

# AS SEB Pank Group

Interim Report of Q1 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 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	<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	31.03.2009
Reporting period	01.01.2009 - 31.03.2009
Report currency	Euro (EUR), 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 (EUR mio)
AS SEB Liising	10281767	03.10.97	Tallinn, Tornimäe 2	Leasing	100.0%	1.5
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%	2.7
AS SEB Elu- ja Pensionikindlustus	10525330	21.01.99	Tallinn, Tornimäe 2	Life and pension insurance	100.0%	1.9
AS Bangalo	10088272	18.10.96	Tallinn, Tornimäe 2	Rental of computers	100.0%	0.3
AS SEB Enskilda	11354037	16.02.07	Tallinn, Tornimäe 2	Financial consulting	100.0%	0.7
OÜ Estectus	10141919	23.04.97	Tallinn, Tornimäe 2	Real estate	100.0%	1.7
SEB IT Partner Estonia OÜ**	10002566	20.11.95	Tallinn, Liimi 1B	IT consulting, programming	35.0%	0.0
AS Sertifitseerimiskeskus**	10747013	27.03.01	Tallinn, Pärnu mnt 12	Data communication services	25.0%	1.0
OÜ TietoEnator Support **	11065244	30.08.04	Tallinn, Roosikrantsi 11	IT consulting, programming	20.0%	0.0

9.9

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 3,0 EUR 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 50 00 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 EUR)

	<b>31.03.09</b>	<b>31.12.08</b>
<b>CAPITAL BASE</b>		
Paid-in share capital	42.5	42.5
Premium	86.1	86.1
General banking reserves	19.5	19.5
Retained earnings / loss	410.8	356.1
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-0.2	-0.2
Intangibles	-24.9	-25.0
<u>Audited profit for the period (group without life insurance)</u>	<u>0.0</u>	<u>54.8</u>
<b>Total primary own funds</b>	<b>533.8</b>	<b>533.8</b>
Subordinated debt	167.0	167.0
Available for sale financial instruments	-0.8	-0.2
Unrealised part of profit on shares of subsidiaries and associated companies	0.1	0.1
Allowances and adjustments exceeding expected loss	0.5	0.0
<b>Total supplementary own funds</b>	<b>166.8</b>	<b>166.9</b>
Majority holding in other credit and financial institutions	0.1	0.2
Majority holding in insurers	1.9	1.9
<b>Total deductions</b>	<b>2.0</b>	<b>2.1</b>
<b>Total third level own funds</b>	<b>-</b>	<b>-</b>
Primary own funds after deductions	532.8	532.6
<u>Supplementary own funds included in calculation of capital adequacy</u>	<u>165.8</u>	<u>165.9</u>
<u>Own funds included in calculation of capital adequacy</u>	<u>698.6</u>	<u>698.6</u>
<b>CAPITAL REQUIREMENTS</b>		
Central government and central banks with standardised approach	1.5	1.4
Municipalities and regions with standardised approach	5.7	5.8
State agencies, non-profit institutions and associations with standardised approach	0.1	0.1
Retail claims with standardised approach	18.0	18.5
Overdue claims with standardised approach	0.7	0.2
Shares of investment funds with standardised approach	0.3	0.3
Other assets with standardised approach	5.6	5.8
Credit institutions, investment firms and municipalities with IRB	1.4	1.3
Other companies with IRB	183.1	180.0
Retail claims with IRB	51.8	45.7
<b>Total capital requirements for covering the credit risk and counterparty credit risk</b>	<b>268.2</b>	<b>259.1</b>
Capital requirement for covering interest position risk	1.6	1.2
Capital requirement for covering equity position risk	0.0	0.0
AMA of operational risk	8.8	9.3
<b>Capital requirements total</b>	<b>278.6</b>	<b>269.6</b>
<u>Transition period floor of own funds if using IRB</u>	<u>357.6</u>	<u>416.1</u>
<u>Capital requirements for calculating capital adequacy</u>	<u>357.6</u>	<u>416.1</u>

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**


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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**

