

# AS SEB Pank Group

Interim Report of Quarter IV 2010



<b>Contents</b>	<b>p.</b>
Statement of the Management Board _____	2
<b>I. Introduction - general information</b> _____	3
1. Credit institution _____	3
2. Auditor _____	3
<b>II. Management Report</b> _____	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 2011 _____	5
1.3. Strategy and organisation _____	5
2. Highlights _____	6
3. Capital adequacy _____	10
4. Risk concentration _____	12
5. Key figures _____	12
<b>III. Consolidated financial statements</b> _____	14
1. Consolidated income statement _____	14
2. Consolidated statement of comprehensive income _____	14
3. Consolidated statement of financial position _____	15
4. Consolidated cash flow statement _____	16
5. Changes in consolidated shareholders' equity _____	17
6. Contingent assets and liabilities and commitments _____	18
Note 1 Accounting principles _____	19
Note 2 Interest and similar income _____	20
Note 3 Interest expenses and similar charges _____	20
Note 4 Fee and commission income _____	20
Note 5 Fee and commission expense _____	20
Note 6 Impairment losses on loans and advances _____	21
Note 7 Allowances on loans and advances _____	21
Note 8 Loans and advances to customers by remaining maturity _____	21
Note 9 Geographic concentration of financial assets and liabilities _____	22
Note 10 Concentration of financial assets and liabilities by industry sector _____	23
Note 11 Discontinued operations _____	25
Note 12 Related parties _____	26

## **Statement of the Management Board**

Interim Report of Quarter IV 2010 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 2010 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 2010 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	<a href="http://www.seb.ee">http://www.seb.ee</a>

### 2. Auditor

Audit company	AS PricewaterhouseCoopers
Registry code	10142876 (Estonian Commercial Register)
Address	Pärnu Str. 15, 10141 Tallinn, Estonia
Reporting date	31.12.2010
Reporting period	01.01.2010 - 31.12.2010
Reporting currency	Estonian kroon (EEK), millions

**II. Management Report****1. Credit institution's group as defined in Credit Institutions Law****1.1. Consolidated group****31.12.10**

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 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
AS Sertifitseerimiskeskus**	10747013	27.03.01	Tallinn, Pärnu mnt 12	Data communication services	25.0%	15.1
OÜ TietoEnator Support **	11065244	30.08.04	Tallinn, Roosikrantsi 11	IT consulting, programming	20.0%	0.6
						98.1

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.

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.

## **1.2. Changes in the consolidated group during the accounting period and plans for year 2011**

On January 28, 2010 100% shares in AS SEB Elu- ja Pensionikindlustus were sold according to the Management Board resolution from December 2009. Purchaser was SEB Trygg Liv Holding AB, a company, which belongs to the Skandinaviska Enskilda Banken AB (publ) Group (SEB Group).

On February 26, 2010 100% ownership in OÜ Estectus was sold according to the Management Board resolution from December 2009. Purchaser was Warehold B.V., a company, which is located in Holland (later renamed to Baltectus B.V.) and belongs to the SEB Group.

On June 17, 2010 an associate company SEB IT Partner Estonia OÜ was liquidated (35% of the shares held by AS SEB Pank).

No such events or trends have occurred by the time of publishing the report, which would affect the strategy of the group in 2011.

## **1.3. 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.

AS SEB Pank 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 813,500 customers of SEB Pank Group are served by 1,322 employees. The customers are served through many different channels such as 47 branch offices, 284 on-line post offices, 348 ATMs, 6,133 POS-terminals. There are more than 504,700 debit and credit cards in use. In addition, over 74% of our customers use our SEB Internet Bank and SEB Internet Bank for Business services.

Customer surveys during 2010 showed that SEB Pank Group is a leading bank when it comes to client satisfaction. This is a key strength of our group, a strength that we are determined to maintain.

AS SEB Pank is 100% owned by Skandinaviska Enskilda Banken AB (publ) – parent company, which belongs to 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.

## **2. Highlights**

### Efficiency and development

Adaption of the euro was the biggest project in the history of Estonian banking and SEB played leading role in the banking sector in order to ensure shift to euro. Conversion of the SEB's banking system to the euro was completed successfully. All processes in SEB were transferred to the new currency and our customers were well kept.

Prior the euro adoption SEB opened next-generation internet bank and homepage. In new internet Bank SEB clients have a personal chief financial officer –Financial Planner that helps keep an eye on everyday money matters. The upgrade of the e-channels will continue in the euro era as well – a new mobile bank is expected in early 2011, and a new Internet bank for business customers in early 2012.

Baltic units of Swedbank, SEB, Nordea Bank and Danske Bank (Sampo Bank) commenced a cooperation project in 2010 with the aim of analysing the possibility and expediency of the creation of a common ATM network covering the entire Baltic region. The first stage of the project involves preparatory work and analysis project with the aim of investigating the commercial and technological possibility of the common ATM network. The four banks have a total of 936 ATMs in Estonia, 604 in Latvia, and 868 in Lithuania.

Nord Pool Spot, the largest physical power market in the world, selected SEB as its settlement bank in Estonia. All companies trading in power market will do it through SEB.

SEB and Eesti Post have extended their partnership agreement for the operation of Post Banks in post offices all over Estonia until 31 January 2013. There are more than 350 post offices in the country providing the SEB bank services under the Post Bank trademark, the majority of which are located in rural areas. With the Post Banks, SEB's services are offered in almost 400 branches and offices around Estonia.

