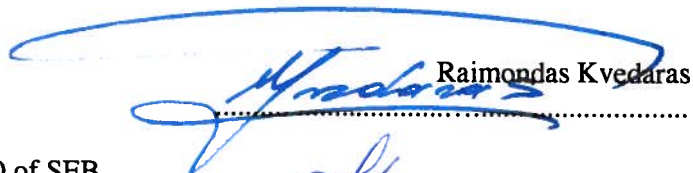




## CONFIRMATION OF RESPONSIBLE PERSONS

Abiding by Article 22 of the Law of the Republic of Lithuania on Securities as well as by the rules of the Securities Commission 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 half-year 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. We also confirm that the business expansion and performance review are correctly indicated in the interim half-year consolidated report.

President of SEB Bank



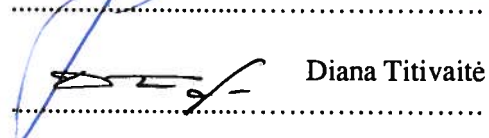
Raimondas Kvedaras

Director of Business Support Division and CFO of SEB Bank



Jonas Iržikevičius

Acting Director of Finance Department of SEB Bank



Diana Titivaitė

Vilnius,  
August 2011

**AB SEB BANK**

CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011

# AB SEB BANK

## GENERAL INFORMATION

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### 1. Reporting period

The report has been produced for the 6 months period ended 30 June 2011.

### 2. The issuer's key data

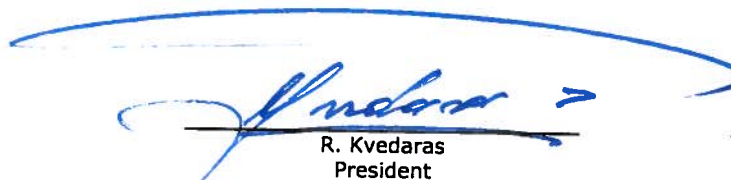
Issuer's name:	SEB Bank
Share capital	LTL 1,034,575,341
Domicile address:	Gedimino ave.12, LT-01103 Vilnius
Telephone:	(8 5) 2682 800
Fax:	(8 5) 2626 557
E-mail:	info@seb.lt
Legal/organisational form:	public limited company
Registration date and place:	29 November 1990, Bank of Lithuania
Company's code:	112021238
Company's registration number:	AB90-4
Website:	www.seb.lt

(In the present Report, AB SEB Bank shall also be referred to as the 'Bank').

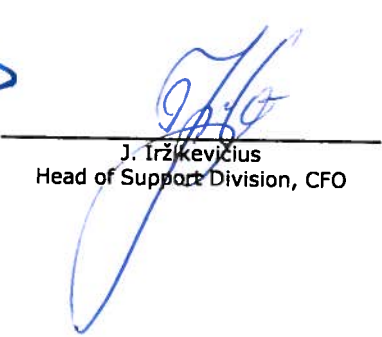
**AB SEB BANK**
**CONDENSED INTERIM INCOME STATEMENT  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

The Group				The Bank			
January 1 - June 30, 2011	The second quarter 2011	January 1 - June 30, 2010	The second quarter 2010	January 1 - June 30, 2011	The second quarter 2011	January 1 - June 30, 2010	The second quarter 2010
361,549	183,646	400,261	190,885	324,523	164,327	361,878	172,000
(186,395)	(95,277)	(285,566)	(130,395)	(168,848)	(86,189)	(263,009)	(119,502)
<b>175,154</b>	<b>88,369</b>	<b>114,695</b>	<b>60,490</b>	<b>155,675</b>	<b>78,138</b>	<b>98,869</b>	<b>52,498</b>
123,693	67,789	(182,383)	(61,191)	123,692	67,788	208,616	(61,191)
170,566	80,733	(118,848)	(81,027)	-	-	-	-
4,209	5,395	(8,543)	(430)	4,209	5,395	(8,543)	(430)
(1)	(1)	-	-	(1)	(1)	-	-
<b>298,467</b>	<b>153,916</b>	<b>(309,774)</b>	<b>(142,648)</b>	<b>127,900</b>	<b>73,182</b>	<b>200,073</b>	<b>(61,621)</b>
<b>473,621</b>	<b>242,285</b>	<b>(195,079)</b>	<b>(82,158)</b>	<b>283,575</b>	<b>151,320</b>	<b>298,942</b>	<b>(9,123)</b>
110,342	55,328	109,393	57,753	104,524	53,606	100,676	53,394
(29,326)	(14,593)	(28,482)	(14,563)	(28,669)	(14,529)	(28,042)	(14,886)
<b>81,016</b>	<b>40,735</b>	<b>80,911</b>	<b>43,190</b>	<b>75,855</b>	<b>39,077</b>	<b>72,634</b>	<b>38,508</b>
(17,607)	(10,016)	1,162	4,426	(17,607)	(10,016)	1,162	4,426
1,450	821	1,417	1,111	1,450	821	1,417	1,112
(1,166)	-	30,137	-	6,376	-	58,237	-
-	-	-	-	6,064	-	3,734	-
20,494	13,459	31,419	15,002	20,562	13,469	28,801	12,504
2,532	436	4,307	2,068	2,027	640	3,092	1,469
<b>5,703</b>	<b>4,700</b>	<b>68,442</b>	<b>22,607</b>	<b>18,872</b>	<b>4,914</b>	<b>96,443</b>	<b>19,511</b>
(67,688)	(36,598)	(66,866)	(35,587)	(65,033)	(35,144)	(62,467)	(33,192)
(91,834)	(46,193)	(82,375)	(43,427)	(87,614)	(44,534)	(74,867)	(38,814)
<b>400,818</b>	<b>204,929</b>	<b>(194,967)</b>	<b>(95,375)</b>	<b>225,655</b>	<b>115,633</b>	<b>330,685</b>	<b>(23,110)</b>
-	-	-	-	-	-	-	-
<b>400,818</b>	<b>204,929</b>	<b>(194,967)</b>	<b>(95,375)</b>	<b>225,655</b>	<b>115,633</b>	<b>(97,360)</b>	<b>(23,110)</b>
(44,316)	(22,575)	34,227	14,791	(26,175)	(13,782)	20,404	5,572
<b>356,502</b>	<b>182,354</b>	<b>(160,740)</b>	<b>(80,584)</b>	<b>199,480</b>	<b>101,851</b>	<b>(76,956)</b>	<b>(17,538)</b>
-	-	(189)	-	-	-	-	-
<b>356,502</b>	<b>182,354</b>	<b>(160,929)</b>	<b>(80,584)</b>	<b>199,480</b>	<b>101,851</b>	<b>(76,956)</b>	<b>(17,538)</b>
356,502	182,354	(160,929)	(80,584)	199,480	101,851	(76,956)	(17,538)
356,502	182,354	(160,740)	(80,584)	199,480	101,851	(76,956)	(17,538)
-	-	(189)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<b>356,502</b>	<b>182,354</b>	<b>(160,929)</b>	<b>(80,584)</b>	<b>199,480</b>	<b>101,851</b>	<b>(76,956)</b>	<b>(17,538)</b>



 R. Kvedaras  
President



 J. Iržkevičius  
Head of Support Division, CFO

**AB SEB BANK**

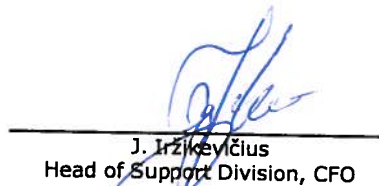
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

<u>The Group</u>			<u>The Bank</u>	
<u>January 1 - June 30, 2011</u>	<u>January 1 - June 30, 2010</u>		<u>January 1 - June 30, 2011</u>	<u>January 1 - June 30, 2010</u>
<b>356,502</b>	<b>(160,929)</b>	<b>Net (loss) Income for the year</b>	<b>199,480</b>	<b>(76,956)</b>
		<b>Other comprehensive income:</b>		
<b>2,185</b>	<b>2,211</b>	Net gain on available for sale assets	<b>2,185</b>	<b>2,211</b>
<b>2,185</b>	<b>2,211</b>	- Net gain, before taxes	<b>2,185</b>	<b>2,211</b>
-	-	- Impairment loss on investment in available for sale securities recognised in income statement, before taxes	-	-
<b>1,525</b>	<b>1,430</b>	Amortisation of financial assets revaluation reserve of reclassified financial assets	<b>1,525</b>	<b>1,430</b>
<b>(524)</b>	<b>(468)</b>	Income tax relating to the components of other comprehensive income	<b>(524)</b>	<b>(468)</b>
<b>3,186</b>	<b>3,173</b>	<b>Total other comprehensive income</b>	<b>3,186</b>	<b>3,173</b>
<b>359,688</b>	<b>(157,756)</b>	<b>Total comprehensive income</b>	<b>202,666</b>	<b>(73,783)</b>



\_\_\_\_\_  
R. Kvedaras  
President



\_\_\_\_\_  
J. Irzikevičius  
Head of Support Division, CFO

**AB SEB BANK**
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS OF 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

