



**AB SEB BANKAS**

**CONDENSED INTERIM INFORMATION  
FOR THE SIX-MONTH PERIOD 2013**

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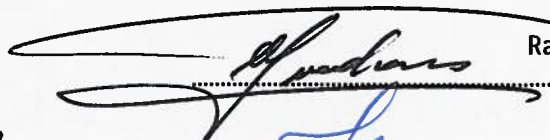
1. CONFIRMATION OF RESPONSIBLE PERSONS REGARDING INTERIM SIX-MONTH  
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JUNE 2013
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AB SEB bankas  
Gedimino ave. 12  
LT-01103 Vilnius

## CONFIRMATION OF RESPONSIBLE PERSONS

Abiding by Article 22 of the Law of the Republic of Lithuania on Securities as well as by the rules of the Central bank of the Republic of Lithuania for the preparation and submitting of periodic and supplementary information, we hereby confirm that, in accordance with our knowledge, the information provided in the interim six month consolidated financial reporting, that has been prepared in accordance with the International Financial Reporting Standards, is true and correctly reflects the issuer's and the consolidated companies' total assets, liabilities, financial standing, profit or loss and cash flows and also that business development and activity review included in the interim consolidated reporting reflects the actual data.

President of SEB bankas



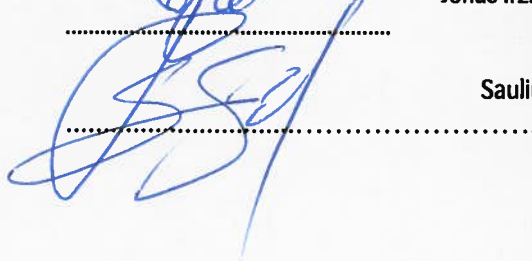
Raimondas Kvedaras

Head of Business Support Division and CFO of SEB bankas



Jonas Iržikevičius

Director of Finance Department of SEB bankas



Saulius Salda

Vilnius,  
August 2013



**AB SEB bankas condensed interim financial information  
for the 6 months period ended 30 June 2013**

**1. Reporting period**

The report has been produced for the 6 months period ended 30 June 2013.

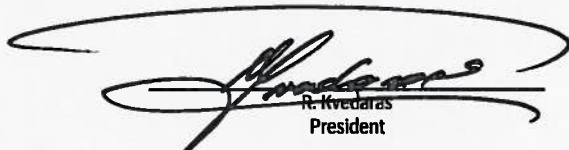
**2. The issuer's key data**

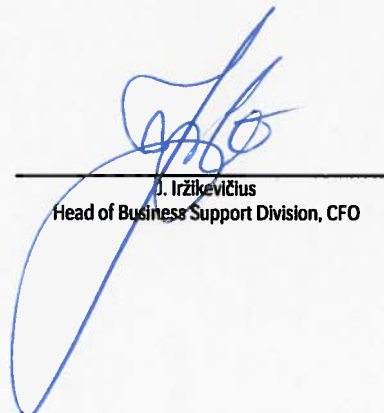
Issuer's name	AB SEB bankas
Share capital	LTL 1,034,575,341
Domicile address	Gedimino ave.12, LT-01103 Vilnius
Telephone	(8 5) 2682 800
Fax	(8 5) 2682 333
E-mail	<a href="mailto:info@seb.lt">info@seb.lt</a>
Legal organisational form	Public limited company
Registration date and place	29 November 1990, Bank of Lithuania
Company's code	112021238
Company's registration number	AB90-4
Website	<a href="http://www.seb.lt">www.seb.lt</a>

**CONDENSED INTERIM INCOME STATEMENT  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

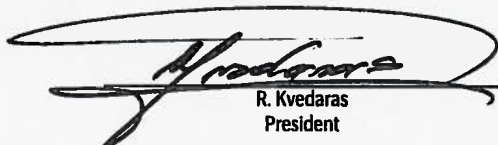
The Group				The Bank				
January 1- June 30, 2013	The second quarter 2013	January 1 - June 30, 2012	The second quarter 2012		January 1- June 30, 2013	The second quarter 2013	January 1- June 30, 2012	The second quarter 2012
236,210	117,061	348,887	165,082	Interest income	217,434	108,264	319,500	150,911
(99,203)	(46,838)	(197,655)	(92,271)	Interest expenses	(95,929)	(46,199)	(187,141)	(88,024)
137,007	70,223	151,232	72,811	Net interest income	121,505	62,065	132,359	62,887
(12,154)	(1,427)	(32,869)	(18,874)	Impairment loss on loans	(12,153)	(1,426)	(32,869)	(18,874)
(10,919)	(6,529)	16,334	2,266	Impairment (loss), reversals on lease portfolio	-	-	-	-
				Provisions for guarantees and other off balance sheet				
708	(245)	1,404	1,588	Items	708	(245)	1,404	1,588
1	1	-	-	Other impairment (loss), reversals	1	1	-	-
(22,364)	(8,200)	(15,131)	(15,620)	Total impairment (loss), reversals	(13,444)	(1,670)	(31,465)	(17,286)
114,643	62,023	136,101	57,791	Net interest income after impairment loss	110,061	60,395	100,894	45,601
128,991	65,748	117,376	60,573	Fee and commissions income	123,312	62,648	111,940	57,930
(32,429)	(17,115)	(32,227)	(16,856)	Fee and commissions expenses	(32,032)	(16,867)	(31,564)	(16,537)
96,562	48,633	85,149	43,817	Net fee and commission income	91,280	45,781	79,976	41,393
				Net loss on operations with debt securities				
8,402	10,887	(11,927)	879	and derivative financial instruments	6,179	10,887	(11,927)	879
(561)	(660)	(739)	(798)	Net gain (loss) on investment securities	(560)	(659)	(740)	(797)
-	-	-	-	Dividend income from subsidiaries	7,351	-	8,344	-
35,971	18,689	38,291	18,761	Net foreign exchange gain	35,989	18,720	38,275	18,736
2,828	1,211	3,382	2,068	Other income, net	3,231	1,386	2,937	1,944
44,638	30,127	29,007	20,940	Net investment activities	52,190	30,334	36,889	20,762
(83,164)	(31,725)	(71,590)	(35,608)	Staff costs	(59,933)	(29,982)	(68,892)	(34,271)
(76,828)	(38,568)	(87,674)	(43,470)	Other administrative expenses	(74,136)	(37,101)	(83,740)	(41,468)
115,851	70,490	90,993	43,570	Profit before income tax	119,462	69,427	65,127	32,017
(18,340)	(11,650)	(10,636)	(4,728)	Income tax expenses	(17,175)	(11,116)	(5,662)	(3,253)
97,511	58,840	80,357	38,842	Net profit for the period	102,287	58,311	59,465	28,764
-	-	-	-	Profit (loss) for the period from discontinued operations	-	-	-	-
97,511	58,840	80,357	38,842	Attributable to:	102,287	58,311	59,465	28,764
-	-	-	-	Owners of the bank	-	-	-	-
-	-	-	-	Non controlling interest	-	-	-	-

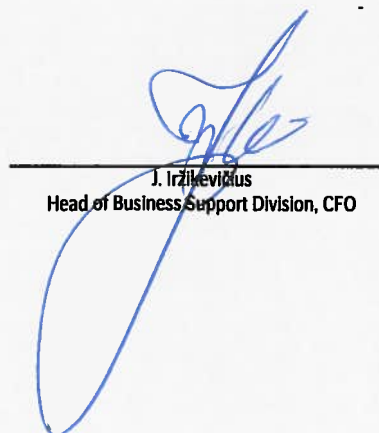
  
R. Rvedaras  
President

  
J. Iržiķevičius  
Head of Business Support Division, CFO

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30 2013	January 1 - June 30 2012		January 1 - June 30 2013	January 1 - June 30 2012
97,511	80,357	Net gain (losses) for the year	102,287	59,465
		<i>Items that may subsequently be reclassified to the income statement:</i>		
(398)	1,497	Net gain (loss) on available for sale financial assets	(398)	1,497
154	1,035	Amortisation of financial assets revaluation reserve of reclassified financial assets	154	1,035
37	(380)	Income tax relating to the components of other comprehensive income	37	(380)
		<i>Items that will not be reclassified to the income statement:</i>		
-	-		-	-
<b>(207)</b>	<b>2,152</b>	<b>Total other comprehensive income</b>	<b>(207)</b>	<b>2,152</b>
<b>97,304</b>	<b>82,509</b>	<b>Total comprehensive income</b>	<b>102,080</b>	<b>61,617</b>
		<b>Attributable to:</b>		
97,304	82,509	Owners of the Bank	102,080	61,617
-	-	Non controlling interest	-	-

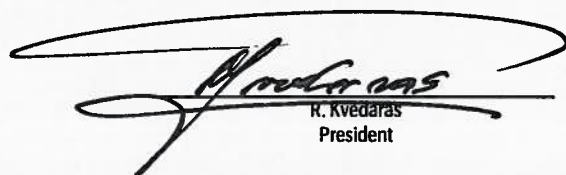
  
R. Kvedaras  
President

  
J. Irzikevicius  
Head of Business Support Division, CFO


**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
30 June 2013	31 December 2012		30 June 2013	31 December 2012
		<b>Assets</b>		
398,208	443,393	Cash on hand	398,208	443,393
428,441	1,002,933	Balances with the Central Bank	428,441	1,002,933
3,111,174	2,666,929	Due from banks, net	3,111,174	2,666,929
57,283	60,900	Government securities available for sale	58,631	60,234
		Financial assets at fair value through		
910,699	651,603	profit and loss	868,747	608,544
286,198	326,230	Derivative financial instruments	286,198	326,230
		Loans to credit institutions,		
28,121	8,242	net of impairment losses	28,121	8,242
15,518,235	15,643,522	Loans to customers, net of impairment losses	18,827,594	18,400,804
		Finance lease receivable, net of impairment		
1,421,637	1,502,759	losses	-	-
		Investment securities:		
188,157	386,010	- loans and receivables	188,157	386,010
200	200	- available for sale	200	200
14,043	13,812	- held to maturity	14,043	13,812
-	-	investments in subsidiaries	307,900	307,900
53,129	58,260	Intangible fixed assets	52,706	57,827
19,263	22,645	Property, plant and equipment	18,831	22,127
2	375	Assets under operating lease	-	-
18,824	23,686	Non-current assets held for sale	-	-
19,050	14,232	Investment property	1,302	1,332
178,158	195,802	Deferred tax asset	130,730	147,868
143,750	113,842	Other assets, net of impairment losses	124,944	107,275
<b>22,788,570</b>	<b>23,133,375</b>	<b>Total assets</b>	<b>22,637,925</b>	<b>22,559,460</b>
		<b>Liabilities</b>		
50	37	Amounts owed to the Central Bank	50	37
7,329,180	8,789,298	Amounts owed to credit institutions	7,329,180	8,388,088
311,863	380,892	Derivative financial instruments	311,863	380,892
12,248,977	12,797,100	Deposits from public	12,276,788	12,818,799
28,911	61,181	Accrued expenses and deferred income	27,399	59,150
1,978	1,316	Income tax payable	-	-
131,970	561,016	Debt securities in issue	131,970	561,016
240,684	145,409	Other liabilities and provisions	209,952	125,384
<b>20,293,411</b>	<b>20,736,247</b>	<b>Total liabilities</b>	<b>20,287,002</b>	<b>20,311,344</b>
		<b>Equity</b>		
		<b>Equity attributable to equity holder of the parent</b>		
1,034,575	1,034,575	Share capital	1,034,575	1,034,575
2,200	2,200	Reserve capital	2,200	2,200
(4,305)	(4,098)	Financial assets revaluation reserve	(4,305)	(4,098)
289,202	239,612	Legal reserve	288,327	236,737
14,859	14,132	General and other reserves	14,859	14,132
1,158,628	1,110,707	Retained earnings	1,017,287	964,570
2,495,159	2,397,128		2,350,923	2,248,116
		<b>Non controlling interest in equity</b>		
<b>2,495,159</b>	<b>2,397,128</b>	<b>Total equity</b>	<b>2,350,923</b>	<b>2,248,116</b>
<b>22,788,570</b>	<b>23,133,375</b>	<b>Total liabilities and equity</b>	<b>22,637,925</b>	<b>22,559,460</b>