	31.03.09	31.12.08	31.03.08
Total claims against persons associated with the credit institution's consolidation group, EURmio	1.0	1.0	1.2
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, EURmio	151.7	152.0	124.5
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, EURmio	0.6	49.0	3.6
Average equity, EURmio	564.0	540.5	518.3
Return on equity (ROE), %	0.45	9.06	2.81
Average assets, EURmio	5,310.0	5,536.4	5,593.1
Return on assets (ROA), %	0.05	0.88	0.26
Net interest income (excl. off-balance sheet transactions), EURmio	25.1	119.7	29.2
Average interest earning assets, EURmio	5,109.6	5,235.2	5,246.5
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 EUR)

	<b>31.03.09</b>	<b>31.12.08</b>
<b>ASSETS</b>		
Cash	38.6	45.5
Balances with central bank	289.5	366.8
Loans and advances to credit institutions	344.8	385.2
Loans and advances to customers	4,325.0	4,449.5
Financial assets held for trading	20.0	25.5
Financial assets at fair value through profit or loss	54.8	66.7
Available-for-sale financial assets	18.5	26.3
Other assets	55.7	38.2
Deferred income tax assets	0.0	0.0
Investments in associates	0.5	0.6
Intangible assets	24.9	25.0
Property plant and equipment	9.0	9.4
<b>TOTAL ASSETS</b>	<b>5,181.3</b>	<b>5,438.7</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Due to credit institutions	2,144.6	2,286.5
Due to customers	2,113.0	2,237.3
Lending funds	8.4	8.3
Other liabilities	111.9	96.9
Deferred income tax liabilities	0.0	0.0
Issued debt securities	6.9	6.8
Financial liabilities at fair value through profit or loss	24.3	31.8
Provisions	39.8	39.1
Subordinated loans	168.8	167.5
<b>Total Liabilities</b>	<b>4,617.7</b>	<b>4,874.2</b>
Share capital	42.5	42.5
Share premium	86.1	86.1
Other reserves	18.9	20.4
Translation reserve	0.0	0.0
Retained earnings	416.1	415.5
<b>Total shareholders' equity</b>	<b>563.6</b>	<b>564.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,181.3</b>	<b>5,438.7</b>

**2. Consolidated Income Statement**

(millions of EUR)

		2009	2008
	Note	Q1	Q1
Interest and similar income	6	66.3	79.4
Interest expenses and similar charges	7	-41.2	-50.2
Net Interest Income		25.1	29.2
Fee and commission income	8	11.9	17.5
Fee and commission expense	9	-3.8	-5.2
Net fee and commission income		8.1	12.3
Net income from foreign exchange		1.8	2.5
Gains less losses from financial assets at fair value through profit or loss		0.3	-1.3
Income from insurance activities		1.3	-0.9
Income from dividends		0.0	0.0
Gains less losses from investment securities		0.4	0.0
Share of profit of associates		-0.1	0.1
Other income		0.2	0.1
Personnel expenses		-11.3	-12.2
Other expenses		-5.6	-6.2
Depreciation, amortization and impairment of tangible and intangible assets		-1.0	-1.1
<b>Profit before impairment losses on loans and advances</b>		<b>19.2</b>	<b>22.5</b>
Impairment losses on loans and advances	10	-18.6	-18.8
<b>Profit before income tax</b>		<b>0.6</b>	<b>3.7</b>
Income tax		0.0	-0.1
<b>Net profit</b>	12	<b>0.6</b>	<b>3.6</b>

**Statement of comprehensive income**

	2009	2008
	Q1	Q1
<b>Net profit</b>	<b>0.6</b>	<b>3.6</b>
<b>Other comprehensive income</b>		
Revaluation of available-for-sale financial assets	-1.5	-0.2
Translation reserve	0.0	-0.1
<b>Total other comprehensive income</b>	<b>-1.5</b>	<b>-0.3</b>
<b>Total comprehensive income</b>	<b>-0.9</b>	<b>3.3</b>

### 3. Consolidated Cash Flow Statement

(millions of EUR)

