SEB

AB SEB BANK

CONDENSED INTERIM INFORMATION FOR THE SIX-MONTH PERIOD 2012

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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 six-month consolidated financial reporting, that has been prepared in accordance with the International Financial Reporting Standards, is true and correctly reflects the issuer's and the consolidated companies' total assets, liabilities, financial standing, profit or loss and cash flows and also that business development and activity review included in the interim consolidated reporting reflects the actual data.

President of SEB Bank	Raimondas Kvedaras
Head of Business Support Division and CFO of SEB Bank	Jonas Iržikevičius
Acting Director of Finance Department of SEB Bank	Jurgita Sinkevičienė

Vilnius,
August 2012

AB SEB BANK

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012

1. Reporting period

The report has been produced for the 6 months period ended 30 June 2012.

2. The issuer's key data

Issuer's name	AB 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) 2682 333
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

CONDENSED INTERIM INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012

(All amounts in LTL thousands unless otherwise stated)

The Group					The Bank			
January 1 - June 30, 2012	The second quarter 2012	January 1 - June 30, 2011	The second quarter 2011		January 1 - June 30, 2012	The second quarter 2012	January 1 - June 30, 2011	The second quarter 2011
348,887	165,082	361,549	183,646	Interest income	319,500	150,911	324,523	164,327
(197,655)	(92,271)	(186,395)	(95,277)	Interest expenses	(187,141)	(88,024)	(168,848)	(86,189)
151,232	**72,811**	**175,154**	**88,369**	**Net interest income**	**132,359**	**62,887**	**155,675**	**78,138**
(32,869)	(18,874)	123,693	67,789	Impairment (losses) reversals on loans	(32,869)	(18,874)	123,692	67,788
16,334	2,266	170,566	80,733	Impairment reversals on lease portfolio	-	-	-	-
1,404	1,588	4,209	5,395	Provisions for guarantees and other off balance sheet items	1,404	1,588	4,209	5,395
-	-	(1)	(1)	Other impairment losses	-	-	(1)	(1)
(15,131)	**(15,020)**	**298,467**	**153,916**	**Total impairment (losses) reversals**	**(31,465)**	**(17,286)**	**127,900**	**73,182**
136,101	**57,791**	**473,621**	**242,285**	**Net interest income after impairment losses**	**100,894**	**45,601**	**283,575**	**151,320**
117,376	60,573	110,342	55,328	Fee and commission income	111,940	57,930	104,524	53,606
(32,227)	(16,656)	(29,326)	(14,593)	Fee and commission expenses	(31,964)	(16,537)	(28,669)	(14,529)
85,149	**43,917**	**81,016**	**40,735**	**Net fee and commission income**	**79,976**	**41,393**	**75,855**	**39,077**
(11,927)	879	(17,607)	(10,016)	Net gain (loss) on operations with debt securities and derivative financial instruments	(11,927)	879	(17,607)	(10,016)
(739)	(798)	1,450	821	Net gain (loss) on investment securities	(740)	(797)	1,450	821
-	-	(1,166)	-	Net gain (loss) on disposal of subsidiaries	-	-	6,376	-
-	-	-	-	Dividend income from subsidiaries	8,344	-	6,064	-
38,291	18,761	20,494	13,459	Net foreign exchange gain	38,275	18,736	20,562	13,469
3,382	2,098	2,532	436	Other income, net	2,937	1,944	2,027	640
29,007	**20,940**	**5,703**	**4,700**	**Net investment activities**	**36,889**	**20,762**	**18,872**	**4,914**
(71,590)	(35,608)	(67,688)	(36,598)	Staff costs	(68,892)	(34,271)	(65,033)	(35,144)
(87,674)	(43,470)	(91,834)	(46,193)	Other administrative expenses	(83,740)	(41,468)	(87,614)	(44,534)
90,993	**43,570**	**400,818**	**204,929**	**Operating profit**	**65,127**	**32,017**	**225,855**	**115,633**
-	-	-	-	Impairment loss on intangible assets	-	-	-	-
-	-	-	-	Impairment (loss)/reversal on investment in subsidiaries	-	-	-	-
90,993	**43,570**	**400,818**	**204,929**	**Profit before income tax**	**65,127**	**32,017**	**225,655**	**115,633**
(10,636)	(4,728)	(44,316)	(22,575)	Income tax expenses	(5,662)	(3,253)	(26,175)	(13,782)
80,357	**38,842**	**356,502**	**182,354**	**Net profit for the year**	**59,465**	**28,764**	**199,480**	**101,851**
				Attributable to:				
80,357	38,842	356,502	182,354	Equity holders of the parent	59,465	28,764	199,480	101,851
80,357	*38,842*	*356,502*	*182,354*	*(Loss) Profit for the year from continuing operations*	*59,465*	*28,764*	*199,480*	*101,851*
-	-	-	-	*(Loss) Profit for the year from discontinued operations*	-	-	-	-
-	-	-	-	Non controlling interest	-	-	-	-
-	-	-	-	*(Loss) Profit for the year from continuing operations*	-	-	-	-
-	-	-	-	*(Loss) Profit for the year from discontinued operations*	-	-	-	-
80,357	38,842	356,502	182,354		59,465	28,764	199,480	101,851

R. Kvedaras
President

J. Iržikevičius
Head of Business Support
Division, CFO

AB SEB BANK

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30, 2012	**January 1 - June 30, 2011**		**January 1 - June 30, 2012**	**January 1 - June 30, 2011**
80,357	**356,502**	**Net income for the year**	**59,465**	**199,480**
		Other comprehensive income:		
1,497	**2,185**	Net gain on available for sale assets	**1,497**	**2,185**
1,497	*2,185*	*- Net gain, before taxes*	*1,497*	*2,185*
(401)	-	*- Impairment loss on investment in available for sale securities recognised in income statement, before taxes*	*(401)*	-
1,035	*1,525*	Amortisation of financial assets revaluation reserve of reclassified financial assets	1,035	1,525
(380)	*(524)*	Income tax relating to the components of other comprehensive income	(380)	(524)
2,152	**3,186**	**Total other comprehensive income**	**2,152**	**3,186**
82,509	**359,688**	**Total comprehensive income**	**61,617**	**202,666**

R. Kvedaras
President

J. Iržikevičius
Head of Business Support
Division, CFO

AB SEB BANK

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2012
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
30 June 2012	31 December 2011		30 June 2012	31 December 2012
		Assets		
331,550	634,922	Cash on hand	331,550	634,922
802,645	3,438,209	Balances with the Central Bank	802,645	3,438,209
3,791,056	2,718,507	Due from banks, net	3,791,056	2,718,507
55,070	52,911	Government securities available for sale	54,419	51,921
468,603	69,881	Financial assets at fair value through profit and loss	426,921	28,376
492,038	193,054	Derivative financial instruments	492,038	193,054
41,125	12,706	Loans to credit and financial institutions, net of impairment losses	522,714	439,302
15,688,520	15,649,121	Loans to customers, net of impairment losses	15,712,822	15,678,432
1,604,269	1,673,486	Finance lease receivable, net of impairment losses	-	-
		Investment securities:		
377,378	1,588,260	– loans and receivables	377,378	1,588,260
643	376	– available for sale	643	376
14,641	14,148	– held to maturity	14,641	14,148
-	-	Investments in subsidiaries	224,900	224,900
126,021	132,970	Intangible fixed assets	125,817	132,730
28,010	33,121	Property, plant and equipment	27,363	32,357
1,589	841	Assets under operating lease	-	-
25,603	27 960	Non-current assets held for sale	-	29
37,154	40,702	Investment property	1,362	1,471
203,215	213,596	Deferred tax asset	151,398	157,440
180,656	147,390	Other assets, net of impairment losses	158,987	143,139
24,269,786	**26,642,161**	**Total assets**	**23,216,654**	**25,477,573**
		Liabilities		
27	32	Amounts owed to the Central Bank	27	32
8,157,787	10,135,681	Amounts owed to credit and financial institutions	7,341,292	9,176,873
491,643	239,686	Derivative financial instruments	491,643	239,686
12,294,877	12,152,999	Deposits from public	12,295,167	12,158,994
25,534	36,016	Accrued expenses and deferred income	23,910	33,659
585	-	Income tax payable	0	-
-	244,218	Subordinated loans	-	244,218
565,294	565,598	Debt securities in issue	565,294	565,598
320,006	937,172	Other liabilities and provisions	295,161	916,735
21,855,753	**24,311,402**	**Total liabilities**	**21,012,494**	**23,335,795**
		Equity		
		Equity attributable to equity holder of the parent		
1,034,575	1,034,575	Share capital	1,034,575	1,034,575
2,200	2,200	Reserve capital	2,200	2,200
(7,585)	(9,737)	Financial assets revaluation reserve	(7,585)	(9,737)
240,324	194,708	Legal reserve	236,737	191,184
13,262	12,497	General and other reserves	13,262	12,497
1,131,257	1,096,516	Retained earnings	924,971	911,059
2,414,033	2,330,759		2,204,160	2,141,778
-	-	**Non controlling interest in equity**	-	-
2,414,033	**2,330,759**	**Total equity**	**2,204,160**	**2,141,778**
24,269,786	**26,642,161**	**Total liabilities and equity**	**23,216,654**	**25,477,573**

