

# AS SEB Pank Group

Interim Report of QII 2009



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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 II 2009 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 II 2009 is true and complete. Consolidated financial statements gives 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 II 2009 are not audited.

Ahti Asmann  
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	08.12.95
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	<a href="http://www.seb.ee">http://www.seb.ee</a>

### 2. Auditor

Audit company	AS PricewaterhouseCoopers
Registry code	10142876
Address	Pärnu Str. 15, 10141 Tallinn, Estonia
Report balance sheet date	30.06.2009
Reporting period	01.01.2009 - 30.06.2009
Report currency	Estonian kroon (EEK), millions

## II. Management Report

### 1. Credit institution's group as defined in Credit Institutions Law

#### 1.1. Consolidated group

30.06.09

Company name	Register	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 SEB Elu- ja Pensionikindlustus	10525330	21.01.99	Tallinn, Tornimäe 2	Life and pension insurance	100.0%	30.0
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
OÜ Estectus	10141919	23.04.97	Tallinn, Tornimäe 2	Real estate	100.0%	26.2
SEB IT Partner Estonia OÜ**	10002566	20.11.95	Tallinn, Liimi 1B	IT consulting, programming	35.0%	0.3
AS Sertifitseerimiskeskus**	10747013	27.03.01	Tallinn, Pärnu mnt 12	Data communication services	25.0%	15.0
OÜ TietoEnator Support **	11065244	30.08.04	Tallinn, Roosikrantsi 11	IT consulting, programming	20.0%	0.6

154.5

All enterprises registered in Estonian Commercial Register.

\* 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.

Parent company of the Group is AS SEB Pank, it's activity being banking (information on page 3).

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 found 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 objects by articles in public interests.

## **1.2. Changes in the consolidated group during the accounting period and plans for year 2009**

In January 2009 ownership in AS Bangalo decreased by 42,0 EEK mio.

The name of OÜ Strongler was changed to OÜ Estectus in February.

No such events or trends have occurred by the time of publishing the report, which would affect the financial strategy of the group in 2009.

## **2. Key events in QII**

The activity of clients remained stable in almost all business areas in comparison to the first quarter of 2009 whilst SEB has improved its position in the area of everyday banking. The payment packages of SEB have been well received by clients, which is evident in the 2% increase in term deposits and 1.7% increase in the market share of debit cards over the last year.

More and more private clients are protecting their new loans with loan payment insurance. 70 per cent of new mortgage loans and 40 of consumer loans are covered with insurance.

Overall loan activity has stabilised on the pre-loan boom level, which can be considered an adequate level in the current economic conditions.

All SEB branches have also been offering leasing products since 1 June. Clients who have both leasing and loan products used to have to communicate with two different contact persons in the bank, but now they can discuss leasing and banking services with the same client executive, who can help the client in all issues.

SEB created the technical options at its branches that allowed people to vote electronically in the European Parliament elections from 28 May to 3 June when visiting the bank's branches.

The business competition for young people – Ajujaht 2009 – that is sponsored by SEB was won by the business idea for an innovative fish-growing system. The one-million-kroon prize fund of the competition was distributed between the eight business ideas that made it to the final and special award winners. The winner of Ajujaht GrowFish won 235,000 kroons as a result of the jury's votes. The winner of Ajujaht is planning to manufacture a wireless system for fish farms that allows them to make the organisation and monitoring of their activities easier. The new Ajujaht competition will start in September.

SEB opened a new branch in the Rocca al Mare Shopping Centre on 7 May. The new SEB branch in the Rocca al Mare Shopping Centre offers all banking services: clients can

conclude all banking transactions, sign contracts, conclude cash transactions, use the internet bank, ATMs and cash deposit terminals. The new branch also offers investment and loan advice to private and corporate clients at the branch.

The international Trade Finance Magazine named SEB the best financier of foreign trade in the Nordica and Baltic region. Trade Finance Magazine conducts annual surveys of companies in different regions that are active in the area of foreign trade. The companies assessed the banks selected by them by answering the questions sent by Trade Finance Magazine. The Nordic Countries and the Baltic States were regarded as a single region for the first time and SEB emerged as the best financier of foreign trade in said region on the basis of the survey results.

On 2 June 2009, SEB announced that it is reducing its second pension pillar fund management charges. SEB will reduce the management fee of the SEB Conservative Pension Fund from 1.20 per cent to 0.95 per cent from 1 January 2010. SEB will transfer to the volume-based management charges stipulated by law in the case of all second pension pillar funds.

SEB has been offering a pension contract for payouts to its second pension pillar clients from 8 June 2009, which assigns SEB the obligation to make the agreed pension payments to the pensioner until the end of their life.

