

# AS SEB Pank Group

Interim Report of QIV 2008



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## **Statement of the Management Board**

Management Board of AS SEB Pank is on an opinion that the Interim Report of Quarter IV 2008 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 2008 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 IV 2008 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
Telex	173 006 UNION EE
Fax	+372 6 655 102
SWIFT	EEUHEE2X
e-mail	postkast@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	31.12.2008
Reporting period	01.01.2008 - 31.12.2008
Report currency	Euro (EUR), millions

**II. Management Report**  
**1. Bank and consolidated group**  
**1.1. Consolidated group**

31.12.08

Company name	Register	Reg.date	Address	Activity	Holding (%) ***	At an acquisition cost (EUR mio)
AS SEB Liising	10281767	03.10.1997	Tallinn, Tornimäe 2	Leasing	100.0%	1.5
AS SEB Kindlustusmaakler*	10723587	16.01.2001	Tallinn, Tornimäe 2	Insurance brokerage	100.0%	-
AS Rentacar*	10303546	20.10.1997	Haapsalu, Karja 27	Leasing	100.0%	-
AS SEB Varahaldus	10035169	22.05.1996	Tallinn, Tornimäe 2	Asset management	100.0%	2.7
AS SEB Elu- ja Pensionikindlustus	10525330	21.01.1999	Tallinn, Tornimäe 2	Life and pension insurance	100.0%	1.9
AS Bangalo	10088272	18.10.1996	Tallinn, Tornimäe 2	Real estate	100.0%	3.0
AS SEB Enskilda	11354037	16.02.2007	Tallinn, Tornimäe 2	Financial consulting	100.0%	0.7
OÜ Strongler	10141919	23.04.1997	Tallinn, Tornimäe 2	Real estate	100.0%	1.7
SEB IT Partner Estonia OÜ**	10002566	20.11.1995	Tallinn, Liimi 1B	IT consulting, programming	35.0%	0.0
AS Sertifitseerimiskeskus**	10747013	27.03.2001	Tallinn, Pärnu mnt 12	Data communication service	25.0%	1.0
OÜ TietoEnator Support **	11065244	30.08.2004	Tallinn, Roosikrantsi 11	IT consulting, programming	20.0%	0.1
						12.6

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.

## **1.2. Changes in the consolidated group during the accounting period and plans for year 2009**

In January HF Liisingu AS was liquidated, respective entry was made by Estonian Commercial Register on 31.01.2008.

In June was sold a subsidiary JSC SEB Leasing (Russian entity), which was moved in SEB Group to direct ownership by SEB AB. In June also was sold ownership in the associate Pankade Kaardikeskus AS (card centre).

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.

## **2. Key events in QIV and year 2008**

### **Efficiency and development**

The number of the AS SEB Bank's active customers grew by 17,500 individuals and 2,000 companies in 2008.

Since 7 March 2008, AS SEB Pank has been rebranded and the bank now operates under the name SEB Pank.

In January, AS SEB Pank successfully launched SEPA payments, becoming the only bank in Estonia to be a direct member of the pan-European clearing system.

AS SEB Pank was the first bank in Estonia to gain approval from the Financial Supervisory Authority to use IRB (Internal Ratings Based Approach) and AMA (Advanced Measurement Approach) models for credit and operational risk management and measurement for capital requirements.

AS SEB Pank, along with other major banks in Estonia, successfully completed the sale of the card payment processing company Pankade Kaardikeskus AS (PKK) to Northern European Transaction Services (NETS).

SEB group and the leading international insurance company Genworth Financials launched Payment Protection Insurance for private borrowers, which allows their loan obligations to be fulfilled even in the event that they involuntarily become unemployed or temporarily incapacitated as a result of an accident or illness. 2000 clients made use of this opportunity in 2008.

Encouraged by the success of SME start packages, SEB group also launched package-based products for private individuals. In terms of pricing the more relevant banking products are free of charge for clients and there is just one fixed monthly fee instead of various bank charges. The packages have proven to be very popular and SEB group has attracted a number of new active customers; in fact 50% of package clients are completely new or previously passive clients. The packages have also boosted customer satisfaction since they make our banking services easier and simpler. By the end of 2008 more than 50,000 clients used package-based pricing.

SEB Estonia (SEB Pank Group and his subsidiaries in Estonia) introduced a new service concept in September with a relationship agreement called the SEB Pension Plan. This new concept is something we believe will differentiate us from our main competitors, as we are the only bank in Estonia that provides a systematic overview of pension investments in all three pillars. The SEB Pension Plan attracted 10,000 customers within four months.

In October SEB Estonia launched the new II pillar pension fund SEB Optimal Pension, which invests 75% of its assets in less risky instruments: bonds, money market instruments, deposits and other assets.

More than 10,000 pensioners opened an account in AS SEB Pank in Q4 in order to obtain their retirement pay through the bank. Previously they received their pension through post offices. AS SEB Pank offered them a special bank card which provides discounts in 185 pharmacies across Estonia operated by AS SEB Pank's partner Apteek1. The pharmacy discount bank card is the first of its kind in Estonia.

