

AS SEB Pank Group

Interim Report of Quarter III 2010



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Statement of the Management Board

Management Board of AS SEB Pank is on an opinion that the Interim Report of Quarter III 2010 consists of the following parts and reports:

- Introduction – general information
- Management Report
- Consolidated Financial Statements
- Notes

The financial and other additional information published in the Interim Report of Quarter III 2010 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations and cash flows of the group.

Consolidated financial statements have been compiled in accordance with the International Accounting Standard IAS 34 “Interim financial reporting” and in conformity with the requirements of Eesti Pank for publishing information. AS SEB Pank and subsidiaries of the consolidated group are assumed to be going concern.

Consolidated financial statements for the Quarter III 2010 are not audited.

Riho Unt
Chairman of the Management Board

I. 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	AS PricewaterhouseCoopers
Registry code	10142876
Address	Pärnu Str. 15, 10141 Tallinn, Estonia
Reporting date	30.09.2010
Reporting period	01.01.2010 - 30.09.2010
Reporting currency	Estonian kroon (EEK), millions

II. Management Report**1. Credit institution's group as defined in Credit Institutions Law****1.1. Consolidated group****30.09.10**

Company name	Registry code	Reg. date	Address	Activity	Holding*** (%)	At an acquisition cost (EEK mio)
AS SEB Liising	10281767	03.10.97	Tallinn, Tornimäe 2	Leasing	100.0%	23.4
AS SEB Kindlustusmaakler*	10723587	16.01.01	Tallinn, Tornimäe 2	Insurance brokerage	100.0%	-
AS Rentacar*	10303546	20.10.97	Haapsalu, Karja 27	Leasing	100.0%	-
AS SEB Varahaldus	10035169	22.05.96	Tallinn, Tornimäe 2	Asset management	100.0%	42.5
AS Bangalo	10088272	18.10.96	Tallinn, Tornimäe 2	Rental of computers	100.0%	5.0
AS SEB Enskilda	11354037	16.02.07	Tallinn, Tornimäe 2	Financial consulting	100.0%	11.5
AS Sertifitseerimiskeskus**	10747013	27.03.01	Tallinn, Pärnu mnt 12	Data communication services	25.0%	15.1
OÜ TietoEnator Support **	11065244	30.08.04	Tallinn, Roosikrantsi 11	IT consulting, programming	20.0%	0.6
						98.1

All enterprises are registered in Estonian Commercial Register.

Parent company of the Group is AS SEB Pank, its activity is banking (information on page 3).

* Consolidated subsidiaries of AS SEB Liising

** Associates

*** For all investments the percentage of holding equals to both, the holding from the number of shares as well as from the number of votes.

The “consolidated group” in the meaning of Credit Institutions Law in Estonia and the “Group” for IFRS consolidation purposes are identical.

Non-profit association SEB Heategevusfond is an association, not belonging to the consolidation group, registered on 06.01.2006. The founders of the association are AS SEB Pank and AS SEB Elu- ja Pensionikindlustus. The association is aimed at raising and distributing funds for charitable cause to organisations, dealing with children, who have been deprived of parental care. Upon dissolution of the association, the assets remaining after satisfaction of the claims of creditors shall be transferred to a non-profit association or foundation with similar objectives, entered to the list of associations subject to income tax incentive of the Government of the Republic, or a legal person in public law, state or local government.

Non-profit association Spordiklubi United is an association, not belonging to the consolidation group, which started activity from September 2008. The association is founded by AS SEB Pank. The association is aimed at organising on hobby and competition level sport events and organising promotions for advertising of own and supporter’s activities. Upon dissolution of the association, the assets shall be transferred to a non-profit association, foundation or other persons filling the objectives by articles in public interests.

1.2. Changes in the consolidated group during the accounting period and plans for year 2010

In January 2010 100% shares in AS SEB Elu- ja Pensionikindlustus were sold according to the Management Board resolution from December 2009. Purchaser was SEB Trygg Liv Holding AB, a company, which belong to the SEB AB Group. Sales price of AS SEB Elu- ja Pensionikindlustus was 219 EEKmio and profit from the transaction was 51.3 EEKmio.

In February 2010 100% ownership in OÜ Estectus was sold according to the Management Board resolution from December 2009. Purchaser was Warehold B.V., a company, which located in Holland and belongs to the SEB AB Group. Sales price of OÜ Estectus was 50.6 EEKmio and profit from the transaction was 0.5 EEKmio.

In June 2010 an associate SEB IT Partner Estonia OÜ was liquidated.

No such events or trends have occurred by the time of publishing the report, which would affect the strategy of the group in 2010.

2. Key events in QIII 2010

Eerika Vaikmäe-Koit was named the member of the board responsible for the retail banking area in September. The Retail Banking and Technology area is the biggest business unit within SEB, employing more than half of the bank's staff and accounting for almost half of the bank's volume of business. It serves around 500,000 active private clients and 34,000 small and medium-sized companies and is responsible for the development of the bank's product portfolio as a whole.