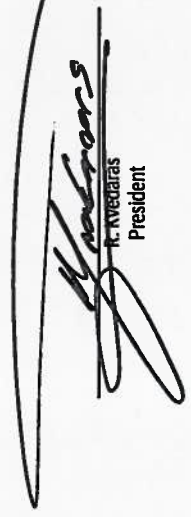
R. Kvedarav  
President



J. Iržikevičius  
Head of Business Support Division, CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

	Equity attributable to equity holder of the parent							Total
	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total before non controlling interest	
<b>The Group</b>								
<b>31 December 2011</b>	1,034,575	2,200	(9,737)	194,708	12,497	1,096,516	2,330,759	2,330,759
Net change in available for sale investments, net of deferred taxes	-	-	1,117	-	-	-	1,117	1,117
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035	1,035
Net profit for the year	-	-	-	-	-	80,357	80,357	80,357
<b>Total comprehensive income</b>	-	-	2,152	-	-	80,357	82,509	82,509
Share-based compensation	-	-	-	-	765	-	765	765
Transfers to reserves	-	-	-	45,616	-	(45,616)	-	-
<b>30 June 2012</b>	1,034,575	2,200	(7,585)	240,324	13,262	1,131,257	2,414,033	2,414,033
<b>31 December 2012</b>	1,034,575	2,200	(4,098)	239,612	14,152	1,137,930	2,424,351	2,424,351
Change in fair value measurement of financial assets	-	-	-	-	-	(27,223)	(27,223)	(27,223)
<b>Adjusted balance as of 31 December 2012</b>	1,034,575	2,200	(4,098)	239,612	14,152	1,110,707	2,397,128	2,397,128
Net change in available for sale investments, net of deferred taxes	-	-	(361)	-	-	-	(361)	(361)
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	154	-	-	-	154	154
Net profit for the year	-	-	-	-	-	97,511	97,511	97,511
<b>Total comprehensive income</b>	-	-	(207)	-	-	97,511	97,304	97,304
Share-based compensation	-	-	-	-	727	-	727	727
Transfers to reserves	-	-	-	49,590	-	(49,590)	-	-
<b>30 June 2013</b>	1,034,575	2,200	(4,305)	289,202	14,859	1,159,628	2,495,159	2,495,159


  
 R. Rvedarais  
 President


  
 V. iržilevičius  
 Head of Business Support Division, CFO

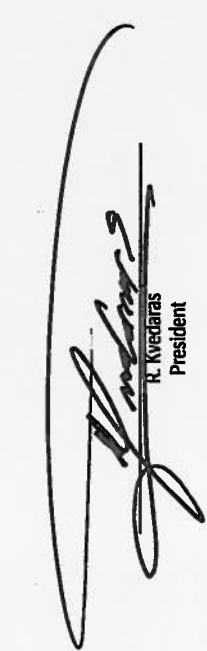


**AB SEB bankas**

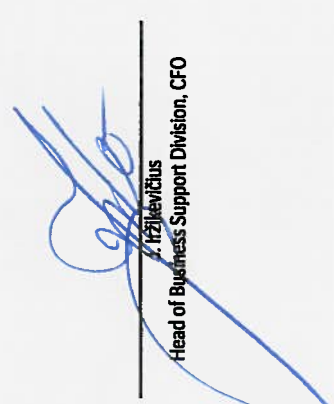
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL, thousands unless otherwise stated)

The Bank	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total
<b>31 December 2011</b>	1,034,575	2,200	(9,737)	191,184	12,497	911,059	2,141,778
Net change in available for sale investments, net of deferred taxes	-	-	1,117	-	-	-	1,117
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035
Net profit for the year	-	-	-	-	-	59,465	59,465
<b>Total comprehensive income</b>	-	-	2,152	-	-	59,465	61,617
Share-based compensation	-	-	-	-	765	-	765
Transfers to reserves	-	-	-	45,553	-	(45,553)	-
<b>30 June 2012</b>	1,034,575	2,200	(7,585)	236,737	13,262	924,971	2,204,160
<b>31 December 2012</b>	1,034,575	2,200	(4,098)	236,737	14,132	991,793	2,275,339
Change in fair value measurement of financial assets	-	-	-	-	-	(27,223)	(27,223)
<b>Adjusted balance as of 31 December 2012</b>	1,034,575	2,200	(4,098)	236,737	14,132	964,570	2,248,116
Net change in available for sale investments, net of deferred taxes	-	-	(361)	-	-	-	(361)
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	154	-	-	-	154
Net profit for the year	-	-	-	-	-	102,287	102,287
<b>Total comprehensive income</b>	-	-	(207)	-	-	102,287	102,080
Share-based compensation	-	-	-	-	727	-	727
Shareholder's contribution	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	49,590	-	(49,590)	-
<b>30 June 2013</b>	1,034,575	2,200	(4,305)	286,327	14,859	1,017,267	2,350,923



R. Kvedaravicius  
President

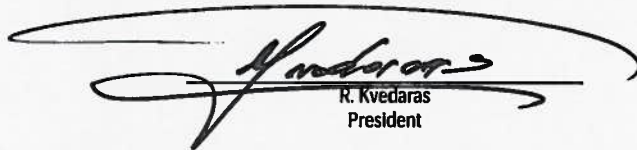


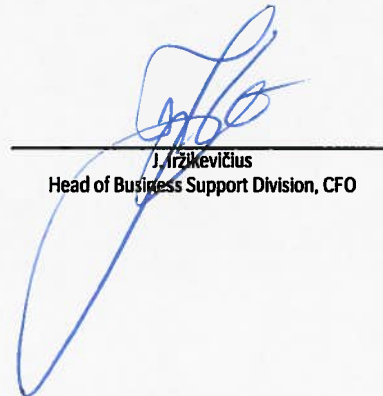
R. Kvedaravicius  
Head of Business Support Division, CFO

AB SEB bankas

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30, 2013	January 1 - June 30, 2012		January 1 - June 30, 2013	January 1 - June 30, 2012
72,744	120,787	Net cash from operating activities before change in operating assets	66,796	113,299
(1,820,248)	618,319	Net decrease (increase) in operating assets	(2,158,907)	576,907
(441,370)	(492,430)	Net (decrease) increase in operating liabilities	(447,197)	(493,558)
<u>(2,188,874)</u>	<u>246,676</u>	Net cash from (to) operating activities	<u>(2,539,308)</u>	<u>195,650</u>
<u>(2,188,874)</u>	<u>246,676</u>	Net cash from (to) operating activities after income tax	<u>(2,539,308)</u>	<u>195,650</u>
22,865	820,982	Cash (used) received from investing activities	(41,049)	739,340
107,931	(2,196,547)	Cash (used in) received from financing activities	522,269	(2,063,879)
<u>(2,058,088)</u>	<u>(1,128,889)</u>	Net (decrease) increase in cash	<u>(2,058,088)</u>	<u>(1,128,889)</u>
3,118,790	3,396,418	Cash at the beginning of the period	3,118,790	3,396,418
<u>1,060,702</u>	<u>2,267,529</u>	Cash at the end of the period	<u>1,060,702</u>	<u>2,267,529</u>
Specified as follows:				
(61,815)	111,979	Balance available for withdrawal with the Central Banks	(61,815)	111,979
600,506	123,361	Overnight deposits	600,508	123,361
396,206	331,550	Cash on hand	396,206	331,550
125,805	1,700,639	Current accounts with other banks	125,805	1,700,639
<u>1,060,702</u>	<u>2,267,529</u>		<u>1,060,702</u>	<u>2,267,529</u>

  
R. Kvedaras  
President

  
J. Irzikevicius  
Head of Business Support Division, CFO

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

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**NOTE 1 GENERAL INFORMATION**

AB SEB bankas (hereinafter - the Bank) was registered as a public company in the Enterprise Register of the Republic of Lithuania on 2 March 1990. The Bank is licensed by the Bank of Lithuania to perform all banking operations provided for in the Law on Banks of the Republic of Lithuania and the Statutes of the Bank.

The Head Office of the Bank is located at Gedimino ave. 12, Vilnius. At the end of the reporting period the Bank had 46 customer service units.

At the end of the reporting period AB SEB bankas had 3 subsidiaries (the Bank and its subsidiaries thereafter are referred to as the Group). The subsidiaries are as follows: AB "SEB lizingas" is a fully owned subsidiary engaged in the finance lease activities; UAB "SEB Venture Capital" is a fully owned subsidiary involved in venture capital activities; UAB "SEB Investicijų Valdymas" is a fully owned subsidiary engaged in provision of investments' management services activities.

The Bank accepts deposits, issues loans, makes money transfers and documentary settlements, exchanges currencies for its clients, issues and processes debit and credit cards, is engaged in trade finance and investing and trading in securities as well as performs other activities set in the Law on Banks (except for operations with precious metals).

At the end of the reporting period the shareholder of the Bank is Skandinaviska Enskilda Banken AB (publ), owning 100 percent of the Bank's shares.

**NOTE 2 BASIS OF PRESENTATION**

This interim financial information is presented in national currency of Lithuania, Litas (LTL). The books and records of the Bank and other Group companies are maintained in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union (EU). This interim financial report has been prepared in accordance with International Accounting Standard 34.

The accounting policies adopted and methods of computation used are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in the annual financial statements for the year ended 31 December 2012.

The financial statements are prepared under the historical cost convention as modified by the revaluation of available for-sale financial assets, financial assets and liabilities held at fair value through profit and loss and all derivative contracts.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

**NOTE 3 SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors of the Bank. The Board of Directors is responsible for resources allocation and performance assessment of the operating segments and has been identified as the chief operating decision maker.

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

For management and reporting purposes, the Group is organised into the following business groupings:

**Baltic Division** has overall responsibility for providing retail services to the all types of companies and individuals. Baltic division offers it's clients solutions in the areas of:

- Lending;
- Leasing and factoring products;
- Liquidity management and payment services;
- Private Banking – which serves the higher end of the private individual segment with wealth management services and advisory services.

All depreciation and amortization expenses (except for Asset Management) are attributed to this segment.

**The Merchant Banking** division has overall responsibility for servicing large and medium-sized companies, financial institutions, banks, and commercial real estate clients. Merchant Banking offers its clients integrated investment and corporate banking solutions, including the investment banking activities. Merchant Banking's main areas of activity include:

- Lending and debt capital markets;
- Trading in equities, currencies, fixed income, derivatives and futures;
- Advisory services, brokerage, research and trading strategies within equity, fixed income and foreign exchange markets;
- Cash management;
- Custody and fund services;
- Venture capital.

**The Asset Management** division main business area is Institutional Clients division – which provides asset management services to institutions, foundations and life insurance companies and is responsible for the investment management, marketing and sales of SEB's mutual funds.

The division offers a full spectrum of asset management and advisory services and its product range includes equity and fixed income, private equity, real estate and hedge fund management.

**The Treasury** division is overall responsible for cash management, liquidity management and internal financing between the Group divisions.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

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**NOTE 3 SEGMENT REPORTING (CONTINUED)**

**Operations and IT** divisions are the Group's internal segments responsible for providing operations support and processing, as well as information technologies services for all Group's divisions. In addition, Operations divisions handles bookings, confirmations, payments and reconciliations, and customer service and support.

**Staff Functions** division have dedicated responsibilities in order to support the business units within own area of expertise: HR, finance, marketing and communication, credits and risk control, security, procurement and real estate, compliance, internal audit.

The geographical segments are not defined by the Group. All activities of the Group are performed on the territory of Republic of Lithuania. Revenues and expenses related to major non resident customers services is immaterial for the purpose of these financial statements and are not presented to the chief operating decision maker.