SEB Estonia has effectively increased its market share among companies which are starting up. More than half of all newly established companies started their business with AS SEB Pank in 2008.

### **Customer relations and customer satisfaction**

AS SEB Pank ranked third in an image profile survey carried out in 2008 by TNS Emor in Estonia, up one position on the previous survey. The survey covered 66 major companies in the country and measured their image based on people's general attitude and perceived strength. The survey was conducted in April and was the eighth of its kind

The latest customer satisfaction poll conducted by TNS Emor revealed that despite a difficult year on the financial market and for the world economy, private and corporate customer satisfaction is still highest with AS SEB Pank. The fact that AS SEB Pank's customer relations are significantly stronger than the European average is also worthy of mentioning. Whereas in Europe the average customer satisfaction index for retail banking is 68, the corresponding index in AS SEB Pank is 77. 98% of our customers are satisfied with our services, and 93% would recommend AS SEB Pank and its services to their friends and family. Our customers feel that the bank's main strengths lie in staff competence; its ability to consider the customer's interests; appealing customer service; and the bank's good reputation.

The Banker, the global financial magazine published by the Financial Times publishing group, selected AS SEB Pank as the best bank in Estonia in 2008 – the second year in a row that AS SEB Pank received the award.

AS SEB Pank and AS SEB Enskilda were also recognised as the "Best Equity House in Estonia" by the pre-eminent international finance magazine Euromoney. The magazine highlighted AS SEB Enskilda's roles in Estonia in the IPO of Arco Vara for €83M in June 2007 as well as the groundbreaking listing of Trigon Agri. In conclusion, Euromoney noted that "of the three banks operating in the Estonian IPO market in the past 12 months – AS SEB Enskilda, Suprema and UniCredit – the first is clearly the market leader."

In early 2009 the world's leading magazine on securities services, Global Custodian, gave AS SEB Pank's Custody Services the highest possible rating on the Estonian market – Top Rated, based on customer satisfaction surveys in 2008.



## **Social responsibility and sponsorship**

AS SEB Pank 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. 259 business ideas were submitted this year. These are transformed into business plans with the help of experts and perfected until the teams are ready to meet investors and take the idea to a successful launch. The competition will run until spring 2009.

In 2008 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 0,6 million EUR has been raised in support of children's shelters and safe houses all over Estonia. Our aim is to provide children who have no parental care with more equal opportunities, allowing them to feel that they are on the same level as peers raised in conventional families, to be active and to broaden their horizons. The bank provides the fund with 0,1 million EUR in support every year. To date over 6000 bank customers have joined us in our efforts and are making donations on a regular basis. The funds raised with the help of these good people have been used to organise various events for children – sports days, first aid courses, visits to the theatre and cinema and more. We have also distributed more than 1000 children's books and bought sports equipment.

3. Capital adequacy (millions of EUR)	Basel II*	Basel I
	rules	rules
	<b>31.12.08</b>	<b>31.12.07</b>
<b>CAPITAL BASE</b>		
Paid-in share capital	42.5	42.5
Premium	86.1	86.1
General banking reserves	19.5	20.6
Retained earnings / loss	356.1	366.8
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-0.2	-
Unrealised FX differences	0.0	-0.1
Intangibles	-25.0	-25.1
Audited profit for the period (group without life insurance)	0.0	
<b>Total primary own funds</b>	<b>479.0</b>	<b>490.8</b>
Subordinated debt	167.0	167.0
Available for sale financial instruments	-0.2	-
Unrealised part of profit on shares of subsidiaries and associated comp	0.1	-
Allowances and adjustments exceeding expected loss	0.0	
<b>Total supplementary own funds</b>	<b>166.9</b>	<b>167.0</b>
Majority holding in other credit and financial institutions	0.2	0.2
Majority holding in insurers	1.9	-
<b>Total deductions</b>	<b>2.1</b>	<b>0.2</b>
<b>Total third level own funds</b>	<b>-</b>	<b>-</b>
<b>Own funds included in calculation of capital adequacy</b>	<b>643.8</b>	<b>657.6</b>
	Basel II*	Basel I
	rules	rules
	<b>31.12.08</b>	<b>31.12.07</b>
<b>CAPITAL REQUIREMENTS</b>		
Central government and central banks with standardised approach	1.4	
Municipalities and regions with standardised approach	5.8	
State agencies, non-profit institutions and associations with standardised approach	0.1	
Retail claims with standardised approach	18.5	
Overdue claims with standardised approach	0.2	
Shares of investment funds with standardised approach	0.3	
Other assets with standardised approach	5.8	
Credit institutions, investment firms and municipalities with IRB	1.3	
Other companies with IRB	180.0	
Retail claims with IRB	45.7	
<b>Total capital requirements for covering the credit risk and counterparty credit risk (in Basel I risk weighted assets)</b>	<b>259.1</b>	<b>4,893.2</b>
Capital requirement for covering interest position risk	1.2	
Capital requirement for covering equity position risk	0.0	
<b>Total capital requirements for covering the FX risk, commodity risk and AMA of operational risk</b>	<b>1.3</b>	<b>2.9</b>
<b>Capital requirements total</b>	<b>269.7</b>	
<b>Transition period floor of own funds if using IRB</b>	<b>416.1</b>	
<b>Capital requirements for calculating capital adequacy</b>	<b>416.1</b>	<b>4,896.1</b>

