

AS SEB Pank Group

Interim Report of Quarter III 2012



Contents	P.
Statement of the Management Board _____	2
I. Introduction - general information _____	3
1. Credit institution _____	3
2. Auditor _____	3
II. Management Report _____	4
1. Credit institution's group as defined in Credit Institutions Law _____	4
1.1. Consolidated group _____	4
1.2. Changes in the consolidated group during the accounting period and plans for year 2012 _____	5
2. Highlights _____	5
3. Capital adequacy _____	7
4. Risk concentration _____	9
5. Key figures _____	9
III. Consolidated financial statements _____	11
1. Consolidated income statement _____	11
2. Consolidated statement of comprehensive income _____	11
3. Consolidated statement of financial position _____	12
4. Consolidated cash flow statement _____	13
5. Changes in consolidated shareholders' equity _____	14
6. Contingent assets and liabilities and commitments _____	15
Note 1 Accounting principles _____	16
Note 2 Interest and similar income _____	17
Note 3 Interest expenses and similar charges _____	17
Note 4 Fee and commission income _____	17
Note 5 Fee and commission expense _____	17
Note 6 Impairment losses on loans and advances _____	18
Note 7 Allowances on loans and advances _____	18
Note 8 Loans and advances to customers by remaining maturity _____	18
Note 9 Geographic concentration of financial assets and liabilities _____	19
Note 10 Concentration of financial assets and liabilities by industry sector _____	20
Note 11 Related parties _____	22

Statement of the Management Board

Interim Report of Quarter III 2012 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 III 2012 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 III 2012 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	http://www.seb.ee

2. Auditor

Audit company	AS PricewaterhouseCoopers
Registry code	10142876 (Estonian Commercial Register)
Address	Pärnu Str. 15, 10141 Tallinn, Estonia
Reporting date	30.09.2012
Reporting period	01.01.2012 - 30.09.2012
Reporting currency	Euro (EUR), millions

II. Management Report

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

1.1. Consolidated group

Company name	Registry code	Reg. date	Address	Activity	Holding*** (%)	At an acquisition cost (EURmio)
AS SEB Liising	10281767	03.10.97	Tallinn, Tornimäe 2	Leasing	100.0%	1.8
AS Rentacar*	10303546	20.10.97	Haapsalu, Karja 27	Leasing	100.0%	0.0
AS SEB Varahaldus	10035169	22.05.96	Tallinn, Tornimäe 2	Asset management	100.0%	2.7
AS Sertifitseerimiskeskus**	10747013	27.03.01	Tallinn, Pärnu mnt 141	Data communication services	25.0%	1.0
Tieto Estonia Services OÜ**	11065244	30.08.04	Tallinn, Tammsaare tee 47	Information processing and network management	20.0%	0.0

5.5

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 Estonian 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 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 2012

In July 2012 AS Bangalo (100% of the shares held by AS SEB Pank) and AS SEB Kindlustusmaakler (100% of the shares held by AS SEB Liising) were united with AS SEB Liising .

No such events or trends have occurred by the time of publishing the report, which would affect the strategy of the group in 2012.

2. Highlights

Since 1 July 2012, SEB Baltic Corporate Banking has been headed by Allan Parik, Member of the Management Board of SEB Eesti. Allan Parik has been with the bank since 1995. In 1997, he became Head of the Large Corporates Department. He served as Head of the Corporate Banking Division from 2000, as Deputy Head of Corporate Banking from 2007 and as Head of Corporate Banking from 2009. In parallel, Allan Parik will continue to manage also SEB Eesti Corporate Banking in his capacity as Head of SEB Baltic Corporate Banking. Since 1 July, Allan Parik has also been a Member of the Management Board of the SEB Baltic Division.

Entrepreneurial activity has increased significantly. Of the Baltic States, entrepreneurial activity is highest in Estonia, allowing for both the absolute number of enterprises founded annually and their ratio to the working-age population (people aged from 15 to 64). For every fifty working-age people, one enterprise is founded in Estonia annually; the figures for Latvia and Lithuania are, respectively, every one hundred and every two hundred people. In absolute numbers, nearly twice as many enterprises are founded in Estonia as in Lithuania, even though Lithuania's population is two and a half times that of Estonia.

