

AS SEB Pank Group

Interim Report of Q1 2009



Contents

	Statement of the Management Board	2
I.	Introduction - general information	3
1.	Credit institution	3
2.	Auditor	3
II.	Management Report	4
1.	Credit institution's group as defined in Credit Institutions Law	4
1.1.	Consolidated group	4
1.2.	Changes in the consolidated group during the accounting period and plans for year 2009	5
2.	Key events in Q1 2009	5
3.	Capital adequacy	6
4.	Risk concentration	8
3.	Key Figures	8
II.	Consolidated Financial Accounts	10
1.	Consolidated Balance Sheet	10
2.	Consolidated Income Statement	11
3.	Consolidated Cash Flow Statement	12
4.	Changes in Consolidated Shareholders' Equity	13
5.	Contingent assets and liabilities and commitments	14
Note 1	Accounting principles	15
Note 2	Geographic concentration of financial assets and liabilities	16
Note 3	Concentration of financial assets and liabilities by economic sector	17
Note 4	Overdue	19
Note 5	Allowances on loans and advances	19
Note 6	Interest and similar income	19
Note 7	Interest expenses and similar charges	19
Note 8	Fee and commission income	20
Note 9	Fee and commission expense	20
Note 10	Impairment losses on loans and advances	20
Note 11	Related parties	21
Note 12	Segment analysis	22

Statement of the Management Board

Management Board of AS SEB Pank is on an opinion that the Interim Report of Quarter I 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 I 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.

The Interim Report of Quarter I 2009 is 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	http://www.seb.ee

2. Auditor

Audit company	AS PricewaterhouseCoopers
Registry code	10142876
Address	Pärnu Str. 15, 10141 Tallinn, Estonia
Report balance sheet date	31.03.2009
Reporting period	01.01.2009 - 31.03.2009
Report currency	Estonian kroon (EEK), millions

II. Management Report

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

1.1. Consolidated group

						31.03.09	
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.

Key events in Q1 2009

The client base of AS SEB Pank grew by 6 117 clients (0.8%) in Q1 and reached 811 909 clients. The number of private clients grew by 4 790 clients (0.7%) and reached 739 313. The number of corporate clients grew by 1 327 clients (1.9%) and reached 72 065.

The success of SEB Packages continued – the total number of clients who use package-based pricing increased by more than a half in 2009 and reached 87 000. SEB Packages won the title of Most Innovative Marketing Deed of 2008 awarded within the framework of the Year of Innovation.

The number of people who have joined the SEB Pension Plan doubled in Q1 and as many as 20 000 clients are now using the new systematic approach in saving for their retirement.

In addition to key clients, SEB Pank also started offering Cash Management consultations to SMEs in Q1.

Financial magazine *emeafinance* selected SEB the best bank in Estonia in 2009.

SEB was 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 and more than 6 million people watched the marathon on TV internationally.

In December, SEB Heategevusfond (Charity Fund) and Rimi Eesti Food AS launched a campaign to raise funds for shelters and children's homes in Estonia. 730 000 kroons was raised with the campaign that ended in January. Clients of the bank have also set up almost 6 000 standing orders to support charity.

More than 811 000 customers of SEB Pank Group are served by 1504 employees. The customers are served through many different channels such as 59 branch offices, 218 on-line post offices, 349 ATMs, 6 117 POS-terminals. There are more than 494 000 debit and credit cards in use. In addition, over 68 % of our customers use our U-Net and U-Net Business services.

3. Capital adequacy

(millions of EEK)

	31.03.09	31.12.08
CAPITAL BASE		
Paid-in share capital	665.6	665.6
Premium	1,346.6	1,346.6
General banking reserves	304.8	304.9
Retained earnings / loss	6,427.8	5,571.0
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-3.8	-3.7
Intangibles	-389.4	-390.5
Audited profit for the period (group without life insurance)	0.0	856.8
Total primary own funds	8,351.6	8,350.7
Subordinated debt	2,613.0	2,613.0
Available for sale financial instruments	-12.9	-2.5
Unrealised part of profit on shares of subsidiaries and associated companies	1.7	1.7
Allowances and adjustments exceeding expected loss	8.3	0.5
Total supplementary own funds	2,610.1	2,612.7
Majority holding in other credit and financial institutions	1.6	3.6
Majority holding in insurers	30.0	30.0
Total deductions	31.6	33.6
Total third level own funds	-	-
Primary own funds after deductions	8,335.8	8,333.9
Supplementary own funds included in calculation of capital adequacy	2,594.3	2,595.9
Own funds included in calculation of capital adequacy	10,930.1	10,929.8