\*Basel II calculations are made for Group without AS SEB Elu- ja Pensionikindlustus (life insurance), holding in insurer is deducted. Basel I calculations are made for Group with AS SEB Elu- ja Pensionikindlustus, holding in subsidiary is eliminated in group consolidation.

**CAPITAL RATIOS**

	Basel II* rules	Basel I rules
	<b>31.12.08</b>	<b>31.12.07</b>
Capital adequacy (%)	15.47	13.20
Tier 1 Capital Ratio (%)	11.48	9.85
Tier 2 Capital Ratio (%)	3.99	3.35

**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 Strongler

**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 new 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**

	<b>31.12.08</b>	<b>31.12.07</b>
Total claims against persons associated with the credit institution's consolidation group, EURmio	1.0	1.2
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.16	0.19
Total of large exposure claims, EURmio	152.0	121.1
The share of large exposure claims in net own funds, %	23.61	19.97
Number of large exposure customers, pcs	2	2

**5. Key Figures**

	<b>31.12.08</b>	<b>31.12.07</b>
Net profit, EURmio	49.0	129.5
Average equity, EURmio	540.5	452.3
Return on equity (ROE), %	9.06	28.64
Average assets, EURmio	5,536.4	5,084.4
Return on assets (ROA), %	0.88	2.55
Net interest income (excl. off-balance sheet transactions), EURmio	119.7	102.4
Average interest earning assets, EURmio	5,235.2	4,768.2
Net interest margin (NIM), %	2.29	2.15
Cost / Income ratio, %	43.0	39.2
Impaired NPL / gross portfolio, %	2.35	0.38

**Explanations**

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

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

Net interest margin (NIM) = Net interest income (excl. off-balance sheet transactions) / Average interest earning assets \* 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

## II. Consolidated Financial Accounts

### 1. Consolidated Balance Sheet

(millions of EUR)

	<b>31.12.08</b>	<b>31.12.07</b>
<b>ASSETS</b>		
Cash	45.5	48.1
Balances with central bank	366.8	267.9
Loans and advances to credit institutions	385.2	347.5
Loans and advances to customers	4,449.5	4,600.9
Financial assets held for trading	25.5	33.7
Financial assets at fair value through profit or loss	66.7	93.4
Available-for-sale financial assets	26.4	4.2
Other assets	38.2	199.5
Deferred income tax assets	0.0	0.0
Investments in associates	0.6	3.4
Intangible assets	25.0	25.1
Property plant and equipment	9.4	10.4
<b>TOTAL ASSETS</b>	<b>5,438.7</b>	<b>5,634.1</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Due to credit institutions	2,286.5	2,263.1
Due to customers	2,237.3	2,293.7
Lending funds	8.3	9.2
Other liabilities	96.9	284.2
Deferred income tax liabilities	0.0	0.3
Issued debt securities	6.8	42.6
Financial liabilities at fair value through profit or loss	31.8	23.1
Provisions	39.1	33.7
Subordinated loans	167.5	167.6
<b>Total Liabilities</b>	<b>4,874.2</b>	<b>5,117.5</b>
Share capital	42.5	42.5
Share premium	86.1	86.1
Other reserves	20.4	21.3
Translation reserve	0.0	-0.1
Retained earnings	415.5	366.8
<b>Total shareholders' equity</b>	<b>564.5</b>	<b>516.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>5,438.7</b>	<b>5,634.1</b>

**2. Consolidated Income Statement**

(millions of EUR)

