

AS SEB Pank Group

Interim Report of Quarter III 2015



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Statement of the Management Board

Interim Report of Quarter III 2015 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 2015 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 2015 are not audited.

Allan Parik
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	30.09.2015
Reporting period	01.01.2015 - 30.09.2015
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.

* Consolidated subsidiary 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, its activity is 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 (subsidiary of life insurance company SEB Trygg Liv Holding AB which is the subsidiary of Skandinaviska Enskilda Banken AB). 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 activity from September 2008. The association is founded by AS SEB Pank. The association is aimed at organizing on hobby and competition level sport events and organizing 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 2015

No such events or trends have occurred by the time of publishing the report, which would affect the strategy of the group in 2015.

2. Highlights

In the third quarter economic life has been moderately positive, yet recovery is still fragile. Not much has changed in the main trends: internal consumption and trade grew, while exports and

industrial production have been in regression in the past months. While the fast growth of internal consumption seems to raise caution in the context of the falling exports figures, looking at salaries and wages explains it. Smaller labour taxes and increased family benefits have also contributed to the growth of income. Households' increased consumption is justified by the fact that Estonians' savings accounts are still growing steadily while the increase in loan volume has been moderate. Improvement of finances does not affect only the wealthy – savings have increased equally in all income groups. As of the end of September, the private loan portfolio grew by 4.2 percent when compared to the same period last year, while deposits have grown 6.6 percent in the aforementioned time period. The summer was active in terms of the home loan market – in July banks issued home loans in the amount of 89 million euros, which is the highest figure this year, with the usual monthly volume being around 80 million.

The relative strength of the Estonian economy in the outside environment, which is searching for stability, has not gone unnoticed. We are sensing foreign investors' increased interest in making investments in Estonia. This trend is reinforced by recent major real estate investments, but interest in contributing to the growth of Estonia extends wider than just the real estate sector. With its stable and developed economy, Estonia is still offering interesting and potentially profitable investment opportunities.

Manufacturing of metal products, as well as the timber and furniture industry, have displayed steady growth this year. Russian sanctions have become the new norm. As a whole, Estonian entrepreneurs have adapted to the situation well and have been successful in finding new markets and partners. The situation continues to be worse in agriculture, where producers are being pressured strongly by the low prices in the dairy industry. Those who are also growing grains in addition to dairying are in a better situation. This year's good crop yields have helped to balance the continued low prices in the dairy sector. From a longer perspective, the search for increased efficiency and further consolidation is foreseen in the business sector.

In SEB branches, it is possible to make banking transactions in a way that all documents are saved digitally in client's Internet Bank, without the usual bunch of papers in hand when leaving a bank branch. During eight months in 2015, **SEB's paperless branches have saved a tower of A4 paper of 13 meters.**

In July, **Euromoney**, the world's leading journal of economics, named SEB as **the best bank in Estonia** for the third year in a row. Euromoney particularly highlighted SEB Estonia's strong commitment to SMEs. In addition to this, we stood out due to better asset quality and overall quick development compared to our competitors. Euromoney named SEB as the best bank also in Lithuania.

International finance magazine **Global Finance** selected **SEB's Internet Bank as the best in Estonia**. SEB was also equivalently awarded in Lithuania and Latvia. SEB Estonia and SEB Latvia were also acknowledged as the best Internet banks in 2014. The jury praised the Digital Coin Jar service, which is unique in the market and popular among clients. In addition – as a universal bank, SEB has gathered all of its banking services under the Internet Bank, making it both convenient and simple to use these services.

In August, we published the results of a **survey about the financial behaviour and lifestyle of young people** that was conducted in all Baltic states. Among other things, it was revealed that

young people in Estonia are **more enterprising** and **more interested in investing** than their peers in Latvia and Lithuania. The study also showed that most of the Estonian youth have a **monthly budget** and they are **the most active bankcard users** in the Baltics. The survey had a total of 2,002 participants.

In the second half of August, we launched a **campaign targeting young people**, as a part of which there was **no issue fee for the ISIC Õpilane (Scholar) and ISIC Tudeng (Student) bankcards until the end of October** for SEB Plan clients. With the card, the Youth Plan has no monthly maintenance fee until the end of 2015 for all students over the age of 18.

At the end of August, **SEB Heategevusfond**, with the help of voluntary donors, delivered **sports equipment to children staying at safe houses and substitute homes**. Bicycles, scooters, roller skates, skateboards, helmets and necessary safety equipment were delivered. Within the framework of the charitable activity that has been carried out already 19 times, SEB Heategevusfond wishes to contribute to shaping the exercise and sporting habits and active lifestyle of the children who stay at safe houses and substitute homes.