Eerika Vaikmäe-Koit has served in a variety of positions in both business and support functions in SEB since 1996. Between 2001 and 2005 she was the Deputy Manager of the Retail Banking Division, and from 2005 to 2008 she led a number of cross-border projects within the SEB Group. In 2008 she took up the post of Head of Support Units, overseeing personnel, legal, marketing and communication functions.

A survey conducted by TNS Emor entitled "Estonia's most customer-friendly large companies" has seen SEB voted the most customer-friendly company in the Estonian financial sector. In the overall ranking of the 29 companies included in the survey, SEB was placed 2nd.

SEB Enskilda, the leading investment bank in the Nordic countries, is to broaden its Baltic stock product competence by building up its stocks team. SEB Enskilda hired special team for that in August.

In July 2010, the ECOFIN Council took the final decisions on the euro adoption in Estonia and confirmed that Estonia is ready and will adopt the euro on 1 January 2011. Estonia will be 17th member of the euro area to switch to the common European currency. The

Council, meeting in its configuration of finance ministers (ECOFIN Council), also set the conversion rate at 15.6466 Estonian kroons to one euro, which corresponds to the current central rate of the kroon in the EU exchange mechanism (ERM II).

In order to make the transition from the kroon to the euro as smooth as possible, all commercial and service companies will need to have acquired a sufficient amount of euros in cash for the first few days of January 2011 to ensure they have enough money for change. SEB launched most convenient system for companies to order frontloading for euros via Internet Bank.

In September the 46-metre brigantine Tre Kronor was visiting Tallinn. The SEB-sponsored voyage of the Tre Kronor was used to raise environmental awareness, and in particular the SEB Group's commitment to a cleaner Baltic Sea and the good of future generations. The Tre Kronor embarked on its trip in Stockholm on 1 September and visited five ports in all three Baltic States: Klaipeda, Liepaja, Riga, Pärnu and Tallinn.

The more than 807 100 customers of SEB Pank Group are served by 1350 employees. The customers are served through many different channels such as 49 branch offices, 224 on-line post offices, 348 ATMs, 5879 POS-terminals. There are more than 499 300 debit and credit cards in use. In addition, over 73% of our customers use our SEB Internet Bank and SEB Internet Bank for Business services.

3. Capital adequacy

(millions of EEK)

	30.09.10	31.12.09
CAPITAL BASE		
Paid-in share capital	665.6	665.6
Premium	1,346.6	1,346.6
General banking reserves	306.0	306.0
Retained earnings / loss	5,137.7	6,428.2
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-0.7	-3.8
Intangibles	-5.5	-9.6
Loss for the period (group without life insurance)	0.0	-1,427.1
Total primary own funds	7,449.7	7,305.9
Subordinated debt	1,830.7	2,613.0
Available for sale financial instruments	2.0	2.9
Unrealised part of profit on shares of subsidiaries and associated companies	0.3	1.7
Allowances and adjustments exceeding expected loss	192.3	231.2
Total supplementary own funds	2,025.3	2,848.8
Majority holding in insurers	0.0	30.0
Total deductions	0.0	30.0
Primary own funds after deductions	7,449.7	7,290.9
Supplementary own funds included in calculation of capital adequacy	2,025.3	2,833.8
Own funds included in calculation of capital adequacy	9,475.0	10,124.7
CAPITAL REQUIREMENTS		
Municipalities and regions with standardised approach	88.6	92.0
State agencies, non-profit institutions and associations with standardised approach	1.9	2.1
Retail claims with standardised approach	228.3	223.7
Overdue claims with standardised approach	22.2	19.7
Shares of investment funds with standardised approach	6.7	6.1
Other assets with standardised approach	45.9	52.6
Credit institutions, investment firms and municipalities with IRB	70.2	35.5
Other companies with IRB	2,367.3	3,058.1
Retail claims with IRB	767.7	760.3
Total capital requirements for covering the credit risk and counterparty credit risk	3,598.8	4,250.1
Capital requirement for covering interest position risk	21.3	28.9
Capital requirement for covering equity position risk	0.4	0.5
Capital requirement for covering the trading portfolio settlement risk	0.8	0.0
Capital requirement for covering AMA of operational risk	125.8	95.5
Capital requirements total	3,747.1	4,375.0
Transition period floor of own funds if using IRB	4,778.3	5,036.1
Capital requirements for calculating capital adequacy	4,778.3	5,036.1

*Basel II calculations are made for Group without AS SEB Elu- ja Pensionikindlustus (life insurance), holding in insurer is deducted.