	31.03.09	31.12.08
CAPITAL REQUIREMENTS		
Central government and central banks with standardised approach	22.8	22.4
Municipalities and regions with standardised approach	89.9	90.2
State agencies, non-profit institutions and associations with standardised approach	2.3	2.0
Retail claims with standardised approach	281.9	289.2
Overdue claims with standardised approach	10.5	3.9
Shares of investment funds with standardised approach	5.1	5.4
Other assets with standardised approach	87.2	91.3
Credit institutions, investment firms and municipalities with IRB	21.7	20.4
Other companies with IRB	2,865.6	2,816.1
Retail claims with IRB	809.9	715.5
Total capital requirements for covering the credit risk and counterparty credit risk	4,196.9	4,056.4
Capital requirement for covering interest position risk	24.8	19.2
Capital requirement for covering equity position risk	0.1	0.6
AMA of operational risk	137.9	145.8
Capital requirements total	4,359.7	4,222.0
Transition period floor of own funds if using IRB	5,595.6	6,510.8
Capital requirements for calculating capital adequacy	5,595.6	6,510.8

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

CAPITAL RATIOS

	<u>31.03.09</u>	<u>31.12.08</u>
Capital adequacy (%)	19.53	16.79
Tier 1 Capital Ratio (%)	14.90	12.80
Tier 2 Capital Ratio (%)	4.63	3.99

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

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**

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

	31.03.09	31.12.08	31.03.08
Total claims against persons associated with the credit institution's consolidation group, EEKmio	15.4	15.7	18.7
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.14	0.14	0.19
Total of large exposure claims, EEKmio	2,374.2	2,378.9	1,947.7
The share of large exposure claims in net own funds, %	21.72	21.77	19.37
Number of large exposure customers, pcs	2	2	2

3. Key Figures

	31.03.09	31.12.08	31.03.07
Net profit, EEKmio	10.0	766.4	56.9
Average equity, EEKmio	8,825.4	8,457.8	8,109.8
Return on equity (ROE), %	0.45	9.06	2.81
Average assets, EEKmio	83,083.3	86,625.7	87,512.5
Return on assets (ROA), %	0.05	0.88	0.26
Net interest income (excl. off-balance sheet transactions), EEKmio	392.0	1,873.3	456.4
Average interest earning assets, EEKmio	79,948.4	81,912.7	82,089.9
Net interest margin (NIM), %	1.96	2.29	2.22
SPREAD, %	1.56	1.86	1.82
Cost / Income ratio, %	48.2	43.0	46.4
Impaired NPL / gross portfolio, %	3.44	2.35	0.66

Explanations

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

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

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

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

II. Consolidated Financial Accounts

1. Consolidated Balance Sheet

(millions of EEK)

	31.03.09	31.12.08
ASSETS		
Cash	604.3	712.1
Balances with central bank	4,529.7	5,739.4
Loans and advances to credit institutions	5,394.2	6,026.6
Loans and advances to customers	67,671.5	69,619.0
Financial assets held for trading	313.5	399.2
Financial assets at fair value through profit or loss	857.4	1,043.3
Available-for-sale financial assets	288.7	412.4
Other assets	872.4	598.1
Deferred income tax assets	0.0	0.0
Investments in associates	8.4	9.2
Intangible assets	389.4	390.5
Property plant and equipment	140.7	146.6
TOTAL ASSETS	81,070.2	85,096.4
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to credit institutions	33,556.2	35,776.4
Due to customers	33,061.9	35,006.2
Lending funds	131.3	129.9
Other liabilities	1,750.1	1,516.2
Deferred income tax liabilities	0.0	0.0
Issued debt securities	107.5	106.1
Financial liabilities at fair value through profit or loss	379.4	497.6
Provisions	623.2	611.2
Subordinated loans	2,641.8	2,620.9
Total Liabilities	72,251.4	76,264.5
Share capital	665.6	665.6
Share premium	1,346.6	1,346.6
Other reserves	295.8	318.9
Translation reserve	0.0	0.0
Retained earnings	6,510.8	6,500.8
Total shareholders' equity	8,818.8	8,831.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	81,070.2	85,096.4

