amounted to SEK 14.7 billion (11.7), an increase of 26% in local currency. Unit linked premiums written rose 29% in local currency, to SEK 11.3 billion (8.7).

In Sweden, new sales of unit linked assurance rose 18% during the year compared with 2004. New sales in Sweden during the fourth quarter alone totalled SEK 0.6 billion (0.4), an increase of 26% compared with the fourth quarter in 2004. In the corporate clients segment, new sales rose 6% compared with the same quarter a year ago, while new sales in the private segment rose 107%. New sales of "Kapitalpension" products during the year totalled SEK 0.3 billion.

Mutual fund deposits rose 18% during the year.

Skandia Liv

Premiums written by Skandia Liv in Sweden amounted to SEK 4.1 billion during the fourth quarter, compared with SEK 3.5 billion in the same period a year ago. New sales during the fourth quarter totalled SEK 0.7 billion, an increase of 38% compared with 2004. The increase is mainly attributable to higher new sales of "Kapitalpension" products and occupational pensions business.

Premiums written for the full year 2005 amounted to SEK 13.8 billion (12.2). New sales totalled SEK 2.4 billion, compared with SEK 1.9 billion a year ago.

Skandia's 2005 year-end report will be released on 21 February 2006.

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Premiums and deposits for January-December and fourth quarter of 2005

PREMIUMS AND DEPOSITS

	Unit linked assurance		Mutual funds ¹⁾		Other ²⁾		Total	
	2005 12 mos.	2004 12 mos.	2005 12 mos.	2004 12 mos.	2005 12 mos.	2004 12 mos.	2005 12 mos.	2004 12 mos.
SEK billion								
UK	34.5	29.4	11.3	9.6	0.0	0.0	45.8	39.1
Royal Skandia	24.3	17.0	0.0	0.0	0.0	0.0	24.3	17.0
Switzerland	3.0	1.2	0.6	0.5	0.0	0.0	3.6	1.7
Australia	0.0	0.0	7.1	7.1	0.0	0.0	7.1	7.1
Other	0.5	0.2	0.0	0.0	0.0	0.0	0.5	0.2
UK, Asia Pacific & Offshore	62.3	47.9	19.0	17.2	0.0	0.0	81.3	65.1
Spain	1.7	1.4	7.9	4.2	0.8	0.8	10.4	6.3
Italy	4.7	3.3	0.0	0.0	0.0	0.0	4.7	3.3
Germany	3.8	2.9	0.3	0.3	0.0	0.0	4.1	3.2
Austria	1.7	1.6	0.0	0.1	0.0	0.0	1.7	1.7
France	1.7	0.6	0.0	0.0	1.0	0.7	2.7	1.3
Poland	0.4	0.3	0.0	0.0	0.0	0.0	0.4	0.3
Other	0.2	0.1	0.0	0.0	0.0	0.0	0.2	0.1
Europe	14.3	10.2	8.2	4.6	1.8	1.5	24.4	16.2
Colombia	0.0	0.0	5.3	3.3	0.2	0.4	5.6	3.6
Mexico	0.1	0.0	1.2	1.0	0.0	0.0	1.2	1.1
Chile	0.0	0.0	0.4	0.4	0.0	0.0	0.4	0.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Latin America	0.1	0.0	6.9	4.7	0.2	0.4	7.2	5.1
Europe & Latin America	14.4	10.3	15.2	9.2	2.0	1.8	31.6	21.3
Sweden	10.7	8.2	2.7	2.3	0.6	0.6	14.0	11.1
Denmark	0.6	0.5	0.0	0.0	0.1	0.0	0.7	0.5
Nordic	11.3	8.7	2.7	2.3	0.7	0.6	14.7	11.7
Total ³⁾	88.0	66.9	36.8	28.8	2.7	2.4	127.6	98.0

¹⁾ Operations in Spain pertain to discretionary management.

²⁾ Includes life assurance and "Other businesses".