	<b>31.03.09</b>	<b>31.03.08</b>
<b>I. Cash flows from operating activities</b>		
Interest received	51.4	60.5
Interest paid	-8.9	-16.6
Dividends received	0.0	0.0
Fee and commission received	11.9	17.6
Net trading income and other operating income	-1.2	-3.8
Personnel expenses and other operating expenses	-15.8	-17.9
Income taxes paid	0.0	-0.1
Revaluation adjustments	-1.5	-0.5
<b>Cash flows from operating profits before changes in the operating assets and liabilities</b>	<b>35.9</b>	<b>39.2</b>
<b>Changes in operating assets:</b>		
Loans and advances to credit institutions	-4.5	92.8
Loans and advances to customers	103.6	-63.1
Other assets	29.7	27.3
<b>Changes of operating liabilities:</b>		
Due to credit institutions	-120.8	85.5
Due to customers	-122.3	-164.1
Lending funds	0.1	-0.5
Other liabilities	-45.6	-50.1
<b>Cash flow from operating activities</b>	<b>-123.9</b>	<b>-33.0</b>
<b>II. Cash flows from investing activities</b>		
Net increase-/decrease+ of investment portfolio securities	19.9	5.0
Purchase of investment properties, tangible and intangible assets	-0.7	-1.1
Proceeds from sale of investment properties, tangible and intangible assets	0.1	0.0
<b>Cash flow from investing activities</b>	<b>19.3</b>	<b>3.9</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from debt securities (issuing)	0.0	13.9
Repurchasing of debt securities	-0.1	-3.5
<b>Cash flow from financing activities</b>	<b>-0.1</b>	<b>10.4</b>
<b>Net increase in cash and cash equivalents</b>	<b>-104.7</b>	<b>-18.7</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>776.7</b>	<b>653.2</b>
Effect of exchange rate changes on cash and cash equivalents	0.3	-0.9
<b>Cash and cash equivalents at end of period</b>	<b>672.3</b>	<b>633.6</b>
<b>Cash and cash equivalents includes:</b>		
Cash on hand	38.6	40.8
Balances with the central bank	289.4	256.0
Liquid deposits in other credit institutions	343.6	322.2
Trading portfolio	0.7	14.6
	<b>672.3</b>	<b>633.6</b>

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

(millions of EUR)

	<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>42.5</b>	<b>86.1</b>	<b>21.3</b>	<b>0.0</b>	<b>366.8</b>	<b>516.7</b>
Statutory reserve	0.0	0.0	0.1	0.0	-0.1	<b>0.0</b>
Profit for the year	0.0	0.0	0.0	0.0	3.6	<b>3.6</b>
Other comprehensive income:						
Net change in available for sale financial assets	0.0	0.0	-0.2	0.0	0.0	<b>-0.2</b>
Currency translation differences	0.0	0.0	0.0	-0.1	0.0	<b>-0.1</b>
Total other comprehensive income	0.0	0.0	-0.2	-0.1	0.0	<b>-0.3</b>
Final balance 31.03.2008	<b>42.5</b>	<b>86.1</b>	<b>21.2</b>	<b>-0.1</b>	<b>370.3</b>	<b>520.0</b>
Year beginning 01.01.2009	<b>42.5</b>	<b>86.1</b>	<b>20.4</b>	<b>0.0</b>	<b>415.5</b>	<b>564.5</b>
Profit for the year	0.0	0.0	0.0	0.0	0.6	<b>0.6</b>
Other comprehensive income:						
Net change in available for sale financial assets	0.0	0.0	-1.5	0.0	0.0	<b>-1.5</b>
Total other comprehensive income	0.0	0.0	-1.5	0.0	0.0	<b>-1.5</b>
Final balance 31.03.2009	<b>42.5</b>	<b>86.1</b>	<b>18.9</b>	<b>0.0</b>	<b>416.1</b>	<b>563.6</b>

## 5. Contingent assets and liabilities and commitments

(millions of EUR)