In September, we presented a **survey** that measured the level of **entrepreneurial activity** and **problems faced by starting entrepreneurs** in Estonia, Latvia and Lithuania. The results of the survey revealed that **companies are mostly created with personal savings**, and **over 40 per cent of the Estonian population is interested in entrepreneurship**. Although the will to start one's own company is stronger in other Baltic States than in Estonia, our people have completed their plans more actively.

We also presented **The SEB home purchasing power index**, which indicates in square metres the size of a flat that a resident with average income is able to purchase using a loan without taking an overly high risk. In terms of current income levels and property prices, residents of the Baltic capitals can now become owners of bigger flats than a year ago. The SEB home purchasing power **index has improved** thanks to increased real wages and low interest rates.

In September, the traditional **SEB Tallinn Marathon** took place, and this time, there were **approximately 20,000 participants**, at a record **from 49 different countries**. Additionally, everyone could purchase themselves a **specially designed do-gooder's start number**, and thereby contribute to the initiative of SEB Heategevusfond, which supports children from substitute homes and safe houses to participate in children's races of major sports events.

This autumn, **The Brain Hunt (Ajujaht)**, the **biggest competition of business ideas in Estonia**, started its ninth season with SEB Bank. We have been present since the creation of the competition. This year, in collaboration with the National Foundation of Civil Society whom we also advise, a **special prize of social enterprises** will be awarded for the first time.

The more than 753 300 customers of SEB Pank Group are served by 1080 employees. The customers are served through many different channels such as 23 branch offices, 198 on-line post offices, 249 ATMs, 9317 POS-terminals. There are more than 774 100 debit and credit cards in use. In addition, over 76% of our customers use internet bank services.

3. Capital adequacy

(millions of EUR)

CAPITAL BASE	30.09.15		31.12.14	
OWN FUNDS	837.9		848.8	
1. TIER 1 CAPITAL	837.9		843.3	
1.1. COMMON EQUITY TIER 1 CAPITAL	837.9		843.3	
1.1.1. Capital instruments eligible as CET1 Capital	128.8		128.8	
Paid up capital instruments	42.5		42.5	
Share premium	86.3		86.3	
1.1.2. Retained earnings*	695.9		695.9	
1.1.3. Accumulated other comprehensive income	0.6		0.7	
1.1.4. Other reserves	19.4		19.4	
1.1.5. Adjustments to CET1 due to prudential filters	0.0		-0.1	
1.1.6. (-) Intangible assets	-2.7		-1.1	
1.1.7. (-) IRB shortfall of credit risk adjustments to expected losses	-3.6		0.0	
1.1.8. Other transitional adjustments to CET1 Capital	-0.5		-0.3	
2. TIER 2 CAPITAL	0.0		5.5	
IRB Excess of provisions over expected losses eligible	0.0		5.5	
RISK WEIGHTED ASSETS (RWA)	30.09.15	Capital require- ments (8%)	31.12.14	Capital require- ments (8%)
TOTAL RISK EXPOSURE AMOUNT	2 211.9	177.0	2 005.5	160.4
1. RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES	2 059.3	164.7	1 849.2	147.9
1.1. Standardised approach (SA)	208.3	16.7	201.7	16.1
Public sector entities	0.6	0.0	0.7	0.1
Retail	173.4	13.9	163.1	13.0
Secured by mortgages on immovable property	0.0	0.0	0.9	0.1
Exposures in default	1.6	0.1	1.8	0.1
Collective investments undertakings (CIU)	5.4	0.4	5.1	0.4
Equity	1.1	0.1	1.1	0.1
Other items	26.2	2.1	29.0	2.3
1.2. Internal ratings based Approach (IRB)	1 851.0	148.1	1 647.5	131.8
1.2.1. IRB approaches when neither own estimates of LGD nor Conversion Factors are used	1 538.2	123.1	1 328.7	106.3
Institutions	174.1	13.9	19.2	1.5
Corporates - SME	757.0	60.6	744.0	59.5
Corporates - Specialised Lending	61.8	4.9	67.3	5.4
Corporates - Other	545.3	43.6	498.2	39.9
1.2.2. IRB approaches when own estimates of LGD and/or Conversion Factors are used	312.8	25.0	318.8	25.5
Retail - Secured by real estate SME	14.1	1.1	11.6	0.9
Retail - Secured by real estate non-SME	219.7	17.6	221.3	17.7
Retail - Qualifying revolving	2.2	0.2	2.2	0.2
Retail - Other SME	18.9	1.5	33.1	2.6
Retail - Other non-SME	57.9	4.6	50.6	4.0
2. TOTAL RISK EXPOSURE AMOUNT FOR POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS	13.7	1.1	8.9	0.7
3. TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (AMA)	135.9	10.9	142.4	11.4
4. TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT	3.0	0.2	5.0	0.4

* Dividends, paid for 2014, have been deducted from retained earnings.

