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PRESS RELEASE

SEB takes a further major step in the Baltics

SEB has decided to launch cash offers to the shareholders of Ühispank in Estonia, Unibanka in Latvia and Vilniaus Bankas in Lithuania. The offers are a logical step to SEB's previous investments in these banks and in line with SEB's vision to become the leading e-centric, customer-driven provider of financial services in Europe.

SEB intends to make formal cash offers for all the outstanding shares at a price of EEK 38 per share in Eestu Ühispank, LVL 1.90 per share in Latvias Unibanka and LTL 40 per share in Vilniaus Bankas. These prices represent a premium over Friday's closing market prices of 41 per cent, 43 per cent and 40 per cent, respectively. The aggregate investment involved in the offers amounts to SEK 2 billion based on current exchange rates. Each of the offers are subject to regulatory approvals and SEB is in the process of filing applications with the relevant authorities.

“This is a logical step for SEB and definitely in line with our vision to become the leading e-centric customer-driven provider of financial services in Europe and our strategic focus on growth companies and financial institutions,” says Lars Thunell, President and SEB Group Chief Executive. “SEB can offer a premium at current share prices based on the potential that we see in the full integration of the three Baltic banks into the SEB Group.”

SEB took a strategic stake of 32 - 36 per cent in each of the three banks in November 1998, thereby effectively adding the Baltic countries to its home market. During 1999 SEB increased its ownership to exceed 50 per cent in Ühispank and Unibanka, and to slightly more than 40 per cent in Vilniaus Bankas. SEB's investments in these banks have developed well.

In accordance with existing co-operation agreements with SEB and between the Baltic banks, organisational structures have been developed and SEB has provided new products, international marketing support and staff training. Market shares have increased and return on equity has improved

“The Baltic countries are clearly resuming the favourable economic growth that they have enjoyed since their regained independence,” comments Lars Gustafsson, Chairman of the Board of SEB Baltic Holding. “The large number of foreign investors, in particular from the Nordic region, and the growing export potential of many local companies has increased the demand for a cross-Baltic banking network and for cost-efficient and reliable international banking services. The on-going negotiations and future membership in the European Union will further increase this demand.”

SEB intends to retain the management and local profile of the banks in order to utilise their strong standing in the markets. The full inclusion of the banks within a larger European banking group will enable each of them to provide their customers with better support for their cross-border business in the Baltic States as well as in Europe as a whole. At the same time it will enable the banks to maintain their competitiveness in the face of strengthening international competition, through the maximisation of business co-ordination and the realisation of technical synergies. Moreover, Internet banking will be further developed in the Baltic market. Ūhispank and Unibanka combined already have some 66,000 Internet customers and an established technical platform for further expansion. Internet banking will shortly be expanded to also include Vilniaus Bankas.

“The three banks are doing well and SEB continues to add substantial value in this partnership. By acquiring the outstanding shares, SEB's shareholders will be able to benefit fully from the additional value created,” says Chief Executive Lars Thunell.

The current ownership in each of the banks is widely dispersed among a total of some 12,000 shareholders. No other shareholder is registered for more than 10 per cent ownership in any of the banks.

The acquisition will have a marginal positive effect on earnings per share in SEB. Capital adequacy will decrease slightly but remain above SEB's target. SEB's aggregate investment in the three banks to date amounts to SEK 1.6 billion.

The total present market capitalisation of the three banks is SEK 2.8 billion. Their total assets amount to SEK 25 billion. With 760,000 retail and 114,000 corporate clients, the three banks jointly have a 28 per cent market share of deposits and 35 per cent of loans of the Baltic States total, which puts the group clearly ahead of its competitors. The banks together have 194 branch offices and 4,100 employees.

The SEB Group – Skandinaviska Enskilda Banken with subsidiaries and branches – is a financial institution focused on e-banking, savings and growth companies. SEB is one of the largest financial groups in Scandinavia, with SEK 918 billion in funds under management and total assets of SEK 1,100 billion (30 June 2000). Total result during the first six months of 2000 was SEK 6.3 billion. The Group is today represented in some 20 countries and has approximately 20,000 employees. SEB today has about 630 bankbranches mainly in Sweden, Germany and in the Baltic countries.

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