

AS SEB Pank Group

Interim Report of Quarter IV 2012



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Statement of the Management Board

Interim Report of Quarter IV 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 IV 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 IV 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	31.12.2012
Reporting period	01.01.2012 - 31.12.2012
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 Kindlustusmaakler*	10723587	16.01.01	Tallinn, Tornimäe 2	Insurance brokerage	100.0%	0.0
AS Bangalo	10088272	18.10.96	Tallinn, Tornimäe 2	Rental of computers	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, Pämu str. 141	Data communication	25.0%	1.0
Tieto Estonia Services OÜ**	11065244	30.08.04	Tallinn, Tammsaare str. 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 2013

On July 27, 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 merged 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 2013.

1.3. Strategy and organisation

AS SEB Pank is 100% owned by ultimate shareholder Skandinaviska Enskilda Banken AB (publ) – parent company, which belongs to a financial group with a remarkable history of business. SEB Pank Group, a member of SEB Group, is an Estonian financial group that serves private individuals, companies and the public sector. The bank is a universal bank that offers its customers a wide range of financial services.

SEB is a leading Nordic financial services group. As a relationship bank, SEB in Sweden and the Baltic countries offers financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany the bank's operations have a strong focus on corporate and investment banking based on a full-service offering to corporate and institutional clients. The international nature of SEB's business is reflected in its presence in 20 countries worldwide. The SEB Group has about 17,000 employees.

SEB Pank Group brings the vision of the SEB Group, which is to be the leading bank in Northern Europe based on entrepreneurship, an international presence and long-term relationships, to life in Estonia. We promise our customers a rewarding relationship and keep this promise by always taking an innovative approach. AS SEB Pank is a leading universal bank in Estonia. We are leading within a number of areas including cash management, asset management and life insurance. AS SEB Pank acts as a Centre of Excellence within the SEB Group for Asset Management activities concerning Eastern Europe.

The more than 853 800 customers of SEB Pank Group are served by 1118 employees. The customers are served through many different channels such as 33 branch offices, 259 on-line post offices, 322 ATMs, 7213 POS-terminals. There are more than 528 900 debit and credit cards in use. In addition, over 75% of our customers use our SEB Internet Bank and SEB Internet Bank for Business services.

2. Highlights

Effectiveness and development

In 2012, AS SEB Pank significantly increased its cooperation with the SEB Latvian and Lithuanian banks. Strengthening of cooperation in the Baltics has helped to introduce new modern banking services to our customers and reduced costs for banks. A good example of cross-border cooperation is SEB Baltic Online, which offers the possibility for business clients to manage company accounts in SEB banks in Latvia and Lithuania, in real time, through the SEB Estonia Internet Bank.

As an important direction, AS SEB Pank developed Business Clients Financial Advisory Model in 2012. SEB Estonia began to offer financial advisory for its corporate clients, using an application created for that purpose. The novel application enables the bank to present a profound financial analysis of a company in a simple and summarised form. Companies can simulate various scenarios together with their account manager with a view to identifying risks and new business opportunities. In the second half of the year, SEB carried out a advisory project all over Estonia, counselling more than 900 corporate clients.

The consumer habits of our clients changed considerably last year. In the beginning of 2012, the number of clients using the mobile banking service surpassed the number of people who visited branches, and by the end of the year the clients of AS SEB Pank were using the mobile bank three times more than the traditional bank branches. Consumer habits have never changed this fast before in Estonian banking.

To conform to the expectations of its corporate clients, SEB opened the Mobile Bank for Business Clients in April, where it is possible to make and confirm payments, view balances of accounts and credit cards, manage e-invoices, as well as confirm payments in bulk. The Mobile Bank for Businesses works equally well both in a smart phone and in a regular cell phone. Smart phones enable the use of special applications created for the iPhone and Android phones. Mobile Bank now also allows convenient movement between the Private and Business Client Mobile Banks.