2. Consolidated Income Statement

(millions of EEK)

	Note	2009	2008
		Q1	Q1
Interest and similar income	6	1,036.9	1,241.8
Interest expenses and similar charges	7	-644.8	-785.4
Net Interest Income		392.1	456.4
Fee and commission income	8	186.7	274.2
Fee and commission expense	9	-59.4	-81.8
Net fee and commission income		127.3	192.4
Net income from foreign exchange		28.0	38.5
Gains less losses from financial assets at fair value through profit or loss		4.4	-20.1
Income from insurance activities		20.1	-13.5
Income from dividends		0.1	0.0
Gains less losses from investment securities		5.8	0.0
Share of profit of associates		-0.7	1.8
Other income		3.4	1.2
Personnel expenses		-176.7	-190.8
Other expenses		-87.1	-97.6
Depreciation, amortization and impairment of tangible and intangible assets		-16.2	-16.5
Profit before impairment losses on loans and advances		300.5	351.8
Impairment losses on loans and advances	10	-290.5	-293.0
Profit before income tax		10.0	58.8
Income tax		0.0	-1.9
Net profit	12	10.0	56.9

Statement of comprehensive income

	2009	2008
	Q1	Q1
Net profit	10.0	56.9
Other comprehensive income		
Revaluation of available-for-sale financial assets	-23.2	-3.4
Translation reserve	0.0	-1.3
Total other comprehensive income	-23.2	-4.7
Total comprehensive income	-13.2	52.2

3. Consolidated Cash Flow Statement

(millions of EEK)

	31.03.09	31.03.08
I. Cash flows from operating activities		
Interest received	804.2	946.9
Interest paid	-139.3	-259.3
Dividends received	0.1	0.0
Fee and commission received	186.8	274.2
Net trading income and other operating income	-19.2	-59.1
Personnel expenses and other operating expenses	-247.4	-279.8
Income taxes paid	0.0	-1.9
Revaluation adjustments	-23.4	-7.8
Cash flows from operating profits before changes in the operating assets and liabilities	561.8	613.2
Changes in operating assets:		
Loans and advances to credit institutions	-69.8	1,451.6
Loans and advances to customers	1,620.8	-987.6
Other assets	464.5	427.9
Changes of operating liabilities:		
Due to credit institutions	-1,889.6	1,337.3
Due to customers	-1,914.5	-2,567.5
Lending funds	1.5	-7.6
Other liabilities	-713.6	-784.2
Cash flow from operating activities	-1,938.9	-516.9
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	311.2	78.5
Purchase of investment properties, tangible and intangible assets	-10.3	-18.4
Proceeds from sale of investment properties, tangible and intangible assets	1.1	0.2
Cash flow from investing activities	302.0	60.3
III. Cash flows from financing activities		
Proceeds from debt securities (issuing)	0.0	217.8
Repurchasing of debt securities	-2.1	-54.7
Cash flow from financing activities	-2.1	163.1
Net increase in cash and cash equivalents	-1,639.0	-293.5
Cash and cash equivalents at beginning of period	12,153.1	10,219.9
Effect of exchange rate changes on cash and cash equivalents	4.2	-13.3
Cash and cash equivalents at end of period	10,518.3	9,913.1
Cash and cash equivalents includes:		
Cash on hand	604.3	638.6
Balances with the central bank	4,527.7	4,005.7
Liquid deposits in other credit institutions	5,375.7	5,041.3
Trading portfolio	10.6	227.5
	10,518.3	9,913.1