SEB Enskilda, the leading investment bank in the Nordic countries, expanded its Baltic equity product competence in 2010 by building up special stocks team.

## Organisation

Riho Unt was named the chairman of the Management Board of AS SEB Pank on 31 May 2010. Unt has been working with the SEB organisation for almost ten years. He joined the company in 2001 when he took up a position in the e-Technology and Operations Division. In 2004 he was promoted to deputy manager of the bank's Tallinn office, and then in 2006 to the position of director of the Retail Banking Division. He has been a member of the Management Board of the bank since the end of 2007, responsible for the retail banking area. Since January 2010 he has been fulfilling the duties of the board's chairman.

Riho Unt was named the chairman of the Estonian Banking Association. Unt will lead Estonian Banking Association until 2012.

Eerika Vaikmäe-Koit was named the member of the Management Board responsible for the retail banking area in September. The Retail Banking and Technology area is the biggest business unit within SEB, employing more than half of the bank's staff and accounting for almost half of the bank's volume of business. It serves around 500,000 active private clients and 34,000 small and medium-sized companies and is responsible for the development of the bank's product portfolio as a whole.

Eerika Vaikmäe-Koit has served in a variety of positions in both business and support functions in SEB since 1996. Between 2001 and 2005 she was the Deputy Manager of the Retail Banking Division, and from 2005 to 2008 she led a number of cross-border projects within the SEB Group. In 2008 she took up the post of Head of Support Units, overseeing personnel, legal, marketing and communication functions.

AS SEB Pank sold all ownership of its subsidiary company OÜ Estectus to SEB Group real estate company Baltectus B.V. in 2010.

AS SEB Pank sold all shares of its subsidiary company AS SEB Elu- ja Pensionikindlustus to the SEB Group's life insurance company SEB Trygg Liv Holding AB in 2010.

## Customer relations and customer satisfaction

The brand survey conducted by TNS Emor at the beginning of 2010 showed that SEB is the most likeable brand in the financial sector in Estonia. This is an important change as the popularity rating has always been closely tied to the size of the market share in the past.

AS SEB Pank was recognized to be the Most Attractive Employer in the financial sector in 2010 in Estonia. Also students recognized SEB as the Most Attractive Employer among financial sector in 2010 in Estonia.

AS SEB Pank improved its position in companies' awareness and image survey. In 2009 SEB was in position nr 11-13, in 2010 nr 7.



A survey conducted by TNS Emor entitled “Estonia’s most customer-friendly large companies” has seen SEB voted the most customer-friendly company in the Estonian financial sector. In the overall ranking of the 29 companies included in the survey, SEB was placed second.

The international market research company EPSI Baltic study on the banking sector showed that SEB customers are at the top of the overall customer satisfaction index in Estonia. SEB's result – over 80 points – is significantly higher than the average for Estonia and Europe. From private customers, SEB garnered the highest score in the product and service quality category (84-85 points), but SEB’s results in other fields also outstripped the bank’s competitors.

SEB was the highest ranked company overall in the TNS Emor service quality study covering service companies from all sectors in Estonia, with a clear lead.

### Social responsibility and sponsorship

SEB became the first bank and the first major corporation in Estonia to cover its energy needs using green energy. SEB is now purchasing over 75 per cent of its power from renewable sources of energy. A number of the bank’s buildings, such as the Tornimäe headquarters, have made a complete transition to green energy. The green energy SEB purchases are produced from 100 per cent renewable sources, primarily wind and water.

We are proud to be the biggest supporter of sports in Estonia. More than 40,000 people participate in the recreational sports events sponsored by SEB and this number is growing constantly. There are more than ten big scale sport events that we are supporting. Biggest events are:

- Tartu Marathon, the biggest cross-country ski marathon in Estonia. More than 6,500 skiers took part in the top skiing event of the winter in February 2010 and more than 6 million people watched the marathon on TV internationally.
- SEB Tallinn Marathon, the biggest running event in Baltics. More than 10,500 runners took part in the event in September 2010.

The SEB Charity Fund helps to create better and equal opportunities for children who have lost their parents. In 2010 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 1 million euro 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. AS SEB Pank provides the fund with 128 thousand euros in support every year. To date over 6,400 bank customers have joined us in our efforts and are making donations on a regular basis.

SEB supports Estonia's leading business plan competition 'Ajujaht', which is designed to contribute to the creation of new knowledge-based companies and to boost the business skills of students and young scientists.

SEB is a gold sponsor of the Estonian National Opera. The cooperation between SEB and the Estonian National Opera began in 2003 when SEB became the theatre's gold sponsor. The Estonia Theatre and SEB regularly offer people the chance to enjoy the performances of the Estonia Theatre at discounted prices and use of a special theatre bus to travel to Tallinn and back home.

SEB has several co-operation projects with major Estonian universities: Tartu University and Tallinn University of Technology.

In September the 46-metre brigantine Tre Kronor was visiting Tallinn. The SEB-sponsored voyage of the Tre Kronor was used to raise environmental awareness, and in particular the SEB Group's commitment to a cleaner Baltic Sea and the good of future generations. The Tre Kronor embarked on its trip in Stockholm on 1 September and visited five ports in all three Baltic States: Klaipeda, Liepaja, Riga, Pärnu and Tallinn.