³⁾ Cases where the figures do not tally are due 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	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
UK	9.6	7.7	3.0	2.0	0.0	0.0	12.6	9.7
Royal Skandia	5.6	4.4	0.0	0.0	0.0	0.0	5.6	4.4
Switzerland	1.0	0.3	0.2	0.2	0.0	0.0	1.2	0.6
Australia	0.0	0.0	1.9	1.8	0.0	0.0	1.9	1.8
Other	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.0
UK, Asia Pacific & Offshore	16.5	12.5	5.1	4.0	0.0	0.0	21.6	16.4
Spain	0.3	0.1	2.2	1.1	0.3	0.2	2.7	1.4
Italy	1.4	1.0	0.0	0.0	0.0	0.0	1.4	1.0
Germany	1.1	0.9	0.1	0.1	0.0	0.0	1.2	1.0
Austria	0.4	0.4	0.0	0.0	0.0	0.0	0.4	0.4
France	0.6	0.2	0.0	0.0	0.3	0.3	0.8	0.4
Poland	0.2	0.1	0.0	0.0	0.0	0.0	0.2	0.1
Other	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.0
Europe	4.0	2.6	2.3	1.2	0.6	0.5	6.9	4.3
Colombia	0.0	0.0	1.8	1.1	0.1	0.3	1.9	1.4
Mexico	0.0	0.0	0.6	0.3	0.0	0.0	0.7	0.3
Chile	0.0	0.0	0.2	0.1	0.0	0.0	0.2	0.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Latin America	0.0	0.0	2.6	1.5	0.0	0.0	2.8	1.8
Europe & Latin America	4.0	2.7	5.0	2.7	0.7	0.7	9.7	6.1
Sweden	3.0	1.9	0.7	0.5	0.1	0.1	3.8	2.5
Denmark	0.2	0.1	0.0	0.0	0.0	0.0	0.2	0.1
Nordic	3.2	2.0	0.7	0.5	0.1	0.1	4.0	2.7
Total ³⁾	23.7	17.2	10.7	7.1	0.8	0.9	35.3	25.2

¹⁾ Operations in Spain pertain to discretionary management.

²⁾ Includes life assurance and "Other businesses".

³⁾ Cases where the figures do not tally are due to rounding differences.

NEW SALES, UNIT LINKED ASSURANCE

SEK billion	Single premiums		Annual premiums ¹⁾		Total annualised new sales ²⁾	
	2005	2004	2005	2004	2005	2004
	12 mos.	12 mos.	12 mos.	12 mos.	12 mos.	12 mos.
UK	28.0	23.3	1.2	1.2	4.0	3.5
Royal Skandia	22.1	15.2	0.7	0.7	3.0	2.2
Switzerland	2.4	0.7	0.1	0.1	0.4	0.2
Other	0.5	0.2	0.0	0.0	0.0	0.0
UK, Asia Pacific & Offshore	52.9	39.3	2.1	2.0	7.4	6.0
Spain	1.7	1.4	0.0	0.0	0.2	0.1
Italy	4.5	3.0	0.0	0.1	0.5	0.4
Germany	0.0	0.0	0.6	1.2	0.6	1.2
Austria	0.2	0.3	0.3	0.3	0.3	0.3
France	2.7	1.3	0.0	0.0	0.3	0.2
Poland	0.3	0.2	0.1	0.0	0.1	0.0
Other	0.2	0.1	0.0	0.0	0.0	0.0
Europe	9.5	6.2	1.0	1.6	2.0	2.2
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	9.5	6.2	1.1	1.6	2.0	2.2
Sweden	4.2	1.8	1.6	1.5	2.0	1.7
Denmark	0.2	0.1	0.1	0.1	0.1	0.1
Nordic	4.4	1.9	1.6	1.6	2.1	1.8
Total ³⁾	66.8	47.4	4.8	5.2	11.5	10.0

¹⁾ Periodic premiums recalculated to full-year figures.

²⁾ New sales pertain to 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 figures do not tally are due to rounding differences.

NEW SALES, UNIT LINKED ASSURANCE

SEK billion	Single premiums		Annual premiums ¹⁾		Total annualised new sales ²⁾	
	2005	2004	2005	2004	2005	2004
	Q4	Q4	Q4	Q4	Q4	Q4
UK	7.9	6.2	0.3	0.3	1.1	0.9
Royal Skandia	5.0	3.9	0.1	0.2	0.6	0.6
Switzerland	0.9	0.2	0.0	0.1	0.1	0.1
Other	0.2	0.0	0.0	0.0	0.0	0.0
UK, Asia Pacific & Offshore	14.0	10.3	0.4	0.5	1.8	1.6
Spain	0.3	0.1	0.0	0.0	0.0	0.0
Italy	1.3	0.9	0.0	0.0	0.1	0.1
Germany	0.0	0.0	0.1	0.6	0.1	0.6
Austria	0.0	0.0	0.1	0.1	0.1	0.1
France	0.8	0.4	0.0	0.0	0.1	0.1
Poland	0.1	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.0	0.0	0.0	0.0	0.0
Europe	2.6	1.5	0.2	0.8	0.5	0.9
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	2.6	1.5	0.3	0.8	0.5	0.9
Sweden	1.4	0.3	0.4	0.4	0.6	0.4
Denmark	0.1	0.0	0.0	0.0	0.0	0.0
Nordic	1.5	0.4	0.4	0.4	0.6	0.5
Total ³⁾	18.0	12.2	1.1	1.7	2.9	2.9

¹⁾ Periodic premiums recalculated to full-year figures.

²⁾ New sales pertain to 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 figures do not tally are due to rounding differences.

EXCHANGE RATES

Currency		2005 31 Dec.	2004 31 Dec.
EUR	Closing rate	9.39	9.03
EUR	Average rate	9.28	9.13
GBP	Closing rate	13.66	12.76
GBP	Average rate	13.56	13.40