4. 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	56.9	56.9
Other comprehensive income						
Net change of available for sale financial assets	0.0	0.0	-3.4	0.0	0.2	-3.2
Currency translation differences	0.0	0.0	0.0	-1.3	0.0	-1.3
Total other comprehensive income	0.0	0.0	-3.4	-1.3	0.2	-4.5
Final balance 31.03.2008	665.6	1,346.6	332.4	-2.1	5,793.5	8,136.0
Year beginning 01.01.2009	665.6	1,346.6	318.9	0.0	6,500.8	8,831.9
Profit for the year	0.0	0.0	0.0	0.0	10.0	10.0
Other comprehensive income						
Net change of available for sale financial assets	0.0	0.0	-23.1	0.0	0.0	-23.1
Total other comprehensive income	0.0	0.0	-23.1	0.0	0.0	-23.1
Final balance 31.03.2009	665.6	1,346.6	295.8	0.0	6,510.8	8,818.8

5. Contingent assets and liabilities and commitments

(millions of EEK)

31.03.09	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable transactions	933.7	9,366.1	-	-
1.1. Guarantees and pledges	647.4	4,071.8	-	-
<i>incl. financial guarantees</i>	625.9	1,472.9	-	-
1.2. Loan commitments	286.3	5,294.3	-	-
2. Derivatives	11,942.2	11,943.9	302.9	514.2
2.1. Currency related derivatives	5,894.9	5,951.9	41.3	373.7
2.2. Interest related derivatives	4,864.7	4,864.2	223.3	56.5
2.3. Equity related derivatives*	1,182.6	1,127.8	38.3	84.0
	12,875.9	21,310.0	302.9	514.2

31.12.08	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
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 Q1 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 Q1 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.

In segment analysis the business segments are presented according to IFRS 8, which is effective for reporting periods since 1.01.2009, on a similar basis to that used for internal reporting purposes.

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

(millions of EEK)

31.03.09	Cash and	Loans and	Loans	Securi-	Other	Total	Due to to			Total	Contingent
	balances	advances	and				credit	Due to	Other		
	with	to credit	advances	ties	assets	assets	institu-	custo-	liabilities	liabilities	liabilities
	central	institu-	to custo-				tions	mers			
	bank	tions	mers								
Sweden	3.5	432.0	29.6	158.0	2.6	625.7	32,675.7	115.7	2,853.2	35,644.6	3,445.7
Estonia	4,963.2	76.6	67,104.9	711.5	1,144.8	74,001.0	186.5	28,731.9	2,623.7	31,542.1	17,605.2
United Kingdom	1.5	15.5	41.3	44.4	0.0	102.7	28.4	1,705.1	0.1	1,733.6	64.7
Russia	3.6	76.2	16.3	28.6	0.0	124.7	35.6	257.1	0.1	292.8	1.6
Germany	80.3	4,718.9	71.0	46.0	0.0	4,916.2	485.2	25.0	0.1	510.3	51.5
United States	13.7	16.8	21.4	19.8	0.1	71.8	6.9	357.2	0.2	364.3	6.4
Canada	0.8	0.1	0.0	0.0	0.0	0.9	0.6	19.2	0.0	19.8	0.0
Japan	0.7	1.9	0.0	1.9	0.0	4.5	0.0	3.1	0.0	3.1	0.0
Finland	0.0	0.2	294.2	82.6	0.0	377.0	3.6	114.0	0.1	117.7	23.1
Latvia	4.2	8.2	0.4	9.7	0.0	22.5	16.8	42.0	0.1	58.9	5.0
Lithuania	2.7	1.5	0.6	15.6	0.1	20.5	43.4	12.1	0.7	56.2	38.0
Luxembourg	0.0	31.5	9.6	140.5	6.8	188.4	2.8	0.0	4.4	7.2	0.0
Netherlands	0.0	0.4	10.0	32.6	0.0	43.0	0.0	3.6	0.0	3.6	0.0
Other Western Europe	4.6	2.0	44.8	160.1	0.4	211.9	31.2	937.9	0.2	969.3	54.1
Other Eastern Europe	2.8	11.8	0.6	4.0	0.2	19.4	36.9	30.0	1.0	67.9	0.0
Other countries	52.4	0.6	26.8	12.7	247.5	340.0	2.6	708.0	149.4	860.0	14.7
	5,134.0	5,394.2	67,671.5	1,468.0	1,402.5	81,070.2	33,556.2	33,061.9	5,633.3	72,251.4	21,310.0