Starting from September, **SEB introduced Baltic Online** a service that offers the possibility for business clients to manage company accounts in real time through the SEB Estonia Internet Bank as well as in SEB banks in Latvia and Lithuania. A company operating in several countries can now manage, through the SEB Internet Bank, all of their SEB bank accounts in the Baltic States.

SEB together with other Estonia's leading banks and technology companies started a pilot project to test an innovative payment solution, where payment card chip functionality has been moved onto a cell phone SIM card. In the future, bank's customers may make their everyday card payments with a mobile phone instead of using payments made with regular plastic cards.

In only a year, the **Mobile Bank** has evolved into a more important channel than the branch network. This is the fastest change in consumption habits in the Estonian banking ever. While at the beginning of last year the Mobile Bank was visited 2,000 times a month, then at the end of the first quarter of this year, already 100,000 times and in September, already

240,000 times a month. Thus, the scales are ever more tipping towards the use of e-channels.

As of 1 July this year, **SEB is the first large enterprise in Estonia to start paying employer's pension to its employees.**

SEB Estonia ranked most client friendly bank in Estonia in TNS EMOR Survey. SEB placed #4 in overall ranking, being first among banks.

SEB Estonia was a main sponsor of several sports events in third quarter that were also biggest in our region:

- More than 18 000 runners participated in the **SEB Tallinn Marathon**, which was biggest sporting event ever held in Baltics. The SEB Tallinn Marathon is among the 50 most prestigious marathons in the world.
- 1531 skaters took part in the 6th **SEB Tartu Rollerblading Marathon**.
- More than 7400 riders participated in the **SEB 15th Tartu Cycling Marathon**.

SEB supports Estonia's leading **business plan competition "Ajujaht"** (Brain hunt), aimed at contributing to the creation of new knowledge-based companies and boosting the business skills of students and young scientists. New competition started at the end of September.

Social – SEB Charity Fund made several events for children living on shelter homes. This summer children visited Lady Gaga concert, different sport events and they also made an excursion to Helsinki.

The more than 848 300 customers of SEB Pank Group are served by 1144 employees. The customers are served through many different channels such as 36 branch offices, 231 on-line post offices, 338 ATMs, 7121 POS-terminals. There are more than 524 700 debit and credit cards in use. In addition, over 76% of our customers use our SEB Internet Bank and SEB Internet Bank for Business services.

3. Capital adequacy

(millions of EUR)

	30.09.12	31.12.11
CAPITAL BASE		
Paid-in share capital	42.5	42.5
Premium	86.3	86.1
General banking reserves	19.4	19.5
Retained earnings / loss	481.9	383.8
Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative)	-0.1	-0.1
Intangibles	-0.3	-0.4
Audited profit for the period	0.0	98.1
Total primary own funds	629.7	629.5
Subordinated debt	0.0	50.0
Available for sale financial instruments	0.3	0.1
Unrealised part of profit on shares of subsidiaries and associated companies	0.0	0.1
Allowances and adjustments exceeding expected loss	10.3	10.6
Total supplementary own funds	10.6	60.8
Total deductions	0.0	0.0
Primary own funds after deductions	629.7	629.5
Supplementary own funds after deductions	10.6	60.8
Own funds included in calculation of capital adequacy	640.3	690.3

	30.09.12	31.12.11
CAPITAL REQUIREMENTS		
Municipalities and regions with standardised approach	6.3	5.4
State agencies, non-profit institutions and associations with standardised	0.1	0.1
Retail claims with standardised approach	15.0	13.9
Overdue claims with standardised approach	1.1	1.2
Shares of investment funds with standardised approach	0.4	0.4
Other assets with standardised approach	3.2	2.1
Credit institutions, investment firms and municipalities with IRB	6.8	7.0
Other companies with IRB	124.9	128.2
Retail claims with IRB	39.9	41.8
Total capital requirements for covering the credit risk and counterparty credit risk	197.7	200.1
Capital requirement for covering interest position risk	1.1	1.0
Capital requirement for covering AMA of operational risk	11.7	11.2
Capital requirements total	210.5	212.3
Transition period floor of own funds if using IRB	302.1	301.5
Capital requirements for calculating capital adequacy	302.1	301.5

CAPITAL RATIOS

	30.09.12	31.12.11
Capital adequacy, %	21.20	22.90
Tier 1 Capital Ratio, %	20.84	20.88
Tier 2 Capital Ratio, %	0.36	2.02