**AB SEB bankas**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

Business segments of the Group for the period ended 30 June 2013 were as follows:

	<b>Baltic Division</b>	<b>Merchant Banking</b>	<b>Asset Management</b>	<b>Treasury</b>	<b>Operations</b>	<b>Staff Functions</b>	<b>Information Technologies</b>	<b>Eliminations</b>	<b>Total Group</b>
Interest income	234,502	506	20	98,684	-	-	-	(96,768)	<b>236,944</b>
- Internal	8,285	-	5	88,478	-	-	-	(96,768)	-
- External	226,217	506	15	10,206	-	-	-	-	<b>236,944</b>
Interest expense	(101,975)	(279)	(2)	(98,804)	-	-	-	96,768	<b>(104,292)</b>
- Internal	(88,201)	(279)	(2)	(8,286)	-	-	-	96,768	-
- External	(13,774)	-	-	(90,518)	-	-	-	-	<b>(104,292)</b>
Net commission income	90,669	120	5,711	(469)	-	-	-	-	<b>96,031</b>
- Internal	4,622	-	(4,153)	(469)	-	-	-	-	-
- External	86,047	120	9,864	-	-	-	-	-	<b>96,031</b>
Net financial income	47,232	218	(19)	(400)	-	-	-	-	<b>47,031</b>
Net other income	(1,575)	-	-	10	(6)	(5)	-	-	<b>(1,576)</b>
<b>Net operating income</b>	<b>268,853</b>	<b>565</b>	<b>5,710</b>	<b>(979)</b>	<b>(6)</b>	<b>(5)</b>	-	-	<b>274,138</b>
Total staff costs and other administrative expenses	(127,535)	(864)	(1,626)	(219)	927	1,883	1,823	-	<b>(125,611)</b>
Depreciation and amortisation	(8,421)	(30)	(20)	(1)	(139)	(474)	(1,237)	-	<b>(10,322)</b>
Capital losses	3	-	-	-	-	7	-	-	<b>10</b>
Total impairment losses	(22,364)	-	-	-	-	-	-	-	<b>(22,364)</b>
<b>Loss before income tax</b>	<b>110,536</b>	<b>(329)</b>	<b>4,064</b>	<b>(1,199)</b>	<b>782</b>	<b>1,411</b>	<b>586</b>	-	<b>115,851</b>
Income tax benefit	(17,677)	(5)	(658)	-	-	-	-	-	<b>(18,340)</b>
<b>Net (loss) for the year</b>	<b>92,859</b>	<b>(334)</b>	<b>3,406</b>	<b>(1,199)</b>	<b>782</b>	<b>1,411</b>	<b>586</b>	-	<b>97,511</b>
<b>Total assets</b>	18,295,808	56,220	19,618	7,943,566	782	1,411	586	(3,529,421)	<b>22,788,570</b>
<b>Total liabilities</b>	15,801,986	56,554	15,222	7,949,070	-	-	-	(3,529,421)	<b>20,293,411</b>
<i>Acquisition of intangible assets and property, plant and equipment</i>	1,619	-	92	-	-	-	-	-	1,711

**AB SEB bankas****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

For the period ended 30 June 2013 reconciliation between Group's Segment reporting and financial statements is presented below:

	<u>Eliminations</u>			
	<b>Segment Reporting</b>	<b>Interest income from Hedged L&amp;R</b>	<b>Other reconciling entries</b>	<b>Financial Statements</b>
Interest income	236,944	-	(734)	236,210
Interest expence	(104,292)	5,064	25	(99,203)
Net commission income	96,031	-	531	96,562
Net financial income	47,031	(5,064)	(236)	41,731
Net other income	(1,576)	-	4,483	2,907
<b>Net operating income</b>	<b>274,138</b>	<b>-</b>	<b>4,069</b>	<b>278,207</b>
Total staff costs, other administrative expenses	(125,611)	-	(4,069)	(129,680)
Depreciation and amortisation	(10,322)	-	-	(10,322)
Capital losses	10	-	-	10
Total impairment losses	(22,364)	-	-	(22,364)
<b>(Losses) profit before income tax</b>	<b>115,851</b>	<b>-</b>	<b>-</b>	<b>115,851</b>
Income tax benefit	(18,340)	-	-	(18,340)
<b>Net (losses) for the period</b>	<b>97,511</b>	<b>-</b>	<b>-</b>	<b>97,511</b>

AB SEB bankas

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

Business segments of the Group for the period ended 30 June 2012 were as follows:

	Baltic Division	Merchant Banking	Asset Management	Treasury	Operations	Staff Functions	Information Technologies	Eliminations	Total Group
Interest income	364,062	510	76	224,218	-	-	-	(239,019)	349,847
- Internal	64,599	1	58	174,361	-	-	-	(239,019)	-
- External	299,463	509	18	49,857	-	-	-	-	349,847
Interest expense	(219,455)	(647)	(2)	(232,605)	-	-	-	239,019	(213,690)
- Internal	(174,420)	(647)	(2)	(63,950)	-	-	-	239,019	-
- External	(45,035)	-	-	(168,655)	-	-	-	-	(213,690)
Commission income	78,326	120	5,762	(621)	-	-	-	-	83,587
- Internal	4,450	-	(3,887)	(563)	-	-	-	-	-
- External	73,876	120	9,649	(58)	-	-	-	-	83,587
Net financial income	40,741	-	(1)	(285)	-	-	-	-	40,455
Net other income	(206)	-	1	1,438	(23)	(10)	-	-	1,200
<b>Net operating income (losses)</b>	<b>263,468</b>	<b>(17)</b>	<b>5,836</b>	<b>(7,855)</b>	<b>(23)</b>	<b>(10)</b>	-	-	<b>261,399</b>
Total staff costs, other administrative expenses	(138,880)	(430)	(1,677)	(247)	646	1,703	1,005	-	(137,880)
Depreciation and amortisation	(14,663)	(27)	(29)	(1)	(407)	(365)	(1,861)	-	(17,353)
Capital (losses)	(62)	-	-	-	(21)	41	-	-	(42)
Total impairment losses	(15,131)	-	-	-	-	-	-	-	(15,131)
<b>(Losses) profit before income tax</b>	<b>94,732</b>	<b>(474)</b>	<b>4,130</b>	<b>(8,103)</b>	<b>195</b>	<b>1,369</b>	<b>(856)</b>	-	<b>90,993</b>
Income tax expense	(10,093)	82	(625)	-	-	-	-	-	(10,636)
<b>Net (losses) profit for the period</b>	<b>84,639</b>	<b>(392)</b>	<b>3,505</b>	<b>(8,103)</b>	<b>195</b>	<b>1,369</b>	<b>(856)</b>	-	<b>80,357</b>
<b>Total assets</b>	19,288,487	53,004	17,576	8,657,999	195	1,369	-	(3,748,844)	24,269,786
<b>Total liabilities</b>	16,863,577	53,396	13,081	8,673,687	-	-	856	(3,748,844)	21,855,753
Acquisition of intangible assets and property, plant and equipment	5,846	-	-	-	-	-	-	-	5,846

**AB SEB bankas****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

For the period ended, 30 June 2012 reconciliation between Group's Segment reporting and financial statements is presented below:

	Segment Reporting	Eliminations		Financial Statements
		Interest income from Hedged L&R	Other reconciling entries	
Interest income	349,847	-	(960)	348,887
Interest expense	(213,690)	15,604	431	(197,655)
Net commission income	83,587	-	1,562	85,149
Net financial income	40,455	(15,604)	(764)	24,087
Net other income	1,200	-	3,720	4,920
<b>Net operating income</b>	<b>261,399</b>	<b>-</b>	<b>3,989</b>	<b>265,388</b>
Total staff costs and other administrative expenses	(137,880)	-	(3,560)	(141,440)
Depreciation and amortisation	(17,353)	-	(429)	(17,782)
Capital losses	(42)	-	-	(42)
Total impairment losses	(15,131)	-	-	(15,131)
<b>Profit before income tax</b>	<b>90,993</b>	<b>-</b>	<b>-</b>	<b>90,993</b>
Income tax	(10,636)	-	-	(10,636)
<b>Net profit for the period</b>	<b>80,357</b>	<b>-</b>	<b>-</b>	<b>80,357</b>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 4 FINANCIAL ASSETS AND LIABILITIES**

The table below presents the carrying amounts and fair values of those financial assets and liabilities presented in the Group's statement of financial position at amortized cost:

	<b>30 June 2013</b>	
	<b>Book value</b>	<b>Fair value</b>
Balances with the Central Bank	426,441	427,091
Loans to credit institutions	3,139,295	3,143,675
Loans to customers	15,518,235	15,129,916
Investment securities - loans and receivables	188,157	192,413
Finance lease receivable	1,421,637	1,442,327
Investment securities – held to maturity	14,043	13,819
<b>Total financial assets valued at amortised cost</b>	<b>20,707,808</b>	<b>20,349,241</b>
Due to the Central Bank	50	50
Due to credit institutions	7,329,160	7,470,887
Deposits from the public	12,248,977	12,267,967
Debt securities in issue	124,807	126,509
<b>Total financial liabilities valued at amortised cost</b>	<b>19,702,994</b>	<b>19,865,414</b>

The table below presents the carrying amounts and fair values of those financial assets and liabilities presented in the Bank's statement of financial position at amortized cost:

	<b>30 June 2013</b>	
	<b>Book value</b>	<b>Fair value</b>
Balances with the Central Bank	426,441	427,091
Loans to credit institutions	3,139,295	3,143,675
Loans to customers	16,627,594	16,235,406
Investment securities - loans and receivables	188,157	192,413
Investment securities – held to maturity	14,043	13,819
<b>Total financial assets valued at amortised cost</b>	<b>20,395,530</b>	<b>20,012,404</b>
Due to the Central Bank	50	50
Due to credit institutions	7,329,160	7,470,887
Deposits from the public	12,276,788	12,295,793
Debt securities in issue	124,807	126,509
<b>Total financial liabilities valued at amortised cost</b>	<b>19,730,805</b>	<b>19,893,239</b>

The table below summarizes the hierarchy of fair value measurement of asset and liabilities presented on the Group's statement of financial position at fair value:

	<b>Fair value measurement at the end of reporting period based on:</b>		
	<b>Quoted price in active markets for the same instrument</b>	<b>Valuation techniques for which all significant inputs are based on observable market data</b>	<b>Valuation techniques for which any significant input is not based on observable market data</b>
<b>30 June 2013</b>			
Government securities available for sale	57,283	-	-
Financial assets at fair value through profit and loss	866,747	-	43,952
Derivative financial instruments (assets)	182	285,161	855
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(40)	(310,788)	(855)
Debt securities in issue	-	(7,163)	-
<b>Total</b>	<b>924,172</b>	<b>(32,790)</b>	<b>44,152</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 4 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

The table below summarizes the hierarchy of fair value measurement of asset and liabilities presented on the Bank's statement of financial position at fair value:

	Fair value measurement at the end of reporting period based on:		
	Quoted price in active markets for the same instrument	Valuation techniques for which all significant inputs are based on observable market data	Valuation techniques for which any significant input is not based on observable market data
<b>30 June 2013</b>			
Government securities available for sale	56,631	-	-
Financial assets at fair value through profit and loss	866,747	-	-
Derivative financial instruments (assets)	182	285,161	855
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(40)	(310,788)	(855)
Debt securities in issue	-	(7,163)	-
<b>Total</b>	<b>923,520</b>	<b>(32,790)</b>	<b>200</b>

**NOTE 5 FINANCIAL ASSETS AND LIABILITIES SUBJECT TO OFFSETTING OR NETTING ARRANGEMENTS**

The table below shows recognised financial assets and liabilities that are presented net in the statement of financial position or with potential rights to off-set associated with enforceable master netting arrangements or similar arrangements.

