

# **SUMMARY TO LTL 1'000'000'000 BASE PROSPECTUS OF NON-EQUITY SECURITIES ISSUES OF AB SEB BANKAS**

## **CHAPTER A – INTRODUCTION AND WARNINGS**

The Summary includes information that is subject to disclosure in accordance with the European Commission Regulation No 809/2004 of 29 April 2004 and said information is divided into elements. Each information element is assigned a number (A.1 – E.7) and described in Sections A– E.

This Summary provides a description of all elements, which must be included into the Summary in accordance with the requirements when non-equity securities specified in this Base Prospectus are offered by such legal entity as the issuer. Whereas information elements in the European Commission Regulation No 809/2004 of 29 April 2004 are sequentially numbered, seeking to disclose information about different types of securities, the numbering of elements of this Summary may not be sequential, since the described elements are applied only for non-equity securities that might be issued according to this Base Prospectus.

In certain cases, whereas a certain element may be applied for non-equity securities that might be issued according to this Base Prospectus, particular information about the element that is required to be disclosed may be not relevant. Due to this reason it may be specified: “not applicable” to particular elements.

**A.1** This summary must be read as an introduction to the Base Prospectus and Issue(s) (Final Terms No. 20131015/003).

Prior to making any decision to invest in non-equity securities, the investors should review carefully the entire Base Prospectus, the Final Terms No. 20131015/003 and all the documents incorporated by reference.

If any investor lodges a claim with the court regarding the information established in the Base Prospectus, the plaintiff according to the Civil Code and other legal acts of the Republic of Lithuania may be required to cover the costs of the translation of the Base Prospectus before the legal proceedings are initiated.

Civil liability regarding the information established in this Summary shall be imposed on the persons who drafted the Summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.

**A.2** Subject to the conditions set out below, the Bank consents to the use of the Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a public offering by placement agents specified in the Final Terms of the issue or any placement agent appointed after the date of the Final Terms and whose name is published on the Bank’s website. The conditions of the Bank’s consent are that such consent:

(a) is only valid in respect of the relevant issue of securities;

(b) is only valid during the subscription period specified in the Final Terms.

The Bank accepts responsibility for the content of the Base Prospectus with respect to public offering of securities by any placement agents which was given consent to use the Base Prospectus. The Bank shall provide the placement agents with the Base Prospectus, the Final Terms and other data related to the non-equity securities issue (e.g. cancellation of a particular issue offered by the specified placement agent, estimation of the actual values of variables of the issue, etc.), however, the Bank shall assume no liability for announcement of such data on the websites of the placement

agents. A printed copy of the Base Prospectus and the Final Terms available in electronic form and also other documents incorporated by reference shall be submitted free of charge to each investor upon request at any branch office of the placement agents specified in the Final Terms of the issue (at the addresses and during business hours specified in the Final Terms).

**In the event of an offer being made by a placement agent, the placement agent will provide information to investors on the terms and conditions of the offer at the time the offer is made. The Bank has no responsibility or liability to an investor in respect of such information provided by the placement agent.**

## CHAPTER B – ISSUER

B.1 AB SEB bankas  
Issuer's name

B.2 Gedimino ave. 12,  
Legal address, legal LT-01103 Vilnius,  
form, jurisdiction of Republic of Lithuania  
the Issuer, country Tel: (8 5) 268 2800, fax: (8 5) 268 2333  
of incorporation [www.seb.lt](http://www.seb.lt)  
Legal person code 1120 21238  
Legal form – Public Limited Company

The Bank while performing its activities shall act in accordance with the Civil Code of the Republic of Lithuania, the Law on Banks of the Republic of Lithuania, legal acts adopted by the supervisory institution and the Articles of Association of the Bank. The Bank while performing its activities shall also act in accordance with the Law on Financial Institutions of the Republic of Lithuania, the Company Law of the Republic of Lithuania and other legal acts if the Law on Banks of the Republic of Lithuania does not provide otherwise. The Bank shall act independently and shall comply with investment limitations and standards minimizing the Bank's performance risk, the size and calculation methodology of which are set forth in the laws and other legal acts. The Bank shall organise its business and implement the decisions of the Bank's bodies.

Applicable law: law of the Republic of Lithuania.

Country of incorporation: the Republic of Lithuania.

