SEB

VILNIAUS
BANKAS

AB SEB VILNIAUS BANKAS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

PRICEWATERHOUSECOOPERS

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Independent auditor's report

To the Shareholders of the AB SEB Vilniaus bankas

Report on the financial statements

We have audited the accompanying consolidated financial statements of AB SEB Vilniaus bankas and its subsidiaries (the 'Group') and the financial statements of AB SEB Vilniaus bankas (the 'Bank') set out in pages 5 – 56 which comprise the balance sheet as of 31 December 2006 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted for use in European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Bank as of 31 December 2006 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted for use in European Union.

PRICEWATERHOUSECOOPERS

Report on other legal and regulatory requirements

Furthermore, we have read the Annual Report for the year ended 31 December 2006 set out on pages 3 – 4 and have not noted any material inconsistencies between the financial information included in it and the audited financial statements for the year ended 31 December 2006. It is important to note that the Annual Report does not include the disclosure form concerning the compliance with the Governance Code for the companies listed on the regulated market.

On behalf of PricewaterhouseCoopers UAB

Christopher C. Butler
Partner

Rasa Radzevičienė
Auditor's Certificate No.000377

Vilnius, Republic of Lithuania
21 February 2007

ANNUAL REPORT OF SEB VILNIAUS BANKAS FOR 2006

In 2006, Lithuania preserved its rapid economic development rate. All sectors of industry continued growing, businesses gained strength, and resources from the European Union funds became a significant support for the national economy. The input of banks towards economic growth was as significant as during the previous year. SEB Vilniaus Bankas, too, actively contributed towards the country's further economic growth, towards improving the standard of living of local population by financing major projects, offering attractive banking solutions to both businessmen and private individuals.

Last year, SEB Vilniaus Bankas Group's performance was particularly good. In 2006, SEB Vilniaus Bankas Group's net profit assessed on the basis of the International Financial Reporting Standards was LTL 288.2 million, which is a LTL 139.1 million, or a 93.3 per cent, increase as compared to 2005. The Group's profit before profit tax was LTL 346.1 million, which is an LTL 165.1 million, or a 91.2 per cent, increase year on year. Over said period, net interest income increased by LTL 110.8 million, or by 35.2 per cent, reaching LTL 425.8 million. An increase in net services and commissions income was LTL 30.4 million, i.e. 28.2 per cent; total net services and commissions income was LTL 136 million.

As of 31 December 2006, SEB Vilniaus Bankas Group's total assets exceeded LTL 21 billion, which is an LTL 6 billion, or a 40 per cent, increase as compared to 2005. Over the year 2006, net worth in terms of customer loans portfolio increased by LTL 4.4 billion, or 50 per cent, and was LTL 13.2 billion. Customer deposits portfolio was worth LTL 9.6 billion: its increase over the year 2006 was LTL 1.2 billion, or 14.8 per cent. As at the end of December 2006, SEB Vilniaus Bankas had the country's largest market share both in terms of customer loans portfolio and customer deposits and debt securities issued: 35 per cent and 32 per cent, respectively. SEB Vilniaus Bankas Group's equity increased by 20 per cent and was LTL 1.5 billion. The Group manages its financial risk as described in its financial reporting, which also highlights its financial risk management objectives, transaction risk hedging instruments and the scope of the Group's credit risk and market risk.

In 2006, SEB Vilniaus Bankas had a special focus on environmental risk management. In 2006, the Bank's Credit Policy was supplemented with a section on Corporate Social Commitment, which establishes that environmental risk assessment must be included in the analysis of both new and old customers for the purpose of loan issuance, avoiding profitable but contradictory in terms of environmental risk activities.

Last year, new trends became evident in the Lithuanian retail banking market and the population was increasingly interested in new saving and investment instruments. In 2006, the number of SEB Vilniaus Bankas Group's private individual customers increased by 8.8 per cent, reaching 951 thousand. In 2006, SEB Vilniaus Bankas held the leader position in terms of executed mortgage loan agreements, which were worth 1.8 billion. Over a year, consumer loans portfolio soared by 77.6 per cent and reached LTL 429 million.

The number of corporate customers was 55 thousand, of which major corporate customers made as many as 1.2 thousand, and the portfolio of loans issued thereto increased by 43.5 per cent, reaching LTL 5.2 billion.

SEB Vilniaus Bankas continued increasing the scope of its services. Last year, the number of payment cards it issued increased by 9.5 per cent and was over 1.1 million. In 2006, an increase in the number of settlement transactions by cards issued by the bank was 35 per cent, relevant settlement turnover being LTL 10.3 billion, which represents a 43 per cent market share.

With a launch of new modern and user-friendly Internet banking functionalities, the number of e-banking customers increased by 20.4 per cent: from 524 to 630 thousand. Over the reporting period, the number of telephone banking service users increased by 20.8 per cent: from 515 to 622 thousand.

SEB Vilniaus Bankas Group's interest income from debt securities was LTL 77 million, which is a 48.3 per cent increase, as compared to 2005. In the year 2006, SEB Vilniaus Bankas Group was the most active player in the Lithuanian bond market, its relevant market share being 48.6 per cent. The bank's Securities Custody Unit was the leading securities custodian in Lithuania in terms of the total number of securities held in its custody. Over the year 2006, the market value of securities held by SEB Vilniaus Bankas Group as a securities custodian increased to LTL 17.2 billion, and the bank's relevant market share was 36 per cent as of 31 December 2006.

During 2006, SEB Vilniaus Bankas successfully placed eighty four debt securities issues. As of 31 December 2006, total worth of debt securities issued was LTL 894.9 million, which is as much as a 103.2 per cent increase as compared to 31 December 2005.

In 2006, SEB Vilniaus Bankas Group significantly improved its operational efficiency and cost control. The Group's cost/income ratio, as compared to 2005, decreased from 51.3 to 42.6 per cent. At the same time, the Group made considerable investments for the development of its retail banking and customer service network. In 2006, the Group devoted most of its time and efforts for customer service quality improvement: it introduced a new customer service quality standard. As of 31 December 2006, SEB Vilniaus Bankas had 67 customer service subdivisions. Over the year 2006, the bank opened 4 new customer service outlets, renovated 9, and moved 8 into new premises.

During 2006, the number of employees dropped from 2,241 to 1,901 mainly due to sales of SEB Bank in Ukraine (previous name - Bank Agio). Staff costs increased up to LTL 142.6 million, or by 14.1 per cent. However, other administration costs, deposit insurance costs excluded, increased by a mere 4.8 per cent, up to LTL 142.4 million.

In 2006, SEB Vilniaus Bankas Group met the prudential requirements of the Bank of Lithuania. Over said period, the bank effected no buy-out of its shares nor performed any transfer of its shares to any other owners. In November 2006, the bank's shareholders resolved on increasing the share capital, which as of 31 December 2006 was over LTL 1 billion, using LTL 880 million from its reserves.

In December 2006, SEB Vilniaus Bankas' major shareholder Skandinaviska Enskilda Banken started squeeze-out process with a view to buy out the remaining portion of the bank's shares and paid the price approved by the Securities Commission of the Republic of Lithuania, which was LTL 266.95 per share. Minority shareholders should sell their shares before 12 March 2007.

At the close of 2006, the process of liquidation of SEB VB Būsto Bankas (SEB VB Mortgage Bank) was completed, after SEB Vilniaus Bankas took over the assets of said subsidiary company and recorded them in its balance sheet. As of 31 December 2006, SEB Vilniaus Bankas shareholding in its subsidiary companies was a follows: 28,501 ordinary registered shares of SEB VB Lizingas (SEB VB Leasing), its authorised capital being LTL 10 million; 25,703 registered shares of SEB VB Nekilnojamasis Turtas (SEB VB Real Estate), its authorised capital being LTL 25.7 million; 250,000 shares of SEB VB Rizikos Kapitalo Valdymas (SEB VB Venture Capital), its authorised capital being LTL 25 million; 711,400 shares of SEB Enskilda, its authorised capital being LTL 7.1 million; 603,355 shares in SEB VB Gyvybės Draudimas (SEB VB Life Insurance), its authorised capital being LTL 6 million; and 157,500 shares of SEB VB Investicijų Valdymas (SEB VB Asset Management), its authorised capital being LTL 1.6 million.

SEB VB Lizingas' net leasing receivables increased by as much as 40.3 per cent, i.e. by LTL 778 million, and were LTL 2.7 billion. In 2006, this subsidiary company executed new financial agreements worth a total of LTL 1.8 billion, which is a 38 per cent upswing as compared to 2005. Last year, the leasing company was characterised by rapid growth in all spheres of its activities, however, new cars and trucks leasing once again showed the best result, enabling SEB VB Lizingas to retain the market leader position with a 40.2 per cent relevant market share.

In 2006, SEB VB Gyvybės Draudimas signed agreements at a total of LTL 122 million, which is more than a two times increase as compared to 2005. The Lithuanian insurance market growth being 57 per cent, growth of SEB VB Gyvybės Draudimas was 130 per cent, resulting in a rise of its market share from 18.4 to 26.9 per cent. SEB VB Gyvybės Draudimas continued to be number one in unit-linked life insurance and health insurance markets with a 41.3 per cent and 64 per cent market share, respectively.

During 2006, the number of Pillar II pension fund customers of SEB VB Investicijų Valdymas increased by 24.4 thousand to reach 212 thousand. The number of Pillar III pension fund customers increased from 7.3 to 13 thousand. As of 31 December 2006, SEB VB Investicijų Valdymas' assets under management, which increased by 92 per cent over a year, were worth LTL 953 million, and the company's relevant market share was the largest, i.e. 38.1 per cent. In 2006, SEB VB Investicijų Valdymas established two new investment funds: SEB Fund of Funds and Pillar II pension fund SEB Pension 3. Also, SEB VB Investicijų Valdymas expanded its distribution channels, as it started offering its agreements via its agents AB Šiaulių Bankas and financial brokerage limited liability company Steponkaus Kontora. At the close of 2006, SEB VB Investicijų Valdymas maintained its strong leader position in Pillar III pension funds and investment funds market, its relevant market share being, respectively, 74.4 per cent and 40 per cent.

The performance of SEB Vilniaus Bankas was once positively assessed by international banking magazines and rating agencies. In 2006, international rating agency Fitch Ratings confirmed the ratings assigned to SEB Vilniaus Bankas, among them, the long-term liability rating A. The performance of SEB Vilniaus Bankas was also acknowledged by international banking publications, such as Global Finance, Euromoney, etc.

During the year 2006, the bank continued to pursue its pro-active social activities: for the third year in a row it was involved in the Dreams Come True charity campaign, providing support to children from child care homes, also, it contributed to the activities of other children and youngster foundations and continued with education projects it had started with the aim to raise customer awareness of family finance management as well as of saving and borrowing methods. The bank's employees continue with their active involvement in the mentorship programme to help children avoid dangerous habits. Also, the Group allocated support to the country's sports and cultural events, as it believes in the benefit and future perspective of such socially highly important areas.

SEB Vilniaus Bankas Group is an active participant in the country's economic development, contributing towards its social progress and the formation of its banking market. The Group's vision is to be the leading financial services provider in Lithuania and therefore it keeps continuous focus on its staff education and training, aims to be a useful and professional adviser to its customers in any situation, whenever a customer may need financial services. The Group goal is to create financial welfare to its customers by launching and improving its services and its service quality, expanding and improving its customer service outlets, speeding up its decision-making process and offering individually tailored solutions to separate customer groups.

President of SEB Vilniaus Bankas

Audrius Žiugžda

Income Statement
for the year ended 31 December 2006
(LTL 000s)

The Group 2006	The Group 2005		Note	The Bank 2006	The Bank 2005
773,564	494,960	Interest income		666,271	408,201
(347,733)	(179,915)	Interest expenses		(291,357)	(146,065)
425,831	315,045	Net interest income	6	374,914	262,136
(14,634)	(46,620)	Impairment losses on loans	7	(15,298)	(47,169)
(1,264)	1,257	Impairment losses on lease portfolio and other doubtful leasing assets		-	-
(155)	464	Provisions for guarantees		(261)	464
(850)	131	Other impairment (losses) releases		(852)	50
(16,903)	(44,768)			(16,411)	(46,655)
408,928	270,277	Net interest income after impairment losses		358,503	215,481
195,380	154,594	Income on services and commissions	8	166,137	140,150
(59,370)	(48,973)	Expenses on services and commissions	8	(52,407)	(43,801)
28,576	23,305	Other income, net		13,126	8,594
2,601	-	Net gain on disposal of subsidiaries		13,368	-
16,073	9,569	Net gain on investment securities		2,080	817
-	-	Dividend income from subsidiaries		35,632	-
(28,889)	37,656	Net gain (loss) on operations with debt securities, derivatives, financial instruments	9	(30,039)	35,284
101,773	25,252	Net foreign exchange gain	10	100,347	19,655
256,144	201,403			248,244	160,699
71,196	53,247	Net insurance premium revenue	11	-	-
(68,719)	(52,405)	Gross insurance expenses	12	-	-
2,477	842	Net life insurance income		-	-
(36,485)	(30,671)	Deposit insurance expenses		(36,093)	(30,356)
(142,573)	(124,962)	Staff costs	13	(114,500)	(100,250)
(142,437)	(135,927)	Other administrative expenses	14	(123,091)	(112,133)
(321,495)	(291,560)			(273,684)	(242,739)
346,054	180,962	Profit before income tax		333,063	133,441
(57,873)	(31,905)	Income tax	15	(47,530)	(26,667)
288,181	149,057	Net income		285,533	106,774
		Attributable to:			
288,174	149,043	Equity holders of the parent		285,533	106,774
7	14	Minority interest		-	-
288,181	149,057			285,533	106,774
18.66	9.65	Earnings per share, attributable to equity holders of the parent (LTL)	16	18.49	6.91
18.66	9.65	Diluted earnings per share, attributable to equity holders of the parent (LTL)	16	18.49	6.91

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

A. Žiugžda
Chairman of the Board

A. Matusevičienė
Chief Financial Officer

Balance Sheet as of 31 December 2006
(LTL 000s)

The Group 2006	The Group 2005		Note	The Bank 2006	The Bank 2005
		Assets			
360,724	251,370	Cash in hand		360,724	244,505
949,532	968,108	Balances with the Central Banks	17	949,532	931,722
813,908	337,083	Due from banks, net		813,594	350,309
1,751,730	1,137,304	Government securities - available for sale	18	1,751,130	1,080,213
408,986	315,290	Financial assets at fair value through profit or loss	19	169,146	234,624
117,734	28,391	Derivative financial instruments	20	117,734	28,391
22,431	68,844	Loans to credit and financial institutions, net of impairment allowances	21,23	936,547	796,736
13,221,093	8,815,378	Loans to customers, net of impairment allowances	7,22,23	13,301,177	8,470,008
2,706,668	1,928,769	Finance lease receivable, net of impairment allowances	24	-	-
160,325	536,990	Investment securities - available for sale	25	154,901	546,178
13,941	15,424	Investment securities - held to maturity	25	13,941	15,424
-	-	Investments in subsidiaries	26	89,208	203,199
184,196	211,209	Intangible fixed assets	27	183,380	181,822
58,453	259,799	Tangible fixed assets	28	56,959	93,673
14,951	21,512	Assets under operating lease	29	-	-
-	51,633	Investment property	30	-	20,425
174,900	-	Non-current assets held for disposal	30	35,632	-
2,201	2,767	Deferred tax asset	15	-	-
197,805	160,842	Other assets, net of impairment allowances	31	129,435	114,863
21,159,578	15,110,713	**Total assets**		19,063,040	13,312,092
		Liabilities			
40	245	Amounts owed to the Central Banks		40	37
7,947,818	4,592,884	Amounts owed to credit and financial institutions	32	6,204,692	3,295,138
189,091	15,510	Derivative financial instruments	20	189,104	15,510
9,638,072	8,398,408	Deposits from the public	33	9,652,757	8,205,390
184,535	125,561	Liabilities in life insurance operations	34	-	-
58,438	-	Liabilities to investment contract holders		-	-
32,169	25,888	Accrued expenses and deferred income		27,593	21,979
49,328	24,977	Income tax payable		32,916	20,058
493,662	51,802	Subordinated loans	35	493,662	51,802
894,945	440,338	Debt securities in issue	36	903,530	450,908
2,412	12,066	Deferred tax liabilities	15	2,359	1,941
160,757	165,842	Other liabilities and provisions	37	108,636	64,717
19,651,267	13,853,521	Total liabilities		17,615,289	12,127,480
		Equity	38		
		Equity attributable to equity holder of the parent			
1,034,575	154,414	Paid in capital		1,034,575	154,414
-	189,040	Share premium		-	189,040
104	693,154	Reserve capital		2,200	693,321
591	22,732	Financial assets revaluation reserve		577	22,971
-	15,555	Translation reserve		-	-
15,270	7,971	Legal reserve		11,888	6,026
9,338	5,554	General and other reserves		9,338	5,554
448,433	168,018	Net income for the period and retained earnings		389,173	113,286
1,508,311	1,256,438			1,447,751	1,184,612
-	754	**Minority interest**		-	-
1,508,311	1,257,192	Total equity		1,447,751	1,184,612
21,159,578	15,110,713	**Total liabilities and equity**		19,063,040	13,312,092
21.05%	12.70%	Return on Average Equity attributable to equity holders of the parent		22.90%	9.4%
1.59%	1.20%	Return on Average Total Assets		1.78%	0.96%