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

AS SEB Pank
AS SEB Liising Group
AS SEB Varahaldus
AS Bangalo (united with AS SEB Liising in July 2012)

4. Risk concentration

(millions of EUR)

	30.09.12	31.12.11	30.09.11
Total claims against persons associated with the credit institution's consolidation group	1.2	1.3	1.1
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.19	0.18	0.19
Total of large exposure claims	348.8	269.0	347.2
The share of large exposure claims in net own funds, %	54.48	38.98	57.00
Number of large exposure customers	5	4	5

5. Key figures

(millions of EUR)

	30.09.12	31.12.11	30.09.11
Net profit	56.2	98.1	76.2
Average equity	658.9	581.1	569.9
Return on equity (ROE), %	11.37	16.88	17.83
Average assets	4,115.7	4,214.9	4,281.9
Return on assets (ROA), %	1.82	2.33	2.37
Net interest income	63.6	88.7	65.5
Average interest earning assets	4,007.7	4,101.7	4,144.7
Net interest margin (NIM), %	2.12	2.16	2.11
Spread, %	1.97	2.00	1.96
Cost / Income ratio, %	43.7	45.1	45.9
Ratio of individually impaired loans, %	1.57	2.25	2.65

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

Yield on interest earning assets = 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 individually impaired loans = Individually impaired loans/Loans to customers * 100

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
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 dividends
Gains less losses from investment securities
Share of profit of associates
Other income

III. Consolidated financial statements

1. Consolidated income statement

(millions of EUR)

	Note	2012		2011	
		9 months	QIII	9 months	QIII
<i>Interest and similar income</i>	2	87.1	26.5	95.5	33.7
<i>Interest expenses and similar charges</i>	3	-23.5	-6.3	-30.0	-10.7
Net Interest Income		63.6	20.2	65.5	23.0
<i>Fee and commission income</i>	4	38.1	13.3	39.1	12.4
<i>Fee and commission expense</i>	5	-10.8	-3.7	-10.3	-3.4
Net fee and commission income		27.3	9.6	28.8	9.0
Net income from foreign exchange		3.6	1.3	3.5	1.4
Gains less losses from financial assets at fair value through profit or loss		2.1	0.6	1.1	0.4
Share of profit of associates		0.1	0.0	0.0	0.0
Other income		0.5	0.3	0.5	0.2
Personnel expenses		-25.2	-8.3	-27.0	-9.1
Other expenses		-14.9	-4.6	-16.3	-5.0
Depreciation, amortisation and impairment of tangible and intangible assets		-2.4	-0.9	-2.3	-0.7
Profit before impairment losses on loans and advances		54.7	18.2	53.8	19.2
Impairment losses on loans and advances	6	1.5	-2.2	22.4	6.9
Profit before income tax		56.2	16.0	76.2	26.1
Income tax		0.0	0.0	0.0	0.0
Net profit		56.2	16.0	76.2	26.1
Profit attributable to the sole equity holder		56.2	16.0	76.2	26.1

2. Consolidated statement of comprehensive income

	2012		2011	
	9 months	QIII	9 months	QIII
Net profit	56.2	16.0	76.2	26.1
Other comprehensive income/expense				
Revaluation of available-for-sale financial assets	0.4	0.2	-0.4	-0.3
Total other comprehensive income/expense	0.4	0.2	-0.4	-0.3
Total comprehensive income	56.6	16.2	75.8	25.8
Sole equity holder of the parent entity (total)	56.6	16.2	75.8	25.8
-Total comprehensive income from continued operations	56.6	16.2	75.8	25.8

3. Consolidated statement of financial position

(millions of EUR)