CAPITAL RATIOS

	<u>30.09.10</u>	<u>31.12.09</u>
Capital adequacy, %	19.83	20.10
Tier 1 Capital Ratio, %	15.59	14.48
Tier 2 Capital Ratio, %	4.24	5.62

**MEMBERS OF CONSOLIDATION GROUP,
INCLUDED TO CAPITAL ADEQUACY
CALCULATION**

AS SEB Pank
AS SEB Liising Group
AS SEB Varahaldus
AS Bangalo
AS SEB Enskilda
OÜ Estectus (no more in consolidation group from February, 2010)

**MEMBERS OF CONSOLIDATION GROUP,
NOT INCLUDED TO CAPITAL ADEQUACY
CALCULATION**

AS SEB Elu- ja Pensionikindlustus (no
more in consolidation group from
January, 2010)

SEB Pank Group is using the internal ratings based approach for reporting of credit risk and advanced approach for reporting of operational risk under Basel II.

4. Risk concentration

	30.09.10	31.12.09	30.09.09
Total claims against persons associated with the credit institution's consolidation group, EEK mio	16.5	24.9	20.5
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.17	0.25	0.20
Total of large exposure claims, EEK mio	3,652.0	2,191.7	1,211.1
The share of large exposure claims in net own funds, %	38.54	21.65	11.65
Number of large exposure customers	3	2	1

5. Key figures

(millions of EEK)

	30.09.10	31.12.09	30.09.09
Net loss / profit	307.1	-1,381.9	-1,097.2
Average equity	7,617.2	8,147.7	8,287.1
Return on equity (ROE), %	5.38	-16.96	-17.65
Average assets	71,112.2	79,746.8	80,701.8
Return on assets (ROA), %	0.58	-1.73	-1.81
Net interest income	851.1	1,328.4	1023.9
Average interest earning assets	68,485.7	76,362.3	77,293.8
Net interest margin (NIM), %	1.66	1.74	1.77
Spread, %	1.51	1.48	1.47
Cost / Income ratio, %	54.5	72.5	71.1
Ratio of impaired loans, %	4.34	4.41	3.16

Explanations

Return on equity (ROE) = Net profit / Average equity * 100

Average equity = (Equity of current year end + Equity of previous year end) / 2

Return on assets (ROA) = Net profit / Average assets * 100

Average assets = (Assets of current year end + Assets of previous year end) / 2

Net interest margin (NIM) = Net interest income / Average interest earning assets * 100

Cost of interest bearing liabilities = Interest expenses / Average interest bearing liabilities * 100

Spread = Yield on interest earning assets - Cost of interest bearing liabilities

Cost / Income Ratio = Total Operating Expenses / Total Income * 100

Ratio of impaired loans = Individually impaired loans / Loans to customers

Interest earning assets:

Balances with central bank
Loans and advances to credit institutions
Loans and advances to customers
(all without accrued interests)

Interest bearing liabilities:

Due to credit institutions
Due to customers
Loan funds
Issued debt securities
Subordinated loans
(all without accrued interests)

Total Operating Expenses:

Personnel expenses
Other expenses
Depreciation, amortisation and impairment of tangible and intangible assets

Total Income:

Net interest income
Net fee and commission income
Net income from foreign exchange
Gains less losses from financial assets at fair value through profit or loss
Income from insurance activities
Income from dividends
Gains less losses from investment securities
Share of profit of associates
Other income

III. Consolidated financial statements

1. Consolidated income statement

(millions of EEK)

	Note	2010		2009	
		9 months	QIII	9 months	QIII
<i>Interest and similar income</i>	2	1,458.9	466.9	2,504.3	662.4
<i>Interest expenses and similar charges</i>	3	-607.7	-178.9	-1,480.3	-369.2
Net Interest Income		851.2	288.0	1,024.0	293.2
<i>Fee and commission income</i>	4	610.7	206.1	609.6	219.9
<i>Fee and commission expense</i>	5	-163.5	-56.8	-182.5	-62.7
Net fee and commission income		447.2	149.3	427.1	157.2
Net income from foreign exchange		83.0	28.4	84.6	30.0
Gains less losses from financial assets at fair value through profit or loss		12.1	-11.1	41.7	43.2
Income from dividends		0.1	-0.8	1.9	1.9
Gains less losses from investment securities		51.7	-0.1	6.3	0.5
Share of profit of associates		-0.3	-0.4	0.8	0.4
Other income		115.6	38.1	6.9	0.6
Personnel expenses		-419.9	-144.2	-468.7	-148.2
Other expenses		-391.1	-121.9	-266.2	-86.3
Depreciation, amortisation and impairment of tangible and intangible assets		-39.5	-12.6	-427.7	-16.9
Profit before impairment losses on loans and advances		710.1	212.7	430.7	275.6
Impairment losses on loans and advances	6	-403.0	10.6	-1,577.4	-854.5
Profit/loss before income tax		307.1	223.3	-1,146.7	-578.9
Income tax		0.0	0.0	0.0	0.0
Net profit/loss from continued operations		307.1	223.3	-1,146.7	-578.9
Net profit from discontinued operations	11	0.0	0.0	49.5	23.5
Net profit		307.1	223.3	-1,097.2	-555.4
Profit/loss attributable to:					
Sole equity holder of the parent entity (total)		307.1	223.3	-1,097.2	-555.4
-Net profit/loss from continued operations		307.1	223.3	-1,146.8	-579.0
-Net profit/loss from discontinued operations		0.0	0.0	49.5	23.5
		307.1	223.3	-1,097.2	-555.4