31.03.09	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>59.7</b>	<b>598.6</b>	-	-
1.1. Guarantees and pledges	41.4	260.2	-	-
<i>incl. financial guarantees</i>	40.0	94.1	-	-
1.2. Loan commitments	18.3	338.4	-	-
<b>2. Derivatives</b>	<b>763.2</b>	<b>763.4</b>	<b>19.4</b>	<b>32.9</b>
2.1. Currency related derivatives	376.8	380.4	2.6	23.9
2.2. Interest related derivatives	310.9	310.9	14.3	3.6
2.3. Equity related derivatives*	75.6	72.1	2.4	5.4
	<b>822.9</b>	<b>1,362.0</b>	<b>19.4</b>	<b>32.9</b>

  

31.12.08	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>59.2</b>	<b>644.8</b>	-	-
1.1. Guarantees and pledges	40.9	273.6	-	-
<i>incl. financial guarantees</i>	40.0	103.9	-	-
1.2. Loan commitments	18.3	371.2	-	-
1.3. Other off-balance sheet commitments	0.0	0.1	-	-
<b>2. Derivatives</b>	<b>719.5</b>	<b>719.0</b>	<b>24.5</b>	<b>31.3</b>
2.1. Currency related derivatives	346.5	352.1	4.4	9.7
2.2. Interest related derivatives	269.4	269.9	17.6	17.6
2.3. Equity related derivatives*	103.6	97.0	2.6	4.0
	<b>778.8</b>	<b>1,363.8</b>	<b>24.5</b>	<b>31.3</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 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 EUR)

	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>31.03.09</b>											
Sweden	0.2	27.6	1.9	10.1	0.2	40.0	2,088.4	7.4	182.4	2,278.2	220.2
Estonia	317.2	4.9	4,288.8	45.5	73.2	4,729.6	11.9	1,836.3	167.7	2,015.9	1,125.2
United Kingdom	0.1	1.0	2.6	2.8	0.0	6.5	1.8	109.0	0.0	110.8	4.1
Russia	0.2	4.9	1.0	1.8	0.0	7.9	2.3	16.4	0.0	18.7	0.1
Germany	5.1	301.6	4.5	2.9	0.0	314.1	31.0	1.6	0.0	32.6	3.3
United States	0.9	1.1	1.4	1.3	0.0	4.7	0.4	22.8	0.0	23.2	0.4
Canada	0.1	0.0	0.0	0.0	0.0	0.1	0.0	1.2	0.0	1.2	0.0
Japan	0.0	0.1	0.0	0.1	0.0	0.2	0.0	0.2	0.0	0.2	0.0
Finland	0.0	0.0	18.8	5.3	0.0	24.1	0.2	7.3	0.0	7.5	1.5
Latvia	0.3	0.5	0.0	0.6	0.0	1.4	1.1	2.7	0.0	3.8	0.3
Lithuania	0.2	0.1	0.0	1.0	0.0	1.3	2.8	0.8	0.0	3.6	2.4
Luxembourg	0.0	2.0	0.6	9.0	0.4	12.0	0.2	0.0	0.3	0.5	0.0
Netherlands	0.0	0.0	0.6	2.1	0.0	2.7	0.0	0.2	0.0	0.2	0.0
Other Western Europe	0.3	0.1	2.9	10.3	0.0	13.6	2.0	59.9	0.0	61.9	3.4
Other Eastern Europe	0.1	0.7	0.0	0.2	0.0	1.0	2.3	1.9	0.0	4.2	0.0
Other countries	3.4	0.2	1.9	0.8	15.8	22.1	0.2	45.3	9.7	55.2	1.1
	<b>328.1</b>	<b>344.8</b>	<b>4,325.0</b>	<b>93.8</b>	<b>89.6</b>	<b>5,181.3</b>	<b>2,144.6</b>	<b>2,113.0</b>	<b>360.1</b>	<b>4,617.7</b>	<b>1,362.0</b>
<b>31.12.08</b>											
Sweden	0.4	30.0	2.2	12.3	0.0	44.9	2,220.3	11.2	173.3	2,404.8	171.1
Estonia	401.4	0.1	4,413.5	59.7	67.7	4,942.4	18.2	1,979.0	163.1	2,160.3	1,162.8
United Kingdom	0.1	0.3	2.7	2.8	0.0	5.9	2.1	101.5	0.0	103.6	3.9
Russia	0.2	7.8	1.1	3.2	0.0	12.3	1.9	17.1	0.0	19.0	0.1
Germany	4.1	341.5	3.1	3.4	0.0	352.1	34.6	1.5	0.0	36.1	5.7
United States	1.0	3.2	1.6	1.2	0.0	7.0	0.4	27.5	0.0	27.9	0.1
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	0.0	2.2	0.0
Japan	0.0	0.1	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.1	0.0
Finland	0.0	0.0	18.8	8.4	0.0	27.2	0.3	7.5	0.0	7.8	18.0
Latvia	0.3	0.7	0.0	1.3	0.0	2.3	2.0	2.3	0.0	4.3	0.7
Lithuania	0.2	0.1	0.0	1.2	0.0	1.5	1.0	0.6	0.1	1.7	0.2
Luxembourg	0.0	0.1	0.6	9.3	0.4	10.4	0.2	0.0	0.2	0.4	0.0
Netherlands	0.0	0.0	0.6	2.5	0.0	3.1	0.0	0.3	0.0	0.3	0.0
Other Western Europe	0.4	0.6	3.0	10.4	0.0	14.4	1.5	41.3	0.0	42.8	1.0
Other Eastern Europe	0.1	0.3	0.0	1.8	0.0	2.2	3.8	1.6	0.1	5.5	0.0
Other countries	4.1	0.4	2.3	1.5	4.5	12.8	0.2	43.6	13.6	57.4	0.2
	<b>412.3</b>	<b>385.2</b>	<b>4,449.5</b>	<b>119.1</b>	<b>72.6</b>	<b>5,438.7</b>	<b>2,286.5</b>	<b>2,237.3</b>	<b>350.4</b>	<b>4,874.2</b>	<b>1,363.8</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 EUR)