R. Kvedaras
President

J. Iržikevičius
Head of Business Support Division, CFO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012
(All amounts in LTL thousands unless otherwise stated)

	Equity attributable to equity holder of the parent								
The group	**Share capital**	**Reserve capital**	**Financial assets revaluation reserve**	**Legal reserve**	**General and other reserves**	**Retained earnings**	**Total before noncontroling interest**	**Non controling interest**	**Total Equity**
31 December 2010	**1,034,575**	**1,034**	**(8,850)**	**165,425**	**10,846**	**656,148**	**1,859,178**	**-**	**1,859,178**
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	-	-	-	-	-	356,502	356,502	-	356,502
Total comprehensive income	-	-	*3,186*	-	-	*356,502*	*359,688*	-	*359,688*
Sale of UAB *SEB Enskilda p*	-	1,166	-	-	-	-	1,166	-	1,166
Share-based compensation	-	-	-	-	752	-	752	-	752
Transfers to reserves	-	-	-	29,283	-	(29,283)	-	-	-
30 June 2011	**1,034,575**	**2,200**	**(5,664)**	**194,708**	**11,598**	**983,367**	**2,220,784**	**-**	**2,220,784**
31 December 2011	**1,034,575**	**2,200**	**(9,737)**	**194,708**	**12,497**	**1,096,516**	**2,330,759**	**-**	**2,330,759**
Net change in available for sale investments, net of deferred tax	-	-	1,117	-	-	-	1,117	-	1,117
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035	-	1,035
Net profit for the year	-	-	-	-	-	80,357	80,357	-	80,357
Total comprehensive income	-	-	*2,152*	-	-	*80,357*	*82,509*	-	*82,509*
Share-based compensation	-	-	-	-	765	-	765	-	765
Transfers to reserves	-	-	-	45,616	-	(45,616)	-	-	-
30 June 2012	**1,034,575**	**2,200**	**(7,585)**	**240,324**	**13,262**	**1,131,257**	**2,414,033**	**-**	**2,414,033**

R. Kvedaras
President

J. Iržikevičius
Head of Business Support Division, CFO

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012

(All amounts in LTL thousands unless otherwise stated)

The Bank	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total Equity
31 December 2010	**1,034,575**	**2,200**	**(8,850)**	**163,221**	**10,846**	**559,260**	**1,761,252**
Net change in available for sale investments, net of deferred tax	-	-	1,661	-	-	-	1,661
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,525	-	-	-	1,525
Net profit for the year	-	-	-	-	-	199,480	199,480
Total comprehensive income	-	-	*3,186*	-	-	*199,480*	*202,666*
Shareholder's contribution	-	-	-	-	-	-	-
Share-based compensation	-	-	-	-	*752*	-	*752*
Transfers to reserves	-	-	-	27,963	-	(27,963)	-
30 June 2011	**1,034,575**	**2,200**	**(5,664)**	**191,184**	**11,598**	**730,777**	**1,964,670**
31 December 2011	**1,034,575**	**2,200**	**(9,737)**	**191,184**	**12,497**	**911,059**	**2,141,778**
Net change in available for sale investments, net of deferred tax	-	-	1,117	-	-	-	1,117
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035
Net profit for the year	-	-	-	-	-	59,465	59,465
Total comprehensive income	-	-	*2,152*	-	-	*59,465*	*61,617*
Share-based compensation	-	-	-	-	765	-	765
Transfers to reserves	-	-	-	45,553	-	(45,553)	-
30 June 2012	**1,034,575**	**2,200**	**(7,585)**	**236,737**	**13,262**	**924,971**	**2,204,160**

R. Kvedaras
President

J. Ižikevičius
Head of Business Support Division, CFO

CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012
(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30, 2012	January 1 - June 30, 2011		January 1 - June 30, 2012	January 1 - June 30, 2011
120,787	**129,507**	**Net cash from operating activities before change in operating assets**	**113,299**	**113,672**
618,319	**(676,419)**	**Net change in operating assets**	**575,907**	**(506,145)**
(492,430)	**(380,138)**	**Net change in operating liabilities**	**(493,556)**	**(351,506)**
246,676	**(927,050)**	**Net cash from (to) operating activities before income tax**	**195,650**	**(743,979)**
-	(222)	Income tax paid	-	-
246,676	**(927,272)**	**Net cash from (to) operating activities after income tax**	**195,650**	**(743,979)**
820,982	**303,419**	**Cash used in investing activities**	**739,340**	**50,395**
(2,196,547)	**760,634**	**Cash (used in) received from financing activities**	**(2,063,879)**	**830,365**
(1,128,889)	**136,781**	**Net (decrease) increase in cash**	**(1,128,889)**	**136,781**
3,396,418	**1,523,655**	**Cash at the beginning of the period**	**3,396,418**	**1,523,655**
2,267,529	**1,660,436**	**Cash at the end of the period**	**2,267,529**	**1,660,436**
		Specified as follows:		
111,979	40,105	Balance available for withdrawal with the Central Bank	111,979	40,105
123,361	607,412	Overnight deposits	123,361	607,412
331,550	351,127	Cash on hand	331,550	351,127
1,700,639	661,792	Current accounts with other banks	1,700,639	661,792
2,267,529	**1,660,436**		**2,267,529**	**1,660,436**

R. Kvedaras
President

J. Iržikevičius
Head of Business Support Division, CFO

NOTE 1 GENERAL INFORMATION

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 Head Office of the Bank is located at Gedimino ave. 12, Vilnius. At the end of the reporting period the Bank had 48 customer service units.

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

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

At the end of the reporting period the shareholder of the Bank is Skandinaviska Enskilda Banken, 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 2011, as described in the annual financial statements for the year ended 31 December 2011.

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

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

NOTE 3 SEGMENT REPORTING

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

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

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

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

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

NOTE 3 SEGMENT REPORTING (CONTINUED)

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.