<b>Grupė</b>			<b>Bankas</b>	
<b>30 June 2011</b>	<b>31 December 2010</b>		<b>30 June 2011</b>	<b>31 December 2010</b>
		<b>Assets</b>		
351,127	428,427	Cash on hand	351,127	428,427
472,783	527,258	Balances with the Central Bank	472,783	527,258
2,524,351	1,177,833	Due from banks, net	2,524,351	1,177,833
97,360	164,895	Government securities available for sale	96,741	164,272
67,611	75,058	Financial assets at fair value through profit and loss	37,394	45,733
142,768	233,911	Derivative financial instruments	142,768	233,911
34,220	55,399	Loans to credit and financial institutions, net of impairment losses	327,369	506,636
15,394,777	15,669,307	Loans to customers, net of impairment losses	15,407,575	15,680,730
1,811,789	1,694,691	Finance lease receivable, net of impairment losses	-	-
1,556,826	1,629,290	Investment securities:	1,556,826	1,629,290
1,020	1,276	- loans and receivables	1,020	1,276
12,727	13,832	- available for sale	12,727	13,832
-	-	- held to maturity	117,900	121,616
144,202	148,733	Investments in subsidiaries	144,095	148,554
38,287	46,004	Intangible fixed assets	37,437	45,289
1,836	2,581	Property, plant and equipment	-	-
39,604	47,623	Assets under operating lease	29	29
36,358	51,474	Non-current assets held for sale	1,503	1,535
228,601	273,661	Investment property	165,954	192,654
153,164	316,576	Deferred tax asset	117,916	109,387
<b>23,109,411</b>	<b>22,557,829</b>	Other assets, net of impairment losses	<b>21,515,515</b>	<b>21,028,262</b>
-	-	Assets classified as held for sale and discontinued operations	-	-
<b>23,109,411</b>	<b>22,557,829</b>	<b>Total assets</b>	<b>21,515,515</b>	<b>21,028,262</b>
		<b>Liabilities</b>		
37	38	Amounts owed to the Central Bank	37	38
10,325,868	9,295,615	Amounts owed to credit and financial institutions	9,018,351	7,915,364
172,583	334,427	Derivative financial instruments	172,583	334,427
9,278,056	9,643,341	Deposits from public	9,279,504	9,644,674
22,239	29,873	Accrued expenses and deferred income	20,490	26,190
-	-	Income tax payable	-	-
389,401	597,172	Subordinated loans	389,401	597,172
578,223	663,177	Debt securities in issue	578,223	663,177
122,220	135,008	Other liabilities and provisions	92,256	85,968
<b>20,888,627</b>	<b>20,698,651</b>	Liabilities included in assets classified as held for sale and discontinued operations	<b>19,550,845</b>	<b>19,267,010</b>
-	-		-	-
<b>20,888,627</b>	<b>20,698,651</b>	<b>Total liabilities</b>	<b>19,550,845</b>	<b>19,267,010</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	1,034	Reserve capital	2,200	2,200
(5,664)	(8,850)	Financial assets revaluation reserve	(5,664)	(8,850)
194,708	165,425	Legal reserve	191,184	163,221
11,598	10,846	General and other reserves	11,598	10,846
983,367	656,148	Retained earnings	730,777	559,260
2,220,784	1,859,178		1,964,670	1,761,252
-	-	<b>Non controlling interest in equity</b>	-	-
<b>2,220,784</b>	<b>1,859,178</b>	<b>Total equity</b>	<b>1,964,670</b>	<b>1,761,252</b>
<b>23,109,411</b>	<b>22,557,829</b>	<b>Total liabilities and equity</b>	<b>21,515,515</b>	<b>21,028,262</b>



R. Kvedaras  
President



J. Iržikevičius  
Head of Support Division, CFO

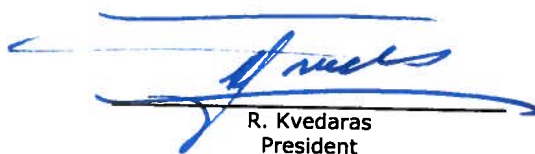
**AB SEB BANK**

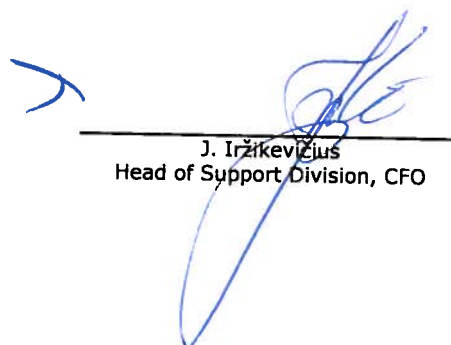
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

The group	Equity attributable to equity holder of the parent							Non controlling interest	Total Equity
	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total before noncontrolling interest		
<b>31 December 2009</b>	<b>1,034,575</b>	<b>1,034</b>	<b>(14,781)</b>	<b>135,160</b>	<b>9,778</b>	<b>359,129</b>	<b>1,524,895</b>	-	<b>1,524,895</b>
Net change in available for sale investments, net of deferred tax	-	-	1,356	-	-	-	1,356	-	1,356
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,430	-	-	-	1,430	-	1,430
Net profit for the year	-	-	2,786	-	-	(160,929)	(160,929)	-	(160,929)
<b>Total comprehensive income</b>	-	-	-	-	-	(160,929)	(158,143)	-	(158,143)
Shareholder's contribution	-	-	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	366	345,280	345,280	-	345,280
Transfers to reserves	-	-	-	30,265	-	(30,265)	-	-	366
<b>30 June 2010</b>	<b>1,034,575</b>	<b>1,034</b>	<b>(11,995)</b>	<b>165,425</b>	<b>10,144</b>	<b>513,215</b>	<b>1,712,398</b>	-	<b>1,712,398</b>
<b>31 December 2010</b>	<b>1,034,575</b>	<b>1,034</b>	<b>(8,850)</b>	<b>165,425</b>	<b>10,846</b>	<b>656,148</b>	<b>1,859,178</b>	-	<b>1,859,178</b>
Net change in available for sale investments, net of deferred tax	-	-	1,661	-	-	-	1,661	-	1,661
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,525	-	-	-	1,525	-	1,525
Net profit for the year	-	-	3,186	-	-	356,502	356,502	-	356,502
<b>Total comprehensive income</b>	-	-	-	-	-	356,502	359,688	-	359,688
Sales of UAB SEB Enskilda	-	1,166	-	-	-	-	1,166	-	1,166
Share-based compensation	-	-	-	-	752	-	752	-	752
Transfers to reserves	-	-	-	29,283	-	(29,283)	-	-	-
<b>30 June 2011</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(5,664)</b>	<b>194,708</b>	<b>11,598</b>	<b>983,367</b>	<b>2,220,784</b>	-	<b>2,220,784</b>

The Bank	Equity attributable to equity holder of the parent						Total Equity
	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	
<b>31 December 2009</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(14,781)</b>	<b>133,151</b>	<b>9,778</b>	<b>256,107</b>	<b>1,421,030</b>
Net change in available for sale investments, net of deferred tax	-	-	1,356	-	-	-	1,356
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,430	-	-	-	1,430
Net profit for the year	-	-	2,786	-	-	(76,956)	(76,956)
<b>Total comprehensive income</b>	-	-	-	-	-	(76,956)	(74,170)
Shareholder's contribution	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	-	345,280	345,280
Transfers to reserves	-	-	-	30,070	366	(30,070)	366
<b>30 June 2010</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(11,995)</b>	<b>163,221</b>	<b>10,144</b>	<b>494,361</b>	<b>1,692,506</b>
<b>31 December 2010</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(8,850)</b>	<b>163,221</b>	<b>10,846</b>	<b>559,260</b>	<b>1,761,252</b>
Net profit for the year	-	-	1,661	-	-	-	1,661
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,525	-	-	-	1,525
Net profit for the year	-	-	3,186	-	-	199,480	199,480
<b>Total comprehensive income</b>	-	-	-	-	-	199,480	202,666
Share-based compensation	-	-	-	-	752	-	752
Transfers to reserves	-	-	-	27,963	-	(27,963)	-
<b>30 June 2011</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(5,664)</b>	<b>191,184</b>	<b>11,598</b>	<b>730,777</b>	<b>1,964,670</b>

  
R. Kvedaras  
President

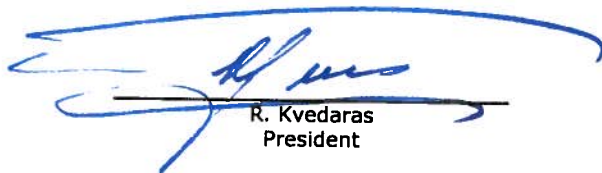
  
J. Irzikevičius  
Head of Support Division, CFO

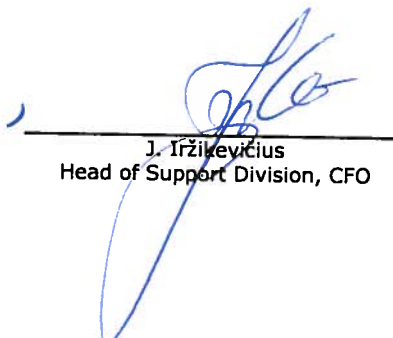
**AB SEB BANK**

**CONDENSED INTERIM STATEMENT OF CASH FLOWS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

<u>The Group</u>			<u>The Bank</u>	
<u>January 1 - June 30, 2011</u>	<u>January 1 - June 30, 2010</u>		<u>January 1 - June 30, 2011</u>	<u>January 1 - June 30, 2010</u>
129,507	109,287	Net cash from operating activities before change in operating assets	113,672	108,997
(676,419)	75,096	Net change in operating assets	(506,145)	(61,006)
(380,138)	(186,971)	Net change in operating liabilities	(351,506)	(206,577)
(927,050)	(2,588)	Net cash from (to) operating activities before income tax	(743,979)	(158,586)
(222)	(222)	Income tax paid	-	-
(927,272)	(2,810)	Net cash from (to) operating activities after income tax	(743,979)	(158,586)
303,419	441,807	Cash used in investing activities	50,395	27,041
760,634	(1,335,792)	Cash (used in) received from financing activities	830,365	(765,250)
136,781	(896,795)	Net (decrease) increase in cash	136,781	(896,795)
1,523,655	2,299,863	Cash at the beginning of the period	1,523,655	2,299,863
<u>1,660,436</u>	<u>1,403,068</u>	Cash at the end of the period	<u>1,660,436</u>	<u>1,403,068</u>
Specified as follows:				
40,105	-	Balance available for withdrawal with the	40,105	-
607,412	177,899	Overnight deposits	607,412	177,899
351,127	375,071	Cash on hand	351,127	375,071
661,792	850,098	Current accounts with other banks	661,792	850,098
<u>1,660,436</u>	<u>1,403,068</u>		<u>1,660,436</u>	<u>1,403,068</u>

  
R. Kvedaras  
President

  
J. Irzikevicius  
Head of Support Division, CFO



## **AB SEB BANK**

### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

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#### **NOTE 1 GENERAL INFORMATION**

AB SEB Bank (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. On the 21st of January, 2008 SEB Vilniaus bankas has changed its name into SEB Bank - the Register of Legal Entities of the Republic of Lithuania has registered a new version of the Articles of Association of SEB Bank, approved by the Extraordinary General Shareholders Meeting that took place on the 15th of November, 2007, and has issued the new Registration Certificate.