Vilnius, 21 February 2007

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

A. Žiugžda
Chairman of the Board

A. Matusevičienė
Chief Financial Officer

Statement of Changes in Equity of the Group
for the year ended 31 December 2006
(LTL 000s)

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Translation reserve	Legal reserve	General and other reserves	Retained earnings	Minority interest	Total
31 December 2004	**154,414**	**189,040**	**594,481**	**(6,512)**	**-**	**-**	**5,554**	**125,619**	**-**	**1,062,596**
Net change in available for sale investments, net of deferred tax	-	-	-	29,244	-	-	-	-	-	29,244
Net credit to translation reserve for the period	-	-	-	-	15,555	-	-	-	-	15,555
Net income for the period	-	-	-	-	-	-	-	149,043	-	149,043
Net income recognised directly in equity	-	-	-	*29,244*	*15,555*	-	-	*149,043*	-	*193,842*
Transfers to reserves	-	-	98,673	-	-	7,971	-	(106,644)	-	-
Acquisition of *SEB* bank	-	-	-	-	-	-	-	-	754	754
31 December 2005	**154,414**	**189,040**	**693,154**	**22,732**	**15,555**	**7,971**	**5,554**	**168,018**	**754**	**1,257,192**
Net change in available for sale investments, net of deferred tax	-	-	-	(22,141)	-	-	-	-	-	(22,141)
Net income for the period	-	-	-	-	-	-	-	288,174	-	288,174
Net income recognised directly in equity	-	-	-	*(22,141)*	-	-	-	*288,174*	-	*266,033*
Transfers to reserves	-	-	5,261	-	-	7,542	7,736	(20,539)	-	-
Other transfers	-	-	(23)	-	-	47	(3,952)	3,928	-	-
Share capital increase from reserves	880,161	(189,040)	(691,121)	-	-	-	-	-	-	-
Disposal of *SEB* bank, Ukraine	-	-	(634)	-	(15,555)	-	-	624	(754)	(16,319)
Recognised *SEB* bank acquisition income previously eliminated due to consolidation (note 26)	-	-	-	-	-	-	-	1,405	-	1,405
Liquidation of AB SEB VB Būsto Bankas	-	-	(6,533)	-	-	(290)	-	6,823	-	-
31 December 2006	**1,034,575**	**-**	**104**	**591**	**-**	**15,270**	**9,338**	**448,433**	**-**	**1,508,311**

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

A. Žiugžda
Chairman of the Board

A. Matusevičienė
Chief Financial Officer

Statement of Changes in Equity of the Bank for the year ended 31 December 2006 (LTL 000s)

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total
31 December 2004	**154,414**	**189,040**	**594,481**	**(6,512)**	**-**	**5,554**	**111,377**	**1,048,354**
Net change in available for sale investments, net of deferred tax	-	-	-	29,483	-	-	-	29,483
Net income for the year 2005	-	-	-	-	-	-	106,774	106,774
Net income recognised directly in equity	-	-	-	*29,483*	-	-	*106,774*	*136,257*
Transfers to reserves	-	-	98,840	-	6,026	-	(104,865)	1
31 December 2005	**154,414**	**189,040**	**693,321**	**22,971**	**6,026**	**5,554**	**113,286**	**1,184,612**
Net income for the year 2006	-	-	-	-	-	-	285,533	285,533
Net change in available for sale investments, net of deferred tax	-	-	-	(22,394)	-	-	-	(22,394)
Net income recognised directly in equity	-	-	-	*(22,394)*	-	-	*285,533*	*263,139*
Other transfers	-	-	-	-	-	(3,952)	3,952	-
Transfers to reserves	-	-	-	-	5,862	7,736	(13,598)	-
Share capital increase from reserves	880,161	(189,040)	(691,121)	-	-	-	-	-
31 December 2006	**1,034,575**	**-**	**2,200**	**577**	**11,888**	**9,338**	**389,173**	**1,447,751**

Also see Note 38.

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

A. Žiugžda
Chairman of the Board

A. Matusevičienė
Chief Financial Officer

Statement of Cash Flows for the year ended 31 December 2006
(LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
		Cash from operating activities		
766,862	478,955	Interest income received	657,201	403,503
(376,162)	(163,852)	Interest expenses paid	(285,768)	(134,807)
101,773	25,252	Net foreign exchange gain	100,347	19,655
(28,889)	37,656	Net gain (loss) in securities trading and financial instruments	(30,039)	35,284
164,586	140,920	Net commission and service income	126,856	104,943
58,974	50,683	Life insurance operations	-	-
(142,573)	(124,962)	Staff costs	(114,500)	(100,250)
(139,055)	(120,246)	Other payments	(99,415)	(116,077)
405,516	324,406	**Net cash from operating activities before change in operating assets**	354,682	212,251
		Changes in operating assets		
(113,234)	(169,546)	Increase in compulsory balances with the Central Banks	(125,549)	(157,231)
(60,331)	218,976	Decrease (increase) in due from banks and loans to credit and financial institutions	(159,860)	197,909
(4,413,647)	(2,940,819)	Increase in loans to customers	(4,822,777)	(2,843,969)
(160,721)	(38,483)	(Increase) decrease in other current assets	(14,854)	(27,552)
(4,747,933)	(2,929,872)	**Net increase in operating assets**	(5,123,040)	(2,830,843)
		Changes in operating liabilities		
1,432,963	1,922,589	Increase in deposits from the public	1,447,367	1,816,385
167,900	88,271	Increase (decrease) in accrued expenses, deferred income and other liabilities	49,557	19,945
1,600,863	2,010,860	**Net increase in operating liabilities**	1,496,924	1,836,330
(2,741,554)	(594,606)	**Net cash (to) from operating activities before income tax**	(3,271,434)	(782,262)
(32,333)	(20,279)	Income tax paid	(25,422)	(18,480)
(2,773,887)	(614,885)	**Net cash (to) from operating activities after income tax**	(3,296,856)	(800,742)

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 December 2006 (continued)
(LTL 000s)

The Group 2006	The Group 2005		Note	The Bank 2006	The Bank 2005
		Cash flow from (to) investing activities			
18,579	(44,148)	Sale (purchase) of tangible and intangible fixed assets, net		10,623	(20,821)
(643,079)	133	Decrease (increase) in investment in Government securities - available for sale		(699,823)	7,433
62,052	(42,035)	(Investment in) disposal of subsidiaries, net of cash acquired	26	109,238	(75,490)
-	-	Dividends received from subsidiaries		35,632	-
365,221	(717,690)	Increase of investment in other securities and derivatives		507,511	(699,274)
-	6,778	Sale (purchase) of investment property, net		-	2,091
(779,163)	(500,713)	Increase of finance lease receivable		-	-
(976,390)	(1,297,675)	**Cash used in investing activities**		(36,819)	(786,061)
		Cash flow from (to) financing activities			
2	177	Increase (decrease) in amounts owed to the Central Banks		3	(31)
3,288,267	2,015,504	Increase (decrease) in amounts owed to credit and financial institutions		2,909,554	1,555,881
441,860	(8,817)	Increase (decrease) in subordinated loans		441,860	(8,817)
435,959	172,039	Debt securities issued, net		433,974	269,901
4,166,088	2,178,903	**Cash received (used in) financing activities**		3,785,391	1,816,934
415,811	266,343	**Net increase in cash**		451,716	230,131
911,935	645,592	**Cash 1 January**		875,716	645,585
1,327,746	911,935	**Cash 31 December**		1,327,432	875,716
		Specified as follows:			
241,274	373,084	Balance available for withdrawal with the Central Banks	17	241,274	349,013
558,414	164,930	Overnight deposits		558,414	164,930
360,724	251,370	Cash on hand		360,724	244,505
167,334	122,551	Current accounts with other banks		167,020	117,268
1,327,746	911,935			1,327,432	875,716

The accompanying notes on pages 11 to 56 are an integral part of these financial statements.

A. Žiugžda
Chairman of the Board

A. Matusevičienė
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

NOTE 1 BACKGROUND INFORMATION

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

The Head Office of the Bank is located at Gedimino pr. 12, Vilnius. At the end of the reporting period the Bank had 67 customer service units.

At the end of the reporting period AB SEB Vilniaus Bankas had 6 subsidiaries. The Bank and its subsidiaries thereafter are referred as the Group.

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 is investing and trading in securities as well as performs other activities set in the Law on Banks (except for operations with precious metals). Activities of subsidiaries are explained in note 26.

The Bank's shares are included in the non-listed list of shares of the Vilnius Stock Exchange. As it is further disclosed in Note 38, the largest shareholder is Skandinaviska Enskilda Banken, owning 99.0 percent of the Bank's shares.

These consolidated financial statements have been approved by the Board.

NOTE 2 BASIS OF PRESENTATION

These financial statements are 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).

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Adoption of new and amended international financial reporting standards

The following new standards, amendments to standards and interpretations are mandatory for financial year ending 31 December 2006.

• Amendment to IAS 19, 'Actuarial gains and losses, group plans and disclosures', effective for annual periods beginning on or after 1 January 2006. The Group decided to retain its former accounting policy regarding the recognition of actuarial gains and losses;

• Amendment to IAS 39, Amendment to 'The fair value option', effective for annual periods beginning on or after 1 January 2006. This amendment does not have any impact on the classification and valuation of the Group's financial instruments classified as at fair value through profit or loss prior to 1 January 2006 as the Group is able to comply with the amended criteria for the designation of financial instruments at fair value through profit and loss;

• Amendment to IAS 21, Amendment 'Net investment in a foreign operation', effective for annual periods beginning on or after 1 January 2006. This amendment does not have any impact on the classification and valuation of the Group's net investment in a foreign operation as no monetary items form part of the Group's net investment in a foreign operation. This amendment is not relevant for the Group.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Adoption of new and amended international financial reporting standards (continued)

• Amendment to IAS 39, Amendment 'Cash flow hedge accounting of forecast intragroup transactions', effective for annual periods beginning on or after 1 January 2006. This amendment is not relevant for the Group;
• Amendment to IAS 39 and IFRS 4, Amendment 'Financial guarantee contracts', effective for annual periods beginning on or after 1 January 2006. The measurement and disclosure requirements have not resulted in a material change in the Group's accounting policies;
• IFRS 6, 'Exploration for and evaluation of mineral resources', effective for annual periods beginning on or after 1 January 2006. This standard is not relevant for the Group;
• IFRIC 4, 'Determining whether an arrangement contains a lease', effective for annual periods beginning on or after 1 January 2006. The Group has reviewed its contracts. Some of them are required to be accounted for as leases in accordance with IAS 17, 'Leases'. However, these leases are operating leases, and their reclassification has had no impact on the expense recognised in respect of them;
• IFRIC 5, 'Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds', effective for annual periods beginning on or after 1 January 2006. This interpretation is not relevant for the Group; and
• IFRIC 6, 'Liabilities arising from participating in a specific market - waste electrical and electronic equipment', effective for annual periods beginning on or after 1 December 2005. This interpretation is not relevant for the Group.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2006 and have not been early adopted:
• IFRIC 7, 'Applying the Restatement Approach under IAS 29', effective for annual periods beginning on or after 1 March 2006. Management do not expect the interpretation to be relevant for the Group;
• IFRIC 8, 'Scope of IFRS 2', effective for annual periods beginning on or after 1 May 2006. Management is currently assessing the impact of IFRIC 8 on the Group's operations;
• IFRIC 9, 'Reassessment of Embedded Derivatives', effective for annual periods beginning on or after 1 June 2006. Management believes that this interpretation should not have a significant impact on the reassessment of embedded derivatives as the Group already assess if embedded derivative should be separated using principles consistent with IFRIC 9;
• IFRIC 10, 'Interim Financial Reporting and Impairment', effective from 1 November 2006;
• IFRIC 11, IFRS2, 'Group Treasury Share Transactions', effective from 1 March 2007;
• IFRIC 12, 'Service Concession Arrangements', effective from 1 January 2009;
• IFRS 7, 'Financial instruments: Disclosures', effective for annual periods beginning on or after 1 January 2007. IAS 1, 'Amendments to capital disclosures', effective for annual periods beginning on or after 1 January 2007. The Group assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1. The Group will apply IFRS 7 and the amendment to IAS 1 from annual periods beginning 1 January 2007;
• IFRS 8, 'Operating segments' effective for annual periods beginning on or after 1 January 2008. The Management do not expect a material impact on the Group's financial statements in the period of initial application.

b) Basis of Accounting

The financial statements have been prepared in accordance with and comply with IFRS, adopted in the EU. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

c) Consolidated subsidiaries

Subsidiaries are all entities, over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Consolidated subsidiaries (continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

d) Foreign Currency Translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Litas, which is the Bank's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each income statement are translated at average exchange rates;
(iii) all resulting exchange differences are recognised as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

When a foreign operation is disposed of, or partially disposed of, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

e) Income Recognition

Interest income and expense are recognised for all interest bearing instruments on an accrual basis using the effective interest yield method based on the actual purchase price.

Commission and other income is recognised at the time of the related transaction. Commissions incurred in respect of long-term funding provided by financial institutions are deferred and recognised as an adjustment to the effective yield on the loan. All fees that are an integral part of the effective interest rate are amortised using effective interest rate.

Asset management fees related to investment funds are recognised as commissions, i.e. at the time of the related transaction or rateably over the period the service is provided, dependently on fees' substance. The rateable principle is applied for custody services that are continuously provided over an extended period of time.

f) Taxation

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax related to fair value re-measurement of available-for-sale investments, which are charged directly to equity, is also charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Dividend income

Dividends are recognised in the income statement when Group's right to receive payment is established.

h) Cash and cash equivalents

Cash, overnight deposits, correspondent accounts with the Central Banks and correspondent accounts with other banks, due to their high liquidity are accounted for as cash and cash equivalents in the statements of cash flows.

i) Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. Management determines the classification of its investments at initial recognition.

Financial assets at fair value through profit or loss represents two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for selling or repurchasing in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges. Financial asset are designated at fair value through profit or loss when certain investments, that are managed and evaluated on a fair value basis in accordance with a documented risk strategy management and reported to key management on that basis, are designated at fair valued through profit or loss. Interest income on these financial assets is reflected in 'Interest income'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available for sale.

Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

All regular way purchases and sales of financial assets are recognised at settlement date, which is the date that an asset is delivered to or by the Group. Otherwise such transactions are treated as derivatives until settlement occurs. Loans are recognised when cash is advanced to the borrowers. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in profit or loss. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, and other valuation techniques commonly used by market participants.

j) Recognition of deferred day one profit and loss

The best evidence of fair value at initial recognition is the transaction price, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Recognition of deferred day one profit and loss (continued)

The Group has entered into transactions, some of which will mature after more than one year, where fair value is determined using valuation models for which not all inputs are market observable prices or rates. Such a financial instrument is initially recognised at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. The difference between the transaction price and the model value, commonly referred to as 'day one profit and loss', is not recognised immediately in profit and loss.

The timing of recognition of deferred day one profit and loss is determined individually. It is either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement. The financial instrument is subsequently measured at fair value, adjusted for the deferred day one profit and loss. Subsequent changes in fair value are recognised immediately in the income statement without reversal of deferred day one profits and losses.

k) Derivative financial instruments

Derivative financial instruments including foreign exchange contracts, currency swaps and other derivative financial instruments are initially recognised in the balance sheet at fair value net of transaction costs and subsequently are remeasured at their fair value. Fair values are obtained from quoted market prices or discounted cash flow models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Changes in the fair value of derivatives held for trading are included in net gain on operations with debt securities and financial instruments.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the fair value of recognised assets (fair value hedge).

