

AS SEB Pank Group

Interim Report of Quarter IV 2013



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Statement of the Management Board

Interim Report of Quarter IV 2013 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 2013 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 2013 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 | 31.12.2013 |
| Reporting period | 01.01.2013 - 31.12.2013 |
| 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 | 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 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.

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 2014

No such events or trends have occurred by the time of publishing the report, which would affect the strategy of the group in 2014.

1.3. Strategy and organisation

AS SEB Pank is owned 100% by its publicly listed parent, Skandinaviska Enskilda Banken AB, which is ultimate parent of SEB Group, the Nordic financial services provider with a celebrated history. SEB Group is a leading Nordic financial services group. As a bank focusing on client relationships, SEB in Sweden and the Baltic countries provides financial advice and a wide range of financial services. In Denmark, Finland, Norway and Germany, the Bank focuses on corporate and investment banking, providing a full service to both corporate and institutional clients. The international nature of SEB's business operations is confirmed by the fact that the Bank has offices in 20 countries worldwide. SEB Group employs approximately 16 000 staff.

Part of SEB Group, AS SEB Pank Group is an Estonian financial group that services private individuals, businesses and the public sector. AS SEB Pank is Estonia's leading universal bank. We are at the forefront in several areas, including cash flow management and asset management. AS SEB Pank serves as the centre of excellence for Eastern European operations in asset management at SEB Group.

Clients of SEB Pank Group, currently numbering 873 700 and counting, are served by 1 071 employees. Clients are served through a variety of channels, including 29 branches, 259 electronic Post Banks, 308 ATMs and 8120 POS terminals. There are more than 539 000 debit and credit cards in use. In addition, over 76% of our clients use our SEB Internet Bank or SEB Internet Bank services.

2. Highlights

Business clients

AS SEB Pank's portfolio of loans to companies grew 10 per cent in 2013, and the same level of growth is expected for the corporate loan and leasing portfolio also in 2014.

AS SEB Pank was involved in almost all of the major financing deals in 2013, the three most noteworthy being the 120 million euro bond issue by Tallink, the expansion of the Ülemiste Centre and the financing of the Starman takeover in Estonia.

It was also a busy year on the small and medium size enterprises (SMEs) market. All together, AS SEB Pank financed in 2013 more than 2 900 SME loan projects with approximately 226 million euros. SMEs showed increased activity in terms of expansion to markets abroad, since achieving a turnover of over 2 million euros requires companies to have at least some export potential. There was significant improvement in the quality of loans, with the proportion of non-performing loans dropping below 2 per cent, a level not seen since early 2008.

In September we launched, once again, the SME counselling project during which AS SEB Pank visited about 900 enterprises across Estonia over a period of two months in order to help them evaluate the impact of different future scenarios on their economic activities. Significant consulting in the SME sector was also one of the reasons why, in the third quarter, the international economic magazine Euromoney named AS SEB Pank the best bank of 2013 in Estonia.

New companies created in 2013 numbered 20 654. What is more important than the number of companies founded is the significant improvement in their quality. Whereas from 2008 to 2010 an average of 71 to 73 per cent of companies celebrated the first anniversary of their operations, 77 per cent of the companies created in recent years are more than surviving their first birthday.

In the last months of 2013, many enterprises were going through intense development because, as of February 2014, the payment solutions of enterprises have to meet new Pan-European standards.

Private clients

For the first time since 2008, the private client loan portfolio began to grow in 2013.

Compared to 2012, the volume of new home loans in 2013 was 33.5 percent higher. Of home loans, 70 per cent are taken out with loan repayment insurance. We expect the loan market for private persons to become more active by approximately 20 per cent in 2014, meaning that Estonia's residential property market will reach the levels of the first half of 2006.

Deposit growth has decreased from the 10 per cent of recent years to 5 per cent, a sign that the confidence of people has improved, resulting in an increased readiness to consume. Boosted by improved confidence, retail consumption increased 7 per cent last year.

In early 2013, AS SEB Pank launched a pilot project under which clients were provided with state-of-the-art digital and paper-free services at select bank branches. At a paper-free branch, documents are signed digitally and then saved in the client's digital portal located in the Internet Bank. This results in significant savings in the everyday use of paper and makes the Bank greener. At the end of last year, AS SEB Pank already had six paper-free offices across Estonia.

Last March, AS SEB Pank introduced an additional security programme, 3D secure, in order to protect its clients' card payments when they are making online purchases. First, SEB's MasterCard cards were incorporated into the programme.

The progress of m-banking also exhibited stable growth. For an ever increasing number of clients, smart phones or tablet computers are becoming the primary means for organising their finances. Recognising the m-banking trend and making use of the possibilities that it offered was another reason why the renowned economic magazine Euromoney named AS SEB Pank the best bank of 2013 in Estonia. In the second quarter of 2013, AS SEB Pank unveiled its new website, specifically tailored for easy reading via the mobile phone.