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 57 customer service units.

At the end of the reporting period AB SEB Bank 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 leasing 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 largest shareholder of the Bank is Skandinaviska Enskilda Banken, 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 2010, as described in the annual financial statements for the year ended 31 December 2010.

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

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**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 its 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.

**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 has overall responsible for cash management, liquidity management and internal financing between the Group divisions.

**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.

A geographical segment means a constituent part of the business participating in provision of services within certain economic environment the risk and returns whereof are different from other constituent parts operating in other economic environments.

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 BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

Business segments of the Group for the period ended 30 June 2011 were as follows:

	Baltic Division	Merchant Banking	Asset Management	Treasury	Operations	Staff Functions	Information Technologies	Eliminations	Total Group
Net interest income	141,640	51	68	6,250				(4)	148,005
- Internal	(140,401)	(211)	55	140,561				(4)	-
- External	282,041	262	13	(134,311)					148,005
Net commission income	74,114	-	6,120	(54)					80,180
- Internal	4,125	-	(4,125)						-
- External	69,989	-	10,245	(54)					80,180
Net financial income	31,946	(2)	(1)	85					32,028
Net other income	(5,789)	-	-	365	(1)	(7)			(5,432)
<b>Net operating income</b>	<b>241,911</b>	<b>49</b>	<b>6,187</b>	<b>6,646</b>	<b>(1)</b>	<b>(7)</b>		<b>(4)</b>	<b>254,781</b>
Total staff costs and other administrative expenses	(153,113)	(507)	(1,811)	(307)	1,436	1,869		4	(152,429)
Total impairment losses	298,466								298,466
<b>Profit before income tax</b>	<b>387,264</b>	<b>(458)</b>	<b>4,376</b>	<b>6,339</b>	<b>1,435</b>	<b>1,862</b>			<b>400,818</b>
Income tax expense	(44,367)	65	(14)						(44,316)
<b>Net profit for the year</b>	<b>342,897</b>	<b>(393)</b>	<b>4,362</b>	<b>6,339</b>	<b>1,435</b>	<b>1,862</b>			<b>356,502</b>
<b>Total Assets</b>	<b>18,450,375</b>	<b>35,422</b>	<b>18,070</b>	<b>11,224,021</b>	<b>1,435</b>	<b>1,862</b>		<b>(6,621,774)</b>	<b>23,109,411</b>
<b>Total Liabilities</b>	<b>16,238,458</b>	<b>35,815</b>	<b>12,781</b>	<b>11,223,346</b>				<b>(6,621,773)</b>	<b>20,888,627</b>
Acquisition of intangible assets and property, plant and equipment	7,712	89	178						7,979

**AB SEB BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

For the period ended 30 June 2011 reconciliation between Group's Segment reporting and financial statements is presented below:

	Eliminations			
	Interest income from Hedged L&R	Other reconciling entries	Financial Statements	
Net interest income	148,005	(561)	175,154	
Net commission income	80,180	836	81,016	
Net financial income	32,028	(313)	4,005	
Net other income	(5,432)	7,130	1,698	
<b>Net operating income</b>	<b>254,781</b>	<b>7,092</b>	<b>261,873</b>	
Total staff costs and other administrative expenses	(152,429)	(7,093)	(159,522)	
Total impairment losses	298,466	1	298,467	
<b>Profit before income tax</b>	<b>400,818</b>	<b>-</b>	<b>400,818</b>	
Income tax	(44,316)	-	(44,316)	
<b>Net profit for the year</b>	<b>356,502</b>	<b>-</b>	<b>356,502</b>	

**AB SEB BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

Business segments of the Group for the period ended 30 June 2010 were as follows:

	Baltic Division	Merchant Banking	Asset Management	Treasury	Operations	Staff Functions	Information Technologies	Eliminations	Total Group
Net interest income	123,060	5,513	113	(44,074)	-	-	-	(12)	84,600
- Internal	(130,471)	3,462	83	126,938	-	-	-	(12)	-
- External	253,531	2,051	30	(171,012)	-	-	-	-	84,600
Net commission income	69,199	7,135	5,553	(648)	-	-	-	-	81,239
- Internal	3,888	1,383	(4,671)	(600)	-	-	-	-	-
- External	65,311	5,752	10,224	(48)	-	-	-	-	81,239
Net financial income	10,809	50,377	-	583	-	-	-	-	61,769
Net other income	28,900	2,514	-	8	-	-	22,928	(23,014)	31,336
<b>Net operating income</b>	<b>231,968</b>	<b>65,539</b>	<b>5,666</b>	<b>(44,131)</b>	-	-	<b>22,928</b>	<b>(23,026)</b>	<b>256,944</b>
Total staff costs and other administrative expenses	(132,708)	(9,998)	(2,134)	(243)	306	822	(23,582)	23,026	(144,511)
Capital (losses)	9	-	-	-	-	-	-	-	9
Total impairment losses	(309,632)	-	-	-	-	-	-	-	(309,632)
<b>Loss before income tax</b>	<b>(210,363)</b>	<b>55,541</b>	<b>3,532</b>	<b>(44,374)</b>	<b>306</b>	<b>822</b>	<b>(654)</b>	-	<b>(195,190)</b>
Income tax	33,683	111	467	-	-	-	-	-	34,261
<b>Net (loss) for the year</b>	<b>(176,680)</b>	<b>55,652</b>	<b>3,999</b>	<b>(44,374)</b>	<b>306</b>	<b>822</b>	<b>(654)</b>	-	<b>(160,929)</b>
<b>Total Assets</b>	19,553,050	539,486	17,860	13,197,759	-	-	-	(8,458,840)	24,849,315
<b>Total Liabilities</b>	17,844,542	483,833	13,254	13,254,128	-	-	-	(8,458,840)	23,136,917
<i>Acquisition of intangible assets and property, plant and equipment</i>	30,377	-	-	-	-	-	-	-	30,377

**AB SEB BANK**

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 3 SEGMENT REPORTING (CONTINUED)**

For the period ended, 30 June 2010 reconciliation between Group's Segment reporting and financial statements is presented below:

	Eliminations					
	Interest Income from Hedged L&R	Litectus Adjustments	Lease Provisions Adjustment	Grouping Reclassifi- cation	Other reconciling entries	Financial Statements
Net interest income	39,727	-	-	-	(9,632)	114,695
Net commission income	-	-	-	-	(328)	80,911
Net financial income	(39,727)	-	-	30,137	11,972	64,151
Net other income	-	-	-	(30,137)	3,092	4,291
<b>Net operating income</b>	<b>258,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,104</b>	<b>264,048</b>
Total staff costs and other administrative expenses	(144,511)	223	142	-	(5,095)	(149,241)
Capital losses	9	-	-	-	(9)	-
Total impairment losses	(309,632)	-	(142)	-	-	(309,774)
<b>Loss before income tax</b>	<b>(195,190)</b>	<b>223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(194,967)</b>
Income tax	34,261	(34)	-	-	-	34,227
Loss for the year from discontinued operations	-	(189)	-	-	-	(189)
<b>Net (loss) for the year</b>	<b>(160,929)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160,929)</b>

## AB SEB BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011

(All amounts in LTL thousands unless otherwise stated)

#### NOTE 4 ASSETS UNDER MANAGEMENT

The Group			The Bank	
30 June 2011	31 December 2010		30 June 2011	31 December 2010
770,120	752,300	Private individuals and corporate customers' assets under management	-	-
208,780	204,399	Pillar two conservative pension fund (SEB Pension 1)	-	-
870,051	853,877	Pillar two balanced pension fund (SEB Pension 2)	-	-
119,882	114,298	Pillar two equity pension fund (SEB Pension 3)	-	-
13,214	13,826	Conservative voluntary pension fund (SEB Pension 1 Plus)	-	-
49,250	51,205	Balanced voluntary pension fund (SEB Pension 2 Plus)	-	-
132,931	134,632	World market fund of funds	-	-
107,280	112,394	SEB equity fund of funds	-	-
<b>2,271,508</b>	<b>2,236,931</b>	<b>Total assets under management</b>	<b>-</b>	<b>-</b>

#### NOTE 5 OFF BALANCE SHEET ITEMS

The Group			The Bank	
30 June 2011	31 December 2010		30 June 2011	31 December 2010
1,718,065	1,937,253	Agreements to grant loans	2,090,477	2,134,822
530,300	491,480	Guarantees issued	543,556	504,810
118,429	102,511	Letters of credit issued	118,429	103,263
73,760	259,857	Commitments to purchase assets and other commitments	-	-
29	12	Commitments to sell securities	29	12
116	38	Customs guarantees collateralised by deposits	116	38

#### NOTE 6 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 SEB group (including parent bank) can be specified as follows:

The Group				The Bank	
30 June 2011	31 December 2010		Interest rate %	30 June 2011	31 December 2010
2,405,528	1,139,291	Outstanding loan amount at year end	0.1-4	2,404,698	1,138,822
19,969	73,984	Derivative financial instruments at the year ended	-	19,969	73,984
2,078	2,958	Other assets at the year end	-	1,568	2,182
9,761,522	9,230,130	Outstanding deposit amount at the year end	0.1-5.5	8,264,234	7,729,838
519,282	655,616	Other liabilities at the year end	-	518,661	652,883
489	2,532	Commitments to grant loans at the year end	-	489	2,362
5,775	7,269	Guarantees issued at the year end	-	5,775	7,269
<b>For 6 month period ended 30 June 2011 and 2010</b>					
5,401	4,148	Interest income	-	5,386	4,141
(164,641)	(179,229)	Interest expense	-	(146,526)	(156,490)
207	(3,523)	Other services received and cost incurred from SEB group, net	-	(3,029)	(7,328)

**AB SEB BANK**
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 6 RELATED PARTIES (CONTINUED)**

Transactions with parent bank can be specified as follows:

The Group				The Bank	
30 June 2011	31 December 2010		Interest rate %	30 June 2011	31 December 2010
2,285,231	1,113,577	Outstanding loan amount at year end	0.1-4	2,284,851	1,113,473
		Derivative financial instruments	-		
19,969	73,984	at the year ended		19,969	73,984
528	738	Other assets at the year end	-	64	150
		Outstanding deposit amount			
9,712,278	9,172,930	at the year end	0.25-5.5	8,214,990	7,672,638
515,321	651,245	Other liabilities at the year end	-	515,321	651,176
		Commitments to grant loans	-		
433	199	at the year end		433	29
-	-	Guarantees issued at the year end	-	-	-
<b>For 6 month period ended 30 June 2011 and 2010</b>					
5,092	3,970	Interest income	-	5,087	3,968
(164,511)	(179,182)	Interest expense	-	(146,396)	(156,443)
		Other services received and cost			
(769)	(1,915)	incurred from SEB group, net	-	(786)	(5,401)

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

			The Bank	
		Interest rate %	30 June 2011	31 December 2010
<b>Off-balance sheet commitments</b>				
Agreements to grant loans		-	372,412	197,569
Guarantees issued		-	13,256	13,330
Letters of credit issued		-	-	752
<b>Outstanding loan amounts</b>				
AB SEB Lizingas		0.26-1.66	293,149	451,237
UAB SEB Venture Capital		1.45-2.64	18,001	14,001
<b>Outstanding deposit amounts</b>				
UAB SEB Venture Capital		0.1	1,448	1,333
UAB SEB Investicijų Valdymas		0.05-0.1	14,398	17,774
UAB SEB Enskilda		-	n/d	9,325
AB SEB Lizingas		0.05-1	175,374	92,942
Other assets at year end		-	1,992	2,361
Issued debt securities purchased by subsidiaries		-	-	-
Other liabilities at year end		-	12	7
<b>For 6 month period ended 30 June 2011 and 2010</b>				
Interest income		-	2,152	4,093
Interest expense		-	(569)	(185)
Dividend income		-	6,064	3,734
Other services received and cost incurred from subsidiaries, net		-	6,053	31,960



**AB SEB BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 7 DEBT SECURITIES ISSUANCE AND REDEMPTION**

During the six months of 2011 the Bank successfully placed 20 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
2011.01.11	2013.01.23	743 days	EUR	888,060	EUR/BRL and EUR/MXN
2011.01.26	2014.02.12	1 113 days	LTL	2,340,500	Commerzbank East Asia Index
2011.01.26	2014.02.12	1 113 days	LTL	1,999,700	Commerzbank East Asia Index
2011.01.26	2014.02.12	1 113 days	EUR	1,086,596	Commerzbank East Asia Index
2011.02.23	2013.03.13	749 days	EUR	2,336,510	AstraZeneca PLC, Swedbank AB and Skanska AB
2011.02.23	2013.03.13	749 days	EUR	1,815,137	AstraZeneca PLC, Swedbank AB and Skanska AB
2011.03.01	2014.03.19	1 114 days	LTL	3,095,300	Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.03.01	2014.03.19	1 114 days	LTL	848,500	Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.03.01	2014.03.19	1 114 days	EUR	646,019	Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.03.09	2011.06.10	93 days	LTL	6,204,000	0.85%
2011.04.20	2014.05.12	1 118 days	LTL	4,475,400	Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2011.04.20	2014.05.12	1 118 days	LTL	1,732,900	Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2011.04.20	2014.05.12	1 118 days	EUR	1,338,305	Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2011.04.29	2013.05.15	747 days	EUR	2,109,316	AP Moller-Maersk A/S, Norsk Hydro ASA and Swedbank AB
2011.04.29	2013.05.15	747 days	EUR	2,640,011	AP Moller-Maersk A/S, Norsk Hydro ASA and Swedbank AB
2011.05.17	2016.06.03	1 844 days	LTL	4,657,500	Carmignac Patrimoine A
2011.05.31	2014.06.05	1 101 days	LTL	1,108,400	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 Komercni Banka AS
2011.05.31	2014.06.05	1 101 days	LTL	637,400	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 Komercni Banka AS
2011.05.31	2014.06.05	1 101 days	EUR	482,011	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 Komercni Banka AS

**AB SEB BANK****NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011**

(All amounts in LTL thousands unless otherwise stated)

**NOTE 7 DEBT SECURITIES ISSUANCE AND REDEMPTION (CONTINUED)**

During the six months of 2011 the Bank successfully redeemed its 39 securities issues, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Interest rate or index
2006.05.10	2011.05.25	1 841 days	LTL	6,000,000	TOPIX, FTSE/Xinhua China 25, S&P/CNX nifty, FTSE LATTBEX TOP
2007.04.26	2011.05.11	1 476 days	LTL	426,800	Dow Jones Euro STOXX 50
2007.05.29	2011.06.17	1 480 days	LTL	2,590,400	Dow Jones STOXX Select Dividend 30
2007.05.29	2011.06.17	1 480 days	LTL	3,537,400	Dow Jones STOXX Select Dividend 30
2007.05.29	2011.06.17	1 480 days	EUR	1,209,516	Dow Jones STOXX Select Dividend 30
2007.12.04	2011.01.25	1 148 days	LTL	1,580,700	CECE Composite
2007.12.04	2011.01.25	1 148 days	LTL	729,700	CECE Composite
2007.12.14	2011.02.02	1 146 days	LTL	4,922,300	FTSE/JSE Africa TOP40
2007.12.14	2011.02.02	1 146 days	LTL	5,186,200	FTSE/JSE Africa TOP40
2007.12.14	2011.02.02	1 146 days	LTL	5,002,600	DAXglobal Emerging 11
2007.12.14	2011.02.02	1 146 days	LTL	4,697,800	DAXglobal Emerging 11
2007.12.14	2011.02.02	1 146 days	EUR	7,214,280	DAXglobal Emerging 11
2007.12.14	2011.02.02	1 146 days	LTL	1,697,300	Dow Jones EURO STOXX 50, TOPIX, S&P 500
2007.12.14	2011.02.02	1 146 days	LTL	1,341,400	Dow Jones EURO STOXX 50, TOPIX, S&P 500
2008.01.11	2011.01.11	1 096 days	LTL	500,000,000	7.50%
2008.02.06	2011.02.24	1 114 days	LTL	249,900	AB Apranga, AB Ūkio bankas, AS Tallinna Kaubamaja, AS Arco Vara
2008.02.06	2011.02.24	1 114 days	LTL	145,700	AB Apranga, AB Ūkio bankas, AS Tallinna Kaubamaja, AS Arco Vara
2008.02.06	2011.02.24	1 114 days	LTL	5,543,800	S&P BRIC 40
2008.02.06	2011.02.24	1 114 days	LTL	6,174,300	S&P BRIC 40
2008.02.06	2011.02.24	1 114 days	LTL	3,396,300	RDX (Russian Depository Index)
2008.02.06	2011.02.24	1 114 days	LTL	5,185,800	RDX (Russian Depository Index)
2008.02.06	2011.02.24	1 114 days	EUR	2,059,250	RDX (Russian Depository Index)
2008.03.04	2011.02.22	1 085 days	LTL	867,500	S&P Southeast Asia 40
2008.03.04	2011.02.22	1 085 days	LTL	2,076,300	S&P Southeast Asia 40
2008.03.04	2011.03.23	1 114 days	LTL	1,062,400	ABN AMRO Middle East Price Return
2008.03.04	2011.03.23	1 114 days	LTL	2,225,400	ABN AMRO Middle East Price Return
2008.03.18	2011.04.06	1 114 days	LTL	5,467,600	BNP Paribas Millenium 10 Europe Excess Return
2008.03.18	2011.04.06	1 114 days	LTL	5,731,000	BNP Paribas Millenium 10 Europe Excess Return
2008.03.18	2011.04.06	1 114 days	EUR	1,921,138	BNP Paribas Millenium 10 Europe Excess Return
2008.06.04	2011.06.06	1 097 days	USD	87,867,401	4.20%
2009.04.29	2011.05.18	749 days	LTL	33,800	BNP Paribas Emerging Infrastructure Excess Return
2009.04.29	2011.05.18	749 days	EUR	224,087	BNP Paribas Emerging Infrastructure Excess Return
2009.12.24	2011.01.04	376 days	LTL	10,000,000	8.00%
2010.02.09	2011.02.21	377 days	LTL	10,000,000	5.50%
2010.03.05	2011.03.17	377 days	LTL	10,000,000	3.95%
2010.04.16	2011.04.28	377 days	LTL	2,077,700	2.60%
2010.05.21	2011.05.31	375 days	LTL	569,100	2.00%
2010.06.18	2011.06.28	375 days	LTL	1,235,100	2.10%
2011.03.09	2011.06.10	93 days	LTL	6,204,000	0.85%

## AB SEB BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011

(All amounts in LTL thousands unless otherwise stated)

#### NOTE 8 DISPOSAL OF SUBSIDIARIES

On 3 March 2011 100% of subsidiary shares UAB SEB Enskilda were sold to the Banks parent company Skandinaviska Enskilda Banken AB (publ), for the amount of LTL 10,092 thousand.