	Financial assets and liabilities subject to offsetting or netting arrangements					
	Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the balance sheet	Net amounts of financial assets recognised in the balance sheet	Related amounts not set off in the balance sheet	Cash collateral received	Net amount
<b>Assets</b>						
Derivative assets	-5,957,042	5,665,274	-291,768	350	-	-291,418
Reversed repo receivable	-	-	-	-	-	-
Securities borrowing	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL</b>	<b>-5,957,042</b>	<b>5,665,274</b>	<b>-291,768</b>	<b>350</b>	<b>-</b>	<b>-291,418</b>
<b>Liabilities</b>						
Derivative liabilities	3,284,146	-2,980,994	303,152	-350	-	302,802
Repo payable	-	-	-	-	-	-
Securities lending	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>TOTAL</b>	<b>3,284,146</b>	<b>-2,980,994</b>	<b>303,152</b>	<b>-350</b>	<b>-</b>	<b>302,802</b>
<b>NET</b>	<b>-2,672,896</b>	<b>2,684,280</b>	<b>11,384</b>	<b>-</b>	<b>-</b>	<b>11,384</b>

**NOTE 6 ASSETS UNDER MANAGEMENT**

The Group			The Bank	
30 June 2013	31 December 2012		30 June 2013	31 December 2012
35,284	39,770	Customers funds	-	-
730,703	767,647	Financial instruments acquired at customer account	-	-
1,739,710	1,703,602	Accounts receivable from customer assets managed on trust basis	-	-
<b>2,505,697</b>	<b>2,511,019</b>	<b>Total assets under management</b>	<b>-</b>	<b>-</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 7 OFF BALANCE SHEET ITEMS**

The Group			The Bank	
30 June 2013	31 December 2012		30 June 2013	31 December 2012
2,842,061	2,544,274	Agreements to grant loans	2,915,722	2,693,951
621,680	554,414	Guarantees issued	622,964	555,495
130,445	180,215	Letters of credit issued	130,445	180,215
86,004	32,601	Commitments to purchase assets and other commitments	-	-
-	80	Other commitments	-	80
38	38	Customs guarantees collateralised by deposits	38	38

**NOTE 8 RELATED PARTIES**

A number of banking transactions are entered into with related parties in the normal course of business. The transactions with top parent company include loans, deposits and debt instrument transactions. Transactions with AB SEB bankas group (including parent bank) can be specified as follows:

The Group			Interest rate %	The Bank	
30 June 2013	31 December 2012			30 June 2013	31 December 2012
3,064,658	2,536,274	Outstanding loan amount	0.05-2.65	3,063,858	2,535,996
144,838	166,964	Positive replacement values (HFT)	-	144,838	166,964
4,529	23	Other assets	-	3,861	23
6,984,464	6,309,920	Outstanding deposit amount	0.01-5.49	6,984,464	5,888,690
203,559	593,106	Other liabilities	-	191,158	593,106
1,413	48,402	Unused granted overdraft facilities	-	1,413	48,402
200	200	Guarantees issued	-	200	200
<b>For 6 months period ended 30 June 2013 and 2012</b>					
1,942	23,833	Interest income	-	1,928	23,817
(65,806)	(144,122)	Interest expense	-	(62,527)	(133,003)
(1,792)	(7,076)	Other services received and cost incurred from SEB group, net	-	(5,226)	(10,303)

Transactions with parent bank can be specified as follows:

The Group			Interest rate %	The Bank	
30 June 2013	31 December 2012			30 June 2013	31 December 2012
2,950,516	2,536,274	Outstanding loan amount	0.05-2.65	2,949,716	2,535,996
144,825	166,964	Positive replacement values (HFT)	-	144,825	166,964
967	23	Other assets	-	299	23
6,945,850	6,309,920	Outstanding deposit amount	0.22-5.49	6,945,850	5,888,690
-	593,106	Other liabilities	-	-	593,106
1,395	48,402	Unused granted overdraft facilities	-	1,395	48,402
200	200	Guarantees issued at the year end	-	200	200
<b>For 6 months period ended 30 June 2013 and 2012</b>					
1,657	23,432	Interest income	-	1,651	23,425
(65,785)	(143,959)	Interest expense	-	(62,506)	(132,840)
(165)	(4,716)	Other services received and cost incurred from SEB group, net	-	(3,180)	(7,533)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 8 RELATED PARTIES (CONTINUED)**

Transactions between the Bank and its subsidiaries can be specified as follows:

	Interest rate %	The Bank	
		30 June 2013	31 December 2012
<b>Off-balance sheet commitments:</b>			
Agreements to grant loans	-	73,661	149,677
Guarantees issued	-	1,284	1,082
<b>Outstanding loan amounts:</b>			
AB SEB Lizingas	0.23-0.88	1,082,487	731,124
UAB SEB Venture Capital	1.45	39,020	37,600
<b>Outstanding deposit amounts:</b>			
UAB SEB Venture Capital		13	138
UAB SEB Investicijų Valdymas	0.14	16,160	19,379
AB SEB Lizingas		11,638	182
Other assets	-	2,067	1,964
	-	-	-
<b>For 6 months period ended 30 June 2013 and 2012</b>			
Interest income	-	2,807	3,049
Interest expense	-	(5)	(604)
Dividend income	-	7,351	8,344
Other services received and cost incurred from subsidiaries, net	-	5,534	5,598

**NOTE 9 DEBT SECURITIES ISSUANCE AND REDEMPTION**

During the three months of 2013 the Bank successfully placed 15 securities issues, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Interest rate or index
2013.02.05	2014.02.20	380 days	EUR	2,172,847	„Brent“ Oil
2013.02.19	2016.03.08	1 113 days	LTL		Stock basket of global companies - AT&T Inc, E.ON SE, Johnson & Johnson, Procter & Gamble Co, Royal Dutch Shell PLC, Coca-Cola Co, ConocoPhillips, Verizon Communications Inc, Vodafone Group PLC and Total SA
				1,429,900	
2013.02.19	2016.03.08	1 113 days	EUR		Stock basket of global companies - AT&T Inc, E.ON SE, Johnson & Johnson, Procter & Gamble Co, Royal Dutch Shell PLC, Coca-Cola Co, ConocoPhillips, Verizon Communications Inc, Vodafone Group PLC and Total SA
				1,214,004	
2013.04.16	2016.05.04	1 114 days	LTL		S&P Pan Asia Low Volatility Price Return EUR index measuring the performance of Asian and Australian stocks
				3,466,600	
2013.04.16	2016.05.04	1 114 days	LTL		S&P Pan Asia Low Volatility Price Return EUR index measuring the performance of Asian and Australian stocks
				1,310,700	
2013.04.16	2016.05.04	1 114 days	EUR		S&P Pan Asia Low Volatility Price Return EUR index measuring the performance of Asian and Australian stocks
				1,494,372	
2013.05.28	2016.06.03	1 102 days	LTL		Stock basket of German companies: Bayerische Motoren Werke (BMW) AG, Deutsche Telekom AG, Muenchener Ruckversicherungs-Gesellschaft AG (MunichRe) and Siemens AG
				403,100	
2013.05.28	2016.06.03	1 102 days	LTL		Stock basket of German companies: Bayerische Motoren Werke (BMW) AG, Deutsche Telekom AG, Muenchener Ruckversicherungs-Gesellschaft AG (MunichRe) and Siemens AG
				264,600	
2013.05.28	2016.06.03	1 102 days	EUR		Stock basket of German companies: Bayerische Motoren Werke (BMW) AG, Deutsche Telekom AG, Muenchener Ruckversicherungs-Gesellschaft AG (MunichRe) and Siemens AG
				432,291	
2013.06.05	2016.06.23	1 114 days	EUR	1,627,995	DAXK index measuring performance of German stocks
2013.07.02	2016.07.21	1 115 days	LTL	1,535,800	Stock fund iShares STOXX Europe 600 Health Care ETF
2013.07.02	2016.07.21	1 115 days	LTL	1,077,500	Stock fund iShares STOXX Europe 600 Health Care ETF
2013.07.02	2016.07.21	1 115 days	EUR	461,639	Stock fund iShares STOXX Europe 600 Health Care ETF
2013.07.15	2014.07.31	381 days	EUR	1,829,639	Shande PLC shares
2013.07.15	2014.07.31	381 days	EUR	3,762,861	Nokia OYJ shares

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 9 DEBT SECURITIES AND REDEMPTION (CONTINUED)**

During the three months of 2013 the Bank successfully redeemed its 23 securities issues, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Interest rate or index
2011.01.11	2013.01.23	743 days	LTL	763,100	EUR/BRL and EUR/MXN FX rates
2011.01.11	2013.01.23	743 days	EUR	888,060	EUR/BRL and EUR/MXN FX rates
2009.12.12	2013.02.08	1 144 days	LTL		Stock basket of Brazilian companies- <i>Petroleo Brasileiro S.A., Vale S.A., Itau Unibanco Holding S.A., Banco Bradesco S.A., Cia Siderurgica Nacional S.A., Empresa Brasileira de Aeronautica S.A., Tele Norte Leste Participacoes S.A., Cia Energetica de Minas Gerais, BRF - Brasil Foods S.A., Cia de Bebidas das Americas</i>
				15,338,200	
2009.12.12	2013.02.08	1 144 days	LTL		Stock basket of Brazilian companies- <i>Petroleo Brasileiro S.A., Vale S.A., Itau Unibanco Holding S.A., Banco Bradesco S.A., Cia Siderurgica Nacional S.A., Empresa Brasileira de Aeronautica S.A., Tele Norte Leste Participacoes S.A., Cia Energetica de Minas Gerais, BRF - Brasil Foods S.A., Cia de Bebidas das Americas</i>
				2,318,800	
2009.12.12	2013.02.08	1 144 days	EUR		Stock basket of Brazilian companies- <i>Petroleo Brasileiro S.A., Vale S.A., Itau Unibanco Holding S.A., Banco Bradesco S.A., Cia Siderurgica Nacional S.A., Empresa Brasileira de Aeronautica S.A., Tele Norte Leste Participacoes S.A., Cia Energetica de Minas Gerais, BRF - Brasil Foods S.A., Cia de Bebidas das Americas</i>
				2,295,076	
2010.02.09	2013.03.06	1 121 days	LTL		Stock basket of U.S. exporting companies - <i>Altria Group Inc, Avon Products Inc, Baxter International Inc, Caterpillar Inc, Cisco Systems Inc, Coca-Cola Co, Colgate-Palmolive Co, Intel Corp, International Business Machines Corp, Microsoft Corp, Oracle Corp, Pfizer Inc, Rockwell Automation Inc, Texas Instruments Inc, Tyco International Ltd, United Technologies Corp</i>
				37,462,600	
2010.02.09	2013.03.06	1 121 days	LTL		Stock basket of U.S. exporting companies - <i>Altria Group Inc, Avon Products Inc, Baxter International Inc, Caterpillar Inc, Cisco Systems Inc, Coca-Cola Co, Colgate-Palmolive Co, Intel Corp, International Business Machines Corp, Microsoft Corp, Oracle Corp, Pfizer Inc, Rockwell Automation Inc, Texas Instruments Inc, Tyco International Ltd, United Technologies Corp</i>
				1,626,000	
2010.02.09	2013.03.06	1 121 days	EUR		Stock basket of U.S. exporting companies - <i>Altria Group Inc, Avon Products Inc, Baxter International Inc, Caterpillar Inc, Cisco Systems Inc, Coca-Cola Co, Colgate-Palmolive Co, Intel Corp, International Business Machines Corp, Microsoft Corp, Oracle Corp, Pfizer Inc, Rockwell Automation Inc, Texas Instruments Inc, Tyco International Ltd, United Technologies Corp</i>
				955,390	
2011.02.23	2013.03.13	749 days	EUR	2,336,510	Swedish companies shares - <i>AstraZeneca PLC, Suedbank AB and Skanska AB</i>
2011.02.23	2013.03.13	749 days	EUR	1,815,137	Swedish companies shares - <i>AstraZeneca PLC, Suedbank AB and Skanska AB</i>
2010.03.05	2013.03.26	1 117 days	LTL		Stock basket of Chinese companies - <i>Industrial and Commercial Bank of China Ltd, China Construction Bank Corp, China Life Insurance Co Ltd, Hang Seng Bank Ltd, Taiwan Semiconductor Manufacturing Company Ltd, HON HAI Precision Industry Co, Jiangxi Copper Co Ltd, China Mobile Ltd, CLP Holdings Ltd, Hutchison Whampoa Ltd, China Railway Group Ltd, PetroChina Co Ltd, China Petroleum &amp; Chemical Corp, Tsingtao Brewery Co Ltd, Li &amp; Fung Ltd</i>
				6,278,700	
2010.03.05	2013.03.26	1 117 days	LTL		Stock basket of Chinese companies - <i>Industrial and Commercial Bank of China Ltd, China Construction Bank Corp, China Life Insurance Co Ltd, Hang Seng Bank Ltd, Taiwan Semiconductor Manufacturing Company Ltd, HON HAI Precision Industry Co, Jiangxi Copper Co Ltd, China Mobile Ltd, CLP Holdings Ltd, Hutchison Whampoa Ltd, China Railway Group Ltd, PetroChina Co Ltd, China Petroleum &amp; Chemical Corp, Tsingtao Brewery Co Ltd, Li &amp; Fung Ltd</i>
				4,193,200	
2010.03.05	2013.03.26	1 117 days	LTL	1,687,300	Coffee, wheat, soybeans, corn, cotton and cocoa
2010.03.05	2013.03.26	1 117 days	EUR	1,639,735	Coffee, wheat, soybeans, corn, cotton and cocoa
2010.04.13	2013.05.02	1 115 days	LTL		Basket of Russian, Polish and Check Republic companies stocks: <i>Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS</i>
				1,664,600	
2010.04.13	2013.05.02	1 115 days	LTL		Basket of Russian, Polish and Check Republic companies stocks: <i>Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS</i>
				255,900	
2010.04.13	2013.05.02	1 115 days	EUR		Basket of Russian, Polish and Check Republic companies stocks: <i>Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS</i>
				279,332	
2011.04.29	2013.05.15	747 days	EUR	2,109,316	Basket of Scandinavian companies stocks: <i>AP Moller-Maersk A/S, Norsk Hydro ASA and Suedbank AB</i>
2011.04.29	2013.05.15	747 days	EUR	2,640,011	Basket of Scandinavian companies stocks: <i>AP Moller-Maersk A/S, Norsk Hydro ASA and Suedbank AB</i>
2012.05.24	2013.06.11	383 days	EUR	4,672,329	Daimler AG shares
2010.06.01	2013.06.19	1 114 days	LTL		Funds basket: <i>Market Vectors Russia ETF, Samsung Kodex 200 Exchange Traded Fund, iShares MSCI Taiwan, iShares MSCI Brazil Index Fund, Hang Seng H-Share Index ETF, iShares MSCI Turkey Investable Market Index Fund.</i>
				5,659,200	
2010.06.01	2013.06.19	1 114 days	LTL		Funds basket: <i>Market Vectors Russia ETF, Samsung Kodex 200 Exchange Traded Fund, iShares MSCI Taiwan, iShares MSCI Brazil Index Fund, Hang Seng H-Share Index ETF, iShares MSCI Turkey Investable Market Index Fund.</i>
				2,780,100	
2010.06.01	2013.06.19	1 114 days	EUR		Funds basket: <i>Market Vectors Russia ETF, Samsung Kodex 200 Exchange Traded Fund, iShares MSCI Taiwan, iShares MSCI Brazil Index Fund, Hang Seng H-Share Index ETF, iShares MSCI Turkey Investable Market Index Fund.</i>
				2,217,043	