CAPITAL RATIOS

	30.09.15	31.12.14
TOTAL RISK EXPOSURE AMOUNT Basel III (without additional risk exposure amount due to application of Basel I floor)	2 211.9	2 005.5
Own fund requirement	177.0	160.4
Total capital ratio	37.88%	42.32%
Tier 1 Capital ratio	37.88%	42.04%
CET1 Capital ratio	37.88%	42.04%
Tier 2 Capital ratio	0.00%	0.27%
TOTAL RISK EXPOSURE AMOUNT Basel III (with additional risk exposure amount due to application of Basel I floor)	3 012.3	3 370.8
Own fund requirement	241.0	269.7
Total capital ratio	27.82%	25.18%
Tier 1 Capital ratio	27.82%	25.02%
CET1 Capital ratio	27.82%	25.02%
Tier 2 Capital ratio	0.00%	0.16%

MEMBERS OF CONSOLIDATION GROUP, INCLUDED TO CAPITAL ADEQUACY CALCULATION

AS SEB Pank
AS SEB Lising Group
AS SEB Varahaldus

CAPITAL REQUIREMENTS AND BUFFERS
(millions of EUR)

Capital	Capital amount	Total risk exposure amount *	Base capital requirement	Surplus(+) Deficit(-) of base capital	Capital adequacy ratio	Capital conservation buffer	Systemic risk buffer	Capital requirements total, incl. buffers	Surplus(+) Deficit(-) of capital, incl. buffers				
	1	2	3	4=2×3	5=1-4	6=1/2	7	8=2×7	9	10=2×9	11= 3+7+9	12=2×11	13=1-12
30.09.15													
Total capital	837.9	2 211.9	8%	177.0	660.9	37.88%	2.5%	55.3	2%	44.2	12.5%	276.5	561.4
Tier 1 capital	837.9	2 211.9	6%	132.7	705.2	37.88%	2.5%	55.3	2%	44.2	10.5%	232.2	605.7
CET1 capital	837.9	2 211.9	4.5%	99.5	738.4	37.88%	2.5%	55.3	2%	44.2	9%	199.1	638.8
31.12.14													
Total capital	848.8	2 005.5	8%	160.4	688.4	42.32%	2.5%	50.1	2%	40.1	12.5%	250.7	598.1
Tier 1 capital	843.3	2 005.5	6%	120.3	723.0	42.04%	2.5%	50.1	2%	40.1	10.5%	210.6	632.7
CET1 capital	843.3	2 005.5	4.5%	90.2	753.1	42.04%	2.5%	50.1	2%	40.1	9%	180.5	662.8

* Total risk exposure amount without additional risk exposure amount due to application of Basel I floor

LEVERAGE RATIO

	30.09.15	31.12.14
Exposure measure for leverage ratio calculation	6 235	6 132
of which on balance sheet items	5 140	5 182
of which off balance sheet items	1 095	949
Leverage ratio	13.4%	13.2%

4. Risk concentration

(millions of EUR)

	30.09.15	31.12.14	30.09.14
Total claims against persons associated with the credit institution's consolidation group	2.0	7.4	1.8
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.24	0.87	0.23
Total of large exposure claims	496.2	283.0	345.7
The share of large exposure claims in net own funds, %	59.22	33.34	44.36
Number of large exposure customers	6	5	6

5. Key figures

(millions of EUR)

	30.09.15	31.12.14	30.09.14
Net profit	55.4	79.4	57.3
Average equity	877.6	814.7	803.6
Return on equity (ROE), %	8.42	9.75	9.51
Average assets	5 164.8	4 812.9	4 631.4
Return on assets (ROA), %	1.43	1.65	1.65
Net interest income	60.6	86.4	65.1
Average interest earning assets	5 037.8	4 687.8	4 508.7
Net interest margin (NIM), %	1.60	1.84	1.93
Spread, %	1.57	1.78	1.85
Cost / Income ratio, %	43.2	41.7	42.2
Ratio of individually impaired loans, %	0.48	0.76	0.69

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 and credit institutions* 100

Interest earning assets:

Balances with central bank
Loans and advances to credit institutions
Loans and advances to customers
Debt securities and other fixed income securities
(all without accrued interests)

Interest bearing liabilities:

Due to credit institutions
Due to customers
(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	2015		2014	
		9 months	QIII	9 months	QIII
<i>Interest and similar income</i>	3	68.2	22.2	75.9	25.5
<i>Interest expenses and similar charges</i>	4	-7.6	-2.2	-10.8	-3.4
Net Interest Income		60.6	20.0	65.1	22.1
<i>Fee and commission income</i>	5	46.7	15.9	43.5	15.4
<i>Fee and commission expense</i>	6	-12.7	-4.5	-11.7	-4.1
Net fee and commission income		34.0	11.4	31.8	11.3
Net income from foreign exchange		3.7	1.1	3.7	1.4
Gains less losses from financial assets at fair value through profit or loss		0.6	0.1	0.8	0.3
Gains less losses from investment securities		-0.6	0.0	-2.5	-0.9
Other income		0.6	0.2	0.5	0.2
Personnel expenses		-27.6	-9.0	-25.7	-9.3
Other expenses		-12.5	-4.0	-13.9	-4.2
Depreciation, amortisation and impairment of tangible and intangible assets		-2.8	-1.0	-2.4	-0.8
Profit before impairment losses on loans and advances		56.0	18.8	57.4	20.1
Impairment losses on loans and advances	7	1.6	-1.2	-0.1	-1.4
Profit before income tax		57.6	17.6	57.3	18.7
Income tax		-2.2	0.0	0.0	0.0
Net profit		55.4	17.6	57.3	18.7
Profit attributable to the sole equity holder		55.4	17.6	57.3	18.7

2. Consolidated statement of comprehensive income

(millions of EUR)

	2015		2014	
	9 months	QIII	9 months	QIII
Net profit	55.4	17.6	57.3	18.7
Other comprehensive income/expense				
Items that may subsequently be reclassified to the income statement:				
Revaluation of available-for-sale financial assets	-0.2	-0.4	0.3	0.1
Total other comprehensive income/expense	-0.2	-0.4	0.3	0.1
Total comprehensive income	55.2	17.2	57.6	18.8
Sole equity holder of the parent entity (total)	55.2	17.2	57.6	18.8
-Total comprehensive income from continued operations	55.2	17.2	57.6	18.8

3. Consolidated statement of financial position

(millions of EUR)

	30.09.15	31.12.14
ASSETS		
Cash	39.6	43.4
Balances with central bank	185.6	940.0
Loans and advances to credit institutions	790.9	53.0
Loans and advances to customers	4 049.1	3 963.4
Financial assets held for trading	27.4	28.7
Financial assets designated at fair value through profit or loss at inception	0.0	102.2
Available-for-sale financial assets	5.5	5.2
Other assets	35.1	34.8
Investments in associates	0.8	0.8
Intangible assets	2.6	1.1
Property, plant and equipment	10.1	10.2
TOTAL ASSETS	5 146.7	5 182.8
LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to credit institutions	935.3	1 033.5
Due to customers	3 197.8	3 188.7
Other liabilities	84.8	78.0
Financial liabilities at fair value through profit or loss	28.1	27.5
Provisions	0.3	0.3
Total Liabilities	4 246.3	4 328.0
Share capital	42.5	42.5
Share premium	86.3	86.3
Other reserves	20.0	20.1
Retained earnings	751.6	705.9
Total shareholders' equity	900.4	854.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5 146.7	5 182.8

4. Consolidated cash flow statement

(millions of EUR)

	2015	2014
	9 months	9 months
I. Cash flows from operating activities		
Interest received	68.7	75.6
Interest paid	-8.6	-11.3
Fee and commission received	46.7	43.5
Fee and commission paid	-12.7	-11.7
Net trading income and other operating income	4.7	1.7
Personnel expenses and other operating expenses	-39.5	-37.9
Income tax paid	-2.2	0.0
Cash flows from operating activities before changes in the operating assets and liabilities	57.1	59.9
Changes in operating assets:		
Loans and advances to credit institutions and mandatory reserve in central bank	-7.4	21.5
Loans and advances to customers	-84.7	-120.6
Other assets	4.9	-2.4
Changes of operating liabilities:		
Due to credit institutions	-91.2	201.5
Due to customers	9.6	116.9
Other liabilities	0.9	1.1
Cash flow from (used in) operating activities	-110.8	277.9
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	-0.5	0.0
Purchase of investment properties, tangible and intangible assets	-4.4	-4.4
Cash flow from (used in) investing activities	-4.9	-4.4
III. Cash flows from financing activities		
Dividends paid	-10.0	0.0
Cash used in financing activities	-10.0	0.0
Net decrease/increase in cash and cash equivalents	-125.7	273.5
Cash and cash equivalents at the beginning of period	1 105.0	501.6
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Cash and cash equivalents at the end of period	979.3	775.1
Cash and cash equivalents includes:	30.09.15	30.09.14
Cash on hand	39.6	40.6
Balances with the central bank without mandatory reserve	150.0	37.5
Liquid deposits in other credit institutions	789.7	598.3
Trading portfolio and liquidity securities	0.0	98.7
	979.3	775.1