### 3. Capital adequacy

(millions of EEK)

	<b>31.12.10</b>	<b>31.12.09</b>
<b>CAPITAL BASE</b>		
Paid-in share capital	665.6	665.6
Premium	1,346.6	1,346.6
General banking reserves	306.0	306.0
Retained earnings	5,138.8	6,428.2
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-0.8	-3.8
Intangibles	-8.0	-9.6
Loss for the period (group without life insurance)	0.0	-1,427.1
<b>Audited profit for the period (group without life insurance)</b>	<b>0.0</b>	<b>0.0</b>
<b>Total primary own funds</b>	<b>7,448.2</b>	<b>7,305.9</b>
Subordinated debt	1,830.7	2,613.0
Available for sale financial instruments	2.6	2.9
Unrealised part of profit on shares of subsidiaries and associated companies	0.4	1.7
Allowances and adjustments exceeding expected loss	181.7	231.2
<b>Total supplementary own funds</b>	<b>2,015.4</b>	<b>2,848.8</b>
Majority holding in insurers	0.0	30.0
<b>Total deductions</b>	<b>0.0</b>	<b>30.0</b>
Primary own funds after deductions	7,448.2	7,290.9
Supplementary own funds included in calculation of capital adequacy	2,015.4	2,833.8
<b>Own funds included in calculation of capital adequacy</b>	<b>9,463.6</b>	<b>10,124.7</b>
<b>CAPITAL REQUIREMENTS</b>		
Municipalities and regions with standardised approach	85.1	92.0
State agencies, non-profit institutions and associations with standardised approach	1.8	2.1
Retail claims with standardised approach	220.5	223.7
Overdue claims with standardised approach	20.5	19.7
Shares of investment funds with standardised approach	6.9	6.1
Other assets with standardised approach	49.8	52.6
Credit institutions, investment firms and municipalities with IRB	76.4	35.5
Other companies with IRB	2,209.9	3,058.1
Retail claims with IRB	742.2	760.3
<b>Total capital requirements for covering the credit risk and counterparty credit risk</b>	<b>3,413.1</b>	<b>4,250.1</b>
Capital requirement for covering interest position risk	19.5	28.9
Capital requirement for covering equity position risk	0.4	0.5
Capital requirement for covering the trading portfolio settlement risk	0.0	0.0
Capital requirement for covering AMA of operational risk	131.4	95.5
<b>Capital requirements total</b>	<b>3,564.4</b>	<b>4,375.0</b>
Transition period floor of own funds if using IRB	4,694.7	5,036.1
<b>Capital requirements for calculating capital adequacy</b>	<b>4,694.7</b>	<b>5,036.1</b>

Basel II calculations for 2009 are made for Group without AS SEB Elu- ja Pensionikindlustus (life insurance), holding in insurer is deducted from assets and own funds.

**CAPITAL RATIOS**

	<u>31.12.10</u>	<u>31.12.09</u>
Capital adequacy, %	20.16	20.10
Tier 1 Capital Ratio, %	15.87	14.48
Tier 2 Capital Ratio, %	4.29	5.62

**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 (no more in consolidation group from February 2010)

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


---

AS SEB Elu- ja Pensionikindlustus (no  
more in consolidation group from January  
2010)

**4. Risk concentration**

	<b>31.12.10</b>	<b>31.12.09</b>
Total claims against persons associated with the credit institution's consolidation group, EEK mio	16.6	24.9
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.17	0.25
Total of large exposure claims, EEK mio	4,592.7	2,191.7
The share of large exposure claims in net own funds, %	48.53	21.65
Number of large exposure customers	5	2

**5. Key figures**

(millions of EEK)

	<b>31.12.10</b>	<b>31.12.09</b>
Net profit/loss	853.4	-1,381.9
Average equity	7,892.2	8,147.7
Return on equity (ROE), %	10.81	-16.96
Average assets	71,040.3	79,746.8
Return on assets (ROA), %	1.20	-1.73
Net interest income	1,176.5	1,328.4
Average interest earning assets	68,467.2	76,362.3
Net interest margin (NIM), %	1.72	1.74
Spread, %	1.58	1.48
Cost/Income ratio, %	49.1	72.5
Ratio of impaired loans, %	3.51	4.41

**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

Ratio of impaired loans = Individually impaired loans/Loans to customers

**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 income statement**

(millions of EEK)