31.12.08	Cash and	Loans and	Loans	Securi-	Other	Total	Due to to			Total	Contingent
	balances	advances	and				credit	Due to	Other		
	with	to credit	advances	ties	assets	assets	institu-	custo-	liabilities	liabilities	liabilities
	central	institu-	to custo-				tions	mers			
	bank	tions	mers								
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
	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	21,339.0

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)

	In balance sheet		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
31.03.09			
Real estate	11,511.5	498.1	2,523.4
Finance	10,552.7	197.4	5,099.4
Industry	5,268.5	44.1	1,761.4
Trading	4,874.5	84.9	2,608.3
Transport	3,729.8	0.0	1,618.5
Energy, gas and steam plants	2,019.2	0.0	1,412.2
Agriculture, fishing, forestry	1,861.2	4.9	99.4
Government and state defence	1,741.7	1.1	464.5
Construction	1,283.1	37.3	1,762.8
Hotels, restaurants	1,194.1	3.1	194.0
Health services, social work	920.2	11.3	111.7
Administration and assistance	721.7	51.0	390.8
Art, showbusiness, leisure	570.5	23.6	142.9
Education	412.7	0.0	121.5
Water supply, canalization, waste management	364.1	0.0	75.4
Professional, science and technical work	315.6	0.0	313.6
Information and telecommunication	297.3	42.4	103.4
Mining	150.1	8.9	3.4
Exterritorial organisations	0.2	1.6	0.4
Other government & social services	994.8	152.6	106.8
Individuals	30,792.0	2.8	2,396.2
Derivatives	0.0	302.9	0.0
Allowances	-1,375.8	-	-
	78,199.7	1,468.0	21,310.0

	In balance sheet		
	Cash and loans to central bank, credit institutions and customers		Contingent liabilities
		Securities	
31.12.08			
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	-	-
	82,097.1	1,864.1	21,339.0

Note 4**Overdue**

By overdue maturity
(millions of EEK)

31.03.09

Loans

Other

Total

	< 30 days	30 < 60 days	over 60 days	Total
Loans	2,636.9	1,084.4	3,361.1	7,082.4
Other	0.0	0.9	1.6	2.5
Total	2,636.9	1,085.3	3,362.7	7,084.9

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
Total	2,908.7	744.7	2,210.9	5,864.3

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 March, 31

Recoveries from write-offs

31.03.09 31.12.08

1093.9 345.9

313.8 962

-31.9 -200

-3.4 -16.8

3.4 2.8

1,375.8 1,093.9

1.1 8.2

Note 6**Interest and similar income**

(millions of EEK)

Loans

Leasing

Deposits with other banks

Fixed income securities

2009 2008**Q1 Q1**

869.4 983.8

144.4 213.4

13.7 43.2

9.4 1.4

1,036.9 1,241.8**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**Q1 Q1**

-357.0 -426.3

-174.1 -159.3

-82.3 -154.4

-28.5 -36.2

-1.3 -9.1

-1.4 0.0

-0.2 -0.1

-644.8 -785.4

Note 8**Fee and commission income**

(millions of EEK)

	2009	2008
	Q1	Q1
Credit and payment cards	75.3	94.9
Securities market services	31.8	56.5
Credit contracts*	14.5	44.7
Transaction fees	27.3	30.7
Non-life insurance brokerage fees	10.0	11.0
Corporate Finance fees	0.1	6.2
Income from leasing agreements (full service)	9.7	14.0
Other	5.5	5.9
Income from electronic channels	4.1	4.1
Cash handling fees	3.1	3.2
Other settlement fees	5.3	3.0
	186.7	274.2

*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
	Q1	Q1
Credit and payment cards	-29.3	-43.9
Securities market	-5.3	-10.2
Expenses to leasing agreements (full service)	-6.9	-11.0
Cash collecting fees	-6.7	-6.1
Transaction fees	-4.5	-4.5
Other	-3.3	-3.4
Expenses of electronic channels	-3.3	-2.7
Corporate Finance fees	-0.1	0.0
	-59.4	-81.8