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**

(All amounts in LTL thousands unless otherwise stated)

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**NOTE 10 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE**

After 30 June 2013 the Bank successfully completed 5 debt securities issues with the nominal value of LTL 8,667 thousand.  
After 30 June 2013 the Bank successfully redeemed 7 debt securities issues with the nominal value of LTL 12,345 thousand.

**NOTE 11 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES**

**On 31 January 2013**, the Bank announced that According to preliminary data, unaudited net profit earned over the year 2012 by AB SEB bankas is LTL 126,3 million (EUR 36,6 million) and by AB SEB bankas Group - LTL 89,3 million (EUR 25,0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the year 2011, audited net profit earned by AB SEB bankas totaled LTL 379,8 million (EUR 110,0 million) and by AB SEB bankas Group – LTL 469,7 million (EUR 136,0 million).

**On 19 March 2013**, the Bank announced that on the 29th of March 2013, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the Bank) will take place. The Annual General Meeting is initiated and convened by the Management Board of the Bank. 100 % of shares of the Bank is owned by the bank Skandinaviska Enskilda Banken AB.

Issues on the agenda:

1. Regarding the Annual Report of the Bank;
2. Regarding the Report of the Auditor of the Bank;
3. Regarding the comments and proposals of the Supervisory Council of the Bank;
4. Regarding approval of the Consolidated Financial Statements of the Bank for the Year 2012;
5. Regarding appropriation of the Year 2012 profit (loss) of the Bank.
6. Regarding appointment of audit company of the Bank and approval of payment terms for audit services;
7. Regarding reorganization of AB "SEB lizingas".

The Management Board of the Bank endorsed the draft resolutions of the Annual General Meeting of Shareholders of the Bank

**NOTE 11 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES (CONTINUED)**

**On 29 March 2013**, the Bank announced that on the 29th March 2013, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the SEB Bank) took place and decisions on all issues on the agenda were adopted:

1. Bank Group's year 2012 Consolidated Annual Report and its Annex "Disclosure form concerning the compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius" have been familiarized with;
2. Report of the audit company UAB "PricewaterhouseCoopers", which has performed the audit, has been familiarized with;
3. Comments and proposals of the Supervisory Council of the Bank regarding the Bank's Activity Strategy, its Annual Consolidated Financial Statements, Draft Profit (Loss) Appropriation and the Bank's Consolidated Annual Report as well as the activities of the Bank's Management Board and President have been familiarized with;
4. Bank's and Bank Group's year 2012 Consolidated Financial Statements produced in accordance with the International Financial Reporting Standards were approved;
5. Appropriation of the year 2012 profit (loss) of the Bank was approved;
6. The audit company UAB "PricewaterhouseCoopers" was appointed to verify the Bank's Financial Statements of current and no more than 2 (two) upcoming financial years and the President of the Bank was authorized to enter into an agreement with UAB "PricewaterhouseCoopers" regarding rendering of audit services and to establish the terms of payment for the services therein;
7. Pursuant to part 1 of article 63 and part 1 of article 70 of the Law on Companies of the Republic of Lithuania, reorganization of AB "SEB lizingas", a company established and acting pursuant to the laws of the Republic of Lithuania, which data is kept at the Register of Legal Entities of the Republic of Lithuania, with code 123051535, and with registered office address Saltoniškių street 12, Vilnius, was approved by merging AB "SEB lizingas" into the Bank. The Management Board of the Bank was assigned to prepare the Terms of Reorganization whereby AB "SEB lizingas" would be merged into the Bank. The Management Board of the Bank and the chairman of the Management Board (the President) were authorized to take any and all actions related thereto.

**On 23 April 2013**, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2013 by AB SEB bankas is LTL 44.0 million (EUR 12.7 million) and by AB SEB bankas Group is LTL 38.7 million (EUR 11.2 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first quarter of the year 2012, unaudited net profit earned by AB SEB bankas totaled LTL 30.7 million (EUR 8.9 million) and by AB SEB bankas Group – LTL 41.5 million (EUR 12.0 million).

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## CONSOLIDATED SEMI - ANNUAL REPORT OF AB SEB BANKAS FOR 6 MONTH PERIOD 2013

**1. Reporting period covered by the Consolidated Annual Report**

This Consolidated semi - annual Report (hereinafter the Report) has been prepared for the period from 1 January 2013 until 30 June 2013.

**2. Issuer Group companies, contact details and types of their core activities.**

Issuer's name	AB SEB bankas
Authorised capital	LTL 1,034,575,341
Legal address	Gedimino ave.12, LT-01103 Vilnius
Telephone	(8 5) 2682 800
Facsimile	(8 5) 2682 333
E-mail address	info@seb.lt
Legal form	Public limited company
Registration date and place	29 November 1990, the Bank of Lithuania
Company code	112021238
Company registration number	AB90-4
Website address	www.seb.lt

AB SEB bankas (hereinafter the 'Bank'), a public limited company, is a credit institution operating on share capital basis and is licensed to engage in such types of activities as acceptance of deposits and other refundable means from non-professional market participants and funds lending, also it is entitled to engage in offering other financial services and assumes relevant related risks and liability.

At the close of the reporting period, the AB SEB bankas Group in Lithuania (hereinafter the 'Group') consisted of AB SEB bankas and three subsidiary companies: UAB "SEB investicijų valdymas", AB "SEB lizingas" and UAB "SEB Venture Capital".

Name	AB "SEB lizingas"
Type of core activities	Finance lease
Legal form	Public limited company
Registration date and place	19 April 1995, Vilnius
Company code	123051535
Registered and office address	Saltoniškių str. 12, LT-08105 Vilnius
Telephone	(8 5) 2390 490
Fax	(8 5) 2390 450
E-mail address	lizingas@seb.lt
Website address	www.seb.lt

Name	UAB "SEB Venture Capital"
Type of core activities	Own asset investment into other companies' equity and asset management on trust basis
Legal form	Private limited company
Registration date and place	16 October 1997, Vilnius
Company code	124186219
Domicile address	Gedimino ave. 12, LT-01103 Vilnius
Office address	Jogailos str. 10, LT-01116 Vilnius
Telephone	(8 5) 2682 407
Fax	(8 5) 2682 402
E-mail address	kapitalas@seb.lt
Website address	www.seb.lt

Name	UAB "SEB investicijų valdymas"
Type of core activities	Various investment management services, consultancy services
Legal / organisational form	Private limited company
Registration date and place	3 May 2000, Vilnius
Company code	125277981
Domicile address	Gedimino ave. 12, LT-01103 Vilnius
Office address	Olimpiečių str. 1, LT-09235 Vilnius
Telephone	(8 5) 2681 594
Fax	(8 5) 2681 575
E-mail address	<a href="mailto:info.invest@seb.lt">info.invest@seb.lt</a>
Website address	www.seb.lt

**CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2013**

(all amounts in LTL thousand, unless indicated otherwise)

**3. Information on significant blocks of shares, managed directly or indirectly**

AB SEB bankas subsidiary's UAB „SEB Venture Capital“ investments in associates:

Issuer	Company code	Share within authorized capital (in %)
UAB „Duonos centras“	302638225	49,0
UAB „C gates“	120622256	39,9

**4. Agreements between the Issuer and securities' public offering agents**

The Bank, in the process of a public issue of bonds, must execute an agreement with the selected public offering agent for the protection of interests of the owners of any relevant issue of bonds. As of 30 June 2013, AB SEB bankas had 62 agreements with AB bankas "Finasta" (legal entity code 301502699, address Maironio str. 11, LT-01124 Vilnius).

**5. Data on trade in securities of the Issuer Group companies in the regulated markets**

Shares of AB SEB bankas are not included in either the main or secondary list of NASDAQ OMX Vilnius exchange or in trading lists of other regulated markets and their listing is not planned in the nearest future. As of 30 June 2013, five non-equity securities issues of AB SEB bankas were included in the trading list of the debt securities list of NASDAQ OMX Vilnius exchange:

Parameters	Issue
ISIN code	LT0000431025
Number of securities issued (units)	31,850
Nominal value per unit (LTL)	100.00
Total nominal value (LTL)	3,185,000.00
Effective date of the issue	21 December 2010
Redemption date	23 January 2014

Parameters	Issue
ISIN code	LT0000431157
Number of securities issued (units)	37,257
Nominal value per unit (LTL)	100.00
Total nominal value (LTL)	3,725,700.00
Effective date of the issue	21 December 2010
Redemption date	23 January 2014

Parameters	Issue
ISIN code	LT0000405060
Number of securities issued (units)	46,575
Nominal value per unit (LTL)	100.00
Total nominal value (LTL)	4,657,500.00
Effective date of the issue	17 May 2011
Redemption date	13 June 2016

Parameters	Issue
ISIN code	LT0000405078
Number of securities issued (units)	38,857
Nominal value per unit (LTL)	100.00
Total nominal value (LTL)	3,885,700.00
Effective date of the issue	21 December 2011
Redemption date	9 January 2017

Parameters	Issue
ISIN code	LT0000405086
Number of securities issued (units)	47,032
Nominal value per unit (LTL)	100.00
Total nominal value (LTL)	4,703,200.00
Effective date of the issue	30 May 2012
Redemption date	13 June 2017

Securities of the Bank subsidiary companies are not traded in the regulated markets.



**6. Objective overview of the issuer group status, activities and development**

In the first half-year of 2013, the SEB bankas Group in Lithuania was providing a full range of banking services to private individual and corporate customers as well as to financial institutions. Members of the Group were AB SEB bankas and its three companies: UAB "SEB investicijų valdymas", AB "SEB lizingas", UAB "SEB Venture Capital".

In the 1st half-year 2013, Lithuania's economy was marked by successful growth enhanced not only by export, but also by household consumption. Expectations of businesses and private individuals were improving; after a long pause there was a recovery in real wages, and the number of real estate market recovery signals was increasing. Favourable economic environment preconditioned stability in the improvement of the SEB bankas Group's performance within the 1st half-year of 2013.

In the 1st half-year 2013, unaudited net profit earned by SEB bankas and the SEB bankas Group was, respectively, LTL 102.3 million (EUR 29.6 million) and LTL 97.5 million (EUR 28.2 million). The result has been calculated based on the requirements set by legal acts of the Bank of Lithuania and the Republic of Lithuania. In the 1st half-year of 2012, unaudited net profit earned by SEB bankas and the SEB bankas Group was LTL 59.5 million (EUR 17.2 million) and LTL 80.4 million (EUR 23.3 million), respectively.