	Note	2008	2008	2008	2007	2007	2007
			II half	QIV		II half	QIV
Interest and similar income	6	319.1	160.6	80.1	265.7	145.5	75.7
Interest expenses and similar charges	7	-199.4	-98.5	-49.4	-163.3	-90.5	-47.0
<b>Net Interest Income</b>		<b>119.7</b>	<b>62.1</b>	<b>30.7</b>	<b>102.4</b>	<b>55.0</b>	<b>28.7</b>
Fee and commission income	8	66.8	29.8	13.9	78.5	38.2	19.7
Fee and commission expense	9	-20.3	-9.5	-4.6	-25.1	-12.5	-6.1
<b>Net fee and commission income</b>		<b>46.5</b>	<b>20.3</b>	<b>9.2</b>	<b>53.4</b>	<b>25.7</b>	<b>13.6</b>
<b>Net income from foreign exchange</b>		<b>8.6</b>	<b>4.3</b>	<b>2.2</b>	<b>10.3</b>	<b>6.1</b>	<b>2.9</b>
Gains less losses from financial assets at fair value through profit or loss		-12.7	-11.0	-10.4	3.0	-0.8	-1.7
Income from insurance activities		-2.9	-3.2	-3.0	4.7	1.5	0.8
Income from dividends		1.9	1.9	1.9	0.0	0.0	0.0
Gains less losses from investment securities		9.5	0.0	0.0	1.0	0.4	0.4
Share of profit of associates		0.1	0.0	0.0	0.7	0.4	0.2
Other income		0.9	-3.5	-5.6	35.1	33.4	33.1
Personnel expenses		-43.3	-21.3	-10.7	-44.1	-22.0	-11.2
Other expenses		-26.3	-9.0	-0.7	-22.4	-11.8	-7.0
Depreciation, amortization and impairment of tangible and intangible assets		-4.2	-2.1	-1.1	-3.9	-2.0	-1.0
<b>Profit before impairment losses on loans and advances</b>		<b>97.8</b>	<b>38.5</b>	<b>12.5</b>	<b>140.2</b>	<b>85.9</b>	<b>58.8</b>
Impairment losses on loans and advances	10	-48.6	-9.4	-7.7	-9.7	-7.7	-7.2
<b>Profit before income tax</b>		<b>49.2</b>	<b>29.1</b>	<b>4.8</b>	<b>130.5</b>	<b>78.2</b>	<b>51.6</b>
Income tax		-0.2	0.0	0.0	-1.0	-0.6	-0.2
<b>Net profit</b>	12	<b>49.0</b>	<b>29.1</b>	<b>4.8</b>	<b>129.5</b>	<b>77.6</b>	<b>51.4</b>
<b>Earnings and diluted earnings per share, EUR per share</b>		<b>0.74</b>	<b>0.87</b>	<b>0.29</b>	<b>1.95</b>	<b>2.33</b>	<b>3.09</b>

**3. Consolidated cash flow statement**

(millions of EUR)

	<b>31.12.08</b>	<b>31.12.07</b>
<b>I. Cash flows from operating activities</b>		
Interest received	301.2	248.2
Interest paid	-161.7	-128.8
Dividends received	1.9	0.0
Fee and commission received	66.8	78.5
Net trading income and other operating income	-4.2	29.6
Personnel expenses and other operating expenses	-66.9	-64.0
Income taxes paid	-0.2	-1.0
Revaluation adjustments	-2.4	-0.8
<b>Cash flows from operating profits before changes in the operating assets and liabilities</b>	<b>134.5</b>	<b>161.7</b>
<b>Changes in operating assets:</b>		
Loans and advances to credit institutions	128.8	-105.2
Loans and advances to customers	78.7	-766.1
Other assets	47.3	-29.9
<b>Changes of operating liabilities:</b>		
Due to credit institutions	-138.7	640.1
Due to customers	-59.0	190.4
Lending funds	-0.9	1.9
Other liabilities	-45.4	29.6
<b>Cash flow from operating activities</b>	<b>145.3</b>	<b>122.5</b>
<b>II. Cash flows from investing activities</b>		
Net increase-/decrease+ of investment portfolio securities	-121.6	-691.4
Proceeds from sale of investment portfolio securities	135.5	666.5
Proceeds from sale and liquidation of associates	2.9	0.0
Purchase of tangible and intangible assets	-3.3	-6.1
Proceeds from sale of tangible and intangible assets	0.3	0.7
<b>Cash flow from (used in) investing activities</b>	<b>13.8</b>	<b>-30.3</b>
<b>III. Cash flows from financing activities</b>		
Proceeds from debt securities (issuing)	16.0	39.3
Repurchasing and redemption of debt securities	-51.8	-15.0
Proceeds from subordinated loans	0.0	50.0
<b>Cash flow from financing activities</b>	<b>-35.8</b>	<b>74.3</b>
<b>Net increase in cash and cash equivalents</b>	<b>123.3</b>	<b>166.5</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>653.2</b>	<b>485.8</b>
Effect of exchange rate changes on cash and cash equivalents	0.2	0.9
<b>Cash and cash equivalents at end of period</b>	<b>776.7</b>	<b>653.2</b>
<b>Cash and cash equivalents includes:</b>		
Cash on hand	45.5	48.1
Balances with the central bank	366.2	267.2
Liquid deposits in other credit institutions	364.0	325.6
Trading portfolio	1.0	12.3
	<b>776.7</b>	<b>653.2</b>

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

(millions of EUR)