5. Changes in consolidated shareholders' equity

(millions of EUR)

	Share Share capital	Share premium	Reserves	Retained profit	Total shareholders'
Year beginning 01.01.2014	42.5	86.3	19.8	626.0	774.6
Other	0.0	0.0	0.0	0.4	0.4
Net profit	0.0	0.0	0.0	57.3	57.3
Other comprehensive income:					
Net change in available-for-sale financial assets	0.0	0.0	0.3	0.0	0.3
Total other comprehensive income	0.0	0.0	0.3	0.0	0.3
Total comprehensive income	0.0	0.0	0.3	57.3	57.6
Final balance 30.09.2014	42.5	86.3	20.1	683.7	832.6
Year beginning 01.01.2015	42.5	86.3	20.1	705.9	854.8
Dividend paid	0.0	0.0	0.0	-10.0	-10.0
Other	0.0	0.0	0.0	0.4	0.4
Net profit	0.0	0.0	0.0	55.4	55.4
Other comprehensive expense:					
Net change in available-for-sale financial assets	0.0	0.0	-0.2	0.0	-0.2
Total other comprehensive expense	0.0	0.0	-0.2	0.0	-0.2
Total comprehensive income/expense	0.0	0.0	-0.2	55.4	55.2
Final balance 30.09.2015	42.5	86.3	19.9	751.7	900.4

6. Contingent assets and liabilities and commitments

(millions of EUR)

30.09.15	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable and revocable transactions	66.0	1 080.3	0.0	0.0
1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims	61.0	299.5	0.0	0.0
<i>incl. financial guarantees</i>	<i>60.0</i>	<i>134.6</i>	<i>0.0</i>	<i>0.0</i>
1.2. Loan commitments	5.0	780.8	0.0	0.0
1.3. Other revocable transactions	0.0	0.0	0.0	0.0
2. Derivatives	631.7	631.1	27.4	28.1
2.1. Currency related derivatives	254.9	254.6	1.0	0.7
2.2. Interest related derivatives	366.5	366.5	25.8	26.6
2.3. Equity related derivatives*	10.3	10.0	0.6	0.8
	697.7	1 711.4	27.4	28.1

31.12.14	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable and revocable transactions	5.8	931.8	0.0	0.0
1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims	0.8	240.5	0.0	0.0
<i>incl. financial guarantees</i>	<i>0.0</i>	<i>80.3</i>	<i>0.0</i>	<i>0.0</i>
1.2. Loan commitments	5.0	691.3	0.0	0.0
2. Derivatives	959.0	956.8	28.7	27.6
2.1. Currency related derivatives	629.8	627.8	3.4	1.4
2.2. Interest related derivatives	316.1	316.1	24.0	24.5
2.3. Equity related derivatives*	13.1	12.9	1.3	1.7
	964.8	1 888.6	28.7	27.6

* 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).

Pursuant to the Law of Obligations Act, the operating lease agreements, concluded by AS SEB Liising are partially related to a contingent liability, the likelihood and the amount of which cannot be reliably determined. According to the management of the company, based on the previous practice, realization of the obligation is unlikely.

Note 1

Accounting principles

The interim report of AS SEB Pank Group for Quarter III 2015 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 2015 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2014.

Note 2**Fair value of financial assets and liabilities**

(millions of EUR)

A) Financial instruments measured at fair value

	30.09.15				31.12.14			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss								
Financial assets held for trading	0.1	27.3	0.0	27.4	0.3	28.5	0.0	28.8
Debt securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Derivatives	0.0	27.3	0.0	27.3	0.2*	28.5	0.0	28.7
Financial assets designated at fair value through profit or loss at inception								
inception	0.0	0.0	0.0	0.0	102.2	0.0	0.0	102.2
Debt securities	0.0	0.0	0.0	5.5	102.2	0.0	0.0	102.2
Available for sale financial assets	5.4	0.0	0.1	5.5	5.1	0.0	0.1	5.2
Investment securities - equity	5.4	0.0	0.1	5.5	5.1	0.0	0.1	5.2
TOTAL ASSETS	5.5	27.3	0.1	32.9	107.6	28.5	0.1	136.2
Financial liabilities at fair value through profit and loss								
Financial liabilities held for trading	0.0	28.1	0.0	28.1	0.1*	27.4	0.0	27.5
TOTAL LIABILITIES	0.0	28.1	0.0	28.1	0.1	27.4	0.0	27.5

*Fair value of spot derivatives

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges but also instruments quoted by market participants.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The sources of input parameters like Euro yield curve or counterparty credit risk are Bloomberg and Thomson Reuters.