	30.09.12	31.12.11
ASSETS		
Cash	43.7	38.7
Balances with central bank	26.3	49.5
Loans and advances to credit institutions	413.9	423.0
Loans and advances to customers	3,567.6	3,540.5
Financial assets held for trading	22.6	21.0
Financial assets at fair value through profit or loss	7.4	0.0
Available-for-sale financial assets	5.4	4.9
Other assets	30.5	18.0
Investments in associates	0.6	0.5
Intangible assets	0.3	0.4
Property, plant and equipment	9.0	7.5
TOTAL ASSETS	4,127.3	4,104.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to credit institutions	802.2	948.5
Due to customers	2,505.9	2,378.8
Loan funds	24.7	18.1
Other liabilities	83.1	54.8
Financial liabilities at fair value through profit or loss	22.8	20.5
Provisions	1.2	2.9
Subordinated loans	0.0	50.1
Total Liabilities	3,439.9	3,473.7
Share capital	42.5	42.5
Share premium	86.3	86.1
Other reserves	20.1	19.8
Retained earnings	538.5	481.9
Total shareholders' equity	687.4	630.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,127.3	4,104.0

4. Consolidated cash flow statement

(millions of EUR)

	2012	2011
	9 months	9 months
I. Cash flows from operating activities		
Interest received	88.6	94.0
Interest paid	-26.8	-30.1
Fee and commission received	38.1	39.1
Fee and commission paid	-10.8	-10.3
Net trading income and other operating income	4.4	2.5
Personnel expenses and other operating expenses	-37.6	-40.2
Cash flows from operating activities before changes in the operating assets and liabilities	55.9	55.0
Changes in operating assets:		
Loans and advances to credit institutions and mandatory reserve in central bank	305.4	-188.7
Loans and advances to customers	-26.7	43.4
Other assets	-5.5	-0.7
Changes of operating liabilities:		
Due to credit institutions	-115.7	-374.8
Due to customers	127.7	253.7
Loan funds	6.5	7.3
Other liabilities	1.0	-0.1
Cash flow from (used in) operating activities	348.6	-204.9
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	-7.4	-0.3
Proceeds from sale and liquidation of associates and subsidiaries	0.0	0.4
Purchase of investment properties, tangible and intangible assets	-3.8	-2.0
Proceeds from sale of investment properties, tangible and intangible assets	0.0	1.8
Cash flow from (used in) investing activities	-11.2	-0.1
III. Cash flows from financing activities		
Repayments of subordinated loans	-50.0	-50.0
Cash used in financing activities	-50.0	-50.0
Net decrease/increase in cash and cash equivalents	287.4	-255.0
Cash and cash equivalents at the beginning of period	87.3	562.0
Effect of exchange rate changes on cash and cash equivalents	0.0	0.1
Cash and cash equivalents at the end of period	374.7	307.1
Cash and cash equivalents includes:	30.09.12	30.09.11
Cash on hand	43.6	36.2
Balances with the central bank without mandatory reserve	0.0	0.5
Liquid deposits in other credit institutions	331.0	270.2
Trading portfolio	0.1	0.2
	374.7	307.1

5. Changes in consolidated shareholders' equity

(millions of EUR)

	Share capital	Share premium	Reserves	Retained profit	Total shareholders' equity
Year beginning 01.01.2011	42.5	86.1	20.0	383.2	531.8
Statutory reserve	0.0	0.0	-0.1	0.1	0.0
Other	0.0	0.0	0.0	0.4	0.4
Net profit	0.0	0.0	0.0	76.2	76.2
Other comprehensive expense:					
Net change in available-for-sale financial assets	0.0	0.0	-0.4	0.0	-0.4
Total other comprehensive expense	0.0	0.0	-0.4	0.0	-0.4
Total comprehensive income	0.0	0.0	-0.4	76.2	75.8
Final balance 30.09.2011	42.5	86.1	19.5	459.9	608.0
Year beginning 01.01.2012	42.5	86.1	19.8	481.9	630.3
Statutory reserve	0.0	0.0	-0.1	0.1	0.0
Other	0.0	0.2	0.0	0.3	0.5
Net profit	0.0	0.0	0.0	56.2	56.2
Other comprehensive expense:					
Net change in available-for-sale financial assets	0.0	0.0	0.4	0.0	0.4
Total other comprehensive expense	0.0	0.0	0.4	0.0	0.4
Total comprehensive income	0.0	0.0	0.4	56.2	56.6
Final balance 30.09.2012	42.5	86.3	20.1	538.5	687.4

6. Contingent assets and liabilities and commitments

(millions of EUR)