NOTE 3 SEGMENT REPORTING (CONTINUED)

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

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

NOTE 3 SEGMENT REPORTING (CONTINUED)

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2012
(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
Interest income	365,673	263	68	240,745	**0**			(244,069)	**362,680**
- Internal	*51,834*	*1*	*55*	*192,179*	-	-	-	*(244,069)*	**-**
- External	*313,839*	*262*	*13*	*48,566*	-	-	-	-	**362,680**
Interest expence	*(224,033)*	*(212)*	-	*(234,495)*	-	-	-	*244,065*	**(214,675)**
- Internal	*(192,235)*	*(212)*	-	*(51,618)*	-	-	-	*244,065*	**-**
- External	*(31,798)*	-	-	*(182,877)*	-	-	-	-	**(214,675)**
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)**
Net operating income	**241,911**	**49**	**6,187**	**6,646**	**(1)**	**(7)**	**-**	**(4)**	**254,781**
Total staff costs and other administrative expenses	(136,867)	(484)	(1,746)	(306)	1,965	2,402	3,015	4	**(132,017)**
Depreciation and amortisation	(16,243)	(23)	(65)	(1)	(529)	(533)	(3,015)		**(20,409)**
Capital losses	(3)	-	-	-	-	-	-	-	**(3)**
Total reversal of impairment losses	298,466	-	-	-	-	-	-	-	**298,466**
Profit before income tax	**387,264**	**(458)**	**4,376**	**6,339**	**1,435**	**1,862**	**-**	**-**	**400,818**
Income tax benefit (expenses)	(44,367)	65	(14)	-	-	-	-	-	**(44,316)**
Net profit for the year	**342,897**	**(393)**	**4,362**	**6,339**	**1,435**	**1,862**	**-**	**-**	**356,502**
Total Assets	18,450,375	35,422	18,070	11,224,021	1,435	1,862	-	(6,621,774)	**23,109,411**
Total Liabilities	16,238,458	35,815	12,781	11,223,346	-	-	-	(6,621,773)	**20,888,627**
Acquisition of intangible assets and property, plant and equipment	*7,712*	*89*	*178*	-	-	-	-	-	*7,979*

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		
	Segment Reporting	**Interest income from Hedged L&R**	**Other reconciling entries**	**Financial Statements**
Interest income	362,680	-	(1,131)	361,549
Interest expence	(214,675)	27,710	570	(186,395)
Net commission income	80,180	-	836	81,016
Net financial income	32,028	(27,710)	(313)	4,005
Net other income	(5,432)	-	7,130	1,698
Net operating income	**254,781**	**-**	**7,092**	**261,873**
Total staff costs and other administrative expenses	(132,017)	-	(7,093)	(139,110)
Depreciation and amortisation	(20,409)			(20,409)
Capital losses	(3)	-	-	(3)
Total reversal of impairment losses	298,466	-	1	298,467
Profit before income tax	**400,818**	**-**	**-**	**400,818**
Income tax benefit (expenses)	(44,316)	-	-	(44,316)
Net profit for the year	**356,502**	**-**	**-**	**356,502**

NOTE 4 ASSETS UNDER MANAGEMENT

The Group 30 June 2012	The Group 31 December 2011		The Bank 30 June 2012	The Bank 31 December 2011
497,011	504,964	Private individuals and corporate customers' assets under management	-	-
229,963	218,060	Pillar two conservative pension fund (SEB Pension 1)	-	-
938,433	863,312	Pillar two balanced pension fund (SEB Pension 2)	-	-
129,698	116,285	Pillar two equity pension fund (SEB Pension 3)	-	-
13,972	13,818	Conservative voluntary pension fund (SEB Pension 1 Plus)	-	-
45,842	43,947	Balanced voluntary pension fund (SEB Pension 2 Plus)	-	-
130,348	122,965	SEB Actively Managed Fund Porfolio 60	-	-
102,159	96,169	SEB Actively Managed Fund Porfolio 100	-	-
2,087,426	**1,979,520**	**Total assets under management**	**-**	**-**

NOTE 5 OFF BALANCE SHEET ITEMS

The Group 30 June 2012	The Group 31 December 2011		The Bank 30 June 2012	The Bank 31 December 2011
2,042,057	2,089,755	Agreements to grant loans	2,091,475	2,191,682
578,586	512,979	Guarantees issued	579,473	514,766
219,313	212,417	Letters of credit issued	219,313	212,417
64,255	24,866	Commitments to purchase assets and other commitments	-	-
418	-	Commitments to sell securities	418	-
38	38	Customs guarantees collateralised by deposits	38	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 30 June 2012	The Group 31 December 2011		Interest rate %	The Bank 30 June 2012	The Bank 31 December 2011
3,708,381	2,627,846	Outstanding loan amount at the end of the period	0,25-4,45	3,707,293	2,626,894
306,745	35,153	Derivative financial instruments at the end of the period	-	306,745	35,153
4,364	2,919	Other assets at the end of the period	-	3,739	2,390
7,281,400	9,433,469	Outstanding deposit amount at the end of the period	0,15-5,5	6,448,756	8,280,131
592,407	611,913	Other liabilities at the end of the perid	-	589,615	611,328
19,893	72	Commitments to grant loans at the end of the period	-	19,893	72
6,267	6,437	Guarantees issued at the end of the period	-	6,267	6,437
		For 6 month period ended 30 June 2012 and 2011			
23,833	5,401	Interest income	-	23,817	5,386
(144,122)	(164,641)	Interest expense	-	(133,003)	(146,526)
(7,076)	207	Other services received and cost incurred from SEB group, net	-	(10,303)	(3,029)

NOTE 6 RELATED PARTIES (CONTINUED)

Transactions with parent bank can be specified as follows:

The Group 30 June 2012	The Group 31 December 2011		Interest rate %	The Bank 30 June 2012	The Bank 31 December 2011
3,587,570	2,538,753	Outstanding loan amount at the end of the period	0,75-4,45	3,587,232	2,538,342
306,688	35,153	Derivative financial instruments at the end of the period	-	306,688	35,153
551	498	Other assets at the end of the period	-	-	38
7,182,566	9,378,204	Outstanding deposit amount at the end of the period	0,15-5,5	6,349,921	8,224,866
578,947	597,936	Other liabilities at the end of the period	-	578,947	597,936
18,341	17	Commitments to grant loans at the end of the period	-	18,341	17
469	464	Guarantees issued at the end of the period	-	469	464
		For 6 month period ended 30 June 2012 and 2011			
23,432	5,092	Interest income	-	23,425	5,087
(143,959)	(164,511)	Interest expense	-	(132,840)	(146,396)
(4,716)	(769)	Other services received and cost incurred from SEB group, net	-	(7,533)	(786)

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

	Interest rate %	The Bank 30 June 2012	The Bank 31 December 2011
Off-balance sheet commitments			
Agreements to grant loans	-	49,418	101,927
Guarantees issued	-	887	1,787
Outstanding loan amounts			
AB SEB Lizingas	0,3195-1,14	481,589	426,596
UAB SEB Venture Capital	3.4171	35,503	40,004
Outstanding deposit amounts			
UAB SEB Venture Capital	0	290	5,995
UAB SEB Investicijų Valdymas	0.75	14,538	18,344
AB SEB Lizingas	0	1,612	176,185
Other assets at year end	-	1,866	1,916
Issued debt securities purchased by subsidiaries	-	-	-
Other liabilities at year end	-	-	9
For 6 month period ended 30 June 2012 and 2010			
Interest income	-	3,049	2,152
Interest expense	-	(604)	(569)
Dividend income	-	8,344	6,064
Other services received and cost incurred from subsidiaries, net	-	5,598	6,053