The more than 801 900 clients of the SEB Group are served by 1516 employees. Clients are served through different channels such as 58 branches, 219 online post offices, 349 ATMs and 6374 POS terminals. There are more than 495 000 debit and credit cards in use. More than 69 per cent of clients also use the services of U-Net and U-Net Business.

**3. Capital adequacy**

(millions of EEK)

	<b>30.06.09</b>	<b>31.12.08</b>
<b>CAPITAL BASE</b>		
Paid-in share capital	665.6	665.6
Premium	1,346.6	1,346.6
General banking reserves	306.0	304.9
Retained earnings / loss	6,426.6	5,571.0
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-3.9	-3.7
Intangibles	-9.8	-390.5
Loss for the period (group without life insurance)	-564.6	0.0
Audited profit for the period (group without life insurance)	0.0	856.8
<b>Total primary own funds</b>	<b>8,166.5</b>	<b>8,350.7</b>
Subordinated debt	2,613.0	2,613.0
Available for sale financial instruments	-3.7	-2.5
Unrealised part of profit on shares of subsidiaries and associated companies	1.8	1.7
Allowances and adjustments exceeding expected loss	0.0	0.5
<b>Total supplementary own funds</b>	<b>2,611.1</b>	<b>2,612.7</b>
Majority holding in other credit and financial institutions	1.6	3.6
Majority holding in insurers	30.0	30.0
Expected loss (if standard method, then =0)	71.9	0.0
<b>Total deductions</b>	<b>103.5</b>	<b>33.6</b>
<b>Total third level own funds</b>	<b>-</b>	<b>-</b>
Primary own funds after deductions	8,114.8	8,333.9
Supplementary own funds included in calculation of capital adequacy	2,559.3	2,595.9
<b>Own funds included in calculation of capital adequacy</b>	<b>10,674.1</b>	<b>10,929.8</b>
<b>CAPITAL REQUIREMENTS</b>		
Central government and central banks with standardised approach	23.4	22.4
Municipalities and regions with standardised approach	92.3	90.2
State agencies, non-profit institutions and associations with standardised approach	2.2	2.0
Retail claims with standardised approach	259.9	289.2
Overdue claims with standardised approach	13.0	3.9
Shares of investment funds with standardised approach	5.6	5.4
Other assets with standardised approach	56.6	91.3
Credit institutions, investment firms and municipalities with IRB	18.3	20.4
Other companies with IRB	2,788.5	2,816.1
Retail claims with IRB	799.1	715.5
<b>Total capital requirements for covering the credit risk and counterparty credit risk</b>	<b>4,058.9</b>	<b>4,056.4</b>
Capital requirement for covering interest position risk	25.5	19.2
Capital requirement for covering equity position risk	0.3	0.6
AMA of operational risk	132.8	145.8
<b>Capital requirements total</b>	<b>4,217.5</b>	<b>4,222.0</b>
Transition period floor of own funds if using IRB	5,389.9	6,510.8
<b>Capital requirements for calculating capital adequacy</b>	<b>5,389.9</b>	<b>6,510.8</b>

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



**CAPITAL RATIOS**

	<u>30.06.09</u>	<u>31.12.08</u>
Capital adequacy (%)	19.80	16.79
Tier 1 Capital Ratio (%)	15.06	12.80
Tier 2 Capital Ratio (%)	4.74	3.99

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


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AS SEB Pank  
AS SEB Liising  
AS SEB Varahaldus  
AS Bangalo  
AS SEB Enskilda  
OÜ Estectus

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


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AS SEB Elu- ja Pensionikindlustus

In Estonia the Basel II capital adequacy rules are in effect from 1 January 2007. Basel II is capital adequacy framework which aims to converge regulative capital to the actual capital need of the bank according to its risk profile. Capital requirements for credit risk are reflecting the actual risk better than the previous rules, capital requirements for operational risk are introduced and the risk management and internal capital assessment of banks are subject to stricter scrutiny by the supervisors. In period 01.01.2008 - 30.06.2008 SEB Pank Group used standard method for calculation of credit risk and market risk and base method for calculating operational risk. From July 1, 2008, after respective permissions were granted by the supervisors, SEB Pank Group started to use the internal ratings based approach for reporting of credit risk and advanced approach for reporting of operational risk under Basel II.