30.09.12	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable and revocable transactions	7.3	997.2	0.0	0.0
1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims	0.8	228.5	0.0	0.0
<i>incl. financial guarantees</i>	0.0	52.7	0.0	0.0
1.2. Loan commitments	6.5	668.7	0.0	0.0
1.3. Other revocable transactions	0.0	100.0	0.0	0.0
2. Derivatives	601.0	600.0	22.3	22.8
2.1. Currency related derivatives	211.6	211.3	1.0	0.8
2.2. Interest related derivatives	358.9	358.7	19.7	19.7
2.3. Equity related derivatives*	30.5	30.0	1.6	2.3
	608.3	1,597.2	22.3	22.8
31.12.11	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable and revocable transactions	7.2	707.6	0.0	0.0
1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims	0.7	244.7	0.0	0.0
<i>incl. financial guarantees</i>	0.0	76.5	0.0	0.0
1.2. Loan commitments	6.5	362.9	0.0	0.0
1.3. Other revocable transactions	0.0	100.0	0.0	0.0
2. Derivatives	506.9	505.9	19.8	20.5
2.1. Currency related derivatives	119.8	119.5	1.3	1.1
2.2. Interest related derivatives	346.5	346.4	17.3	17.2
2.3. Equity related derivatives*	40.6	40.0	1.2	2.2
	514.1	1,213.5	19.8	20.5

* 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 III 2012 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 III 2012 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2011.

Note 2**Interest and similar income**

(millions of EUR)

	2012		2011	
	9 months	QIII	9 months	QIII
Loans	72.9	22.1	80.3	28.2
Leasing	11.6	3.7	12.6	4.3
Deposits with other banks	2.5	0.6	2.5	1.2
Fixed income securities	0.1	0.1	0.1	0.0
	87.1	26.5	95.5	33.7

Note 3**Interest expenses and similar charges**

(millions of EUR)

	2012		2011	
	9 months	QIII	9 months	QIII
Credit institutions	-11.7	-3.1	-17.0	-5.6
Time and other saving deposits	-7.8	-2.0	-7.6	-3.1
Demand deposits	-3.1	-1.0	-3.6	-1.5
Subordinated debts	-0.5	0.0	-1.5	-0.4
Loan funds	-0.4	-0.2	-0.3	-0.1
	-23.5	-6.3	-30.0	-10.7

Note 4**Fee and commission income**

(millions of EUR)

	2012		2011	
	9 months	QIII	9 months	QIII
Payment cards related commissions	15.2	5.4	14.6	4.8
Securities market services *	8.8	3.0	9.5	3.0
Transaction fees	3.9	1.3	4.0	1.4
Credit contracts **	3.1	1.2	3.1	1.1
Non-life insurance brokerage fees	1.4	0.5	2.7	0.3
Other settlement fees	2.2	0.8	1.5	0.5
Income from leasing agreements (full service)	1.0	0.3	1.1	0.3
Income from electronic channels	0.9	0.3	0.9	0.3
Cash handling fees	0.6	0.2	0.7	0.3
Commodity futures fees	0.1	0.0	0.1	0.0
Other	0.9	0.3	0.9	0.4
	38.1	13.3	39.1	12.4

* Securities market services includes asset management fees of investment funds and securities portfolios, custody services, advisory fees and other with securities transactions related fees.

** 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 or reorganisation of credits.

Note 5**Fee and commission expense**

(millions of EUR)

	2012		2011	
	9 months	QIII	9 months	QIII
Payment cards related commissions	-6.6	-2.3	-5.5	-1.8
Cash collecting fees	-1.0	-0.3	-1.5	-0.5
Expenses to leasing agreements (full service)	-1.3	-0.4	-1.4	-0.5
Securities market services	-0.9	-0.3	-0.9	-0.3
Transaction fees	-0.5	-0.2	-0.5	-0.2
Expenses of electronic channels	-0.4	-0.2	-0.4	-0.1
Other	-0.1	0.0	-0.1	0.0
	-10.8	-3.7	-10.3	-3.4

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

(millions of EUR)

	2012		2011	
	9 months	QIII	9 months	QIII
Impairment losses	-0.2	-2.4	26.7	6.0
impairment losses of reporting period	-9.9	-5.6	-10.8	-1.8
recoveries from write-offs	0.2	0.1	0.1	0.0
decreasing of impairment losses of previous period	9.5	3.1	37.4	7.8
Impairment losses for contingent liabilities	1.7	0.2	-4.3	0.9
	1.5	-2.2	22.4	6.9