NOTE 7 DEBT SECURITIES ISSUANCE AND REDEMPTION

During the six months of 2012 the Bank placed 19 securities issues, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Interest rate or index
2012.01.30	2014.02.03	735 days	LTL	1,001,800	USD/CNY FX rates
2012.01.30	2014.02.03	735 days	LTL	524,300	USD/CNY FX rates
2012.02.28	2015.03.05	1 101 days	LTL	513,200	S&P Southeast Asia 40 Risk Control 18% EUR Excess Return
2012.02.28	2015.03.05	1 101 days	LTL	72,300	S&P Southeast Asia 40 Risk Control 18% EUR Excess Return
2012.02.28	2015.03.05	1 101 days	EUR	379,463	S&P Southeast Asia 40 Risk Control 18% EUR Excess Return
2012.04.03	2015.04.13	1 105 days	LTL	479,800	Consumer Staples Select Sector SPDR ETF
2012.04.03	2015.04.13	1 105 days	LTL	478,300	Consumer Staples Select Sector SPDR ETF
2012.04.03	2015.04.13	1 105 days	EUR	166,425	Consumer Staples Select Sector SPDR ETF
2012.04.03	2015.04.08	1 110 days	LTL	1,252,600	"Brent" oil, gold, sugar, corn
2012.04.05	2015.04.08	1 098 days	LTL	840,000	Copper, gold, sugar, corn
2012.04.05	2015.04.08	1 098 days	EUR	3,925,834	Copper, gold, sugar, corn
2012.05.03	2014.05.23	750 days	LTL	238,900	EUR/TRY, EUR/BRL, EUR/KRW FX rates
2012.05.03	2014.05.23	750 days	LTL	145,200	EUR/TRY, EUR/BRL, EUR/KRW FX rates
2012.05.24	2013.06.11	383 days	EUR	4,672,329	Daimler AG (IL)
2012.05.30	2017.06.13	1 840 days	LTL	4,703,200	Carmignac Patrimoine A
2012.06.12	2015.07.01	1 114 days	LTL	2,181,600	S&P BRIC 40 EUR Price Return
2012.06.12	2015.07.01	1 114 days	LTL	670,000	S&P BRIC 40 EUR Price Return
2012.06.12	2015.07.01	1 114 days	EUR	458,532	S&P BRIC 40 EUR Price Return
2012.06.27	2013.07.15	383 days	EUR	4,203,439	Bank of America (BAC UN)

During the six months of 2012 the Bank redeemed its 20 securities issues, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Interest rate or index
2009.06.30	2012.01.19	933 days	LTL	3,934,800	Citi COMET Volatility Target Index
2009.06.30	2012.01.19	933 days	LTL	178,300	Citi COMET Volatility Target Index
2009.06.30	2012.01.19	933 days	EUR	1,329,328	Citi COMET Volatility Target Index
2008.12.19	2012.02.06	1 144 days	LTL	157,100	BNP Paribas Platinium EUR Excess Return
2008.12.19	2012.02.06	1 144 days	LTL	463,000	BNP Paribas Platinium EUR Excess Return
2008.12.19	2012.02.06	1 144 days	LTL	102,600	BNP Paribas Platinium EUR Excess Return
2008.12.19	2012.02.06	1 144 days	EUR	157,793	BNP Paribas Platinium EUR Excess Return
2009.02.26	2012.03.16	1 114 days	LTL	1,706,500	BNP Paribas Millenium New World
2009.02.26	2012.03.16	1 114 days	LTL	179,400	BNP Paribas Millenium New World
2009.02.26	2012.03.16	1 114 days	EUR	355,984	BNP Paribas Millenium New World
2010.04.13	2012.05.02	750 days	LTL	2,486,300	AstraZeneca PLC, Svenska Handelsbanken AB ir Skanska AB
2010.04.13	2012.05.02	750 days	EUR	1,246,116	AstraZeneca PLC, Svenska Handelsbanken AB ir Skanska AB
2009.04.29	2012.05.18	1 115 days	LTL	2,266,100	BNP Paribas Platinium EUR Excess Return
2009.04.29	2012.05.18	1 115 days	EUR	126,027	BNP Paribas Platinium EUR Excess Return
2010.03.31	2012.06.08	800 days	LTL	443,700	Deutsche Telekom AG
2010.03.31	2012.06.08	800 days	EUR	2,126,925	Deutsche Telekom AG
2010.05.27	2012.06.20	755 days	EUR	2,802,638	Deutsche Bank AG
2009.06.02	2012.06.21	1 115 days	LTL	1,709,500	Renewable Energy Corp. AS, Norsk Hydro ASA, Outokumpu Oyj, Rautaruukki Oyj, SSAB Svenskt Stal AB, Neste Oil Oyj, StatoilHydro ASA, Svenska Cellulosa AB (SCA), Stora Enso Oyj, Seadrill Ltd.
2009.06.02	2012.06.21	1 115 days	LTL	238,200	Renewable Energy Corp. AS, Norsk Hydro ASA, Outokumpu Oyj, Rautaruukki Oyj, SSAB Svenskt Stal AB, Neste Oil Oyj, StatoilHydro ASA, Svenska Cellulosa AB (SCA), Stora Enso Oyj, Seadrill Ltd.
2009.06.02	2012.06.21	1 115 days	EUR	1,027,553	Renewable Energy Corp. AS, Norsk Hydro ASA, Outokumpu Oyj, Rautaruukki Oyj, SSAB Svenskt Stal AB, Neste Oil Oyj, StatoilHydro ASA, Svenska Cellulosa AB (SCA), Stora Enso Oyj, Seadrill Ltd.

NOTE 8 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After 30 June 2012 the Bank successfully completed 1 non equity securities issue with the nominal value of LTL 2, 618.8 thousand.

After 30 June 2012 the Bank started placing 1 non equity securities issue that, as of 9 August 2012, amounted to LTL 235.7 thousand that are accounted for in Other liabilities and provisions line in the balance sheet.

NOTE 9 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES

On 7 February 2012, the Bank announced that According to preliminary data, unaudited net profit earned over the year 2011 by AB SEB bankas is LTL 379.8 million (EUR 110.0 million) and by AB SEB bankas Group is LTL 469.7 million (EUR 136.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the year 2010, audited net loss suffered by AB SEB bankas totaled LTL 12.1 million (EUR 3.5 million) and by the Bank's Group – LTL 18.0 million (EUR 5.2 million). The result 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 year 2011 of the AB SEB bankas Group doesn't include the result of UAB "SEB Enskilda".

On 9 February 2012, the Bank announced that On 8 February, 2012 the Supervisory Council of the AB SEB bankas has resolved to reelect the Management Board of AB SEB bankas for a new four-year tenure. Current Members of the Management Board – Raimondas Kvedaras, Jonas Iržikevičius, Roberts Bernis, Aivaras Čičelis and Virginijus Doveika were appointed as members of the Management Board of AB SEB bankas for the new four-year tenure. The Management Board was reelected due to the expiry of the four-year tenure of the Management Board determined in the Articles of Association of AB SEB bankas. On 8 February, 2012 the Management Board of AB SEB bankas appointed Raimondas Kvedaras as a Chairman of the Management Board of AB SEB bankas.

On 13 March 2012, the Bank announced that on the 30th of March 2012, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the Bank) will take place. The Annual General Meeting is initiated and convened by the Board of the Bank. 100 % of shares of the Bank is owned by Skandinaviska Enskilda Banken AB.
Issues on the agenda:

1. Regarding the Annual Report of the Bank;
2. Regarding the Report of the Auditor of the Bank;
3. Regarding the comments and proposals of the Supervisory Council of the Bank;
4. Regarding approval of the Consolidated Financial Statements of the Bank for the Year 2011;
5. Regarding appropriation of the Year 2011 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 30 March 2012, the Bank announced that on the 30th March 2012, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the SEB Bank) took place and decisions on all issues on the agenda were adopted:

1. SEB Bank Group's year 2011 Consolidated Annual Report and its Annex "Disclosure form concerning the compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius" have been familiarized with;
2. Report of the audit company UAB "PricewaterhouseCoopers", which has performed the audit, have been familiarized with;
3. Comments and proposals of the Supervisory Council of SEB Bank regarding SEB Bank's Activity Strategy, its Annual Consolidated Financial Statements, Draft Profit (Loss) Appropriation and SEB Bank's Consolidated Annual Report as well as the activities of SEB Bank's Management Board and President have been familiarized with;
4. SEB Bank's and SEB Bank Group's year 2011 Consolidated Financial Statements produced in accordance with the International Financial Reporting Standards (enclosed) were approved;
5. Appropriation of the year 2011 profit (loss) of SEB Bank was approved.