**4. Risk concentration**

	30.06.09	31.12.08	30.06.08
Total claims against persons associated with the credit institution's consolidation group, EEKmio	19.4	15.7	15.2
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.18	0.14	0.15
Total of large exposure claims, EEKmio	2,349.1	2,378.9	2,368.8
The share of large exposure claims in net own funds, %	21.86	21.77	23.51
Number of large exposure customers, pcs	2	2	2

**3. Key Figures**

	30.06.09	31.12.08	30.06.08
Net profit / loss, EEKmio	-541.8	766.4	311.9
Average equity, EEKmio	8,559.7	8,457.8	8,237.4
Return on equity (ROE), %	-12.66	9.06	7.57
Average assets, EEKmio	81,842.6	86,625.7	87,427.7
Return on assets (ROA), %	-1.32	0.88	0.71
Net interest income (excl. off-balance sheet transactions), EEKmio	730.8	1,873.3	902.3
Average interest earning assets, EEKmio	78,934.3	81,912.7	81,616.4
Net interest margin (NIM), %	1.85	2.29	2.21
SPREAD, %	1.50	1.86	1.80
Cost / Income ratio, %	83.5	43.0	41.1
Impaired NPL / gross portfolio, %	4.40	2.35	1.64

**Explanations**

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

Average equity = (equity of actual period end+ equity of previous year end) / 2

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

Average assets = (assets of actual period end+ assets of previous year end) / 2

Net interest margin (NIM) = Net interest income (excl. off-balance sheet transactions) / Average interest earning assets \* 100

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

Cost of interest bearing liabilities = Interest expenses (excl. off-balance sheet transactions) / Average interest bearing liabilities \*100

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

Impaired NPL / gross portfolio = Impaired, non-performing loans, gross / Loans and advances to customers without allowances for doubtful debt \* 100

**Interest earning assets:**

Balances with central bank

Loans and advances to credit institutions

Loans and advances to customers (Financial assets held for trading + Financial assets at fair value through profit or loss + Available-for-sale financial assets) excl. shares and fund participations

(all without accrued interests)

**Interest bearing liabilities:**

Due to credit institutions

Due to customers

Loan funds

Issued securities

Subordinated loans

(all without accrued interests)

**Total Operating Expenses:**

Personnel expenses

Other expenses

Depreciation, amortization 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 Accounts

#### 1. Consolidated Balance Sheet

(millions of EEK)

	<b>30.06.09</b>	<b>31.12.08</b>
<b>ASSETS</b>		
Cash	636.2	712.1
Balances with central bank	4,864.5	5,739.4
Loans and advances to credit institutions	5,022.9	6,026.6
Loans and advances to customers	65,788.6	69,619.0
Financial assets held for trading	326.8	399.2
Financial assets at fair value through profit or loss	886.8	1,043.3
Available-for-sale financial assets	184.1	412.4
Other assets	726.7	598.1
Deferred income tax assets	0.0	0.0
Investments in associates	9.6	9.2
Intangible assets	9.8	390.5
Property plant and equipment	132.7	146.6
<b>TOTAL ASSETS</b>	<b>78,588.7</b>	<b>85,096.4</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Due to credit institutions	31,465.6	35,776.4
Due to customers	33,359.2	35,006.2
Lending funds	178.2	129.9
Other liabilities	1,660.9	1,516.2
Deferred income tax liabilities	0.0	0.0
Issued debt securities	0.0	106.1
Financial liabilities at fair value through profit or loss	377.4	497.6
Provisions	643.3	611.2
Subordinated loans	2,616.7	2,620.9
<b>Total Liabilities</b>	<b>70,301.3</b>	<b>76,264.5</b>
Share capital	665.6	665.6
Share premium	1,346.6	1,346.6
Other reserves	317.4	318.9
Translation reserve	0.0	0.0
Retained earnings	5,957.8	6,500.8
<b>Total shareholders' equity</b>	<b>8,287.4</b>	<b>8,831.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>78,588.7</b>	<b>85,096.4</b>

## 2. Consolidated Income Statement

(millions of EEK)

	Note	2009		2008	
		6 months	QII	6 months	QII
Interest and similar income	6	1,841.9	805.0	2,480.3	1,238.5
Interest expenses and similar charges	7	-1,111.1	-466.3	-1,578.0	-792.6
Net Interest Income		730.8	338.7	902.3	445.9
Fee and commission income	8	389.7	203.0	578.9	304.7
Fee and commission expense	9	-119.8	-60.4	-168.3	-86.5
Net fee and commission income		269.9	142.6	410.6	218.2
Net income from foreign exchange		54.6	26.6	67.6	29.1
Gains less losses from financial assets at fair value through profit or loss		-1.5	-5.9	-27.0	-6.9
Income from insurance activities		40.3	20.2	4.9	18.4
Income from dividends		0.0	-0.1	0.0	0.0
Gains less losses from investment securities		5.8	0.0	148.5	148.5
Share of profit of associates		0.4	1.1	1.8	0.0
Other income		6.3	2.9	3.2	2.0
Personnel expenses		-329.8	-153.1	-344.1	-153.3
Other expenses		-184.7	-97.6	-206.4	-108.8
Depreciation, amortization and impairment of tangible and intangible assets		-411.0	-394.8	-32.1	-15.6
<b>Profit before impairment losses on loans and advances</b>		<b>181.1</b>	<b>-119.4</b>	<b>929.3</b>	<b>577.5</b>
Impairment losses on loans and advances	10	-722.9	-432.4	-613.8	-320.8
<b>Profit before income tax</b>		<b>-541.8</b>	<b>-551.8</b>	<b>315.5</b>	<b>256.7</b>
Income tax		0.0	0.0	-3.6	-1.7
<b>Net profit</b>		<b>-541.8</b>	<b>-551.8</b>	<b>311.9</b>	<b>255.0</b>