	<b>31 December</b>
	<b>2010</b>
Due from banks, net	1,898
Term deposits	7,417
Property, plant and equipment	222
Other assets, net of impairment losses	909
<b>Total assets</b>	<b>10,446</b>
Accrued expenses	21
Other liabilities and provisions	333
<b>Total liabilities</b>	<b>354</b>
<b>Fair value of net assets</b>	<b>10,092</b>
Sales price	10,092
Adjustment due to acquisition cost of investment	(1,166)
<b>Profit from disposal of subsidiary</b>	<b>(1,166)</b>
Cash and cash equivalents in subsidiary being sold	1,898
<b>Net cash flow from disposal of subsidiary</b>	<b>8,194</b>

#### NOTE 9 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After 30 June 2011 the Bank successfully completed 3 debt securities issues with the nominal value of LTL 3,175 thousand.

After 30 June 2011 the Bank successfully redeemed 4 debt securities issues with the nominal value of LTL 2,874 thousand.

The Bank started 3 debt securities issues after 30 June 2011, which have not been completed yet. As of 2 August 2011 they amounted to LTL 1,607.6 thousand and were accounted for in 'other liabilities and provisions' line in the balance sheet.

#### NOTE 10 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES

**On 12 January 2011**, the Bank announced that Aušra Matusevičienė, the member of the management board of SEB Bank, to take new position in SEB Group. She will be responsible for Baltic IT and Operations, as well as for coordination and development of SEB branches in Riga and Vilnius in SEB Group Operations and IT. She will take her new position from March 15, 2011. Accordingly, A. Matusevičienė will no longer be a member of the management board of SEB Bank from the said date.

**On 4 February 2011**, the Bank announced that According to preliminary data, unaudited net loss suffered over the year 2010 by SEB Bank is LTL 12,1 million (EUR 3,5million) and by SEB Bank Group - LTL 18,0 million (EUR 5,2 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 year 2009, audited net loss suffered by the Bank totaled LTL 1 546,2 million (EUR 447,8 million) and by the Group - LTL 1 427,5 million (EUR 413,43 million). The result of the year 2010 of SEB Bank includes sale profit resulting from the transfer of shares of the Bank's subsidiary companies SEB Gyvybės Draudimas and Litectus to SEB Group concluded in the first quarter of 2010. The result of the year 2010 of SEB Bank Group includes the result of Litectus in January and February; the result of SEB Gyvybės Draudimas is not included.

**On 3 March 2011**, the Bank announced that on 3 March 2011 SEB Bank has transferred 100 % of the shares of its subsidiary company SEB Enskilda UAB to the parent company of SEB Bank Skandinaviska Enskilda Banken AB (publ). Taking in consideration that SEB Enskilda UAB has a licence for securities brokerage and according article 10 of the Law on Markets of Financial Instruments of Republic of Lithuania prior to the transfer of shares the approval of Securities Commission of Republic of Lithuania has been received. The shares of SEB Enskilda (Latvia) and SEB Enskilda (Estonia) were transferred simultaneously. The reason of the share transfer is the intention to integrate all investment banking services in the Merchant Banking division of Skandinaviska Enskilda Banken AB (publ). It is expected that integration will improve uniform handling and coordination of the activities in the international SEB group. This change will not affect the clients of SEB Enskilda UAB.

**On 14 March 2011**, the Bank announced that AB SEB bankas corrects the information announced on 12 January 2011 about the date when Aušra Matusevičienė, the member of the management board of AB SEB bankas, will take her new position; Aušra Matusevičienė will start working in her new position starting from 11 April 2011. Within the SEB Group's Operations and IT subdivision, Aušra Matusevičienė will be responsible for IT and operations in the Baltic banks and for coordination and development of the activities of SEB branches in Riga and Vilnius. Taking the above stated into account, Aušra Matusevičienė will hold the position of a member of the management board of AB SEB bankas until 8 April 2011 (instead of the previously announced 15 March 2011).

## AB SEB BANK

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2011

(All amounts in LTL thousands unless otherwise stated)

#### NOTE 10 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES (CONTINUED)

**On 17 March 2011**, the Bank announced that on the 30th of March 2011, the Annual General Meeting of Shareholders of AB SEB bankas will take place. The Annual General Meeting is initiated and convened by the Board of the Bank. 100 % of shares of the Bank is owned by Skandinaviska Enskilda Banken AB. Issues on the agenda:

- o 1. Regarding the Annual Report of the Bank;
- o 2. Regarding the Report of the Auditor of the Bank;
- o 3. Regarding the comments and proposals of the Supervisory Council of the Bank;
- o 4. Regarding approval of the Consolidated Financial Statements of the Bank for the Year 2010;
- o 5. Regarding distribution of the Year 2010 profit (loss) of the Bank.

The Board of the Bank also approved the draft decisions of the Annual General Meeting of Shareholders of the Bank.

**On 25 March 2011**, the Bank announced that the Supervisory Council of AB SEB bankas has resolved to appoint Jonas Iržikevičius as a new management board member of AB SEB bankas from the 11th April 2011. Jonas Iržikevičius will take his new position as member of the Management Board of AB SEB bankas not earlier than upon approval by the Bank of Lithuania.

**On 31 March 2011**, the Bank announced that on 30 March 2011 the Annual General Meeting of Shareholders of AB SEB bankas took place and decisions on all issues on the agenda were adopted:

- o 1. Consolidated Annual Report of AB SEB bankas has been familiarized with;
- o 2. Report of the auditor of AB SEB bankas has been familiarized with;
- o 3. Comments and Proposals of the Supervisory Council of AB SEB bankas have been familiarized with;
- o 4. Year 2010 Consolidated Financial Statements of AB SEB bankas and AB SEB bankas Group were approved;
- o 5. Distribution of the year 2010 profit (loss) of AB SEB bankas was approved ;

**On 3 May 2011**, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2011 by AB SEB bankas is LTL 97,6 million (EUR 28,3 million) and by AB SEB bankas Group is LTL 174,1 million (EUR 50,4 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 2010, unaudited net loss suffered by AB SEB bankas totalled LTL 59,4 million (EUR 17,2 million) and by the Bank's Group – LTL 80,3 million (EUR 23,3 million). The result of the first quarter of the year 2011 of AB SEB Bankas includes sale profit resulting from transfer of shares of the Bank's subsidiary company UAB "SEB Enskilda" to SEB Group. The result of the first quarter of the year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

**On 14 July 2011**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2011 by AB SEB bankas is LTL 199.5 million (EUR 57.8 million) and by AB SEB bankas Group is LTL 356.5 million (EUR 103.2 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 2010, unaudited net loss suffered by AB SEB bankas totalled LTL 77.0 million (EUR 22.3 million) and by the Bank's Group – LTL 160.9 million (EUR 46.6 million). The result of the first half-year of the year 2011 of AB SEB bankas includes sale profit resulting from transfer of shares of the Bank's subsidiary company UAB "SEB Enskilda" to SEB Group. The result of the first half-year of the year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

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## AB SEB BANK

### CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011

(All amounts in LTL thousand, unless indicated otherwise)

#### AB SEB BANK CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011

#### 1. Reporting period covered by the Consolidated Semi-Annual Report

The Report has been drawn up for the first half of the year 2011.

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

<b>Issuer's name</b>	<b>AB SEB Bank</b>
Authorised capital	LTL 1,034,575,341
Legal address	Gedimino av.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 Bank (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 end of the reporting period, the AB SEB Bank Group in Lithuania (hereinafter the 'Group') consisted of three subsidiary companies: UAB SEB Investicijų Valdymas, AB SEB Lizingas and UAB SEB Venture Capital.

<b>Name</b>	<b>AB SEB Lizingas</b>
Type of core activities	Finance lease
Legal form	Private 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	<a href="http://www.elzingas.lt">www.elzingas.lt</a>

<b>Name</b>	<b>UAB SEB Venture Capital</b>
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
Registered address	Gedimino av. 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	<a href="http://www.seb.se/venturecapital">http://www.seb.se/venturecapital</a>

<b>Name</b>	<b>UAB SEB Investicijų Valdymas</b>
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
Registered address	Gedimino av. 12, LT-01103 Vilnius
Office address	Gedimino av. 20, LT-01103 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	<a href="http://www.seb.lt">www.seb.lt</a>

#### 3. 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 the owners' of any relevant issue of bonds interests in accordance with the procedure established by the Company Law of the Republic of Lithuania.

As of 30 June 2011, the Bank had 23 effective agreements with UAB FMĮ Orion Securities, a brokerage firm (legal entity code 122033915, legal address A. Tumėno str. 4, 9 floor, LT-01109 Vilnius) and 54 agreements with AB bank Finasta (legal entity code 301502699, legal address Maironio str. 11, LT-01124, Vilnius).

## AB SEB BANK

### CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011

(All amounts in LTL thousand, unless indicated otherwise)

#### 4. Data on trade in the Issuer Group securities in the regulated markets

Shares of SEB Bank are not listed in either the main or secondary list of Nasdaq OMX Vilnius exchange or in trading lists of other regulated markets and listing hereof is not planned in the nearest future.

