



AS SEB Pank Group

Interim Report of Quarter III 2019

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	30/09/2019
Reporting period	1 January 2019 - 30 September 2019
Reporting currency	Euro (EUR), millions

3. General information

The 100% owner of AS SEB Pank is the publicly traded parent company Skandinaviska Enskilda Banken AB (publ), which is the parent company of SEB Group, provider of financial services. SEB Group is a leading Nordic financial services group. As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany, the bank's operations have a strong focus on corporate and investment banking based on a full-service offered corporate and institutional customers. Bank has presence in about 20 countries worldwide.

AS SEB Pank Group 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/ir. The present AS SEB Pank Group interim report is not audited.

Consolidated financial statements

1. Consolidated income statement

(millions of EUR)

	2019		2018	
	9 months	QIII	9 months	QIII
Net interest income	83.4	29.2	73.6	25.4
Net fee and commission income	37.8	12.7	36.1	12.5
Net financial income	3.2	1.3	4.9	1.3
Gains less losses from investment securities	4.1	0.6	0.5	1.0
Profit and loss from investments in associates	0.0	0.0	0.3	0.2
Other operating income	0.2	0.0	0.5	0.0
Net other income	4.3	0.6	1.3	1.2
Total operating income	128.7	43.8	115.9	40.4
Personnel expenses	-31.5	-10.4	-29.1	-9.6
Depreciation, amortization and impairment of tangible and intangible assets	-5.5	-1.9	-2.4	-0.8
Other expenses	-7.8	-2.5	-10.1	-3.3
Total operating expenses	-44.8	-14.8	-41.6	-13.7
Profit before credit losses	83.9	29.0	74.3	26.7
Net expected credit losses	2.8	0.4	-0.2	-0.7
Profit before income tax	86.7	29.4	74.1	26.0
Income tax expense	-10.1	-3.4	-17.5	0.0
Net profit for the year	76.6	26.0	56.6	26.0
Profit attributable to the sole equity holder	76.6	26.0	56.6	26.0

2. Consolidated statement of comprehensive income

(millions of EUR)

	2019		2018	
	9 months	QIII	9 months	QIII
Net profit for the year	76.6	26.0	56.6	26.0
Other comprehensive income for the year				
Items that may subsequently be reclassified to the income statement:				
Revaluation of available-for-sale financial assets	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	76.6	26.0	56.6	26.0
Sole equity holder of the parent entity (total)	76.6	26.0	56.6	26.0
Total comprehensive income from continued operations	76.6	26.0	56.6	26.0

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

	<u>30/09/2019</u>	<u>31/12/2018</u>
Assets		
Cash and balances with central bank	609.1	1 156.9
Loans to credit institutions	227.3	80.4
Loans to the public	5 561.4	5 153.3
Debt securities	156.7	109.7
Derivatives	8.1	6.6
Equity instruments	12.5	9.9
Investments in associates	1.4	1.4
Intangible assets	5.7	4.9
Property, plant and equipment	29.4	9.8
Other financial assets	8.3	12.3
Other non-financial assets	19.2	13.0
Total assets	6 639.1	6 558.2
Liabilities and equity		
Liabilities		
Deposits from central banks and credit institutions	1 072.0	1 022.0
Deposits and borrowings from the public	4 409.8	4 399.9
Derivatives	9.3	6.2
Current income tax liabilities	3.3	10.5
Provisions	3.0	5.8
Other financial liabilities	80.3	66.0
Other non-financial liabilities	15.8	14.2
Total liabilities	5 593.5	5 524.6
Equity		
Share capital	42.5	42.5
Share premium	86.3	86.3
Other reserves	19.4	19.4
Retained earnings	897.4	885.4
Total equity	1 045.6	1 033.6
Total liabilities and equity	6 639.1	6 558.2

4. Consolidated cash flow statement
(millions of EUR)

	2019 9 months	2018 9 months
Cash flow from operating activities	-257.0	-268.3
Cash flow from investment activities	-7.1	-4.9
Cash flow from financing activities	-63.0	-70.0
Net change in cash and cash equivalents	-327.1	-343.2
Cash and cash equivalents at the beginning of year	1 260.4	1 244.9
Net change in cash and cash equivalents	-327.1	-343.2
Cash and cash equivalents at the end of period	933.3	901.7

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

	Share capital	Share premium	Reserves	Retained profit	Total shareholders' equity
Balance at 31 December 2017	42.5	86.3	21.0	892.7	1 042.5
Effect of applying IFRS9 *	-	-	-1.6	-1.6	-3.2
Balance at 1 January 2018	42.5	86.3	19.4	891.1	1 039.3
Net profit	-	-	-	56.6	56.6
Total comprehensive income	-	-	-	56.6	56.6
Dividends	-	-	-	-70.0	-70.0
Other	-	-	-	0.1	0.1
Balance at 30 September 2018	42.5	86.3	19.4	877.8	1 026.0
Balance at 31 December 2018	42.5	86.3	19.4	885.4	1 033.6
Effect of applying IFRS16 **	-	-	-	-2.0	-2.0
Balance at 1 January 2019	42.5	86.3	19.4	883.4	1 031.6
Net profit	-	-	-	76.6	76.6
Total comprehensive income	-	-	-	76.6	76.6
Dividends	-	-	-	-63.0	-63.0
Other	-	-	-	0.4	0.4
Balance at 30 September 2019	42.5	86.3	19.4	897.4	1 045.6

*IFRS 9 Financial instruments is applied from 1 January 2018

**IFRS 16 Leases agreements are applied from 1 January 2019

Note 1

Accounting principles

The interim report condensed financial statements of AS SEB Pank Group for Quarter III 2019 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 2018, prepared in conformity with International Financial Reporting Standards (IFRS).

As of 1 January 2019 there are changes to the accounting principles from the application of IFRS 16 "Leases". Additional information about Group's adoption of IFRS 16 is described in the Annual Report 2018 note 1.24.2. "New Accounting Pronouncements" on page 40.

In all other material aspects, the Group's accounting principles, used in the interim report of AS SEB Pank Group for Quarter III 2019 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2018.

Note 2

Capital adequacy

The information about capital adequacy is presented on separate report "AS SEB Pank Group Capital Adequacy and Risk Management Report (Pillar 3) of quarter III 2019" on web page www.seb.ee.