

# Analyst call – Divestment of SEB Pension in Denmark

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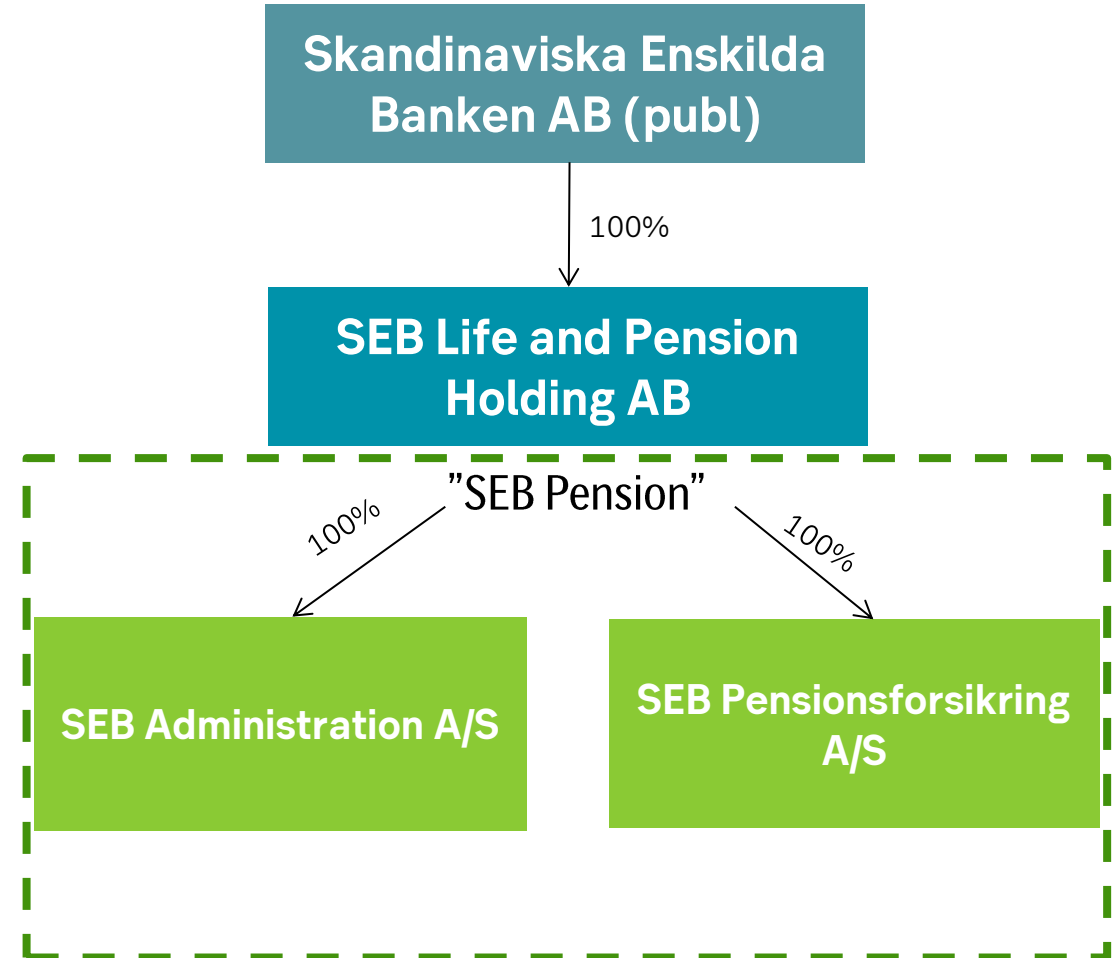


# What are we divesting?

## Company overview – SEB Pension

- Acquired by SEB in 2004/2005 for DKK 2.7bn
- #4 Danish life insurer with c.9% commercial market share
- #1 in customer satisfaction in Denmark for the 7<sup>th</sup> consecutive year
- AuM of DKK 103bn, an increase of c.40% since 2005
- Traditional life remains the largest product with c. 47% of AuM, followed by unit-link (c.27%) and the hybrid “Tidspension” product (c.19%)
- 275 employees, predominantly located at a single site in Copenhagen
- A portfolio of life and pension contracts – predominantly consisting of private individuals and SMEs