As of 30 June 2011, 3 securities issues of AB SEB Bank were listed in the debt securities list of Nasdaq OMX Vilnius exchange.

	Issue
ISIN code	LT0000431025
Number of securities (units)	31,850
Nominal value per unit	100.00 litų
Total nominal value	3,185,000.00 litų
Effective date of the issue	2010 12 21
Redemption date	2014 01 23

	Issue
ISIN code	LT0000431157
Number of securities (units)	37,257
Nominal value per unit	100.00 litų
Total nominal value	3,725,700.00 litų
Effective date of the issue	2010 12 21
Redemption date	2014 01 23

	Issue
ISIN code	LT0000405060
Number of securities (units)	46,575
Nominal value per unit	100.00 litų
Total nominal value	4,657,500.00 litų
Effective date of the issue	2011 05 17
Redemption date	2016 06 13

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

#### 5. Objective overview of the Issuer Group's financial standing, performance and business development, description of major risks and uncertainties

Lithuanian economic recovery trends that became apparent in the second half of 2010 have been even more apparent over the first half of 2011. They had a decisive effect also on the result of our bank: the improving customer financial standing and resulting subsequent provisions for bad loans have determined performance of the bank at profit and an increase in the scope of banking business.

Bank's proactive policy to give a chance for promising companies recover, which faced serious problems during the economic downturn, has helped to decrease provisions as well – today most of these companies are recovering and are successfully renewing their activities. Currently there is a recovery not only in the Lithuanian exports, but the first signals of revival in the domestic market as well, and an improvement in the expectations of both the population and businesses.

Unaudited net profit earned over the first half-year of the year 2011 by AB SEB bankas is LTL 199.5 million (EUR 57.8 million) and by AB SEB bankas Group is LTL 356.5 million (EUR 103.2 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 2010, unaudited net loss suffered by AB SEB bankas totalled LTL 77.0 million (EUR 22.3 million) and by the Bank's Group – LTL 160.9 million (EUR 46.6 million). The result of the first half-year of the year 2011 of AB SEB bankas includes sale profit resulting from transfer of shares of the Bank's subsidiary company UAB "SEB Enskilda" to SEB Group.

The result of the first half-year of the year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

SEB Bank Group's assets as of 30 June 2011 were LTL 23.1 mln (as of 30 June 2010 LTL 24,8 mln). As of 30 June 2011, SEB Bank Group's total equity was LTL 2,2 billion. As of 30 June 2011, SEB Bank's capital adequacy ratio calculated according to the requirements of the Bank of Lithuania was 14.64 per cent (all requirements are met). SEB Bank's liquidity ratio for the period ended 30 June 2011 was 39.35 per cent (the requirement is 30 percent).

During the first half of 2011, the Bank Group's operating expenses decreased by 7 per cent and were LTL 160 mln. (LTL 149.2 mln over a relevant period in 2010).

For the end of the first half of 2011, SEB Bank Group's had the largest credit and leasing portfolio in Lithuania, with net value of LTL 18,7 billion, which over a half a year decreased by 3 per cent (as of 31 December 2010 portfolio was LTL 19,2 billion).

The SEB Bank Group's total deposit and investment portfolio over a half a year decreased by 4 per cent and was worth LTL 12.2 billion (as of 31 December 2010 LTL 12.6 billion).

Being responsible in assessing the entire business risk, the bank has continued financing various new business needs, issued loans to private individuals, offered new banking services that meet up-to-date customer needs.

Rapid growth in export development has already revealed its positive impact on the local domestic market by preconditioning, among other things, future growth of employment level, income of private individuals and consumption.

This will also have an impact on the activities of banks short-term, on the other hand, a higher leap in consumption is not likely, as inflation is increasing, whereas growth in income of the population and businesses remains moderate.

**CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011**

(All amounts in LTL thousand, unless indicated otherwise)

The SEB Bank Group manages its risks in a centralised way. The main types of risks managed by the bank are credit, liquidity, market risks, which include currency rate fluctuations, interest rate risk and share price risk, as well as operational risk. Risk is managed adhering to the internal and the prudential requirements of the Bank of Lithuania. In 2009, the Bank met all the prudential requirements of the Bank of Lithuania.

**Issuer risk.** The Bank's obligations against investors are not additionally secured by any guarantee and/or in any other manner, therefore investor accepts the Bank's (operational) risk related to political, economic, technical and technological as well as social factors.

**Credit risk.** The Group assumes credit risk, i.e., the risk of another counterparty being unable to duly meet its obligations against the Bank.

The 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 consideration 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 SEB Group company may not exceed 25 per cent of the bank's equity.

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

	<b>31.12.2010*</b>	<b>30.06.2011*</b>
Individually assessed client credits, which value has impaired, gross amount (impaired loans), in LTL'000	2,936,736	2,485,469
Client credit portfolio (without special provisions), in LTL'000	17,144,657	16,693,813
<b>Ratio (in per cent)</b>	<b>17.13 %</b>	<b>14.89 %</b>

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

Impairment losses on loan portfolio (LTL'000) according to the IFRS:

	<b>31.12.2010</b>	<b>30.06.2011</b>
Impairment losses on loans to customers (special provisions)	1,463,927	1,286,238
Impairment losses on loans to credit and financial institutions as of year end (special provisions)	40	36
<b>Balance of impairment losses on loans to credit and financial institutions as of year end (special provisions)</b>	<b>1,463,967</b>	<b>1,286,274</b>
<b>Special provisions to loan portfolio ratio</b>	<b>8.29 %</b>	<b>7.56 %</b>

**Market risk.** It is the risk of a loss of future net income due to changes in interest rates, 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 (ANII) 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.

Foreign exchange risk exposure is defined by two measures: single open foreign currency position against the and 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 single currency position may not exceed 15 per cent of equity; 2) maximum total open position may not exceed 25 per cent of equity.

Changes in the Group's maximum open position during the recent years is shown in the table below.

<b>The Group</b>	<b>31.12.2010</b>	<b>30.06.2011</b>
Maximum open single currency position	83.87 %	111.40 %
Maximum aggregate open currency position	0.36 %	0.50 %

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 liquidity ratio over recent years are shown in the table below.

<b>Ratio</b>	<b>Bank</b>	
	<b>31.12.2010</b>	<b>30.06.2011</b>
Liquidity ratio (at least 30%)	35.88 %	39.35 %

**Operational risk.** Operating 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).

The Bank has got the permission from the regulators to use an AMA (Advanced Measurement Approach) model in operational risk assessment process and for the regulatory capital calculation for operational risk starting from the beginning of 2008.

The Bank has developed the several operational risk management tools: Operational risk policy, ORSA (Operational Risk Self Assessment) RTSA (Rogue Trading Self Assessment) instructions, Insurance policy, Contingency plans, mechanism of Internal Controls, New Product Approval Process to minimize the operational risks in all bank units and activities.

Bank has implemented SEB Group wide IT solution called ORMIS designed to identify, analyze, report and mitigate the risk. Operational risk self assessments (ORSA, RTSA and internal controls) are performed in business units and major business processes on a regular basis. Operational risk management system enables all staff of the Group to register all operational risk incidents and the management at all levels is able to assess, monitor and mitigate risks and compile prompt and timely reports.

Two other systems – NAMIS and LDRPS – help with managing operational risk in respectively areas like New Product Approval and Business Continuity Planning.

In addition to that there is Operational risk committee which ensures cooperation between Risk managers (1st line-of-defense) and 2nd line-of-defense units (audit, risk control, security, compliance, legal). Board members every quarter are introduced with report about new identified risks and follow-up on earlier identified issues.

**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.

**Capital adequacy.** Lithuanian banks are required to maintain capital adequacy ratio (capital base compared to risk-weighted assets). During the internal capital adequacy assessment process for 2011 the target capital adequacy ratio was set at close to 12 per cent.

On 26 July 2007, the Board of the Bank of Lithuania allowed SEB Bank to include into its Tier II capital a subordinated loan of EUR 45,000,000 (which is equal to LTL 155,376,000) obtained after Swedish bank Skandinaviska Enskilda Banken AB paid up SEB Bank's issued subordinated debt bonds. After the subordinated loan was included in the Bank's eligible capital, there was a 0.75 percentage point improvement in the Bank's capital adequacy ratio – it was 9.45 per cent, and the Group's capital adequacy ratio improved by 0.87 percentage points and was 10.41 per cent.

On 15 May 2008, the Board of the Bank of Lithuania allowed SEB Bank to repay, that is to repay before maturity fixed under subordinated loan agreement dated 30 June 2000, namely, on 30 June 2008, a subordinated loan of EUR 15,000,000 (which is equal to LTL 51,792,000) obtained from Skandinaviska Enskilda Banken AB. SEB Bank availed of the possibility to terminate the agreement aiming at cutting the Bank's borrowing costs and maintaining the Bank's capital adequacy level. After the repayment of the loan, the Bank's capital adequacy ratio was 11.98 per cent and that of the Group was 10.48 per cent.

The SEB Group strengthened SEB Bank's capital base in October and December 2009 and March 2010, covering losses through additional contributions of shareholders.

On March 2010 the Board of the Bank of Lithuania granted a permission to SEB Bank to include the issue of undated subordinated notes worth EUR 100,000,000 (LTL 345,280,000) into the bank's Tier II capital. The issue of undated subordinated notes has been acquired by SEB Bank's parent bank Skandinaviska Enskilda Banken AB (publ).

During year 2011 two subordinated loans (EUR 20 mln and EUR 40 mln) were repayed.



## AB SEB BANK

### CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011

(All amounts in LTL thousand, unless indicated otherwise)

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

Group		Ratio	Bank	
31.12.2010	30.06.2011		31.12.2010	30.06.2011
15.95 %	14.21 %	Capital adequacy ratio	16.43 %	14.64 %

**Securities.** As of 30 December 2011, the number of effective issues of securities of SEB Bank was 114, their total nominal value being LTL 598.38 million.