2. Consolidated statement of comprehensive income

	2010		2009	
	9 months	QIII	9 months	QIII
Net profit	307.1	223.3	-1,097.2	-555.4
Other comprehensive income/expense				
Revaluation of available-for-sale financial assets	-2.0	-0.6	6.5	9.2
Total other comprehensive income/expense	-2.0	-0.6	6.5	9.2
Total comprehensive income/expense	305.1	222.7	-1,090.7	-546.2
Sole equity holder of the parent entity (total)	305.1	222.7	-1,090.7	-546.2
-Total comprehensive income/expense from continued operations	305.1	222.7	-1,140.2	-569.7
-Total comprehensive income/expense from discontinued operations	0.0	0.0	49.5	23.5
	305.1	222.7	-1,090.7	-546.2

3. Consolidated statement of financial position

(millions of EEK)

	Note	30.09.10	31.12.09
ASSETS			
Cash		586.1	638.9
Balances with central bank		2,553.6	4,827.1
Loans and advances to credit institutions		6,131.2	4,633.4
Loans and advances to customers		57,134.4	61,846.3
Financial assets held for trading		389.1	366.2
Available-for-sale financial assets		77.7	99.6
Other assets		816.1	662.8
Investments in associates		6.3	10.1
Intangible assets		5.6	9.6
Property, plant and equipment		102.3	116.8
Investment properties		24.9	25.4
		<u>67,827.3</u>	<u>73,236.2</u>
Assets classified as discontinued operations	11	<u>0.0</u>	<u>1,160.9</u>
TOTAL ASSETS		67,827.3	74,397.1
LIABILITIES AND SHAREHOLDERS' EQUITY			
Due to credit institutions		24,347.8	29,786.0
Due to customers		31,832.1	31,824.2
Loan funds		168.2	188.5
Other liabilities		1,435.9	851.1
Financial liabilities at fair value through profit or loss		425.7	358.5
Provisions		5.2	2.6
Subordinated loans		1,841.5	2,615.9
		<u>60,056.4</u>	<u>65,626.8</u>
Liabilities included in assets classified as discontinued operations	11	<u>0.0</u>	<u>1,306.8</u>
Total Liabilities		60,056.4	66,933.6
Share capital		665.6	665.6
Share premium		1,346.6	1,346.6
Other reserves		310.5	332.0
Retained earnings		5,448.2	5,119.3
Total shareholders' equity		7,770.9	7,463.5
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		67,827.3	74,397.1

4. Consolidated cash flow statement

(millions of EEK)

	2010	2009
	9 months	9 months
I. Cash flows from operating activities		
Interest received	1,456.0	2,624.5
Interest paid	-638.9	-1,790.2
Dividends received	0.1	1.9
Fee and commission received	610.7	609.7
Fee and commission paid	-163.5	-182.5
Net trading income and other operating income	722.7	568.9
Personnel expenses and other operating expenses	-724.6	-685.4
Revaluation adjustments	-1.0	-1.6
Cash flows from operating activities before changes in the operating assets and liabilities, continued operations	1,261.5	1,145.3
Cash flows from operating activities before changes in the operating assets and liabilities, discontinued operations	0.0	58.1
Changes in operating assets:		
Loans and advances to credit institutions	-1,389.6	9.2
Loans and advances to customers	3,702.3	3,547.1
Other assets	37.4	182.9
Changes of operating liabilities:		
Due to credit institutions	-5,475.7	-4,261.4
Due to customers	31.8	-2,982.3
Loan funds	-20.3	57.6
Other liabilities	-590.4	-161.0
Cash flow from (used in) operating activities, continued operations	-2,443.0	-2,462.6
Cash flow from (used in) operating activities, discontinued operations	0.0	82.8
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	1,075.5	276.2
Proceeds from sale and liquidation of subsidiaries	51.8	0.0
Proceeds from sale and liquidation of associates	3.8	5.0
Purchase of investment properties, tangible and intangible assets	-27.4	-27.6
Proceeds from sale of investment properties, tangible and intangible assets	36.0	1.1
Cash flow from (used in) investing activities, continued operations	1,139.7	254.7
Cash flow from (used in) investing activities, discontinued operations	0.0	-29.9
III. Cash flows from financing activities		
Repurchasing of debt securities	-8.1	-100.9
Repayments of subordinated loans	-782.3	0.0
Cash used in financing activities, continued operations	-790.4	-100.9
Cash used in financing activities, discontinued operations	0.0	0.0
Net decrease/increase in cash and cash equivalents	-2,093.7	-2,255.9
Cash and cash equivalents at the beginning of period	10,094.0	12,153.1
Effect of exchange rate changes on cash and cash equivalents	-2.8	0.0
Cash and cash equivalents at the end of period	7,997.5	9,897.2
Cash and cash equivalents includes:		
	30.09.10	30.09.09
Cash on hand	586.1	612.8
Balances with the central bank	2,552.9	3,821.6
Liquid deposits in other credit institutions, continued operations	4,848.3	5,461.6
Trading portfolio	10.2	1.2
	7,997.5	9,897.2