B.4b  
Information on any known trends that may influence the Issuer or market perspective in which the Issuer operates

The year of 2012 for the Lithuanian banking was a breakthrough point, when the credit portfolio of banks which until then was dramatically declining over a several-years' period of time started stabilising in the market. According to the Bank of Lithuania, in 2012, as compared to 2011, the banks loan portfolio increased by 2 per cent.

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

The positive growth of the Lithuanian banks loan portfolio is expected in 2013—preconditions for further growth in the loan portfolio consists of moderate growth in the national economy, increasing lending commitments, as well as increased free cash

volumes available to banks, that resulted when the Bank of Lithuania reduced the reserve requirement ratio. Stabilisation of the ratios indicating the loan portfolio quality shows that uncertainty, which prevailed in Lithuanian banking sector after the economic decline in general is coming to an end.

**B.5**  
Description of the Issuer Group and Issuer's position in the Group

AB SEB bankas is a member of the Nordic financial services group SEB. The Bank group in Lithuania includes AB SEB bankas and its three subsidiaries: UAB "SEB investicijų valdymas", AB "SEB lizingas", UAB "SEB Venture Capital".

**B.9**  
Profit forecast, if any

Profit forecast issued by the Bank is not assessed by independent accountants or auditors and is not publicly announced, thus such forecast is not included in the Base Prospectus.

**B.10**  
Description of independent auditor's opinion

In the auditor's opinion, the financial statements provide true and correct financial data of the Bank and the Group as of 31 December 2011 and 2012 as well as performance results and cash flows at the end of the year in accordance with the approved International Financial Reporting Standards applicable in the European Union.

**B.12**  
Information on material financial events in the Issuer's activity of the last date of announcement of the audited financial statements

The scope of AB SEB bankas and SEB Bankas Group performance and dynamics is partially characterised by the below data of the balance sheet and profit (loss) statements prepared in accordance with the International Financial Reporting Standards (IFRS).

LTL million	31 Dec 2011		30 June 2012		31 Dec 2012		30 June 2013	
	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank
Loans	15 662	16 118	15 730	16 236	15 650	16 407	15 546	16 656
Investments	1 726	1 683	916	874	1 113	1 069	1 170	1 126
Leasing payments receivable	1 673	-	1 604	-	1 503	-	1 422	-
Deposits from public, and amounts owed to credit institutions and Central Bank	22 289	21 336	20 453	19 636	19 586	19 185	19 578	19 606
Equity	2 331	2 142	2 414	2 204	2 397	2 248	2 495	2 351
Assets	26 642	25 478	24 270	23 217	23 133	22 559	22 789	22 638

The structure of the income of AB SEB bankas and SEB Bankas Group over the past years was as follows:

LTL million	31 Dec 2011		30 June 2012		31 Dec 2012		30 June 2013	
	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank
Net interest income (loss)	353.1	316.0	151.2	132.4	289.6	253.8	137.0	121.5
(Impairment losses) / Reversals	331.5	129.9	(15.1)	(31.5)	(25.2)	(52.7)	(22.4)	(11.4)
Other net income before operating costs	188.8	191.4	114.2	116.9	251.0	248.3	141.2	143.5
Result before operating costs	873.5	637.2	250.3	217.8	515.4	449.4	255.8	253.5
Decrease of the value of goodwill	-	-	-	-				
Decrease of the value of investments in controlled companies	-	107.0	-	-		83.0		
Operating costs	(343.7)	(329.0)	(159.3)	(152.6)	406.3	392.8	140.0	134.1
Net income from life insurance	-	-	-	-	-	-	-	-
Profit (loss) before profit tax from ongoing activity	529.8	415.3	91.0	65.1	109,1	139,7	115.9	119.5
Net profit (loss) from ongoing activity	469.7	379.8	80.4	59.5	86.3	126,3	97.5	102.3

The main indicators describing the performance of AB SEB bankas and SEB Bankas Group are presented in the table below:

SEB Bankas Group				Indicator	the Bank			
31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013		31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
13.59%	14.01%	15,17%	15,84%	Capital adequacy coefficient	12.94%	12.95%	13.37%	13.85%
1.99%	0.63%	0.35%	0.85%	Average return on assets	1.72%	0.49%	0.53%	0.90%
21.86%	6.77%	3.60%	7.98%	Average return on shareholders' equity	19.50%	5.47%	5,73%	8.91%
46.80%	34.90%	35.86%	33.87%	Liquidity coefficient*	46.12%	34.66%	35.21%	33.48%
30.42	5.20	5.59%	6.31%	Profit (loss) per share, LTL	24.59	3.85	8,18	6,62
63.4%	60.0%	59.7%	50.3%	Cost-to-income ratio	64.8%	61.2%	61.6%	50.6%
150.94	156.33	155.24	161.59	Book value per share, LTL	138.70	142.74	145,59	152,25

\* The Group's liquidity indicator is presented for 31 December 2011 and 31 December 2012, and the financial Group's liquidity indicator is presented for 30 June 2012 and 30 June 2013 (excluding the data for UAB "SEB Venture Capital").

AB SEB bankas and SEB Bankas Group's financial statements for the year ended as of 31 December of 2011 and 2012 are audited. AB SEB bankas and SEB Bankas Group's financial statements for the year 2012 and for 6 month of 2013 are unaudited.

Since the date of publication of the latest audited financial statements until the submission date of the Base Prospectus to the Bank of Lithuania any negative changes did not occur.

On the submission date of the Base Prospectus to the Bank of Lithuania any information on trends, uncertainties, requirements, liabilities or material events that may have a significant impact on the Bank's perspective was not available.

B.13

Material events that may have impact on the Issuer's solvency

B.14

Not applicable. There is no information on material events that may have an impact on the Issuer's solvency on the submission date of the Base Prospectus to LB.

Skandinaviska Enskilda Banken AB (publ) is registered with the Company Register of

Issuer's relations with other members of the Group Sweden, legal form – a public limited liability company, legal person code 502032-8091, legal address Kungstradgardsgatan 8, Stockholm, Kingdom of Sweden, is a holder of 15,441,423 ordinary registered shares of AB SEB bankas that constitute 100 per cent of share capital of AB SEB bankas.

B.15 Principal activity of the Issuer The Bank is a credit institution holding authorised capital. The Bank is issued a licence to engage in acceptance of deposits and other repayable funds from non-professional market participants and lending, and also has a right to provide other financial services and assumes related risks and responsibility.

B.16 Control of the Issuer and this control type Currently Skandinaviska Enskilda Banken AB (publ) is a holder of 100 per cent of shares of AB SEB bankas in Lithuania.

B.17 Credit ratings assigned to the Issuer or non-equity securities issued by it Not applicable. Any rating is not assigned to non-equity securities issued by the Bank. Currently, any rating agency, based on a request of the Bank, or with participation of the Bank in the rating process, has not assigned any credit rating of the Bank.

## CHAPTER C – SECURITIES

C.1 Offered securities, types and classes of securities Under this Prospectus, the Bank may issue for public offering one or several short-term (up to 1 year) and from 1 year to 10 year term non-subordinated, non-guaranteed and non-convertible non-equity securities.

### Summary of the Issue(s) (Final Terms No. 20131015/003):

**Issue maturity term:** 1,466 days

The Bank under this Programme may issue the below specified non-equity securities:

- coupon bonds;
- discount bonds;
- reference item linked notes;
- investment notes;
- structured notes;
- any combinations of the above non-equity securities.

Maximum total nominal value of non-equity securities issued under this Programme may not exceed LTL 1,000,000,000 or its equivalent in any other currency.

On the date of approval of the Base Prospectus, any ISIN codes are not assigned to non-equity securities to be issued.

### Summary of the Issue(s) (Final Terms No. 20131015/003):

**Type of non-equity securities:** Reference item linked notes (hereinafter referred to as note(s))

C.2 Securities issue currency Non-equity securities may be issued in Litas or in any other currency. The issue value shall be specified in the Final Terms of each issue.