	Note	2010		2009	
		12 months	QIV	12 months	QIV
<i>Interest and similar income</i>	2	1,948.2	489.3	3,093.4	589.1
<i>Interest expenses and similar charges</i>	3	-771.7	-164.0	-1,765.0	-284.7
Net Interest Income		1,176.5	325.3	1,328.4	304.4
<i>Fee and commission income</i>	4	827.5	216.8	855.8	246.2
<i>Fee and commission expense</i>	5	-224.3	-60.8	-253.3	-70.8
Net fee and commission income		603.2	156.0	602.5	175.4
Net income from foreign exchange		120.5	37.5	116.5	31.9
Gains less losses from financial assets at fair value through profit or loss		-34.0	-46.1	65.4	23.7
Income from dividends		0.1	0.0	1.9	0.0
Gains less losses from investment securities		1.4	1.5	25.3	19.0
Share of profit of associates		0.1	0.4	0.9	0.1
Other income		36.3	19.4	18.5	11.6
Personnel expenses		-533.7	-113.8	-594.5	-125.8
Other expenses		-371.1	-78.7	-545.6	-279.4
Depreciation, amortisation and impairment of tangible and intangible assets		-55.3	-15.8	-450.9	-23.2
<b>Profit before impairment losses on loans and advances</b>		<b>944.0</b>	<b>285.7</b>	<b>568.4</b>	<b>137.7</b>
Impairment losses on loans and advances	6	-142.4	260.6	-1,996.7	-419.3
<b>Profit/loss before income tax</b>		<b>801.6</b>	<b>546.3</b>	<b>-1,428.3</b>	<b>-281.6</b>
Income tax		0.0	0.0	0.0	0.0
Net profit/loss from continued operations		801.6	546.3	-1,428.3	-281.6
Net profit/loss from discontinued operations	11	51.8	0.0	46.4	-3.1
<b>Net profit/loss</b>		<b>853.4</b>	<b>546.3</b>	<b>-1,381.9</b>	<b>-284.7</b>
Profit/loss attributable to:					
Sole equity holder of the parent entity (total)		853.4	546.3	-1,381.9	-284.7
-Net profit/loss from continued operations		801.6	546.3	-1,428.3	-281.5
-Net profit/loss from discontinued operations		51.8	0.0	46.4	-3.2
		853.4	546.3	-1,381.9	-284.7

**2. Consolidated statement of comprehensive income**

	2010		2009	
	12 months	QIV	12 months	QIV
<b>Net profit/loss</b>	<b>853.4</b>	<b>546.3</b>	<b>-1,381.9</b>	<b>-284.7</b>
<b>Other comprehensive income/expense</b>				
Revaluation of available-for-sale financial assets	-0.6	1.4	12.0	5.5
<b>Total other comprehensive income/expense</b>	<b>-0.6</b>	<b>1.4</b>	<b>12.0</b>	<b>5.5</b>
<b>Total comprehensive income/expense</b>	<b>852.8</b>	<b>547.7</b>	<b>-1,369.9</b>	<b>-279.2</b>
Sole equity holder of the parent entity (total)	852.8	547.7	-1,369.9	-279.2
-Total comprehensive income/expense from continued operations	801.0	547.7	-1,416.3	-276.1
-Total comprehensive income/expense from discontinued operations	51.8	0.0	46.4	-3.1
	<b>852.8</b>	<b>547.7</b>	<b>-1,369.9</b>	<b>-279.2</b>

**3. Consolidated statement of financial position**

(millions of EEK)

	Note	<b>31.12.10</b>	<b>31.12.09</b>
<b>ASSETS</b>			
Cash		608.4	638.9
Balances with central bank		4,946.9	4,827.1
Loans and advances to credit institutions		4,373.7	4,633.4
Loans and advances to customers		56,432.0	61,846.3
Financial assets held for trading		342.3	366.2
Available-for-sale financial assets		78.8	99.6
Other assets		747.2	662.8
Investments in associates		6.7	10.1
Intangible assets		8.0	9.6
Property, plant and equipment		114.7	116.8
Investment properties		24.7	25.4
		<u>67,683.4</u>	<u>73,236.2</u>
Assets classified as discontinued operations	11	<u>0.0</u>	<u>1,160.9</u>
<b>TOTAL ASSETS</b>		<b>67,683.4</b>	<b>74,397.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Due to credit institutions		22,209.0	29,786.0
Due to customers		33,630.0	31,824.2
Loan funds		208.7	188.5
Other liabilities		1,127.6	851.1
Financial liabilities at fair value through profit or loss		349.4	358.5
Provisions		4.1	2.6
Subordinated loans		1,833.7	2,615.9
		<u>59,362.5</u>	<u>65,626.8</u>
Liabilities included in assets classified as discontinued operations	11	<u>0.0</u>	<u>1,306.8</u>
<b>Total Liabilities</b>		<b>59,362.5</b>	<b>66,933.6</b>
Share capital		665.6	665.6
Share premium		1,346.6	1,346.6
Other reserves		311.9	332.0
Retained earnings		5,996.8	5,119.3
<b>Total shareholders' equity</b>		<b>8,320.9</b>	<b>7,463.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>67,683.4</b>	<b>74,397.1</b>



**4. Consolidated cash flow statement**

(millions of EEK)