## Legal structure



# Executive summary of the transaction

## Summary of transaction value and rationale

- Total transaction value of DKK 6.5bn
  - DKK 5.0bn cash consideration for the company
  - DKK 1.5bn pre-closing dividend to SEB
- A dividend of DKK 1.1bn was paid during H1 2017
- Pre-transaction repayment of DKK 0.9bn of sub debt
- The transaction value corresponds to multiples;
  - P/B of 2.3x\*
  - P/E of 12x\*

### Strategic rationale

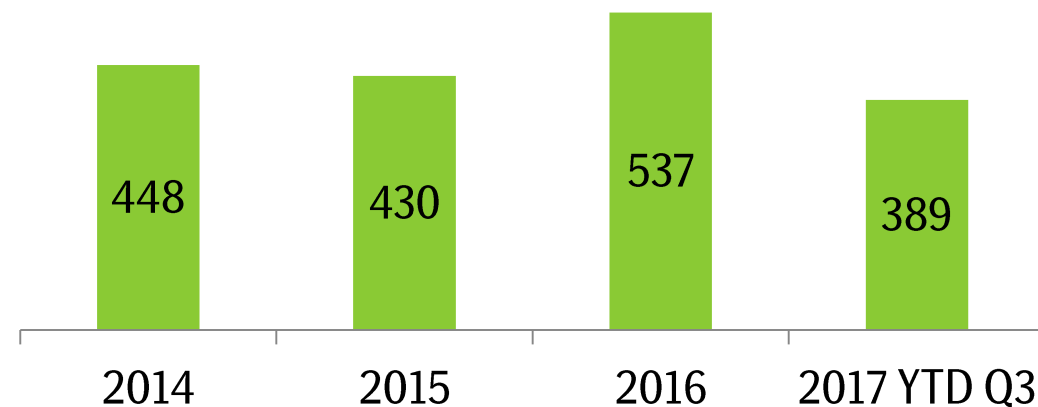
- Scale challenge relative to leading peers that requires additional investments
- Limited bancassurance in Denmark
- Creates additional resources to grow and transform the bank in areas of strength
- Closing expected in summer 2018

\* P/B calculated on Equity per Q3 2017, and P/E is calculated based on run-rate for net profit

## Financials at a glance (Q3 2017, DKK)

AuM	103bn
Solvency II capital / coverage	5.5bn / 379%
Net profit Jan-Sep 2017	389m
Employees	275

## Net profit evolution (DKK m)



# Pro-forma financial summary, as if the transaction would have closed September 30, 2017

<b>Profit &amp; Loss, (SEK m)</b>	<b>Reported Jan-Sep '17</b>	<i>of which SEB Pension</i>	<b>Proforma Jan-Sep '17</b>
<b>Total Operating income</b>	<b>33,750</b>	880	<b>32,871</b>
Total Operating expenses	-16,331	-292	-16,040
<b>Profit before credit losses</b>	<b>17,419</b>	588	<b>16,831</b>
Net credit losses etc.	-828	0	-828
<b>Operating profit</b>	<b>16,590</b>	588	<b>16,003</b>
<b>Net profit</b>	<b>13,061</b>	504	<b>12,557</b>

**Credit loss level**

Not effected

**Common Equity Tier 1**

+60 bps\*

**Assets under Mgmt**

- 129bn

\* After capital repatriation actions

# What will happen now?

- Closing of the transaction expected during summer 2018
- Business plan remains for 2018 including the SEK 22bn cost cap
- Provides enhanced flexibility to accelerate the transformation of the bank in business plan 2019-21

Annual Accounts  
will be presented  
January 31,  
2018

SEB



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