### Summary of the Issue(s) (Final Terms No. 20131015/003):

	First issue	Second issue	Third issue
<b>Currency:</b> LTL	LTL	LTL	EUR

C.5 Description of securities transfer restrictions	<p>Non-equity securities to be issued under this Base Prospectus shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union without any transfer restrictions. The non-equity securities to be issued under this Base Prospectus are not registered and shall not be registered following the requirements of legal acts of the US and other subordinate jurisdictions regulating the securities' market and shall not be offered or sold in any such jurisdiction except if registered in accordance with applicable laws or if relevant registration exclusions are applied. Legal and natural persons willing to subscribe for non-equity securities to be issued under this Base Prospectus must be aware of such restrictions and comply with the above requirements.</p>
C.8 Description of rights attached to the securities and procedure for exercising the rights	<p>All the holders of non-equity securities, issued by the Bank under this Base Prospectus are granted equal rights, which are described in the Base Prospectus and in the Final Terms of each issue, and also established in the laws and other legal acts of the Republic of Lithuania.</p> <p>Non-equity securities issued under this Base Prospectus, except the structured notes, shall grant the investors a right following the terms established in the Final Terms to receive from the Bank a payment in cash, which is calculated according to the procedure established in this Base Prospectus and in the Final Terms of each issue.</p> <p>The holders of structured notes issued under this Programme, shall be entitled following the terms established in the Final Terms of each issue to receive payment in cash from the Bank, when such non-equity securities are redeemed, or securities of the third party or relevant claims rights to such securities or securities issued by such third party replacing the securities of the third party above or relevant claims rights to such securities or any portion thereof together with a payment in cash, if such non-equity securities prior to the established redemption date are mandatorily purchased from investors, in case at least one enforcement event related to third party credit risk occurs.</p> <p>The Bank under this Programme may issue coupon or discount bonds, and investors subscribing for such bonds are entitled within the bond maturity term on the dates and prices specified in advance to sell all or any portion of such issue of bonds to the Bank in the secondary trading, if such right of the investor is established in the Final Terms of such issue.</p> <p>Holders of non-equity securities shall have the below rights:</p> <ul style="list-style-type: none"> <li>• on the date of non-equity securities redemption, early redemption or mandatory purchase (in case of structured notes) and/or on the date of interest (coupon) payment, and/or premium payment, and/or payment of other amounts for non-equity securities to receive payment from the Bank established in this Base Prospectus and following the procedure established in the Final Terms of each issue under this Programme;</li> <li>• sell or transfer in any other form all or any portion of non-equity securities;</li> <li>• if a holder of non-equity securities is a natural person, to bequeath all securities or any portion thereof to one or several persons;</li> <li>• other rights established by legal acts, including but not limited to those exercised by other creditors in respect of the Bank assets to whom the Banks' obligations are not secured by the asset pledge.</li> </ul>

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Rights granted to the non-equity securities:** the notes grant the investors a right on the redemption date of the notes to receive from the Bank nominal value of the note, amounting to LTL 100 in case of the first and second issues and/or EUR 100 in case of the third issue and the premium for the increase of the value of Index (as defined in C20). If the value of the Index



does not change or decreases, on the redemption date of the note the investor shall be paid the nominal value of the note.

C.9

Calculation and payment terms of interest (coupon), premium and other amounts payable to the investor, redemption date, loan amortisation and repayment procedure and sale to the Bank in the secondary trading, representation of holders of non-equity securities

**Calculation and payment terms of interest (coupon), premium and other amounts payable to the investor**

The Final Terms of each issue under this Programme shall announce the type of securities to be issued (coupon bonds, discount bonds, reference item linked notes, investment notes, structured notes and any combinations of the above non-equity securities).

*Coupon bonds*

In case of coupon bond issue, the Issuer shall pay coupon on each bond on the specified date, and coupon amount shall be calculated as a certain percentage of the bond nominal value. Coupon on the coupon bonds may be fixed (it remains of the same amount for the entire bond maturity term) or variable (established on the dates specified in the Final Terms, taking into consideration the changes of the selected base interest rate). Coupon or its calculation method and coupon payment dates shall be specified in the Final Terms of each issue.

*Discount bonds*

Discount bonds within the subscription period shall be sold at the lower price than the bond nominal value (nominal bond value shall be discounted by the annual yield established in the Final Terms). On the bond redemption date, the investor shall be paid the bond nominal value.

*Reference item linked notes*

Profitability of reference item linked notes depends on change in value of the reference item (shares, commodities, currencies, etc.) to be specified in the Final Terms, and on values of variables (participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity described in the Final Terms of the issue (e.g. whether bankruptcy proceedings, etc. have been initiated against the legal entity indicated in the Final Terms within the note maturity term) and on interest (coupon) (if interest (coupon) payment is established in the Final Terms). If change in value of the reference item is favourable, i.e., the reference item value changes or does not change as established in the Final Terms, the investor on the redemption date of the reference item linked notes shall receive the premium for change in value of the reference item. If change in value of the reference item is unfavourable, i.e., change in value of the reference item is different from that specified in the Final Terms, the investor shall be paid the nominal value of the reference item linked note on the redemption date.