5. Changes in consolidated shareholders' equity

(millions of EEK)

	Share capital	Share premium	Reserves	Retained profit	Total shareholders' equity
Year beginning 01.01.2009	665.6	1,346.6	318.9	6,500.8	8,831.9
Statutory reserve	0.0	0.0	1.1	-1.1	0.0
Profit for the year	0.0	0.0	0.0	-1,097.2	-1,097.2
Other	0.0	0.0	0.0	1.0	1.0
Other comprehensive income:					
Net change in available-for-sale financial assets	0.0	0.0	6.5	0.0	6.5
Total other comprehensive income	0.0	0.0	6.5	0.0	6.5
Final balance 30.09.2009	665.6	1,346.6	326.5	5,403.5	7,742.2
Year beginning 01.01.2010	665.6	1,346.6	332.0	5,119.3	7,463.5
Statutory reserve	0.0	0.0	-19.5	19.5	0.0
Profit for the year	0.0	0.0	0.0	307.1	307.1
Other	0.0	0.0	0.0	2.3	2.3
Other comprehensive income:					
Net change in available-for-sale financial assets	0.0	0.0	-2.0	0.0	-2.0
Total other comprehensive income	0.0	0.0	-2.0	0.0	-2.0
Final balance 30.09.2010	665.6	1,346.6	310.5	5,448.2	7,770.9

6. Contingent assets and liabilities and commitments

(millions of EEK)

30.09.10	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable transactions	1,083.4	7,706.7	0.0	0.0
1.1. Guarantees and pledges	887.8	3,769.9	0.0	0.0
<i>incl. financial guarantees</i>	<i>860.6</i>	<i>1,911.9</i>	<i>0.0</i>	<i>0.0</i>
1.2. Loan commitments	195.6	3,936.8	0.0	0.0
2. Derivatives	11,235.7	11,223.2	378.9	425.7
2.1. Currency related derivatives	4,686.1	4,696.2	20.0	30.1
2.2. Interest related derivatives	5,763.9	5,763.0	312.3	327.3
2.3. Equity related derivatives*	785.7	764.0	46.6	68.3
	12,319.1	18,929.9	378.9	425.7

31.12.09	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable transactions	1,049.7	8,056.7	0.0	0.0
1.1. Guarantees and pledges	658.5	3,285.8	0.0	0.0
<i>incl. financial guarantees</i>	<i>625.9</i>	<i>1,288.5</i>	<i>0.0</i>	<i>0.0</i>
1.2. Loan commitments	391.2	4,770.9	0.0	0.0
2. Derivatives	12,843.7	12,775.8	351.7	349.4
2.1. Currency related derivatives	6,196.5	6,164.3	45.2	15.7
2.2. Interest related derivatives	5,627.5	5,627.4	246.0	245.9
2.3. Equity related derivatives*	1,019.7	984.1	60.5	87.8
	13,893.4	20,832.5	351.7	349.4

* Derivative transactions are executed to cover the client's position and the derivative risks are not taken to own portfolio. All risks arising from these transactions are fully mitigated with parent company. The equity option prices are calculated using for all input data (e.g. underlying prices or volumes) either independently sourced input (e.g. the underlying prices) or an independent price verification is performed on the next day to compare the values to independently sourced market data (e.g. for volumes).

Note 1

Accounting principles

The interim report of AS SEB Pank Group for QIII 2010 has been prepared in conformity with International Accounting Standard IAS 34 "Interim Financial Reporting" and the disclosure requirements, established by Eesti Pank.

The accounting principles, used in the interim report of AS SEB Pank Group for QIII 2010 are in conformity with the accounting principles, used in the annual report for the year ended on 31 December 2009.