	In balance sheet		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
	31.03.09		
Real estate	735.7	31.8	161.3
Finance	674.4	12.6	325.9
Industry	336.7	2.8	112.6
Trading	311.5	5.4	166.7
Transport	238.4	0.0	103.4
Energy, gas and steam plants	129.1	0.0	90.3
Agriculture, fishing, forestry	118.9	0.3	6.4
Government and state defence	111.3	0.1	29.7
Construction	82.0	2.4	112.7
Hotels, restaurants	76.3	0.2	12.4
Health services, social work	58.8	0.7	7.1
Administration and assistance	46.1	3.3	25.0
Art, showbusiness, leisure	36.5	1.5	9.1
Education	26.4	0.0	7.8
Water supply, canalization, waste management	23.3	0.0	4.8
Professional, science and technical work	20.2	0.0	20.0
Information and telecommunication	19.0	2.7	6.6
Mining	9.6	0.6	0.2
Exterritorial organisations	0.0	0.1	0.0
Other government & social services	63.6	9.7	6.8
Individuals	1,968.0	0.2	153.2
Derivatives	0.0	19.4	0.0
Allowances	-87.9	-	-
	<b>4,997.9</b>	<b>93.8</b>	<b>1,362.0</b>

31.12.08	In balance sheet		
	Cash and loans to central bank, credit institutions and customers		Contingent liabilities
		Securities	
Finance	798.7	16.7	318.3
Real estate	735.1	38.2	164.8
Industry	359.7	3.1	100.4
Trading	327.5	8.9	180.5
Transport	246.7	2.3	88.1
Energy, gas and steam plants	150.4	0.0	87.9
Agriculture, fishing, forestry	130.6	0.3	6.6
Government and state defence	113.1	0.2	24.4
Construction	88.8	3.0	116.1
Hotels, restaurants	77.3	0.4	12.4
Health services, social work	59.8	0.8	7.0
Administration and assistance	53.7	2.2	13.2
Art, showbusiness, leisure	37.1	2.6	20.6
Professional, science and technical work	22.5	0.0	5.6
Water supply, canalization, waste management	21.7	0.0	5.8
Information and telecommunication	20.1	2.6	6.8
Education	18.3	0.0	16.1
Mining	3.7	0.7	0.3
Exterritorial organisations	0.0	0.1	0.0
Other government & social services	62.2	12.3	4.1
Individuals	1,989.9	0.2	184.8
Derivatives	0.0	24.5	0.0
Allowances	-69.9	-	-
	<b>5,247.0</b>	<b>119.1</b>	<b>1,363.8</b>