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

(millions of EEK)

	2009	2008
	Q1	Q1
Allowances for advances to customers	-280.8	-294.8
new loan allowances	-313.8	-370.3
recoveries from write-offs	1.1	1.3
reversals of allowances	31.9	74.2
Assets held for sale	-9.7	1.8
reappraisal	-9.2	1.0
realized gains / losses	-0.5	0.8
	-290.5	-293.0

Note 11**Related parties**

(millions of EEK)

	<u>31.03.09</u>	<u>31.12.08</u>
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.	14.9	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).	-0.5	-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.	-4.2	-6.5
Loans to parent company	532.0	581.6
Due to parent company	-35,542.0	-37,741.7
incl. subordinated liabilities	-2,613.0	-2,613.0
Contingent assets and commitments to parent company	581.0	652.2
Contingent liabilities and commitments to parent company	0.0	0.0
Loans to enterprises of parent company's consolidation group	4,775.0	5,376.9
Due to enterprises of parent company's consolidation group	-77.0	-68.9
Contingent assets and commitments to enterprises of parent company's consolidation group	135.0	152.4
	-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.

Note 12**Segment analysis**

(millions of EEK)

3 months 2009

	Merchant Banking	Retail Banking	Life insurance	Wealth Management	Treasury and other	Elimina- tions	Group
1. Profit by business segments							
Net interest income	5.9	290.5	0.0	5.0	85.2	5.5	392.1
incl. internal	-23.7	-105.0	0.0	5.0	118.3		
incl. external	29.6	395.5	0.0	0.0	-33.1		
Net income from fees and commissions	7.0	109.3	0.0	9.1	3.8	-1.9	127.3
incl. internal	-24.2	34.7	0.0	-10.1	1.5		
incl. external	31.2	74.6	0.0	19.2	2.3		
Net financial income *	25.2	13.0	0.0	0.1	-2.3	-3.6	32.4
incl. internal	-9.9	13.4	0.0	0.0	0.1		
incl. external	35.1	-0.4	0.0	0.1	-2.4		
Income from insurance activities	0.0	0.0	21.0	0.0	0.0	-0.9	20.1
incl. internal	0.0	0.0	1.4	0.0	0.0		
incl. external	0.0	0.0	19.6	0.0	0.0		
Other income	0.1	8.7	0.0	0.0	41.2	-41.4	8.6
incl. internal	-1.1	2.9	0.0	0.0	39.5		
incl. external	1.2	5.8	0.0	0.0	1.7		
Total income	38.2	421.5	21.0	14.2	127.9	-42.3	580.5
incl. internal	-58.9	-54.0	0.0	-5.1	159.4		
incl. external	97.1	475.5	21.0	19.3	-31.5		
Other expenses	-30.4	-213.8	-12.5	-6.3	-43.1	42.3	-263.8
incl. internal	11.1	-83.4	-5.5	-1.7	36.7		
incl. external	-41.5	-130.4	-7.0	-4.6	-79.8		
Depreciation, amortization and impairment of tangible and intangible assets	-0.6	-7.3	-0.1	0.0	-8.2		-16.2
Total expenses	-31.0	-221.1	-12.6	-6.3	-51.3	42.3	-280.0
incl. internal	11.1	-83.4	-5.5	-1.7	36.7		
incl. external	-42.1	-137.7	-7.1	-4.6	-88.0		
Impairment losses on loans and advances	0.0	-290.5	0.0	0.0	0.0		-290.5
incl. internal	51.3	-51.3	0.0	0.0	0.0		
incl. external	-51.3	-239.2	0.0	0.0	0.0		
Profit before tax	7.2	-90.1	8.4	7.9	76.6		10.0
incl. internal	3.5	-188.7	-5.5	-6.8	196.1		
incl. external	3.7	98.6	13.9	14.7	-119.5		
Income tax	0.0	0.0	0.0	0.0	0.0		0.0
Net profit	7.2	-90.1	8.4	7.9	76.6		10.0