Note 2**Interest and similar income**

(millions of EEK)

Loans
Leasing
Deposits with other banks
Fixed income securities

2010		2009	
9 months	QIII	9 months	QIII
1,318.7	431.0	2,104.0	553.7
117.5	27.3	358.8	100.2
20.5	8.5	26.0	6.4
2.2	0.1	15.5	2.1
1,458.9	466.9	2,504.3	662.4

Note 3**Interest expenses and similar charges**

(millions of EEK)

Credit institutions
Time and other saving deposits
Demand deposits
Subordinated debts
Issued bonds
Loan funds
Other

2010		2009	
9 months	QIII	9 months	QIII
-354.2	-110.6	-748.7	-164.9
-180.7	-46.2	-450.2	-133.9
-35.9	-9.9	-209.0	-54.3
-32.8	-10.9	-65.0	-14.3
0.0	0.0	-2.5	0.0
-4.0	-1.3	-4.6	-1.7
-0.1	0.0	-0.3	-0.1
-607.7	-178.9	-1,480.3	-369.2

Note 4**Fee and commission income**

(millions of EEK)

Credit and payment cards
Securities market services
Transaction fees
Credit contracts*
Non-life insurance brokerage fees
Income from leasing agreements (full service)
Corporate Finance fees
Other settlement fees
Income from electronic channels
Cash handling fees
Other

2010		2009	
9 months	QIII	9 months	QIII
222.2	80.0	230.2	78.4
138.1	45.3	121.7	50.7
85.5	28.5	48.6	17.3
46.5	14.8	87.1	29.7
28.2	9.1	30.0	9.9
19.0	5.9	4.9	4.5
5.6	0.5	27.4	8.7
21.6	7.0	20.1	7.4
13.0	4.6	12.6	4.1
12.8	4.3	9.9	3.5
18.2	6.1	17.1	5.7
610.7	206.1	609.6	219.9

*Credit contracts include loan, leasing, letter of credit and guarantee contracts signed with customers, which are short-term and do not constitute interest income, but are of administrative nature for arrangement reorganisation of credits.

Note 5**Fee and commission expense**

(millions of EEK)

Credit and payment cards
Cash collecting fees
Expenses to leasing agreements (full service)
Securities market
Transaction fees
Expenses of electronic channels
Corporate Finance fees
Other

2010		2009	
9 months	QIII	9 months	QIII
-84.0	-30.7	-92.3	-32.8
-20.6	-7.1	-14.7	-5.0
-14.6	-4.5	-20.8	-6.7
-14.2	-4.4	-20.5	-7.0
-10.3	-2.9	-12.8	-3.7
-7.9	-3.0	-11.5	-4.3
0.0	0.0	-9.9	-3.2
-11.9	-4.2	0.0	0.0
-163.5	-56.8	-182.5	-62.7

Note 6**Impairment losses on loans and advances**

(millions of EEK)

	2010		2009	
	9 months	QIII	9 months	QIII
Impairment losses	-398.7	10.6	-1,546.1	-844.6
impairment losses of reporting period	-749.3	-114.1	-1,885.7	-1,185.0
recoveries from write-offs	1.4	0.5	1.9	0.3
correction of impairment losses of previous period	349.2	124.2	337.7	340.1
Impairment losses for contingent liabilities	-4.3	0.0	0.0	0.0
Assets held for sale	0.0	0.0	-31.3	-9.9
reappraisal	0.0	0.0	-25.5	-9.5
realised gains / losses	0.0	0.0	-5.8	-0.4
	-403.0	10.6	-1,577.4	-854.5

Note 7**Allowances on loans and advances**

(millions of EEK)

	30.09.10	31.12.09
At January, 1	3,056.5	1,093.9
Allowances of reporting period	737.4	2,334.1
Correction of allowances of previous period	-349.2	-359.3
Loans and advances written off	-142.7	-11.7
Exchange rate adjustments	3.2	-0.5
At the end of period	3,305.2	3,056.5
Recoveries from write-offs		1.4
		2.0

Note 8**Overdue**

By overdue maturity

(millions of EEK)

	<30 days	30<60 days	over 60 days	Total
30.09.10				
Loans and advances to customers	2,101.2	358.8	4,385.1	6,845.1
Total	2,101.2	358.8	4,385.1	6,845.1
31.12.09				
Loans and advances to customers	1,942.5	554.8	4,128.0	6,625.3
Total	1,942.5	554.8	4,128.0	6,625.3

The tables indicate the gross balance of overdue claims.

Note 9**Geographic concentration of financial assets and liabilities**

(millions of EEK)