Hedge accounting is used for derivatives designated in this way provided certain criteria are met. The Group documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset that are attributable to the hedged risk. Effective changes in fair value of interest rate swaps and related hedged items are reflected in 'interest income', 'net gains (loss) on operations with debt securities, derivatives, financial instruments'. Any ineffectiveness is recorded in 'Net gains (loss) on operations with debt securities and financial instruments'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

l) Impairment of financial assets

*Assets carried at amortised cost: t*he Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

l) Impairment of financial assets (continued)

have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the income statement.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

When a loan is uncollectable, it is written off against the related provision for loan impairment. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal is recognised in the income statement.

*Assets carried at fair value: t*he Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available for- sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

m) Finance lease receivable

Fixed assets under finance lease are recorded as finance lease receivables at the amount that is equal to the present value of the minimum lease payments. The difference between the gross receivables and the present value of the receivable is recognised as unearned lease income.

The rights and obligations arising from finance leases are recognised at the date of transfer of the asset to the lessee. Until that day, the payment from the prospective lessee is considered as a prepayment. The lease receivable is the amount financed in respect of the leased property less the amount of the prepaid first instalment.

Interest income from leasing activities is recognised based on contractual lease terms commencing from the date of delivery of the leased assets and is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding. Revenues from administration fees are recognised during the contract period.

n) Operating lease – the Group as a lessor

Assets leased out under operating lease are depreciated over their expected useful lives using straight-line method on the basis consistent with similar owned tangible fixed assets.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

o) Operating lease – the Group as a lessee

To date, the leases entered by the Group are operating leases. The total payments made under operating leases are charged to the income statement on straight-line basis over the period of the lease.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Fixed Assets

In the balance sheet fixed assets are recorded at cost less accumulated depreciation and any accumulated impairment losses. Tangible fixed assets with a value less than the equivalent of LTL 900 and intangible fixed assets with a value less than the equivalent of LTL 5,000 are expensed.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining result before income tax. Repairs are charged to the income statement when the expenditure is incurred.

Depreciation and amortisation is calculated using the straight-line method of depreciation based on the estimated useful life of the asset. All amortisation and depreciation charges for the year are included in other administrative expenses. Useful lives of assets and their residual values are reviewed at each balance sheet date.

The following amortisation and depreciation rates are applied in the Group for the respective asset category:

Asset category	Depreciation period (years)
Software	3-5
Other intangible fixed assets	3-5
Buildings	25-50
Vehicles	5
Computer hardware and cash counting equipment	3-5
Office equipment	5
Other fixed assets	5

q) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Useful life of goodwill is indefinite. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Due to IFRS changes, starting from 2005 the Bank and the Group stopped goodwill amortization, which amounted to LTL 11,244 thousand for one year.

r) Investment Property

Investment property is held for long-term rental yields or capital appreciation and is not occupied by the Group. Investment property is treated as a long-term investments and carried at cost less any accumulated depreciation and any accumulated impairment losses. Investment property is depreciated on a straight-line basis over its useful life. Depreciation period of investment properties is 25-50 years.

s) Non-Current Assets Held for Sale

The Group classifies a non-current asset (or disposal group) as held for sale when assets carrying amount will be recovered principally through a sale transaction, the management is committed to sell the asset and an active programme to locate a buyer have been initiated, the asset (or disposal group) is actively marketed for sale at a price that is reasonable in relation to its current fair value and it is expected to complete sale within one year from the date of classification. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and depreciation on such assets is ceased.

t) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

u) Borrowings

Borrowings are recognised initially at fair value, being their issue proceeds net of transaction costs incurred. Subsequently borrowings are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

v) Provisions

Provisions are measured at the present value of expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specified to the obligation.

w) Issued debt securities

Issued debt securities are classified as financial liabilities, which are repurchased as one amount or in instalments under a certain repayment schedule. Issued debt securities are recognized initially at fair value, being their issue proceeds net of transaction costs incurred. They are measured at amortized cost using the effective interest rate approach. Debt securities placed prior to specified issue date are accounted as other liabilities. If the Group purchases its own debt, it is removed from the balance sheet, and the difference between the carrying amount of a liability and the consideration paid is included in net trading income.

x) Employee benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Social security contributions are paid by the Group to the state Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution plan is a plan under which the Group pays fixed contributions into the Fund and will have no legal obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. The social security contributions are recognized as an expense on an accrual basis and are included within staff costs.

y) Fair values

According to management estimates, carrying amounts of financial assets and liabilities that in these financial statements are accounted for at amortised cost, do not significantly deviate from their fair values, as there are no significant loans and deposits amounts at off-market rates, except for index-linked deposit included in category 'investment held to maturity' which amortised cost and fair value (market value) difference amounted to LTL 3.4 million (fair value less than amortised cost) as at 31 December 2006 (LTL 3.9 million as of 31 December 2005).

z) Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

aa) Insurance activities

Insurance contracts are those contracts that transfer significant insurance risk. Such contracts may also transfer financial risk. The Group defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least 5 percent more than the benefits payable if the insured event did not occur.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk. These are accounted for under 'borrowings' accounting principles and presented under 'liabilities to investment contract holders' in the balance sheet.

Premiums written and outward reinsurance premiums

Unit-linked premiums are recognized on cash basis. Other insurance premiums written consist of premiums, written during the year according to the payment schedule provided by the policy. Premiums earned comprise premiums attributable to the reporting period. Outward reinsurance premiums represent reinsurance premiums attributable to the period in accordance with reinsurance contracts.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

aa) Insurance activities (continued)

Claims paid and claims handling costs

Claims paid comprise claims actually paid during the period. Direct claims handling costs represent salaries paid to employees for claims handling and other directly related expenses.

Acquisition costs

Commissions to intermediaries are recognised as expenses over the period of the policies they relate to. For unit-linked insurance products 12 regulations commissions are recognised as expenses over one year. Acquisition costs, which relate to the periods subsequent to the accounting period, are included in deferred acquisition costs. No additional deferred acquisition cost asset is created for policies, for which Zillmer adjustment is used in calculating insurance reserves.

Technical insurance reserves

The *unearned premiums reserve* represents the part of premiums written which relates to the period of risk subsequent to the accounting period.

The *reserves for claims* represent amounts provided at the end of the accounting period in respect of estimated losses incurred but not yet paid including related claims handling costs. The reserve for claims incurred but unreported calculated by Chain - ladder method.

The *life insurance reserve* is the total value of the Group's net liabilities related to the life insurance contracts. Mortality coefficients, used for the insurance portfolio of UAB SEB VB Gyvybės Draudimas, are presented in the mortality table of Lithuania (according to the Lithuanian statistical data for 1989 and 1990). The Group uses guaranteed interest rate for calculation of reserve as follows:

- 3.5 % for insurance policies and pension policies contracted 2002 year.
- Maximum technical interest rate established by Insurance Supervisory Commission is used for other policies.

Life insurance reserve is calculated using prospective net premium method for each policy individually. Under the prospective net premium method the value of liabilities is taken as the present value of the future benefit less the present value of future net premiums. For endowment and scholarship policies Zillmer adjustment used for creating deferred acquisition costs, which reduce life insurance reserve.

For unit-linked insurance products, *unit-linked insurance reserve* is established. This reserve represents the accumulated amount of total insurance premiums paid by the policyholder reduced by risk premiums and administration fees and adjusted by the loss/gain on the linked investments.

For investment life insurance 12 regulations actuarial funding is used to reduce the unit-linked insurance reserve by the amount of acquisition costs.

Technical *reserve for bonuses and rebates* is calculated according to the results of the Group's activity or the insurance class for the traditional life insurance contracts (endowment with additional benefits, except Hermio asmens draudimo contracts, and scholarship insurance).

Liability adequacy tests are performed for traditional and unit-linked businesses at each balance sheet date. In case any deficiency is identified it is charged immediately to income statement.

bb) Financial guarantees contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. Subsequent to initial recognition, the bank's liabilities under such guarantees are measured at the higher of the initial measurement, less amortisation calculated to recognise in the income statement the fee income earned on a straight line basis over the life of the guarantee and the best estimate of the expenditure required to settle any financial obligation arising at the balance sheet date. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by the judgment of Management. Any increase in the liability relating to guarantees is taken to the income statement under 'provisions for guarantees'.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

cc) Return on average shareholders' equity and assets

Return on average shareholders' equity and assets are computed by dividing net income by average annual equity and assets respectively. Average annual amount is calculated using January 1st, March 31st, June 30th, September 30th, December 31st respective balances.

dd) Comparative information

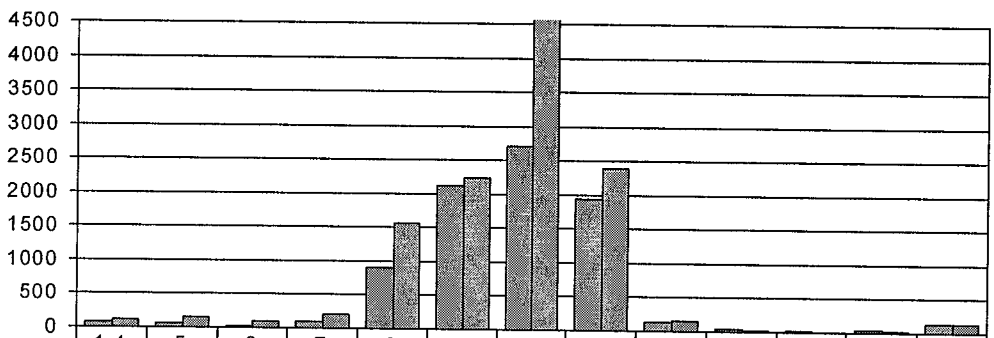
Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

ee) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

ff) Financial risk management policy

Credit risk. The Group takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The credit exposure is measured in credit equivalents calculated taking into account the type of financial transaction. The Group's credit policy is based on the principal that any lending transaction must be based on credit analysis. Various credit security instruments are applied depending on the complexity of a transaction and trustworthiness of a customer. The Group's credits are assessed on an individual and portfolio basis. The portfolio based assessment is applied to the following homogeneous credit groups having the similar risk characteristics: mortgage loans, consumer loans, credit cards, small corporate loans. The specific provisions for the homogeneous credit groups are formed by applying statistical methods based on historical data about the defaults of the borrowers and the suffered losses within the corresponding homogeneous credit group. The individually assessed borrowers are assigned to a relevant risk class reflecting the probability of default. The Group classifies the individually appraised borrowers into 16 risk classes. The information on distribution of individually appraised loans and leasing portfolio (in LTL million) by risk class is as follows:



	1-4	5	6	7	8	9	10	11	12	13	14	15	16
Dec '05	75	59	17	103	906	2124	2703	1946	141	31	18	30	128
Dec '06	112	156	90	206	1557	2246	4758	2383	159	15	9	10	130

Dec '05 Dec '06

**Excluding private individuals (4 216 LTL m)*

The counterparty risk is managed through regular analysis of the ability of borrowers to meet interest and principal amount repayment obligations. The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments. The credit risk of the borrowers is reviewed on regular basis at least once per year depending on the risk class assigned to the borrower. The credit risk exposure to a single borrower or borrowers' groups and the industries are monitored on a regular basis.

The information on loans by industries is presented in Note 23.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ff) Financial risk management policy (continued)

Market risk. Market risk is defined as the risk of a loss or reduction of future net income following changes in interest rates, foreign exchange and equity prices, including price risk in connection with the sale of assets or closing of positions. A particular distinction shall be made between trading book related market risks and structural market and net interest income risks, i.e. non-trading risk. The overall market risk exposure (trading and non-trading) is measured using Value-at-Risk (VaR) model based on variance/covariance method that express the maximum potential loss that can arise at a chosen level of probability during a certain period of time. Trading risk is measured on daily basis using 99 percent probability level and one-day time horizon. VaR exposure for non-trading positions is calculated on monthly basis using 10 day time horizon and the same probability level. Historical data are based on 90 days for estimation of volatility and correlation. Additionally the Bank uses the sensitivity/position measures applied for analysis of specific market risk type/position.

Capital adequacy. The Lithuanian banks are required to maintain a capital adequacy ratio of at least 8.0 percent of risk weighted assets to capital base. The Group's capital policy is to maintain the level of the capital adequacy ratio level slightly above the minimum required in a range of 8.5-9.0 percent being able to efficiently support the implementation of the business goals. The shareholders return requirements shall be balanced against the capital requirements of the regulators and the rating agencies. The Bank and the Group has finished the year 2006 with the capital adequacy ratio 10.16 percent and 9.36 percent respectively.

The dynamics of the capital adequacy ratio during 2006 is presented in Note 41.

Currency risk. Foreign Exchange Risk exposure is defined by two measures: single open currency position against LTL and aggregated general open currency - the bigger one of summarized long and short open currency positions. The foreign exchange risk measure contains the net exposure of spot and forward positions, FX futures including gold, the delta equivalent position of FX options plus 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 net positions of assets and liabilities denominated in foreign currencies as of 31 December 2006 are presented in Note 42.

Interest rate risk. Interest rate risk is managed by forecasting the market interest rates and managing the mismatches between assets and liabilities by re-pricing maturities. The Bank applies the interest rate risk management methods allowing to measure the Group's sensitivity to interest rate changes by computing the impact to yearly net interest income (called ΔNII) and the net effect to the market value of shareholders equity (called delta 1%) in case of parallel shift by percentage point in the yield curve.

The interest rate gap report as of 31 December 2006 is presented in Note 43.

Liquidity risk. Liquidity risk is the risk that the Group may be unable to timely fulfil its payment obligations or to finance or realize its assets over the certain period at an acceptable price. The Group adheres to a conservative liquidity risk management policy that ensures adequate fulfilment of current financial obligations, the level of obligatory reserves with the Central Bank, liquidity ratio higher than that established by the Bank of Lithuania and payment capacity under unforeseen unfavourable circumstances. The liquidity risk management system is based on the analysis of actual and forecasted cash flows.

The maturity of the Bank's assets and liabilities is presented in Note 40 and shows the remaining period from the balance sheet date to the contractual maturity or actual maturity, if known earlier.

The maturity of the leasing portfolio is presented in Note 24 and shows the remaining period from the balance sheet date to the contractual maturity.

Operational risk is the risk of loss due to external events (natural disasters, external crime, etc) or internal factors (e.g. breakdown of IT systems, mistakes, fraud, non-compliance with external and internal rules, other deficiencies in internal controls). The Group has developed the policy documents, instructions and contingency plans to minimise the operational risks in business processes. In addition to that the Bank has implemented several SEB Group wide techniques and IT solution to identify, analyse, report and mitigate the risk. Key risk indicators serve as early warning signals about changes of risk levels in business areas or processes. Operational risk self assessments are performed in business units and major business processes on a regular basis. Operational risk management system introduced in 2006 enables all staff of the Group to register all operational risk incidents and the management at all levels is able to assess, monitor and mitigate risks and compile prompt and timely reports.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ff) Financial risk management policy (continued)

Stress testing. Stress tests and scenario analysis is widely used to identify high-risk areas and relationships including concentration risks, its risk drivers and to evaluate the combined effect of shocks in the market. Stress tests provide an indication of the potential size of losses that could arise in extreme conditions. The stress tests carried out by Risk Control include the risk factor stress testing, where stress movements are applied to each risk category: market, credit, liquidity and operational risk. The ultimate goal of the analysis is to estimate net effect of the stress scenarios to the capital of the Bank and the group and prepare the action plan ensuring that the business operations shall be secured in case the worst case scenario occurs. The comprehensive scenario based stress testing covering all appropriate risk types is conducted at least annually and reported to the Asset Liability Management Committee (ALCO).