### Statement of comprehensive income

	2009		2008	
	6 months	QII	6 months	QII
Net profit	-541.8	-551.8	311.9	255.0
<b>Other comprehensive income</b>				
Revaluation of available-for-sale financial assets	-2.7	20.4	-3.1	0.3
Translation reserve	0.0	0.0	0.8	2.1
<b>Total other comprehensive income</b>	<b>-2.7</b>	<b>20.4</b>	<b>-2.3</b>	<b>2.4</b>
<b>Total comprehensive income</b>	<b>-544.5</b>	<b>-531.4</b>	<b>309.6</b>	<b>257.4</b>

### 3. Consolidated Cash Flow Statement

(millions of EEK)

	<b>2009</b>	<b>2008</b>
	<b>6 months</b>	<b>6 months</b>
<b>I. Cash flows from operating activities</b>		
Interest received	1,659.5	2,178.0
Interest paid	-793.9	-1,096.7
Fee and commission received	389.7	578.9
Net trading income and other operating income	70.0	-11.5
Personnel expenses and other operating expenses	-477.0	-598.0
Income taxes paid	0.0	-3.6
Revaluation adjustments	-5.9	-10.9
<b>Cash flows from operating profits before changes in the operating assets and liabilities</b>	<b>842.4</b>	<b>1,036.2</b>
<b>Changes in operating assets:</b>		
Loans and advances to credit institutions	-78.1	645.1
Loans and advances to customers	2,895.2	-219.3
Other assets	485.9	514.1
<b>Changes of operating liabilities:</b>		
Due to credit institutions	-3,879.1	-388.7
Due to customers	-1,616.9	-830.6
Lending funds	48.2	-19.7
Other liabilities	-728.6	-897.4
<b>Cash flow from operating activities</b>	<b>-2,031.0</b>	<b>-160.3</b>
<b>II. Cash flows from investing activities</b>		
Net increase-/decrease+ of investment portfolio securities	387.6	235.0
Proceeds from sale and liquidation of associates	5.4	46.2
Purchase of investment properties, tangible and intangible assets	-17.5	-35.0
Proceeds from sale of investment properties, tangible and intangible assets	1.1	2.0
<b>Cash flow from investing activities</b>	<b>376.6</b>	<b>248.2</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from debt securities (issuing)	0.0	229.9
Repurchasing of debt securities	-100.8	-331.3
<b>Cash flow from financing activities</b>	<b>-100.8</b>	<b>-101.4</b>
<b>Net increase in cash and cash equivalents</b>	<b>-1,755.2</b>	<b>-13.5</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,153.1</b>	<b>10,219.9</b>
Effect of exchange rate changes on cash and cash equivalents	-2.8	-10.2
<b>Cash and cash equivalents at end of period</b>	<b>10,395.1</b>	<b>10,196.2</b>
<b>Cash and cash equivalents includes:</b>		
Cash on hand	636.2	660.3
Balances with the central bank	4,863.5	3,824.6
Liquid deposits in other credit institutions	4,893.0	5,518.9
Trading portfolio	2.4	192.4
	<b>10,395.1</b>	<b>10,196.2</b>

**4. Changes in Consolidated Shareholders' Equity**

(millions of EEK)