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

Reconciliation of Level 3 Items

	Available-for-sale financial assets	
	Investment securities - equity	Total
At 1 January 2014	0.0	0.0
At 31 December 2014	0.1	0.1
Total losses for the period included in profit or loss for assets/liabilities held at 31.12.14	0.1	0.1
At 1 January 2015	0.1	0.1
At 31 September 2015	0.1	0.1
Total losses for the period included in profit or loss for assets/liabilities held at 30.09.15	0.0	0.0

B) Financial instruments not measured at fair value

	30.09.15		31.12.14	
	Carrying value	Fair value, Level 3	Carrying value	Fair value, Level 3
ASSETS				
Loans and advances to credit institutions	790.9	790.9	53.0	53.0
Loans and advances to customers	4 049.1	3 946.7	3 963.4	3 870.3
<i>Loans to Corporates</i>	<i>2 057.6</i>	<i>2 063.9</i>	<i>2 054.5</i>	<i>2 053.5</i>
<i>Loans to households</i>	<i>1 991.5</i>	<i>1 882.8</i>	<i>1 908.9</i>	<i>1 816.8</i>
Other assets	35.1	35.1	34.8	34.8
TOTAL ASSETS	4 875.1	4 772.7	4 051.2	3 958.1
LIABILITIES				
Due to credit institutions	935.3	935.1	1 033.5	1 032.4
Due to customers	3 197.8	3 201.5	3 188.7	3 191.8
<i>Due to Corporates</i>	<i>1 793.8</i>	<i>1 797.2</i>	<i>1 843.6</i>	<i>1 846.5</i>
<i>Due to households</i>	<i>1 404.0</i>	<i>1 404.3</i>	<i>1 345.1</i>	<i>1 345.4</i>
Other financial liabilities	84.8	84.8	78.0	78.0
Subordinated loans	0.0	0.0	0.0	0.0
TOTAL LIABILITIES	4 217.9	4 221.4	4 300.2	4 302.2

AS SEB Pank conducts assessment of fair value of financial assets and liabilities which are not presented in the Group's statement of financial position at their fair value. All finance instruments not measured at fair value specified at Level 3 in hierarchy of valuation of fair value, because of using unobservable inputs.

When calculating fair value for floating interest rate loans and for fixed-interest rate lending, future cash flows are discounted based on the market interest curve, which has been adjusted for applicable margins of new lending. Similarly have been calculated also fixed-interest rate deposits, floating interest rate and fixed-interest rate balances due to credit institutions.

As of reporting date fair value of loans and advances to customers was 2.53% (31.12.2014: 2.35%) lower than the carrying amount. Fair value of balances due to credit institutions was 0.02% lower (31.12.2014: 0.11% lower) than the carrying amount. Fair value of balances due to customers was 0.12% higher (31.12.2014: 0.1% higher) than the carrying amount.

Note 3**Interest and similar income**

(millions of EUR)

	2015		2014	
	9 months	QIII	9 months	QIII
Loans	57.3	19.1	62.5	21.0
Leasing	10.3	3.4	10.0	3.4
Deposits with other banks	0.0	-0.3	0.6	0.1
Fixed income securities	0.6	0.0	2.8	1.0
	68.2	22.2	75.9	25.5

Note 4**Interest expenses and similar charges**

(millions of EUR)

	2015		2014	
	9 months	QIII	9 months	QIII
Credit institutions	-3.5	-0.9	-5.5	-1.8
Time and other saving deposits	-1.5	-0.4	-2.4	-0.7
Demand deposits	-2.5	-0.9	-2.8	-0.9
Other	-0.1	0.0	-0.1	0.0
	-7.6	-2.2	-10.8	-3.4

Note 5**Fee and commission income**

(millions of EUR)

	2015		2014	
	9 months	QIII	9 months	QIII
Payment cards related commissions	18.3	6.4	18.0	6.4
Securities market services *	8.4	2.8	7.3	2.3
Transaction fees	4.0	1.3	4.3	1.5
Credit contracts**	3.8	1.4	3.1	1.0
Insurance brokerage fees	2.3	0.8	2.0	0.7
Other settlement fees	3.2	1.0	3.0	1.0
Income from leasing agreements (full service)	0.6	0.2	0.7	0.2
Income from electronic channels	1.1	0.4	1.1	0.4
Cash handling fees	0.6	0.2	0.7	0.2
Commodity futures fees	0.4	0.0	0.0	0.0
Other	4.0	1.4	3.3	1.7
	46.7	15.9	43.5	15.4

