



# AS SEB Pank Group

Interim Report of Quarter III 2021

## Introduction - general information

### 1. Credit institution

Company name	AS SEB Pank
Address	Tornimäe Str. 2, Tallinn 15010, Estonia
Registered in	Republic of Estonia
Registry date	08/12/1995
Registry code	10004252 (Estonian Commercial Register)
Phone	+372 6 655 100
Fax	+372 6 655 102
SWIFT	EEUHEE2X
e-mail	info@seb.ee
Internet homepage	http://www.seb.ee

### 2. Auditor

Audit company	Ernst & Young Baltic AS
Registry code	10877299 (Estonian Commercial Register)
Address	Rävala 4, 10143 Tallinn, Estonia
Reporting date	30/09/2021
Reporting period	1 January 2021- 30 September 2021
Reporting currency	Euro (EUR), millions

### 3. General information

The 100 per cent owner of AS SEB Pank is the publicly traded parent company Skandinaviska Enskilda Banken AB (publ), which is the parent company of SEB Group, a Nordic provider of financial services with a long history. SEB Group is a leading Nordic financial services group. SEB Group has around 15,000 employees.

SEB is the bank of choice for large corporations and financial institutions in Sweden and holds a forefront position in providing corporate services in Norway, Denmark, Finland and the United Kingdom. SEB provides universal banking services in Sweden, Estonia, Latvia and Lithuania. In Germany, the operations have a strong focus on corporate and investment banking based on a full-service offering to corporations, institutional customers and internationally operating real estate investors. SEB is well positioned to serve corporate customers from the Nordic countries, the United Kingdom and Germany around the globe, with offices in international financial centres such as New York and London, in Asia via offices in Shanghai, Beijing, Hong Kong and Singapore. AS SEB Pank is an Estonian financial group belonging to SEB Group, which provides services to private persons, companies, and the public sector.

### 4. Basis for preparation

Skandinaviska Enskilda Banken AB (publ), the parent company of AS SEB Pank, publishes interim reports for SEB Group on web page [www.sebgroup.com/jr](http://www.sebgroup.com/jr). The present AS SEB Pank Group interim report is not audited.

The profit of SEB increased by 13.1 per cent

The nine-month revenue of SEB Eesti was in the same range as in the same period last year, but expenses were 2.7 per cent lower. Close cooperation with clients has kept the loan portfolio of SEB at a high quality during the coronavirus crisis, which made it possible to reduce the reserves for possible loan losses by 0.5 million euros in the third quarter. The high-quality loan portfolio and increased client activity ensured that the nine-month profit of SEB was 13.1 per cent higher than at the same time last year.

Client deposits increased by 17.2 per cent

The loan portfolio of SEB increased by 2.3 per cent over the year, while deposits with the bank grew by 17.2 per cent. Deposits from business clients increased by 322.6 million euros and deposits from private clients by a record 512.7 million euros. The loan portfolio of SEB was 6 billion euros at the end of September and the bank had 5.6 billion euros in deposits.

One third of the money received from pension funds was spent in September

The private client loan portfolio of SEB increased by 5.7 per cent over the year, while their deposits grew by 22.6 per cent. Disbursements from the second pension pillar contributed to the growth of private client deposits, from which 307 million euros were received in the accounts of SEB's clients in September. One third of the money received from the pension pillar was used to make purchases or was withdrawn in cash. Eight per cent of the money was used to pay debts or repay loans and leases prematurely, and six per cent was used as deposits. Less than one per cent of the money received from the pension funds was used for new investments or instalments of loans and leases.

The optimism of business clients is high, but the readiness to invest is still low

The loan portfolio of business clients of SEB decreased by 2.3 per cent year on year, while their deposits increased by 14.6 per cent. The low demand for loans is mainly due to large companies, while small and medium-sized companies are active initiators of new loan projects – their loan portfolio has grown by 11 per cent year on year. At the same time, the activity of large companies is expected to recover, as according to a SEB survey, 62 per cent of Estonian financial managers believe that the business climate will be good or very good for their company in the next 12 months.

SEB earned a profit of 75.7 million in nine months

The Estonian units of SEB ended the first nine months of 2021 with a profit of 75.7 million euros, compared to 66.9 million euros at the same time last year. In the first nine months, the operating profit of SEB amounted to 129.4 million euros (130.2 million in the same period in 2020) and operating expenses to 44.5 million euros (45.7 million in the same period in 2020). The bank reduced its reserves for loan losses by 0.5 million euros in the first nine months of 2021 (during the same period in 2020, the bank increased the reserves by 8.4 million euros). Income tax was calculated at 9.7 million euros in the first nine months of 2021 (9.2 million euros in the same period in 2020).