If the note profitability depends on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms, and the situation is favourable, i.e., the credit event (does not) occur, the investor shall be paid the premium for (non)occurrence of certain credit event on the note redemption date. If the situation is unfavourable, i.e., the situation occurs when the notes become unprofitable, the investor shall be paid the note nominal value on the note redemption date.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Terms and procedure for calculation and payment of interest (coupon):** 0 percent (not paid).

**Terms and procedure for calculation and payment of premium:** the premium shall be paid for the increase of the value of the Index. The Index value change is calculated by comparing the final value of the Index with the initial value of the Index. If the value of the Index does not change or decreases, no premium is paid.

$$P = N \times Q \times \text{Max}(0\%; I_{pn})$$

$$I_{pn} = \frac{I_{pb}}{I_{pr}} - 1$$

where:

$P$  – premium;

$N$  – nominal value of the note;

$Q$  – participation ratio;

$I_{pn}$  – change of the value of the Index;

$I_{pr}$  – initial value of the Index;

$I_{pb}$  – final value of the Index.

#### Expected value of participation ratio:

First issue	Second issue	Third issue
25%	100%	25%

#### Minimum participation ratio value:

First issue	Second issue	Third issue
20%	85%	20%

**Notes redemption price or procedure for its calculation:** if the value of the Index increases, the nominal value and the premium for the increase will be paid to the investor on the redemption date:

$$RP = N + P$$

where:

$RP$  – redemption price;

$N$  – nominal value of the note;

$P$  – premium.

If the value of the Index does not change or decreases, only the note nominal value is paid to the investor on the redemption date, i.e. risk premium defined in Section E.3 (if applicable) and subscription fee defined in Section E.7 shall not be refunded to investors.

#### Method for calculating days: Not relevant

#### Investment notes

Profitability of investment notes, as well as of the reference item linked notes, depends on change in value of the reference item (shares, commodities, currencies, etc.) to be specified in the Final Terms of a particular issue, and on values of variables (participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms of the issue and on interest (coupon) (if interest (coupon) payment is established in the Final Terms). If premium is paid on the above non-equity securities, the Final Terms of the issue shall establish the method for calculating the premium for change in value of the reference item. In certain cases, no premium on the investment notes or other payments shall be paid except for accrued interest (coupon).

Differently from the reference item linked notes, the investor who subscribed for the investment notes is not guaranteed that on the redemption date the investor shall be refunded nominal value of such non-equity securities. If within the period specified in the Final Terms the certain conditions occur, the investment is not backed up by a capital guarantee, i.e., at the end of maturity term the investor shall be paid the redemption price that may be lower than the nominal value of such non-equity securities. In such case, the investor may lose a portion or total invested amount.

#### Structured notes



Profitability of structured notes, as well as of the reference item linked notes or investment notes, depends on change in value of the reference item (shares, commodities, currencies, etc.) to be specified in the Final Terms, and on values of variables (participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms of the issue and on interest (coupon) (if interest (coupon) payment is established in the Final Terms).

Differently from the reference item linked notes or investment notes, the issued structured notes shall be mandatorily purchased by the Bank from investors prior to the specified redemption date, if within maturity term thereof at least one enforcement event related to third party credit risk occurs. The enforcement event(s) related to third party credit risk is (are) not deemed identical to the credit event(s) upon (non)occurrence of which profitability of the reference item linked notes, investment notes or structured notes (unless the Final Terms of particular issue of the structured notes define otherwise) may be determined and/or investment notes may retain the capital guarantee. The Final Terms of the issue shall specify third party and securities issued by such party in respect of which enforcement events may occur. Mandatory purchase of the structured notes means that the structured notes are not backed up by capital guarantee, i.e., the investor may lose a portion or total invested amount.

The Final Terms of the issue of the reference item linked notes, investment notes and structured notes may specify that the investor who subscribe for such non-equity securities, shall be paid not only the premium for change in value of the reference item and/or the premium that depends on (non)occurrence of certain credit events related to the legal entity specified in the Final Terms of the issue but shall also receive interest (coupon). Interest (coupon) shall be paid irrespective of the change in value of the reference item to which the notes are linked or (non)occurred credit events related to the legal entity specified in the Final Terms of the issue.