Internal control. Management of the Bank and heads of subsidiaries has a responsibility to ensure that the appropriate organisation, procedures and support systems are implemented to ensure that a sufficient system of internal controls, such as reconciliation to position systems and accounting ledgers, segregation of duties, confirmations, daily bookkeeping, market valuations, limits and limit follow-up, etc., is implemented. Limits shall be one way to manage risks where applicable and possible. A system for limiting and following up the amount of risk to be taken is implemented. The Board of Directors of SEB sets the overall limits in terms of risk in SEB. SEB Group ALCO sets the overall limits to SEB Vilniaus Bankas at the proposal of ALCO of SEB Vilniaus Bankas. Decisions on limits etc according to this policy must be documented in written form.

gg) Critical accounting estimates, and judgements in applying accounting policies

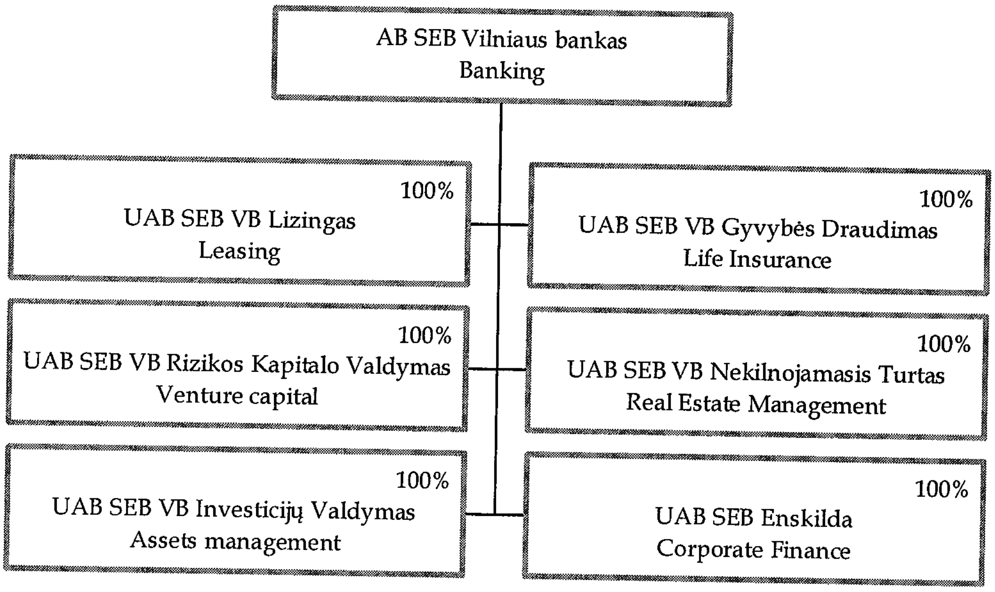
The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment losses on loans and advances

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

NOTE 4 GROUP'S STRUCTURE AND OPERATIONS

Organizational structure of AB SEB Vilniaus Bankas Group as of 31 December 2006 was as follows:



In February 2005 UAB SEB Enskilda (previously UAB SEB Vilfima, renamed in December 2006) established subsidiaries in Latvia and Estonia and as of 31 December 2006 hold 100 percent of shares in each subsidiary. The subsidiaries are engaged in corporate finance activities.

During 2006 the Bank disposed *SEB* bank, Ukraine to the Bank's shareholder SEB and initiated AB SEB Būsto bankas subsidiary liquidation procedure. For more information see note 26.

NOTE 5 SEGMENT INFORMATION (LTL 000s)

Primary reporting format - business segments. The Group is organised into seven main business segments: banking, leasing, venture capital, investment management, corporate finance, life insurance and real estate. Transactions between the business segments are on normal commercial terms and conditions.

The year ended 31 December 2006

	Consolidated segments							Eliminations and adjustments	Total
	Banking	Leasing	Venture capital	Investment management	Corporate finance	Life insurance	Real estate company		
Revenues:									
Internal	81,202	348	329	353	300	313	10,126	(92,971)	-
External	955,974	126,537	1,089	16,465	5,925	84,531	3,108	-	1,193,629
	1,037,176	126,885	1,418	16,818	6,225	84,844	13,234	(92,971)	1,193,629
Expenses:									
Internal	(14,972)	(22,957)	(67)	(1,247)	(218)	(1,927)	(5,184)	46,572	-
External	(690,979)	(65,109)	(683)	(12,057)	(3,994)	(18,034)	(2,894)	-	(793,750)
	(705,951)	(88,066)	(750)	(13,304)	(4,212)	(19,961)	(8,078)	46,572	(793,750)
Depreciation and amortisation	(27,248)	(7,498)	(4)	(62)	(28)	(230)	(1,691)	-	(36,761)
Impairment losses on loans	(15,639)	(1,264)	-	-	-	-	-	-	(16,903)
Life insurance technical provisions	-	-	-	-	-	(58,034)	-	-	(58,034)
Minority interest	(7)	-	-	-	-	-	-	-	(7)
Result for the year	288,331	30,057	664	3,452	1,985	6,619	3,465	(46,399)	288,174
Assets	19,063,036	2,796,114	34,649	12,835	12,288	271,844	122,935	(1,154,123)	21,159,578
Liabilities	17,615,289	2,753,910	106	2,054	1,280	250,139	92,482	(1,063,993)	19,651,267
Investments in fixed assets	37,699	8,572	16	48	29	650	3,106	-	50,120

NOTE 5 SEGMENT INFORMATION (LTL 000s) (CONTINUED)

As of 31 December 2006 non-current assets held for sale were included in banking, leasing and real estate business segments LTL 35.6 million, LTL 19 million and LTL 120 million respectively.

The year ended 31 December 2005

	Consolidated segments							Eliminations and adjustments	Total
	Banking	Leasing	Venture capital	Investment management	Corporate finance	Life insurance	Real estate company		
Revenues:									
Internal	31,644	520	436	300	311	228	9,825	(43,264)	-
External	629,003	92,182	2,231	7,776	1,570	65,872	1,689	-	800,323
	660,647	92,702	2,667	8,076	1,881	66,100	11,514	(43,264)	800,323
Expenses:									
Internal	(17,657)	(17,242)	(55)	(843)	(219)	(1,987)	(5,234)	43,237	-
External	(455,069)	(37,582)	(1,143)	(6,034)	(2,177)	(11,903)	(2,591)	-	(516,499)
	(472,726)	(54,824)	(1,198)	(6,877)	(2,396)	(13,890)	(7,825)	43,237	(516,499)
Depreciation and amortisation	(29,116)	(9,443)	(9)	(58)	(17)	(206)	(2,534)	-	(41,383)
Impairment losses on loans	(46,018)	1,257	-	-	-	-	-	-	(44,761)
Life insurance technical provisions	-	-	-	-	-	(48,623)	-	-	(48,623)
Minority interest	(14)	-	-	-	-	-	-	-	(14)
Result for the year	112,773	29,692	1,460	1,141	(532)	3,381	1,155	(27)	149,043
Assets	13,913,037	2,001,984	33,997	10,745	9,681	143,144	121,751	(1,123,626)	15,110,713
Liabilities	12,638,247	1,935,704	123	3,424	649	128,056	94,764	(947,446)	13,853,521
Investments in fixed assets	29,417	36,906	-	29	88	419	3,536	-	70,395

Secondary reporting format – geographical segment based on location of customers. The main segments are Lithuania (home market), United States, Ukraine, EU countries. None except Lithuania does not generate significant revenue.

Business segments are represented by legal entities and wherefore costs are allocated directly to each business segment.

NOTE 6 NET INTEREST INCOME (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
		Interest income:		
6,282	1,008	- on balances with Central Banks	6,282	1,008
37,561	27,871	- on loans and advances to credit institutions	62,600	49,576
541,294	334,742	- on loans and advances to customers	521,338	306,710
111,381	79,323	- on finance leasing portfolio	-	-
77,043	51,949	- on debt securities	76,048	50,840
3	67	- other interest and related income	3	67
		Interest expenses:		
(194,383)	(77,596)	- on amounts owed to credit and financial institutions	(146,080)	(52,740)
(113,854)	(94,347)	- on deposits from the public	(105,499)	(85,190)
(39,496)	(7,972)	- on debt securities	(39,778)	(8,135)
425,831	315,045	**Total net interest income**	374,914	262,136

Within interest income on debt securities amount for the year 2006 included LTL 67,214 thousand (LTL 45,838 thousand in 2005) interest income on debt securities included in available-for-sale portfolio.

NOTE 7 IMPAIRMENT LOSSES ON LOANS AND OTHER ASSETS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
(29,139)	(64,584)	Impairment losses on loans to customers charge for the year, net	(29,803)	(64,865)
-	8,953	Release of impairment losses on loan portfolio	-	8,685
14,505	9,011	Recovered written off loans	14,505	9,011
(14,634)	(46,620)	**Impairment losses on loans losses, net**	(15,298)	(47,169)

Movements in impairment losses during year 2006 can be specified as follows:

The Group			The Bank	
2006	2005		2006	2005
108,244	50,918	Impairment losses on loans as of 1 January	102,344	48,242
-	4,212	Impairment losses on loans acquired with *SEB* bank, Ukraine	-	-
29,073	55,560	Impairment losses charged to income statement, net	29,745	56,157
(1,536)	(3,002)	Loans written off	(1,393)	(2,623)
-	120	Reclassifications of impairment losses	-	120
(486)	436	Effect of change in exchange rate	(174)	448
(4,773)	-	Changes in impairment losses due to disposal of *SEB* bank, Ukraine	-	-
130,522	108,244	**Impairment losses on loans as of 31 December**	130,522	102,344

The Group			The Bank	
2006	2005		2006	2005
130,522	107,946	Impairment losses on loans to customers	130,522	102,344
-	298	Impairment losses on balances with credit and financial institutions	-	-
130,522	108,244	**Impairment losses on loans as of 31 December**	130,522	102,344

The Bank had LTL 123,176 thousand of gross individually impaired loans as of 31 December 2006 (2005: LTL 105,498 thousand). Accrued interest on these loans amounted to LTL 1,428 thousand as of 31 December 2006 (2005: LTL 394 thousand). Impaired loans referred to above are identified in accordance with the Bank's Credit Loss Instructions.

The Group and the Bank accounted for the following impairment losses for other assets:

The Group			The Bank	
2006	2005		2006	2005
6,949	5,914	Impairment losses on finance lease portfolio	-	-
408	428	Impairment losses on other doubtful assets	51	282
7,357	6,342	**Impairment losses on other assets as of 31 December**	51	282

NOTE 8 INCOME AND EXPENSES ON SERVICES AND COMMISSION (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
56,126	51,598	For money transfer operations	51,153	45,355
60,907	50,712	For credit cards services	59,908	50,075
11,150	6,820	For operations with securities	11,102	6,766
67,197	45,464	Other income on services and commissions	43,974	37,954
195,380	154,594	**Income on services and commissions**	166,137	140,150
(2,611)	(2,850)	For money transfer operations	(2,072)	(2,044)
(35,381)	(31,662)	For credit cards services	(35,128)	(31,473)
(2,288)	(1,731)	For operations with securities	(2,317)	(1,785)
(19,090)	(12,730)	Other expenses on services and commissions	(12,890)	(8,499)
(59,370)	(48,973)	**Expenses on services and commissions**	(52,407)	(43,801)

NOTE 9 NET GAIN (LOSS) ON OPERATIONS WITH DEBT SECURITIES, DERIVATIVES AND FINANCIAL INSTRUMENTS (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
		Net result from financial assets at fair value through profit or loss portfolio:		
4,276	3,544	Realised result from operations with debt securities	1,194	536
(5,019)	(1,321)	Unrealised result from operations with debt securities	(3,073)	(725)
1,788	745	Net result from available for sale portfolio transferred from financial assets revaluation reserve	1,788	795
(29,934)	34,688	Result of recognition of derivative financial instruments, net	(29,948)	34,678
(28,889)	37,656	**Total gain (loss) on operations with debt securities, derivatives and financial instruments**	(30,039)	35,284

NOTE 10 NET FOREIGN EXCHANGE GAIN (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
56,651	42,484	Gain from foreign exchange trading	52,708	37,903
45,122	(17,232)	Unrealised translation gain (loss)	47,639	(18,248)
101,773	25,252	**Total net foreign exchange gain**	100,347	19,655

NOTE 11 NET INSURANCE PREMIUM REVENUE (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
74,135	55,591	Premiums written, gross	-	-
(2,222)	(1,736)	Premiums ceded to reinsurers	-	-
(965)	(918)	Change in provision for unearned premiums and unexpired risks, gross	-	-
248	310	Reinsurers' share of change in provision for unearned premiums	-	-
71,196	53,247	**Total net insurance premium revenue**	-	-

NOTE 12 GROSS INSURANCE EXPENSES (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
10,685	4,118	Claims incurred, net	-	-
58,034	48,287	Change in other technical provisions	-	-
68,719	52,405	**Total gross insurance expenses**	-	-

NOTE 13 STAFF COSTS (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
110,110	96,238	Salaries and wages	87,911	77,241
32,463	28,724	Social security expenses	26,589	23,009
142,573	124,962	**Total staff costs**	114,500	100,250

The following numbers of full-time personnel were employed by the Group's companies as of 31 December 2006:

AB SEB Vilniaus Bankas	1,685
UAB SEB VB Lizingas	105
UAB SEB VB Gyvybės Draudimas	70
UAB SEB VB Investicijų Valdymas	19
UAB SEB Enskilda	13
UAB SEB VB Nekilnojamasis Turtas	7
UAB SEB VB Rizikos Kapitalo Valdymas	2
Total personnel	1,901

Several employees of the Bank are also employed by subsidiary companies. As of 31 December 2005 the Group employed 2,241 employees (including *SEB* bank, Ukraine).

NOTE 14 OTHER ADMINISTRATIVE EXPENSES (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
22,416	25,814	Depreciation of tangible fixed assets	17,977	20,620
25,506	19,546	Rent and maintenance of premises	31,968	27,098
8,856	12,051	Advertising and promotion expenses	7,286	8,629
12,722	11,742	Communication expenses	10,510	10,304
12,228	9,893	Office equipment maintenance	11,407	9,031
1,544	8,961	Other than income taxes	188	1,558
8,784	6,572	Payments for servicing organizations	8,395	6,258
6,047	5,430	Transport expenses	4,770	3,997
5,160	5,271	Employees training expenses	4,311	4,305
6,938	5,227	Amortisation	6,224	4,458
7,713	4,580	Audit and consulting expenses	7,305	4,054
6,372	8,113	Operating leasing depreciation	-	-
1,378	1,885	Charity and sponsorship	1,330	1,631
1,037	2,229	Depreciation of investment properties	332	517
203	1,127	Impairment of foreclosed assets	-	-
1,391	1,037	Insurance of banking operations	1,391	1,037
14,142	6,449	Other expenses	9,697	8,636
142,437	135,927	**Total other administrative expenses**	123,091	112,133

NOTE 15 INCOME TAX (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
60,595	20,974	Current year tax charge	50,286	14,219
(2,961)	8,656	Previous years related tax charge	(2,444)	9,050
239	2,275	Deferred tax credit	(312)	3,398
57,873	31,905	**Total income tax charge**	47,530	26,667

Previous years related tax charge for 2005 the Bank and for the Group includes LTL 10,000 thousand related to 2002 and 2003, the rest of amounts - LTL 2,961 thousand for the Group and LTL 2,444 thousand for the Bank (2005: LTL 1,344 thousand fir the Group and LTL 950 thousand for the Bank) represents adjustment updating profit tax payable figure estimated at year end.

The tax on the Bank's and the Group profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

The Group			The Bank	
2006	2005		2006	2005
346,054	180,962	Profit before tax	333,063	133,441
65,750	27,144	Tax calculated at a tax rate of 19% (2005: 15%)	63,282	20,016
130	227	Tax effect relating to applying higher local tax rate than 19% (2005: 15%) (25% for Ukraine)	-	-
(28,640)	(16,689)	Income not subject for tax	(16,868)	(5,536)
23,011	3,256	Expenses not deductible for tax purposes	3,560	3,137
(2,961)	8,656	Correction of previous period income tax	(2,444)	9,050
583	8,962	Current year tax losses	-	-
-	349	Recognition /utilization of previously unrecognized tax losses	-	-
57,873	31,905	**Total income tax charge**	47,530	26,667

The temporary social tax at a rate of 4% was introduced for the year 2006. The tax base is the same as for the income tax; therefore the basic tax rate used is 19%.

Deferred tax

The Group			The Bank	
2006	2005		2006	2005
2,767	2,524	Asset at 1 January	-	-
(566)	243	Income statement charge	-	-
2,201	2,767	**Asset at 31 December**	-	-

The Group			The Bank	
2006	2005		2006	2005
12,066	-	Liability at 1 January	1,941	-
(327)	2,515	Income statement charge	(312)	2,515
-	10,125	Additions acquired through business combination	-	-
(10,057)	-	Write-down through business disposals	-	-
730	(574)	Recognized in shareholder's equity	730	(574)
2,412	12,066	**Liability at 31 December**	2,359	1,941

NOTE 15 INCOME TAX (LTL 000s) (CONTINUED)

Deferred income tax to be utilized in 2007 was calculated using 18 percent rate and all remaining period - 15 percent. Deferred income tax asset to be utilized after 2007 amounted to LTL 1,327 thousand and deferred income tax liability - LTL 4,587 thousand.