**Note 4****Overdue**

By overdue maturity  
(millions of EUR)

**31.03.09**

Loans

Other

**Total**

	< 30 days	30 < 60 days	over 60 days	Total
Loans	168.5	69.3	214.8	452.6
Other	0.0	0.1	0.1	0.2
<b>Total</b>	<b>168.5</b>	<b>69.4</b>	<b>214.9</b>	<b>452.8</b>

**31.12.08**

Loans

Other

**Total**

	< 30 days	30 < 60 days	over 60 days	Total
Loans	185.9	47.5	141.2	374.6
Other	0.0	0.1	0.1	0.2
<b>Total</b>	<b>185.9</b>	<b>47.6</b>	<b>141.3</b>	<b>374.8</b>

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

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

(millions of EUR)

**At January, 1**

Loan provisions

Reversals of provisions

Loans and advances written off

Exchange rate adjustments

**At March, 31**

	<b>31.03.09</b>	<b>31.12.08</b>
<b>At January, 1</b>	<b>69.9</b>	<b>22.1</b>
Loan provisions	20.1	61.5
Reversals of provisions	-2.0	-12.8
Loans and advances written off	-0.2	-1.1
Exchange rate adjustments	0.2	0.2
<b>At March, 31</b>	<b>87.9</b>	<b>69.9</b>

Recoveries from write-offs

0.1 0.5

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

(millions of EUR)

Loans

Leasing

Deposits with other banks

Fixed income securities

	<b>2009</b>	<b>2008</b>
	<b>Q1</b>	<b>Q1</b>
Loans	55.6	62.9
Leasing	9.2	13.6
Deposits with other banks	0.9	2.8
Fixed income securities	0.6	0.1
	<b>66.3</b>	<b>79.4</b>

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

(millions of EUR)

Credit institutions

Time and other saving deposits

Demand deposits

Subordinated debts

Issued bonds

Loan funds

Other

	<b>2009</b>	<b>2008</b>
	<b>Q1</b>	<b>Q1</b>
Credit institutions	-22.8	-27.2
Time and other saving deposits	-11.1	-10.2
Demand deposits	-5.3	-9.9
Subordinated debts	-1.8	-2.3
Issued bonds	-0.1	-0.6
Loan funds	-0.1	0.0
Other	0.0	0.0
	<b>-41.2</b>	<b>-50.2</b>

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

(millions of EUR)

	<b>2009</b>	<b>2008</b>
	<b>Q1</b>	<b>Q1</b>
Credit and payment cards	4.8	6.1
Securities market services	2.0	3.6
Credit contracts*	0.9	2.9
Transaction fees	1.7	2.0
Non-life insurance brokerage fees	0.6	0.7
Corporate Finance fees	0.0	0.4
Income from leasing agreements (full service)	0.6	0.9
Other	0.4	0.4
Income from electronic channels	0.3	0.3
Cash handling fees	0.2	0.2
Other settlement fees	0.3	0.2
	<b>11.9</b>	<b>17.5</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 EUR)

	<b>2009</b>	<b>2008</b>
	<b>Q1</b>	<b>Q1</b>
Credit and payment cards	-1.9	-2.8
Securities market	-0.3	-0.7
Expenses to leasing agreements (full service)	-0.4	-0.7
Cash collecting fees	-0.4	-0.4
Transaction fees	-0.3	-0.3
Other	-0.2	-0.2
Expenses of electronic channels	-0.2	-0.2
Corporate Finance fees	0.0	0.0
	<b>-3.8</b>	<b>-5.2</b>

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

(millions of EUR)

	<b>2009</b>	<b>2008</b>
	<b>Q1</b>	<b>Q1</b>
<b>Allowances for advances to customers</b>	<b>-17.9</b>	<b>-18.8</b>
new loan allowances	-20.1	-23.7
recoveries from write-offs	0.1	0.1
reversals of allowances	2.0	4.7
<b>Assets held for sale</b>	<b>-0.6</b>	<b>0.1</b>
reappraisal	-0.6	0.1
realized gains / losses	0.0	0.1
	<b>-18.6</b>	<b>-18.7</b>