	Paid up capital	Share premium	Reserves	Translation differences	Retained profit	Total shareholders ' equity
Year beginning 01.01.2006	42.5	86.1	21.6	0.0	237.7	387.9
Net change in available for sale financial assets	0.0	0.0	-0.5	0.0	-0.2	-0.7
Currency translation differences	0.0	0.0	0.0	-0.1	0.0	-0.1
<b>Total recognised income for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.5</b>	<b>-0.1</b>	<b>-0.2</b>	<b>-0.8</b>
Statutory reserve	0.0	0.0	0.2	0.0	-0.2	0.0
Profit for the year	0.0	0.0	0.0	0.0	129.5	129.5
Final balance 31.12.2006	<b>42.5</b>	<b>86.1</b>	<b>21.3</b>	<b>-0.1</b>	<b>366.8</b>	<b>516.6</b>
Year beginning 01.01.2007	42.5	86.1	21.3	-0.1	366.8	516.6
Net change in available for sale financial assets	0.0	0.0	-1.1	0.0	-0.1	-1.2
Currency translation differences	0.0	0.0	0.0	0.1	0.0	0.1
<b>Total recognised income for the year</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.1</b>	<b>0.1</b>	<b>-0.1</b>	<b>-1.1</b>
Statutory reserve	0.0	0.0	0.2	0.0	-0.2	0.0
Profit for the year	0.0	0.0	0.0	0.0	49.0	49.0
Final balance 31.12.2007	<b>42.5</b>	<b>86.1</b>	<b>20.4</b>	<b>0.0</b>	<b>415.5</b>	<b>564.5</b>



## 5. Contingent assets and liabilities and commitments

(millions of EUR)

31.12.08	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	59.2	644.8	0.0	0.0
1.1. Guarantees and pledges	40.9	273.6	0.0	0.0
<i>incl. financial guarantees</i>	40.0	103.9	0.0	0.0
1.2. Loan commitments	18.3	371.2	0.0	0.0
1.3. Other off-balance sheet commitments	0.0	0.1	0.0	0.0
<b>2. Derivatives</b>	719.5	719.0	24.5	31.3
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>

31.12.07	Contract amount		Fair value	
	Assets	Liabilities	Assets	Liabilities
<b>1. Irrevocable transactions</b>	47.7	744.9	0.0	0.0
1.1. Guarantees and pledges	17.5	249.8	0.0	0.0
<i>incl. financial guarantees</i>	15.0	87.1	0.0	0.0
1.2. Loan commitments	30.2	494.4	0.0	0.0
1.3. Other off-balance sheet commitments	0.0	0.7	0.0	0.0
<b>2. Derivatives</b>	580.3	579.8	21.4	20.7
2.1. Currency related derivatives	294.9	294.8	2.5	2.4
2.2. Interest related derivatives	187.1	187.1	0.0	0.0
2.3. Equity related derivatives*	98.3	97.9	18.9	18.3
	<b>628.0</b>	<b>1,324.7</b>	<b>21.4</b>	<b>20.7</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 QIV 2008 has been prepared in conformity with International Accounting Standard IAS 34 "Interim Financial Reporting" and the disclosure requirements, established by Eesti Pank.

The accounting principles, used in the interim report of AS SEB Pank Group for QIV 2008 are in conformity with the accounting principles, used in the annual report for the year ended on 31 December 2007.

Some changes were made in the presentation of items of income statement and balance sheet comparing to the annual report 2007.

On the assets side are separately recorded "Financial assets held for trading", "Financial assets designated at fair value through profit or loss", "Available-for-sale financial assets", which were recorded in the one balance sheet line "Securities" in 2007. Derivatives are recorded in the line „Financial assets held for trading“, which were recorded in the balance sheet line „Other assets“ in 2007.

On the liability side are separately recorded "Issued debt securities", "Financial liabilities designated at fair value through profit or loss", which were recorded in the one balance sheet line "Issued debt securities" in 2007. Derivatives are recorded on the line "Financial liabilities designated at fair value through profit or loss", which were recorded in the balance sheet line "Other liabilities" in 2007. Breakdown of the balances was described in Notes to the financial statement in 2007.

<b>Assets</b>	<b>adjusted</b>		change	<b>balances</b>
	<b>31.12.08</b>	<b>31.12.07</b>		<b>31.12.07</b>
(millions of EUR)				
Securities	0.0	0.0	-131.3	131.3
Financial assets held for trading	25.5	33.7	+33.7	0.0
Financial assets at fair value through profit or loss	66.7	93.4	+93.4	0.0
Available-for-sale financial assets	26.4	4.2	+4.2	0.0
<b>Liabilities</b>				
(millions of EUR)				
Other liabilities	96.9	284.2	-20.7	304.9
Issued debt securities	6.8	42.7	-2.4	45.0
Financial liabilities at fair value through profit or loss	31.8	23.1	+23.1	0.0

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

(millions of EUR)

31.12.08	Loans and advances to					Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
	Cash and balances with central bank	advances to credit institutions	Loans and advances to customers	Securities	Other assets						
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	1.6	4.5	12.9	0.2	43.6	13.6	57.4	0.2
<b>TOTAL</b>	<b>412.3</b>	<b>385.2</b>	<b>4,449.5</b>	<b>119.2</b>	<b>72.6</b>	<b>5,438.8</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>

  