On 24 April 2012, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2012 by AB SEB bankas is LTL 30.7 million (EUR 8.9 million) and by AB SEB bankas Group is LTL 41.5 million (EUR 12.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first quarter of the year 2011, unaudited net profit earned by AB SEB bankas totalled LTL 97.6 million (EUR 28.3 million) and by the Bank's Group – LTL 174.1 million (EUR 50.4 million).

On **11 July 2012**, the Bank announced that on 10 July 2012 AB SEB bankas received from the Competition Council of the Republic of Lithuania (hereinafter the Competition Council) the Statement of Objections on the investigation performed regarding compatibility of the actions of AB SEB bankas and several other entities with the requirements of the Article 5 of the Competition Law of Republic of Lithuania and requirements of the Article 101 of the Treaty on the Functioning of European Union (hereinafter the Statement of Objections). According to the preliminary view of the investigators who prepared the Statement of Objections, the actions of AB SEB bankas allegedly harmed competition in cash handling and collection services markets.

The sending of the Statement of Objections to the parties involved in the investigation does not mean that it is already determined that the infringement was made by AB SEB bankas and the findings of the investigation do not restrain the Competition Council taking the final decision after completing all the procedures associated with this investigation. If the Competition Council acknowledges the evidence of the infringement to be sufficient, it may require AB SEB bankas to cease the infringement and impose the fine up to 10 percent of the total annual revenue of the last financial year.

On **16 July 2012**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2012 by AB SEB bankas is LTL 59.5 million (EUR 17.2 million) and by AB SEB bankas Group is LTL 80.4 million (EUR 23.3 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 2011, unaudited net profit earned by AB SEB bankas totaled LTL 199.5 million (EUR 57.8 million) and by the Bank's Group – LTL 356.5 million (EUR 103.2 million).

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CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTHS PERIOD 2012

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

This Consolidated semi-annual Report (hereinafter the Report) has been prepared for the period from 1 January 2012 until 30 June 2012.

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

Issuer's name	**SEB Bank**
Authorised capital	LTL 1,034,575,341
Legal address	Gedimino pr. 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

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 close of the reporting period, the SEB Bank Group in Lithuania (hereinafter the 'Group') consisted of SEB Bank and three subsidiary companies: SEB Investicijų Valdymas, SEB Lizingas and SEB Venture Capital.

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

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

Name	**SEB Investicijų Valdymas**
Type of core activities	Various investment management services, consultancy services
Legal / organisational form	Private limited company
Registration date and place	3 May 2000, Vilnius
Company code	125277981
Domicile address	Gedimino pr. 12, LT-01103 Vilnius
Office address	Gedimino pr. 20, LT-01103 Vilnius
Telephone	(8 5) 2681 594
Fax	(8 5) 2681 575
E-mail address	info.invest@seb.lt
Website address	www.seb.lt

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 interests of the owners of any relevant issue of bonds.

As of 30 June 2012, SEB Bank had 4 agreements executed with financial brokerage company Orion Securities UAB (legal entity code 122033915, address A. Tumėno g. 4, 7th floor, LT-01109 Vilnius) and 70 agreements with AB Bank Finasta (legal entity code 301502699, address Maironio g. 11, LT-01124 Vilnius).

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

Shares of SEB Bank are not included in either the main or secondary list of NASDAQ OMX VILNIUS exchange or in trading lists of other regulated markets and their listing is not planned in the nearest future.

As of 30 June 2012, five non-equity securities issues of SEB Bank were included in the trading list of the debt securities list of NASDAQ OMX VILNIUS exchange:

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

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

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

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

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

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

5. Objective overview of the issuer group status, activities and development, description of the main risk types and uncertainties

In the first half of the year 2012, the SEB Bank Group has been providing all banking services in Lithuania to private individuals and corporate customers and also to financial institutions. The Group members in Lithuania were SEB Bank AB and three companies: SEB Investicijų Valdymas UAB, SEB Lizingas AB, SEB Venture Capital UAB.

Irrespective of uncertainty related to the future of the eurozone prevailing in the first half of the year 2012, the economy of Lithuania has withstood external challenges and used the opportunities of export and local markets – companies increased their production efficiency and retained competitive edge and the above actions enabled the Bank to balance its business development in such area as financing of promising corporate projects and lending to private individuals.

In the first half of the year 2012, SEB Bank has earned LTL 59.5 million (EUR 17.2 million) and the SEB Bank Group – LTL 80.4 million (EUR 23.3 million) of unaudited net profit. The above results are estimated in accordance with the requirements established in the documents of the Bank of Lithuania and in the acts of law of the Republic of Lithuania. In the first half of the year 2011, SEB Bank has earned LTL 199.5 million (EUR 57.8 million) and the SEB Bank Group – LTL 356.5 million (EUR 103.2 million) of unaudited net profit.

In the first half of the current year, as compared with the relevant period of the previous year, the profit of the Bank Group prior to provisions increased, its income grew and the level of expenditures remained unchanged.

Assets of the SEB Bank Group as of 30 June 2012 made up LTL 24.3 billion, i.e., grew by 5 per cent during a year (as of 30 June 2011 made up LTL 23.2 billion). Equity of the SEB Bank Group as of 30 June 2012 made up LTL 2.4 billion (as of 30 June 2011 – LTL 2.2 billion), i.e., increased by 9 per cent. The Bank's deposit portfolio since 31 December 2011 until 30 June 2012 grew from LTL 12.2 billion to LTL 12.3 billion, i.e., by 1 per cent. The SEB Bank's portfolio of newly issued loans since the start of the year (extended maturity agreements excluded), as compared with the first half of the year of 2011, grew by 47 per cent (up to LTL 1.939 billion). The SEB Bank Group's loan and lease portfolio gross value as of 30 June 2012 amounted to LTL 18.5 billion, i.e., decreased by 1 per cent (as of 30 June 2011 – LTL 18.6 billion).

The SEB Bank Group's income, as compared with the first half-year of 2011 increased by 1 per cent and stood at LTL 265.4 million (as of 30 June 2011 – LTL 261.9 million). The SEB Bank Group's liquidity ratio as of 30 June 2012 made up 34.9 per cent (requirement – 30 per cent).

The number of registered users of the Bank's Internet Banking System increased up to 1,044 million, i.e., by 7.6 per cent, as compared with the first half of 2011 (970 thousand). The number of users of the Bank's services by mobile phone increased up to 474 thousand, i.e., by 16.1 per cent, as compared with the first half of 2011 (408 thousand). The number of transactions made via the Internet grew by 15.5 per cent, and since 30 June 2011 an increase in the payment card turnover made up 13 per cent.

As at 30 June 2012, the Bank had 48 customer service sub-branches all over Lithuania. At the end of the first half of 2012 SEB Bank customers could use the ATM network, which was the largest one in Lithuania and includes ATMs of SEB and DNB, i.e., 546 ATMs in 82 Lithuanian cities and towns

As at 30 June 2012, the Bank Group had 1,644 employees (employees on maternity leave excluded), i.e., lower by 5.1 per cent as compared with the 1,732 employees as at 30 June 2011.

In the first half-year of 2012, the Bank continued to implement its strategy of becoming the home bank for its customers. SEB Bank, being a long-term relationship bank, offered modern and universal banking services in the professional and convenient way taking into consideration each customer's demands and expectations.