1. Consolidated income statement  
(millions of EUR)

	2021		2020	
	9 months	QIII	9 months	QIII
Net interest income	86.1	29.0	87.6	29.4
Net fee and commission income	36.8	13.0	35.3	12.0
Net financial income	6.4	1.7	4.1	1.3
Gains less losses from investment securities	0.0	0.0	2.6	2.0
Profit and loss from investments in associates	0.4	0.4	0.2	0.2
Other operating income	-0.3	-0.3	0.4	0.0
Net other income	0.1	0.1	3.2	2.3
<b>Total operating income</b>	<b>129.4</b>	<b>43.8</b>	<b>130.2</b>	<b>45.0</b>
Personnel expenses	-32.8	-11.2	-31.8	-10.6
Depreciation, amortization and impairment of tangible and intangible assets	-5.8	-1.9	-6.4	-2.5
Other expenses	-5.9	-2.5	-7.5	-2.2
<b>Total operating expenses</b>	<b>-44.5</b>	<b>-15.6</b>	<b>-45.7</b>	<b>-15.3</b>
<b>Profit before credit losses</b>	<b>84.9</b>	<b>28.2</b>	<b>84.5</b>	<b>29.6</b>
Net expected credit losses	0.5	0.0	-8.4	-0.3
<b>Profit before income tax</b>	<b>85.4</b>	<b>28.2</b>	<b>76.1</b>	<b>29.3</b>
Income tax expense	-9.7	-3.2	-9.2	-3.5
<b>Net profit for the year</b>	<b>75.7</b>	<b>25.0</b>	<b>66.9</b>	<b>25.8</b>

2. Consolidated statement of comprehensive income  
(millions of EUR)

	2021	2021	2020	2020
	9 months	QIII	9 months	QIII
Net profit for the year	75.7	25.0	66.9	25.8
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>75.7</b>	<b>25.0</b>	<b>66.9</b>	<b>25.8</b>

3. Consolidated statement of financial position  
(millions of EUR)

	<u>30/09/2021</u>	<u>31/12/2020</u>
<b>Assets</b>		
Cash and balances with central bank	685.2	493.2
Loans to credit institutions	397.1	765.7
Loans to the public	5,997.9	5,908.0
Debt securities	221.5	227.1
Derivatives	6.0	6.6
Equity instruments	4.6	9.7
Investments in associates	1.7	1.3
Intangible assets	5.1	5.0
Property, plant and equipment	10.0	10.6
Right of use assets	16.2	18.0
Other financial assets	10.6	28.2
Other non-financial assets	13.5	16.5
<b>Total assets</b>	<b><u>7,369.4</u></b>	<b><u>7,489.9</u></b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
Deposits from central banks and credit institutions	457.2	1,002.7
Deposits and borrowings from the public	5,635.5	5,273.8
Derivatives	6.0	7.9
Current income tax liabilities	3.0	9.0
Deferred income tax liabilities	5.3	5.3
Provisions	3.8	4.5
Other financial liabilities	121.4	108.8
Other non-financial liabilities	90.4	30.2
<b>Total liabilities</b>	<b><u>6,322.6</u></b>	<b><u>6,442.2</u></b>
Equity		
Share capital	42.5	42.5
Share premium	86.3	86.3
Other reserves	19.4	19.4
Retained earnings	898.6	899.5
<b>Total equity</b>	<b><u>1,046.8</u></b>	<b><u>1,047.7</u></b>
<b>Total liabilities and equity</b>	<b><u>7,369.4</u></b>	<b><u>7,489.9</u></b>

4. Changes in consolidated shareholders' equity  
(millions of EUR)

	Share capital	Share premium	Reserves	Retained profit	sharehold ers' equity
<b>Balance at 01 January 2020</b>	<b>42.5</b>	<b>86.3</b>	<b>19.4</b>	<b>921.4</b>	<b>1,069.6</b>
Net profit for the year	-	-	-	66.9	66.9
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.9</b>	<b>66.9</b>
Dividends	-	-	-	-	-
Other*	-	-	-	0.5	0.5
<b>Balance at 30 September 2020</b>	<b>42.5</b>	<b>86.3</b>	<b>19.4</b>	<b>988.8</b>	<b>1,137.0</b>
<b>Balance at 01 January 2021</b>	<b>42.5</b>	<b>86.3</b>	<b>19.4</b>	<b>899.5</b>	<b>1,047.7</b>
Net profit for the year	-	-	-	75.7	75.7
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.7</b>	<b>75.7</b>
Dividends	-	-	-	-77.0	-77.0
Other*	-	-	-	0.4	0.4
<b>Balance at 30 September 2021</b>	<b>42.5</b>	<b>86.3</b>	<b>19.4</b>	<b>898.6</b>	<b>1,046.8</b>

\* Long Term Incentive programmes

5. Consolidated cash flow statement  
(millions of EUR)

	2021 9 months	2020 9 months
Cash flow from operating activities	15.1	103.3
Cash flow from investment activities	5.3	-12.7
Cash flow from financing activities	-80.6	-3.6
<b>Net change in cash and cash equivalents</b>	<b>-60.2</b>	<b>87.0</b>
Cash and cash equivalents at the beginning of year	1,082.0	803.2
Net change in cash and cash equivalents	-60.2	87.0
Cash and cash equivalents at the end of period	1,021.8	890.2

**Note 1**

Accounting principles

The interim report condensed financial statements of AS SEB Pank Group for Quarter III 2021 has been prepared in conformity with International Accounting Standard IAS 34 "Interim Financial Reporting" and the disclosure requirement established by the Credit Institutions Act. These condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, prepared in conformity with International Financial Reporting Standards (IFRS).

The Group's accounting principles, used in the interim report of AS SEB Pank Group for Quarter III 2021 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2020.