Note 7**Allowances on loans and advances**

(millions of EUR)

	30.09.12	31.12.11
At the beginning of period (January, 1)	131.0	179.5
Allowances of reporting period	9.9	14.7
Decreasing of allowances of previous period	-9.5	-42.0
Loans and advances written off	-20.4	-21.2
At the end of period	111.0	131.0
Recoveries from write-offs	0.2	0.2

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

(millions of EUR)

	Less than 3 months	3-12 months	1-5 years	5-10 years	Over 10 years	Total
30.09.12	268.3	510.4	1,378.8	513.3	896.8	3,567.6
31.12.11	174.2	509.0	1,390.1	517.9	949.3	3,540.5

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

(millions of EUR)

	Cash, balances with central bank, loans and advances to credit institutions	Loans and advances to custo- mers	Securi- ties	Other assets	Total assets	Due to credit institu- tions	Due to custo- mers	Other liabili- ties	Total liabili- ties	Contin- gent liabilities
30.09.12										
Sweden	394.7	1.3	3.1	-0.2	398.9	708.4	8.0	19.7	736.1	1.4
Estonia	70.2	3,527.7	29.1	38.2	3,665.2	23.5	2,133.6	107.6	2,264.7	982.8
United Kingdom	0.1	1.7	0.0	0.1	1.9	2.0	25.9	0.0	27.9	0.2
Russia	0.2	0.4	0.0	0.1	0.7	1.8	24.7	0.0	26.5	0.1
Germany	0.3	0.2	0.0	0.0	0.5	25.7	6.6	0.0	32.3	7.4
United States	0.4	0.5	0.7	0.2	1.8	0.0	58.2	0.0	58.2	0.1
Canada	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	0.0
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0
Finland	0.0	18.4	0.0	0.8	19.2	0.0	11.6	0.8	12.4	2.8
Latvia	5.6	0.1	0.0	0.0	5.7	38.5	7.7	0.1	46.3	0.0
Lithuania	1.5	0.0	0.0	0.0	1.5	0.3	8.8	0.0	9.1	0.0
Luxembourg	0.4	0.0	0.0	0.4	0.8	0.7	0.2	0.0	0.9	0.0
Netherlands	0.0	0.5	0.0	0.0	0.5	0.0	1.7	0.0	1.7	0.0
Other Western Europe	9.8	16.2	0.1	-0.1	26.0	1.2	32.2	0.0	33.4	1.6
Other Eastern Europe	0.7	0.0	0.2	0.2	1.1	0.0	2.6	0.0	2.6	0.0
Other countries	0.0	0.6	2.8	0.1	3.5	0.1	182.8	3.7	186.6	0.8
	483.9	3,567.6	36.0	39.8	4,127.3	802.2	2,505.9	131.9	3,440.0	997.2

	Cash, balances with central bank, loans and advances to credit institutions	Loans and advances to custo- mers	Securi- ties	Other assets	Total assets	Due to credit institu- tions	Due to custo- mers	Other liabili- ties	Total liabili- ties	Contin- gent liabilities
31.12.11										
Sweden	403.3	1.6	3.1	0.3	408.3	862.8	9.8	66.8	939.4	1.3
Estonia	88.3	3,496.8	22.1	19.8	3,627.0	24.6	2,088.8	73.0	2,186.4	695.4
United Kingdom	0.4	2.2	0.3	0.0	2.9	6.9	17.8	0.1	24.8	0.2
Russia	2.5	0.4	0.0	0.0	2.9	0.4	17.2	0.0	17.6	0.1
Germany	0.2	0.2	0.0	0.0	0.4	33.2	2.3	0.0	35.5	7.4
United States	2.8	0.8	0.5	0.0	4.1	0.2	51.9	0.0	52.1	0.1
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.8	0.0
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.4	0.0
Finland	0.0	19.2	0.0	0.5	19.7	0.0	8.1	0.4	8.5	2.0
Latvia	5.2	0.1	0.0	0.0	5.3	17.7	1.8	0.0	19.5	0.0
Lithuania	1.5	0.0	0.0	0.1	1.6	0.3	2.1	0.0	2.4	0.0
Luxembourg	1.1	0.0	0.0	0.4	1.5	0.1	0.0	0.0	0.1	0.0
Netherlands	0.0	0.5	0.0	0.0	0.5	0.0	1.3	0.0	1.3	0.0
Other Western Europe	5.1	18.1	0.0	0.1	23.3	2.2	14.8	0.0	17.0	1.1
Other Eastern Europe	0.7	0.0	0.2	0.0	0.9	0.0	1.9	0.0	1.9	0.0
Other countries	0.1	0.6	0.2	4.7	5.6	0.1	159.8	6.1	166.0	0.0
	511.2	3,540.5	26.4	25.9	4,104.0	948.5	2,378.8	146.4	3,473.7	707.6