Increased card payments is another visible trend. If the average European makes about 75 card payments per year, Estonia's residents make 150 card payments per year, whereas in Finland and Sweden it is as many as 200 card payments per person. Estonians' payment preferences are becoming more similar to those in the Nordic countries, whilst our Southern neighbours are still moving towards the European average. Increased volumes allow better service fees to be offered, and Estonia is one of the few countries in Europe where the card payment cost for the merchant is 45 per cent lower than direct and hidden

cash-related costs. AS SEB Pank is working to make available the option of paying with a card at all merchants in order to reduce dependence on cash in certain regions.

Organisation

Last February, the Supervisory Board of AS SEB Pank appointed Inga Ruduša as the new Head of Financial Management and Operations and as Member of the Management Board. Inga has 17 years of experience with the Financial Management Division of SEB Latvia, where her area of responsibility included financial analysis and planning, reporting, project management and other functions. Inga's previous experience also includes working at the Ministry of Finance of the Republic of Latvia, where she was responsible for the planning of revenue for the state budget.

AS SEB Pank received several awards and recognitions in 2013:

- The renowned economic magazine Euromoney selected AS SEB Pank as the best bank in Estonia in 2013.
- The financial magazine Global Finance named AS SEB Pank the best trade finance bank in Estonia in 2013.
- The international finance magazine Euromoney named AS SEB Pank the best private banking provider to the most affluent segment in Estonia.
- The achievement of a Guinness record by AS SEB Pank's staff was picked as the best internal communications project of 2012.
- Last March, Estonia celebrated the traditional Good Service Month, and AS SEB Pank was the bank with the most commended service.
- According to the image and reputation ranking survey conducted by TNS Emor, AS SEB Pank held the high 8th position among Estonian enterprises in 2013.
- At the Tallinn Enterprise Awards, AS SEB Pank was nominated as the Responsible Enterprise 2013.
- The City of Tallinn chose AS SEB Pank as the most child- and youth-friendly company of 2013.

Social responsibility and sponsorship

AS SEB Pank promoted financial education in 2013:

- AS SEB Pank participated in the Money Wisdom Day event organised by the Estonian Banking Association, during which 26 volunteers from AS SEB Pank visited Estonia's schools and delivered lectures on financial education.
- In the fourth quarter of 2013, AS SEB Pank's staff was actively involved in giving Money Wisdom lessons as part of the Adult Learners Week in almost all of Estonia's counties.

2013 saw AS SEB Pank promote recreational sport:

- In February 2013, AS SEB Pank was the Main Sponsor of Tartu Maraton, Estonia's largest cross-country ski race with 8 500 participants.
- The 31st SEB Tartu Jooksumaraton saw more than 4 000 people cross the finish line for the first time ever, and also the number of those finishing in children's races set a new record, up by 500.
- A record number of people, approximately 12 500 women, registered for the SEB May Run.

- SEB Tallinn Marathon, the largest sports competition in the Baltic States, had more than 20 000 participants. SEB Tallinn Marathon is one of the world's 50 most prestigious marathons. In 2013, AS SEB Pank renewed its support for SEB Tallinn Marathon for another three years.
- The 6th SEB Tartu Rullisumaraton had 1 352 participants.
- The 15th SEB Tartu Rattamaraton had 7 191 participants.
- With support from AS SEB Pank, the SEB Tallink Junior Open tennis tournament was held.

AS SEB Pank promoted entrepreneurship in 2013:

- AS SEB Pank supports Estonia's leading business plan competition Brain Hunt, designed to contribute to the creation of new knowledge-based companies and boost the business skills of students and young scientists. 2013 saw the conclusion of the 6th season of the competition and the launch of its 7th.

AS SEB Pank promoted culture in 2013:

- As Gold Sponsor of the Estonian National Opera, in 2013 AS SEB Pank provided the third audience awards for both male and female soloists as selected by visitors to the Opera. Five thousand people voted.

2013 saw AS SEB Pank promote the welfare of children without parental care:

- The SEB Charity Fund organised several events for children living in shelters. The most important project was the creation of the Young Mother scholarship to support the funding of studies by mothers who have become parents at a young age.

3. Capital adequacy

(millions of EUR)