31.12.07	Loans and advances to					Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
	Cash and balances with central bank	advances to credit institutions	Loans and advances to customers	Securities	Other assets						
Sweden	0.4	308.6	2.7	29.0	0.3	341.0	2,216.3	13.7	168.0	2,398.0	121.1
Estonia	308.9	0.4	4,454.2	61.0	191.8	5,016.3	20.8	2,006.2	353.7	2,380.7	1,153.7
United Kingdom	0.2	5.2	3.1	0.0	0.0	8.5	0.4	103.6	0.1	104.0	6.7
Russia	0.6	12.9	122.0	8.3	24.4	168.2	0.6	16.3	19.3	36.2	3.1
Germany	0.0	0.8	4.9	1.5	0.0	7.2	21.7	2.6	0.0	24.4	4.1
United States	0.7	1.0	2.2	1.5	0.0	5.4	0.1	21.1	0.0	21.3	3.4
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	2.3	0.0
Japan	0.0	2.7	0.0	0.1	0.0	2.8	0.0	0.8	0.0	0.8	0.0
Finland	0.0	0.0	1.1	0.6	0.0	1.7	0.3	10.1	0.0	10.4	11.4
Latvia	0.3	5.3	2.6	2.1	0.0	10.3	1.2	7.2	0.0	8.3	1.1
Lithuania	0.2	4.3	0.0	1.6	0.0	6.1	1.0	6.5	0.1	7.5	0.8
Luxembourg	0.0	0.4	0.7	11.1	0.0	12.2	0.2	0.0	0.0	0.2	0.0
Netherlands	0.0	0.0	0.5	4.4	0.0	4.9	0.0	0.2	0.0	0.2	0.0
Other Western Europe	0.4	2.4	3.0	7.9	0.2	13.9	0.4	49.0	0.1	49.8	17.8
Other Eastern Europe	0.2	3.3	0.3	4.3	0.0	8.1	0.0	1.1	0.3	1.3	0.0
Other countries	4.1	0.2	3.6	1.3	18.3	27.5	0.1	53.0	19.1	72.1	1.5
<b>TOTAL</b>	<b>316.0</b>	<b>347.5</b>	<b>4,600.9</b>	<b>134.7</b>	<b>235.0</b>	<b>5,634.1</b>	<b>2,263.1</b>	<b>2,293.7</b>	<b>560.7</b>	<b>5,117.5</b>	<b>1,324.7</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**

(miljonites eurodes)

**31.12.08**

Economic sector

	In balance sheet		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
Finance	798.7	16.7	318.2
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	0.2	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>TOTAL</b>	<b>5,247.0</b>	<b>119.2</b>	<b>1,363.7</b>

**31.12.07**

Economic sector

	In balance sheet		
	Cash and loans to central bank, credit institutions and customers	Securities	Contingent liabilities
Trading	663.9	71.2	306.4
Industry	461.2	3.9	176.6
Finance	435.8	6.3	115.0
Transport	274.3	4.7	113.2
Real estate development	145.5	8.1	9.9
Agriculture, hunting, forestry	125.5	0.0	11.3
Energy, gas and water plants	117.3	1.7	60.8
Government, soc.insurance	105.0	6.9	24.1
Hotels, restaurants	104.8	0.0	6.1
Construction	93.4	2.8	113.5
Health services, social work	49.5	0.4	11.5
Education	6.0	0.0	1.4
Mining	4.3	0.1	0.3
Fishing	2.0	0.0	0.1
Exterritorial organisations	0.0	0.0	0.0
Other business services	713.0	2.1	162.3
Other government & social services	84.4	4.1	15.6
Individuals	1,900.6	1.0	196.6
Derivatives	0.0	21.4	0.0
Allowances	-22.1	0.0	0.0
<b>TOTAL</b>	<b>5,264.4</b>	<b>134.7</b>	<b>1,324.7</b>

**Note 4****Overdue**

By overdue maturity  
(millions of EUR)

	< 30 days	30 < 60 days	over 60 days	Total
<b>31.12.08</b>				
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>
<b>31.12.07</b>				
Loans	96.6	20.4	29.7	146.8
Other	0.1	0.1	0.4	0.6
<b>Total</b>	<b>96.7</b>	<b>20.5</b>	<b>30.2</b>	<b>147.4</b>

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

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

(millions of EUR)

	<b>31.12.08</b>	<b>31.12.07</b>
<b>At January, 1</b>	<b>22.1</b>	<b>15.1</b>
Loan provisions	61.5	13.3
Reversals of provisions	-12.8	-1.2
Loans and advances written off	-1.1	-4.8
Exchange rate adjustments	0.2	-0.2
<b>At December, 31</b>	<b>69.9</b>	<b>22.1</b>
Recoveries from write-offs	0.5	1.1

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

(millions of EUR)