Contingent liabilities include here guarantees and pledges, loan commitments, revocable transactions, stand-by loans, other revocable transactions and are presented in contract amount of contingent liabilities. Securities include here 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 EUR)

	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers		Contingent liabilities
		Securities	
30.09.12			
Real estate	628.9	0.1	43.1
Finance	491.0	4.5	14.7
Industry	249.7	0.0	160.0
Trading	168.0	0.0	88.9
Agriculture, fishing, forestry	162.6	0.0	23.5
Transport	114.3	0.0	95.8
Energy, gas and steam plants	102.1	0.0	139.8
Government and state defence	99.6	7.4	227.4
Administration and assistance	62.8	0.0	16.3
Health services, social work	53.2	0.0	18.5
Construction	49.6	0.0	68.8
Information and telecommunication	47.7	1.0	7.6
Hotels, restaurants	37.9	0.0	0.8
Education	23.1	0.0	5.1
Art, show business, leisure	12.0	0.0	1.0
Water supply, canalisation, waste management	10.2	0.0	4.1
Professional, science and technical work	8.6	0.0	4.4
Mining	2.4	0.0	0.2
Other government and social services	24.3	0.6	8.8
Individuals	1,814.5	0.0	68.4
Derivatives	0.0	22.4	0.0
Allowances	-111.0	-	-
	4,051.5	36.0	997.2

31.12.11	In the statement of financial position		
	Cash and loans to central bank, credit institutions and customers	Securities	Conti- gent liabilities
	Real estate	629.1	0.1
Finance	515.6	3.9	15.4
Industry	259.6	1.0	154.4
Trading	198.7	0.0	88.4
Energy, gas and steam plants	116.6	0.0	140.4
Agriculture, fishing, forestry	109.3	0.0	12.7
Transport	108.5	0.0	80.0
Government and state defence	106.9	0.0	21.1
Information and telecommunication	53.2	0.7	7.7
Hotels, restaurants	46.8	0.0	0.7
Health services, social work	46.4	0.0	7.1
Administration and assistance	44.5	0.0	7.6
Construction	43.2	0.0	63.2
Education	23.0	0.0	6.3
Art, show business, leisure	15.5	0.0	0.6
Water supply, canalisation, waste management	12.9	0.0	4.4
Professional, science and technical work	9.1	0.0	3.6
Mining	2.6	0.0	0.2
Other government and social services	22.0	1.0	7.1
Individuals	1,819.2	0.0	66.2
Derivatives	0.0	19.7	0.0
Allowances	-131.0	-	-
	4,051.7	26.4	707.6

Note 11**Related parties**

(millions of EUR)

	<u>30.09.12</u>	<u>31.12.11</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	1.2	1.2
Contingent liabilities to members of Management Board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons (credit lines and commitments to extend credit)	0.0	0.0
Deposits of members of management board of credit institution and internal audit manager, also their confidants and commercial undertakings, controlled jointly or severally by the mentioned persons	0.1	4.8
Loans and advances to parent company	397.3	406.3
Due to parent company	729.1	930.6
incl. subordinated liabilities	0.0	50.0
interests of subordinated liabilities	0.0	0.1
Contingent assets and commitments to parent company	55.0	55.0
Contingent liabilities and commitments to parent company	0.4	0.3
Loans and advances to enterprises of parent company's consolidation group	16.5	12.2
Due to enterprises of parent company's consolidation group	39.6	23.5
Contingent assets and commitments to enterprises of parent company's consolidation group	0.2	0.2
Contingent liabilities and commitments to enterprises of parent company's consolidation group	3.0	3.0

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, sole equity holder Skandinaviska Enskilda Banken AB (publ),
- 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.