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PRESS RELEASE

## **SEB acquires Codan's Danish life insurance operations**

- **SEB acquires 100 per cent of the shares in Codan Liv & Pension for DKK 2.7 billion (SEK 3.3 billion) from Codan, corresponding to 1.06 x Codan Liv & Pension's book equity as of 31 December 2003**
- **The acquisition forms part of the SEB Group's ambition to strengthen its position in Northern Europe and in the area of life and pension insurance**
- **Codan Liv & Pension is one of the leading life and pension providers in Denmark with a market share of 9 per cent**
- **The transaction is expected to have a positive impact on SEB's earnings per share after goodwill charges from the date of acquisition**

SEB, through its subsidiary SEB Trygg Liv Holding AB, has acquired 100 per cent of the shares in Codan Liv & Pension (100 per cent of the share capital of each of Codan Pensionsforsikring A/S, A/S Forsikringsselskabet Codan Pension, Forsikringsselskabet Hafnia Liv A/S) and the 51 per cent of A/S Forsikringsselskabet Codan Link, not already owned by SEB Trygg Liv, at a price of DKK 2,700 million plus an amount equal to any shareholders equity generated by Codan Liv & Pension from 1 January 2004 to 30 September 2004. The acquisition will be fully financed through the SEB Group's own resources.

Lars Thunell, president and CEO of SEB Group, says: "The acquisition is in line with SEB's ambition to strengthen its position in Northern Europe. In recent years, SEB has grown in the Nordic countries, Germany and in the Baltic States. The acquisition of Codan Liv & Pension together with last week's acquisition of Eurocard Denmark expands both the breadth of our product offering and our customer base in Denmark. These acquisitions have significantly strengthened our basis for further expansion of the banking operations in Denmark."

Anders Mossberg, CEO of SEB Trygg Liv, says: "An increasing share of savings is going towards pensions and insurance, and it is therefore of strategic importance for the SEB Group to expand its life insurance business. This is an exciting business opportunity for us. Denmark is about to experience a similar development to the one SEB Trygg Liv encountered so successfully in Sweden, i.e. a change towards corporate pension schemes and unit-linked products. We therefore see significant potential in the Danish market. The acquisition of Codan Liv & Pension adds a strong distribution platform to the SEB Group in Denmark as a complement to its existing operations, which include merchant banking, SEB Kort, asset management, retail and private banking and Enskilda Securities."

### **Codan Liv & Pension – a platform for growth**

The acquisition of Codan Liv & Pension gives SEB access to approximately 300,000 customers in Denmark, adding to the more than 1 million customers SEB Trygg Liv has in Sweden. The significant customer base combined with the distribution capacity of Codan Liv & Pension will give SEB a substantial strategic foothold in Denmark and a strong

addition to SEB's current Danish platform. The acquisition of Codan Liv & Pension offers SEB Trygg Liv a unique and very valuable opportunity to gain access to a large corporate and private life insurance portfolio.

### **Codan Liv & Pension – a good acquisition for SEB Trygg Liv which creates value**

In recent years, SEB Trygg Liv has experienced high organic growth in Sweden primarily in unit-linked products, which have become the core product and core competence. Unit-linked products currently constitute approximately 90 per cent of new sales and 30 per cent of the asset base. SEB Trygg Liv is the largest life insurance company in Sweden based on new sales, and geographical expansion is a natural next step in the continued development and growth of the company. Complying with the SEB Group's overall Northern European strategy, Denmark is a natural step for SEB Trygg Liv.

Following the transaction, SEB's pro-forma tier 1 ratio as of 31 March 2004 will remain at 8.5 per cent, whereas the total capital ratio will be 10.2 per cent. Based on an acquisition price of DKK 2,700 million and book equity of DKK 2,557 million as of 31 December 2003, total transaction goodwill will amount to DKK 143 million. As part of the transaction, SEB will assume subordinated loans of DKK 779 million granted by Codan to Codan Liv & Pension.

The transaction is expected to have a positive impact on SEB's earnings per share after goodwill charges from the date of acquisition.