	<b>2010</b>	<b>2009</b>
	<b>12 months</b>	<b>12 months</b>
<b>I. Cash flows from operating activities</b>		
Interest received	1,977.5	3,234.7
Interest paid	-834.5	-2,124.7
Dividends received	0.1	1.9
Fee and commission received	827.5	855.8
Fee and commission paid	-224.3	-253.4
Net trading income and other operating income	1,238.2	627.8
Personnel expenses and other operating expenses	-834.5	-899.4
Revaluation adjustments	-1.0	1.2
<b>Cash flows from operating activities before changes in the operating assets and liabilities, continued operations</b>	<b>2,149.0</b>	<b>1,443.9</b>
<b>Cash flows from operating activities before changes in the operating assets and liabilities, discontinued operations</b>	<b>0.0</b>	<b>46.9</b>
<b>Changes in operating assets:</b>		
Loans and advances to credit institutions and mandatory reserve	2,587.2	-3,683.3
Loans and advances to customers	4,065.4	4,973.5
Other assets	44.8	201.1
<b>Changes of operating liabilities:</b>		
Due to credit institutions	-7,952.2	-5,684.0
Due to customers	1,858.7	-3,129.7
Loan funds	20.0	58.6
Other liabilities	-643.4	-183.6
<b>Cash flow from (used in) operating activities, continued operations</b>	<b>2,129.5</b>	<b>-6,003.5</b>
<b>Cash flow from (used in) operating activities, discontinued operations</b>	<b>0.0</b>	<b>48.0</b>
<b>II. Cash flows from investing activities</b>		
Net increase-/decrease+ of investment portfolio securities	1,085.0	348.3
Proceeds from sale and liquidation of associates	3.4	4.9
Purchase of investment properties, tangible and intangible assets	-52.3	-68.7
Proceeds from sale of investment properties, tangible and intangible assets	30.4	2.1
<b>Cash flow from (used in) investing activities, continued operations</b>	<b>1,066.5</b>	<b>286.6</b>
<b>Cash flow from (used in) investing activities, discontinued operations</b>	<b>51.8</b>	<b>-35.4</b>
<b>III. Cash flows from financing activities</b>		
Repurchasing of debt securities	-8.1	-103.4
Repayments of subordinated loans	-782.3	0.0
<b>Cash used in financing activities, continued operations</b>	<b>-790.4</b>	<b>-103.4</b>
<b>Cash used in financing activities, discontinued operations</b>	<b>0.0</b>	<b>0.0</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>2,457.4</b>	<b>-5,807.7</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>6,342.9</b>	<b>12,153.1</b>
Effect of exchange rate changes on cash and cash equivalents	-8.3	-2.5
<b>Cash and cash equivalents at the end of period</b>	<b>8,792.0</b>	<b>6,342.9</b>
<b>Cash and cash equivalents includes:</b>	<b>31.12.10</b>	<b>31.12.09</b>
Cash on hand	608.4	638.9
Balances with the central bank without mandatory reserve	4,267.9	1,075.0
Liquid deposits in other credit institutions, continued operations	3,894.5	4,614.4
Liquid deposits in other credit institutions, discontinued operations	0.0	0.1
Trading portfolio	21.2	14.5
	<b>8,792.0</b>	<b>6,342.9</b>

**5. Changes in consolidated shareholders' equity**

(millions of EEK)

	Share		Reserves	Retained profit	Total shareholders' equity
	Share capital	premium			
Year beginning 01.01.2009	<b>665.6</b>	<b>1,346.6</b>	<b>318.9</b>	<b>6,500.8</b>	<b>8,831.9</b>
Statutory reserve	0.0	0.0	1.1	-1.1	<b>0.0</b>
Loss for the year	0.0	0.0	0.0	-1,381.9	<b>-1,381.9</b>
Other	0.0	0.0	0.0	1.5	<b>1.5</b>
Other comprehensive income:					
Net change in available-for-sale financial assets	0.0	0.0	12.0	0.0	<b>12.0</b>
Total other comprehensive income	0.0	0.0	12.0	0.0	<b>12.0</b>
Final balance 31.12.2009	<b>665.6</b>	<b>1,346.6</b>	<b>332.0</b>	<b>5,119.3</b>	<b>7,463.5</b>
Year beginning 01.01.2010	<b>665.6</b>	<b>1,346.6</b>	<b>332.0</b>	<b>5,119.3</b>	<b>7,463.5</b>
Statutory reserve	0.0	0.0	-19.5	19.5	<b>0.0</b>
Profit for the year	0.0	0.0	0.0	853.4	<b>853.4</b>
Other	0.0	0.0	0.0	4.6	<b>4.6</b>
Other comprehensive income:					
Net change in available-for-sale financial assets	0.0	0.0	-0.6	0.0	<b>-0.6</b>
Total other comprehensive expense	0.0	0.0	-0.6	0.0	<b>-0.6</b>
Final balance 31.12.2010	<b>665.6</b>	<b>1,346.6</b>	<b>311.9</b>	<b>5,996.8</b>	<b>8,320.9</b>

**6. Contingent assets and liabilities and commitments**

(millions of EEK)

31.12.10	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>233.9</b>	<b>7,453.4</b>	<b>0.0</b>	<b>0.0</b>
1.1. Guarantees and pledges	38.3	3,089.7	0.0	0.0
<i>incl. financial guarantees</i>	0.0	1,293.0	0.0	0.0
1.2. Loan commitments	195.6	4,363.7	0.0	0.0
<b>2. Derivatives</b>	<b>12,267.0</b>	<b>12,248.6</b>	<b>321.1</b>	<b>349.4</b>
2.1. Currency related derivatives	6,083.7	6,089.0	26.5	31.8
2.2. Interest related derivatives	5,407.8	5,406.7	237.2	237.1
2.3. Equity related derivatives*	775.5	752.9	57.4	80.5
	<b>12,500.9</b>	<b>19,702.0</b>	<b>321.1</b>	<b>349.4</b>

  

31.12.09	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	<b>423.8</b>	<b>8,056.7</b>	<b>0.0</b>	<b>0.0</b>
1.1. Guarantees and pledges	32.6	3,285.8	0.0	0.0
<i>incl. financial guarantees</i>	0.0	1,288.5	0.0	0.0
1.2. Loan commitments	391.2	4,770.9	0.0	0.0
<b>2. Derivatives</b>	<b>12,843.7</b>	<b>12,775.8</b>	<b>351.7</b>	<b>349.4</b>
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
	<b>13,267.5</b>	<b>20,832.5</b>	<b>351.7</b>	<b>349.4</b>

\* Derivative transactions are executed to cover the client's position and the derivative risks are not taken to own portfolio. All risks arising from these transactions are fully mitigated with parent company. The equity option prices are calculated using for all input data (e.g. underlying prices or volumes) either independently sourced input (e.g. the underlying prices) or an independent price verification is performed on the next day to compare the values to independently sourced market data (e.g. for volumes).