	<b>Paid up capital</b>	<b>Share premium</b>	<b>Reserves</b>	<b>Translation differences</b>	<b>Retained profit</b>	<b>Total shareholders' equity</b>
Year beginning 01.01.2008	<b>665.6</b>	<b>1,346.6</b>	<b>332.9</b>	<b>-0.8</b>	<b>5,739.3</b>	<b>8,083.6</b>
Statutory reserve	0.0	0.0	2.9	0.0	-2.9	<b>0.0</b>
Profit for the year	0.0	0.0	0.0	0.0	311.9	<b>311.9</b>
Other comprehensive income:						
Net change in available for sale financial assets	0.0	0.0	-3.1	0.0	-2.0	<b>-5.1</b>
Currency translation differences	0.0	0.0	0.0	0.8	0.0	<b>0.8</b>
Total other comprehensive income	0.0	0.0	-3.1	0.8	-2.0	<b>-4.3</b>
Final balance 30.06.2008	<b>665.6</b>	<b>1,346.6</b>	<b>332.7</b>	<b>0.0</b>	<b>6,046.3</b>	<b>8,391.2</b>
Year beginning 01.01.2009	<b>665.6</b>	<b>1,346.6</b>	<b>318.9</b>	<b>0.0</b>	<b>6,500.8</b>	<b>8,831.9</b>
Statutory reserve	0.0	0.0	1.2	0.0	-1.2	<b>0.0</b>
Profit for the year	0.0	0.0	0.0	0.0	-541.8	<b>-541.8</b>
Other comprehensive income:						
Net change in available for sale financial assets	0.0	0.0	-2.7	0.0	0.0	<b>-2.7</b>
Total other comprehensive income	0.0	0.0	-2.7	0.0	0.0	<b>-2.7</b>
Final balance 30.06.2009	<b>665.6</b>	<b>1,346.6</b>	<b>317.4</b>	<b>0.0</b>	<b>5,957.8</b>	<b>8,287.4</b>

**5. Contingent assets and liabilities and commitments**

(millions of EEK)

30.06.09	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>971.3</b>	<b>8,192.1</b>	-	-
1.1. Guarantees and pledges	685.0	3,863.3	-	-
<i>incl. financial guarantees</i>	625.9	1,490.9	-	-
1.2. Loan commitments	286.3	4,328.8	-	-
<b>2. Derivatives</b>	<b>13,733.0</b>	<b>13,699.9</b>	<b>324.4</b>	<b>370.0</b>
2.1. Currency related derivatives	7,109.8	7,128.1	41.3	58.9
2.2. Interest related derivatives	5,488.9	5,487.0	238.1	246.1
2.3. Equity related derivatives*	1,134.3	1,084.8	44.9	64.9
	<b>14,704.3</b>	<b>21,892.0</b>	<b>324.4</b>	<b>370.0</b>
<hr/>				
31.12.08	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>926.6</b>	<b>10,088.9</b>	-	-
1.1. Guarantees and pledges	640.3	4,280.5	-	-
<i>incl. financial guarantees</i>	625.9	1,624.9	-	-
1.2. Loan commitments	286.3	5,807.4	-	-
1.3. Other off-balance sheet commitments	0.0	1.0	-	-
<b>2. Derivatives</b>	<b>11,258.3</b>	<b>11,250.1</b>	<b>383.4</b>	<b>489.4</b>
2.1. Currency related derivatives	5,422.0	5,509.7	68.1	152.4
2.2. Interest related derivatives	4,215.6	4,223.3	275.2	275.2
2.3. Equity related derivatives*	1,620.7	1,517.1	40.1	61.8
	<b>12,184.9</b>	<b>21,339.0</b>	<b>383.4</b>	<b>489.4</b>

\* 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 QII 2009 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 QII 2009 are in conformity with the accounting principles, used in the annual report for the year ended on 31 December 2008.

Comprehensive income statement is presented separately according to the change of IAS 1 „Presentation for Financial Statements“, which is effective for reporting periods since 1.01.2009. Comprehensive income statements include non-owner changes in equity, such as the revaluation of available-for-sale financial assets. The changed presentation have no impact on the recognition or measurement of specific transactions and balances.

Segment analysis according to IFRS 8 is not described because AS SEB Pank has no any class of debt or equity instruments in a public market since 16.06.2009.

**Note 2****Geographic concentration of financial assets and liabilities**

(millions of EEK)