| | 31.12.13 | 31.12.12 |
|--|-----------------|-----------------|
| CAPITAL BASE | | |
| Paid-in share capital | 42.5 | 42.5 |
| Premium | 86.3 | 86.3 |
| General banking reserves | 19.4 | 19.4 |
| Retained earnings / loss | 553.7 | 482.4 |
| Unrealised profit for previous periods on shares of subsidiaries and associated companies (negative) | -0.1 | -0.1 |
| Intangibles | -0.9 | -0.5 |
| Audited profit for the period | 0.0 | 71.3 |
| Total primary own funds | 700.9 | 701.3 |
| Available for sale financial instruments | 0.2 | 0.4 |
| Allowances and adjustments exceeding expected loss | 5.8 | 10.1 |
| Total supplementary own funds | 6.0 | 10.5 |
| Total deductions | 0.0 | 0.0 |
| Primary own funds after deductions | 700.9 | 701.3 |
| Supplementary own funds after deductions | 6.0 | 10.5 |
| Supplementary own funds included in calculation of capital adequacy | 6.0 | 10.5 |
| Third level own funds included in calculation of capital adequacy | 0.0 | 0.0 |
| Own funds included in calculation of capital adequacy | 706.9 | 711.8 |
| | | |
| CAPITAL REQUIREMENTS | | |
| Municipalities and regions with standardised approach | 6.2 | 6.0 |
| State agencies, non-profit institutions and associations with standardised approach | 0.2 | 0.1 |
| Retail claims with standardised approach | 17.0 | 15.2 |
| Mortgage claims with standardised approach | 0.1 | 0.1 |
| Overdue claims with standardised approach | 0.5 | 0.9 |
| Shares of investment funds with standardised approach | 0.5 | 0.4 |
| Other assets with standardised approach | 2.9 | 3.3 |
| | | |
| Credit institutions, investment firms and municipalities with IRB | 6.0 | 5.1 |
| Other companies with IRB | 134.9 | 125.2 |
| Retail claims with IRB | 34.6 | 38.7 |
| Total capital requirements for covering the credit risk and counterparty credit risk | 202.9 | 195.0 |
| Capital requirement for covering interest position risk | 1.6 | 1.1 |
| Total market risk | 1.6 | 1.1 |
| Capital requirement for covering AMA of operational risk | 9.7 | 11.4 |
| Capital requirements total | 214.2 | 207.5 |
| | | |
| Transition period floor of own funds if using IRB | 330.3 | 303.1 |
| Capital requirements for calculating capital adequacy | 330.3 | 303.1 |

CAPITAL RATIOS

| | 31.12.13 | 31.12.12 |
|-------------------------|-----------------|-----------------|
| Capital adequacy, % | 21.40 | 23.49 |
| Tier 1 Capital Ratio, % | 21.22 | 23.14 |
| Tier 2 Capital Ratio, % | 0.18 | 0.35 |

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

AS SEB Pank
AS SEB Liising Group
AS SEB Varahaldus

4. Risk concentration

(millions of EUR)

| | <u>31.12.13</u> | <u>31.12.12</u> |
|---|-----------------|-----------------|
| Total claims against persons associated with the credit institution's consolidation group | 1.2 | 1.0 |
| The share of claims of the persons associated with the credit institution's consolidation group in net own funds, % | 0.17 | 0.15 |
| Total of large exposure claims | 456.2 | 355.2 |
| The share of large exposure claims in net own funds, % | 64.53 | 49.89 |
| Number of large exposure customers | 6 | 5 |

5. Key figures

(millions of EUR)

| | <u>31.12.13</u> | <u>31.12.12</u> |
|---|-----------------|-----------------|
| Net profit | 72.8 | 71.3 |
| Average equity | 738.7 | 666.6 |
| Return on equity (ROE), % | 9.86 | 10.70 |
| Average assets | 4,313.0 | 4,143.5 |
| Return on assets (ROA), % | 1.69 | 1.72 |
| Net interest income | 78.6 | 81.2 |
| Average interest earning assets | 4,192.3 | 4,034.7 |
| Net interest margin (NIM), % | 1.87 | 2.01 |
| Spread, % | 1.80 | 1.88 |
| Cost / Income ratio, % | 45.7 | 45.1 |
| Ratio of individually impaired loans, % | 0.79 | 1.39 |

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 | 2013 | | 2012 | |
|--|------|-------------|---------------|---------------|-------------|
| | | 12 months | QIV 12 months | QIV 12 months | QIV |
| <i>Interest and similar income</i> | 3 | 93.8 | 24.2 | 109.7 | 22.6 |
| <i>Interest expenses and similar charges</i> | 4 | -15.2 | -3.5 | -28.5 | -5.0 |
| Net Interest Income | | 78.6 | 20.7 | 81.2 | 17.6 |
| <i>Fee and commission income</i> | 5 | 54.7 | 14.4 | 51.8 | 13.7 |
| <i>Fee and commission expense</i> | 6 | -14.9 | -4.0 | -14.7 | -3.9 |
| Net fee and commission income | | 39.8 | 10.4 | 37.1 | 9.8 |
| Net income from foreign exchange | | 4.4 | 1.1 | 4.8 | 1.2 |
| Gains less losses from financial assets at fair value through profit or loss | | 2.8 | 0.8 | 2.5 | 0.4 |
| Gains less losses from investment securities | | 0.5 | 0.0 | -0.1 | -0.1 |
| Share of profit of associates | | 0.2 | 0.0 | 0.2 | 0.1 |
| Other income | | 0.9 | 0.2 | 0.6 | 0.1 |
| Personnel expenses | | -32.9 | -8.6 | -33.6 | -8.4 |
| Other expenses | | -21.3 | -6.2 | -20.1 | -5.2 |
| Depreciation, amortisation and impairment of tangible and intangible assets | | -3.9 | -1.3 | -3.2 | -0.8 |
| Profit before impairment losses on loans and advances | | 69.1 | 17.1 | 69.4 | 14.7 |
| Impairment losses on loans and advances | 7 | 3.7 | 0.9 | 1.9 | 0.4 |
| Profit before income tax | | 72.8 | 18.0 | 71.3 | 15.1 |
| Income tax | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit | | 72.8 | 18.0 | 71.3 | 15.1 |
| Profit attributable to the sole equity holder | | 72.8 | 18.0 | 71.3 | 15.1 |