In the 1st half-year of 2013, the SEB bankas Group's income was LTL 278.2 million (yoy LTL 265.4 million), i.e. increased by 4.8 per cent.

As of 30 June 2013, the SEB bankas Group's equity was worth LTL 2.5 billion (yoy LTL 2.4 billion), i. e. increased by 3.4 per cent.

As of 30 June 2013, the SEB bankas Group's assets made LTL 22.8 billion (yoy LTL 24.3 billion), i. e. decreased by 6.1 per cent. Since 30 June 2012, the SEB bankas Group's deposit portfolio decreased by 4.3 per cent, i. e. from LTL 12.3 billion down to LTL 11.8 billion.

As of 30 June 2013, the SEB Bank Group's deposit and leasing portfolio was worth LTL 18.0 billion (yoy LTL 18.5 billion) in total, i. e. decreased by 2.9 per cent. The amount of new loans (without extended loans) issued by the SEB bankas Group over the 1st half-year of 2013 was LTL 2.6 billion, i.e. increased by 31.0 per cent as compared to a relevant amount yoy.

As of 30 June 2013, the SEB bankas Group's liquidity ratio was 33.87 per cent (the requirement being 30 per cent).

The number of registered users of SEB bankas Internet Banking System increased up to 1.09 million, i. e. by 4.8 per cent (yoy 1.04 million). The number of users of the Bank's services by mobile phone increased up to 531 thousand, i. e. by 12 per cent (yoy 474 thousand). Over a relevant period, the number of payment transactions via the Internet increased by 7.2 per cent, the turnover in payment card accounts increased by 2 per cent, and an increase in the number of the Bank's POS terminals was 5 per cent.

As at the close of the 1st half-year of 2013, SEB bankas had 46 customer service subdivisions all over Lithuania.

At the close of the 1st half year 2013, customers of SEB bankas had access to the largest ATM network in Lithuania which includes ATMs of SEB and DNB banks, i. e. 530 ATMs in 82 Lithuanian cities and towns.

As of 30 June 2013, the number of SEB bankas Group employees (excluding those on parental leave) actually working with the Group was 1,537, i. e. by 1.7 per cent less than as of 31 December 2012, when the number of employees actually working with the Group was 1,564.

Over the 1st half-year of 2013, SEB bankas further pursued its strategy to be the home bank for its customers. As a long-term relationship bank, SEB bankas offered modern universal banking services in a professional and convenient way, taking into consideration each customer's needs and expectations.

In the 1st half-year of 2013, the SEB bankas Group offered its customers new services and financial solutions: upgraded its website www.seb.lt, created a possibility for private individuals and companies to call the bank via Skype free of charge, launched its customers a free-of-charge service of reminders on expiry of a payment card, time deposit and any other most frequently used service (by SMS, e-mail), etc.

In 2013, the SEB bankas Group won significant global and local awards: SEB bankas received the award of the Best FX Bank in Lithuania (Global Finance), for the seventh time and for the fifth time in a row it was recognised to be the Most Attractive Employer in Lithuania (Verslo Žinios and CV.LT) and the Most Desirable Employer in Lithuania (CVMarket.LT).

In the 1st half-year of 2013, the SEB bankas Group continued implementing SEB's corporate sustainability strategy, which sets eight main corporate sustainability model areas: responsible selling and marketing, tackling financial crime, responsible ownership, reducing our footprint, sustainable finance and investing, access to financial services, a great place to work and investing in communities.

**7. Description of the main risk types and uncertainties**

**Issuer risk.** The Bank's obligations against investors are not additionally secured by any guarantee and/or in any other manner, the Bank's obligation to redeem non-equity securities is not insured by state enterprise Indėlių ir Investicijų draudimas, therefore, the investor assumes banking (operational) risk related to political, economic, technical and technological as well as social factors. In the event of the Bank's bankruptcy, claims of holders of non-equity securities would be satisfied according to the procedure and order of priority established by legal acts of the Republic of Lithuania.

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(all amounts in LTL thousand, unless indicated otherwise)

**Credit risk.** The Group assumes credit risk, i.e., the risk of another counterparty being unable to duly meet its obligations against the Bank. Counterparty risk is assessed based on credit equivalents calculated depending on the type of a financial deal. The Group Credit Policy is applied adhering to the principle that any lending transaction may be executed only subject to credit analysis. Taking into account the complexity of the deal and customer's creditworthiness, various credit risk management measures are applied.

The Group loans are assessed individually as well as in total, taking into account its total portfolio. Assessment of the portfolio of homogeneous loan groups with similar risk characteristics, i.e. natural persons' mortgage loans, consumer loans, payment card account overdraft limits, also, loans to small enterprises, is performed. Special provisions for homogenous loans are formed by applying statistical methodology based on historical data on any defaults of the borrowers and sustained losses within the corresponding homogeneous loan group. Individually assessed borrowers are assigned to a relevant risk class, based on which special provisions requirement is established. The Group classifies its individually assessed borrowers based on 16 risk classes.

Risks are managed by carrying out regular analysis of the borrower's ability to meet its obligations: to repay the loan and pay interest. The Group establishes credit risk limits per single borrower, a group of borrowers or per economic activities. Borrower credit risk, taking into consideration the risk class assigned to the borrower, is revised on a regular basis, no less than once a year. Analysis of the borrower, borrower group and industry sector risks is also performed on regular basis.

Applied credit portfolio concentration risk limits are as follows:

- maximum exposure per single borrower must not exceed 25 per cent of the Bank's/ Group's equity, and the total amount of large exposures may not exceed 800 per cent of the Bank's/ Group's equity;
- total loans issued by the Bank to other subsidiary companies of the parent company or the Bank's subsidiary companies per single borrower may not exceed 75 per cent of the Bank's equity, if the Bank of Lithuania performs consolidated supervision of the entire financial group. If the Bank of Lithuania does not perform any consolidated supervision of the entire financial group, the maximum exposure per each Group company may not exceed 20 per cent of the Bank's equity.

Presented below is the information on the Bank's individually assessed client's credit losses, on changes in the total value and the ratio to the credit portfolio over periods of historic financial information.

	<b>31-12-2012*</b>	<b>30-06-2013*</b>
Individually assessed client credits, which value has impaired, gross amount (impaired loans), in LTL'000	1,773,698	1,615,492
Client credit portfolio (without special provisions), in LTL'000	16,691,484	16,520,858
<b>Ratio (in per cent)</b>	<b>10.63 per cent</b>	<b>9.78 per cent</b>

\* According to Official Letter of the Credit Institutions Supervision Department of the Bank of Lithuania No. 1203-310, dated 10 June 2008.

The Bank's Impairment losses on loan portfolio (LTL'000) according to International Financial Reporting Standards (IFRS):

	<b>31-12-2012</b>	<b>30-06-2013</b>
Impairment losses on loans to customers (special provisions)	1,022,564	976,164
Impairment losses on loans to credit and financial institutions as of year end (special provisions)	0	1
<b>Balance of impairment losses on loans to credit and financial institutions as of year end (special provisions)</b>	<b>1,022,564</b>	<b>976,165</b>
<b>Special provisions to loan portfolio ratio</b>	<b>5.87 per cent</b>	<b>5.54 per cent</b>

**Market risk.** It is the risk of losses or of a loss of future net income due to changes in interest rates, credit spreads, foreign exchange rates and share prices (including the price risk in case of sales of assets or closing of positions).

Interest rate risk is managed by forecasting market interest rates and making relevant adjustments so that there is no mismatch in the assets and liabilities within the revaluation periods. The Bank applies interest rate risk management methodologies that help to measure the Group's sensitivity to interest rate changes by computing the impact to yearly net interest income ( $\Delta$ NI) and net effect on the market value of shareholders equity (delta 1%) in case of a parallel shift by one percentage point in the yield curve.

Credit margin risk is defined as the risk that the value of debt securities will decrease as a result of a change in the issuer's credit risk. This type of risk is managed by establishing limits on investments in debt securities. The Bank also sustains risk as a result of credit margin changes in Credit Value Adjustment (CVA) in case of increased a derivative counterparty's default risk.

Foreign exchange risk exposure is defined by two measures: the single open foreign currency position and the aggregate open currency position - the larger one of all summed-up long and short open currency positions. Foreign exchange risk measures include net exposure of spot and forward positions, FX futures, including gold, the delta equivalent position of FX options and other balance sheet items. The currency risk control is ensured by monitoring the risk exposure against the limits established for single open currency position. The Bank adheres to the open currency position limits established by the Bank of Lithuania: 1) maximum open position in one currency (other than the Euro) must be no more than 15 per cent of the bank's equity; 2) maximum total (other than the Euro) open position must be no more than 25 per cent of the bank's equity.

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(all amounts in LTL thousand, unless indicated otherwise)

Changes in the Group's maximum open single currency position as a percent of the Group's total equity is shown in the table below (the data provided in the Table have been calculated including also the EUR position).

<b>The Bank</b>	<b>31-12-2012</b>	<b>30-06-2013</b>
Maximum open single currency position	148.62 per cent	55.57 per cent
Maximum aggregate open currency position	0.30 per cent	0.99 per cent

**Share price risk** is managed by establishing limits that describe acceptable share price risk, taking into consideration any possible losses related to market price volatility, by establishing the structure of the share portfolio.

**Liquidity risk.** Liquidity risk is the risk that the bank may be unable to timely meet its financial obligations and/or, aiming to meet them, it may have to sell its financial assets and/or close positions and will sustain losses due to a lack of liquidity in the market.

The Group adheres to conservative liquidity risk management policy that ensures adequate fulfilment of its current financial obligations, the level of obligatory reserves with the Bank of Lithuania, liquidity ratio higher than that established by the Bank of Lithuania and solvency capacity under unforeseen unfavourable circumstances. The liquidity risk management system is based on the analysis of actual and forecasted cash flows.

Changes in the Bank's and the Group's liquidity ratio over recent years are shown in the table below.

<b>Ratio</b>	<b>The Bank</b>	
	<b>31-12-2012</b>	<b>30-06-2013</b>
Liquidity ratio (at least 30%)	35.21 per cent	33.48 per cent

**Operational risk.** Operational risk is defined as the risk of loss due to external events (natural disasters, external crime, etc) or internal factors (e.g. breakdown of IT systems, mistakes, fraud, non-compliance with external and internal rules, other deficiencies in internal controls).

On 1 January 2008, the regulators issued a permission to the Bank to use the AMA (Advanced Measurement Approach) model in the operational risk assessment process for the calculation of regulatory capital for the operational risk.

The Bank has developed and continuously upgrades and improves its operational risk management tools: operational risk policy, ORSA (Operational Risk Self Assessment) and RTSA (Rogue Trading Self Assessment) methodologies, activities continuity planning requirements and continuity plans, new product and services approval process, etc..

Bank has launched and continuously uses its operation risk management system ORMIS, which is a Group wide IT solution. The operational risk management system enables each employee of the Group to register all operational risk incidents and the management at all levels – to assess, monitor and control risks and compile various reports. With the aim to achieve as detailed as possible assessment of the operational risk, ORSA and RTSA methodologies are applied, internal controls are undertaken, regular assessment of subdivision and process risks is performed.

Another two systems related to operational risk management are used for the development of new products and/or services NAMIS (New Activity Management Information System) and for the formation of activity continuity plans for subdivisions LDRPS (Living Disaster Recovery Planing System).

The Bank has the Operational Risk Committee, which is aimed at improving the operational risk management and ensure appropriate cooperation between risk managers and control units. The management board is provided with quarterly operational risk reports, which contain a review of new operational risk cases, efficiency of the application of the operational risk management measures as well as other risks.

**Business risk.** It is the risk of a decrease in income due to any unforeseen shortage of regular income that is usually determined by a drop in business volumes, price pressure or competition. Business risk also includes reputation risk, which is a risk of a decrease in income from ordinary activities and which may arise due to any adverse rumours about the bank or about the banking sector generally.

**Strategy risk.** It is the risk caused by unfavourable or erroneous business solutions, improper implementation of decisions or insufficient response to any political changes or changes in the regulatory acts or the banking sector.

Business and strategy risk management at the Bank is delegated to relevant responsible units, which based on business plans and their implementation control, identify such risks and manage/mitigate them. Said units continuously monitor the set ratios. In case any decline is found, relevant information is provided to the management board and/or other responsible persons. Also, the Bank has approved activity continuity plans.

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**Capital adequacy.** Lithuanian banks are required to maintain capital adequacy ratio, which is calculated as the capital base to risk-weighted assets ratio. During the internal capital adequacy assessment process for 2013, the target capital adequacy ratio was set at higher than 12 per cent.

In the first quarter of 2013, at the shareholder's decision the capital and at the same time capital adequacy was strengthened by profit earned in 2012 (no dividends were paid).

Having strengthened its capital base with its profit earned in 2012 and upon obtaining a relevant prior approval of the Bank of Lithuania, on 19 April 2013 AB SEB bankas bought out an issue of securities of indeterminate duration worth EUR 100,000,000 (repaid a subordinated loan), thus reducing its capital base and increasing the share of Tier I capital within total capital. Also, with the aim to increase capital adequacy, open short currency position in the Litass (long in the Euro) was decreased. The optimisation allowed achieving considerable interest cost cutting, maintaining high capital adequacy.

Changes in the Bank and the Group capital adequacy ratios during recent years are presented in the table below.

The Group		Ratio	The Bank	
31-12-2012	30-06-2013		31-12-2012	30-06-2013
15.17 per cent	15.84 per cent	Capital adequacy ratio	13.37 per cent	13.85 per cent

#### 8. Analysis of the Issuer Group's financial and non-financial activity results

Volume and changes of the Group's activities are partially reflected by the below data of the balance sheet and profit and loss statements drafted in accordance with the International Financial Reporting Standards (IFRS):

LTL million	31-12-2012	30-06-2013
Loans	15,650	15,546
Investment	1,113	1,170
Lease receivables	1,503	1,422
Deposits	12,797	12,249
Amounts owed to credit institutions	6,789	7,329
Equity	2,397	2,495
Assets	23,133	22,789

The Group's income structure during recent years was as follows:

LTL million	30-06-2012	30-06-2013
Net interest income (loss) after impairment losses	136.1	114.6
Other income before operating expenses, net	114.2	141.2
Result before operating expenses	250.3	255.8
Operating expenses	(159.3)	(140.0)
Intangible asset write off	-	(58.5)
Impairment losses on intangible assets	-	-
Profit (loss) before profit tax from continues activities	91.0	115.8
Net profit (loss) from continued activities	80.4	97.5

Key ratios of the Group and the Bank activities are included in the table below:

Group		Ratio	Bank	
31-12-2012	30-06-2013		31-12-2012	30-06-2013
15.17 per cent	15.84 per cent	Capital adequacy ratio	13.37 per cent	13.85 per cent
0.35 per cent	0.85 per cent	Return on Assets	0.53 per cent	0.90 per cent
3.60 per cent	7.98 per cent	Return on Equity	5.73 per cent	8.91 per cent
5.59	6.31	Earnings per share, LTL	8.18	6.62
155.24	161.59	Book value per share, LTL	145.59	152.25

**9. References and additional comments on data included in the consolidated financial statements**

All key financial data are included in the consolidated financial statements of the Group.

The Group must ensure the implementation of appropriate organisational measures, procedures and business process support IT systems, the entirety of which would ensure the implementation of adequate internal control system, which, in its turn, would enable providing reliable financial reporting data. The following key elements of the Group's internal control should be mentioned: checking the data on transactions executed in primary systems against transaction data in the accounting system; clear organisational structure and proper segregation of functions, daily accounting of the Group's transactions and relevant reports, based on actual market data, established risk restricting limits and regular control of whether the risk is in line with such limits, internal control elements integrated in business and business support processes as well as other control measures.

**10. Major events since the end of previous reporting period**

On **15 July 2013**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2013 by AB SEB bankas is LTL 102.3 million (EUR 29.6 million) and by AB SEB bankas Group is LTL 97.5 million (EUR 28.2 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first half-year of the year 2012, unaudited net profit earned by AB SEB bankas totaled LTL 59.5 million (EUR 17.2 million) and by AB SEB bankas Group – LTL 80.4 million (EUR 23.3 million).

**11. Issuer Group's activity plans and forecasts**

The AB SEB bankas Group in Lithuania aims at long-term and mutually beneficial relations with all customers of the Group. For this purpose, the Bank implements its strategy to be the Home Bank for its customers, where their daily financial matters are managed. As a relationship bank, AB SEB bankas offers modern and universal banking services and provides them in a professional and convenient way with in-depth understanding of each customer's needs and expectations.

The Group, seeking to implement its said strategy and taking into account the objectives of the SEB Group, envisages the following key trends of activities:

- **Risk management.** In future it is planned to maintain this area in the focus of attention by availing of the experience already gained and by developing the employees' competence and knowledge on risk management;
- **Increasing the operational efficiency.** Seeking to retain operational efficiency and competitive edge, the Bank plans to:
  - increase income by applying target market approach and based on long term customer relationship: by availing of its competitive edge opportunities in various customer segments and by subsequently producing relevant new growth plans;
  - for administration costs cutting, by enhancing the effectiveness of using the existing service network. Also, it is aimed to integrate similar functions within the three Baltic countries, thus enabling to avoid overlap of functions and to cut costs;
- **Customer loyalty strengthening.** Aiming to become the Home Bank for its customers, the Bank plans to retain the existing customers and to attract new ones:
  - by offering flexible solutions and creating attractive business in the financial crisis-survived environment;
  - by creating new attractive services and products for customers successfully developing their business, so that they would feel the Bank's steady attention;
- **The best employer image retention.** The Group will further aim at creating both the atmosphere of trust and respect, in which employees may work and develop, and environment, which would help to attract and develop competent specialists and encourage employees to aim at the achievement of top results.

The Group expects that proper solutions in each the above specified area will increase client and employee satisfaction as well as their loyalty to the Group.

**12. Financial risk management objectives**

The Group manages its financial risks as described in the consolidated financial statements for the year 2012. Financial risk management objectives, transaction risk hedging measures, the Group credit risk and market risk volume are also described in the above-mentioned document. Over the reporting period, there has been no significant change in the risk management policy.

**13. Data on the Issuer's acquisition/assignment of own shares, powers of the Issuer's bodies to issue and buy up the Issuer's shares.**

The Bank has none and during the first half of the year 2013 did not acquire its own shares. Also, the Bank's subsidiary companies have not acquired the Bank's shares. During the reporting period, the Bank and its subsidiary companies did not buy or sell their own shares.

The general meeting of the Bank's shareholders has the exclusive right to set the class, number, nominal value and minimum issue price of shares issued by the company and take a decision for the Bank to acquire its own shares.

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#### 14. Information on the Issuer's branches and representative offices

As of 30 June 2013, the Bank had 3 branches: AB SEB bankas Eastern Region (code 112053613, address: Savanorių str. 1, LT-03116 Vilnius), AB SEB bankas Middle Region (code 112052511, address: Laisvės ave. 82/ Maironiu str. 17, LT-44250 Kaunas), and AB SEB bankas Western Region (code 112052479, address: Taikos ave..32, LT-91246 Klaipėda).

The branches consisted of a network of 46 customer service units (7 branches and 39 sub-branches) all over Lithuania.

#### 15. The Issuer's authorised capital

The Bank's authorised capital registered with the Register of Legal Entities (amount, structure by share type and class, total nominal value) is as follows:

Type of shares	ISIN code	Number of shares	Nominal value (LTL)	Total nominal value	Share within authorized capital (in %)
Ordinary registered shares	LT0000101347	15,441,423	67	1,034,575,341	100.00
<b>In total</b>	-	<b>15,441,423</b>	-	<b>1,034,575,341</b>	<b>100.00</b>

All shares of the Bank are paid up and are not subject to any restrictions in terms of securities assignment.

#### 16. Shareholders

On 19 November 2010, the squeeze-out procedure of AB SEB bankas shares was finalized. A 100 % stake in AB SEB bankas represented by its 15,441,423 ordinary registered shares is owned by bank Skandinaviska Enskilda Banken AB (publ) registered with the Enterprise Register of Sweden, its legal form: a public limited company, legal entity number: 502032-9081, domicile address: Kungsträdgårdsgatan 8, Stockholm, the Kingdom of Sweden.

#### 17. Major investments made over the reporting period

The Group's investments during the first half of the year 2013 into fixed tangible and intangible assets did not make more than 10 per cent of the authorised capital.

#### 18. Employees

As of 30 June 2013, the AB SEB bankas Group in Lithuania (AB SEB bankas, UAB "SEB investicijų valdymas", AB "SEB lizingas" and UAB "SEB Venture Capital") had 1,780 employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave), i.e. by 2.4 per cent less compared to the end of 2012, when the Group had 1,823 employees. As of 30 June 2013, the number of actually working employees (excluding those on maternity/paternity leave) was 1,537, i.e. 9.6 per cent less than at the end of 2012, when the actual number of the Group's employees was 1,564. A decrease in the number of employees was determined by the fact that the Group implemented operational efficiency enhancement measures.

During the first half of year 2013, the number of employees of the Bank alone (working under labour contracts with and without a fixed term, including those on maternity/paternity leave) dropped by 2.3 per cent – from 1,766 to 1,725, and the number of the Bank's actually employed employees (excluding those on maternity/paternity leave) was 1,494, i.e. 1.5 per cent less than at the end of 2012, when their number was 1,517.

In the first half of 2013, the average actual number (excluding the number of employees on maternity/paternity leave) was 1,488 employees (in 2012, it was 1,596 employees).

	The Bank		The Group	
	31-12-2012	30-06-2013	31-12-2012	30-06-2013
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	1,766	1,725	1,823	1,780
Actually number of employees (excluding those on maternity/paternity leave)	1,517	1,494	1,564	1,537

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Tables below contain information on the Bank's employees' educational background and average monthly wages (before taxes). Labour contracts or collective bargaining agreements do not provide for any special rights or duties of the issuer's employees or of some of them.

	Number of employees		Average monthly wages (in LTL)	
	31-12-2012	30-06-2013	31-12-2012	31-12-2012
Senior management staff	209	203	10,994	11,207
Specialists	1,538	1,503	3,610	3,694
Service staff	19	19	2,105	2,129
<b>In total</b>	<b>1,766</b>	<b>1,725</b>	<b>-</b>	<b>-</b>

	Number of employees	University education		College education		Secondary education	
		number	per cent	number	per cent	number	per cent
Senior management staff	203	191	94.1	5	2.5	7	3.4
Specialists	1,503	1,186	78.9	105	7.0	212	14.1
Service staff	19	9	47.4	4	21.0	6	31.6
<b>In total</b>	<b>1,725</b>	<b>1,386</b>	<b>80.3</b>	<b>114</b>	<b>6.6</b>	<b>225</b>	<b>13.1</b>

**19. Procedure for amending the Issuer's articles of association, rules regulating the election of members to the management board**

The Bank's articles of association are amended according to the procedure established by the Company Law of the Republic of Lithuania and by the Law on the Republic of Lithuania on Banks. The Company Law of the Republic of Lithuania establishes, with certain exceptions, that amendment of the articles of association is an exclusive right of the general meeting of shareholders. When taking a decision on amending the articles of association, a 2/3 qualified majority of votes of general meeting of shareholders present at the general meeting of shareholders is required.

The Law on the Republic of Lithuania on Banks establishes that amended articles of association, in case of amending the provisions of the articles of association regarding 1) the name of the Bank; 2) the amount of the Bank's authorised (paid-in) capital; 3) the number of shares, also, their number by classes, their nominal value as well as the rights vested; 4) the competence of the Bank's management bodies, the procedure for the election and revocation of their members, may registered with the Register of Legal Entities only subject to a relevant permission of the supervisory authority, i.e. the Bank of Lithuania.

The Bank's management board is elected by the Bank's supervisory council for a 4 year tenure. If individual members of the board are elected, they are elected only until expiry of the tenure of the existing management board. A decision of the supervisory council to revoke any member from the management board may be adopted, if no less than 2/3 of the supervisory council members present at the meeting vote for it. The number of tenures of a management board member is unlimited. The chairman of the board is elected by the management board from among its members.

**20. The Issuer's bodies**

The articles of association of AB SEB bankas establish that the bodies of the Bank are as follows:

- The General Meeting of Shareholders of the Bank (hereinafter the 'Meeting')
- The Supervisory Council of the Bank (hereinafter the 'Council')
- The Management Board of the Bank (hereinafter the 'Management Board')
- Head of the Bank's administration (president) (hereinafter the 'President').