The Group			The Bank	
2006	2005		2006	2005
		Deferred tax asset		
152	160	Revaluation of securities	-	-
254	145	Amortisation and depreciation	-	-
-	(52)	Accrued income	-	-
316	93	Accrued expense	-	-
-	136	Allowances	-	-
1,479	824	Deferred income	-	-
-	1,461	Accumulated tax losses	-	-
2,201	2,767	**Deferred tax asset, net**	-	-

The Group			The Bank	
2006	2005		2006	2005
		Deferred tax liability		
-	10,125	Revaluation of property, plant and equipment	-	-
(898)	-	Revaluation of available for sale securities through income statement	(898)	-
156	(574)	Revaluation of available for sale securities through equity	156	(574)
(112)	(63)	Revaluation of trade securities	(112)	(63)
402	-	Revaluation of derivatives	402	-
4,895	2,578	Amortisation and depreciation	4,830	2,578
(2,031)	-	Other temporary differences	(2,019)	-
2,412	12,066	**Deferred tax liability, net**	2,359	1,941

Deferred income tax asset related to accumulated tax loss was utilized in the year 2006 by UAB SEB Enskilda amounting to LTL 108 thousand and UAB SEB VB Investicijų Valdymas amounting to LTL 567 thousand. The deferred income tax asset of UAB SEB VB Investicijų Valdymas related to accumulated tax loss amounting to LTL 115 thousand was reversed due to the recalculation of the taxable profit of the previous years. The results of UAB SEB VB Gyvybės Draudimas indicated that only tax losses will be incurred by UAB SEB VB Gyvybės Draudimas in the future. Therefore, the deferred income tax asset of UAB SEB VB Gyvybės Draudimas related to accumulated tax loss amounting to LTL 671 thousand was reversed.

The amount of unused tax losses and temporary differences and their expiry time for the Group is as follows:

The Group			The Bank	
2006	2005		2006	2005
		Unused tax losses and temporary differences		
-	129	Temporary differences	-	-
20,224	19,728	Tax loss, expiry in 2007	-	-
33,465	32,600	Tax loss, expiry in 2008	-	-
39,714	38,419	Tax loss, expiry in 2009	-	-
59,766	58,021	Tax loss, expiry in 2010	-	-
3,067	-	Tax loss, expiry in 2011	-	-
156,236	148,897	**Total unused tax losses and temporary differences**	-	-

All unused tax losses and temporary differences are related to insurance activities.

NOTE 16 EARNINGS PER SHARE

The Group			The Bank	
2006	2005		2006	2005
288,174	149,043	Net profit attributable to the shareholders (LTL 000s)	285,533	106,774
15,441	15,441	Weighted average number of shares (000s)	15,441	15,441
18.66	9.65	**Basic earnings per share (LTL)**	18.49	6.91

Basic earnings per ordinary share is calculated by dividing net income attributable to equity holders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by dividing net income by the weighted average number of ordinary shares in issue during the year to assume conversion of all dilutive potential ordinary shares. The Group has no dilutive potential ordinary shares.

NOTE 17 BALANCES WITH THE CENTRAL BANKS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
708,258	595,024	Obligatory reserves	708,258	582,709
241,274	373,084	Balance available for withdrawal	241,274	349,013
949,532	968,108	**Total balances with the Central Banks**	949,532	931,722

One third of obligatory reserves and the balance available for withdrawal are non-interest bearing according to Central Bank of Lithuania regulations. Obligatory reserves comprise 6 percent (6 percent in 2005) of average balance of deposits from public of previous month.

NOTE 18 GOVERNMENT SECURITIES - AVAILABLE FOR SALE (LTL 000s)

The Group		The Bank
1,137,304	**At 1 January 2006**	1,080,213
1,023,772	Additions	1,008,372
(402,690)	Disposals (sale and redemption)	(358,140)
50,826	Interest income	50,817
(23,101)	Change in revaluation reserve in equity	(23,101)
(7,046)	Recognised result in income statement	(7,031)
(27,335)	Disposal of *SEB* bank, Ukraine	-
1,751,730	**At 31 December 2006**	1,751,130

Government securities are debt securities issued by the Government for the terms of six months, one year or longer. Effective interest rate of the Group's and Bank's portfolio at the end of 2006 was 3.91 percent (2005: 3.86 percent).

NOTE 19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
169,146	234,624	Financial assets held for trading	169,146	234,624
239,840	80,666	Financial assets designated at fair value through profit or loss (at initial recognition)	-	-
408,986	315,290	**Total financial assets at fair value through profit and loss**	169,146	234,624

Effective interest rate of the Bank's portfolio at the end of 2006 was 3.84 percent (2005: 2.78 percent).

NOTE 20 DERIVATIVE FINANCIAL INSTRUMENTS (LTL 000s)

The Bank utilises the following derivative instruments for both hedging and non-hedging purposes. Hedging relationship is properly documented. The hedging practices and accounting treatment is described in *Accounting policy* notes.

31 December 2006	Notional amount		Fair values	
	Purchase	Sale	Assets	Liabilities
Foreign exchange derivatives				
Currency forwards	168,210	172,800	571	5,737
Currency swaps	443,324	442,244	1,290	236
Call options	1,625	1,625	-	1
Interest rate derivatives				
Forward deposit	2,019,888	-	1,654	2
Futures	89,082	89,082	1,543	-
Interest rate swaps	673,114	673,114	5,902	3,743
Interest rate swaps for hedging purposes	707,479	707,479	-	71,570
Equity derivatives				
Index linked debt securities option	539,380	539,380	106,634	107,815
Derivative part of index linked deposit	-	-	141	-
Total derivatives assets/liabilities	4,642,102	2,625,724	117,735	189,104

31 December 2005	Notional amount		Fair values	
	Purchase	Sale	Assets	Liabilities
Foreign exchange derivatives				
Currency forwards	137,261	135,002	2,250	1,156
Currency swaps	1,031,703	1,031,725	3,309	3,616
Interest rate derivatives				
Forward deposit	638,768	-	177	170
Futures	34,701	34,701	-	193
Interest rate swaps	83,425	83,425	-	1,721
Equity derivatives				
Index linked debt securities option	126,200	126,200	22,498	8,654
Derivative part of index linked deposit	-	-	157	-
Total derivatives assets/liabilities	2,052,058	1,411,053	28,391	15,510

The Bank (other Group companies do not enter hedging transations) hedges a proportion of its existing interest rate risk in available-for-sale debt securities by fair value hedges in the form of interest rate swaps. The net fair value of interest rate swaps at 31 December 2006 was negative and amounted to LTL 71,570 thousand (2005: nill). The gains on the hedging instruments in 2006 were LTL 3,279 thousand (2005: nill). The losses on the hedged item attributable to the hedged risk were LTL 7,024 thousand (2005: nill).

NOTE 21 LOANS TO CREDIT AND FINANCIAL INSTITUTIONS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
21,510	67,643	Short-term loans	542,535	486,645
921	1,203	Long-term loans	394,012	310,091
22,431	68,846	**Total loans to credit and financial institutions**	936,547	796,736
-	(2)	Less impairment losses on loans	-	-
22,431	68,844	**Total loans to credit and financial institutions, net**	936,547	796,736

As of 31 December 2006 and 2005 interest rates on Bank's loans to credit and financial institutions varied from 2.36 percent to 7.80 percent and from 2.19 to 7.95 percent respectively.

NOTE 22 LOANS TO CUSTOMERS, NET (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
1,929,192	1,374,268	Short-term loans	1,929,196	1,310,650
11,422,423	7,549,056	Long-term loans	11,502,503	7,261,702
13,351,615	8,923,324	**Total loans to customers**	13,431,699	8,572,352
(130,522)	(107,946)	Less impairment losses on loans	(130,522)	(102,344)
13,221,093	8,815,378	**Loans to customers, net**	13,301,177	8,470,008

Interest rates in 2006 on short-term loans issued by AB SEB Vilniaus Bankas ranged from 1.3 percent to 11 percent for loans denominated in LTL (from 2.58 percent to 10.50 percent in 2005) and from 1.5 percent to 11.28 percent for loans denominated in foreign currencies (from 2.96 percent to 8.91 percent in 2005). Interest on long-term loans ranged from 0.7 percent to 15 percent (from 2.47 percent to 12.11 in 2005) and from 1 percent to 12.33 percent (from 2.18 percent to 6.65 percent in 2005) respectively.

As of 31 December 2006 loan with floating interest rate exceeded 78 percent of Bank's loan portfolio (2005: 79 percent).

NOTE 23 LOANS BY INDUSTRIES, NET (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
17,478	31,019	Banks	17,478	205,752
4,953	37,827	Other financial intermediaries	919,069	590,984
-	(2)	Less provisions for loans to credit and financial institutions	-	-
22,431	68,844	**Loans to credit and financial institutions, net**	936,547	796,736
2,126,208	1,769,731	Trade and wholesale distribution	2,117,170	1,678,988
2,666,815	1,707,011	Processing industry	2,666,815	1,651,626
2,143,330	1,415,263	Real estate	2,234,928	1,498,441
329,574	347,363	Utilities	329,574	333,184
749,217	450,565	Construction	749,217	444,185
403,341	273,637	Transportation and telecommunication	403,341	272,659
316,137	342,784	Governmental and municipal services	316,137	342,751
148,011	109,362	Agriculture, hunting, forestry	148,011	108,282
140,792	91,064	Hotels and restaurants	140,792	90,866
4,735	5,562	Education	4,735	5,562
4,162	2,695	Exploitation and mining	4,162	2,695
8,799	10,697	Health care	8,799	10,206
4,310,494	2,397,590	Other	4,308,018	2,132,907
13,351,615	8,923,324	Total loans to customers	13,431,699	8,572,352
(130,522)	(107,946)	Less impairment losses on loans to customers	(130,522)	(102,344)
13,221,093	8,815,378	**Loans to customers, net**	13,301,177	8,470,008

NOTE 24 FINANCE LEASE RECEIVABLE, NET (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
		Gross finance lease receivable		
896,993	668,492	-Falling due within one year	-	-
1,761,119	1,208,531	-Falling due from one to five years	-	-
412,987	263,840	-Falling due after five years	-	-
3,071,099	2,140,863	**Total gross finance lease receivable**	-	-
		Unearned finance income		
(117,554)	(69,567)	-Falling due within one year	-	-
(194,811)	(110,889)	-Falling due from one to five years	-	-
(45,117)	(25,724)	-Falling due after five years	-	-
(357,482)	(206,180)	**Total unearned finance income**	-	-
(6,949)	(5,914)	Less impairment losses on finance lease receivable	-	-
2,706,668	1,928,769	**Total finance lease receivable, net**	-	-

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
873,009	638,231	Trucks and other vehicles	-	-
722,500	489,084	Real estate	-	-
541,592	361,589	Cars and mini-vans	-	-
343,254	312,919	Manufacturing equipment	-	-
21,824	21,309	Shop equipment	-	-
102,781	33,746	Construction equipment	-	-
28,233	20,451	Agricultural equipment	-	-
22,666	12,639	Office equipment	-	-
9,434	10,276	Medical equipment	-	-
3,429	4,372	Railway wagons and containers	-	-
1,702	621	Water transport means	-	-
43,193	29,446	Other assets	-	-
2,713,617	1,934,683	**Total finance lease receivable**	-	-
(6,949)	(5,914)	Less impairment losses on finance lease receivable	-	-
2,706,668	1,928,769	**Total finance lease receivable, net**	-	-

As of 31 December 2006 unguaranteed residual values amounted to LTL 1,453 thousand (2005: LTL 360 thousand).

Interest rates in 2006 on portfolio denominated in LTL was 4.93 percent and 5.07 - 7.16 percent for portfolio denominated in foreign currencies (5.9 percent and 4.2 percent respectively in 2005). As of 31 December 2006 finance lease contracts with floating interest rate exceeded 91 percent of leasing portfolio (2005: 90.3 percent).

NOTE 25 INVESTMENT SECURITIES (LTL 000s)

The breakdown of the investment securities – available for sale may be summarised as follows:

The Group			The Bank	
2006	2005		2006	2005
		Securities available for sale:		
19,971	19,609	AB Lietuvos Telekomas	19,971	19,609
2,125	-	UAB Mestilla	-	-
2,141	2,141	AB Malsena	-	-
1,271	-	AB Pieno Žvaigždės Bonds	1,271	-
1,101	-	Mastercard Class	1,101	-
1,000	1,000	UAB Sostinių Golfas	-	-
132,069	506,274	SEB Bonds	132,069	506,274
-	-	SEB VB Būsto Bankas debt securities	-	19,569
647	7,966	Other securities available for sale	489	726
160,325	536,990	**Total securities held for investment purposes**	154,901	546,178

The movement in investment securities for 2006 may be summarised as follows:

The Group			The Bank	
Available-for-sale	Held to maturity		Available-for-sale	Held to maturity
536,990	15,424	At 1 January 2006	546,178	15,424
(24,510)	(1,483)	Exchange differences on monetary assets	(24,510)	(1,483)
1,055,580	-	Additions	1,053,455	-
(1,418,122)	-	Disposals (sale and redemption)	(1,437,691)	-
16,400	-	Interest income	16,397	-
1,437	-	Change in revaluation reserve in equity	1,437	-
(347)	-	Recognised result in income statement	(365)	-
(7,103)	-	Disposal of *SEB* bank, Ukraine	-	-
160,325	13,941	**At 31 December 2006**	154,901	13,941

Effective interest rate of the Group's and Bank's portfolio at the end of 2006 was 5.40 percent (2005: 3.32 percent).

NOTE 26 INVESTMENTS IN SUBSIDIARIES (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
		Securities accounted for under cost method:		
-	-	UAB SEB VB Lizingas	10,000	28,501
-	-	UAB SEB VB Rizikos Kapitalo Valdymas	25,000	25,000
-	-	UAB SEB VB Nekilnojamasis Turtas	25,703	25,703
-	-	AB SEB VB Būsto Bankas	-	20,000
-	-	UAB SEB VB Gyvybės Draudimas	10,325	10,325
-	-	UAB SEB Enskilda	8,280	8,280
-	-	UAB SEB VB Investicijų Valdymas	9,900	9,900
		SEB bank (Ukraine)	-	75,490
-	-	**Total investments in subsidiaries**	89,208	203,199

UAB SEB VB Lizingas is engaged in the leasing activities. The Bank owns 100 percent of the shares of UAB SEB VB Lizingas, which is consolidated in the Bank's financial statements. During 2006 the Bank reduced share capital of the subsidiary to LTL 10,000 thousand.

UAB SEB VB Rizikos Kapitalo Valdymas is a fully owned subsidiary involved in venture capital activities. Financial statements of UAB SEB VB Rizikos Kapitalo Valdymas for the year ended 31 December 2006 are consolidated in these financial statements.

NOTE 26 INVESTMENTS IN SUBSIDIARIES (LTL 000s) (CONTINUED)

On 29 June 2006 Central bank of Lithuania cancelled banking licence of Bank's subsidiary AB SEB VB Būsto bankas. The subsidiary was engaged in mortgage loans activities. The subsidiary was liquidated in January 2007.

UAB SEB VB Gyvybės Draudimas is a fully owned subsidiary of the Bank and is engaged in provision of life insurance services. Financial statements of UAB SEB VB Gyvybės Draudimas for the year ended 31 December 2006 are consolidated in these financial statements.

UAB SEB Enskilda is engaged in provision of corporate finance services. Consolidated financial statements of UAB SEB Enskilda (including subsidiaries in Latvia and Estonia) for the year ended 31 December 2006 are consolidated in these financial statements. In February 2005 UAB SEB Enskilda established subsidiary Vilfima SIA in Latvia with paid in share capital of LVL 10 thousand (LTL 50 thousand) and Vilfima OU in Estonia with with paid in share capital of EEK 227 thousand (LTL 50 thousand).

UAB SEB VB Investicijų Valdymas is a fully owned subsidiary of the Bank, engaged in provision of investments' management services. Financial statements of this entity are consolidated in these financial statements.

UAB SB VB Nekilnojamasis Turtas is a fully owned subsidiary of the Bank, involved in real estate management activities, and its financial statements are consolidated in these financial statements.

The audited financial statements of subsidiaries are available at the Bank and the respective subsidiary.

In autumn 2006 Bank sold *SEB* bank, Ukraine (previously *Agio*) shares. The details of the fair value of the assets and liabilities disposed were as follows (LTL 000's):

Cash and cash equivalents	18,700
Loans and advances to customers	215,274
Due from banks and loans to credit and financial institutions	63,862
Fixed assets tangible and intangible	50,922
Other assets	3,873
Deposits from public	(118,602)
Amounts borrowed from credit and financial institutions	(53,507)
Other liabilities	(3,071)
Total disposal consideration received (discharged by cash)	80,752
Disposal consideration	80,752
Less: Cash and cash equivalents in subsidiary disposed	(18,700)
Cash inflow on disposal	62,052

During *SEB* bank, Ukraine acquisition, the Bank made payments amounted LTL 1,405 thousand to it's subsidiary UAB SEB Enskilda for advisory during business combination. The amount was included in business acquisition costs and used for goodwill calculation. During 2006 disposal of *SEB* bank, Ukraine (previously *Agio*) shares the amount was realised.