30.09.10	Cash and balances with central bank	Loans and advances to institutions	Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
Sweden	5.5	3,433.6	32.0	66.5	16.0	3,553.6	23,484.0	166.0	2,164.8	25,814.8	26.7
Estonia	2,773.8	115.5	56,680.1	398.4	505.6	60,473.4	59.8	28,230.8	1,406.9	29,697.5	7,533.8
United Kingdom	2.6	15.2	30.1	2.4	0.1	50.4	125.5	1,501.2	0.1	1,626.8	5.7
Russia	5.5	74.9	8.3	0.0	0.0	88.7	7.3	237.4	0.5	245.2	1.0
Germany	259.8	2,258.2	12.0	0.0	0.0	2,530.0	575.3	27.5	0.0	602.8	107.7
United States	9.8	64.9	15.0	5.8	0.1	95.6	7.3	335.1	0.1	342.5	0.0
Canada	1.8	0.0	0.0	0.0	0.0	1.8	0.8	10.7	0.1	11.6	0.0
Japan	1.1	0.0	0.0	0.0	0.0	1.1	0.0	2.6	0.0	2.6	0.0
Finland	0.0	0.2	290.0	0.0	0.5	290.7	3.8	155.5	0.1	159.4	17.5
Latvia	5.4	56.3	0.2	0.0	0.0	61.9	8.1	40.2	0.0	48.3	0.0
Lithuania	3.0	33.7	0.3	0.0	0.0	37.0	13.9	17.1	0.2	31.2	0.0
Luxembourg	0.0	2.5	0.0	0.0	7.7	10.2	1.9	0.0	0.1	2.0	0.0
Netherlands	0.0	0.1	9.5	0.0	0.0	9.6	0.4	3.2	0.0	3.6	0.0
Other Western Europe	7.7	47.9	47.6	0.0	0.1	103.3	57.0	244.6	0.1	301.7	12.6
Other Eastern Europe	3.9	28.0	0.7	0.0	0.1	32.7	2.4	26.8	0.1	29.3	0.0
Other countries	59.8	0.2	8.6	0.0	418.7	487.3	0.3	833.4	303.4	1,137.1	1.7
	3,139.7	6,131.2	57,134.4	473.1	948.9	67,827.3	24,347.8	31,832.1	3,876.5	60,056.4	7,706.7

31.12.09	Cash and balances with central bank	Loans and advances to institutions	Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
Sweden	5.6	9.2	28.3	111.0	10.1	164.2	28,849.4	100.8	2,860.9	31,811.1	26.9
Estonia	5,233.5	109.4	61,380.7	347.3	713.0	67,783.9	191.5	28,206.8	1,103.1	29,501.4	7,876.0
United Kingdom	2.5	21.2	39.8	1.2	0.0	64.7	80.5	1,472.5	0.3	1,553.3	5.6
Russia	5.2	41.0	13.5	0.0	0.0	59.7	10.4	214.8	1.6	226.8	0.0
Germany	130.4	4,352.6	5.2	0.0	0.0	4,488.2	568.2	50.5	0.0	618.7	115.3
United States	12.3	45.1	17.8	12.9	0.2	88.3	2.5	241.5	0.1	244.1	0.2
Canada	1.2	0.1	0.0	0.0	0.0	1.3	3.7	10.6	0.0	14.3	0.0
Japan	0.7	0.0	0.0	0.0	0.0	0.7	0.0	1.1	0.0	1.1	0.0
Finland	0.0	0.7	290.3	3.4	0.5	294.9	2.6	120.9	0.2	123.7	17.5
Latvia	4.4	3.6	0.2	0.0	0.0	8.2	25.4	34.4	3.0	62.8	0.0
Lithuania	2.5	6.1	0.5	0.1	0.0	9.2	13.6	46.9	0.2	60.7	0.0
Luxembourg	0.0	15.9	0.0	0.0	0.0	15.9	1.9	0.0	0.0	1.9	0.0
Netherlands	0.0	0.1	9.7	0.0	0.1	9.9	0.0	3.2	0.1	3.3	0.0
Other Western Europe	7.0	16.4	43.2	0.0	0.3	66.9	35.4	628.9	0.2	664.5	12.6
Other Eastern Europe	3.0	7.4	0.6	0.0	0.2	11.2	0.6	30.0	0.4	31.0	1.6
Other countries	57.7	4.6	16.5	0.0	90.2	169.0	0.3	661.3	46.5	708.1	1.0
	5,466.0	4,633.4	61,846.3	475.9	814.6	73,236.2	29,786.0	31,824.2	4,016.6	65,626.8	8,056.7

Contingent liabilities in Note 9 and Note 10 includes guarantees and pledges, loan commitments, stand-by loans and other irrevocable transactions.

Securities in Note 9 and Note 10 includes Financial assets held for trading, Financial assets designated at fair value through profit or loss, Available-for-sale financial assets, Investments in associates.

Note 10**Concentration of financial assets and liabilities by economic sector**

(millions of EEK)

30.09.10	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
	Real estate	10,720.9	1.2
Finance	9,354.2	59.6	255.1
Industry	4,564.5	10.5	1,794.3
Trading	2,874.4	0.0	905.1
Energy, gas and steam plants	2,329.7	0.0	925.7
Transport	1,989.8	0.0	684.1
Government and state defence	1,716.3	0.7	281.2
Agriculture, fishing, forestry	1,435.4	0.0	176.4
Hotels, restaurants	985.7	0.0	6.5
Construction	858.8	0.0	935.0
Health services, social work	745.3	0.0	100.2
Administration and assistance	641.4	0.0	119.6
Information and telecommunication	465.3	7.1	85.3
Art, show business, leisure	463.1	0.0	32.0
Education	346.8	0.0	89.0
Professional, science and technical work	256.5	0.0	78.3
Water supply, canalisation, waste management	226.2	0.0	31.1
Mining	47.3	0.0	5.7
Exterritorial organisations	0.2	0.0	0.4
Other government & social services	351.1	15.1	56.0
Individuals	29,337.6	0.0	1,056.2
Derivatives	0.0	378.9	0.0
Allowances	-3,305.2	-	-
	66,405.3	473.1	7,706.7