### **Codan Liv & Pension – a leading and growing life and pension insurer**

Codan Liv & Pension is the fourth largest life and pensions provider in Denmark with a 9 per cent market share offering a full range of products to individual and corporate clients. Codan Liv & Pension offers an innovative product suite in the Danish marketplace, which further strengthens the company's profile as a leading player. Additionally, the company has a strong position with insurance brokers in Denmark. Substantial investment in IT systems has provided the company with a competitive advantage for growing its business in the coming years.

Codan Liv & Pension has shown strong premium growth over the years with growth of 9 per cent in 2002 and 12 per cent in 2003. Codan Liv & Pension has a strong position in the Danish financial services market with some 230,000 individual customers and 1,500 corporate customers with 65,000 employees enrolled in pension schemes.

### **Approvals and agreements**

The transaction is subject to approval from the Danish Financial Supervisory Authority and the European competition authorities. Closing of the transaction is expected at the end of the third quarter of 2004.

In addition to a share purchase agreement, SEB Trygg Liv has entered into a master service level agreement, mutual distribution agreements and a trademark agreement with Codan. In the period until closing, a number of service level agreements with Codan will be entered into, under which Codan in an interim separation period will deliver services to Codan Liv & Pension.

### **Press briefing**

A joint press briefing will be held today at the Codan head office, Gl. Kongevej 60, 1790 Copenhagen, at 13.00 CET with Anders Mossberg (CEO of SEB Trygg Liv), Per Klitgård (CEO of Codan Liv & Pension) and Jens Erik Christensen (CEO of Codan).

A presentation of the transaction will be available on [www.sebgroup.com](http://www.sebgroup.com), where more information about SEB in Denmark is also available.

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Enskilda Securities has acted as financial advisor to SEB and SEB Trygg Liv on this  
transaction.

## Background information

### **Codan Liv & Pension**

Codan Liv & Pension was incorporated in 1943 by Codan Insurance Limited A/S and has grown to be the fourth largest life and pension provider in Denmark with a market share of 9 per cent offering a full range of products to individual and corporate clients. Codan Liv & Pension offers both traditional life and pension products and more innovative life and pension products based on unit-linked products. In addition, Codan Liv & Pension offers supplementary general insurance products (e.g. disability and hospital cover products etc.). A major leap forward in the development of the company was taken in 1993 through the acquisition of Hafnia Insurance. With antecedents dating back to 1872, Hafnia's life insurance subsidiary was the first privately organised Danish life insurance company. When Codan acquired Trygg-Hansa from SEB in 1999, SEB acquired a 49 per cent stake in Codan Link and simultaneously entered into an asset management agreement with Codan. For 2003, Codan Liv & Pension reported gross written premiums of DKK 3,434 million and net profit of DKK 341 million. On 31 December 2003, Codan Liv & Pension's assets under management totalled DKK 59 billion.

### **SEB Trygg Liv**

SEB Trygg Liv is the SEB Group's life insurance business. SEB Trygg Liv offers private individuals and companies a complete range of products in the field of social security such as pensions, occupational pensions, health insurance, nursing insurance and rehabilitation insurance. SEB Trygg Liv has more than 1 million customers in Sweden, UK, Ireland and Denmark. Its activities are focused on the sale and administration of unit-linked insurance products. In 2003, SEB Trygg Liv had premium income of SEK 13.2 billion of which approximately 65 per cent was from unit-linked products. The company has more than 700 employees (full-time equivalents). On 31 December 2003, SEB Trygg Liv's assets under management totalled SEK 228 billion.

### **General facts about SEB**

SEB is a north European banking group with operations in some 20 countries and with home markets in Sweden, the other Nordic countries, Germany and the Baltic States. SEB's services are both for private individuals as well as multinational corporations. SEB has approximately 18,000 employees (full-time equivalents). SEB has a total of 670 branch offices around Sweden, Germany and the Baltic States and more than 4.5 million customers, of whom 1.7 million are e-banking customers. On 31 March 2004, the Group's total assets amounted to SEK 1,463 billion, while its assets under management totalled SEK 875 billion. More information about SEB is available on [www.sebgroup.com](http://www.sebgroup.com).