NOTE 27 INTANGIBLE FIXED ASSETS (LTL 000s)

The Group				The Bank		
Goodwill	Software and other intangible fixed assets	Total intangible fixed assets		Goodwill	Software and other intangible fixed assets	Total intangible fixed assets
			Cost			
169,549	43,207	212,756	31 December 2004	169,549	42,104	211,653
-	9,772	9,772	Additions	-	8,951	8,951
23,104	706	23,810	Additions acquired through business combination	-	-	-
4,823	147	4,970	Net translation differences	-	-	-
-	(3,115)	(3,115)	Disposals	-	(4,451)	(4,451)
197,476	50,717	248,193	31 December 2005	169,549	46,604	216,153
			Accumulated amortisation			
-	33,089	33,089	31 December 2004	-	31,162	31,162
-	5,227	5,227	Charge for the year	-	4,457	4,457
-	(1,356)	(1,356)	Amortisation of disposals	-	(1,288)	(1,288)
-	24	24	Translation difference	-	-	-
-	36,984	36,984	31 December 2005	-	34,331	34,331
			Cost			
-	8,324	8,324	Additions	-	7,783	7,783
(27,927)	(1,290)	(29,217)	Disposals through business disposal	-	-	-
-	(553)	(553)	Disposals	-	(490)	(490)
169,549	57,198	226,747	31 December 2006	169,549	53,897	223,446
			Accumulated amortisation			
-	6,937	6,937	Charge for the year	-	6,225	6,225
-	(1,370)	(1,370)	Amortisation of disposals	-	(490)	(490)
-	42,551	42,551	31 December 2006	-	40,066	40,066
			Net book value			
197,476	13,733	211,209	**31 December 2005**	169,549	12,273	181,822
169,549	14,647	184,196	**31 December 2006**	169,549	13,831	183,380

Goodwill is allocated to the Group's cash-generating units identified according to country of operation. When testing for impairment, the recoverable amount of a cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on most recent financial forecasts approved by management covering a three-year period. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below.

Key assumptions used for value-in-use calculations to test the recoverability of goodwill: management projections for following three years approximately 10 percent and sustainable growth rate 2 percent; discount rate used - 9 percent.

Management determined budgeted profit based on past its expectations for market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

No impairment was recognised on goodwill as at 31 December 2006 (2005: nill).

NOTE 28 TANGIBLE FIXED ASSETS (LTL 000s)

	The Bank			
	Buildings and other real estate	Computer equipment	Office equipment and other	Total tangible fixed assets
Cost				
31 December 2004	59,532	100,546	39,172	199,250
Additions	1,262	7,986	6,520	15,768
Disposals	(64)	(7,477)	(3,848)	(11,389)
31 December 2005	60,730	101,055	41,844	203,629
Accumulated depreciation				
31 December 2004	6,456	67,895	25,121	99,472
Charge for the year	1,349	14,689	4,580	20,618
Depreciation of disposals	-	(7,398)	(2,736)	(10,134)
31 December 2005	7,805	75,186	26,965	109,956
Cost				
31 December 2005	60,730	101,055	41,844	203,629
Additions	5,640	11,354	11,487	28,481
Disposals and reclassifications	(54,234)	(3,836)	(2,457)	(60,527)
31 December 2006	12,136	108,573	50,874	171,583
Accumulated depreciation				
31 December 2005	7,805	75,186	26,965	109,956
Charge for the year	857	11,677	5,443	17,977
Depreciation of disposals and reclassifications	(7,096)	(3,821)	(2,392)	(13,309)
31 December 2006	1,566	83,042	30,016	114,624
Net book value				
31 December 2005	52,925	25,869	14,879	93,673
31 December 2006	10,570	25,531	20,858	56,959

NOTE 28 TANGIBLE FIXED ASSETS (LTL 000s) (CONTINUED)

	The Group			
	Buildings and other real estate	**Computer equipment**	**Office equipment and other**	**Total tangible fixed assets**
Cost				
31 December 2004	168,257	102,064	40,781	311,102
Additions	37,093	9,693	8,197	54,983
Acquisitions through business combinations	41,922	901	3,328	46,151
Disposals	(31,882)	(8,186)	(4,832)	(44,900)
Net translation differences	8,753	188	695	9,636
Transfers from (to) investment property and other assets captions	3,038	-	(105)	2,933
31 December 2005	227,181	104,660	48,064	379,905
Accumulated depreciation				
31 December 2004	9,855	69,018	26,060	104,933
Charge for the year	4,650	15,388	6,406	26,444
Depreciation of disposals	-	(7,985)	(3,469)	(11,454)
Transfers from (to) investment property and other assets captions	72	-	(52)	20
Translation difference	56	22	85	163
31 December 2005	14,633	76,443	29,030	120,106
Cost				
31 December 2005	227,181	104,660	48,064	379,905
Additions	8,890	11,783	13,227	33,900
Disposals through business disposal	(51,162)	(1,689)	(5,562)	(58,413)
Disposals and reclassifications	(172,773)	(4,441)	(3,267)	(180,481)
31 December 2006	12,136	110,313	52,462	174,911
Accumulated depreciation				
31 December 2005	14,633	76,443	29,030	120,106
Charge for the year	3,177	12,441	6,800	22,418
Depreciation of disposals	(16,244)	(4,782)	(5,040)	(26,066)
31 December 2006	1,566	84,102	30,790	116,458
Net book value				
31 December 2005	212,548	28,217	19,034	259,799
31 December 2006	10,570	26,211	21,672	58,453

NOTE 29 ASSETS UNDER OPERATING LEASE

Movement of assets under operating lease during 2006 is provided below:

	The Group		
	Vehicles	**Office equipment and other**	**Total assets under operating lease**
Cost			
31 December 2005	30,567	7,327	37,894
Additions	7,910	-	7,910
Disposals	(10,018)	(1,477)	(11,495)
Transfer to (from) leasing portfolio	(6,770)	-	(6,770)
31 December 2006	21,689	5,850	27,539
Accumulated depreciation			
31 December 2005	12,265	3,065	15,330
Charge for the year	5,102	1,270	6,372
Depreciation of disposals	(5,203)	(749)	(5,952)
Depreciation of transfers to/from leasing portfolio	(3,716)	(498)	(4,214)
31 December 2006	8,448	3,088	11,536
Impairment			
31 December 2005	57	995	1,052
Impairment charge	-	-	-
31 December 2006	57	995	1,052
Net book value			
31 December 2005	18,245	3,267	21,512
31 December 2006	13,184	1,767	14,951

NOTE 30 INVESTMENT PROPERTY (LTL 000s)

The Group		The Bank
	Cost	
58,553	31 December 2005	23,042
(552)	Disposals	-
(58,001)	Reclassifications to non-current assets held for sale	(23,042)
-	31 December 2006	-
	Accumulated depreciation	
6,920	31 December 2005	2,617
1,037	Charge for the year	332
(12)	Depreciation of disposals	-
(7,945)	Reclassifications to non-current assets held for sale	(2,949)
-	31 December 2006	-
	Net book value	
51,633	**31 December 2005**	20,425
-	**31 December 2006**	-

During 2006 the SEB management decided to sell all real estate held by the Group, started marketing campaign in October 2006 and therefore all real estate from 'Investment property' and 'Tangible fixed assets' captures (net book value amounted in the Bank and Group respectively: LTL 35.6 million and LTL 174.9 million) was transferred to non-current assets held for sale category. Currently the management of the Bank is looking for a buyer. Few bidders were selected and the management of the Bank expects due diligence of the real estate portfolio to be completed by the middle of this year.

NOTE 31 OTHER ASSETS, NET (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
63,532	49,146	Cash withdrawn from cards accounts	63,532	49,146
24,661	19,342	Advances paid for assets to be leased	-	-
10,062	13,740	Deferred expenses	9,584	7,565
22,320	13,324	Amounts receivable for cash exported	22,320	13,324
13,415	14,697	Amounts of executed bank transfers not yet withdrawn from customers' accounts	13,415	14,697
3,995	9,087	Amounts outstanding for clearance	3,995	8,667
-	4,673	Current lease receivable, net	-	-
16,671	3,642	Assets not yet leased	-	-
14,438	3,566	Accrued income, net	1,606	1,555
3,163	3,175	Deferred insurance acquisition costs	-	-
1,271	1,690	Accounts receivable for assets sold, net	2,442	3,447
3,040	886	Assets taken back from lessees, net	-	-
1,548	850	Prepaid taxes	479	160
323	335	Assets taken over for bad loans, net	323	335
19,366	22,689	Other assets, net	11,739	15,967
197,805	160,842	**Total other assets, net**	129,435	114,863

NOTE 32 AMOUNTS OWED TO CREDIT AND FINANCIAL INSTITUTIONS (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
3,242,300	2,724,810	Falling due within one year	3,191,046	2,576,170
4,705,518	1,868,074	Falling due after one year	3,013,646	718,968
7,947,818	4,592,884	**Total amounts owed to credit and financial institutions**	6,204,692	3,295,138

As of 31 December 2006 the Group was in compliance with loan covenants in respect of the Bank's financial position related to the received credit lines from foreign credit institutions.

As of 31 December 2006 and 2005 interest rates on amounts owed to credit and financial institutions by the Bank varied from 0.2 percent to 12 percent and from 0.2 to 4.41 percent respectively.

NOTE 33 DEPOSITS FROM THE PUBLIC (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
6,837,941	5,904,594	Current and demand deposits	6,852,626	5,810,577
2,690,523	2,356,406	Term deposits falling due within one year	2,690,523	2,260,647
109,608	137,408	Term deposits falling due after one year	109,608	134,166
9,638,072	8,398,408	**Total deposits from the public**	9,652,757	8,205,390

All term deposits as of 31 December 2006 and 2005 accepted by the Bank had a fixed interest rate and as of 31 December 2006 ranged from 0.2 to 12 percent (2005: from 0.2 to 12 percent).

The Group			The Bank	
2006	2005		2006	2005
4,624,966	4,283,689	Corporate customers' deposits and accounts	4,639,651	4,191,464
5,013,106	4,114,719	Individual customers' deposits and accounts	5,013,106	4,013,926
9,638,072	8,398,408	**Total deposits from the public**	9,652,757	8,205,390

According to current requirement of Deposit Insurance Fund all banks in Lithuania have to make annual deposit insurance fund payments of 0.45 percent for deposits of private individuals and corporate customers nominated in LTL, USD, EUR and other EU countries' currencies.

NOTE 34 LIABILITIES IN LIFE INSURANCE OPERATIONS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
180,972	123,611	Long-term life insurance contract provisions	-	-
606	144	Claims outstanding for short-term non-life insurance contracts	-	-
2,957	1,806	Unearned premiums for short-term non-life insurance contracts	-	-
184,535	125,561	**Total liabilities in life insurance operations**	-	-

Change in provisions through income statement during the year 2006 amounted LTL 58,034 thousand (2005: LTL 49,841 thousand).

NOTE 35 SUBORDINATED LOANS (LTL 000s)

The Group			Interest rate %	The Bank	
2006	2005			2006	2005
51,812	51,802	EUR 15 m subordinated loan due 2013	EUL+0.8%	51,812	51,802
86,518	-	EUR 25 m subordinated loan due 2015	EURIBOR+0.8%	86,518	-
139,262	-	EUR 40 m subordinated loan due 2016	EURIBOR+0.8%	139,262	-
69,221	-	EUR 20 m subordinated loan due 2016	EURIBOR+0.75%	69,221	-
146,849	-	EUR 42 m subordinated loan due 2016	EURIBOR+0.75%	146,849	-
493,662	51,802	**Total subordinated loans**		493,662	51,802

NOTE 36 DEBT SECURITIES IN ISSUE (LTL 000s)

The Group			Interest rate %		The Bank	
2006	2005		2006	2005	2006	2005
		Debt securities in issue:				
19,228	19,865	2 years index linked debt securities due 2007	-	-	19,228	19,865
-	48,637	2 year debt securities due 2006	-	3.2	-	48,637
		Debt securities issued in 2005:				
76,190	96,949	3 years debt securities due 2008	3.1	3.1	81,481	96,949
63,520	72,403	3 years index linked debt securities due 2008	-	-	64,450	72,403
16,571	18,139	2 years index linked debt securities due 2007	-	-	16,571	18,139
48,109	48,925	2 year debt securities due 2007	3.0	3.0	50,473	48,925
-	49,469	1 year debt securities due 2006	-	2.6-3.2	-	49,469
-	19,594	1 year debt securities due 2006	-	2.6	-	-
-	66,357	1 to 6 months debt securities	-	2.1-2.45	-	96,521
		Debt securities issued in 2006:				
188,816	-	Up to 1 year debt securities due 2007	3.0	-	188,816	-
217,312	-	1 month debt securities due 2007	5.12-5.15	-	217,312	-
77,668	-	index linked debt securities due 2008	-	-	77,668	-
154,469	-	index linked debt securities due 2009	-	-	154,469	-
28,030	-	index linked debt securities due 2010	-	-	28,030	-
5,032	-	index linked debt securities due 2009	-	-	5,032	-
894,945	440,338	**Total debt securities in issue**			903,530	450,908

Index linked securities include the host zero coupon instrument issued for the customer. Effective interest rate on the Group's and Bank's index linked debt securities at the end of 2006 was 3.74 percent (2005: 3.19 percent).

NOTE 37 OTHER LIABILITIES AND PROVISIONS (LTL 000s)

The Group			The Bank	
2006	2005		2006	2005
67,329	43,839	Amounts outstanding for clearance	67,329	43,715
28,658	65,964	Amounts payable for assets purchased for lease	-	-
-	17,313	Accrued taxes	-	627
19,509	14,665	Prepayments for finance and operating lease	-	-
9,380	7,873	Vacation reserve accrual	8,240	7,442
1,620	1,499	Provisions for off balance sheet items	1,620	1,368
1,253	1,093	Name cheques sold	1,253	1,093
33,008	13,596	Other liabilities	30,194	10,472
160,757	165,842	**Total other liabilities and provisions**	108,636	64,717

NOTE 38 SHAREHOLDERS' EQUITY

Share capital of the Bank consists of 15,441,423 ordinary shares with par value LTL 67 each (2005: LTL 10). All issued shares are fully paid. Reserve capital, which as of 31 December 2006 amounted to LTL 2,200 thousand (2005: LTL 693,321 thousand) for the Bank and LTL 104 thousand (2005: LTL 693,154 thousand) for the Group in accordance with the legislation for banks operating in Lithuania can only be offset with the future losses or used for the increase of share capital. During the end of 2006, shareholders decided to use the reserve capital and share premium to increase nominal value of ordinary shares.

In December 2006 SEB started squeeze-out process in order to purchase the outstanding shares in the bank for the price of LTL 266.95 per share, the price been approved by Securities comission in November 2006. The minority shareholders should sell their shares by 12 March 2007.

Legal reserve, which as of 31 December 2006 amounted to LTL 11,888 thousand (2005: LTL 6,026 thousand) for the Bank and LTL 15,560 thousand (2005: LTL 7,971 thousand) for the Group, in accordance with the legislation for banks operating in Lithuania can only be offset with the future losses.

Financial assets revaluation reserve represents available for sale securities revaluation gain, and Translation reserve represents gain on consolidation of *SEB* bank in Ukraine, which has another functional currency than the Bank.

General and other reserves represent general reserve for possible losses, amounting to LTL 9,338 thousand, which can only be offset with the current losses.

After disposal of *SEB* bank in Ukraine, reserve capital amounted to LTL 624 thousand accumulated during the period of ownership, was transferred to retained earnings. After liquidation of AB SEB VB Būsto Bankas, reserve capital amounted to LTL 6,533 thousand and legal reserve amounted to LTL 290 thousand were transferred to retained earnings.