With the triumph of mobile banking, clients have quickly adopted some other modern banking services as well. In November 2012, SEB introduced an innovative savings product on the Estonian market, Digikassa, which allows clients to set aside virtual cents generated by card payments, similarly to a conventional piggy bank. By the end of the year, the new product was being used by almost 15 000 people, who had been able to set aside almost EUR 200 000 in less than two months by saving cents on their everyday purchases. The service of Digikassa was developed to be customer-based and utilises the principles of product design, and such simple and convenient services are likely to remain and characterise the new modern banking era.

In 2012, SEB, together with other leading Estonian 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. So, in the future, the bank's

customers may make their everyday card payments with a mobile phone instead of using payments made with regular plastic cards.

Gathering customer feedback plays an important role in a bank's product and business development. In the second quarter of 2012, AS SEB Pank improved its customer feedback collection system, enabling it to operatively monitor customer satisfaction, both on the level of the Baltic countries and by smaller local business units. Regular use of feedback helps to respond quickly to the market changes.

Organisation

AS SEB Pank was the first large enterprise in Estonia to start paying employer's pension to its employees in 2012. In the beginning of the last year, the Estonian tax system changed; now, in addition to paying a salary, employers can contribute to the 3rd pillar pension solution of employees without it being considered a fringe benefit. The example of SEB was followed by many businesses all over Estonia.

As of 1 July 2012, Allan Parik, Member of the Board of AS SEB Pank and the Head of SEB Baltic Corporate Banking is also a Member of the Management Board of the SEB Baltic Division. His area of responsibility is managing SEB Baltic corporate banking. 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 also continue to manage SEB Estonia Corporate Banking in his capacity as Head of SEB Baltic Corporate Banking.

On 16 June 2012, 412 employees of AS SEB Pank set a Guinness world record by composing the largest mosaic picture in the world made entirely of coins in eight hours. The coin mosaic depicts a bank card.

AS SEB Pank received several awards and recognitions in 2012.

- Global monthly financial publication The Banker selected AS SEB Pank as the best bank in Estonia. SEB was also declared the best bank in Sweden, Latvia and Lithuania. The panel of The Banker was impressed by the consultancy aids created by AS SEB Pank for private and corporate clients; in other words, the manner in which we develop, in addition to our everyday work, the awareness of our clients regarding their financial affairs.
- SEB Estonia was the most popular brand in the finance sector, according to the TNS Emor brand rankings survey carried out in the beginning of 2012. The study determined the Estonian people's favourite brands out of the 149 viewed. The selection included five banks and the highest, 11th position belonged to AS SEB Pank.
- Based on its 2012 survey, the international finance magazine Euromoney has named SEB Estonia the best private banking provider in Estonia.
- Financial magazine Global Finance named AS SEB Pank the best trade finance bank in Estonia in 2012.
- The Estonian Banking Association organised a survey in 2011 and SEB's financial

helpers were elected the best banking action of the year. Both the Financial Planner and the financial analysis model for business clients are revolutionary developments in increasing financial literacy and sharing SEB's financial analysis capacity with its clients.

- AS SEB Pank won three awards in the Kuldmuna (Golden Egg) advertising and communication competition: The outdoor solution of the AS SEB Pank and RSA joint campaign was awarded a Silver Egg; bringing mobile banking to the market was considered worthy of a Bronze Egg in the category of digital advertising, and the SEB Charity Fund's print series earned a Bronze Egg.
- During the FinanceEstonia Forum, SEB Varahaldus was acknowledged with the first annual award for outstanding activities in bringing a branch of the international group to Estonia and developing its operation. For almost ten years, AS SEB Varahaldus has provided an investment management service for Eastern-European stock funds for SEB Sweden and Luxembourg. According to the assessment of the Management Board and experts of Finance Estonia, the acknowledgement is earned by the duration of the experience and consistency of activities of SEB Varahaldus in Estonia, and the geographical range and volume of the business managed from Estonia.