#### 6. Analysis of the Issuer Group financial and non-financial activity results

Volume and changes of the Bank Group activity are partially reflected by the data below based on the financial position and income statements prepared in accordance with the International Financial Reporting Standards (IFRS):

LTL million	31 December 2010	30 June 2011
Loans	15,725	15,429
Investment	1,884	1,736
Lease receivables	1,695	1,812
Deposits	9,643	9,278
Amounts owed to credit and financial institutions	9,296	10,326
Equity	1,859	2,221
Assets	22,558	23,109

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

LTL million	30 June 2010	30 June 2011
Net interest income (loss) after impairment losses	(195.1)	473.6
Other income before operating expenses, net	149.3	86.7
Result before operating expenses	(45.8)	560.3
Operating expenses	(149.2)	(159.5)
Net life insurance income	-	-
Impairment losses on intangible assets	(195)	400.8
Profit (loss) before profit tax from continues activities	(160.7)	356.5
Net profit (loss) from continues activities	(195.1)	473.6

Main ratios of the bank activities are included in the below table:

Group		Ratio	Bank	
31.12.2010	30.06.2011		31.12.2010	30.06.2011
15.95 %	14.21 %	Capital adequacy ratio	16.43 %	14.64 %
(0.07 %)	3.17 %	Return on Assets	(0.05 %)	1.91 %
(1.04 %)	34.97 %	Return on Equity	(0.73 %)	21.42 %
37.35%	41.01 %	Bank liquidity ratio	35.88 %	39.35 %
(1.15)	23.09	Earnings per share, LTL	(0.78)	12.92
120.40	143.82	Book value per share, LTL	114.06	127.23

#### 7. References and additional comments on data included in the consolidated financial statements

All key financial data is included in the consolidated financial statements of the Bank.

#### 8. Major events since the end of reporting period

**On 14 July 2011**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2011 by AB SEB bankas is LTL 199.5 million (EUR 57.8 million) and by AB SEB bankas Group is LTL 356.5 million (EUR 103.2 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 2010, unaudited net loss suffered by AB SEB bankas totalled LTL 77.0 million (EUR 22.3 million) and by the Bank's Group – LTL 160.9 million (EUR 46.6 million). The result of the first half-year of the year 2011 of AB SEB bankas includes sale profit resulting from transfer of shares of the Bank's subsidiary company UAB "SEB Enskilda" to SEB Group. The result of the first half-year of the year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

## AB SEB BANK

### CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2011

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#### 9. Issuer Group activity plans and forecasts

The main focus of the SEB Bank Group in Lithuania will remain customer excellence. By offering modern services in a convenient and professional way, trying to satisfy each customer's needs, the Group will further implement its goal of becoming the most trusted bank in after crisis world.

The SEB Bank's Group seeking to implement the above vision and taking into consideration the SEB Group's goals will follow the below main trends:

- **Risk management.** In this area the bank has performed a significant number of actions: improved current processes and procedures; organized risk assessment training for client executives. In future, the bank plans pay greater attention to this field, by using accumulated experience and by giving an opportunity for its employees to continuously improve.
- **Operational efficiency restoration.** Seeking to retain operational efficiency and competitive edge, the bank will focus on the below major areas:
  - prevention of income downward trend by using target marketing: clearly define competitive advantages in various client segments and prepare growth plans,
  - precise assessment of costs necessary for implementation of selected goals.
- **Customer loyalty improvement.** The bank's goal in this area is to become the Home bank (the main bank) for its clients by retaining the existing customer base and to attracting new customers:
  - by offering flexible solutions to customers facing financial difficulties that may survive during the decline with the bank's assistance,
  - by developing new, attractive concepts, services and products for successfully operating customers so that they feel the bank's attention.
- **The best employer's image retention.** The bank will continue creating the environment of trust and respect in which employees may improve their skills and use every possibility.

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

#### 10. Financial risk management objectives

The Group manages its financial risks as described in the consolidated financial statements.

#### 11. Data on the acquisition of own shares by the Issuer

During the year 2011, SEB Bank did not acquire or redeem its own shares. The Bank's subsidiary companies have not acquired the Bank's shares. During the reporting period, the Bank and its subsidiary companies did not redeem or sell their own shares.

#### 12. Information on the Issuer branches and representative offices

As of 30 June 2011, the Bank had a customer service network of 57 branch offices (7 branches and 50 branch offices) all over Lithuania.

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

Authorised capital registered with the Enterprise Register (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 per cent)
Ordinary registered shares	LT0000101347	15,441,423	67	1,034,575,341	100.00
<b>Total</b>	-	<b>15,441,423</b>	-	<b>1,034,575,341</b>	<b>100.00</b>

All shares of SEB Bank are paid up and there are no restrictions assigned for transfer of securities.

#### 14. Shareholders

On 19 November 2010, the squeeze-out procedure of SEB Bank's shares was finalized. 100 % of shares of SEB Bank is owned by company Skandinaviska Enskilda Banken AB (publ), registered in the Kingdom of Sweden.

## AB SEB BANK

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#### 15. Employees

As of 30 June 2011, the SEB Bank Group in Lithuania (AB SEB Bank, UAB SEB Investicijų Valdymas, AB SEB Lizingas and UAB SEB Venture Capital), had 2,036 regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave). As of 30 June 2011, the number of actually working employees (excluding those on maternity/paternity leave) was 1,732.

The number of SEB Bank regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave) alone was 1 979 and the number of SEB Bank's actually working employees (excluding those on maternity/paternity leave) was 1,685.

	The Bank		The Group	
	31.12.2010	30.06.2011	31.12.2010	30.06.2011
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	2,009	1,979	2,078	2,036
Actually working employees (excluding those on maternity/paternity leave)	1,730	1,685	1,788	1,732

Tables below contain information on the Bank's employees' educational background and average monthly wages (before tax).

	Number of employees		Average monthly wages (in LTL)	
	31.12.2010	30.06.2011	31.12.2010	30.06.2011
Senior management staff	275	264	9,921	10,450
Specialists	1,726	1,697	3,341	3,389
Service staff	8	18	2,069	2,033
<b>In total</b>	<b>2,009</b>	<b>1,979</b>	-	-

	Number of employees	University education		College education		Secondary education	
		number	per cent	number	per cent	number	per cent
Senior management staff	264	252	95.5	6	2.26	6	2.26
Specialists	1,697	1,301	76.7	116	6.8	280	16.5
Service staff	18	6	33.3	5	27.8	7	38.9
<b>In total</b>	<b>1,979</b>	<b>1,559</b>	<b>78.78</b>	<b>127</b>	<b>6.42</b>	<b>293</b>	<b>14.80</b>

#### Policy for the establishment of variable remuneration for the Bank and the bank group employees

In 2010, the remuneration policy approved by SEB Bank's Supervisory Council on 30 April 2010 was abided by within SEB Bank.

According to said policy, the variable remuneration package consists of extras and bonuses, the amount of which depends on an employee's individual input into the results of his/her subdivision and the entire group. The aim of the variable remuneration system is to motivate employees towards achieving the group's set long-term objectives and rewarding them for the results achieved.

Motivation of employees of the Bank's branches and sub-branches by quarterly extras for the results of sales by a relevant sub-branch or a relevant individual employee is regulated by resolutions of the Management Board of SEB Bank and by the performance and development requirements for the branches and employees.

With the aim to acknowledge each employee's input towards the achievement of the group's long-term objectives, annual bonuses may be paid for positive results, however, only in case if the bank's financial standing is sustainable. The amount of an employee's bonus depends on the achievement of the group's overall objectives, on the performance of the subdivision in which the employee works and on the annual performance and development appraisal results. For an objective appraisal of an employee's activities and for his/her fair relevant reward, it is not only the objectives achieved that are taken into account, but also the employee's attitude and ethics. Appraisal during the annual PDD includes appraisal whether the employee's personal competence is in line with the requirements for his/her function, whether the employee in his/her activities adheres to SEB values, ethics, etc. The bonus is not a guaranteed payment.

It is aimed to determine the variable remuneration taking relevant risk level into account. In case employees who can assume significant risk in the name of the group and have a major effect on decision-taking, 60 % of their salary is deferred for a three-year period. The group may refrain from paying part or all of the variable salary, if the activities of a relevant person, business subdivision or the group are at a loss.

**16. Procedure for amending the Issuer Articles of Association**

The Company Law of the Republic of Lithuania establishes that amendment of articles of association is an exclusive right of the annual meeting of shareholders. A 2/3 qualified majority of votes of the general meeting of shareholders participating at the meeting is required for adopting a resolution on amending the articles of association.

The Bank Law of the Republic of Lithuania establishes that the amendment of a bank's articles of association regarding i) the bank's name or domicile, ii) the amount of the authorised (share) capital, iii) the number of shares, the number of shares by their class, nominal value as well as the rights granted, iv) the competence of the Bank's management bodies as well as the method of electing and revoking the management bodies, can be registered with the Enterprise Register exclusively after the permission of a supervisory authority, i.e. the Bank of Lithuania, has been obtained.

**17. Management bodies of the Issuer**

- The General Meeting of Shareholders of the bank (hereinafter referred to as the 'Meeting')
- The Supervisory Council of the Bank (hereinafter referred to as the 'Council')
- The Management Board of the Bank (hereinafter referred to as the 'Management Board')
- Head of the Bank administration (President) (hereinafter referred to as the 'President')

The 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 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 daily matters, represents the Bank's interests and is liable for the financial services according to the procedure established 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 Articles of Association of the bank.