As of 31 December 2006 the major shareholders were as follows:

Name of shareholder	Number of shares held	Percentage in total
Skandinaviska Enskilda Banken (SEB)	15,287,569	99.00%
Other	153,854	1.00%
Total	15,441,423	100.00%

NOTE 39 ASSETS UNDER MANAGEMENT

The Group			The Bank	
2006	2005		2006	2005
81,449	70,439	Private individuals and corporate customers' assets under management	-	-
227,082	105,743	Pillar two balanced pension fund (VB Pension 2)	-	-
64,016	31,879	Pillar two conservative pension fund (VB Pension 1)	-	-
15,835	13,382	Conservative voluntary pension fund (Pension 1 Plus)	-	-
38,738	14,950	Balanced voluntary pension fund (Pension 2 Plus)	-	-
222,878	81,118	CIS equity fund	-	-
26,592	16,860	CIS bond fund	-	-
49,719	26,458	World market fund of funds	-	-
2,968	-	Pillar two equity pension fund (VB Pension 3)	-	-
11,263	-	SEB equity fund of funds	-	-
740,540	360,829	**Total assets under management**	-	-

All assets management services are performed by UAB SEB VB Investicijų Valdymas. During 2006 new equity fund and one pillar two pension fund were established. Two pillar two pension funds were established in 2003, first payments into the funds being made in the second quarter of 2004. Two voluntary pension funds were established in 2004. Three investments funds were established in May of 2005.

NOTE 40 ASSETS AND LIABILITIES STRUCTURE BY TERM TO MATURITY (LTL 000s)

The relationship between the maturity of assets and liabilities is indicative of liquidity risk and the extent to which it may be necessary to raise funds to meet outstanding obligations. The table below allocates assets and liabilities to maturity groups based on the time remaining from the balance sheet date to the contractual maturity or actual maturity, if known earlier. The Bank's liquidity analysis as of 31 December 2006:

Maturity	On demand	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	Unclear maturity	Total
Assets											
Cash in hand	360,724	-	-	-	-	-	-	-	-	-	360,724
Balances with the Central Banks	949,532	-	-	-	-	-	-	-	-	-	949,532
Government securities – available for sale and trading a)	-	178	20,520	137,322	108,611	441,893	86,900	1,085,022	-	-	1,880,446
Derivative financial instruments	-	1,000	2,271	280	9,349	98,439	3,141	3,254	-	-	117,734
Loans to credit and financial institutions and due from banks, net	166,941	664,244	109,901	252,153	319,608	219,924	17,370	-	-	-	1,750,141
Loans to customers, net	-	256,904	721,753	958,706	1,985,458	3,525,205	1,705,614	1,836,566	2,171,888	139,083	13,301,177
Investment securities – available for sale and trading	-	-	135,280	-	18,995	16,994	-	-	-	23,462	194,731
Investment securities – held to maturity	-	-	-	-	-	-	-	13,941	-	-	13,941
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	89,208	89,208
Intangible fixed assets (less amortisation)	-	-	-	-	-	-	-	-	-	183,380	183,380
Tangible fixed assets (less depreciation)	-	-	-	-	-	-	-	-	-	56,959	56,959
Investment property	-	-	-	-	-	-	-	-	-	-	-
Other assets, net	81,252	13,301	3,839	62	18,810	10,466	310	-	3	37,024	165,067
Total assets	1,558,449	935,627	993,564	1,348,523	2,460,831	4,312,921	1,813,335	2,938,783	2,171,891	529,116	19,063,040

a) Government securities and investments into non-equity securities are broken down by their actual terms to maturity.

NOTE 40 ASSETS AND LIABILITIES STRUCTURE BY TERM TO MATURITY (LTL 000s) (CONTINUED)

Maturity	On demand	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	Unclear maturity	Total
Liabilities and shareholders' equity											
Amounts owed to the Central Banks	40	-	-	-	-	-	-	-	-	-	40
Amounts owed to credit and financial institutions	486,924	473,961	1,145,290	976,036	108,835	311,538	2,253,850	448,258	-	-	6,204,692
Derivative financial instruments	-	284	2,665	181	10,491	98,038	4,451	72,994	-	-	189,104
Deposits from the public	6,852,626	1,125,897	536,753	522,968	504,905	83,363	19,100	2,014	5,131	-	9,652,757
Subordinated loans	-	-	-	-	-	-	-	493,662	-	-	493,662
Debt securities in issue	-	262,478	77,438	80,344	73,106	374,645	35,519	-	-	-	903,530
Other liabilities and provisions	68,582	17,299	28,193	2,102	50,556	350	63	305	404	3,650	171,504
Equity	-	-	-	-	-	-	-	-	-	1,447,751	1,447,751
Total liabilities and shareholders' equity	7,408,172	1,879,919	1,790,339	1,581,631	747,893	867,934	2,312,983	1,017,233	5,535	1,451,401	19,063,040
Net assets (liabilities) before off balance sheet items	(5,849,723)	(944,292)	(796,775)	(233,108)	1,712,938	3,444,987	(499,648)	1,921,550	2,166,356	(922,285)	-
Off balance sheet items (net)	-	944,427	274,091	225,689	597,212	772,135	139,470	671,789	893,086	312	4,518,211
Net assets (liabilities)	(5,849,723)	(1,888,719)	(1,070,866)	(458,797)	1,115,726	2,672,852	(639,118)	1,249,761	1,273,270	(922,597)	(4,518,211)

As of 31 December 2005

Maturity	On demand	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	Unclear maturity	Total
Total assets	1,366,040	526,872	764,823	1,231,653	1,885,096	2,927,155	1,307,935	1,611,791	989,103	701,624	13,312,092
Total liabilities and shareholders' equity	6,374,569	1,513,160	1,172,212	1,251,517	614,305	552,771	131,229	476,793	519	1,225,017	13,312,092
Off balance sheet items (net)	-	836,837	149,179	418,800	297,146	486,416	111,432	988,942	508,915	(2,470)	3,795,197
Net assets (liabilities)	(5,008,529)	(1,823,125)	(556,568)	(438,664)	973,645	1,887,968	1,065,274	146,056	479,669	(520,923)	(3,795,197)

NOTE 40 ASSETS AND LIABILITIES STRUCTURE BY TERM TO MATURITY (LTL 000s) (CONTINUED)

The Group's liquidity analysis as of 31 December 2006:

Maturity	On demand	Up to 1 month	1 – 3 months	3 – 6 months	6 – 12 months	1 – 3 years	3 – 5 years	5 – 10 years	Over 10 years	Unclear maturity	Total
Assets											
Cash in hand	360,724	-	-	-	-	-	-	-	-	-	360,724
Balances with the Central Banks	949,532	-	-	-	-	-	-	-	-	-	949,532
Government securities – available for sale and trading a)	-	178	20,520	137,322	108,611	455,080	92,990	1,106,777	1,662	-	1,923,140
Derivative financial instruments	-	1,000	2,271	280	9,349	98,439	3,141	3,254	-	-	117,734
Loans to credit and financial institutions and due from banks, net	167,254	630,751	10,477	5,927	21,234	467	229	-	-	-	836,339
Loans to customers, net	-	256,906	721,353	958,706	1,985,458	3,436,485	1,714,652	1,836,566	2,171,888	139,079	13,221,093
Investment securities – available for sale and trading	162,077	-	135,280	1,852	30,058	34,931	1,353	3,463	-	28,887	397,901
Investment securities – held to maturity	-	-	-	-	-	-	-	13,941	-	-	13,941
Investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
Intangible fixed assets (less amortisation)	-	-	-	-	-	-	-	-	-	-	-
Tangible fixed assets (less depreciation)	-	-	-	-	-	-	-	-	-	184,196	184,196
Investment property	-	-	-	-	-	-	-	-	-	73,404	73,404
Other assets, net	81,252	118,668	170,514	200,194	366,232	1,099,605	480,010	364,074	5,203	195,822	3,081,574
Total assets	1,720,839	1,007,503	1,060,415	1,304,281	2,520,942	5,125,007	2,292,375	3,328,075	2,178,753	621,388	21,159,578

a) Government securities and investments into non-equity securities are broken down by their actual terms to maturity.

NOTE 40 ASSETS AND LIABILITIES STRUCTURE BY TERM TO MATURITY (LTL 000s) (CONTINUED)

Maturity	On demand	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	Unclear maturity	Total
Liabilities and shareholders' equity											
Amounts owed to the Central Banks	40	-	-	-	-	-	-	-	-	-	40
Amounts owed to credit and financial institutions	463,702	478,540	1,140,148	1,015,950	143,960	777,666	3,479,594	448,258	-	-	7,947,818
Derivative financial instruments	-	272	2,665	181	10,491	98,038	4,451	72,993	-	-	189,091
Deposits from the public	6,837,941	1,125,897	536,753	522,968	504,905	83,363	19,100	2,014	5,131	-	9,638,072
Subordinated loans	-	-	-	-	-	-	-	493,662	-	-	493,662
Debt securities in issue	-	262,479	77,438	77,981	73,106	368,424	35,517	-	-	-	894,945
Other liabilities and provisions	68,582	52,587	49,070	3,584	60,980	9,159	3,122	229,043	5,098	6,414	487,639
Equity	-	-	-	-	-	-	-	-	-	1,508,311	1,508,311
Total liabilities and shareholders' equity	7,370,265	1,919,775	1,806,074	1,620,664	793,442	1,336,650	3,541,784	1,245,970	10,229	1,514,725	21,159,578
Net assets (liabilities) before off balance sheet items	(5,649,426)	(912,272)	(745,659)	(316,383)	1,727,500	3,788,357	(1,249,409)	2,082,105	2,168,524	(893,337)	-
Off balance sheet items (net)	-	1,174,273	283,957	230,706	590,424	763,588	139,347	671,789	893,086	311	4,747,481
Net assets (liabilities)	(5,649,426)	(2,086,545)	(1,029,616)	(547,089)	1,137,076	3,024,769	(1,388,756)	1,410,316	1,275,438	(893,648)	(4,747,481)

As of 31 December 2005

Maturity	On demand	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	5 - 10 years	Over 10 years	Unclear maturity	Total
Total assets	1,468,608	560,920	809,485	1,242,713	1,957,038	3,562,486	1,744,718	1,926,831	1,102,845	735,069	15,110,713
Total liabilities and shareholders' equity	6,428,976	1,590,333	1,222,929	1,327,405	783,549	734,937	1,112,790	597,733	2,581	1,309,480	15,110,713
Off balance sheet items (net)	-	879,586	117,186	454,863	331,003	488,146	114,458	988,999	513,989	(13)	3,888,217
Net assets (liabilities)	(4,960,368)	(1,908,999)	(530,630)	(539,555)	842,486	2,339,403	517,470	340,099	586,275	(574,398)	(3,888,217)

LIQUIDITY RATIO	The Group		The Bank	
	2006	**2005**	**2006**	**2005**
Total current assets	4,239,460	3,507,153	4,108,548	3,405,019
Total current liabilities	11,121,866	9,664,423	10,890,072	9,429,122
Liquidity ratio	38.12%	36.29%	37.73%	36.11%

As of 31 December 2006 the Bank's and the Group's liquidity ratio exceeded the statutory minimum required by the Bank of Lithuania (30 percent)

NOTE 41 CAPITAL ADEQUACY

The dynamics of the capital adequacy ratio during 2006 is presented in the table below:

	The Group	The Bank
31 December 2005	8.37%	8.16%
31 March 2006	8.66%	8.47%
30 June 2006	8.61%	8.56%
30 September 2006	8.13%	8.45%
31 December 2006	9.36%	10.16%

NOTE 42 NET FOREIGN CURRENCY POSITION (LTL 000s)

The following table presents the equivalent amount in thousands of LTL of the net position of assets and liabilities denominated in currencies other than LTL and EUR as of 31 December 2006:

The Group				The Bank	
Position	Position as percentage of capital	Currency	Rates	Position	Position as percentage of capital
(47,873)	(3.06)	U.S. Dollars (USD)	2.6304	(31,546)	(2.13)
(118)	(0.01)	Canadian Dollars (CAD)	2.2648	(118)	(0.01)
(86)	(0.01)	Russian Rubbles (RUB)	0.099708	(86)	(0.01)
(101)	(0.01)	Estonian Crone (EEK)	2.2067	(151)	(0.01)
1251	0.07	The remaining long positions	N/A	829	0.05
(1,849)	(0.11)	The remaining short positions	N/A	(2,287)	(0.15)
(50,027)	3.20	Open short position	N/A	(34,188)	(2.31)

The following table presents the equivalent amount in thousands of LTL of the net position of assets and liabilities denominated in currencies other than LTL as of 31 December 2005:

The Group				The Bank	
Position	Position as percentage of capital	Currency	Rates	Position	Position as percentage of capital
(32,915)	(3.52)	U.S. Dollars (USD)	2.6304	(33,895)	(4.10)
2,996	0.32	Canadian Dollars (CAD)	2.2648	(3)	(0.00)
500	0.05	Russian Rubbles (RUB)	0.099708	500	0.06
304	0.03	Estonian Crone (EEK)	2.2067	198	0.02
33	0.00	The remaining long positions	N/A	21	0.00
(614)	(0.06)	The remaining short positions	N/A	(652)	(0.07)
(33,529)	(3.58)	Open short position	N/A	(34,550)	(4.17)

Based on requirements of the Bank of Lithuania, starting from 1 December 2004, EUR currency position is not included when calculating foreign currency open position.

As of 31 December 2006 the Group complied with the foreign currency open position requirements set forth by the Bank of Lithuania.

NOTE 43 INTEREST RATE RISK MANAGEMENT (LTL 000s)

Interest rate risk gap report presented below is used for the interest rate risk management purposes by the management of the Bank and gives an aggregated view of interest rate re-pricing maturities. Balances in the report below are grouped and presented on a different basis that financial information included in the balance sheet.

As of 31 December 2006:

Maturity	Up to 1 year	1 - 3 years	Over 3 years	Total
Assets				
Net loans	12,107,452	492,553	701,172	13,301,177
Debt securities	420,880	458,907	1,171,927	2,051,714
Interbank deposits and net loans	1,346,112	219,681	31,269	1,597,062
Other assets	5,942	1,795	2,536	10,273
Off balance sheet assets	3,142,423	180,858	166,282	3,489,563
Total interest rate sensitive assets	17,022,809	1,353,794	2,073,186	20,449,789
Liabilities				
Term deposits	2,906,653	83,363	26,245	3,016,261
Interbank deposits and loans	5,968,434	242,996	-	6,211,430
Other liabilities	531,025	374,698	73,121	978,844
Off balance sheet liabilities	263,583	60,010	1,146,082	1,469,675
Total interest rate sensitive liabilities	9,669,695	761,067	1,245,448	11,676,210
Gap	**7,353,114**	**592,727**	**827,738**	**8,773,579**

As of 31 December 2005:

Maturity	Up to 1 year	1 - 3 years	Over 3 years	Total
Assets				
Net loans	8,030,072	228,122	211,814	8,470,008
Debt securities	882,601	571,056	387,023	1,840,680
Interbank deposits and net loans	821,989	207,414	15,798	1,045,201
Other assets	-	1,760	-	1,760
Off balance sheet assets	449,037	224,432	83,425	756,894
Total interest rate sensitive assets	10,183,699	1,232,784	698,060	12,114,543
Liabilities				
Term deposits	2,482,873	109,591	24,224	2,616,688
Interbank deposits and loans	2,229,729	173,940	377,340	2,781,009
Other liabilities	194,626	256,282	-	450,908
Off balance sheet liabilities	34,701	-	83,425	118,126
Total interest rate sensitive liabilities	4,941,929	539,813	484,989	5,966,731
Gap	**5,241,770**	**692,971**	**213,071**	**6,147,812**

The Bank's interest rate sensitivity in case of parallel shift by 1 p.p. in the yield curve, in LTL million is presented in the table below:

Interest rate sensitivity	2006	2005
Effect to net interest income (ΔNII)	44.9	36.3
Effect to the market value of shareholders equity (delta 1%)	49.8	48.2

During 2006, the interest rate sensitivity increased due to an increased mismatch in absolute terms between interest rate sensitive assets and liabilities caused by significant growth of lending volumes.

The Bank via provision of financing for its subsidiaries, and other Group interest rate risk management policies and techniques manages interest rate risk of its subsidiaries and the Group.

NOTE 43 INTEREST RATE RISK MANAGEMENT (LTL 000s) (CONTINUED)

Value at Risk assessment results on the trading positions, in LTL thousands

VaR - trading positions	2006	2005
Interest rate risk (stand-alone)	3,693	714
Foreigh exchange risk (stand-alone)	19	25
Equity price risk (stand-alone)	15	-
Diversification effect	(688)	(349)
Total	**3,039**	**390**

NOTE 44 COMPLIANCE WITH REGULATORY REQUIREMENTS

As of 31 December 2006 both the Bank and the Group were in compliance with the maximum lending to one customer, large exposure, related party lending, investment and open foreign currency position limits established by the Central Banks. During the year neither Bank nor the Group received any sanctions from the Bank of Lithuania.