* 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 6**Fee and commission expense**

(millions of EUR)

	2015	1900	2014	1900
	9 months	QIII	9 months	QIII
Payment cards related commissions	-8.3	-2.9	-7.7	-2.7
Cash collecting fees	-1.0	-0.4	-1.0	-0.4
Expenses to leasing agreements (full service)	-0.5	-0.1	-0.7	-0.3
Securities market services	-1.3	-0.5	-0.9	-0.3
Transaction fees	-0.9	-0.3	-0.7	-0.2
Other	-0.7	-0.3	-0.7	-0.2
	-12.7	-4.5	-11.7	-4.1

Note 7**Impairment losses on loans and advances**

(millions of EUR)

	2015		2014	
	9 months	QIII	9 months	QIII
Impairment losses	1.6	-1.2	-0.1	-1.4
impairment losses of reporting period	-1.7	-1.6	-4.8	-2.4
recoveries from write-offs	0.7	0.2	0.4	0.1
decreasing of impairment losses of previous period	2.6	0.2	4.3	0.9
	1.6	-1.2	-0.1	-1.4

Note 8**Allowances on loans and advances**

(millions of EUR)

	30.09.15	31.12.14
At the beginning of period (January, 1)	44.4	53.8
Allowances of reporting period	1.7	5.1
Decreasing of allowances of previous period	-2.6	-5.9
Loans and advances written off	-8.6	-8.6
At the end of period	34.9	44.4
Recoveries from write-offs	0.7	0.6

Note 9**Loans and advances to customers by remaining maturity**

(millions of EUR)

	Less than	3-12	1-5	5-10	Over 10	
	3 months	months	years	years	years	Total
30.09.15	281.3	604.0	1 803.0	505.0	855.8	4 049.1
31.12.14	282.9	586.4	1 768.6	492.5	833.0	3 963.4

Note 10**Geographic concentration of financial assets and liabilities**

(millions of EUR)

30.09.15	Cash, balances with central bank, loans and advances				Total assets	Due to credit institutions			Total liabilities	Contingent liabilities
	to credit institutions	Loans and advances to customers	Securities	Other assets		Due to credit institutions	Due to customers	Other liabilities		
Sweden	722.9	0.5	1.3	0.7	725.4	827.6	11.3	27.6	866.5	1.3
Estonia	226.2	4 030.6	32.4	45.2	4 334.4	9.8	2 748.5	85.0	2 843.3	1 059.1
United Kingdom	28.8	1.3	0.0	0.0	30.1	1.2	32.4	0.3	33.9	0.0
Russia	0.2	0.0	0.0	-0.1	0.1	0.0	0.1	0.0	0.1	0.0
Germany	4.4	0.2	0.0	0.0	4.6	7.3	3.3	0.0	10.6	5.0
United States	1.1	0.1	0.0	0.0	1.2	1.6	47.6	0.0	49.2	0.0
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.7	0.0
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.5	0.0
Finland	0.0	0.6	0.0	0.1	0.7	0.0	15.0	0.0	15.0	3.7
Latvia	0.0	0.0	0.0	1.4	1.4	0.0	0.0	0.0	0.0	0.0
Lithuania	2.5	8.5	0.0	0.2	11.2	83.3	6.2	0.0	89.5	0.4
Luxembourg	17.6	0.0	0.0	0.2	17.8	0.4	0.2	0.0	0.6	0.0
Netherlands	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	2.3	0.0
Other Western Europe	6.0	6.3	0.0	0.1	12.4	0.7	40.0	0.2	40.9	7.9
Other Eastern Europe	4.1	0.5	0.0	0.0	4.6	3.4	45.9	0.1	49.4	0.1
Other countries	2.3	0.5	0.0	0.1	2.8	0.0	243.8	0.0	243.8	2.8
	1 016.1	4 049.1	33.7	47.9	5 146.7	935.3	3 197.8	113.2	4 246.3	1 080.3