Customer relations and customer satisfaction

TNS Emor's customer satisfaction survey regarding the products and services offered by Estonia's biggest banks revealed that private clients who compared the four largest banks are most satisfied with the banking services offered by AS SEB Pank. The most valued aspects of AS SEB Pank were that it is easy to get in contact with the bank, the bank's employees are friendly, responses are given within a reasonable amount of time, the bank is trustworthy and the bank's employees have comprehensive knowledge.

Business clients also rated AS SEB Pank highly, highlighting the comprehensive knowledge of AS SEB Pank employees as well as the consultations, as the suggestions from these are good for business. Business clients also noted the trustworthiness of AS SEB Pank, its friendly employees, reasonable waiting times and that the bank keeps its promises.

Social responsibility and sponsorship

AS SEB Pank has been engaged in charity for years, paying special attention to the next generation. The bank is focused on supporting four fields: children without parental care, high culture, recreational sports, and business environment.

One of the most pressing social problems in Estonia has been children without parental care. To help these children, in 2005 AS SEB Pank founded a non-profit association – SEB Heategevusfond (charity fund) that organises several projects each year. The biggest project of 2012 was the Christmas tree project organised together with Delfi news portal, delivering a personal Christmas present to 1200 children deprived of parental care all over Estonia.

Another large project next to the Christmas tree was a training for 43 replacement homes in Estonia on knowledge and skills in fire safety. Rescue specialists explained to almost 1200

children and employees of shelters and substitute homes, how a fire gets started and develops and what to do when a fire has already flared up. The project initiated by SEB Heategevusfond was carried out in cooperation with the Rescue Board and the Ministry of Internal Affairs.

The largest cultural project was giving out the audience awards for both the male and female soloists of the Estonian National Opera, selected by visitors to the opera. AS SEB Pank is a gold sponsor of the Estonian National Opera.

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. The winner of the 2012 competition was Raybike, a three-wheeled scooter with unique control system.

As a promoter of recreational sports, AS SEB Pank is a sponsor of some of the largest sports events in our region. AS SEB Pank sponsored the following sports events in 2012:

- Tartu marathon, which was the Estonia's largest cross-country skiing competition, with 6750 participants;
- 25th SEB May Run with almost 12 000 women – this is the participation record of the twenty-five years of history of the May runs;
- SEB 30th Tartu Running Marathon with more than 3900 runners;
- SEB 31st Tartu Cycling Race with more than 4200 bikers;
- SEB Tallinn Marathon which was the largest sports competition in the Baltics with more than 18 000 participants. SEB Tallinn Marathon is one of the world's 50 most prestigious marathons;
- SEB 6th Tartu Roller Skating Marathon with more than 1500 roller skaters;
- SEB 15th Tartu Cycling Marathon with more than 7400 cyclists.

In 2012, the non-profit organisation founded by AS SEB Pank and Tallink Grupp, SEB Tallink Tennis Team, achieved great results, developing a professional preparation system for talented young tennis players and helping them achieve world-class results. The strategic objective of the long-term team is to develop young talents into tennis players that have an ability to break through to the international arena.

In addition to the above, AS SEB Pank also participated in the international action Earth Hour.

3. Capital adequacy

(millions of EUR)

	31.12.12	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	-0.5	-0.4
Audited profit for the period	0.0	98.1
Total primary own funds	629.5	629.5
Subordinated debt	0.0	50.0
Available for sale financial instruments	0.4	0.1
Unrealised part of profit on shares of subsidiaries and associated companies	0.0	0.1
Allowances and adjustments exceeding expected loss	10.1	10.6
Total supplementary own funds	10.5	60.8
Total deductions	0.0	0.0
Primary own funds after deductions	629.5	629.5
Supplementary own funds after deductions	10.5	60.8
Own funds included in calculation of capital adequacy	640.0	690.3