The local legislation require banks to prepare consolidated accounts for group entities engaged in financial services activities without consolidation of entities involved in other activities. To comply with this requirement the Bank consolidated all its subsidiaries except for UAB SEB VB Nekilnojamasis Turtas, real estate company, and UAB SEB VB Rizikos Kapitalo Valdymas, venture capital company, and presents this information in this note.

Income Statement of the Group excluding real estate and venture capital entities for the year ended 31 December 2006 (LTL 000s)

	2006	2005
Interest income	777,905	500,152
Interest expenses	(348,062)	(179,915)
Net interest income	429,843	320,237
Provisions for loan impairment	(14,634)	(46,620)
Provisions for lease portfolio and other doubtful leasing assets	(1,264)	1,257
Provisions for guarantees	(155)	464
Other provisions	(850)	131
	(16,903)	(44,768)
Net interest income after provisions	412,940	275,469
Net service charges and other income	161,535	127,309
Net gain on equity investments	18,435	9,569
Net gain on operations with debt securities and financial instruments	(28,889)	37,656
Net foreign exchange gain	101,773	25,252
	252,854	199,786
Net insurance premium revenue	71,196	53,247
Gross insurance expenses	(68,719)	(52,405)
Net life insurance income	2,477	842
Deposit insurance expenses	(36,485)	(30,671)
Staff costs	(141,289)	(124,073)
Other administrative expenses	(149,426)	(141,862)
	(327,200)	(296,606)
Profit before income tax	341,071	179,491
Income tax	(57,021)	(31,560)
Net income	284,050	147,931
Attributable to:		
Equity holders of the parent	284,043	147,917
Minority interest	7	14
	284,050	147,931
Earnings per share, attributable to equity holders of the parent (LTL)	18.39	9.58
Diluted earnings per share, attributable to equity holders of the parent (LTL)	18.39	9.58

NOTE 44 COMPLIANCE WITH REGULATORY REQUIREMENTS (CONTINUED)

Balance sheet of the of the Group excluding real estate and venture capital entities as of 31 December 2006 (LTL 000s)

	2006	2005
Assets		
Cash in hand	360,724	251,370
Balances with the Central Banks	949,532	968,108
Due from banks, net	813,908	337,083
Government securities - available for sale	1,751,730	1,137,304
Financial assets at fair value through profit or loss	408,985	315,290
Derivative financial instruments	117,734	28,391
Loans to credit and financial institutions, net	22,431	68,844
Loans to customers, net	13,301,177	8,908,108
Finance lease receivable, net	2,706,668	1,928,769
Investment securities - available for sale	155,058	536,990
Investment securities - held to maturity	13,941	15,424
Investments in subsidiaries	50,703	25,703
Intangible fixed assets	184,191	211,198
Tangible fixed assets	58,424	150,460
Assets under operating lease	14,951	21,512
Investment property	-	40,346
Non-current assets held for disposal	54,968	-
Deferred tax asset	2,042	2,767
Other assets, net	192,779	160,736
Total assets	21,159,946	15,108,403
Liabilities		
Amounts owed to the Central Banks	40	245
Amounts owed to credit and financial institutions	7,947,818	4,592,884
Derivative financial instruments	189,091	15,510
Deposits from the public	9,652,757	8,398,438
Liabilities in life insurance operations	184,535	125,561
Liabilities to investment contract holders	58,438	-
Accrued expenses and deferred income	31,957	25,577
Income tax payable	48,699	24,769
Subordinated loans	493,662	51,802
Debt securities in issue	894,945	440,338
Deferred tax liabilities	2,361	12,066
Other liabilities and provisions	160,692	164,376
Total liabilities	19,664,995	13,851,566
Equity		
Equity attributable to equity holder of the parent		
Paid in capital	1,034,575	154,414
Share premium	-	189,040
Reserve capital	1,034	694,084
Financial assets revaluation reserve	591	22,732
Translation reserve	-	15,555
Legal reserve	14,746	7,945
General and other reserves	9,338	5,554
Net income for the period and retained earnings	434,667	166,759
	1,494,951	1,256,083
Minority interest	-	754
Total equity	1,494,951	1,256,837
Total liabilities and equity	21,159,946	15,108,403
Return on Average Equity attributable to equity holders of the parent	20.8 %	12.6%
Return on Average Total Assets	1.58 %	1.19%

NOTE 44 COMPLIANCE WITH REGULATORY REQUIREMENTS (CONTINUED)

Statement of Changes in Equity of the Group excluding real estate and venture capital entities for the year ended 31 December 2006 (LTL 000s)

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Translation reserve	Legal reserve	General and other reserves	Retained earnings	Minority interest	Total
31 December 2004	154,414	189,040	594,482	(6,512)	-	-	5,554	125,618	-	1,062,596
Net change in available for sale investments, net of deffered tax	-	-	-	29,244	-	-	-	-	-	29,244
Net credit to translation reserve for the period	-	-	-	-	15,555	-	-	-	-	15,555
Net income for the period	-	-	-	-	-	-	-	147,917	-	147,917
Net income recognized directly in equity	-	-	-	*29,244*	*15,555*			*147,917*	-	*192,716*
Acquisition of *SEB* bank	-	-	-	-	-	-	-	-	754	754
Eliminating of UAB SEB VB Nekilnojamasis Turtas	-	-	929	-	-	(26)	-	(132)	-	771
Transfers to reserves	-	-	98,673	-	-	7,971	-	(106,644)	-	-
31 December 2005	154,414	189,040	694,084	22,732	15,555	7,945	5,554	166,759	754	1,256,837
Net change in available for sale investments, net of deffered tax	-	-	-	(22,141)	-	-	-	-	-	(22,141)
Net income for the period	-	-	-	-	-	-	-	284,043	-	284,043
Net income recognized directly in equity	-	-	-	*(22,141)*	-	-	-	*284,043*	-	*261,902*
Disposal of *SEB* bank, Ukraine	-	-	(634)	-	(15,555)	-	-	624	(754)	(16,319)
Liquidation of AB SEB VB Būsto bankas	-	-	(6,533)	-	-	(290)	-	6,823	-	-
Eliminating of UAB SEB VB Rizikos Kapitalo Valdymas	-	-	-	-	-	(498)	-	(8,376)	-	(8,874)
Share capital increase from reserves	880,161	(189,040)	(691,121)	-	-	-	-	-	-	-
Transfer to reserves	-	-	5,261	-	-	7,542	7,736	(20,539)	-	-
Other transfers	-	-	(23)	-	-	47	(3,952)	3,928	-	-
Recognized *SEB* bank acquisition income previously eliminated due to consolidation	-	-	-	-	-	-	-	1,405	-	1,405
31 December 2006	1,034,575	-	1,034	591	-	14,746	9,338	434,667	-	1,494,951

NOTE 44 COMPLIANCE WITH REGULATORY REQUIREMENTS (CONTINUED)

Statement of Cash Flows of the Group excluding real estate and venture capital entities for the year ended 31 December 2006 (LTL 000s)

	2006	2005
Cash from operating activities		
Interest income received	771,203	484,026
Interest expenses paid	(376,491)	(163,725)
Net foreign exchange gain	101,773	25,252
Net gain (loss) in securities trading and financial inst ruments	(28,889)	37,656
Net commission and service income	161,535	139,303
Life insurance operations	58,974	50,683
Staff costs	(141,289)	(124,073)
Other payments	(146,283)	(128,714)
Net cash from operating activities before change in operating assets	400,533	320,408
Changes in operating assets		
Increase in compulsory balances with the Central Banks	(113,234)	(169,546)
Decrease (increase) in due from banks and loans to credit and financial institutions	(60,331)	218,976
Increase in loans to customers	(4,401,001)	(2,939,408)
(Increase) decrease in other current assets	(155,642)	(38,482)
Net increase in operating assets	(4,730,208)	(2,928,460)
Changes in operating liabilities		
Increase in deposits from the public	1,447,618	1,922,422
Increase in accrued expenses, deferred income and other liabilities	159,867	86,873
Net increase in operating liabilities	1,607,485	2,009,295
Net cash (to) from operating activities before income tax	(2,722,190)	(598,757)
Income tax paid	(31,294)	(20,279)
Net cash (to) from operating activities after income tax	(2,753,484)	(619,036)
Cash flow from (to) investing activities		
Purchase of tangible and intangible fixed assets, net	17,908	(37,615)
Decrease in investment in Government securities - available for sale	(643,079)	133
Investment in subsidiaries, net of cash acquired	62,052	(42,035)
Increase of investment in other securities and derivatives	345,489	(717,690)
Sale (purchase) of investment property, net	-	4,396
Increase of finance lease receivable	(779,163)	(500,713)
Cash used in investing activities	(996,793)	(1,293,524)
Cash flow from (to) financing activities		
Increase (decrease) in amounts owed to the Central Banks	2	177
Increase (decrease) in amounts owed to credit and financial institutions	3,288,267	2,015,504
Decrease in subordinated loans	441,860	(8,817)
Debt securities issued, net	435,959	172,039
Cash received (used in) financing activities	4,166,088	2,178,903
Net increase in cash	415,811	266,343
Cash 1 January	911,935	645,592
Cash 31 December	1,327,746	911,935

Specified as follows:

Balance available for withdrawal with the Central Banks	241,274	373,084
Overnight deposits	558,414	164,930
Cash on hand	360,724	251,370
Current accounts with other banks	167,334	122,551
	1,327,746	911,935

NOTE 45 RELATED PARTIES (LTL 000s)

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 during the year can be specified as follows:

The Group 2006	The Group 2005		Interest rate %	The Bank 2006	The Bank 2005
616,476	189,729	Outstanding loan amount at year end	2.92-6.1	616,346	189,729
1,522,356	-	Guarantees received at year end	-	1,522,356	-
132,069	506,274	Debt instruments (AFS) at year end	-	132,069	506,274
114,902	22,676	Positive replacement values (HFT) at year end	-	114,902	22,676
2,607	751	Other assets at year end	-	2,551	650
(7,544,340)	(3,974,575)	Outstanding deposit amount at year end	0.27-4.59	(5,767,471)	(2,658,037)
(274,518)	(19,291)	Other liabilities at year end	-	(274,515)	(19,291)
28,796	19,590	Interest income	-	28,796	19,590
(184,608)	(72,617)	Interest expense	-	(138,574)	(47,936)
(2,449)	(1,617)	Other services received and cost incurred from SEB group, net	-	(6,212)	(3,044)

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

The Group 2006	The Group 2005		Interest rate %	The Bank 2006	The Bank 2005
		Off-balance sheet commitments as of 31 December:			
-	-	Agreements to grant loans	-	19,050	88,711
-	-	Guarantees issued	-	2,792	2,313
-	-	Letters of credit issued	-	714	2,199
		Outstanding loan amounts at year end:			
-	-	UAB SEB VB Lizingas	2.37-5.02	914,116	550,675
-	-	AB SEB VB Būsto Bankas	-	-	200,980
-	-	UAB SEB VB Nekilnojamasis Turtas	4.44-5.43	91,598	92,729
-	-	UAB SEB VB Investicijų Valdymas	-	-	2,500
		UAB SEB VB Rizikos Kapitalo Valdymas	11	4	-
-	-	*SEB* Bank Ukraine	-	-	18,461
		Outstanding deposit amounts at year end:			
-	-	UAB SEB VB Rizikos Kapitalo Valdymas	0.35	14,658	28,016
-	-	UAB SEB VB Investicijų Valdymas	0.25-0.35	9,146	1,635
-	-	AB SEB VB Būsto Bankas	-	-	8,722
-	-	UAB SEB Enskilda	0.35-3.35	10,146	8,313
-	-	UAB SEB VB Gyvybės Draudimas	0.35-5.00	14,183	1,762
-	-	UAB SEB VB Nekilnojamasis Turtas	0.35	27	-
-	-	UAB SEB VB Lizingas	0.25-0.35	270	105
-	-	*SEB* bank Ukraine	-	-	369
-	-	Other assets at year end	-	1,195	2,081
-	-	Other liabilities at year end	-	21	22
-	-	Issued debt securities purchased by the Bank at year end	-	-	19,569
-	-	Issued debt securities purchased by subsidiaries	-	8,585	10,570
-	-	Interest income	-	31,224	28,133
-	-	Interest expense	-	(1,179)	(1,036)
-	-	Dividend income	-	35,632	-
-	-	Other services received and cost incurred from subsidiaries, net	-	(6,473)	(6,903)

NOTE 45 RELATED PARTIES (LTL 000s) (CONTINUED)

During 2006 the Bank disbursed the following amounts according lending agreements: LTL 722,560 thousand to UAB SEB VB Lizingas and LTL 98,437 thousand to UAB SEB VB Būsto Bankas.

The loans issued to directors and other key management personnel (and close family members) are repayable on a regular basis over the period of loan. Transactions with key management (the Board members) during the year can be specified as follows:

The Group			Interest rate %	The Bank	
2006	2005			2006	2005
2,056	1,022	Outstanding loan amount at year end	3.00	2,056	1,022
689	960	Outstanding deposit amount at year end	1-2.60	689	960
674	1,610	Commitments to grant loans at year end	-	674	1,610
4,295	6,543	Payroll and bonuses including social security	-	4,295	6,543
-	2,754	Amounts payable	-	-	2,754
28	14	Interest income	-	28	14
2	24	Interest expense	-	2	24

NOTE 46 APPROPRIATION OF PROFIT AND TRANSFERS OF RESERVES (LTL 000s)

The following Bank's profit appropriations and transfers of reserves were proposed to annual shareholders meeting:

	Legal reserve	Net income for the period	Retained earnings
31 December 2006	**11,888**	**285,533**	**103,640**
Profit appropriation to Legal reserve	19,460	(19,460)	-
Profit appropriation to Retained earnings	-	(266,073)	266,073
31 December 2006 after appropriation of profit and transfers of reserves	**31,348**	**-**	**369,713**

Profit appropriation of other Group companies will be approved during shareholders meetings of each subsidiary separately.

NOTE 47 OFF BALANCE SHEET ITEMS (LTL 000s)

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
4,380,238	3,484,469	Agreements to grant loans	4,399,288	3,530,703
626,694	430,497	Guarantees issued	629,486	429,009
111,017	256,863	Letters of credit issued	111,731	258,717
249,034	137,861	Commitments to purchase assets and other liabilities	-	-
9,180	8,631	Avalised bills of exchange	9,180	8,075
1,252	-	Commitments to purchase securities	1,252	-
605	673	Customs guarantees collateralised by deposits	605	673

Commitments to purchase or sell foreign currency, both for spot and derivative transactions, as well as other off balance sheet derivative commitments can be specified by maturity as follows:

	Up to 1 month	1 - 3 months	3 - 6 months	Over 6 months	Total
Currency purchase contracts	473,123	121,348	56,477	51,640	702,588
Other purchase derivative contracts	345,280	952,282	690,560	2,040,821	4,028,943
Currency sale contracts	(472,363)	(123,048)	(56,580)	(54,128)	(706,119)
Other sale derivative contracts	-	(89,082)	-	(1,919,973)	(2,009,055)
Net assets	346,040	861,500	690,457	118,360	2,016,357

Legal proceedings. There were a few legal proceedings outstanding against the Group at 31 December 2006. No provision has been made as professional advice indicates that it is unlikely that any significant loss will arise.

As of 31 December 2006 rental off balance sheet commitments of the Group amounted to LTL 23,536 thousand (LTL 7,377 thousand in 2005) and rental off balance sheet commitments of the Bank amounted to LTL 23,167 thousand (LTL 6,322 thousand in 2005). All non-cancellable commitments fall into the period within three years.

The future lease and investment property rental payments under non-cancellable operating lease can be specified as follows:

The Group 2006	The Group 2005		The Bank 2006	The Bank 2005
5,190	8,586	Short term deferred income (up to 1 year)	837	1,673
3,803	17,187	Long term deferred income (up to 5 years)	-	4,596
-	736	Long term deferred income (more than 5 years)	-	-
8,993	26,509	**Total future lease and rental payments under non-cancellable operating lease**	837	6,269

NOTE 48 POST BALANCE SHEET EVENTS

The management of the Bank carries out the real estate sale project as described in note 30.

In January 2007 the State Register liquidated AB SEB VB Būsto bankas.

The management of the Bank agreed on disposal of UAB SEB Enskilda subsidiaries' in Latvia and Estonia to SEB Group banks in a respective country.

After the balance sheet date the Bank completed issue of 7 debt securities emissions nominal value amounting to LTL 415,771 thousand.