31.12.14	Cash, balances with central bank, loans and advances				Total assets	Due to credit institutions			Total liabilities	Contingent liabilities
	to credit institutions	Loans and advances to customers	Securities	Other assets		Due to credit institutions	Due to customers	Other liabilities		
Rootsi	21.9	0.6	3.2	0.9	26.6	888.4	12.6	25.5	926.5	1.5
Eesti	984.2	3 943.5	31.5	41.2	5 000.4	19.5	2 751.3	78.7	2 849.5	912.8
Suurbritannia	0.9	1.5	0.0	0.1	2.5	1.6	37.7	0.3	39.6	1.6
Venemaa	2.0	0.3	0.0	0.0	2.3	3.6	47.0	0.0	50.6	0.1
Saksamaa	3.9	0.1	102.2	0.0	106.2	11.4	3.4	0.0	14.8	5.0
USA	2.2	0.2	0.0	0.0	2.4	0.6	42.9	0.0	43.5	0.0
Kanada	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.0	1.6	0.0
Jaapan	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0
Soome	0.0	0.8	0.0	0.6	1.4	0.0	9.3	0.6	9.9	4.7
Läti	2.4	9.0	0.0	1.8	13.2	104.2	2.6	0.0	106.8	0.5
Leedu	5.0	0.0	0.0	0.3	5.3	1.2	5.6	0.1	6.9	0.0
Luksemburg	4.9	0.0	0.0	0.3	5.2	1.0	0.0	0.0	1.0	0.0
Holland	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	2.9	0.0
Muu Lääne-Euroopa	7.3	7.1	0.0	0.4	14.8	1.9	33.4	0.1	35.4	2.9
Muu Ida-Euroopa	1.7	0.0	0.0	0.0	1.7	0.0	6.8	0.0	6.8	0.0
Muud riigid	0.0	0.3	0.0	0.5	0.8	0.1	231.3	0.5	231.9	2.7
	1 036.4	3 963.4	136.9	46.1	5 182.8	1 033.5	3 188.7	105.8	4 328.0	931.8

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 11**Concentration of financial assets and liabilities by industry sector**

(millions of EUR)

	In the statement of financial position		Contingent liabilities
	Cash and loans to central bank, credit institutions and customers	Securities	
30.09.15			
Finance	1 035.8	5.5	22.8
Real estate	691.3	0.1	27.3
Trading	287.0	0.0	163.2
Industry	267.0	0.0	125.1
Agriculture, fishing, forestry	176.6	0.0	12.4
Transport	126.3	0.0	57.9
Energy, gas and steam plants	125.1	0.0	161.6
Mining	79.4	0.0	62.7
Government and state defence	69.2	0.0	233.8
Hotels, restaurants	63.6	0.0	18.6
Construction	54.1	0.0	73.4
Information and telecommunication	49.7	1.0	10.0
Health services, social work	46.0	0.0	5.2
Administration and assistance	26.1	0.0	5.8
Professional, science and technical work	20.8	0.0	5.7
Education	18.2	0.0	5.8
Art, show business, leisure	9.2	0.0	1.6
Water supply, canalisation, waste management	6.4	0.0	1.3
Other government and social services	5.9	-0.3	0.8
Individuals	1 942.4	0.0	85.3
Derivatives	0.0	27.4	0.0
Allowances	-34.9	-	-
	5 065.2	33.7	1 080.3

31.12.14	In the statement of financial position		Contingent liabilities
	Cash and loans to central bank, credit institutions and customers	Securities	
Finance	1 062.2	5.2	20.4
Real estate	728.1	0.1	17.3
Industry	339.1	0.0	143.8
Agriculture, fishing, forestry	196.4	0.0	20.3
Transport	180.1	0.0	34.4
Trading	175.6	0.0	147.0
Government and state defence	91.5	102.3	214.1
Energy, gas and steam plants	89.9	0.0	75.0
Administration and assistance	84.5	0.0	55.0
Construction	46.7	0.0	80.7
Information and telecommunication	45.1	0.0	5.3
Health services, social work	42.6	0.0	7.8
Hotels, restaurants	32.3	0.0	0.8
Education	16.4	0.0	8.8
Art, show business, leisure	11.1	0.0	3.4
Professional, science and technical work	10.9	0.0	4.0
Water supply, canalisation, waste management	7.9	0.0	6.6
Mining	1.9	0.0	2.6
Other government and social services	20.5	0.6	8.2
Individuals	1 861.4	0.0	76.3
Derivatives	0.0	28.7	0.0
Allowances	-44.4	-	-
	4 999.8	136.9	931.8

Note 12**Related parties**

(millions of EUR)

	<u>30.09.15</u>	<u>31.12.14</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	2.0	7.2
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	0.2
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	2.6	1.4
Loans and advances to parent company	749.5	32.3
Due to parent company	855.0	913.8
Contingent assets and commitments to parent company	38.6	38.7
Contingent liabilities and commitments to parent company	0.2	0.4
Loans and advances to enterprises of parent company's consolidation group	12.5	6.0
Due to enterprises of parent company's consolidation group	70.3	86.6
Contingent assets and commitments to enterprises of parent company's consolidation group	3.5	3.5
Contingent liabilities and commitments to enterprises of parent company's consolidation group	1.0	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, 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.