## **Note 1**

### **Accounting principles**

The interim report of AS SEB Pank Group for Quarter IV 2010 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 Quarter IV 2010 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2009.

**Note 2****Interest and similar income**

(millions of EEK)

	2010		2009	
	12 months	QIV	12 months	QIV
Loans	1,771.9	453.2	2,600.7	496.7
Leasing	146.4	28.9	446.9	88.1
Deposits with other banks	27.5	7.0	29.4	3.4
Fixed income securities	2.4	0.2	16.4	0.9
	<b>1,948.2</b>	<b>489.3</b>	<b>3,093.4</b>	<b>589.1</b>

**Note 3****Interest expenses and similar charges**

(millions of EEK)

	2010		2009	
	12 months	QIV	12 months	QIV
Credit institutions	-460.1	-105.9	-885.0	-136.3
Time and other saving deposits	-217.2	-36.5	-555.3	-105.1
Demand deposits	-47.5	-11.6	-237.9	-28.9
Subordinated debts	-41.4	-8.6	-77.7	-12.7
Loan funds	-5.4	-1.4	-6.2	-1.6
Issued bonds	0.0	0.0	-2.5	0.0
Other	-0.1	0.0	-0.4	-0.1
	<b>-771.7</b>	<b>-164.0</b>	<b>-1,765.0</b>	<b>-284.7</b>

**Note 4****Fee and commission income**

(millions of EEK)

	2010		2009	
	12 months	QIV	12 months	QIV
Credit and payment cards	301.6	79.4	303.4	73.2
Securities market services	191.2	53.1	181.4	59.7
Transaction fees	115.9	30.4	119.0	31.9
Credit contracts*	61.5	15.0	65.0	16.4
Non-life insurance brokerage fees	37.9	9.7	38.7	8.7
Other settlement fees	29.2	7.6	23.3	6.2
Income from leasing agreements (full service)	24.7	5.7	35.3	7.9
Income from electronic channels	17.6	4.6	16.8	4.2
Cash handling fees	16.9	4.1	13.2	3.3
Corporate Finance fees	6.2	0.6	32.4	27.5
Commodity futures fees	1.7	1.7	0.0	0.0
Other	23.1	4.9	27.3	7.2
	<b>827.5</b>	<b>216.8</b>	<b>855.8</b>	<b>246.2</b>

\*Credit contracts include loan, leasing, letter of credit and guarantee contracts, which are short-term and do not constitute interest income, but are of administrative nature for arrangement reorganisation of credits.

**Note 5****Fee and commission expense**

(millions of EEK)

	2010		2009	
	12 months	QIV	12 months	QIV
Credit and payment cards	-115.3	-31.3	-124.1	-31.8
Cash collecting fees	-30.7	-10.1	-27.6	-7.1
Expenses to leasing agreements (full service)	-19.5	-4.9	-26.7	-5.9
Securities market	-19.5	-5.3	-20.7	-6.0
Transaction fees	-12.9	-2.6	-16.6	-3.8
Expenses of electronic channels	-10.5	-2.6	-13.9	-4.0
Corporate Finance fees	-0.1	-0.1	-8.3	-8.3
Other	-15.8	-3.9	-15.4	-3.9
	<b>-224.3</b>	<b>-60.8</b>	<b>-253.3</b>	<b>-70.8</b>

**Note 6****Impairment losses on loans and advances**

(millions of EEK)

	2010		2009	
	12 months	QIV	12 months	QIV
<b>Impairment losses</b>	<b>-139.0</b>	<b>259.7</b>	<b>-1,979.4</b>	<b>-433.3</b>
impairment losses of reporting period	-879.2	-224.4	-2,340.7	-888.6
recoveries from write-offs	3.6	2.2	2.0	0.3
decreasing of impairment losses of previous period	736.6	481.9	359.3	455.1
<b>Impairment losses for contingent liabilities</b>	<b>-3.4</b>	<b>0.9</b>	<b>-0.2</b>	<b>-0.2</b>
<b>Assets held for sale</b>	<b>0.0</b>	<b>0.0</b>	<b>-17.1</b>	<b>14.2</b>
reappraisal	0.0	0.0	10.1	35.6
realised gains / losses	0.0	0.0	-27.2	-21.4
	<b>-142.4</b>	<b>260.6</b>	<b>-1,996.7</b>	<b>-419.3</b>

**Note 7****Allowances on loans and advances**

(millions of EEK)