2. Consolidated statement of comprehensive income

| | 2013 | | 2012 | |
|--|-------------|---------------|---------------|-------------|
| | 12 months | QIV 12 months | QIV 12 months | QIV |
| Net profit | 72.8 | 18.0 | 71.3 | 15.1 |
| Other comprehensive income/expense | | | | |
| Items that may subsequently be reclassified to the income statement: | | | | |
| Revaluation of available-for-sale financial assets | -0.5 | 0.0 | 0.6 | 0.2 |
| Total other comprehensive income/expense | -0.5 | 0.0 | 0.6 | 0.2 |
| Total comprehensive income | 72.3 | 18.0 | 71.9 | 15.3 |
| Sole equity holder of the parent entity (total) | 72.3 | 18.0 | 71.9 | 15.3 |
| -Total comprehensive income from continued operations | 72.3 | 18.0 | 71.9 | 15.3 |

3. Consolidated statement of financial position

(millions of EUR)

| | 31.12.13 | 31.12.12 |
|---|-----------------|-----------------|
| ASSETS | | |
| Cash | 44.9 | 46.6 |
| Balances with central bank | 70.0 | 191.0 |
| Loans and advances to credit institutions | 343.3 | 291.4 |
| Loans and advances to customers | 3,813.1 | 3,585.3 |
| Financial assets held for trading | 23.4 | 21.4 |
| Financial assets designated at fair value through profit or loss at inception | 97.1 | 0.0 |
| Available-for-sale financial assets | 4.6 | 5.3 |
| Other assets | 37.3 | 31.7 |
| Investments in associates | 0.8 | 0.6 |
| Intangible assets | 0.9 | 0.5 |
| Property, plant and equipment | 7.5 | 9.2 |
| TOTAL ASSETS | 4,442.9 | 4,183.0 |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Due to credit institutions | 846.6 | 748.2 |
| Due to customers | 2,724.0 | 2,634.7 |
| Other liabilities | 76.2 | 73.7 |
| Financial liabilities at fair value through profit or loss | 21.5 | 21.7 |
| Provisions | 0.0 | 1.9 |
| Total Liabilities | 3,668.3 | 3,480.2 |
| | | |
| Share capital | 42.5 | 42.5 |
| Share premium | 86.3 | 86.3 |
| Other reserves | 19.8 | 20.3 |
| Retained earnings | 626.0 | 553.7 |
| Total shareholders' equity | 774.6 | 702.8 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 4,442.9 | 4,183.0 |

4. Consolidated cash flow statement

(millions of EUR)

| | 2013 | 2012 |
|--|------------------|------------------|
| | 12 months | 12 months |
| I. Cash flows from operating activities | | |
| Interest received | 93.7 | 112.9 |
| Interest paid | -17.2 | -33.5 |
| Fee and commission received | 54.7 | 51.8 |
| Fee and commission paid | -14.9 | -14.7 |
| Net trading income and other operating income | 7.7 | 5.8 |
| Personnel expenses and other operating expenses | -53.5 | -51.0 |
| Cash flows from operating activities before changes in the operating assets and liabilities | 70.5 | 71.3 |
| Changes in operating assets: | | |
| Loans and advances to credit institutions and mandatory reserve in central bank | 180.5 | 171.9 |
| Loans and advances to customers | -224.8 | -45.5 |
| Other assets | 2.9 | -7.8 |
| Changes of operating liabilities: | | |
| Due to credit institutions | 100.2 | -178.4 |
| Due to customers | 90.9 | 239.2 |
| Other liabilities | -1.0 | 0.7 |
| Cash flow from (used in) operating activities | 219.2 | 251.4 |
| II. Cash flows from investing activities | | |
| Net increase-/decrease+ of investment portfolio securities | 0.7 | 0.6 |
| Purchase of investment properties, tangible and intangible assets | -2.6 | -5.0 |
| Cash flow from (used in) investing activities | -1.9 | -4.4 |
| III. Cash flows from financing activities | | |
| Repayments of subordinated loans | 0.0 | -50.0 |
| Cash used in financing activities | 0.0 | -50.0 |
| Net decrease/increase in cash and cash equivalents | 217.3 | 197.0 |
| Cash and cash equivalents at the beginning of period | 284.3 | 87.3 |
| Effect of exchange rate changes on cash and cash equivalents | 0.0 | 0.0 |
| Cash and cash equivalents at the end of period | 501.6 | 284.3 |
| Cash and cash equivalents includes: | 31.12.13 | 31.12.12 |
| Cash on hand | 44.9 | 46.6 |
| Balances with the central bank without mandatory reserve | 40.7 | 166.1 |
| Liquid deposits in other credit institutions | 316.0 | 71.5 |
| Trading portfolio and liquidity securities | 100.0 | 0.1 |
| | 501.6 | 284.3 |