In the first half of 2012, the Bank offered new services and financial solutions to its customers: the Bank was the first in Lithuania to provide 24-hour consultations by phone on daily banking issues for its private customers at short number 1528 and has also introduced the e-banking service Financial Planner that is free of charge, e-signature and mobile e-signatures, a new payment and loyalty card SEB Mylimiausia MasterCard, started using a new financial consultation model for SME (Small and medium enterprises), started to offer the Lithuanian Government savings bonds and a new financial instrument in the Lithuanian market, i.e., structured bonds. In the first half of the year 2012, SEB Bank has expanded its network of self-service zones in Lithuania – the first 24-hour operating self-service zones were equipped in Šiauliai, Alytus and Tauragė. SEB Bank has equipped 10 self-service zones operating 24 hours a day.

In the first half of 2012, the SEB Bank Group became winner of important local and international awards: SEB Bank was nominated the Best Bank in Lithuania (Global Finance), the Most Attractive Employer in Lithuania (CV Market), the Most Desirable Employer in Lithuania (Verslo žinios and CV.lt), the Best FX Bank in Lithuania (Global Finance). The e-banking services offered by SEB Bank were elected the best in such categories as Functionality and Mobile Banking (Metasite Business Solutions). SEB Bank was awarded a special prize for innovation, original ideas and steady progress over 5 years in the ceremony of the National Responsible Business Award.

In the first half of the year 2012, the SEB Bank Group acting in accordance with the Sustainable Business Policy has continued its activity in eight main areas of the sustainable business model established by the SEB Group: responsible sales and marketing, financial crime prevention, environmental impact mitigation, sustainable financing and investment, access to financial services, creation of excellent work environment, investment in society

Issuer risk. The Bank's obligations against investors are not additionally secured by any guarantee and/or in any other manner, the Bank's obligation to redeem non-equity securities is not insured by state enterprise Indėlių ir Investicijų Draudimas, therefore, the investor assumes banking (operational) risk related to political, economic, technical and technological as well as social factors.

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

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

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

Applied credit portfolio concentration risk limits are as follows:

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

Presented 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.

	31-12-2011	30-06-2012
Individually assessed client credits, which value has impaired, gross amount (impaired loans), in LTL'000	2,178,332	1,978,983
Client credit portfolio (without special provisions), in LTL'000	16,886,116	16,848,069
Ratio (in per cent)	**12.90 per cent**	**11.75 per cent**

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

	31-12-2011	30-06-2012
Impairment losses on loans to customers (special provisions)	1,207,686	1,135,248
Impairment losses on loans to credit and financial institutions as of year end (special provisions)	31	0
Balance of impairment losses on loans to credit and financial institutions as of year end (special provisions)	1,207,717	1,135,248
Special provisions to loan portfolio ratio	**6.97 per cent**	**6.58 per cent**

Market risk. It is the risk of losses or 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 (ΔNII) 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: the single open foreign currency position and the aggregate open currency position - the larger one of all summed-up long and short open currency positions. Foreign exchange risk measures include net exposure of spot and forward positions, FX futures, including gold, the delta equivalent position of FX options and other balance sheet items. The currency risk control is ensured by monitoring the risk exposure against the limits established for single open currency position. The bank adheres to the open currency position limits established by the Bank of Lithuania: 1) maximum open single currency (except euro) position may not exceed 15 per cent of equity; 2) maximum total open position (except euro) may not exceed 25 per cent of equity.

Changes in the Group's s maximum open position as a percent of the Group's total equity during the recent years is shown in the table below (euro is included in open position calculation).

The Group	31-12-2011	30-06-2012
Maximum open single currency position	105.63 per cent	163.97 per cent
Maximum aggregate open currency position	0.34 per cent	1.19 per cent

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

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

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

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

Ratio	Bank	
	31-12-2011	30-06-2012
Liquidity ratio (at least 30%)	46.12 per cent	34.66 per cent

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

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

The Bank has developed and continuously upgrades and improves its operational risk management tools: operational risk policy, ORSA (Operational Risk Self Assessment) and RTSA (Rogue Trading Self Assessment) methodologies, activities continuity planning requirements and continuity plans, the New Product and Services Approval Process, etc.

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

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

The Bank has the Operational Risk Committee, which is aimed at improving the operational risk management and ensure appropriate cooperation between risk managers and control units.

The management board is provided with quarterly operational risk reports, which contain a review of new operational risk cases, efficiency of the application of the operational risk management measures as well as other risks.

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

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

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

Capital adequacy. Lithuanian banks are required to maintain 8 per cent capital adequacy ratio, which is calculated as the capital base to risk-weighted assets ratio. Based on SEB Group requirements during the internal capital adequacy assessment process for 2012, the target capital adequacy ratio for the Group was set to be above 12 per cent

In 2011, on three occasions the Board of the Bank of Lithuania gave permission to the Bank to prepay, before maturity established under loan agreements, i.e. on 26 April, 13 June and 22 September 2011, the subordinated loans obtained from Skandinaviska Enskilda Banken AB (publ) under subordinated loan agreements dated 26 April, 13 June and 22 September 2011 worth in total EUR 102,000,000 (LTL 352,180,000). SEB Bank availed of the possibility to terminate the agreement with the aim to cut the Bank's borrowing costs and maintain the Bank's capital adequacy level.

In the first quarter of the year 2012, the bank's capital and capital adequacy was strengthened from profit earned in the year 2011 (dividends were not paid).

In the year 2012, the Board of the Bank of Lithuania has permitted the Bank two times prior to maturity established in the loan agreements, i.e., 14 June and 26 June 2012 respectively, to repay the subordinated loans totalling EUR 70,000,000 (LTL 241,696,000) issued by Skandinaviska Enskilda Banken AB (publ) under the subordinated loan Agreements drawn on 14 December 2005 and 26 June 2007. The Bank used the opportunity of the agreements' termination prior to maturity seeking to decrease the Bank's borrowings costs and to retain an adequate capital adequacy ratio.

After the repayment of the loan, the Bank's capital adequacy ratio was 12.95 per cent and that of the Group was 14.01 per cent.

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

Group		Ratio	Bank	
31-12-2011	30-06-2012		31-12-2011	30-06-2012
13.95 per cent	14.01 per cent	Capital adequacy ratio	12.94 per cent	12.95 per cent

6. *Analysis of the Issuer Group's financial and non-financial activity results*

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

LTL million	31-12-2011	30-06-2012
Loans	15,662	15,730
Investment	1,726	916
Lease receivables	1,673	1,604
Deposits	12,153	12,295
Amounts owed to credit and financial institutions	10,136	8,158
Equity	2,331	2,414
Assets	26,642	24,270

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

LTL million	30-06-2011	30-06-2012
Net interest income (loss) after impairment losses	473.6	136.1
Other income before operating expenses, net	86.7	114.2
Result before operating expenses	560.3	250.3
Operating expenses	(159.5)	(159.3)
Impairment losses on intangible assets	-	-
Profit (loss) before profit tax from continues activities	400.8	91.0
Net profit (loss) from continued activities	356.5	80.4

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

Group		Ratio	Bank	
31-12-2011	30-06-2012		31-12-2011	30-06-2012
13.59 per cent	14.01 per cent	Capital adequacy ratio	12.94 per cent	12.95 per cent
1.99 per cent	0.63 per cent	Return on Assets	1.72 per cent	0.49 per cent
21.86 per cent	6.77 per cent	Return on Equity	19.50 per cent	5.47 per cent
30.42 per cent	5.20 per cent	Earnings per share, LTL	24.59 per cent	3.85 per cent
150.94 per cent	156.33 per cent	Book value per share, LTL	138.70 per cent	142.74 per cent

7. References and additional comments about the data included in the consolidated financial reports and the Group's internal risk control and risk management systems related to the consolidated financial reporting

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

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

8. Major events since the end of previous financial year

On **11 July 2012**, the Bank announced that on 10 July 2012 AB SEB bankas received from the Competition Council of the Republic of Lithuania (hereinafter the Competition Council) the Statement of Objections on the investigation performed regarding compatibility of the actions of AB SEB bankas and several other entities with the requirements of the Article 5 of the Competition Law of Republic of Lithuania and requirements of the Article 101 of the Treaty on the Functioning of European Union (hereinafter the Statement of Objections). According to the preliminary view of the investigators who prepared the Statement of Objections, the actions of AB SEB bankas allegedly harmed competition in cash handling and collection services markets.