	31.12.12	31.12.11
CAPITAL REQUIREMENTS		
Municipalities and regions with standardised approach	6.0	5.4
State agencies, non-profit institutions and associations with standardised	0.1	0.1
Retail claims with standardised approach	16.2	13.9
Overdue claims with standardised approach	0.0	1.2
Shares of investment funds with standardised approach	0.4	0.4
Other assets with standardised approach	3.3	2.1
Credit institutions, investment firms and municipalities with IRB	5.1	7.0
Other companies with IRB	125.2	128.2
Retail claims with IRB	38.7	41.8
Total capital requirements for covering the credit risk and counterparty credit risk	195.0	200.1
Capital requirement for covering interest position risk	1.1	1.0
Capital requirement for covering AMA of operational risk	11.4	11.2
Capital requirements total	207.5	212.3
Transition period floor of own funds if using IRB	303.1	301.5
Capital requirements for calculating capital adequacy	303.1	301.5

CAPITAL RATIOS

	<u>31.12.12</u>	<u>31.12.11</u>
Capital adequacy, %	21.12	22.90
Tier 1 Capital Ratio, %	20.77	20.88
Tier 2 Capital Ratio, %	0.35	2.02

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

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

4. Risk concentration

(millions of EUR)	31.12.12	31.12.11
Total claims against persons associated with the credit institution's consolidation group	1.0	1.3
The share of claims of the persons associated with the credit institution's consolidation group in net own funds, %	0.16	0.18
Total of large exposure claims	355.2	269.0
The share of large exposure claims in net own funds, %	55.49	38.98
Number of large exposure customers	5	4

5. Key figures

(millions of EUR)	31.12.12	31.12.11
Net profit	71.3	98.1
Average equity	666.6	581.1
Return on equity (ROE), %	10.70	16.88
Average assets	4,143.5	4,214.9
Return on assets (ROA), %	1.72	2.33
Net interest income	81.2	88.7
Average interest earning assets	4,034.7	4,101.7
Net interest margin (NIM), %	2.01	2.16
Spread, %	1.88	2.00
Cost / Income ratio, %	45.1	45.1
Ratio of individually impaired loans, %	1.39	2.25

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
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	
		12 months	QIV 12 months	12 months	QIV
<i>Interest and similar income</i>	2	109.7	22.6	129.8	34.3
<i>Interest expenses and similar charges</i>	3	-28.5	-5.0	-41.1	-11.1
Net Interest Income		81.2	17.6	88.7	23.2
<i>Fee and commission income</i>	4	51.8	13.7	51.1	12.0
<i>Fee and commission expense</i>	5	-14.7	-3.9	-13.9	-3.6
Net fee and commission income		37.1	9.8	37.2	8.4
Net income from foreign exchange		4.8	1.2	4.9	1.4
Gains less losses from financial assets at fair value through profit or loss		2.5	0.4	2.2	1.1
Gains less losses from investment securities		-0.1	-0.1	-0.2	-0.2
Share of profit of associates		0.2	0.1	0.1	0.1
Other income		0.6	0.1	0.5	0.0
Personnel expenses		-33.6	-8.4	-34.8	-7.8
Other expenses		-20.1	-5.2	-22.3	-6.0
Depreciation, amortisation and impairment of tangible and intangible assets		-3.2	-0.8	-3.0	-0.7
Profit before impairment losses on loans and advances		69.4	14.7	73.3	19.5
Impairment losses on loans and advances	6	1.9	0.4	24.8	2.4
Profit before income tax		71.3	15.1	98.1	21.9
Income tax		0.0	0.0	0.0	0.0
Net profit		71.3	15.1	98.1	21.9
Profit attributable to the sole equity holder		71.3	15.1	98.1	21.9

2. Consolidated statement of comprehensive income

	2012		2011	
	12 months	QIV 12 months	12 months	QIV
Net profit	71.3	15.1	98.1	21.9
Other comprehensive income/expense				
Revaluation of available-for-sale financial assets	0.6	0.2	-0.1	0.3
Total other comprehensive income/expense	0.6	0.2	-0.1	0.3
Total comprehensive income	71.9	15.3	98.0	22.2
Sole equity holder of the parent entity (total)	71.9	15.3	98.0	22.2
-Total comprehensive income from continued operations	71.9	15.3	98.0	22.2