The competence of the General Meeting of Shareholders and shareholders' rights and their exercising are provided for by the laws of the Republic of Lithuania.

The Management Board and the President are the Bank's management bodies.

The Council is a collegiate supervisory body carrying out the function of supervision over the Bank's activities. The Council consisting of 5 members is elected by the Meeting. The Council elects the Management Board members and revokes them from their positions, supervises over the activities of the Management Board and the President and has other rights and duties attributed to its competence by acts of law of the Republic of Lithuania and the articles of association of the Bank.

The Management Board is a collegiate management body of the Bank, consisting of 5 members and is elected by the Council. The Management Board manages the Bank, handles its daily matters, represents the Bank's interests and is liable for the financial services of the Bank as prescribed by law. The Management Board elects (appoints) and revokes the President and his deputies and has other rights and duties attributed to its competence by acts of law of the Republic of Lithuania and the articles of association of the Bank. Individual members of the Management Board have no powers granted to them as members of the Management Board, they act jointly as a collegiate body and separately as directors of relevant divisions of AB SEB bankas.

The President acts in the name of the Bank, organizes the Bank's day-to-day activities and has other functions attributed to his competence by laws of the Republic of Lithuania and the articles of association of the Bank.

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**2.1. Information on the composition of the management and supervisory bodies and of their committees, their areas of activities as well as those of the head of the company and on the Chief Financial Officer**

**THE SUPERVISORY COUNCIL OF THE BANK (30 June 2013)**

**KNUT JONAS MARTIN JOHANSSON**

Head of Business Support Division of Swedish bank SEB. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009, Chairman of the Supervisory Council since 13 November 2009.

**MARK BARRY PAYNE**

Head of Finance of SEB Baltic Division. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009.

**CARL STEFAN DAVILL**

Head of Operations and IT of the SEB Group. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009.

**STEFAN STIGNĀS**

Head of Retail Banking, SEB Baltic Division. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009.

**TED TONY KYLBERG**

Head of Legal of SEB Baltic Division. Education: university degree, specialisation – law. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an annual general meeting of shareholders of SEB Bank held on 25 March 2010.

The tenure of all members of the Supervisory Council expires on 29 October 2013.

**THE MANAGEMENT BOARD OF THE BANK (30 June 2013)**

**RAIMONDAS KVEDARAS**

Chairman of the Management Board and President of AB SEB bankas since 19 October 2009. Elected to the Management Board as its Member on 4 February 2004. Education: higher, specialisation – international finance. No shares of the Bank are held by the Member.

**AIVARAS ČIČELIS**

Vice President and Head of Corporate Banking Division of AB SEB bankas. Member of the Management Board since 19 October 2009. Education: higher, specialisation – economics. No shares of the Bank are held by the Member.

**ROBERTS BERNIS**

Vice President and Head of Credit and Risk Management Division of AB SEB bankas. Member of the Management Board since 19 October 2009. Education: higher, specialisation – engineering. No shares of the Bank are held by the Member.

**VIRGINIJUS DOVEIKA**

Vice President and Head of Retail Banking Division of AB SEB bankas. Elected to the Management Board as its member on 14 June 2010. Education: higher, specialisation – business administration and management. No shares of the Bank are held by the Member.

**JONAS IRŽIKEVIČIUS**

Vice President and Head of Business Support Division and Chief Financial Officer of AB SEB bankas. Member of the Management Board since 11 April 2011. Education: higher, specialisation – business administration. No shares of the Bank are held by the Member.

The tenure of all members of the Management Board expires on 7 February 2016 (on 8 February 2012, the Supervisory Council of the Bank took a decision to re-elect the Management Board of the Bank for a new four-year tenure).



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**CHIEF EXECUTIVE OFFICER**

RAIMONDAS KVEDARAS – Chairman of the Management Board and President of AB SEB bankas since 19 October 2009. Elected to the Management Board as its member on 4 February 2004.

**CHIEF FINANCIAL OFFICER**

JONAS IRŽIKEVIČIUS – Vice President and Head of Business Support Division and Chief Financial Officer of AB SEB bankas. Member of the Management Board and Chief Financial Officer since 11 April 2011.

Over the reporting period, there were no disbursements to members of the Supervisory Council of the Bank.

Information on disbursements over the reporting period to the Management Board members holding also other positions in the Bank is provided in the table below.

	Amounts in connection with labour relations	Property assigned gratis	Guarantees issued in the name of the company
<b>In total to all members of the Management Board (LTL '000) before taxes, of which:</b>	<b>1,981</b>	-	-
amounts based on a labour contract (LTL'000)	1,531	-	-
employer's social security contributions (LTL'000)	450	-	-
<b>Other disbursements, including the employer's social security contributions (LTL'000)**:</b>	<b>536</b>	-	-
<b>Per member of the Management Board on average (LTL'000) before taxes: *</b>	<b>396</b>	-	-
amounts based on a labour contract (LTL'000)	306	-	-
employer's social security contributions (LTL'000)	90	-	-
<b>During the 1<sup>st</sup> half of the year 2013 calculated amounts to the Company's Chief Executive Officer and Chief Financial Officer (LTL'000) before taxes:</b>	<b>805</b>		
amounts calculated to the Company's Chief Executive Officer during the 1 <sup>st</sup> half of the year 2013 based on labour contract (LTL'000)	504	-	-
amounts calculated to the Company's Chief Financial Officer during the first half of the year 2013 based on labour contract (LTL'000)	301	-	-

\* The Management Board consists of 5 members.

\*\* Bonus, daily allowances exceeded the set standard.

Audit and Compliance Committee is an advisory body to the Bank's supervisory council / management board in of accounting, compliance, audit, risk management, internal audit and control as well as in other areas of the audit committee competence as provided for by relevant existing documents.

The purpose and activities of the committee are to monitor, supervise and to provide recommendations and proposals to the supervisory council / management board regarding:

- efficiency of the Bank's internal audit, risk management and its internal audit systems;
- drafting of financial reports;
- implementation of audit and internal audit processes, independence and effectiveness of the internal audit, information provided by the internal audit on the reviews carried out, on the elimination of any drawbacks found and on the implementation of internal audit plans;
- appointing, repeated appointing and dismissal of the head of internal audit;
- audit of annual reports and consolidated annual reports;
- comprehensiveness of data of financial statements;
- appointing, repeated appointing and dismissal of the Bank's external auditor;
- establishing terms and remuneration to an external auditor;
- observance of the principles of independence and fairness by an auditor and an audit company performing an audit, annual assessment of their qualifications, experience, resources and efficiency;
- formation of policy related to non-audit services provided by an external auditor with the aim to ensure that rendering of said services would have no impact on the independence of such external auditor;

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- internal audit regulations, current-year plan of the internal audit, lists of persons to whom any audit report or its summary version is provided and rules for providing a report;
- ensuring the resources allocated for the internal audit required for the implementation of set objectives and due qualifications of the internal audit employees for the fulfilment of their functions;
- enhancing the efficiency of the Bank's processes;
- meeting the requirements of legal acts and implementation of the principles of good practice of professional activities, initiation of periodical reviews with the aim to assess whether the Bank's activities are in line with the requirements of national laws, legal acts of supervisory authorities as well as any other legal acts or with the provisions of the Bank's the statute (articles of association) and of the Bank's activities strategy;
- approving the general audit plan of the work of the Bank's internal audit subdivision;
- other issues that fall within the competence of the committee according to the requirements of laws and legal acts as well as according to the policy and instructions of the Bank and/or the entire Group.

**AUDIT AND COMPLIANCE COMMITTEE (30 June 2013)**

**MARK BARRY PAYNE**

Chairman of the Committee. Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

**GÖRAN RASPE**

External auditor. No shares of the Bank are held by the external auditor.

**BEN WILSON**

Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

**ARNOLDS ČULKSTENS**

Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

**JONAS GUDMUNDSSON**

Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

**REMUNERATION COMMITTEE (30 June 2013)**

**KNUT JONAS MARTIN JOHANSSON**

Chairman of the committee. Employer: Skandinaviska Enskilda Banken AB (publ).

**MARK BARRY PAYNE**

Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ).

**TED TONY KYLBERG**

Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ).

**ANNA MARIA ERIKA HAMSTEDT**

Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ).

The competence of the remuneration committee and its rules of procedure are established by the remuneration committee regulations approved by the supervisory council of the Bank.

The remuneration committee, at the proposal of the president of the Bank, takes decisions on:

- establishing individual remuneration by position (including pension saving plans) to senior managers, other than members of the board, directly reporting to the president of the Bank;
- allocation of short-term incentive programmes to certain employee groups;
- allocation of the amount of the short-term incentive programme.

The remuneration committee drafts and submits to the Bank's supervisory council for approval:

- the Bank's remuneration policy, any amendments thereto and a list of risk-takers and any amendments thereto
- remuneration by position to the president, board members of the Bank, heads of the Internal Audit Department, Compliance Unit and Risk Control Unit;
- long-term incentive programmes applied to the group employees;
- pension saving plans applied to the president and board members of the Bank;
- proposals regarding employee individual remuneration by position, if their amount is equal or exceeds the minimum amount of individual remuneration by position of a board member.

Also, the remuneration committee performs other functions delegated to it by the Bank's supervisory and provided for by the remuneration committee regulations and relevant legal acts.

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**22. Significant arrangements, the Issuer being a party thereto, which in case of any changes in the Issuer's controlling stake would take effect, change or discontinue**

Such significant arrangements are envisaged under the Bank's loan agreements, however, parties thereto and relevant terms and conditions contained therein are deemed to be confidential information with regard to both the Bank and other parties, therefore, their disclosure could render major damage to the Bank.

**23. Arrangements between the Issuer and members of its bodies or employees**

On 10 February 2012, the administration of the Bank and representatives of the Bank employees signed an updated collective bargaining agreement at a two-year effective period. The present Agreement superseded the Bank's collective bargaining agreement that was effective since 11 February 2010. The collective bargaining agreement regulates labour relations as well as terms and conditions, defines mutual obligations of the employer and the employees, additional incentive measures for the employees as well as other labour relations terms and conditions on which the employees and the employer have mutually agreed, for instance, on a sum-total working hours time, calculation of the employment record, additional vacations, etc. The collective bargaining agreement has been signed by and between the administration of SEB Bank and representatives of the labour council. The labour council of the Bank consists of 15 employees of the Bank elected by secret vote holding different positions at the Bank. The collective bargaining agreement includes the terms and conditions of work and the aspects on which it may be directly agreed with the employer.

Consultations with the Bank's administration is one of the main areas activities of the labour council. The labour council periodically meets with the president of the Bank. At such meetings, implementation of the provisions of the collective bargaining agreement, future changes, also questions as well as observations from employees to members of the labour council are discussed.

There are no separate arrangements regarding severance pays executed with the Issuer's bodies, members of committees or employees, should they resign or be dismissed without a motivated reason.

**24. Information on compliance with the Corporate Governance Code**

The Bank, as an issuer of non-equity securities, abides by the recommendatory-character Corporate Governance Code on the management of companies listed NASDAQ OMX Vilnius, to which it adheres in substance. Reasons for the provisions that it does not adhere to are indicated in the Corporate Governance Code (see Annex 1 in th annual reporting of 2012). The Corporate Governance Code and other information on the practice of the governance of AB SEB bankas is announced at the Bank's website [www.seb.lt](http://www.seb.lt) and at the central database of regulated information of the market operator (NASDAQ OMX Vilnius stock exchange).

**25. Information on detrimental transactions executed in the name of the Issuer over the reporting period**

Over the reporting period, there were no detrimental transactions (that are not in line with the objectives of the company, the existing regular market conditions, in violation of the interests of shareholders or any other groups of persons, etc.) executed in the name of the Issuer that have had or that may in future have an adverse effect on the Issuer's activities or its performance, nor any transactions executed in conflict of interest of the duties of the Issuer's senior managers, controlling shareholders or of any other related persons against the Issuer with their private interests and/or other duties.

President of AB SEB bankas

Raimondas Kvedaras

Head of Business Support Division and Chief Financial Officer of AB SEB bankas

Jonas Irzikevicius

Director of Finance Department of AB SEB bankas

Saulius Salda

Vilnius,  
26 August 2013