	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
		<b>II half year</b>	<b>Q IV</b>		<b>II half year</b>	<b>Q IV</b>
Loans	257.0	130.8	65.0	203.8	113.9	59.5
Leasing	49.2	22.8	11.4	46.4	25.4	13.2
Deposits with other banks	12.1	6.5	3.3	9.5	5.2	2.6
Fixed income securities	0.8	0.5	0.4	6.0	1.0	0.4
	<b>319.1</b>	<b>160.6</b>	<b>80.1</b>	<b>265.7</b>	<b>145.4</b>	<b>75.7</b>

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

(millions of EUR)

	<b>2008</b>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>	<b>2007</b>
		<b>II half year</b>	<b>Q IV</b>		<b>II half year</b>	<b>Q IV</b>
Credit institutions	-109.6	-55.0	-27.8	-91.4	-49.0	-26.5
Time and other saving deposits	-43.5	-22.6	-11.9	-33.1	-18.7	-9.2
Demand deposits	-34.7	-15.4	-7.2	-30.1	-17.2	-8.8
Subordinated debts	-9.4	-4.8	-2.3	-7.3	-4.4	-2.2
Issued bonds	-1.8	-0.6	-0.1	-1.1	-1.1	-0.4
Loan funds	-0.4	-0.2	-0.1	-0.4	-0.3	-0.2
Other	0.0	0.0	0.0	0.0	0.0	0.0
	<b>-199.4</b>	<b>-98.5</b>	<b>-49.4</b>	<b>-163.3</b>	<b>-90.5</b>	<b>-47.0</b>

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

(millions of EUR)

	2008	2008	2008	2007	2007	2007
	II half year		Q IV	II half year		Q IV
Credit and payment cards	24.1	11.6	5.5	24.1	12.7	6.4
Securities market services	12.7	5.8	2.4	15.3	8.0	4.3
Credit contracts*	8.9	2.8	1.1	13.8	6.6	3.4
Transaction fees	8.4	4.3	2.2	7.8	4.1	2.0
Non-life insurance brokerage fees	3.0	1.5	0.7	2.8	1.4	0.7
Corporate Finance fees	2.3	0.7	0.1	7.2	1.6	0.9
Income from leasing agreements (full service)	2.9	0.8	0.7	3.4	1.8	0.9
Other	1.6	0.8	0.3	1.5	0.8	0.4
Income from electronic channels	1.1	0.5	0.3	1.0	0.5	0.3
Cash handling fees	0.9	0.5	0.3	1.0	0.5	0.2
Other settlement fees	0.9	0.5	0.3	0.6	0.2	0.2
	<b>66.8</b>	<b>29.8</b>	<b>13.9</b>	<b>78.5</b>	<b>38.2</b>	<b>19.7</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)

	2008	2008	2008	2007	2007	2007
	II half year		Q IV	II half year		Q IV
Credit and payment cards	-10.8	-4.9	-2.3	-12.3	-6.5	-3.3
Securities market	-2.5	-1.3	-0.5	-2.7	-1.5	-0.7
Expenses to leasing agreements (full service)	-2.2	-0.9	-0.5	-2.8	-1.4	-0.8
Cash collecting fees	-1.7	-0.9	-0.4	-1.6	-0.8	-0.4
Transaction fees	-1.2	-0.6	-0.3	-1.1	-0.5	-0.3
Other	-1.0	-0.5	-0.3	-0.9	-0.5	-0.2
Expenses of electronic channels	-0.8	-0.4	-0.3	-0.8	-0.4	-0.2
Corporate Finance fees	-0.1	0.0	0.0	-2.9	-0.9	-0.2
	<b>-20.3</b>	<b>-9.5</b>	<b>-4.6</b>	<b>-25.1</b>	<b>-12.5</b>	<b>-6.1</b>

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

(millions of EUR)

	2008	2008	2008	2007	2007	2007
	II half year		Q IV	II half year		Q IV
<b>Allowances for advances to customers</b>	<b>-48.1</b>	<b>-8.9</b>	<b>-7.3</b>	<b>-10.9</b>	<b>-8.8</b>	<b>-8.4</b>
new loan allowances	-61.5	-13.0	-2.8	-13.2	-10.5	-9.7
recoveries from write-offs	0.6	0.4	0.2	1.1	0.9	0.8
reversals of allowances	12.8	3.7	-4.7	1.2	0.8	0.5
<b>Assets held for sale</b>	<b>-0.5</b>	<b>-0.5</b>	<b>-0.4</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>
reappraisal	-0.6	-0.5	-0.4	-0.2	-0.2	-0.2
realized gains / losses	0.1	0.0	0.0	1.4	1.4	1.4
	<b>-48.6</b>	<b>-9.4</b>	<b>-7.7</b>	<b>-9.7</b>	<b>-7.7</b>	<b>-7.2</b>

**Note 11****Related parties**

(millions of EUR)