**Related parties**

(millions of EUR)

	<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.	1.0	1.0
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).	0.0	0.0
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.	-0.3	-0.4
Loans to parent company	34.0	37.2
Due to parent company	-2,271.5	-2,412.1
incl. subordinated liabilities	-167.0	-167.0
Contingent assets and commitments to parent company	37.1	41.7
Contingent liabilities and commitments to parent company	0.0	0.0
Loans to enterprises of parent company's consolidation group	305.2	343.6
Due to enterprises of parent company's consolidation group	-4.9	-4.4
Contingent assets and commitments to enterprises of parent company's consolidation group	8.6	9.7
	-0.5	-0.1

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 EUR)

**3 months 2009****1. Profit by business segments**

	<b>Merchant Banking</b>	<b>Retail Banking</b>	<b>Life insurance</b>	<b>Wealth Management</b>	<b>Treasury and other</b>	<b>Elimina- tions</b>	<b>Group</b>
<b>Net interest income</b>	<b>0.4</b>	<b>18.6</b>	<b>0.0</b>	<b>0.3</b>	<b>5.4</b>	<b>0.4</b>	<b>25.1</b>
incl. internal	-1.5	-6.7	0.0	0.3	7.6		
incl. external	1.9	25.3	0.0	0.0	-2.2		
<b>Net income from fees and commissions</b>	<b>0.4</b>	<b>7.0</b>	<b>0.0</b>	<b>0.6</b>	<b>0.2</b>	<b>-0.1</b>	<b>8.1</b>
incl. internal	-1.5	2.2	0.0	-0.6	0.1		
incl. external	1.9	4.8	0.0	1.2	0.1		
<b>Net financial income *</b>	<b>1.6</b>	<b>0.8</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.2</b>	<b>2.1</b>
incl. internal	-0.6	0.9	0.0	0.0	0.0		
incl. external	2.2	-0.1	0.0	0.0	-0.1		
<b>Income from insurance activities</b>	<b>0.0</b>	<b>0.0</b>	<b>1.3</b>	<b>0.0</b>	<b>0.1</b>	<b>-0.1</b>	<b>1.3</b>
incl. internal	0.0	0.0	0.1	0.0	0.0		
incl. external	0.0	0.0	1.2	0.0	0.1		
<b>Other income</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2.6</b>	<b>-2.7</b>	<b>0.5</b>
incl. internal	-0.1	0.2	0.0	0.0	2.5		
incl. external	0.1	0.4	0.0	0.0	0.1		
<b>Total income</b>	<b>2.4</b>	<b>27.0</b>	<b>1.3</b>	<b>0.9</b>	<b>8.2</b>	<b>-2.7</b>	<b>37.1</b>
incl. internal	-3.7	-3.4	0.0	-0.3	10.2		
incl. external	6.1	30.4	1.3	1.2	-2.0		
<b>Other expenses</b>	<b>-1.9</b>	<b>-13.7</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-2.8</b>	<b>2.7</b>	<b>-16.9</b>
incl. internal	0.7	-5.3	-0.4	-0.1	2.3		
incl. external	-2.6	-8.4	-0.4	-0.3	-5.1		
<b>Depreciation, amortization and impairment of tangible and intangible assets</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.5</b>		<b>-1.0</b>
<b>Total expenses</b>	<b>-1.9</b>	<b>-14.2</b>	<b>-0.8</b>	<b>-0.4</b>	<b>-3.3</b>	<b>2.7</b>	<b>-17.9</b>
incl. internal	0.7	-5.3	-0.4	-0.1	2.3		
incl. external	-2.6	-8.9	-0.4	-0.3	-5.6		
<b>Impairment losses on loans and advances</b>	<b>0.0</b>	<b>-18.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>-18.6</b>
incl. internal	3.3	-3.3	0.0	0.0	0.0		
incl. external	-3.3	-15.3	0.0	0.0	0.0		
<b>Profit before tax</b>	<b>0.5</b>	<b>-5.8</b>	<b>0.5</b>	<b>0.5</b>	<b>4.9</b>		<b>0.6</b>
incl. internal	0.3	-12.0	-0.4	-0.4	12.5		
incl. external	0.2	6.2	0.9	0.9	-7.6		
<b>Income tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>		<b>0.0</b>
<b>Net profit</b>	<b>0.5</b>	<b>-5.8</b>	<b>0.5</b>	<b>0.5</b>	<b>4.9</b>		<b>0.6</b>