	31.12.10	31.12.09
<b>At the beginning of period (January, 1)</b>	<b>3,056.5</b>	<b>1,093.9</b>
Allowances of reporting period	870.4	2,334.1
Decreasing of allowances of previous period	-736.6	-359.3
Loans and advances written off	-385.5	-11.7
Exchange rate adjustments	3.2	-0.5
<b>At the end of period (December, 31)</b>	<b>2,808.0</b>	<b>3,056.5</b>
Recoveries from write-offs	3.6	2.0

**Note 8****Loans and advances to customers by remaining maturity**

(millions of EEK)

	Less than 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
<b>31.12.10</b>	3,248.1	6,064.1	22,930.6	8,492.1	15,697.1	56,432.0
<b>31.12.09</b>	4,450.5	7,048.4	24,068.2	9,638.3	16,640.9	61,846.3

**Note 9****Geographic concentration of financial assets and liabilities**

(millions of EEK)

31.12.10	Cash, balances with central bank, loans and advances to credit institutions				Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions			Total liabilities	Contingent liabilities
	Due to credit institutions	Due to customers	Other liabilities										
Sweden	4,044.0	33.7	87.5	5.9	4,171.1	20,716.6	149.9	2,067.8	22,934.3	18.0			
Estonia	5,556.4	55,841.0	331.8	750.3	62,479.5	229.1	29,587.3	1,380.9	31,197.3	7,283.2			
United Kingdom	9.9	30.0	2.9	0.0	42.8	22.4	443.0	0.4	465.8	5.5			
Russia	13.0	8.2	0.0	0.0	21.2	14.1	245.7	0.7	260.5	0.8			
Germany	5.6	33.9	0.0	0.0	39.5	1,093.1	55.4	0.0	1,148.5	85.6			
United States	8.2	14.8	5.6	0.2	28.8	1.4	390.2	0.0	391.6	1.0			
Canada	0.0	0.0	0.0	0.0	0.0	0.8	11.2	0.0	12.0	0.0			
Japan	0.0	0.0	0.0	0.0	0.0	0.0	2.7	0.0	2.7	0.0			
Finland	2.9	290.5	0.0	0.4	293.8	0.1	132.7	0.1	132.9	32.3			
Latvia	108.9	1.7	0.0	0.0	110.6	37.0	38.3	0.0	75.3	0.0			
Lithuania	52.3	0.3	0.0	0.0	52.6	32.2	25.9	0.4	58.5	0.0			
Luxembourg	28.4	0.0	0.0	7.7	36.1	0.4	0.1	0.0	0.5	0.0			
Netherlands	0.1	9.4	0.0	0.0	9.5	0.0	2.7	0.0	2.7	0.1			
Other Western Europe	82.4	160.1	0.0	0.1	242.6	61.4	372.3	0.1	433.8	25.8			
Other Eastern Europe	16.8	0.6	0.0	0.0	17.4	0.1	24.8	0.0	24.9	0.0			
Other countries	0.1	7.8	0.0	130.0	137.9	0.3	2,147.8	73.1	2,221.2	1.1			
	<b>9,929.0</b>	<b>56,432.0</b>	<b>427.8</b>	<b>894.6</b>	<b>67,683.4</b>	<b>22,209.0</b>	<b>33,630.0</b>	<b>3,523.5</b>	<b>59,362.5</b>	<b>7,453.4</b>			

31.12.09	Cash, balances with central bank, loans and advances to credit institutions				Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions			Total liabilities	Contingent liabilities
	Due to credit institutions	Due to customers	Other liabilities										
Sweden	9.2	28.3	111.0	10.1	158.6	28,849.4	100.8	2,860.9	31,811.1	26.9			
Estonia	5,575.4	61,380.7	347.3	713.0	68,016.4	191.5	28,206.8	1,103.1	29,501.4	7,876.0			
United Kingdom	21.2	39.8	1.2	0.0	62.2	80.5	1,472.5	0.3	1,553.3	5.6			
Russia	41.0	13.5	0.0	0.0	54.5	10.4	214.8	1.6	226.8	0.0			
Germany	4,352.6	5.2	0.0	0.0	4,357.8	568.2	50.5	0.0	618.7	115.3			
United States	45.1	17.8	12.9	0.2	76.0	2.5	241.5	0.1	244.1	0.2			
Canada	0.1	0.0	0.0	0.0	0.1	3.7	10.6	0.0	14.3	0.0			
Japan	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	1.1	0.0			
Finland	0.7	290.3	3.4	0.5	294.9	2.6	120.9	0.2	123.7	17.5			
Latvia	3.6	0.2	0.0	0.0	3.8	25.4	34.4	3.0	62.8	0.0			
Lithuania	6.1	0.5	0.1	0.0	6.7	13.6	46.9	0.2	60.7	0.0			
Luxembourg	15.9	0.0	0.0	0.0	15.9	1.9	0.0	0.0	1.9	0.0			
Netherlands	0.1	9.7	0.0	0.1	9.9	0.0	3.2	0.1	3.3	0.0			
Other Western Europe	16.4	43.2	0.0	0.3	59.9	35.4	628.9	0.2	664.5	12.6			
Other Eastern Europe	7.4	0.6	0.0	0.2	8.2	0.6	30.0	0.4	31.0	1.6			
Other countries	4.6	16.5	0.0	90.2	111.3	0.3	661.3	46.5	708.1	1.0			
	<b>10,099.4</b>	<b>61,846.3</b>	<b>475.9</b>	<b>814.6</b>	<b>73,236.2</b>	<b>29,786.0</b>	<b>31,824.2</b>	<b>4,016.6</b>	<b>65,626.8</b>	<b>8,056.7</b>			

Contingent liabilities in Note 9 and Note 10 includes guarantees and pledges, loan commitments, stand-by loans and other irrevocable transactions.

Securities in Note 9 and Note 10 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 10****Concentration of financial assets and liabilities by industry sector**

(millions of EEK)

31.12.10	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
	Real estate	10,511.5	1.2
Finance	10,009.7	61.9	259.5
Industry	4,449.5	21.2	1,705.0
Trading	2,674.0	0.0	1,066.6
Energy, gas and steam plants	2,310.3	0.0	426.5
Transport	1,759.5	0.0	673.8
Government and state defence	1,670.1	0.4	317.5
Agriculture, fishing, forestry	1,423.5	0.0	114.8
Hotels, restaurants	848.4	0.0	5.0
Construction	791.7	0.0	852.9
Health services, social work	748.2	0.0	119.1
Administration and assistance	578.2	0.0	93.4
Information and telecommunication	443.0	7.0	390.8
Art, show business, leisure	440.0	0.0	27.1
Education	414.0	0.0	77.8
Water supply, canalisation, waste management	248.2	0.0	31.2
Professional, science and technical work	205.3	0.0	87.4
Mining	41.0	0.0	5.6
Exterritorial organisations	0.1	0.0	0.5
Other government and social services	360.1	15.0	57.8
Individuals	29,242.7	0.0	1,036.6
Derivatives	0.0	321.1	0.0
Allowances	-2,808.0	-	-
	<b>66,361.0</b>	<b>427.8</b>	<b>7,453.4</b>



31.12.09	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
	Real estate	11,212.3	1.2
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	-	-
	<b>71,945.7</b>	<b>475.9</b>	<b>8,056.7</b>

**Note 11****Discontinued operations**

In January 28, 2010 100% shares in AS SEB Elu- ja Pensionikindlustus were sold according to the Management Board resolution from December 2009. Purchaser was SEB Trygg Liv Holding AB, a company, which belongs to the Skandinaviska Enskilda Banken AB (Publ.) Group. Sale price of shares of AS SEB Elu- ja Pensionikindlustus was 219 EEKmio and profit from the transaction in consolidated accounts was 51.3 EEKmio.

In February 26, 2010 100% ownership in OÜ Estectus was sold according to the Management Board resolution from December 2009. Purchaser was Warehold B.V., a company, which located in Holland (later renamed to Baltectus B.V.) and belongs to the Skandinaviska Enskilda Banken AB (Publ.) Group. Sale price of ownership in OÜ Estectus was 50.6 EEKmio and profit from the transaction in consolidated accounts was 0.5 EEKmio.

**A) Assets classified as discontinued operations**

	<u>31.12.10</u>	<u>31.12.09</u>
Loans and advances to credit institutions	-	54.8
Loans and advances to customers	-	2.3
Financial assets held for trading	-	9.7
Financial assets at fair value through profit or loss	-	1,050.3
Other assets	-	14.7
Property, plant and equipment	-	2.0
Investment properties	-	27.1
	<u>-</u>	<u>1,160.9</u>

**B) Liabilities included in assets classified as discontinued operations**

	<u>31.12.10</u>	<u>31.12.09</u>
Financial liabilities	-	626.4
Provisions	-	680.4
	<u>-</u>	<u>1,306.8</u>

**C) Net profit from discontinued operations**

	<u>2010</u>	<u>2009</u>		
	<u>12 months</u>	<u>QIV</u>	<u>12 months</u>	<u>QIV</u>
Net insurance premium revenue	-	-	182.5	40.3
Income from investments	-	-	34.0	-5.7
Fee income from investment contracts	-	-	13.4	-2.7
Other operating income	-	-	-1.0	0.6
Net insurance claims and disbursements	-	-	-153.0	-27.8
<b>Total net income from insurance activities</b>	-	-	<b>75.9</b>	<b>4.7</b>
Gains less losses from investment securities	51.8	-	0.0	0.0
Personnel expenses	-	-	-19.3	-5.0
Other expenses	-	-	-9.7	-2.6
Depreciation, amortisation and impairment of tangible and intangible assets	-	-	-0.5	-0.2
<b>Net profit from discontinued operations</b>	<u>51.8</u>	<u>-</u>	<u>46.4</u>	<u>-3.1</u>

**Note 12****Related parties**

(millions of EEK)

	<u>31.12.10</u>	<u>31.12.09</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	13.3	19.5
Contingent liabilities to members of Management Board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons (credit lines and commitments to extend credit)	-3.2	-5.4
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	-107.4	-178.7
Loans and advances to parent company	4,130.2	125.9
Due to parent company	-22,822.8	-31,726.6
incl. subordinated liabilities	-1,830.7	-2,613.0
Contingent assets and commitments to parent company	860.6	0.0
Contingent liabilities and commitments to parent company	-3.1	-3.0
Loans and advances to enterprises of parent company's consolidation group	219.0	4,383.5
Due to enterprises of parent company's consolidation group	-691.8	-59.1
Contingent assets and commitments to enterprises of parent company's consolidation group	103.5	259.9
Contingent liabilities and commitments to enterprises of parent company's consolidation group	0.0	-44.9

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.