	<u>31.12.08</u>	<u>31.12.07</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	1.1
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	-0.1
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.	-0.4	-0.5
Loans to parent company	37.2	330.4
Due to parent company	-2,412.1	-2,385.7
incl. subordinated liabilities	-167.0	-167.0
Contingent assets and commitments to parent company	41.7	139.5
Contingent liabilities and commitments to parent company	0.0	-118.2
Loans to enterprises of parent company's consolidation group	343.6	10.4
Due to enterprises of parent company's consolidation group	-4.4	-1.8
Contingent assets and commitments to enterprises of parent company's consolidation group	9.7	1.1
Contingent liabilities and commitments to enterprises of parent company's consolidation group	-0.1	-1.0

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)

<b>Profit by business segments</b>	<b>2008</b>				
	Merchant Banking	Retail Banking	Treasury and other	Elimina- tions	Group
<b>Net interest income</b>	<b>1.9</b>	<b>80.4</b>	<b>36.6</b>	<b>0.8</b>	<b>119.7</b>
incl. internal	-7.1	-36.2	42.4		
incl. external	9.0	116.6	-5.8		
<b>Net income from fees and commissions</b>	<b>8.6</b>	<b>34.3</b>	<b>4.2</b>	<b>-0.6</b>	<b>46.5</b>
incl. internal	-4.7	8.6	-3.3		
incl. external	13.3	25.7	7.5		
<b>Net financial income *</b>	<b>-6.6</b>	<b>2.8</b>	<b>-0.2</b>	<b>-0.1</b>	<b>-4.1</b>
incl. internal	3.9	-3.8	0.0		
incl. external	-10.5	6.6	-0.2		
<b>Income from insurance activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-2.3</b>	<b>-0.6</b>	<b>-2.9</b>
incl. internal	0.0	0.0	0.6		
incl. external	0.0	0.0	-2.9		
<b>Other income</b>	<b>0.1</b>	<b>9.3</b>	<b>13.9</b>	<b>-10.9</b>	<b>12.4</b>
incl. internal	0.0	0.5	10.4		
incl. external	0.1	8.8	3.5		
<b>Total income</b>	<b>4.0</b>	<b>126.8</b>	<b>52.2</b>	<b>-11.4</b>	<b>171.6</b>
incl. internal	-7.9	-30.9	50.1		
incl. external	11.9	157.7	2.1		
<b>Other expenses</b>	<b>-7.7</b>	<b>-57.5</b>	<b>-15.8</b>	<b>11.4</b>	<b>-69.6</b>
incl. internal	2.7	-22.9	8.7		
incl. external	-10.4	-34.6	-24.5		
<b>Depreciation, amortization and impairment of tangible and intangible assets</b>	<b>-0.2</b>	<b>-2.0</b>	<b>-2.0</b>		<b>-4.2</b>
<b>Total expenses</b>	<b>-7.9</b>	<b>-59.5</b>	<b>-17.8</b>	<b>11.4</b>	<b>-73.8</b>
incl. internal	2.7	-22.9	8.7		
incl. external	-10.6	-36.6	-26.5		
<b>Impairment losses on loans and advances</b>	<b>-0.3</b>	<b>-48.3</b>	<b>0.0</b>		<b>-48.6</b>
incl. internal	8.8	-8.8	0.0		
incl. external	-9.1	-39.5	0.0		
<b>Profit before tax</b>	<b>-4.2</b>	<b>19.0</b>	<b>34.4</b>		<b>49.2</b>
incl. internal	3.6	-62.6	58.8		
incl. external	-7.8	81.6	-24.4		
<b>Income tax</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.2</b>		<b>-0.2</b>
<b>Net profit</b>	<b>-4.2</b>	<b>19.0</b>	<b>34.2</b>		<b>49.0</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 IAS 14. No comparative information is presented, because until 31.12.2007 the Group operated as one segment in internal management structure and for both internal and external reporting purposes. Since 1.1.2008, the Group was restructured to manage Retail Banking, Merchant Banking, Treasury, Life Insurance/Wealth Management, and other internal functions as separate units for management/business structure and internal reporting purposes. Since September 2008, when the bonds of AS SEB Pank became listed in Tallinn Stock Exchange, the Group started to report segment information also externally. So effectively the old basis of segment reporting is presented in primary financial statements for 2008 and 2007.

For 2008 segment reporting on new basis includes the following segments - Retail Banking, Merchant Banking, 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). Treasury function mainly includes financing obtained from the parent company or other sources and further provided to other segments by internal financing. Other, being below the reportable segment threshold, includes Wealth Management, which performs asset management and Life Insurance, which offers life and pension insurance.

The internal transfer pricing 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.

#### Segment assets and liabilities

(millions of EUR)

	Merchant Banking	Retail Banking	Treasury and other	Elimina- tions	Group
<b>Total assets</b>	54.4	4,928.0	2,597.0	-2,140.8	5,438.7
<b>Total liabilities</b>	-49.2	-4,420.7	-2,545.0	2,140.8	-4,874.2
<b>Equity</b>	-5.2	-507.3	-52.0	0.0	-564.5

\* Treasury and other includes internal assets and liabilities to other segments.