5. Changes in consolidated shareholders' equity

(millions of EUR)

| | Share capital | Share premium | Reserves | Retained profit | Total shareholders' equity |
|---|---------------|---------------|-------------|-----------------|----------------------------|
| 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 income: | | | | | |
| Net change in available-for-sale financial assets | 0.0 | 0.0 | 0.6 | 0.0 | 0.6 |
| Total other comprehensive income | 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 |
| Year beginning 01.01.2013 | 42.5 | 86.3 | 20.3 | 553.7 | 702.8 |
| Other | 0.0 | 0.0 | 0.0 | -0.5 | -0.5 |
| Net profit | 0.0 | 0.0 | 0.0 | 72.8 | 72.8 |
| Other comprehensive expense: | | | | | |
| Net change in available-for-sale financial assets | 0.0 | 0.0 | -0.5 | 0.0 | -0.5 |
| Total other comprehensive expense | 0.0 | 0.0 | -0.5 | 0.0 | -0.5 |
| Total comprehensive income/expense | 0.0 | 0.0 | -0.5 | 72.8 | 72.3 |
| Final balance 31.12.2013 | 42.5 | 86.3 | 19.8 | 626.0 | 774.6 |

6. Contingent assets and liabilities and commitments

(millions of EUR)

| | Contract amount | | Balance value | |
|--|------------------------|--------------------|----------------------|--------------------|
| | Assets | Liabilities | Assets | Liabilities |
| 31.12.13 | | | | |
| 1. Irrevocable and revocable transactions | 7.6 | 1,069.8 | 0.0 | 0.0 |
| 1.1. Guarantees and other similar off-balance sheet irrevocable liabilities and claims | 1.1 | 260.4 | 0.0 | 0.0 |
| <i>incl. financial guarantees</i> | 0.0 | 65.3 | 0.0 | 0.0 |
| 1.2. Loan commitments | 6.5 | 809.4 | 0.0 | 0.0 |
| 2. Derivatives | 694.8 | 694.1 | 20.5 | 21.5 |
| 2.1. Currency related derivatives | 236.6 | 236.4 | 0.7 | 0.5 |
| 2.2. Interest related derivatives | 439.1 | 438.9 | 18.9 | 19.6 |
| 2.3. Equity related derivatives* | 19.1 | 18.8 | 0.9 | 1.4 |
| | 702.4 | 1,763.9 | 20.5 | 21.5 |
| 31.12.12 | | | | |
| 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 |

* 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 2013 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 2013 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2012 with next additions:

Adjustment of counterparty credit risk, included in value of OTC derivatives.

The change implies an adjustment for counterparty credit risk (Credit Value Adjustment, CVA). This adjustment is relevant for OTC derivatives with a positive value classified in Level 2 and 3 of the fair value hierarchy where credit risk is typically not reflected in the pricing models. AS SEB Pank has further developed the risk measurement of counterparty credit risk. Almost the entire effect is attributable to 2012 and earlier periods. The adjustment is recognised as a change in retained earnings in amount of -1,0 million euros as of 31 March 2013 since AS SEB Pank has concluded that period-specific effects for previous periods are impracticable to determine. Changes attributable to the CVA effect in amount of -0,9 million euros has been recognised as Net financial income in the income statement 2013.

Debit value adjustment, (DVA) applied for derivatives with negative value. DVA incorporated into the value of financial liabilities recorded at fair value to reflect the impact of AS SEB Pank's own credit quality, if this is not included in market prices or inputs in valuation models. The valuation adjustment is relevant to derivative liabilities in Level 2 and 3 in the fair value hierarchy. Changes attributable to DVA effect in amount of +1,1 million euros has been recognised as Net financial income in the income statement 2013.

Financial assets designated at fair value through profit or loss at inception

Securities at fair value through profit or loss are designated irrevocably, at initial recognition, into this category. Management designates securities into this category, because a group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management and investment strategy.

In the current reporting period this class of securities included the portfolio of liquidity bonds. The intention of the investment is to keep local liquidity reserves in liquid securities, which can be pledged with Central Bank in order to create cash liquidity whenever necessary.

Interest income on these instruments are recognised in income statement under "Interest income". The realized and unrealized result from the revaluation of these securities is recorded in the income statement under "Gains less losses from financial assets at fair value through profit or loss".