	Cash and balances with central bank	Loans and advances to credit institu- tions	Loans and advances to custo- mers	Securi- ties	Other assets	Total assets	Due to credit institu- tions	Due to custo- mers	Other liabilities	Total liabilities	Contingent liabilities
<b>30.06.09</b>											
Sweden	3.9	20.0	31.7	132.5	4.4	192.5	30,643.6	98.4	2,856.6	33,598.6	4,506.1
Estonia	5,293.7	163.9	65,300.2	659.3	633.3	72,050.4	146.2	29,258.1	2,472.6	31,876.9	17,161.7
United Kingdom	2.3	78.7	40.3	111.5	0.1	232.9	69.7	1,649.3	0.1	1,719.1	5.8
Russia	2.9	16.0	17.1	14.2	0.0	50.2	8.7	250.0	0.2	258.9	2.2
Germany	92.5	4,674.7	9.3	38.9	0.4	4,815.8	512.2	43.9	0.1	556.2	111.6
United States	13.0	26.0	19.3	21.5	0.1	79.9	6.5	321.0	0.0	327.5	0.3
Canada	1.3	0.3	0.0	0.0	0.0	1.6	0.2	14.7	0.0	14.9	0.0
Japan	0.6	0.1	0.0	2.1	0.0	2.8	0.0	2.4	0.0	2.4	0.0
Finland	0.0	0.3	291.3	54.3	0.0	345.9	8.1	121.2	0.3	129.6	17.6
Latvia	4.5	8.5	0.2	0.1	0.0	13.3	31.9	8.4	0.0	40.3	0.1
Lithuania	2.9	5.4	0.4	1.7	0.0	10.4	11.9	9.1	0.1	21.1	4.7
Luxembourg	0.0	12.8	0.0	162.4	6.4	181.6	3.7	0.0	4.6	8.3	0.0
Netherlands	0.0	0.9	9.9	73.3	0.0	84.1	0.0	3.9	0.0	3.9	0.1
Other Western Europe	5.4	4.8	44.4	117.8	0.4	172.8	17.8	715.8	0.5	734.1	69.5
Other Eastern Europe	3.1	10.0	0.6	3.6	0.0	17.3	4.7	32.3	0.4	37.4	0.0
Other countries	74.6	0.5	23.9	14.1	224.1	337.2	0.4	830.7	141.0	972.1	12.3
	<b>5,500.7</b>	<b>5,022.9</b>	<b>65,788.6</b>	<b>1,407.3</b>	<b>869.2</b>	<b>78,588.7</b>	<b>31,465.6</b>	<b>33,359.2</b>	<b>5,476.5</b>	<b>70,301.3</b>	<b>21,892.0</b>

	Cash and balances with central bank	Loans and advances to credit institu- tions	Loans and advances to custo- mers	Securi- ties	Other assets	Total assets	Due to credit institu- tions	Due to custo- mers	Other liabilities	Total liabilities	Contingent liabilities
<b>31.12.08</b>											
Sweden	6.1	469.3	34.9	192.6	0.0	702.9	34,740.9	176.0	2,712.2	37,629.1	2,676.5
Estonia	6,280.7	1.2	69,055.6	934.6	1,058.6	77,330.7	285.5	30,965.4	2,552.6	33,803.5	18,194.6
United Kingdom	1.9	4.7	41.9	44.3	0.0	92.8	32.2	1,587.4	0.6	1,620.2	61.8
Russia	2.5	122.8	17.5	50.7	0.0	193.5	29.3	268.1	0.2	297.6	1.8
Germany	64.8	5,344.0	48.4	53.5	0.0	5,510.7	542.1	24.1	0.2	566.4	89.6
United States	15.1	50.3	24.5	18.4	0.3	108.6	5.5	431.0	0.1	436.6	1.5
Canada	0.6	0.3	0.0	0.0	0.1	1.0	0.7	34.7	0.0	35.4	0.0
Japan	0.7	1.7	0.0	2.1	0.1	4.6	0.0	1.9	0.0	1.9	0.0
Finland	0.0	0.5	294.5	131.4	0.0	426.4	4.0	116.6	0.3	120.9	281.3
Latvia	4.1	11.5	0.3	20.6	0.0	36.5	31.3	36.2	0.0	67.5	10.2
Lithuania	2.4	0.8	0.7	18.2	0.2	22.3	16.0	9.8	0.8	26.6	2.8
Luxembourg	0.0	2.0	9.7	145.6	6.2	163.5	2.4	0.2	3.2	5.8	0.0
Netherlands	0.0	0.3	10.0	39.0	0.0	49.3	0.0	5.0	0.0	5.0	0.1
Other Western Europe	6.8	10.6	45.7	161.5	0.1	224.7	23.5	645.2	0.3	669.0	16.4
Other Eastern Europe	2.9	5.3	0.6	28.9	0.2	37.9	60.2	24.8	1.8	86.8	0.0
Other countries	62.9	1.3	34.7	22.7	69.4	191.0	2.8	679.8	209.6	892.2	2.4
	<b>6,451.5</b>	<b>6,026.6</b>	<b>69,619.0</b>	<b>1,864.1</b>	<b>1,135.2</b>	<b>85,096.4</b>	<b>35,776.4</b>	<b>35,006.2</b>	<b>5,481.9</b>	<b>76,264.5</b>	<b>21,339.0</b>

Contingent liabilities in Note 2 and Note 3 includes guarantees and pledges, loan commitments, forwards, swaps, options, spots, interest rate based derivatives, revocable transactions, stand by loans, other revocable transactions, options of structured products and are presented in contract amount of contingent liabilities.