* Net financial income = Net income from foreign exchange + Gains less losses from trading and financial assets at fair value through profit or loss at inception

3 months 2008

1. Profit by business segments

	Merchant Banking	Retail Banking	Life insurance	Wealth Management	Treasury and other	Elimina- tions	Group
Net interest income	3.0	291.8	0.0	3.5	155.2	2.9	456.4
incl. internal	-32.0	-274.6	0.0	3.5	300.1		
incl. external	35.0	566.4	0.0	0.0	-144.9		
Net income from fees and commissions	32.6	143.2	0.0	16.8	2.3	-2.5	192.4
incl. internal	-19.7	36.9	0.0	-14.7	0.0		
incl. external	52.3	106.3	0.0	31.5	2.3		
Net financial income *	-5.4	14.4	0.0	0.0	1.2	8.2	18.4
incl. internal	-22.3	14.1	0.0	0.0	-0.1		
incl. external	16.9	0.3	0.0	0.0	1.3		
Income from insurance activities	0.0	0.0	-2.7	0.0	0.0	-10.8	-13.5
incl. internal	0.0	0.0	10.8	0.0	0.0		
incl. external	0.0	0.0	-13.5	0.0	0.0		
Other income	0.6	4.6	0.0	0.0	39.0	-41.2	3.0
incl. internal	0.0	2.1	0.0	0.0	39.1		
incl. external	0.6	2.5	0.0	0.0	-0.1		
Total income	30.8	454.0	-2.7	20.3	197.7	-43.4	656.7
incl. internal	-74.0	-221.5	0.0	-11.2	339.1		
incl. external	104.8	675.5	-2.7	31.5	-141.4		
Other expenses	-33.4	-236.2	-14.2	-8.2	-39.8	43.4	-288.4
incl. internal	13.4	-90.9	-5.2	-1.5	40.8		
incl. external	-46.8	-145.3	-9.0	-6.7	-80.6		
Depreciation, amortization and impairment of tangible and intangible assets	-0.7	-8.1	-0.1	0.0	-7.6		-16.5
Total expenses	-34.1	-244.3	-14.3	-8.2	-47.4	43.4	-304.9
incl. internal	13.4	-90.9	-5.2	-1.5	40.8		
incl. external	-47.5	-153.4	-9.1	-6.7	-88.2		
Impairment losses on loans and advances	2.0	-195.0	0.0	0.0	-100.0		-293.0
incl. internal	103.5	-103.5	0.0	0.0	0.0		
incl. external	-101.5	-91.5	0.0	0.0	-100.0		
Profit before tax	-1.3	14.7	-17.0	12.1	50.3		58.8
incl. internal	42.9	-415.9	-5.2	-12.7	379.9		
incl. external	-44.2	430.6	-11.8	24.8	-329.6		
Income tax	0.0	0.0	0.0	0.0	-1.9		-1.9
Net profit	-1.3	14.7	-17.0	12.1	48.4		56.9

* Net financial income = Net income from foreign exchange + Gains less losses from trading and financial assets at fair value through profit or loss at inception

The Business segments are presented according to IFRS 8. Segment reporting includes the following segments - Merchant Banking, Retail Banking, Life Insurance, Wealth Management, Treasury and Other. The different divisions assist different groups of customers. The customer's demands decide the type of products that are offered. Merchant Banking offers wholesale and investment banking services to large corporations and institutions. Retail Banking offers products mainly to retail customers (private customers and small corporates). Life Insurance offers life and pension insurance, Wealth Management performs asset management, Treasury and Other includes treasury function, i.e. financing obtained from the parent company or other sources and further provided to other segments by internal financing and other, being below the reportable segment criterions.

The internal transfer pricing (IFTP) objective in the SEB Group is to measure net interest income, to transfer interest risk and to manage liquidity. The internal price is set according to the market price, which is price paid at the interbank market for a specific interest and liquidity term. The business units do not pay or receive any margins on funds transferred to and from the Treasury unit. Transactions between Business segments are conducted at arm's length. All activity of AS SEB Pank Group take place in Estonia, therefore geographical segment is not presented.