\* 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

	Merchant Banking	Retail Banking	Life insurance	Wealth Management	Treasury and other	Elimina- tions	Group
<b>1. Profit by business segments</b>							
<b>Net interest income</b>	<b>0.2</b>	<b>18.6</b>	<b>0.0</b>	<b>0.2</b>	<b>10.0</b>	<b>0.2</b>	<b>29.2</b>
incl. internal	-2.0	-17.6	0.0	0.2	19.2		
incl. external	2.2	36.2	0.0	0.0	-9.2		
<b>Net income from fees and commissions</b>	<b>2.1</b>	<b>9.2</b>	<b>0.0</b>	<b>1.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>12.3</b>
incl. internal	-1.3	2.4	0.0	-0.9	0.0		
incl. external	3.4	6.8	0.0	2.0	0.1		
<b>Net financial income *</b>	<b>-0.3</b>	<b>0.9</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.5</b>	<b>1.2</b>
incl. internal	-1.4	0.9	0.0	0.0	0.0		
incl. external	1.1	0.0	0.0	0.0	0.1		
<b>Income from insurance activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.7</b>	<b>-0.9</b>
incl. internal	0.0	0.0	0.7	0.0	0.0		
incl. external	0.0	0.0	-0.9	0.0	0.0		
<b>Other income</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>2.5</b>	<b>-2.6</b>	<b>0.2</b>
incl. internal	0.0	0.1	0.0	0.0	2.5		
incl. external	0.0	0.2	0.0	0.0	0.0		
<b>Total income</b>	<b>2.0</b>	<b>29.0</b>	<b>-0.2</b>	<b>1.3</b>	<b>12.7</b>	<b>-2.8</b>	<b>42.0</b>
incl. internal	-4.7	-14.2	0.0	-0.7	21.7		
incl. external	6.7	43.2	-0.2	2.0	-9.0		
<b>Other expenses</b>	<b>-2.1</b>	<b>-15.1</b>	<b>-0.9</b>	<b>-0.5</b>	<b>-2.6</b>	<b>2.8</b>	<b>-18.4</b>
incl. internal	0.9	-5.8	-0.3	-0.1	2.6		
incl. external	-3.0	-9.3	-0.6	-0.4	-5.2		
<b>Depreciation, amortization and impairment of tangible and intangible assets</b>	<b>0.0</b>	<b>-0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.6</b>		<b>-1.1</b>
<b>Total expenses</b>	<b>-2.1</b>	<b>-15.6</b>	<b>-0.9</b>	<b>-0.5</b>	<b>-3.2</b>	<b>2.8</b>	<b>-19.5</b>
incl. internal	0.9	-5.8	-0.3	-0.1	2.6		
incl. external	-3.0	-9.8	-0.6	-0.4	-5.8		
<b>Impairment losses on loans and advances</b>	<b>0.1</b>	<b>-12.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-6.4</b>		<b>-18.8</b>
incl. internal	6.6	-6.6	0.0	0.0	0.0		
incl. external	-6.5	-5.9	0.0	0.0	-6.4		
<b>Profit before tax</b>	<b>0.0</b>	<b>0.9</b>	<b>-1.1</b>	<b>0.8</b>	<b>3.1</b>		<b>3.7</b>
incl. internal	2.8	-26.6	-0.3	-0.8	24.3		
incl. external	-2.8	27.5	-0.8	1.6	-21.2		
<b>Income tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>		<b>-0.1</b>
<b>Net profit</b>	<b>0.0</b>	<b>0.9</b>	<b>-1.1</b>	<b>0.8</b>	<b>3.0</b>		<b>3.6</b>

\* 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.