Securities in Note 2 and Note 3 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 3****Concentration of financial assets and liabilities by economic sector**

(millions of EEK)

30.06.09	In balance sheet		
	Cash and loans to central bank, credit institutions and customers		Contingent liabilities
		Securities	
Real estate	11,433.0	566.2	2,453.5
Finance	10,540.5	127.8	6,158.6
Industry	5,129.3	38.8	1,940.4
Trading	4,517.5	43.0	1,855.1
Transport	3,437.6	0.0	2,120.9
Energy, gas and steam plants	2,036.7	0.0	1,341.8
Agriculture, fishing, forestry	1,805.3	4.6	65.6
Government and state defence	1,768.1	1.1	493.5
Construction	1,207.3	14.1	1,665.3
Hotels, restaurants	1,165.7	3.1	183.4
Health services, social work	900.0	3.1	95.1
Administration and assistance	675.6	45.3	300.1
Art, showbusiness, leisure	560.4	14.6	132.2
Education	457.3	0.0	68.7
Water supply, canalization, waste management	316.8	0.0	307.2
Professional, science and technical work	285.1	0.0	95.8
Information and telecommunication	284.2	15.3	89.0
Mining	144.0	9.4	2.6
Exterritorial organisations	0.1	1.7	0.5
Other government & social services	942.7	191.7	253.8
Individuals	30,488.6	3.1	2,268.9
Derivatives	0.0	324.4	0.0
Allowances	-1,783.6	-	-
	<b>76,312.2</b>	<b>1,407.3</b>	<b>21,892.0</b>

	<b>In balance sheet</b>		
	<b>Cash and loans to central bank, credit institutions and customers</b>		<b>Contingent liabilities</b>
		<b>Securities</b>	
<b>31.12.08</b>			
Finance	12,496.2	260.5	4,979.5
Real estate	11,502.3	597.1	2,578.1
Industry	5,628.6	48.3	1,570.9
Trading	5,123.6	138.6	2,824.3
Transport	3,860.1	35.8	1,378.8
Energy, gas and steam plants	2,353.6	0.0	1,375.9
Agriculture, fishing, forestry	2,043.7	4.4	102.9
Government and state defence	1,769.2	3.7	381.1
Construction	1,389.0	47.4	1,816.3
Hotels, restaurants	1,208.8	6.4	194.5
Health services, social work	935.1	12.1	110.0
Administration and assistance	840.7	34.9	206.3
Art, showbusiness, leisure	580.7	40.5	322.8
Professional, science and technical work	351.2	0.0	87.6
Water supply, canalization, waste management	339.5	0.0	90.2
Information and telecommunication	315.0	41.4	106.2
Education	286.6	0.0	252.5
Mining	58.4	11.6	4.6
Exterritorial organisations	0.1	2.3	0.5
Other government & social services	973.1	192.9	63.8
Individuals	31,135.5	2.8	2,892.2
Derivatives	0.0	383.4	0.0
Allowances	-1,093.9	-	-
	<b>82,097.1</b>	<b>1,864.1</b>	<b>21,339.0</b>

**Note 4****Overdue**

By overdue maturity  
(millions of EEK)

**30.06.09**

Loans

Other

**Total**

	< 30 days	30 < 60 days	over 60 days	Total
Loans	2,482.9	837.4	4,045.4	7,365.7
Other	0.0	0.9	1.7	2.6
<b>Total</b>	<b>2,482.9</b>	<b>838.3</b>	<b>4,047.1</b>	<b>7,368.3</b>

**31.12.08**

Loans

Other

**Total**

	< 30 days	30 < 60 days	over 60 days	Total
Loans	2,908.7	743.8	2,209.0	5,861.5
Other	0.0	0.9	1.9	2.8
<b>Total</b>	<b>2,908.7</b>	<b>744.7</b>	<b>2,210.9</b>	<b>5,864.3</b>

The tables indicates the balance (brutto) of overdue claims.

**Note 5****Allowances on loans and advances**

(millions of EEK)

**At January, 1**

Loan provisions

Reversals of provisions

Loans and advances written off

Exchange rate adjustments

**At June, 30**

Recoveries from write-offs

	<b>30.06.09</b>	<b>31.12.08</b>
<b>At January, 1</b>	<b>1093.9</b>	<b>345.9</b>
Loan provisions	826	962
Reversals of provisions	-132.4	-200
Loans and advances written off	-3.9	-16.8
Exchange rate adjustments	0	2.8
<b>At June, 30</b>	<b>1,783.6</b>	<b>1,093.9</b>

1.5      8.2

**Note 6****Interest and similar income**

(millions of EEK)

Loans

Leasing

Deposits with other banks

Fixed income securities

Other

	<b>2009</b>		<b>2008</b>	
	<b>6 months</b>	<b>QII</b>	<b>6 months</b>	<b>QII</b>
Loans	1,550.3	680.9	1,975.3	991.5
Leasing	258.6	114.2	412.4	199.0
Deposits with other banks	19.6	5.9	88.4	45.2
Fixed income securities	13.4	4.0	4.2	2.8
Other	0.0	0.0	0.0	0.0
<b>Total</b>	<b>1,841.9</b>	<b>805.0</b>	<b>2,480.3</b>	<b>1,238.5</b>

**Note 7****Interest expenses and similar charges**

(millions of EEK)

Credit institutions

Time and other saving deposits

Demand deposits

Subordinated debts

Issued bonds

Loan funds

Other

	<b>2009</b>		<b>2008</b>	
	<b>6 months</b>	<b>QII</b>	<b>6 months</b>	<b>QII</b>
Credit institutions	-583.8	-226.8	-854.8	-428.5
Time and other saving deposits	-316.3	-142.2	-326.3	-167.0
Demand deposits	-154.7	-72.4	-301.9	-147.5
Subordinated debts	-50.7	-22.2	-72.6	-36.4
Issued bonds	-2.5	-1.2	-19.4	-10.3
Loan funds	-2.9	-1.5	-2.9	-2.9
Other	-0.2	0.0	-0.1	0.0
<b>Total</b>	<b>-1,111.1</b>	<b>-466.3</b>	<b>-1,578.0</b>	<b>-792.6</b>

**Note 8****Fee and commission income**

(millions of EEK)

	2009		2008	
	6 months	QII	6 months	QII
Credit and payment cards	151.8	76.5	196.0	101.1
Securities market services	71.0	39.2	108.2	51.7
Credit contracts*	31.3	16.8	95.9	51.2
Transaction fees	57.4	30.1	64.3	33.6
Non-life insurance brokerage fees	20.1	10.1	24.2	13.2
Corporate Finance fees	0.4	0.3	32.1	25.9
Income from leasing agreements (full service)	18.7	9.0	23.9	9.9
Other	12.7	7.2	13.0	7.1
Income from electronic channels	8.5	4.4	8.6	4.5
Cash handling fees	6.4	3.3	6.6	3.4
Other settlement fees	11.4	6.1	6.1	3.1
	<b>389.7</b>	<b>203.0</b>	<b>578.9</b>	<b>304.7</b>

\*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 9****Fee and commission expense**

(millions of EEK)

	2009		2008	
	6 months	QII	6 months	QII
Credit and payment cards	-59.5	-30.2	-92.8	-48.9
Securities market	-9.7	-4.4	-20.6	-10.4
Expenses to leasing agreements (full service)	-14.1	-7.2	-18.6	-7.6
Cash collecting fees	-13.5	-6.8	-12.7	-6.6
Transaction fees	-9.1	-4.6	-9.1	-4.6
Other	-7.2	-3.9	-8.0	-4.6
Expenses of electronic channels	-6.7	-3.4	-6.0	-3.3
Corporate Finance fees	0.0	0.1	-0.5	-0.5
	<b>-119.8</b>	<b>-60.4</b>	<b>-168.3</b>	<b>-86.5</b>

**Note 10****Impairment losses on loans and advances**

(millions of EEK)

	2009		2008	
	6 months	QII	6 months	QII
<b>Allowances for advances to customers</b>	<b>-701.5</b>	<b>-420.7</b>	<b>-614.0</b>	<b>-319.2</b>
new loan allowances	-835.4	-521.6	-758.4	-388.1
recoveries from write-offs	1.5	0.4	2.6	1.3
reversals of allowances	132.4	100.5	141.8	67.6
<b>Assets held for sale</b>	<b>-21.4</b>	<b>-11.7</b>	<b>0.2</b>	<b>-1.6</b>
reappraisal	-16.0	-6.8	-1.2	-2.2
realized gains / losses	-5.4	-4.9	1.4	0.6
	<b>-722.9</b>	<b>-432.4</b>	<b>-613.8</b>	<b>-320.8</b>

**Note 11****Related parties**

(millions of EEK)

	<b>30.06.09</b>	<b>31.12.08</b>
Loans 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.	16.3	15.3
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).	-3.1	-0.4
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.	-3.3	-6.5
Loans to parent company	112.0	581.6
Due to parent company	-33,514.0	-37,741.7
incl. subordinated liabilities	-2,613.0	-2,613.0
Contingent assets and commitments to parent company	586.0	652.2
Contingent liabilities and commitments to parent company	0.0	0.0
Loans to enterprises of parent company's consolidation group	4,733.0	5,376.9
Due to enterprises of parent company's consolidation group	-59.0	-68.9
Contingent assets and commitments to enterprises of parent company's consolidation group	291.0	152.4
Contingent liabilities and commitments to enterprises of parent company's consolidation group	-8.0	-2.2

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.