The President acts in the name of the bank, organizes the bank's day-to-day activities and has other rights and duties attributed to its competence by acts of law of the Republic of Lithuania and Articles of Association of the bank.

**18. Information on members of collegiate bodies, Chief Executive Office and Chief Financial Officer of the company****THE BANK SUPERVISORY COUNCIL (as of 30 June 2011)****KNUT JONAS MARTIN JOHANSSON**

Head 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, 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 Human Resources 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.

**STEFAN STIGNÄS**

Head of Corporate Banking 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.

**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 term office of all Supervisory Council Members expires on 29 October 2013.

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#### THE BANK MANAGEMENT BOARD (30 June 2011)

##### RAIMONDAS KVEDARAS

Chairman of the Management Board and President of SEB Bank since 19 October 2009. Elected to the Management Board as its Member of 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 SEB Bank. 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 SEB Bank. 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 SEB Bank. Elected to the Management Board as its member on 8 June 2010. Education: higher, specialisation – business administration. 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 SEB Bank. 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 term office of all Members of the Management Board expires on 4 February 2012.

#### CHIEF EXECUTIVE OFFICER

RAIMONDAS KVEDARAS – Chairman of the Management Board and President of SEB Bank 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 SEB Bank. Member of the Management Board since 11 April 2011.

Information on disbursements to members of the Management Board during the first half year is provided in the table below.

	Amounts calculated over a year in connection with employment relations		Property assigned gratis		guarantees issued in the name of the company	
	2011 January 1- June 30	2010 January 1- June 30	2011 January 1- June 30	2010 January 1- June 30	2011 January 1- June 30	2010 January 1- June 30
<b>Amounts calculated for all members of the Management Board (LTL'000), before taxes, in total of which:</b>	<b>1,716</b>	<b>1,725</b>	-	-	-	-
amounts in connection with employment relations (LTL'000)	1,315	1,317	-	-	-	-
Annual bonus for the previous year (LTL'000)	-	-	-	-	-	-
Employer's social security contributions (LTL'000)	401	408	-	-	-	-
<b>Other disbursements, including the employer's social security contributions (LTL'000)**:</b>	<b>338</b>	<b>1,036</b>	-	-	-	-
<b>Per member of the Management Board on average (LTL'000) before taxes: *</b>	<b>343</b>	<b>344</b>	-	-	-	-
Amounts in connection with employment relations (LTL'000)	263	263	-	-	-	-
Annual bonus for the previous year (LTL'000)	-	-	-	-	-	-
Employer's social security contributions (LTL'000)	80	81	-	-	-	-

\* The bank Management Board consists of 5 members.

\*\* Employment termination compensation, daily allowances, exceeding approved rates, and one-off payment in 2010 due to new core banking system roll-out project implementation.

**19. Significant arrangements, the Issuer being a party thereto, which arrangements, in case of any effective changes in the Issuer's controlling stake, would change or terminate**

Such significant arrangements are envisaged under loan agreements; however, the contracting parties and relevant terms and conditions are deemed confidential information with regard to both the bank and other parties.

**20. Agreements between the Issuer and its management bodies or employees**

On 11 February 2010, the administration of SEB Bank and representatives of the bank employees signed a two-year collective bargaining agreement. 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 representative of the Labour Council with a two-year tenure. The Labour Council of SEB 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.

One of the main activities of the Labour Council is consultations with the Bank's management. During these activities members of the Labour Council were introduced with the new remuneration system, additional disbursements were discussed. The Labour Council periodically meets with the President of the Bank. During the meetings implementation of collective bargaining agreement, future changes, employees' questions and reviews are discussed.

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

SEB Bank in substance adheres to the recommendatory-character Corporate Governance Code on the management of companies listed by Vilnius Securities Exchange.

**22. Data on information in public domain**

The Issuer, whose securities are admitted for trading the regulated market of the Republic of Lithuania, provides the operator of the regulated market, where the Issuer's securities are traded in, i.e. Nasdaq OXM Vilnius, as well as the Lithuanian Securities Commission with the information on each material event in accordance with the procedure established by the Lithuanian Securities Commission. Information on each material event has to be made publicly available and provided to the central database of regulated information.

Over the reporting period, the bank announced the following information on material events:

**On 12 January 2011**, the Bank announced that Aušra Matusevičienė, the member of the management board of SEB Bank, to take new position in SEB Group. She will be responsible for Baltic IT and Operations, as well as for coordination and development of SEB branches in Riga and Vilnius in SEB Group Operations and IT. She will take her new position from March 15, 2011. Accordingly, A. Matusevičienė will no longer be a member of the management board of SEB Bank from the said date.

**On 4 February 2011**, the Bank announced that According to preliminary data, unaudited net loss suffered over the year 2010 by SEB Bank is LTL 12,1 million (EUR 3,5million) and by SEB Bank Group - LTL 18,0 million (EUR 5,2 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 year 2009, audited net loss suffered by the Bank totaled LTL 1 546,2 million (EUR 447,8 million) and by the Group - LTL 1 427,5 million (EUR 413,43 million). The result of the year 2010 of SEB Bank includes sale profit resulting from the transfer of shares of the Bank's subsidiary companies SEB Gyvybės Draudimas and Litectus to SEB Group concluded in the first quarter of 2010. The result of the year 2010 of SEB Bank Group includes the result of Litectus in January and February; the result of SEB Gyvybės Draudimas is not included.

**On 3 March 2011**, the Bank announced that on 3 March 2011 SEB Bank has transferred 100 % of the shares of its subsidiary company SEB Enskilda UAB to the parent company of SEB Bank Skandinaviska Enskilda Banken AB (publ). Taking in consideration that SEB Enskilda UAB has a licence for securities brokerage and according article 10 of the Law on Markets of Financial Instruments of Republic of Lithuania prior to the transfer of shares the approval of Securities Commission of Republic of Lithuania has been received. The shares of SEB Enskilda (Latvia) and SEB Enskilda (Estonia) were transferred simultaneously. The reason of the share transfer is the intention to integrate all investment banking services in the Merchant Banking division of Skandinaviska Enskilda Banken AB (publ). It is expected that integration will improve uniform handling and coordination of the activities in the international SEB group. This change will not affect the clients of SEB Enskilda UAB.

**On 14 March 2011**, the Bank announced that AB SEB bankas corrects the information announced on 12 January 2011 about the date when Aušra Matusevičienė, the member of the management board of AB SEB bankas, will take her new position; Aušra Matusevičienė will start working in her new position starting from 11 April 2011. Within the SEB Group's Operations and IT subdivision, Aušra Matusevičienė will be responsible for IT and operations in the Baltic banks and for coordination and development of the activities of SEB branches in Riga and Vilnius. Taking the above stated into account, Aušra Matusevičienė will hold the position of a member of the management board of AB SEB bankas until 8 April 2011 (instead of the previously announced 15 March 2011).

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**On 17 March 2011**, the Bank announced that on the 30th of March 2011, the Annual General Meeting of Shareholders of AB SEB bankas will take place. The Annual General Meeting is initiated and convened by the Board of the Bank. 100 % of shares of the Bank is owned by Skandinaviska Enskilda Banken AB. Issues on the agenda:

- o 1. Regarding the Annual Report of the Bank;
- o 2. Regarding the Report of the Auditor of the Bank;
- o 3. Regarding the comments and proposals of the Supervisory Council of the Bank;
- o 4. Regarding approval of the Consolidated Financial Statements of the Bank for the Year 2010;
- o 5. Regarding distribution of the Year 2010 profit (loss) of the Bank.

The Board of the Bank also approved the draft decisions of the Annual General Meeting of Shareholders of the Bank.

**On 25 March 2011**, the Bank announced that the Supervisory Council of AB SEB bankas has resolved to appoint Jonas Iržikevičius as a new management board member of AB SEB bankas from the 11th April 2011. Jonas Iržikevičius will take his new position as member of the Management Board of AB SEB bankas not earlier than upon approval by the Bank of Lithuania.

**On 31 March 2011**, the Bank announced that on 30 March 2011 the Annual General Meeting of Shareholders of AB SEB bankas took place and decisions on all issues on the agenda were adopted:

- o 1. Consolidated Annual Report of AB SEB bankas has been familiarized with;
- o 2. Report of the auditor of AB SEB bankas has been familiarized with;
- o 3. Comments and Proposals of the Supervisory Council of AB SEB bankas have been familiarized with;
- o 4. Year 2010 Consolidated Financial Statements of AB SEB bankas and AB SEB bankas Group were approved;
- o 5. Distribution of the year 2010 profit (loss) of AB SEB bankas was approved ;

**On 3 May 2011**, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2011 by AB SEB bankas is LTL 97,6 million (EUR 28,3 million) and by AB SEB bankas Group is LTL 174,1 million (EUR 50,4 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 2010, unaudited net loss suffered by AB SEB bankas totalled LTL 59,4 million (EUR 17,2 million) and by the Bank's Group - LTL 80,3 million (EUR 23,3 million). The result of the first quarter of the year 2011 of AB SEB Bankas includes sale profit resulting from transfer of shares of the Bank's subsidiary company UAB "SEB Enskilda" to SEB Group. The result of the first quarter of the year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

Over the reporting period the bank also made 10 announcements of additional (as per Item 5 of Article 25 of the Law of the Republic of Lithuania on Securities), 3 announcements of period information (as per Article 20 of the Law of the Republic of Lithuania on Securities) and 1 announcement in category "Prospects".

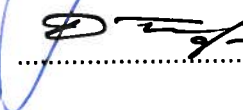
President of SEB Bank

  
Raimondas Kvedaras

Head of Business Support Division and Chief Financial Officer of SEB Bank

  
Jonas Iržikevičius

Acting Director of Finance Department of SEB Bank

  
Diana Titovaitė

Vilnius  
3 August 2011