31.12.09	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
	Real estate	11,212.3	1.2
Finance	10,184.8	52.0	316.3
Industry	4,481.3	16.9	1,467.3
Trading	3,900.4	20.6	868.8
Transport	3,013.1	0.0	301.3
Energy, gas and steam plants	2,545.0	0.0	1,842.2
Government and state defence	1,784.4	0.7	335.5
Agriculture, fishing, forestry	1,605.4	0.0	75.5
Construction	1,094.6	0.0	1,027.4
Hotels, restaurants	1,039.3	0.0	5.6
Health services, social work	822.0	0.0	105.6
Administration and assistance	595.2	0.0	96.3
Art, show business, leisure	539.2	0.0	32.3
Water supply, canalisation, waste management	335.6	0.0	50.7
Education	329.0	0.0	95.8
Professional, science and technical work	261.0	0.0	63.8
Information and telecommunication	244.3	15.1	88.8
Mining	135.8	0.0	5.5
Exterritorial organisations	0.1	0.0	0.5
Other government and social services	774.9	17.7	32.8
Individuals	30,104.5	0.0	1,115.3
Derivatives	0.0	351.7	0.0
Allowances	-3,056.5	-	-
	71,945.7	475.9	8,056.7

Note 11**Discontinued operations**

(millions of EEK)

The assets and liabilities related to AS SEB Elu- ja Pensionikindlustus and OÜ Estectus have been presented as discontinued operations following the approval of the Group's management on a proposal for the sale, respective decisions were made on December 2009. The sale of AS SEB Elu- ja Pensionikindlustus has been completed in January 2010 and sale of OÜ Estectus - in February 2010.

A) Assets classified as discontinued operations

	30.09.10	31.12.09
Loans and advances to credit institutions	0.0	54.8
Loans and advances to customers	0.0	2.3
Financial assets held for trading	0.0	9.7
Financial assets at fair value through profit or loss	0.0	1,050.4
Other assets	0.0	14.7
Property, plant and equipment	0.0	2.0
Investment properties	0.0	27.0
	0.0	1,160.9

B) Liabilities included in assets classified as discontinued operations

	30.09.10	31.12.09
Financial liabilities	0.0	626.4
Provisions	0.0	680.4
	0.0	1,306.8

C) Net profit from discontinued operations**Income from insurance activities**

	2010		2009	
	9 months	QIII	9 months	QIII
Net insurance premium revenue	0.0	0.0	142.2	52.2
Income from investments	0.0	0.0	39.7	19.8
Fee income from investment contracts	0.0	0.0	16.1	9.1
Other operating income	0.0	0.0	-1.6	-1.7
Net insurance claims and disbursements	0.0	0.0	-125.2	-48.5
Income from insurance activities	0.0	0.0	71.2	30.9
Personnel expenses	0.0	0.0	-14.3	-5.0
Other expenses	0.0	0.0	-7.1	-2.3
Depreciation, amortisation and impairment of tangible and intangible assets	0.0	0.0	-0.3	-0.1
Net profit from discontinued operations	0.0	0.0	49.5	23.5

Note 12**Related parties**

(millions of EEK)

	<u>30.09.10</u>	<u>31.12.09</u>
Loans and advances to members of management board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons	12.1	19.5
Contingent liabilities to members of management board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons (credit lines and commitments to extend credit)	-4.5	-5.4
Deposits of members of management board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons	-112.9	-178.7
Loans and advances to parent company	3,500.0	125.9
Due to parent company	-25,679.8	-31,726.6
incl. subordinated liabilities	-1,830.7	-2,613.0
Contingent assets and commitments to parent company	860.6	0.0
Contingent liabilities and commitments to parent company	-3.0	-3.0
Loans and advances to enterprises of parent company's consolidation group	2,398.0	4,383.5
Due to enterprises of parent company's consolidation group	-229.1	-59.1
Contingent assets and commitments to enterprises of parent company's consolidation group	138.8	259.9
Contingent liabilities and commitments to enterprises of parent company's consolidation group	0.0	-44.9

Interest rates of the loans given to related parties do not differ materially from interest rates of the loans to customers. Transactions with related parties have been based on market terms.

Related parties are:

- parent company;
- subsidiaries of parent company;
- associates of parent company;
- associates of the Group;
- members of Management Board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons.