

AS SEB Pank Group

Interim Report of Quarter IV 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 IV 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 IV 2009 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 IV 2009 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	31.12.2009
Reporting period	01.01.2009 - 31.12.2009
Reporting currency	Estonian kroon (EEK), millions

II. Management Report

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

1.1. Consolidated group

31.12.09

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 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 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.

**** Investments to be disposed in 2010.

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.

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

In January 2009 investment in AS Bangalo was decreased by 42.0 EEK mio as a result of distribution to shareholder (AS SEB Pank).

The name of OÜ Strongler was changed to OÜ Estectus in February 2009.

In December 2009 decisions are made to sell AS SEB Elu- ja Pensionikindlustus and OÜ Estectus to related parties within SEB Group.

The SEB Group's life insurance company SEB Trygg Liv Holding AB is the new owner of AS SEB Elu- ja Pensionikindlustus from 28 January 2010. The change does not concern the clients of AS SEB Elu- ja Pensionikindlustus as the company's name, contracts and services remain the same: this is an internal change where life insurance companies in different countries will become legally owned by the life insurance company of the SEB Group.

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. Strategy and organisation

SEB Pank Group, a member of SEB Group, is an Estonian financial group that serves private individuals, companies and the public sector. The bank is a universal bank that offers its customers a wide range of financial services.

SEB was founded in 1856 and is now one of Northern Europe's leading financial Groups for corporate customers, institutions and private individuals with 600 branch offices in Sweden, Germany, the Baltic States, Poland, Russia and Ukraine. SEB Group customers include around 2,500 large companies and institutions, 400,000 small and medium-sized companies as well as 5 million private individuals.

SEB Pank Group brings the vision of the SEB Group, which is to be the leading bank in Northern Europe based on entrepreneurship, an international presence and long-term relationships, to life in Estonia. We promise our customers a rewarding relationship and keep this promise by always taking an innovative approach.

SEB Pank Group is a leading universal bank in Estonia. We are leading within a number of areas including cash management, asset management and life insurance. AS SEB Pank acts as a Centre of Excellence within the SEB Group for asset management activities concerning Eastern Europe.

More than 812,500 customers of SEB Pank Group are served by 1,444 employees. The customers are served through many different channels such as 54 branch offices, 226 on-line post offices, 350 ATMs, 6,191 POS-terminals. There are more than 500,000 debit and credit cards issued by AS SEB Pank in use. In addition, over 71% of our customers use our U-Net and U-Net Business services.

Customer surveys during 2009 showed that we continue to have very satisfied customers. This is a key strength of our group, a strength that we are determined to maintain.

AS SEB Pank is 100% owned by Scandinaviska Enskilda Banken (SEB AB), which is a financial group with a remarkable history of business. We receive a lot of support from our parent company and SEB group companies in providing our customers with even better services. In many product/service areas our owner is the strongest bank in the Nordic arena – expertise that we can draw on to serve our customers. In addition, we receive strong support in controlling and managing our risks – something that is especially important given changed economic environment in Estonia but also in our region.

3. Highlights

Efficiency and development

In 2008 AS SEB Pank launched package-based products for private individuals. In terms of pricing the more relevant banking products are free of charge for clients and there is just one fixed monthly fee instead of various bank charges. The packages have proven to be very popular and AS SEB Pank has attracted a number of new active customers. Due to package-based pricing AS SEB Pank is outperforming competitors in everyday banking area with increasing market share in debit cards and demand deposits. SEB Packages won the title of the Most Innovative Marketing Deed awarded within the framework of the Year of Innovation in 2009.

Due to difficult economic situation the state suspended its contributions to the second pension pillar system from 1 June 2009. Clients were able to continue making contributions to their second pension pillar funds voluntarily for the period starting 1 January 2010. SEB clients have been very active in continuation, 47% of all clients decided to continue payments voluntarily; with that SEB increased its market share in pension second pillar product clients in 2010 to 35%, in 2009 it was 29%.

Starting from 28 July 2009, new companies will be able to open start-up accounts in SEB over the Internet – a service they would previously have had to visit a branch of the bank to use.

In 2009 the state started paying out pensions through bank accounts instead of the branch networks of post-offices like before. The transfer to the new system was smooth and the senior clients of AS SEB Pank have quickly adopted to use modern banking channels.

SEB Enskilda advised TeliaSonera in a public cash offer for 40% of shares in AS Eesti Telekom that it did not yet own. Launched in September 2009, the 5.1bn EEK voluntary offer was by far the largest transaction in the Baltics in 2009.

SEB Enskilda advised SEB in the sale of minority holdings in Tallinn and Vilnius stock exchanges. In line with the initiative to revitalise Baltic equity markets, Nasdaq OMX approached SEB in spring 2009 with a proposal to acquire SEB's holdings in both stock exchange companies. SEB Enskilda assisted SEB in the negotiations, resulting in the transactions executed in October 2009.

In September 2009 AS SEB Pank and Eesti Gaas signed a loan agreement for 580 EEK mio. AS SEB Pank will be financing the purchase of winter gas by Eesti Gaas from Gazprom with a loan to the value of 37 EUR mio.

Together with other major banks AS SEB Pank signed 207 EUR mio syndicate loan agreement with new Estonian transmission system operator Elering OÜ in December 2009.

Number of international companies selected AS SEB Pank as their cash management partner in the Baltic States. In addition to key clients, AS SEB Pank also started offering cash management consultations to SMEs.

Organisation

In 2009 SEB organised the majority of its activities in Estonia, Latvia and Lithuania into a separate division - SEB Baltic. Martin Johansson, previously Head of Client Relationship Management in the Merchant Banking division in Sweden, is now responsible for the division. Responsibility for the Baltic operations was previously within the Retail Banking division.

In November 2009 SEB made changes in AS SEB Pank Supervisory Board. As of 18 November 2009 the members of the Supervisory Board of AS SEB Pank comprises:

- Martin Johansson, Head of Baltic Division, SEB Group;
- Stefan Stignäs, Head of Corporates and Institutions of Baltic Division, SEB Group;
- Mark Payne, Chief Financial Officer of Baltic Division, SEB Group;
- Stefan Davill, Head of Support Units of Baltic Division, SEB Group;
- Anders Arozin, Head of Baltic Development and Integration, SEB Group.

Chairman of the Management Board of AS SEB Pank Ahti Asmann started managing the Ukrainian bank of SEB from 1 January 2010. Riho Unt, member of the Bank's Management Board and Head of Retail Banking and Technology Area, will be the acting chairman of the Management Board of AS SEB Pank until the appointment of the new chairman.

From 28 September 2009 Allan Parik is a member of the Management Board of AS SEB Pank and the manager of the Corporates & Institutions Area of the bank. Allan Parik has long-term experience in banking and management. He started working in the bank in 1995. In 1997, he became the head of the Corporations Department. In 2000, he was the manager of the Corporate Banking Division and he has worked as the deputy manager of the Corporates & Institutions Area since 2007. The SEB Corporates & Institutions Area had for the last two years been managed by Kristoffer Lindberg, who returned to Finland where he has worked in different positions in SEB Finland since 1994.

Customer relations and customer satisfaction

Emefinance Magazine selected AS SEB Pank the best bank in Estonia in 2009. The international Trade Finance Magazine named SEB the best financer of foreign trade in the Nordic and Baltic region.

In the financial publication Euromoney's Awards for Excellence SEB won two awards for the Nordic and Baltic region. SEB Enskilda got for second consecutive year award for Best

Mergers & Acquisitions House for the Nordics and Baltics. SEB got for the sixth consecutive year Euromoney's award for best cash management bank in the Nordic and Baltic region.

SEB Pank Group implemented Net Promoter Score (NPS) as a customer satisfaction monitoring tool. Customer satisfaction index improved by 12% during 2009.

Social responsibility and sponsorship

AS SEB Pank is the main sponsor of Tartu Marathon, the biggest ski marathon in Estonia. More than 5,000 skiers took part in the top skiing event of the winter in February 2009 and more than 6 million people watched the marathon on TV internationally.

AS SEB Pank and the Estonian National Opera signed an agreement in August 2009 which will see AS SEB Pank's gold sponsorship status – which it has already enjoyed for six years – extended for a further three seasons. The agreement was signed by Aivar Mäe, the new General Manager of the Estonian National Opera, and Chairman of the AS SEB Pank Management Board Ahti Asmann in the presence of Minister of Culture Laine Jänes.

In 2009 the MTÜ SEB Heategevusfond (Charity Fund) conducted several campaigns to raise money to support children without parental care. Since the foundation of the fund in 2006 almost 11 EEK mio has been raised in support of children's shelters and safe houses all over Estonia. Our aim is to provide children who have no parental care with more equal opportunities, allowing them to feel that they are on the same level as peers raised in conventional families, to be active and to broaden their horizons. The AS SEB Pank provides the fund with two million kroons in support every year. To date over 6,200 bank customers have joined us in our efforts and are making donations on a regular basis.

4. Capital adequacy

(millions of EEK)

	31.12.09	31.12.08
CAPITAL BASE		
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)	-3.8	-3.7
Intangibles	-9.6	-390.5
Loss for the period (group without life insurance)	-1,427.1	0.0
<u>Audited profit for the period (group without life insurance)</u>	<u>0.0</u>	<u>856.8</u>
<u>Total primary own funds</u>	<u>7,304.3</u>	<u>8,350.7</u>
Subordinated debt	2,613.0	2,613.0
Available for sale financial instruments	2.9	-2.5
Unrealised part of profit on shares of subsidiaries and associated companies	1.7	1.7
<u>Allowances and adjustments exceeding expected loss</u>	<u>231.2</u>	<u>0.5</u>
<u>Total supplementary own funds</u>	<u>2,848.8</u>	<u>2,612.7</u>
Majority holding in other credit and financial institutions	0.0	3.6
<u>Majority holding in insurers</u>	<u>30.0</u>	<u>30.0</u>
<u>Total deductions</u>	<u>30.0</u>	<u>33.6</u>
<u>Total third level own funds</u>	<u>-</u>	<u>-</u>
Primary own funds after deductions	7,289.3	8,333.9
Supplementary own funds included in calculation of capital adequacy	2,833.8	2,595.9
<u>Own funds included in calculation of capital adequacy</u>	<u>10,123.1</u>	<u>10,929.8</u>
CAPITAL REQUIREMENTS		
Central government and central banks with standardised approach	0.0	22.4
Municipalities and regions with standardised approach	92.0	90.2
State agencies, non-profit institutions and associations with standardised approach	2.1	2.0
Retail claims with standardised approach	223.7	289.2
Overdue claims with standardised approach	19.7	3.9
Shares of investment funds with standardised approach	6.1	5.4
Other assets with standardised approach	52.6	91.3
Credit institutions, investment firms and municipalities with IRB	35.5	20.4
Other companies with IRB	3,058.1	2,816.1
<u>Retail claims with IRB</u>	<u>760.3</u>	<u>715.5</u>
<u>Total capital requirements for covering the credit risk and counterparty credit risk</u>	<u>4,250.1</u>	<u>4,056.4</u>
Capital requirement for covering interest position risk	28.9	19.2
Capital requirement for covering equity position risk	0.5	0.6
AMA of operational risk	95.5	145.8
<u>Capital requirements total</u>	<u>4,375.0</u>	<u>4,222.0</u>
<u>Transition period floor of own funds if using IRB</u>	<u>5,036.1</u>	<u>6,510.8</u>
<u>Capital requirements for calculating capital adequacy</u>	<u>5,036.1</u>	<u>6,510.8</u>

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

CAPITAL RATIOS

	31.12.09	31.12.08
Capital adequacy, %	20.10	16.79
Tier 1 Capital Ratio, %	14.47	12.80
Tier 2 Capital Ratio, %	5.63	3.99

**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

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

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.

5. Risk concentration

	31.12.09	31.12.08
Total claims against persons associated with the credit institution's consolidation group, EEK mio	24.9	15.7
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.25	0.14
Total of large exposure claims, EEK mio	2,191.7	2,378.9
The share of large exposure claims in net own funds, %	21.65	21.77
Number of large exposure customers, pcs	2	2

6. Key figures

(millions of EEK)

	31.12.09	31.12.08
Net profit / loss	-1,381.9	766.4
Average equity	8,147.7	8,457.8
Return on equity (ROE), %	-16.96	9.06
Average assets	79,746.8	86,625.7
Return on assets (ROA), %	-1.73	0.88
Net interest income	1,328.4	1,873.3
Average interest earning assets	76,362.3	81,912.7
Net interest margin (NIM), %	1.74	2.29
Spread, %	1.48	1.86
Cost / Income ratio, %	72.5	43.0

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

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 statement of financial position

(millions of EEK)

	Note	31.12.09	31.12.08
ASSETS			
Cash		638.9	712.1
Balances with central bank		4,827.1	5,739.4
Loans and advances to credit institutions		4,633.4	6,026.6
Loans and advances to customers		61,846.3	69,619.0
Financial assets held for trading		366.2	399.2
Financial assets at fair value through profit or loss		0.0	1,043.3
Available-for-sale financial assets		99.6	412.4
Other assets		662.8	598.1
Deferred income tax assets		0.0	0.0
Investments in associates		10.1	9.2
Intangible assets		9.6	390.5
Property, plant and equipment		116.8	146.6
Investment properties		25.4	0.0
		<u>73,236.2</u>	<u>85,096.4</u>
Assets classified as discontinued operations	11	<u>1,160.9</u>	
TOTAL ASSETS		74,397.1	85,096.4
LIABILITIES AND SHAREHOLDERS' EQUITY			
Due to credit institutions		29,786.0	35,776.4
Due to customers		31,824.2	35,006.2
Loan funds		188.5	129.9
Other liabilities		851.1	1,516.2
Issued debt securities		0.0	106.1
Financial liabilities at fair value through profit or loss		358.5	497.6
Provisions		2.6	611.2
Subordinated loans		2,615.9	2,620.9
		<u>65,626.8</u>	<u>76,264.5</u>
Liabilities included in assets classified as discontinued operations	11	<u>1,306.8</u>	
Total Liabilities		66,933.6	76,264.5
Share capital		665.6	665.6
Share premium		1,346.6	1,346.6
Other reserves		332.0	318.9
Translation reserve		0.0	0.0
Retained earnings		5,119.3	6,500.8
Total shareholders' equity		7,463.5	8,831.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		74,397.1	85,096.4

2. Consolidated income statement

(millions of EEK)

		2009	2009	2008	2008
	Note	12 months	QIV	12 months	QIV
<i>Interest and similar income</i>	6	3,093.4	589.1	4,993.4	1,253.7
<i>Interest expenses and similar charges</i>	7	-1,765.0	-284.7	-3,120.1	-773.4
Net Interest Income		1,328.4	304.4	1,873.3	480.3
<i>Fee and commission income</i>	8	855.8	246.2	1,045.2	216.9
<i>Fee and commission expense</i>	9	-253.3	-70.8	-317.8	-72.4
Net fee and commission income		602.5	175.4	727.4	144.5
Net income from foreign exchange		116.5	31.9	134.0	34.3
Gains less losses from financial assets at fair value through		65.4	23.7	-198.3	-162.0
Income from insurance activities		0.0	0.0	0.0	0.0
Income from dividends		1.9	0.0	30.0	29.3
Gains less losses from investment securities		25.3	19.0	148.8	0.0
Share of profit of associates		0.9	0.1	1.6	-0.1
Other income		18.5	11.6	13.4	-88.2
Personnel expenses		-594.5	-125.8	-655.6	-161.6
Other expenses		-545.6	-279.4	-399.3	-8.4
Depreciation, amortisation and impairment of tangible and intangible assets		-450.9	-23.2	-64.5	-16.3
Profit before impairment losses on loans and advances		568.4	137.7	1,610.8	251.8
Impairment losses on loans and advances	10	-1,996.7	-419.3	-761.0	-121.8
Loss/profit before income tax		-1,428.3	-281.6	849.8	130.0
Income tax		0.0	0.0	-3.6	0.0
Net loss/profit from continuing operations		-1,428.3	-281.6	846.2	130.0
Net loss/profit from discontinued operations	11	46.4	-3.1	-79.8	-54.4
Net loss/profit		-1,381.9	-284.7	766.4	75.6
Loss/profit attributable to:					
Sole equity holder of the parent entity (total)		-1,381.9	-284.7	766.4	75.7
-Net loss/profit from continuing operations		-1,428.3	-281.5	846.2	130.0
-Net loss/profit from discontinued operations		46.4	-3.1	-79.8	-54.4
		-1,381.9	-284.7	766.4	75.7

3. Consolidated statement of comprehensive income

	2009	2009	2008	2008
	12 months	QIV	12 months	QIV
Net loss/profit	-1,381.9	-284.7	766.4	75.7
Other comprehensive expense/income				
Revaluation of available-for-sale financial assets	13.5	6.0	-18.9	-9.5
Translation reserve	0.0	0.0	0.8	0.0
Total other comprehensive expense/income	13.5	6.0	-18.1	-9.5
Total comprehensive expense/income	-1,368.4	-278.7	748.3	67.0
Sole equity holder of the parent entity (total)	-1,368.4	-278.7	748.3	67.0
-Total comprehensive expense/income from continuing operations	-1,414.8	-275.6	828.1	121.4
-Total comprehensive expense/income from discontinuing operations	46.4	-3.1	-79.8	-54.4
	-1,368.4	-278.7	748.3	67.0

4. Consolidated cash flow statement

(millions of EEK)

	2009 12 months	2008 12 months
I. Cash flows from operating activities		
Interest received	3,234.7	4,987.1
Interest paid	-2,124.7	-3,070.2
Dividends received	1.9	29.9
Fee and commission received	855.8	1,045.2
Fee and commission paid	-253.4	-317.8
Net trading income and other operating income	627.8	302.3
Personnel expenses and other operating expenses	-899.4	-1,018.1
Income taxes paid	0.0	-3.5
Revaluation adjustments	1.2	-19.0
Cash flows from operating activities before changes in the operating assets and liabilities, continuing operations	1,443.9	1,935.9
Cash flows from operating activities before changes in the operating assets and liabilities, discontinued operations	46.9	-79.3
Changes in operating assets:		
Loans and advances to credit institutions	67.8	2,013.5
Loans and advances to customers	4,973.5	1,231.6
Other assets	201.1	468.1
Changes of operating liabilities:		
Due to credit institutions	-5,684.0	-1,766.1
Due to customers	-3,129.7	-923.6
Loan funds	58.6	-14.2
Other liabilities	-183.6	-254.9
Cash flow from (used in) operating activities, continuing operations	-2,205.5	2,611.0
Cash flow from (used in) operating activities, discontinued operations	1.1	-319.9
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	348.3	-219.0
Proceeds from sale and liquidation of associates	4.9	46.1
Purchase of investment properties, tangible and intangible assets	-68.7	-51.8
Proceeds from sale of investment properties, tangible and intangible assets	2.1	4.8
Cash flow from (used in) investing activities, continuing operations	286.6	-219.9
Cash flow from (used in) investing activities, discontinued operations	-35.4	418.5
III. Cash flows from financing activities		
Proceeds from debt securities (issuing)	0.0	250.1
Repurchasing of debt securities	-103.4	-810.0
Cash used in financing activities, continuing operations	-103.4	-559.9
Cash used in financing activities, discontinued operations	0.0	0.0
Net decrease/increase in cash and cash equivalents	-2,056.6	1,929.8
Cash and cash equivalents at the beginning of period	12,153.1	10,219.9
Effect of exchange rate changes on cash and cash equivalents	-2.5	3.4
Cash and cash equivalents at the end of period	10,094.0	12,153.1
Cash and cash equivalents includes:		
	31.12.09	31.12.08
Cash on hand	638.9	712.1
Balances with the central bank	4,826.1	5,730.4
Liquid deposits in other credit institutions, continuing operations	4,614.4	5,694.8
Liquid deposits in other credit institutions, discontinued operations	0.1	0.0
Trading portfolio	14.5	15.8
	10,094.0	12,153.1

5. Changes in consolidated shareholders' equity

(millions of EEK)

	Paid up capital	Share premium	Reserves	Translation differences	Retained profit	Total shareholders' equity
Year beginning 01.01.2008	665.6	1,346.6	332.9	-0.8	5,739.3	8,083.6
Statutory reserve	0.0	0.0	2.9	0.0	-2.9	0.0
Profit for the year	0.0	0.0	0.0	0.0	766.4	766.4
Other comprehensive income:						
Net change in available-for-sale financial assets	0.0	0.0	-16.9	0.0	-2.0	-18.9
Currency translation differences	0.0	0.0	0.0	0.8	0.0	0.8
Total other comprehensive income	0.0	0.0	-16.9	0.8	-2.0	-18.1
Final balance 31.12.2008	665.6	1,346.6	318.9	0.0	6,500.8	8,831.9
Year beginning 01.01.2009	665.6	1,346.6	318.9	0.0	6,500.8	8,831.9
Statutory reserve	0.0	0.0	1.1	0.0	-1.1	0.0
Profit for the year	0.0	0.0	0.0	0.0	-1,381.9	-1,381.9
Other comprehensive income:						
Net change in available-for-sale financial assets	0.0	0.0	12.0	0.0	1.5	13.5
Total other comprehensive income	0.0	0.0	12.0	0.0	1.5	13.5
Final balance 31.12.2009	665.6	1,346.6	332.0	0.0	5,119.3	7,463.5

6. Contingent assets and liabilities and commitments

(millions of EEK)

	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
31.12.09				
1. Irrevocable transactions	1,049.7	8,056.7	-	-
1.1. Guarantees and pledges	658.5	3,285.8	-	-
<i>incl. financial guarantees</i>	625.9	1,288.5	-	-
1.2. Loan commitments	391.2	4,770.9	-	-
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
31.12.08				
1. Irrevocable transactions	926.6	10,088.9	-	-
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	-	-
2. Derivatives	11,258.3	11,250.1	383.4	489.4
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
	12,184.9	21,339.0	383.4	489.4

* 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 QIV 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 QIV 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 01.01.2009. Comprehensive income statements include non-owner changes in equity, such as the revaluation of available-for-sale financial assets. The changed presentation has no impact on the recognition or measurement of specific transactions and balances.

In the AS SEB Pank Group's consolidated financial statements, AS SEB Elu- ja Pensionikindlustus and OÜ Estectus are presented as discontinued operations on two lines in assets and liabilities, after elimination of inter-company balances. Result from discontinued operations is presented in one line in the consolidated income statement and prior periods are restated.

Segment analysis, according to IFRS 8, is not described because AS SEB Pank has not 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)

31.12.09	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
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

31.12.08	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
Sweden	6.1	469.3	34.9	192.6	0.0	702.9	34,740.9	176.0	2,712.2	37,629.1	37.0
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	9,912.4
United Kingdom	1.9	4.7	41.9	44.3	0.0	92.8	32.2	1,587.4	0.6	1,620.2	5.6
Russia	2.5	122.8	17.5	50.7	0.0	193.5	29.3	268.1	0.2	297.6	0.0
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	0.4
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	23.1
Latvia	4.1	11.5	0.3	20.6	0.0	36.5	31.3	36.2	0.0	67.5	0.0
Lithuania	2.4	0.8	0.7	18.2	0.2	22.3	16.0	9.8	0.8	26.6	0.1
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	1.8
Other countries	62.9	1.3	34.7	22.7	69.4	191.0	2.8	679.8	209.6	892.2	2.4
	6,451.5	6,026.6	69,619.0	1,864.1	1,135.2	85,096.4	35,776.4	35,006.2	5,481.9	76,264.5	10,088.9

Contingent liabilities in Note 2 and Note 3 includes guarantees and pledges, loan commitments, stand-by loans and other irrevocable transactions.

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)

	In the statement of financial position		
	Cash and loans to central bank, credit institutions and		Contingent
	customers	Securities	liabilities
31.12.09			
Real estate	11,212.3	1.2	129.4
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

31.12.08	In the statement of financial position		
	Cash and loans to central bank, credit institutions and		Contingent
	customers	Securities	liabilities
Finance	12,496.2	260.5	239.9
Real estate	11,502.3	597.1	674.4
Industry	5,628.6	48.3	1,465.9
Trading	5,123.6	138.6	2,380.7
Transport	3,860.1	35.8	458.5
Energy, gas and steam plants	2,353.6	0.0	843.6
Agriculture, fishing, forestry	2,043.7	4.4	102.9
Government and state defence	1,769.2	3.7	299.1
Construction	1,389.0	47.4	1,440.8
Hotels, restaurants	1,208.8	6.4	13.5
Health services, social work	935.1	12.1	110.0
Administration and assistance	840.7	34.9	201.8
Art, show business, leisure	580.7	40.5	58.6
Professional, science and technical work	351.2	0.0	44.0
Water supply, canalisation, waste management	339.5	0.0	90.2
Information and telecommunication	315.0	41.4	106.2
Education	286.6	0.0	143.0
Mining	58.4	11.6	4.6
Exterritorial organisations	0.1	2.3	0.5
Other government and social services	973.1	192.9	63.8
Individuals	31,135.5	2.8	1,346.9
Derivatives	0.0	383.4	0.0
Allowances	-1,093.9	-	-
	82,097.1	1,864.1	10,088.9

Note 4**Overdue**

By overdue maturity
(millions of EEK)

31.12.09

Loans and advances to customers

Total

<30 days	30<60 days	over 60 days	Total
1,948.8	559.2	4,237.7	6,745.7
1,948.8	559.2	4,237.7	6,745.7

31.12.08

Loans and advances to customers

Total

<30 days	30<60 days	over 60 days	Total
2,924.7	749.8	2,268.5	5,943.0
2,924.7	749.8	2,268.5	5,943.0

The tables indicate the gross balance 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 December, 31

Recoveries from write-offs

	31.12.09	31.12.08
	1093.9	345.9
	2334.1	831.9
	-359.3	-69.9
	-11.7	-16.8
	-0.5	2.8
	3,056.5	1,093.9

2.0 8.2

Note 6**Interest and similar income**

(millions of EEK)

Loans

Leasing

Deposits with other banks

Fixed income securities

2009		2008	
12 months	QIV	12 months	QIV
2,600.7	496.7	4,021.7	1,016.9
446.9	88.1	769.2	178.0
29.4	3.4	189.5	52.3
16.4	0.9	13.0	6.5
3,093.4	589.1	4,993.4	1,253.7

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

2009		2008	
12 months	QIV	12 months	QIV
-885.0	-136.3	-1,714.9	-435.4
-555.3	-105.1	-680.3	-186.3
-237.9	-28.9	-543.3	-112.4
-77.7	-12.7	-147.2	-36.4
-2.5	0.0	-28.5	-1.4
-6.2	-1.6	-5.6	-1.4
-0.4	-0.1	-0.3	-0.1
-1,765.0	-284.7	-3,120.1	-773.4

Note 8**Fee and commission income**

(millions of EEK)

	2009		2008	
	12 months	QIV	12 months	QIV
Credit and payment cards	303.4	73.2	376.4	85.9
Securities market services	181.4	59.7	199.3	38.4
Transaction fees	119.0	31.9	131.2	33.5
Credit contracts*	65.0	16.4	139.8	18.1
Non-life insurance brokerage fees	38.7	8.7	46.9	11.3
Income from leasing agreements (full service)	35.3	7.9	45.3	11.1
Corporate Finance fees	32.4	27.5	35.9	1.0
Other settlement fees	23.3	6.2	14.2	4.4
Income from electronic channels	16.8	4.2	16.8	4.1
Cash handling fees	13.2	3.3	13.6	3.6
Other	27.3	7.2	25.8	5.5
	855.8	246.2	1,045.2	216.9

*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 9**Fee and commission expense**

(millions of EEK)

	2009		2008	
	12 months	QIV	12 months	QIV
Credit and payment cards	-124.1	-31.8	-169.5	-35.8
Cash collecting fees	-27.6	-7.1	-27.1	-7.4
Expenses to leasing agreements (full service)	-26.7	-5.9	-35.0	-8.3
Securities market	-20.7	-6.0	-39.2	-8.0
Transaction fees	-16.6	-3.8	-18.6	-5.1
Expenses of electronic channels	-13.9	-4.0	-12.0	-3.6
Corporate Finance fees	-8.3	-8.3	-1.1	-0.2
Other	-15.4	-3.9	-15.3	-4.0
	-253.3	-70.8	-317.8	-72.4

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

(millions of EEK)

	2009		2008	
	12 months	QIV	12 months	QIV
Allowances for advances to customers	-1,979.4	-433.3	-753.8	-115.6
new loan allowances	-2,340.7	-888.6	-831.9	-269.5
recoveries from write-offs	2.0	0.2	8.2	1.6
reversals of allowances	359.3	455.1	69.9	152.3
Allowances for contingent liabilities	-0.2	-0.2	0.0	0.0
Assets held for sale	-17.1	14.2	-7.2	-6.2
reappraisal	10.1	35.6	-9.1	-6.2
realised gains / losses	-27.2	-21.4	1.9	0.0
	-1,996.7	-419.3	-761.0	-121.8

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.

A) Assets classified as discontinued operations

	31.12.09	31.12.08
Loans and advances to credit institutions	54.8	0.0
Loans and advances to customers	2.3	0.0
Financial assets held for trading	9.7	0.0
Financial assets at fair value through profit or loss	1,050.4	0.0
Other assets	14.7	0.0
Property, plant and equipment	2.0	0.0
Investment properties	27.0	0.0
	1,160.9	0.0

B) Liabilities included in assets classified as discontinued operations

	31.12.09	31.12.08
Financial liabilities	626.4	0.0
Provisions	680.4	0.0
	1,306.8	0.0

C) Net loss/profit from discontinued operations

	2009		2008	
	12 months	QIV	12 months	QIV
Income from insurance activities				
Net insurance premium revenue	182.5	40.3	189.8	52.0
Income from investments	34.0	-5.7	-104.2	-58.8
Fee income from investment contracts	13.4	-2.7	21.4	11.4
Other operating income	-1.0	0.6	0.7	2.1
Net insurance claims and disbursements	-153.0	-27.8	-152.3	-53.2
Income from insurance activities	75.9	4.7	-44.6	-46.5
Personnel expenses	-19.3	-5.1	-22.0	-5.3
Other expenses	-9.7	-2.6	-12.7	-2.4
Depreciation, amortisation and impairment of tangible and intangible assets	-0.5	-0.2	-0.5	-0.1
Net loss/profit from discontinued operations	46.4	-3.2	-79.8	-54.3

Note 12**Related parties**

(millions of EEK)

	<u>31.12.09</u>	<u>31.12.08</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	19.5	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)	-5.4	-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	-178.7	-6.5
Loans and advances to parent company	125.9	581.6
Due to parent company	-31,726.6	-37,741.7
incl. subordinated liabilities	-2,613.0	-2,613.0
Contingent assets and commitments to parent company	0.0	652.2
Contingent liabilities and commitments to parent company	-3.0	0.0
Loans and advances to enterprises of parent company's consolidation group	4,383.5	5,376.9
Due to enterprises of parent company's consolidation group	-59.1	-68.9
Contingent assets and commitments to enterprises of parent company's consolidation group	259.9	152.4
Contingent liabilities and commitments to enterprises of parent company's consolidation group	-44.9	-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.