3. Consolidated statement of financial position

(millions of EUR)

	31.12.12	31.12.11
ASSETS		
Cash	46.6	38.7
Balances with central bank	191.0	49.5
Loans and advances to credit institutions	291.4	423.0
Loans and advances to customers	3,585.3	3,540.5
Financial assets held for trading	21.4	21.0
Available-for-sale financial assets	5.3	4.9
Other assets	31.7	18.0
Investments in associates	0.6	0.5
Intangible assets	0.5	0.4
Property, plant and equipment	9.2	7.5
TOTAL ASSETS	4,183.0	4,104.0
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Due to credit institutions	748.2	948.5
Due to customers	2,610.7	2,378.8
Loan funds	24.0	18.1
Other liabilities	73.7	54.8
Financial liabilities at fair value through profit or loss	21.7	20.5
Provisions	1.9	2.9
Subordinated loans	0.0	50.1
Total Liabilities	3,480.2	3,473.7
Share capital	42.5	42.5
Share premium	86.3	86.1
Other reserves	20.3	19.8
Retained earnings	553.7	481.9
Total shareholders' equity	702.8	630.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,183.0	4,104.0

4. Consolidated cash flow statement

(millions of EUR)

	2012	2011
	12 months	12 months
I. Cash flows from operating activities		
Interest received	112.9	128.9
Interest paid	-33.5	-41.8
Fee and commission received	51.8	51.1
Fee and commission paid	-14.7	-13.9
Net trading income and other operating income	5.8	4.3
Personnel expenses and other operating expenses	-51.0	-53.1
Cash flows from operating activities before changes in the operating assets and liabilities	71.3	75.5
Changes in operating assets:		
Loans and advances to credit institutions and mandatory reserve in central bank	171.9	-322.1
Loans and advances to customers	-45.5	91.0
Other assets	-7.8	1.9
Changes of operating liabilities:		
Due to credit institutions	-178.4	-481.7
Due to customers	233.3	228.7
Loan funds	5.9	4.8
Other liabilities	0.7	-4.4
Cash flow from (used in) operating activities	251.4	-406.3
II. Cash flows from investing activities		
Net increase-/decrease+ of investment portfolio securities	0.6	-0.3
Proceeds from sale and liquidation of associates and subsidiaries	0.0	0.4
Purchase of investment properties, tangible and intangible assets	-5.0	-3.4
Proceeds from sale of investment properties, tangible and intangible assets	0.0	1.9
Cash flow from (used in) investing activities	-4.4	-1.4
III. Cash flows from financing activities		
Repayments of subordinated loans	-50.0	-67.0
Cash used in financing activities	-50.0	-67.0
Net decrease/increase in cash and cash equivalents	197.0	-474.7
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	0.0
Cash and cash equivalents at the end of period	284.3	87.3
Cash and cash equivalents includes:		
	31.12.12	31.12.11
Cash on hand	46.6	38.7
Balances with the central bank without mandatory reserve	166.1	0.0
Liquid deposits in other credit institutions	71.5	47.4
Trading portfolio	0.1	1.2
	284.3	87.3

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	0.5	0.5
Net profit	0.0	0.0	0.0	98.1	98.1
Other comprehensive expense:					
Net change in available-for-sale financial assets	0.0	0.0	-0.1	0.0	-0.1
Total other comprehensive expense	0.0	0.0	-0.1	0.0	-0.1
Total comprehensive income	0.0	0.0	-0.1	98.1	98.0
Final balance 31.12.2011	42.5	86.1	19.8	481.9	630.3
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	0.4	0.6
Net profit	0.0	0.0	0.0	71.3	71.3
Other comprehensive expense:					
Net change in available-for-sale financial assets	0.0	0.0	0.6	0.0	0.6
Total other comprehensive expense	0.0	0.0	0.6	0.0	0.6
Total comprehensive income	0.0	0.0	0.6	71.3	71.9
Final balance 31.12.2012	42.5	86.3	20.3	553.7	702.8

6. Contingent assets and liabilities and commitments

(millions of EUR)

31.12.12	Contract amount		Balance value	
	Assets	Liabilities	Assets	Liabilities
1. Irrevocable and revocable transactions	7.6	1,024.0	0.0	0.0
1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims	1.1	268.5	0.0	0.0
<i>incl. financial guarantees</i>	0.0	92.1	0.0	0.0
1.2. Loan commitments	6.5	655.5	0.0	0.0
1.3. Other revocable transactions	0.0	100.0	0.0	0.0
2. Derivatives	521.4	520.7	21.3	21.7
2.1. Currency related derivatives	114.6	114.5	0.5	0.4
2.2. Interest related derivatives	379.1	378.9	19.5	19.4
2.3. Equity related derivatives*	27.7	27.3	1.3	1.9
	529.0	1,544.7	21.3	21.7
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 IV 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 IV 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	
	12 months	QIV	12 months	QIV
Loans	91.9	19.0	108.8	28.5
Leasing	14.9	3.3	16.9	4.3
Deposits with other banks	2.8	0.3	4.0	1.5
Fixed income securities	0.1	0.0	0.1	0.0
	109.7	22.6	129.8	34.3

Note 3**Interest expenses and similar charges**

(millions of EUR)

	2012		2011	
	12 months	QIV	12 months	QIV
Credit institutions	-14.1	-2.4	-22.9	-5.9
Time and other saving deposits	-9.4	-1.6	-10.9	-3.3
Demand deposits	-4.0	-0.9	-5.0	-1.4
Subordinated debts	-0.5	0.0	-1.9	-0.4
Loan funds	-0.5	-0.1	-0.4	-0.1
	-28.5	-5.0	-41.1	-11.1

Note 4**Fee and commission income**

(millions of EUR)

	2012		2011	
	12 months	QIV	12 months	QIV
Payment cards related commissions	20.7	5.5	19.6	5.0
Securities market services *	11.9	3.1	12.2	2.7
Transaction fees	5.3	1.4	5.5	1.5
Credit contracts**	4.1	1.0	4.0	0.9
Non-life insurance brokerage fees	2.0	0.6	3.0	0.3
Other settlement fees	3.1	0.9	1.9	0.4
Income from leasing agreements (full service)	1.3	0.3	1.5	0.4
Income from electronic channels	1.3	0.4	1.2	0.3
Cash handling fees	0.8	0.2	1.0	0.3
Commodity futures fees	0.1	0.0	0.1	0.0
Other	1.2	0.3	1.1	0.2
	51.8	13.7	51.1	12.0

* 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	
	12 months	QIV	12 months	QIV
Payment cards related commissions	-9.1	-2.5	-7.6	-2.1
Cash collecting fees	-1.3	-0.3	-1.9	-0.4
Expenses to leasing agreements (full service)	-1.8	-0.5	-1.9	-0.5
Securities market services	-1.2	-0.3	-1.2	-0.3
Transaction fees	-0.6	-0.1	-0.6	-0.1
Expenses of electronic channels	-0.5	-0.1	-0.5	-0.1
Other	-0.2	-0.1	-0.2	-0.1
	-14.7	-3.9	-13.9	-3.6

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

(millions of EUR)

	2012		2011	
	12 months	QIV	12 months	QIV
Impairment losses	-0.3	-0.1	27.5	0.8
impairment losses of reporting period	-17.9	-8.2	-14.7	-5.1
recoveries from write-offs	0.3	0.1	0.2	0.1
decreasing of impairment losses of previous period	17.3	8.0	42.0	5.8
Impairment losses for contingent liabilities	2.2	0.5	-2.7	1.6
	1.9	0.4	24.8	2.4

Note 7**Allowances on loans and advances**

(millions of EUR)