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

(millions of EUR)

A) Financial instruments measured at fair value

| | 31.12.13 | | | | 31.12.12 | | | |
|--|-----------------|----------------|----------------|--------------|-----------------|----------------|----------------|--------------|
| | 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 | 2.9 | 20.6 | 0.0 | 23.5 | 0.0 | 21.4 | 0.0 | 21.4 |
| Debt securities | 2.8 | 0.1 | 0.0 | 2.9 | 0.0 | 0.1 | 0.0 | 0.1 |
| Derivatives | 0.0 | 20.5 | 0.0 | 20.5 | 0.0 | 21.3 | 0.0 | 21.3 |
| Financial assets designated at fair value through profit or loss at inception | | | | | | | | |
| Debt securities | 97.1 | 0.0 | 0.0 | 97.1 | - | - | - | - |
| Available for sale financial assets | 4.5 | 0.0 | 0.1 | 4.6 | 5.2 | 0.0 | 0.1 | 5.3 |
| Investment securities - equity | 4.5 | 0.0 | 0.1 | 4.6 | 5.2 | 0.0 | 0.1 | 5.3 |
| TOTAL ASSETS | 104.5 | 20.6 | 0.1 | 125.2 | 5.2 | 21.4 | 0.1 | 26.7 |
| Financial liabilities at fair value through profit and loss | | | | | | | | |
| Financial liabilities held for trading | 0.0 | 21.5 | 0.0 | 21.5 | 0.0 | 21.7 | 0.0 | 21.7 |
| TOTAL LIABILITIES | 0.0 | 21.5 | 0.0 | 21.5 | 0.0 | 21.7 | 0.0 | 21.7 |

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 2012 | 0.4 | 0.4 |
| Other comprehensive income | 0.2 | 0.2 |
| Purchases | 0.1 | 0.1 |
| Settlements | -0.6 | -0.6 |
| At 31 December 2012 | 0.1 | 0.1 |
| Total losses for the period included in profit or loss for assets/liabilities held at 31.12.12 | -0.1 | -0.1 |
| At 1 January 2013 | 0.1 | 0.1 |
| At 30 December 2013 | 0.1 | 0.1 |
| Total losses for the period included in profit or loss for assets/liabilities held at 31.12.13 | 0.0 | 0.0 |

B) Financial instruments not measured at fair value

| | 31.12.13 | | 31.12.12 | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| ASSETS | | | | |
| Cash | 44.9 | 44.9 | 46.6 | 46.6 |
| Balances with central bank | 70.0 | 70.0 | 191.0 | 191.0 |
| Loans and advances to credit institutions | 343.3 | 343.3 | 291.4 | 291.4 |
| Loans and advances to customers | 3,813.1 | 3,625.1 | 3,585.3 | 3,473.1 |
| <i>Loans to Corporates</i> | <i>2,013.1</i> | <i>2,001.8</i> | <i>1,817.8</i> | <i>1,810.1</i> |
| <i>Loans to Private individuals</i> | <i>1,800.0</i> | <i>1,623.2</i> | <i>1,767.5</i> | <i>1,663.0</i> |
| Other assets | 37.3 | 37.3 | 31.7 | 31.7 |
| TOTAL ASSETS | 4,308.6 | 4,120.6 | 4,146.0 | 4,033.8 |
| LIABILITIES | | | | |
| Due to credit institutions | 846.6 | 847.1 | 748.2 | 747.9 |
| Due to customers | 2,724.0 | 2,723.4 | 2,634.7 | 2,636.9 |
| <i>Due to Corporates</i> | <i>1,542.5</i> | <i>1,541.8</i> | <i>1,549.4</i> | <i>1,550.6</i> |
| <i>Due to Private Individuals</i> | <i>1,181.5</i> | <i>1,181.6</i> | <i>1,085.3</i> | <i>1,086.3</i> |
| Other financial liabilities | 76.2 | 76.2 | 73.7 | 73.7 |
| Subordinated loans | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL LIABILITIES | 3,646.8 | 3,646.7 | 3,456.6 | 3,458.5 |

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.

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 4.93% (31.12.2012: 3.14%) lower than the carrying amount. Fair value of balances due to credit institutions was

0.06% higher (31.12.2012: 0.04% lower) than the carrying amount. Fair value of balances due to customers was 0.02% lower (31.12.2012: 0.08% higher) than the carrying amount.

Note 3

Interest and similar income

(millions of EUR)

| | 2013 | | 2012 | |
|---------------------------|-------------|-------------|--------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Loans | 78.9 | 20.5 | 91.9 | 19.0 |
| Leasing | 14.0 | 3.6 | 14.9 | 3.3 |
| Deposits with other banks | 0.8 | 0.2 | 2.8 | 0.3 |
| Fixed income securities | 0.1 | 0.0 | 0.1 | 0.0 |
| | 93.8 | 24.3 | 109.7 | 22.6 |

Note 4

Interest expenses and similar charges

(millions of EUR)

| | 2013 | | 2012 | |
|--------------------------------|--------------|-------------|--------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Credit institutions | -6.6 | -1.4 | -14.1 | -2.4 |
| Time and other saving deposits | -6.6 | -1.6 | -9.4 | -1.6 |
| Demand deposits | -1.7 | -0.4 | -4.0 | -0.9 |
| Subordinated debts | 0.0 | 0.0 | -0.5 | 0.0 |
| Other | -0.3 | -0.3 | -0.5 | -0.1 |
| | -15.2 | -3.7 | -28.5 | -5.0 |

Note 5

Fee and commission income

(millions of EUR)

| | 2013 | | 2012 | |
|---|-------------|-------------|-------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Payment cards related commissions | 22.5 | 6.0 | 20.7 | 5.5 |
| Securities market services * | 12.2 | 3.1 | 11.9 | 3.1 |
| Transaction fees | 5.5 | 1.4 | 5.3 | 1.4 |
| Credit contracts** | 4.2 | 1.1 | 4.1 | 1.0 |
| Non-life insurance brokerage fees | 2.2 | 0.6 | 2.0 | 0.6 |
| Other settlement fees | 3.7 | 1.0 | 3.1 | 0.9 |
| Income from leasing agreements (full service) | 1.1 | 0.2 | 1.3 | 0.3 |
| Income from electronic channels | 1.4 | 0.4 | 1.3 | 0.4 |
| Cash handling fees | 0.7 | 0.2 | 0.8 | 0.2 |
| Commodity futures fees | 0.0 | 0.0 | 0.1 | 0.0 |
| Other | 1.2 | 0.4 | 1.2 | 0.3 |
| | 54.7 | 14.4 | 51.8 | 13.7 |

* 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)

| | 2013 | | 2012 | |
|---|--------------|-------------|--------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Payment cards related commissions | -9.6 | -2.6 | -9.1 | -2.5 |
| Cash collecting fees | -1.2 | -0.3 | -1.3 | -0.3 |
| Expenses to leasing agreements (full service) | -1.6 | -0.5 | -1.8 | -0.5 |
| Securities market services | -1.2 | -0.3 | -1.2 | -0.3 |
| Transaction fees | -0.7 | -0.2 | -0.6 | -0.1 |
| Expenses of electronic channels | -0.4 | -0.1 | -0.5 | -0.1 |
| Other | -0.2 | 0.0 | -0.2 | -0.1 |
| | -14.9 | -4.0 | -14.7 | -3.9 |

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

(millions of EUR)

| | 2013 | | 2012 | |
|---|------------|------------|-------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Impairment losses | 3.0 | 0.9 | -0.3 | -0.1 |
| impairment losses of reporting period | -5.5 | -1.4 | -17.9 | -8.2 |
| recoveries from write-offs | 0.9 | 0.2 | 0.3 | 0.1 |
| decreasing of impairment losses of previous period | 7.6 | 2.1 | 17.3 | 8.0 |
| Impairment losses for contingent liabilities | 0.7 | 0.0 | 2.2 | 0.5 |
| | 3.7 | 0.9 | 1.9 | 0.4 |

Note 8**Allowances on loans and advances**

(millions of EUR)

| | 31.12.13 | | 31.12.12 | |
|--|----------|-------------|----------|--------------|
| | | | | |
| At the beginning of period (January, 1) | | 91.2 | | 131.0 |
| Allowances of reporting period | | 5.4 | | 17.9 |
| Decreasing of allowances of previous period | | -7.6 | | -17.3 |
| Loans and advances written off | | -35.2 | | -40.4 |
| At the end of period | | 53.8 | | 91.2 |
| Recoveries from write-offs | | 0.9 | | 0.3 |

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

(millions of EUR)

| | Less than | 3-12 | | 5-10 | Over 10 | Total |
|-----------------|-----------|--------|-----------|-------|---------|----------------|
| | 3 months | months | 1-5 years | years | years | |
| 31.12.13 | 227.9 | 579.6 | 1,663.0 | 505.9 | 836.7 | 3,813.1 |
| 31.12.12 | 209.7 | 560.3 | 1,435.4 | 510.4 | 869.5 | 3,585.3 |