The sending of the Statement of Objections to the parties involved in the investigation does not mean that it is already determined that the infringement was made by AB SEB bankas and the findings of the investigation do not restrain the Competition Council taking the final decision after completing all the procedures associated with this investigation. If the Competition Council acknowledges the evidence of the infringement to be sufficient, it may require AB SEB bankas to cease the infringement and impose the fine up to 10 percent of the total annual revenue of the last financial year.

On **16 July 2012**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2012 by AB SEB bankas is LTL 59.5 million (EUR 17.2 million) and by AB SEB bankas Group is LTL 80.4 million (EUR 23.3 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 2011, unaudited net profit earned by AB SEB bankas totaled LTL 199.5 million (EUR 57.8 million) and by the Bank's Group – LTL 356.5 million (EUR 103.2 million).

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

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

The SEB Bank Group, seeking to implement its said strategy and aiming to maintain long-term relations with its customers, also, taking into account the objectives of the SEB Group, envisages the following key trends of activities:

- Risk management. This area is constantly in the focus of attention of the Group – internal rules and procedures are improved, trainings on risk assessment are arranged for specialists of the Group, etc. In future it is planned to maintain this area in the focus of attention by availing of the experience already gained and by developing the employees' competence and knowledge on risk management;
- Increasing the operational efficiency. Seeking to retain operational efficiency and competitive edge, the Bank plans to:
    - increase income by applying target marketing: to clearly define competitive advantages in various client segments and, based on it, develop new growth plans;
    - duly assess the demand for costs aiming at achievement of the selected goals;
- Customer loyalty strengthening. Aiming to become the Home Bank for its customers, the Bank plans to retain the existing customers and to attract new ones:
    - by offering flexible solutions to customers facing financial problems, who, with the help of the Bank would be able to survive the hard times;
    - by creating new attractive services and products for customers successfully developing their business, so that they would feel the Bank's steady attention;
    - by ensuring a possibility for its customers to be serviced by the Bank in a convenient, fast and safe way using various modern means (the Internet, mobile phone, self-service areas, etc.);
- The best employer image retention. The Group will further aim at creating both the atmosphere of trust and respect, in which employees may work and develop, and environment, which would help to attract and develop competent specialists and encourage employees to aim at the achievement of top results.

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

The development of the Group's activities is described under Article 5 of the present Report

10. *Financial risk management objectives*

The Group manages its financial risks as described in the consolidated annual financial statements for the year 2011. Financial risk management objectives, transaction risk hedging measures, the Group credit risk and market risk volume are also described in the above-mentioned document. During the reporting period Group's risk management policy did not change.

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

The Bank has none and during the first half of the year 2012 did not acquire its own shares. Also, the Bank's subsidiary companies have not acquired the Bank's shares. During the reporting period, the Bank and its subsidiary companies did not buy or sell their own shares.

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

12. *Information on the Issuer's branches and representative offices*

As of 30 June 2012, the Bank had 3 branches: SEB Bank's Eastern Region (code 112053613, address: Savanorių pr. 1, LT-03116 Vilnius), SEB Bank's Middle Region (code 112052511, address: Laisvės al. 82/ Maironio g. 17, LT-44250 Kaunas), and SEB Bank's Western Region (code 112052479, address: Taikos pr.32, LT-91246 Klaipėda).

The branches consisted of a network of 48 customer service units (7 branches and 41 sub-branches) all over Lithuania.

13. *The Issuer's authorised capital*

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

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

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

14. *Shareholders*

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

15. *Major investments made over the reporting period*

The Group's investments during the first half of the year 2012 into fixed tangible and intangible assets made no more than 10 per cent of the authorised capital.

16. *Employees*

As of 30 June 2012, the SEB Bank Group in Lithuania (SEB Bank, SEB Investicijų Valdymas, SEB Lizingas and SEB Venture Capital) had 1,933 employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave), i.e. by 4.5 per cent less compared to the end of 2011, when the Group had 2,023 employees. As of 30 June 2012, the number of actually working employees (excluding those on maternity/paternity leave) was 1, 644, i.e. 5.0 per cent less than at the end of 2011, when the actual number of the Group's employees was 1,731. A decrease in the number of employees was determined by the Group's implemented operational efficiency enhancement measures.

During the first half of the year 2012, the number of employees of the Bank alone (working under labour contracts with and without a fixed term, including those on maternity/paternity leave) dropped by 4.3 per cent – from 1,968 to 1,884, and the number of the Bank's actually employed employees (excluding those on maternity/paternity leave) was 1,604, i.e. 4.9 per cent less than at the end of 2011, when their number was 1,686.

During the reporting period the average actual number (excluding the number of employees on maternity/paternity leave) was 1,637 employees (in 2011, it was 1,689 employees).

	The Bank		**The Group**	
	31-12-2011	**30-06-2012**	**31-12-2011**	**30-06-2012**
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	1,968	1,884	2,023	1,933
Actually working employees (excluding those on maternity/paternity leave)	1,686	1,604	1,731	1,644

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

	Number of employees		**Average monthly wages (in LTL)**	
	31-12-2011	**30-06-2012**	**31-12-2011**	**30-06-2012**
Senior management staff	256	224	10,612	10,796
Specialists	1,704	1,642	3,445	3,552
Service staff	8	18	2,119	2,011
In total	**1,968**	**1,884**	-	-

	Number of employees	**University education**		**College education**		**Secondary education**	
		number	**per cent**	**number**	**per cent**	**number**	**per cent**
Senior management staff	224	213	95.1	4	1.8	7	3.1
Specialists	1,642	1,303	79.3	108	6,6	231	14.1
Service staff	18	6	33.3	5	27.8	7	38.9
In total	**1,884**	**1,522**	**80.8**	**117**	**6.2**	**245**	**13.0**

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

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

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

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

18. The Issuer's bodies

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

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

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

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

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

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

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

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

THE SUPERVISORY COUNCIL OF THE BANK (30 June 2012)

KNUT JONAS MARTIN JOHANSSON
Head of Business Support Division of Swedish bank SEB. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.
Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009, Chairman of the Supervisory Council since 13 November 2009.

MARK BARRY PAYNE
Head of Finance of SEB Baltic Division. Education: university degree, specialisation – economics. No shares of the Bank are held by the Member.
Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009.

CARL STEFAN DAVILL
Head of 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 tenure of all members of the Supervisory Council expires on 29 October 2013.

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

THE MANAGEMENT BOARD OF THE BANK (30 June 2012)

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 14 June 2010. Education: higher, specialisation – business administration and management. No shares of the Bank are held by the Member.

JONAS IRŽIKEVIČIUS
Vice President and Head of Business Support Division and Chief Financial Officer of 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 tenure of all members of the Management Board expires on 7 February 2016 (on 8 February 2012, the Supervisory Council of the Bank took a decision to re-elect the Management Board of the Bank for a new four-year tenure).

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 and Chief Financial Officer since 11 April 2011.

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

	Amounts in connection with labour relations	Property assigned gratis	Guarantees issued in the name of the company
In total to all members of the Management Board (LTL '000) before taxes, of which:	**1,722**	-	-
amounts based on a labour contract (LTL'000)	1,320	-	-
employer's social security contributions (LTL'000)	402	-	-
Other disbursements, including the employer's social security contributions (LTL'000):**	272	-	-
Per member of the Management Board on average (LTL'000) before taxes: *	**344**	-	-
amounts based on a labour contract (LTL'000)	264	-	-
employer's social security contributions (LTL'000)	80	-	-
During the I half 2012 calculated amounts to the Company's Chief Executive Officer and Chief Financial Officer (LTL'000) before taxes, of which:	633		
amounts calculated to the Company's Chief Executive Officer during the I half 2012 based on labour contract (LTL'000)	393	-	-
amounts calculated to the Company's Chief Financial Officer during the I half 2012 based on labour contract (LTL'000)	240	-	-

* The Management Board consists of 5 members.
** Daily allowances exceeded the set standard, variable remuneration.