	31.12.12	31.12.11
At the beginning of period (January, 1)	131.0	179.5
Allowances of reporting period	17.9	14.7
Decreasing of allowances of previous period	-17.3	-42.0
Loans and advances written off	-40.4	-21.2
At the end of period	91.2	131.0
Recoveries from write-offs	0.3	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
31.12.12	209.7	560.3	1,435.4	510.4	869.5	3,585.3
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)

31.12.12	Cash, balances with central bank, loans and advances to credit institutions				Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
Sweden	242.6	1.3	1.9	2.1	247.9	675.4	8.8	20.4	704.6			1.4	
Estonia	237.7	3,542.3	24.5	36.4	3,840.9	10.9	2,227.6	97.5	2,336.0			1,009.9	
United Kingdom	16.2	2.1	0.0	0.1	18.4	1.3	18.9	0.0	20.2			0.2	
Russia	1.9	0.4	0.0	0.3	2.6	0.4	25.4	0.3	26.1			0.1	
Germany	4.2	0.2	0.0	0.0	4.4	25.8	7.3	0.0	33.1			7.4	
United States	2.8	0.5	0.8	0.0	4.1	0.0	59.3	0.0	59.3			0.1	
Canada	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.9			0.0	
Japan	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3			0.0	
Finland	0.1	18.8	0.0	1.2	20.1	0.0	11.7	1.3	13.0			2.4	
Latvia	4.9	10.1	0.0	0.1	15.1	31.6	6.5	0.0	38.1			0.0	
Lithuania	3.9	0.0	0.0	0.2	4.1	1.3	11.9	0.0	13.2			0.0	
Luxembourg	1.2	0.0	0.0	0.4	1.6	0.5	0.0	0.0	0.5			0.0	
Netherlands	0.0	0.5	0.0	0.0	0.5	0.0	0.9	0.0	0.9			0.0	
Other Western Europe	12.4	8.7	0.1	0.2	21.4	0.9	33.9	0.0	34.8			1.6	
Other Eastern Europe	1.1	0.0	0.0	0.0	1.1	0.0	3.1	0.1	3.2			0.0	
Other countries	0.0	0.4	0.0	0.4	0.8	0.1	194.2	1.7	196.0			0.9	
	529.0	3,585.3	27.3	41.4	4,183.0	748.2	2,610.7	121.3	3,480.2			1,024.0	

31.12.11	Cash, balances with central bank, loans and advances to credit institutions				Loans and advances to customers	Securities	Other assets	Total assets	Due to credit institutions	Due to customers	Other liabilities	Total liabilities	Contingent liabilities
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	
31.12.12			
Real estate	638.1	0.1	38.9
Finance	534.4	4.2	14.2
Industry	238.7	0.0	173.1
Trading	154.0	0.0	124.8
Agriculture, fishing, forestry	151.7	0.0	21.9
Energy, gas and steam plants	124.0	0.0	160.5
Transport	111.3	0.0	76.0
Government and state defence	107.8	0.0	224.3
Administration and assistance	74.7	0.0	11.0
Health services, social work	55.2	0.0	13.4
Hotels, restaurants	46.8	0.0	0.7
Information and telecommunication	44.3	1.1	6.7
Construction	40.6	0.0	69.0
Education	22.4	0.0	4.9
Water supply, canalisation, waste management	11.0	0.0	3.3
Art, show business, leisure	10.0	0.0	1.6
Professional, science and technical work	8.6	0.0	4.9
Mining	2.4	0.0	0.2
Other government and social services	25.1	0.6	9.3
Individuals	1,804.4	0.0	65.3
Derivatives	0.0	21.3	0.0
Allowances	-91.2	-	-
	4,114.3	27.3	1,024.0

31.12.11	In the statement of financial position		
	Cash and loans to central bank, credit institutions and	Securities	Contingent liabilities
	customers		
Real estate	629.1	0.1	20.5
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>31.12.12</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	1.0	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	0.2	4.8
Loans and advances to parent company	244.5	406.3
Due to parent company	695.7	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	14.6	12.2
Due to enterprises of parent company's consolidation group	36.0	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.