

AS SEB Pank Group

Interim Report of Quarter IV 2014



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Statement of the Management Board

Interim Report of Quarter IV 2014 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 2014 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 2014 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 | 31.12.2014 |
| Reporting period | 01.01.2014 - 31.12.2014 |
| Reporting currency | Euro (EUR), millions |

II. Management Report

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

1.1. Consolidated group

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

5.5

All enterprises are registered in Estonian Commercial Register.

Parent company of the Group is AS SEB Pank, its activity is banking (information on page 3).

* Consolidated 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 (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 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 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

Business clients

SEB loan portfolio for large corporations increased by 7% in 2014 and the next year we await also a significant increase in the loan and leasing portfolio of companies.

In 2014, SEB continued on the leading position in financing of corporations, helping its long-term customers (for example Utilitas and Starman) to invest in the largest expansion projects. In the same year, the customer base also increased; a good example added to the list of customers in 2014 is TREV-2 dealing with the largest infrastructure projects of Estonia.

The year was also active on the market of small and medium-sized enterprises (SMEs). In 2014, AS SEB Pank financed more than 5100 SME loan projects with more than 231 million euros in total. Estonian SMEs expanded actively to foreign markets during the year. Instead of Latvia and Lithuania, in 2014, more possibilities were sought in Finland, which will ensure good results, when the economy of the neighbouring country starts to grow again.

In September 2014, AS SEB Pank started the advisory campaign for SMEs again, within the framework of which almost 3000 Estonian companies were surveyed and more than 500 were consulted. The objective of the campaign was to assess the future strategies of companies and to forecast the segment development in 2015 in various business sectors and various regions of Estonia.

19 788 new companies were established in Estonia in 2014, which is 800 less than in 2013. At the same time, the survival rate of companies has clearly increased in the recent years, showing that business ideas are constantly better-prepared and stronger. In order to maintain and increase business activity, SEB launched business model advisory in autumn 2014, which were targeted at all private customers, who were interested in starting business.

In February 2014, the euro zone countries transferred to the Single European Payments Area. Transition was highly successful in Estonia. Large enterprises completed the necessary developments in time. Estonia succeeded to be innovative with the development of the e-invoice solution, skipping several development stages that other countries still have to pass.

Major news in Estonian business scene in 2014 was the possibility to receive Estonian e-residence. E-residence enables improving the availability of several services of public and private sectors – to make them more comfortable and faster for people and the representatives of companies, who have already been connected with Estonia.

Private customers

Loan portfolio of private customers increased by 1.5% in 2014, and the next year plans are even more ambitious.

The volume of Mortgage loan portfolio decreased by 0.2% in 2014 compared to 2013, while new home loans were granted for 25.2 million euros more in 2014 than in 2013. The volume of home loans with loan payment insurance increased by 5% in a year and reached 75% in 2014. The increase of retail consumption, characteristic of 2014, which exceeded 7% in the third quarter, had positive effect on domestic consumption as well as activity on the real estate market.

Increase of retail consumption was caused by low inflation in the country as well as high salary pressure.

The volume of deposits increased by 8.2% in 2014. This is a sign that anxiety has increased and the feeling of security characteristic to the previous year has decreased among private persons due to economic changes in 2014.

M-banking developed remarkably in 2014. In the beginning of the year, the number of users of SEB Mobile Bank exceeded twice the number of branch visitors. Use of M-bank has doubled in a year and reached 7% of the total number of customers of AS SEB Pank. At the end of the year, AS SEB Pank introduced also an innovative mobile payment to the customers of its Mobile Bank.

In 2014, AS SEB Pank increased essentially the number of paperless branches from 5 in the beginning of 2014 to 23 by the end of the year. Paperless service makes the classical banking services more comfortable for the clients, as well as more environment-friendly.

In the Estonian society, a discussion continues on the usability of the services of banks and public sector in the future and the need for traditional over the counter service. This is accompanied by a discussion on the need for and availability of cash in Estonia as a whole, where banks as well as the state are guiding constantly more customers to use services in mobile and internet environment. This has caused also some decrease in the network of branches, ATMs and postal bank offices of AS SEB Pank.

In 2014, the volume of electronic transactions in AS SEB Pank reached 99% of all bank transactions. Frequency of card payments continued to increase reaching 180 card payments a year and showing 20% yearly growth.

Organisation

In September, the Council of AS SEB Pank appointed Indrek Julge the new manager of the field of corporate banking, replacing Allan Parik. Indrek Julge has a 10-year experience with SEB. Previously he worked as a member of the management board and manager of the field of corporate banking of SEB Latvia.

In 2014, AS SEB Pank received several awards and recognitions:

EMEA Finance - Best Bank

EMEA Finance - Best Investment Bank

EMEA Finance - Best Broker

EPRA (Estonian Public Relations Association) - Best internal communications company

Euromoney - Best Bank

Tallinn City Government - Sustainable and Responsible Company

Tallinn City Government - Children and Youth Friendly Company

Forum of Responsible Business - Silver level in corporate sustainability

Global Finance - Best Consumer Internet Bank

The Banker - Best bank of Estonia

The Banker - Best Private Bank

Baltic PR Awards - Digital Communication

Digital Act 2014 - Social media act

Social responsibility and sponsorship

AS SEB Pank has set an objective to become the best advisory bank in the Baltic countries, which means to customers advisory and share of financial literacy. In 2014 some actions took place to achieve this aim:

- The bank has 45 persons, who share financial literacy in the schools and to adults all year round;
- Beside the provision of education, SEB is also **developing products and services** that help the customers manage their daily economic matters. One such product is **Digital Coin Jar** where the customers have collected 9 million euros cent by cent.
- For practicing financial discipline, the tools of cash diary and financial advisor are available in the internet bank.

Several corporate sustainability initiatives were also undertaken for all AS SEB Pank employees:

- Dilemma games concerning business ethics and relevant cases were conducted in the Intranet of the bank in cooperation with the compliance department of the bank.
- In the second half of the year, the principles of **corporate sustainability journey** or **my personal sustainability journey** were introduced to the employees – an intellectual exercise for all employees of the bank, where behaviour that is more conscious is discussed in teams.

SEB has adopted the Responsible Business Policies and opinions, following them in their daily operations.

AS SEB Pank made its contribution to the society

- SEB supported recreational sport, contributing to the organisation of SEB Tartu Running Marathon, SEB Tartu Cycling Marathon, SEB Roller Skating Marathon and SEB Tartu Cycling Rally.
- More than 16,000 people participated in SEB May Run.
- Almost 19,000 people participated in the largest sports event in the Baltic countries, SEB Tallinn Marathon. SEB Tallinn Marathon is one of 50 most prestigious marathons in the world.
- AS SEB Pank contributed to the development of young tennis players of Estonia, supporting the Estonian Tennis Association and SEB Tallink Tennis Team.
- As a gold sponsor of the Estonian National Opera, AS SEB Pank contributed to the future of opera tradition in 2014, issuing the fourth public award to a female and a male soloist, who were chosen by the visitors. More than 3000 people participated in voting.

Activities of SEB are targeted to sustainable development of the society and our objective is to contribute to the future through supporting children, sports and culture.

AS SEB Pank promoted business in 2014 – Ajujaht, Vega Fund, ILab

AS SEB Pank supports the leading business competition in Estonia called “Ajujaht” (Brain hunt), the objective of which is to promote the establishment of new knowledge-based companies and to improve business skills of students and young researchers.

In 2013, AS SEB Pank started cooperation with the Vega Fund of the University of Tartu, whose aim is to support the realisation of knowledge-based ideas.

In 2014, SEB paid much attention to innovation. With the objective to educate business and private customers of the bank as well as its own employees in the field of innovation, the bank launched several related projects, the largest of which was Innovation Lab 2014.

In 2014, AS SEB Pank supported the operation of MTÜ SEB Heategevusfond (Charity Fund), the objective of which is to improve the welfare of children without parental care. Major events of the fund in 2014 were development of cooperation with all Estonian institutions providing the services of substitute home and shelter, and essential improvement of the impact of former projects. During the year, the number of voluntary employees of AS SEB Pank providing assistance to the fund in its daily activities also increased essentially, reaching 70 people. During the year, more than 25 special events were organised. The number of children participating in the events reached several thousand.

1086 employees provided services to more than 888.600 customers of AS SEB Pank in 2014. Services are provided to the customers via various channels: 27 branches, 222 electronic Postal Banks, 253 ATMs and over 9100 card payment terminals. More than 543.000 debit and credit cards and over 9000 virtual cards have been taken into use. Furthermore, 75% of the customers are using the services of SEB internet bank.

3. Capital adequacy (millions of EUR)

| CAPITAL BASE | | 31.12.14 | 31.12.13 |
|---------------------|---|-----------------|-----------------|
| | OWN FUNDS | 778.9 | 780.2 |
| 1. | TIER 1 CAPITAL | 773.4 | 774.2 |
| 1.1. | COMMON EQUITY TIER 1 CAPITAL | 773.4 | 774.2 |
| 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 | 626.0 | 627.0 |
| 1.1.3. | Accumulated other comprehensive income | 0.7 | - |
| 1.1.4. | Other reserves | 19.4 | 19.4 |
| 1.1.5. | Adjustments to CET1 due to prudential filters | -0.1 | - |
| 1.1.6. | (-) Intangible assets | -1.1 | -0.9 |
| 1.1.7. | Other transitional adjustments to CET1 Capital | -0.3 | - |
| 1.1.8. | CET1 capital deductions | 0.0 | -0.1 |
| 2. | TIER 2 CAPITAL | 5.5 | 6.0 |
| | IRB Excess of provisions over expected losses eligible | 5.5 | 5.8 |
| | Other adjustments to Tier 2 Capital | 0.0 | 0.2 |
| | RISK WEIGHTED ASSETS (RWA) | 31.12.14 | 31.12.13 |
| | TOTAL RISK EXPOSURE AMOUNT | 2 005.5 | 2 140.8 |
| 1. | RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES | 1 849.2 | 2 028.2 |
| 1.1. | Standardised approach (SA) | 201.7 | 273.6 |
| | Regional governments or local authorities | 0.0 | 62.5 |
| | Public sector entities | 0.7 | 1.7 |
| | Retail | 163.1 | 169.6 |
| | Secured by mortgages on immovable property | 0.9 | 1.2 |
| | Exposures in default | 1.8 | 5.0 |
| | Collective investments undertakings (CIU) | 5.1 | 4.5 |
| | Equity | 1.1 | 1.1 |
| | Other items | 29.0 | 28.0 |
| 1.2. | Internal ratings based Approach (IRB) | 1 647.5 | 1 754.6 |
| 1.2.1. | IRB approaches when neither own estimates of LGD nor Conversion Factors are used | 1 328.7 | 1 408.5 |
| | Institutions | 19.2 | 60.0 |
| | Corporates - SME | 744.0 | 1 261.2 |
| | Corporates - Specialised Lending | 67.3 | 87.3 |
| | Corporates - Other | 498.2 | 0.0 |
| 1.2.2. | IRB approaches when own estimates of LGD and/or Conversion Factors are used | 318.8 | 346.1 |
| | Retail - Secured by real estate SME | 11.6 | 240.5 |
| | Retail - Secured by real estate non-SME | 221.3 | - |
| | Retail - Qualifying revolving | 2.2 | 2.3 |
| | Retail - Other SME | 33.1 | 103.3 |
| | Retail - Other non-SME | 50.6 | - |
| 2. | TOTAL RISK EXPOSURE AMOUNT FOR POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS | 8.9 | 15.6 |
| 3. | TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (AMA) | 142.4 | 97.0 |
| 4. | TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT | 5.0 | - |

CAPITAL RATIOS

| | <u>31.12.14</u> | <u>31.12.13</u> |
|--|-----------------|-----------------|
| TOTAL RISK EXPOSURE AMOUNT Basel III (without additional risk exposure amount due to application of Basel I floor) | 2 005.5 | 2 140.8 |
| Total capital ratio | 38.83% | 36.44% |
| Tier 1 Capital ratio | 38.56% | 36.16% |
| CET1 Capital ratio | 38.56% | 36.16% |
| Tier 2 Capital ratio | 0.27% | 0.28% |
| TOTAL RISK EXPOSURE AMOUNT Basel III (with additional risk exposure amount due to application of Basel I floor) | 3 370.8 | 3 303.0 |
| Total capital ratio | 23.10% | 23.62% |
| Tier 1 Capital ratio | 22.94% | 23.44% |
| CET1 Capital ratio | 22.94% | 23.44% |
| Tier 2 Capital ratio | 0.16% | 0.18% |

MEMBERS OF CONSOLIDATION GROUP, INCLUDED TO CAPITAL ADEQUACY CALCULATION

AS SEB Pank
AS SEB Liising 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 |
| Total capital | 778.9 | 2 005.5 | 8% | 160.4 | 618.5 | 38.84% | 2.5% | 50.1 | 2% | 40.1 | 12.5% | 250.7 | 528.2 |
| Tier 1 capital | 773.4 | 2 005.5 | 6% | 120.3 | 653.1 | 38.56% | 2.5% | 50.1 | 2% | 40.1 | 10.5% | 210.6 | 562.8 |
| CET1 capital | 773.4 | 2 005.5 | 4.5% | 90.2 | 683.2 | 38.56% | 2.5% | 50.1 | 2% | 40.1 | 9% | 180.5 | 592.9 |

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

LEVERAGE RATIO

| | <u>31.12.14</u> | <u>31.12.13</u> |
|--|-----------------|-----------------|
| Exposure measure for leverage ratio calculation | 6 132 | 5 504 |
| of which on balance sheet items | 5 182 | 4 452 |
| of which off balance sheet items | 949 | 1 052 |
| Leverage ratio | 13.3% | 14.0% |
| Calculated as the simple arithmetic mean of the monthly leverage ratios over a quarter | | |

4. Risk concentration

| (millions of EUR) | 31.12.14 | 31.12.13 |
|---|----------|----------|
| Total claims against persons associated with the credit institution's consolidation group | 7.4 | 1.2 |
| The share of claims of the persons associated with the credit institution's consolidation group in net own funds, % | 0.95 | 0.16 |
| Total of large exposure claims | 524.1 | 381.9 |
| The share of large exposure claims in net own funds, % | 67.30 | 48.94 |
| Number of large exposure customers | 8 | 5 |

5. Key figures

| (millions of EUR) | 31.12.14 | 31.12.13 |
|---|----------|----------|
| Net profit | 79.4 | 72.8 |
| Average equity | 814.7 | 738.7 |
| Return on equity (ROE), % | 9.75 | 9.86 |
| Average assets | 4 812.9 | 4 313.0 |
| Return on assets (ROA), % | 1.65 | 1.69 |
| Net interest income | 86.4 | 78.6 |
| Average interest earning assets | 4 687.8 | 4 192.3 |
| Net interest margin (NIM), % | 1.84 | 1.87 |
| Spread, % | 1.78 | 1.80 |
| Cost / Income ratio, % | 41.7 | 45.7 |
| Ratio of individually impaired loans, % | 0.76 | 0.79 |

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
(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 | 2014 | | 2013 | |
|--|------|-------------|-------------|-------------|-------------|
| | | 12 months | QIV | 12 months | QIV |
| <i>Interest and similar income</i> | 3 | 100.3 | 24.4 | 93.8 | 24.2 |
| <i>Interest expenses and similar charges</i> | 4 | -13.9 | -3.1 | -15.2 | -3.5 |
| Net Interest Income | | 86.4 | 21.3 | 78.6 | 20.7 |
| <i>Fee and commission income</i> | 5 | 59.2 | 15.7 | 54.7 | 14.4 |
| <i>Fee and commission expense</i> | 6 | -15.9 | -4.2 | -14.9 | -4.0 |
| Net fee and commission income | | 43.3 | 11.5 | 39.8 | 10.4 |
| Net income from foreign exchange | | 5.1 | 1.4 | 4.4 | 1.1 |
| Gains less losses from financial assets at fair value through profit or loss | | 1.1 | 0.3 | 2.8 | 0.8 |
| Gains less losses from investment securities | | -3.1 | -0.6 | 0.5 | 0.0 |
| Share of profit of associates | | 0.0 | 0.0 | 0.2 | 0.0 |
| Other income | | 0.7 | 0.2 | 0.9 | 0.2 |
| Personnel expenses | | -34.8 | -9.1 | -32.9 | -8.6 |
| Other expenses | | -17.6 | -3.7 | -21.3 | -6.2 |
| Depreciation, amortisation and impairment of tangible and intangible assets | | -3.3 | -0.9 | -3.9 | -1.3 |
| Profit before impairment losses on loans and advances | | 77.8 | 20.4 | 69.1 | 17.1 |
| Impairment losses on loans and advances | 7 | 1.6 | 1.7 | 3.7 | 0.9 |
| Profit before income tax | | 79.4 | 22.1 | 72.8 | 18.0 |
| Income tax | | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit | | 79.4 | 22.1 | 72.8 | 18.0 |
| Profit attributable to the sole equity holder | | 79.4 | 22.1 | 72.8 | 18.0 |

2. Consolidated statement of comprehensive income

(millions of EUR)

| | 2014 | | 2013 | |
|--|-------------|-------------|-------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Net profit | 79.4 | 22.1 | 72.8 | 18.0 |
| Other comprehensive income/expense | | | | |
| Items that may subsequently be reclassified to the income statement: | | | | |
| Revaluation of available-for-sale financial assets | 0.3 | 0.0 | -0.5 | 0.0 |
| Total other comprehensive income/expense | 0.3 | 0.0 | -0.5 | 0.0 |
| Total comprehensive income | 79.7 | 22.1 | 72.3 | 18.0 |
| Sole equity holder of the parent entity (total) | 79.7 | 22.1 | 72.3 | 18.0 |
| -Total comprehensive income from continued operations | 79.7 | 22.1 | 72.3 | 18.0 |

3. Consolidated statement of financial position

(millions of EUR)

| | 31.12.14 | 31.12.13 |
|---|-----------------|-----------------|
| ASSETS | | |
| Cash | 43.4 | 44.9 |
| Balances with central bank | 940.0 | 70.0 |
| Loans and advances to credit institutions | 53.0 | 343.3 |
| Loans and advances to customers | 3 963.4 | 3 813.1 |
| Financial assets held for trading | 28.7 | 23.4 |
| Financial assets designated at fair value through profit or loss at inception | 102.2 | 97.1 |
| Available-for-sale financial assets | 5.2 | 4.6 |
| Other assets | 34.8 | 37.3 |
| Investments in associates | 0.8 | 0.8 |
| Intangible assets | 1.1 | 0.9 |
| Property, plant and equipment | 10.2 | 7.5 |
| TOTAL ASSETS | 5 182.8 | 4 442.9 |
| | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Due to credit institutions | 1 033.5 | 846.6 |
| Due to customers | 3 188.7 | 2 724.0 |
| Other liabilities | 78.0 | 76.2 |
| Financial liabilities at fair value through profit or loss | 27.5 | 21.5 |
| Provisions | 0.3 | 0.0 |
| Total Liabilities | 4 328.0 | 3 668.3 |
| | | |
| Share capital | 42.5 | 42.5 |
| Share premium | 86.3 | 86.3 |
| Other reserves | 20.1 | 19.8 |
| Retained earnings | 705.9 | 626.0 |
| Total shareholders' equity | 854.8 | 774.6 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 5 182.8 | 4 442.9 |

4. Consolidated cash flow statement

(millions of EUR)

| | 2014 | 2013 |
|--|------------------|------------------|
| | 12 months | 12 months |
| I. Cash flows from operating activities | | |
| Interest received | 100.5 | 93.7 |
| Interest paid | -14.3 | -17.2 |
| Fee and commission received | 59.2 | 54.7 |
| Fee and commission paid | -15.9 | -14.9 |
| Net trading income and other operating income | 4.5 | 7.7 |
| Personnel expenses and other operating expenses | -52.0 | -53.5 |
| Cash flows from operating activities before changes in the operating assets and liabilities | 82.0 | 70.5 |
| Changes in operating assets: | | |
| Loans and advances to credit institutions and mandatory reserve in central bank | 26.3 | 180.5 |
| Loans and advances to customers | -149.7 | -224.8 |
| Other assets | -8.9 | 2.9 |
| Changes of operating liabilities: | | |
| Due to credit institutions | 190.7 | 100.2 |
| Due to customers | 464.7 | 90.9 |
| Other liabilities | 4.7 | -1.0 |
| Cash flow from (used in) operating activities | 609.8 | 219.2 |
| II. Cash flows from investing activities | | |
| Net increase-/decrease+ of investment portfolio securities | -0.3 | 0.7 |
| Purchase of investment properties, tangible and intangible assets | -6.1 | -2.6 |
| Cash flow from (used in) investing activities | -6.4 | -1.9 |
| III. Cash flows from financing activities | | |
| Cash used in financing activities | 0.0 | 0.0 |
| Net decrease/increase in cash and cash equivalents | 603.4 | 217.3 |
| Cash and cash equivalents at the beginning of period | 501.6 | 284.3 |
| Effect of exchange rate changes on cash and cash equivalents | 0.0 | 0.0 |
| Cash and cash equivalents at the end of period | 1 105.0 | 501.6 |
| Cash and cash equivalents includes: | 31.12.14 | 31.12.13 |
| Cash on hand | 43.4 | 44.9 |
| Balances with the central bank without mandatory reserve | 906.9 | 40.7 |
| Liquid deposits in other credit institutions | 52.4 | 316.0 |
| Trading portfolio and liquidity securities | 102.3 | 100.0 |
| | 1 105.0 | 501.6 |

5. Changes in consolidated shareholders' equity

(millions of EUR)

| | Share | | Retained | Total | |
|---|---------------|-------------|-------------|--------------|---------------|
| | Share capital | premium | Reserves | profit | shareholders' |
| 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 |
| Year beginning 01.01.2014 | 42.5 | 86.3 | 19.8 | 626.0 | 774.6 |
| Other | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 |
| Net profit | 0.0 | 0.0 | 0.0 | 79.4 | 79.4 |
| 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 | 79.4 | 79.7 |
| Final balance 31.12.2014 | 42.5 | 86.3 | 20.1 | 705.9 | 854.8 |

6. Contingent assets and liabilities and commitments

(millions of EUR)

| | Contract amount | | Balance value | |
|--|-----------------|----------------|---------------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| 31.12.14 | | | | |
| 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> | 0.0 | 80.3 | 0.0 | 0.0 |
| 1.2. Loan commitments | 5.0 | 691.1 | 0.0 | 0.0 |
| 1.3. Other revocable transactions | 0.0 | 0.2 | 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 |
| 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 |
| 1.3. Other revocable transactions | 0.0 | 0.0 | 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 |

* 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 2014 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 2014 are in conformity with the accounting principles used in the annual report for the year ended on 31 December 2013.

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

(millions of EUR)

A) Financial instruments measured at fair value

| | 31.12.14 | | | | 31.12.13 | | | |
|--|-----------------|----------------|----------------|--------------|-----------------|----------------|----------------|--------------|
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| Financial assets at fair value through profit and loss | | | | | | | | |
| Financial assets held for trading | 0.3 | 28.5 | 0.0 | 28.8 | 2.9 | 20.6 | 0.0 | 23.5 |
| Debt securities | 0.0 | 0.0 | 0.0 | 0.0 | 2.8 | 0.1 | 0.0 | 2.9 |
| Derivatives | 0.2* | 28.5 | 0.0 | 28.7 | 0.0 | 20.5 | 0.0 | 20.5 |
| Financial assets designated at fair value through profit or loss at inception | | | | | | | | |
| | 102.2 | 0.0 | 0.0 | 102.2 | 97.1 | 0.0 | 0.0 | 97.1 |
| Debt securities | 102.2 | 0.0 | 0.0 | 5.2 | 97.1 | 0.0 | 0.0 | 97.1 |
| Available for sale financial assets | 5.1 | 0.0 | 0.1 | 5.2 | 4.5 | 0.0 | 0.1 | 4.6 |
| Investment securities - equity | 5.1 | 0.0 | 0.1 | 5.2 | 4.5 | 0.0 | 0.1 | 4.6 |
| TOTAL ASSETS | 107.6 | 28.5 | 0.1 | 136.2 | 104.5 | 20.6 | 0.1 | 125.2 |
| Financial liabilities at fair value through profit and loss | | | | | | | | |
| Financial liabilities held for trading | 0.1* | 27.4 | 0.0 | 27.5 | 0.0 | 21.5 | 0.0 | 21.5 |
| TOTAL LIABILITIES | 0.1 | 27.4 | 0.0 | 27.5 | 0.0 | 21.5 | 0.0 | 21.5 |

*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**At 1 January 2013****At 31 December 2013**

Total losses for the period included in profit or loss for assets/liabilities held at 31.12.13

At 1 January 2014**At 31 December 2014**

Total losses for the period included in profit or loss for assets/liabilities held at 31.12.14

Available-for-sale financial assets**Investment****securities -****equity****Total****0.1****0.1****0.1****0.1**

0.0

0.0

0.1**0.1****0.1****0.1**

0.0

0.0

B) Financial instruments not measured at fair value

| | 31.12.14 | | 31.12.13 | |
|---|----------------|------------------------|----------------|------------------------|
| | Carrying value | Fair value, Level 3 | Carrying value | Fair value, Level 3 |
| ASSETS | | | | |
| Cash | 43.4 | 43.4 | 44.9 | 44.9 |
| Balances with central bank | 940.0 | 940.0 | 70.0 | 70.0 |
| Loans and advances to credit institutions | 53.0 | 53.0 | 343.3 | 343.3 |
| Loans and advances to customers | 3 963.4 | 3 870.3 | 3 813.1 | 3 625.1 |
| <i>Loans to Corporates</i> | 2 054.5 | 2 053.5 | 2 013.1 | 2 001.8 |
| <i>Loans to households</i> | 1 908.9 | 1 816.8 | 1 800.0 | 1 623.2 |
| Other assets | 34.8 | 34.8 | 37.3 | 37.3 |
| TOTAL ASSETS | 5 034.6 | 4 941.5 | 4 308.6 | 4 120.6 |
| LIABILITIES | | | | |
| Due to credit institutions | 1 033.5 | 1 032.4 | 846.6 | 847.1 |
| Due to customers | 3 188.7 | 3 191.8 | 2 724.0 | 2 723.4 |
| <i>Due to Corporates</i> | 1 843.6 | 1 846.5 | 1 542.5 | 1 541.8 |
| <i>Due to households</i> | 1 345.1 | 1 345.4 | 1 181.5 | 1 181.6 |
| Other financial liabilities | 78.0 | 78.0 | 76.2 | 76.2 |
| Subordinated loans | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL LIABILITIES | 4 300.2 | 4 302.2 | 3 646.8 | 3 646.7 |

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 3.82% (31.12.2013: 4.93%) lower than the carrying amount. Fair value of balances due to credit institutions was 0.15% lower (31.12.2013: 0.06% higher) than the carrying amount. Fair value of balances due to customers was 0.08% higher (31.12.2013: 0.02% lower) than the carrying amount.

Note 3**Interest and similar income**

(millions of EUR)

| | 2014 | | 2013 | |
|---------------------------|--------------|-------------|-------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Loans | 83.0 | 20.5 | 78.9 | 20.4 |
| Leasing | 13.3 | 3.3 | 14.0 | 3.6 |
| Deposits with other banks | 0.7 | 0.1 | 0.8 | 0.2 |
| Fixed income securities | 3.3 | 0.5 | 0.1 | 0.0 |
| | 100.3 | 24.4 | 93.8 | 24.2 |

Note 4**Interest expenses and similar charges**

(millions of EUR)

| | 2014 | | 2013 | |
|--------------------------------|--------------|-------------|--------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Credit institutions | -7.1 | -1.6 | -6.6 | -1.4 |
| Time and other saving deposits | -3.1 | -0.7 | -6.6 | -1.6 |
| Demand deposits | -3.6 | -0.8 | -1.7 | -0.4 |
| Other | -0.1 | 0.0 | -0.3 | -0.1 |
| | -13.9 | -3.1 | -15.2 | -3.5 |

Note 5**Fee and commission income**

(millions of EUR)

| | 2014 | | 2013 | |
|---|-------------|-------------|-------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Payment cards related commissions | 24.3 | 6.3 | 22.5 | 6.0 |
| Securities market services * | 10.0 | 2.7 | 12.2 | 3.1 |
| Transaction fees | 5.8 | 1.5 | 5.5 | 1.4 |
| Credit contracts** | 4.4 | 1.3 | 4.2 | 1.1 |
| Insurance brokerage fees | 2.8 | 0.8 | 2.2 | 0.6 |
| Other settlement fees | 4.0 | 1.0 | 3.7 | 1.0 |
| Income from leasing agreements (full service) | 0.9 | 0.2 | 1.1 | 0.2 |
| Income from electronic channels | 1.4 | 0.3 | 1.4 | 0.5 |
| Cash handling fees | 0.9 | 0.2 | 0.7 | 0.2 |
| Other | 4.7 | 1.4 | 1.2 | 0.4 |
| | 59.2 | 15.7 | 54.7 | 14.5 |

* 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)

| | 2014 | | 2013 | |
|---|--------------|-------------|--------------|-------------|
| | 12 months | QIV | 12 months | QIV |
| Payment cards related commissions | -10.5 | -2.8 | -9.6 | -2.6 |
| Cash collecting fees | -1.3 | -0.3 | -1.2 | -0.3 |
| Expenses to leasing agreements (full service) | -0.9 | -0.2 | -1.6 | -0.5 |
| Securities market services | -1.3 | -0.4 | -1.2 | -0.3 |
| Transaction fees | -1.0 | -0.3 | -0.7 | -0.2 |
| Expenses of electronic channels | 0.0 | 0.0 | -0.4 | -0.1 |
| Other | -0.9 | -0.2 | -0.2 | 0.0 |
| | -15.9 | -4.2 | -14.9 | -4.0 |

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

(millions of EUR)

| | 2014 | | 2013 | |
|---|------------|------------|------------|------------|
| | 12 months | QIV | 12 months | QIV |
| Impairment losses | 1.6 | 1.7 | 3.0 | 0.9 |
| impairment losses of reporting period | -5.1 | -1.0 | -5.5 | -1.4 |
| recoveries from write-offs | 0.6 | 0.2 | 0.9 | 0.2 |
| decreasing of impairment losses of previous period | 6.1 | 2.5 | 7.6 | 2.1 |
| Impairment losses for contingent liabilities | 0.0 | 0.0 | 0.7 | 0.0 |
| | 1.6 | 1.7 | 3.7 | 0.9 |

Note 8**Allowances on loans and advances**

(millions of EUR)

| | 31.12.14 | | 31.12.13 | |
|--|----------|-------------|----------|-------------|
| | | | | |
| At the beginning of period (January, 1) | | 53.8 | | 91.2 |
| Allowances of reporting period | | 5.1 | | 5.4 |
| Decreasing of allowances of previous period | | -5.9 | | -7.6 |
| Loans and advances written off | | -8.6 | | -35.2 |
| At the end of period | | 44.4 | | 53.8 |
| Recoveries from write-offs | | 0.6 | | 0.9 |

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

(millions of EUR)

| | Less than | 3-12 | 1-5 | 5-10 | Over 10 | Total |
|-----------------|-----------|--------|---------|-------|---------|----------------|
| | 3 months | months | years | years | years | |
| 31.12.14 | 282.9 | 586.4 | 1 768.6 | 492.5 | 833.0 | 3 963.4 |
| 31.12.13 | 227.9 | 579.6 | 1 663.0 | 505.9 | 836.7 | 3 813.1 |

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

(millions of EUR)

| 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 | | |
| Sweden | 21.9 | 0.6 | 3.2 | 0.9 | 26.6 | 888.4 | 12.6 | 25.5 | 926.5 | 1.5 |
| Estonia | 984.2 | 3 943.5 | 31.5 | 41.2 | 5 000.4 | 19.5 | 2 751.3 | 78.7 | 2 849.5 | 912.8 |
| United Kingdom | 0.9 | 1.5 | 0.0 | 0.1 | 2.5 | 1.6 | 37.7 | 0.3 | 39.6 | 1.6 |
| Russia | 2.0 | 0.3 | 0.0 | 0.0 | 2.3 | 3.6 | 47.0 | 0.0 | 50.6 | 0.1 |
| Germany | 3.9 | 0.1 | 102.2 | 0.0 | 106.2 | 11.4 | 3.4 | 0.0 | 14.8 | 5.0 |
| United States | 2.2 | 0.2 | 0.0 | 0.0 | 2.4 | 0.6 | 42.9 | 0.0 | 43.5 | 0.0 |
| Canada | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.6 | 0.0 | 1.6 | 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 | 0.8 | 0.0 | 0.6 | 1.4 | 0.0 | 9.3 | 0.6 | 9.9 | 4.7 |
| Latvia | 2.4 | 9.0 | 0.0 | 1.8 | 13.2 | 104.2 | 2.6 | 0.0 | 106.8 | 0.5 |
| Lithuania | 5.0 | 0.0 | 0.0 | 0.3 | 5.3 | 1.2 | 5.6 | 0.1 | 6.9 | 0.0 |
| Luxembourg | 4.9 | 0.0 | 0.0 | 0.3 | 5.2 | 1.0 | 0.0 | 0.0 | 1.0 | 0.0 |
| Netherlands | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.9 | 0.0 | 2.9 | 0.0 |
| Other Western Europe | 7.3 | 7.1 | 0.0 | 0.4 | 14.8 | 1.9 | 33.4 | 0.1 | 35.4 | 2.9 |
| Other Eastern Europe | 1.7 | 0.0 | 0.0 | 0.0 | 1.7 | 0.0 | 6.8 | 0.0 | 6.8 | 0.0 |
| Other countries | 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 |

| 31.12.13 | 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 | 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 |

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 | |
| 31.12.14 | | | |
| 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 |

| 31.12.13 | In the statement of financial position | | Contingent liabilities |
|--|---|--------------|------------------------|
| | Cash and loans to central bank, credit institutions and customers | Securities | |
| 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 |

Note 12**Related parties**

(millions of EUR)

| | <u>31.12.14</u> | <u>31.12.13</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 | 7.2 | 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 | 0.2 |
| 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 | 1.4 | 0.2 |
| Loans and advances to parent company | 32.3 | 312.8 |
| Due to parent company | 913.8 | 804.5 |
| Contingent assets and commitments to parent company | 38.7 | 55.0 |
| Contingent liabilities and commitments to parent company | 0.4 | 0.4 |
| Loans and advances to enterprises of parent company's consolidation group | 6.0 | 10.9 |
| Due to enterprises of parent company's consolidation group | 86.6 | 37.2 |
| Contingent assets and commitments to enterprises of parent company's consolidation group | 3.5 | 5.0 |
| Contingent liabilities and commitments to enterprises of parent company's consolidation group | 1.0 | 4.1 |

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.