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

| 31.12.13 | 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 |
|----------------------|--|--|-----------------|-----------------|-----------------|---------------------------------------|--------------------------|---------------------------|---------------------------|--------------------------------|
| | | | | | | | | | | |
| Sweden | 287.1 | 1.1 | 2.1 | 4.1 | 294.4 | 785.1 | 10.6 | 23.3 | 819.0 | 1.5 |
| Estonia | 115.0 | 3,790.4 | 26.6 | 25.9 | 3,957.9 | 10.9 | 2,373.0 | 60.3 | 2,444.2 | 1,052.7 |
| United Kingdom | 17.8 | 1.7 | 0.0 | 0.1 | 19.6 | 2.3 | 30.1 | 0.3 | 32.7 | 1.6 |
| Russia | 8.9 | 0.4 | 0.0 | 0.0 | 9.3 | 0.7 | 28.2 | 0.0 | 28.9 | 0.0 |
| Germany | 1.5 | 0.1 | 97.1 | 0.0 | 98.7 | 18.7 | 2.6 | 0.0 | 21.3 | 6.4 |
| United States | 1.7 | 0.5 | 0.0 | 0.0 | 2.2 | 0.0 | 44.3 | 0.0 | 44.3 | 0.0 |
| Canada | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 4.1 | 0.0 | 4.2 | 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 | 0.6 | 0.0 | 3.9 | 4.5 | 0.0 | 8.4 | 3.9 | 12.3 | 4.7 |
| Latvia | 4.3 | 9.5 | 0.0 | 0.2 | 14.0 | 26.0 | 3.7 | 0.0 | 29.7 | 0.5 |
| Lithuania | 5.2 | 0.0 | 0.0 | 0.3 | 5.5 | 1.0 | 4.2 | 0.1 | 5.3 | 0.0 |
| Luxembourg | 5.4 | 0.0 | 0.0 | 0.3 | 5.7 | 0.6 | 0.1 | 0.0 | 0.7 | 0.0 |
| Netherlands | 0.0 | 0.3 | 0.0 | 0.0 | 0.3 | 0.0 | 1.8 | 0.0 | 1.8 | 0.0 |
| Other Western Europe | 7.3 | 8.0 | 0.1 | 8.4 | 23.8 | 1.1 | 48.7 | 8.5 | 58.3 | 1.6 |
| Other Eastern Europe | 4.0 | 0.0 | 0.0 | 0.1 | 4.1 | 0.0 | 4.5 | 0.1 | 4.6 | 0.0 |
| Other countries | 0.0 | 0.5 | 0.0 | 2.4 | 2.9 | 0.1 | 159.4 | 1.2 | 160.7 | 0.8 |
| | 458.2 | 3,813.1 | 125.9 | 45.7 | 4,442.9 | 846.6 | 2,724.0 | 97.7 | 3,668.3 | 1,069.8 |

| 31.12.12 | 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 |
|----------------------|--|--|-----------------|-----------------|-----------------|---------------------------------------|--------------------------|---------------------------|---------------------------|--------------------------------|
| | | | | | | | | | | |
| 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 | 2,251.6 | 73.5 | 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 | 2,634.7 | 97.3 | 3,480.2 | 1,024.0 |

(millions of EUR)

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 | Securities | |
| 31.12.13 | | | |
| Real estate | 712.2 | 0.1 | 56.9 |
| Finance | 475.6 | 4.4 | 26.1 |
| Industry | 290.6 | 2.8 | 213.9 |
| Agriculture, fishing, forestry | 175.6 | 0.0 | 21.1 |
| Trading | 158.1 | 0.0 | 139.9 |
| Transport | 148.4 | 0.0 | 77.6 |
| Government and state defence | 105.1 | 97.1 | 221.8 |
| Administration and assistance | 94.4 | 0.0 | 33.5 |
| Energy, gas and steam plants | 92.3 | 0.0 | 98.9 |
| Health services, social work | 49.4 | 0.0 | 14.2 |
| Information and telecommunication | 48.0 | 0.4 | 6.1 |
| Construction | 47.8 | 0.0 | 59.3 |
| Hotels, restaurants | 28.8 | 0.0 | 0.9 |
| Education | 20.3 | 0.0 | 11.0 |
| Professional, science and technical work | 9.7 | 0.0 | 4.5 |
| Art, show business, leisure | 9.2 | 0.0 | 4.6 |
| Water supply, canalisation, waste management | 9.0 | 0.0 | 2.4 |
| Mining | 2.3 | 0.0 | 1.0 |
| Other government and social services | 23.1 | 0.6 | 5.7 |
| Individuals | 1,825.2 | 0.0 | 70.4 |
| Derivatives | 0.0 | 20.5 | 0.0 |
| Allowances | -53.8 | - | - |
| | 4,271.3 | 125.9 | 1,069.8 |

| 31.12.12 | In the statement of financial position | | Contingent liabilities |
|--|---|-------------|------------------------|
| | central bank, credit institutions and customers | Securities | |
| | Real estate | 638.1 | |
| 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 |

Note 12**Related parties**

(millions of EUR)

| | <u>31.12.13</u> | <u>31.12.12</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 | 1.0 |
| 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) | 0.2 | 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 | 0.2 |
| Loans and advances to parent company | 312.8 | 244.5 |
| Due to parent company | 804.5 | 695.7 |
| Contingent assets and commitments to parent company | 55.0 | 55.0 |
| Contingent liabilities and commitments to parent company | 0.4 | 0.4 |
| Loans and advances to enterprises of parent company's consolidation group | 10.9 | 14.6 |
| Due to enterprises of parent company's consolidation group | 37.2 | 36.0 |
| Contingent assets and commitments to enterprises of parent company's consolidation group | 5.0 | 0.2 |
| Contingent liabilities and commitments to enterprises of parent company's consolidation group | 4.1 | 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.