



Capital Adequacy and Risk Management information 2010

The Capital Requirements Directive establishes the public disclosure of the Capital Adequacy and Risk Management information. The Capital Requirements Directive implements the Basel II framework in the European Union, in Estonia the new regime is in effect since 2007.

On the basis of Credit Institutions Act, Eesti Pank Governor's Decree No 9 , 21.07.2010 Amendments to Eesti Pank Governor's Decree No 8, 02.11.2009 establishes requirements for information to be disclosed on credit institutions' risk management, own funds and capital adequacy.

AS SEB Pank belongs to the consolidation group of Skandinaviska Enskilda Banken AB (publ.) that is registered in another Member State Sweden. AS SEB Pank uses the same risk management strategy and rules of procedure as the parent company of the consolidation group including the same internal ratings system, internal measurement approaches and the principles of calculating own funds and capital adequacy.

The parent company of the SEB Group discloses Pillar 3 information for the whole SEB Group. The SEB Group's Capital Adequacy and Risk Management report is published on SEB webpage www.seb.se.

SEB Pank Group applies the Internal Ratings-Based (IRB) approach for reporting of banking, corporate and majority of retail portfolios – corresponding to 88,7 per cent of total credit Risk-Weighted Assets (RWA). Remaining portfolios are reported according to the Standardised approach. SEB will gradually continue to roll-out the IRB approach to the vast majority of all operations. SEB Pank Group applies the Advanced Measurement approach to report operational risk.

AS SEB Pank Annual Report 2010 (published on webpage www.seb.ee) provides information on the AS SEB Pank consolidation group's risk profile, the aggregate amount and composition of the capital requirements, the aggregate amount and composition of the own funds, which form the basis for the calculation of the capital adequacy ratio (please see on page 39 „Risk policy and management“, on page 65 „Capital management“ as well the other Notes to Consolidated Financial Statements).