On 4 October 2011, the Bank's supervisory council approved a new composition of the Bank's audit and compliance committee The committee is an advisory body to the Bank's supervisory council / management board in of accounting, compliance, audit, risk management, internal audit and control as well as in other areas of the audit committee competence as provided for by relevant existing documents.

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

- efficiency of the Bank's internal audit, risk management and its internal audit systems;
- drafting of financial reports;
- implementation of audit and internal audit processes, independence and effectiveness of the internal audit, information provided by the internal audit on the reviews carried out, on the elimination of any drawbacks found and on the implementation of internal audit plans;
- appointing, repeated appointing and dismissal of the head of internal audit;
- audit of annual reports and consolidated annual reports;
- comprehensiveness of data of financial statements;
- appointing, repeated appointing and dismissal of the Bank's external auditor;
- establishing terms and remuneration to an external auditor;
- observance of the principles of independence and fairness by an auditor and an audit company performing an audit, annual assessment of their qualifications, experience, resources and efficiency;
- formation of policy related to non-audit services provided by an external auditor with the aim to ensure that rendering of said services would have no impact on the independence of such external auditor;
- internal audit regulations, current-year plan of the internal audit, lists of persons to whom any audit report or its summary version is provided and rules for providing a report;
- ensuring the resources allocated for the internal audit required for the implementation of set objectives and due qualifications of the internal audit employees for the fulfilment of their functions;
- enhancing the efficiency of the Bank's processes;
- meeting the requirements of legal acts and implementation of the principles of good practice of professional activities, initiation of periodical reviews with the aim to assess whether the Bank's activities are in line with the requirements of national laws, legal acts of supervisory authorities as well as any other legal acts or with the provisions of the Bank's the statute (articles of association) and of the Bank's activities strategy;
- approving the general audit plan of the work of the Bank's internal audit subdivision;
- other issues that fall within the competence of the committee according to the requirements of laws and legal acts as well as according to the policy and instructions of the Bank and/or the entire Group.

AUDIT AND COMPLIANCE COMMITTEE (30 June 2012)

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

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

AUŠRA MATUSEVIČIENĖ
Employer: Skandinaviska Enskilda Banken AB, Vilnius Branch. No shares of the Bank held.

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

ARNOLDS ČULKSTENS
Employer: Skandinaviska Enskilda Banken AB, Vilnius Branch. No shares of the Bank held.

Since 27 April 2011, the Bank has a Remuneration Committee.

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

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

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

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

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

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

REMUNERATION COMMITTEE (30 June 2012)

KNUT JONAS MARTIN JOHANSSON
Chairman of the Committee. Head of SEB Business Support. No shares of the Bank held.

MARK BARRY PAYNE
Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

TED TONY KYLBERG
Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

ANNA MARIA ERIKA HAMSTEDT
Member of the committee. Employer: Skandinaviska Enskilda Banken AB (publ). No shares of the Bank held.

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

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

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

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

Consultations with the Bank's administration is one of the main areas activities of the labour council. During the consultations, in 2011 a new remuneration system was presented to the members of the labour council. The labour council periodically meets with the president of the Bank. At such meetings, implementation of the provisions of the collective bargaining agreement, future changes, also questions as well as observations from employees to members of the labour council are discussed.

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

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

Within the reporting period, any injurious deals (contradicting the company goals, standard market terms, violating interests of shareholders or other groups of individuals, etc.) that made or might make negative impact on the issuer's activity and/or on its business results, and also any deals when the conflict of interest exists between the issuer's management, controlling shareholders or other related party's obligations to the issuer and their private interest and/or other obligations) were not signed on behalf of the issuer.

Over the reporting period, SEB Bank has received a notice of the Competition Council of the Republic of Lithuania on the performed investigation related to the former deal on procurement of the cash handling services signed by SEB Bank. More information is included in Article/Item 8 of said notice describing the notification of major event dated 11 July 2012.

23. Data on information in pubic 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 its material events:

On **7 February 2012**, the Bank announced that according to preliminary data, unaudited net profit earned by SEB Bank in 2011 was LTL 379.8 million (EUR 110.0 million), and that of the SEB Bank Group was LTL 469.7 million (EUR 136.0). 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 2010, audited net loss sustained by the Bank totalled LTL 12.1 million (EUR 3.5 million) and that by the bank Group – LTL 18.0 million (EUR 5.2 million). The year 2011 result of the Bank includes profit from sales obtained upon assignment of shares in the Bank's subsidiary company SEB Enskilda to the SEB Group. The operating result of SEB Enskilda is not included the SEB Bank Group's year 2011 operating result.

On **9 February 2012**, the Supervisory Council of SEB Bank AB took a decision on re-electing the Management Board of SEB Bank for a new four-year tenure. The following members of the Management Board were approved as members of the management board of the new tenure: Raimondas Kvedaras, Jonas Iržlkevičius, Roberts Bernis, Aivaras Čičelis and Virginijus Doveika. The management board was re-elected upon expiry of the four-year tenure established for the Management Board of SEB Bank. On 8 February 2012, the meeting of the Management Board of SEB Bank elected Raimondas Kvedaras to the position of the Chairman of the Management Board of SEB Bank.

On **13 March 2012**, the Bank announced that on 30 March 2012 the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the Bank) will take place. The Annual General Meeting is initiated and convened by the Board of the Bank. 100 % of shares of the Bank is owned by Skandinaviska Enskilda Banken AB. Issues on the agenda::

1. Regarding the Annual Report of the Bank;
2. Regarding the Report of the Auditor of the Bank;
3. Regarding the comments and proposals of the Supervisory Council of the Bank;
4. Regarding approval of the Consolidated Financial Statements of the Bank for the Year 2011;
5. Regarding appropriation of the Year 2011 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 **30 March 2012**, the Bank announced that the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the SEB Bank) took place and decisions on all issues on the agenda were adopted:

1. SEB Bank Group's year 2011 Consolidated Annual Report and its Annex "Disclosure form concerning the compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius" have been familiarized with;
2. Report of the audit company UAB "PricewaterhouseCoopers", which has performed the audit, have been familiarized with;
3. Comments and proposals of the Supervisory Council of SEB Bank regarding SEB Bank's Activity Strategy, its Annual Consolidated Financial Statements, Draft Profit (Loss) Appropriation and SEB Bank's Consolidated Annual Report as well as the activities of SEB Bank's Management Board a
4. nd President have been familiarized with;
5. SEB Bank's and SEB Bank Group's year 2011 Consolidated Financial Statements produced in accordance with the International Financial Reporting Standards (enclosed) were approved;
6. Appropriation of the year 2011 profit (loss) of SEB Bank was approved.

On **24 April 2012**, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2012 by AB SEB bankas is LTL 30.7 million (EUR 8.9 million) and by AB SEB bankas Group is LTL 41.5 million (EUR 12.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first quarter of the year 2011, unaudited net profit earned by AB SEB bankas totalled LTL 97.6 million (EUR 28.3 million) and by the Bank's Group – LTL 174.1 million (EUR 50.4 million).

Also, over the reporting period the Bank made 8 public announcements of additional information (as per paragraph 5 of Article 25 of the Law of the Republic of Lithuania on Securities) and 4 public announcements of periodic information (as per Article 20 of the Law of the Republic of Lithuania on Securities).

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 .... Jurgita Sinkevičienė

Vilnius,
14 August 2012