#### **Redemption date, loan amortisation and repayment procedure and sale to the Bank in the secondary trading**

The Final Terms of each issue under this Programme shall establish the non-equity securities redemption date.

#### **Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Redemption date:** 9 February 2018

A right to request redemption of the issued non-equity securities prior to maturity shall not be granted to the investors. The Bank shall redeem the reference item linked note, investment note and structured note issue prior to its maturity if such right of early redemption is established in the Final Terms of the issue.

The Bank shall mandatorily purchase of the structured notes from the investors if within the maturity term of the structured notes at least one enforcement event related to third party credit risk established in the Final Terms of the structured note issue occurs.

In case the Bank issues coupon or discount bonds and the investors subscribing for such bonds are entitled within the maturity term of the issue to sell all or any portion of such bonds to the Bank in the secondary trading, the Final Terms shall specify the dates when the bonds may be sold to the Bank and the sale price effective on the dates when the bonds are sold to the Bank. The opportunity to sell the bonds in the secondary trading on the dates other than the dates established in the Final Terms, depends only on the existing market demand.

There are no intermediaries ensuring liquidity of non-equity securities issued under this Programme in the secondary trading.

### Profitability

Profitability of non-equity securities issued under the Programme depends on the subscription price, maturity term, redemption price or price of the bonds when they are sold to the Bank in the secondary trading, following the procedure established in the Final Terms (if investors assume such right), interest (coupon), change in value of the reference item, subscription fees and other factors. The calculation procedure of all amounts payable for non-equity securities shall be specified in the Final Terms of each issue.

**Investors should note that the subscription fee is not subject to refund when calculating the return on investment.**

### Representative of holders of non-equity securities

Prior to announcement of the Final Terms of each issue the Issuer shall sign an agreement with intermediary of securities' public trading on the protection of interests of non-equity securities holders. It shall be specified in the Final Terms of each issue. The agreement shall be available for viewing at the Markets Department of the Bank, address Gedimino ave. 12, Vilnius.

### Summary of the Issue(s) (Final Terms No. 20131015/003):

**Protector of interests of owners of the non-equity securities:** AB bankas *Finasta*, Maironio g. 11 LT-01124 Vilnius, tel. +370 5 203 2233, [www.finasta.lt](http://www.finasta.lt).

Information about replacement of intermediary protecting interests of non-equity securities holders shall be published on the Bank's website [www.seb.lt](http://www.seb.lt).

C.10, C.15  
Value  
dependence of  
non-equity  
securities on  
change in value  
of reference  
item to which  
non-equity  
securities are  
linked and on  
(non)occurrence  
of certain credit  
events related  
to the legal  
entity

The value of the reference item linked notes, investment notes and structured notes depends on the change in value of the underlying reference item (shares, commodities, currencies, etc.) and/or on (non)occurrence of certain credit events, related to the legal entity indicated in the Final Terms of the issue.

Investors investing in the reference item linked notes, investment notes or structured notes should know that changes in value of non-equity securities linked to reference item prior to their redemption date may not correlate with the change in value of the reference item to which such non-equity securities are linked or with (non)occurrence of certain credit events related to particular legal entity; it depends on the change in value of the derivative of the reference item to which these non-equity securities are linked and the changes in the market interest rates within the maturity term of such non-equity securities.

For instance, if interest rates in the market increase, the value of non-equity securities linked to reference item may decrease irrespective of the change in value of the reference item or (non)occurrence of certain credit events related to particular legal entity. Changes in value of non-equity securities linked to reference item prior to the redemption date may be great and bigger than the changes in value of the reference item to which such non-equity securities are linked and depend on the values of the variables of the issue (participation ratio, range of interval values of the reference item, etc.). In general, the bigger participation ratio, the greater changes in value of non-equity securities within the period until the redemption date thereof.

The above feature of non-equity securities linked to reference item is not important for investors who retain the subscribed non-equity securities until the redemption date thereof. The calculation method (i.e., components of the redemption price) of the non-equity security value (redemption price), which shall be paid to the investors on the redemption date, shall be

specified in the Final Terms of the issue.

C.11 Admission to trading on regulated market	<p>Non-equity securities issued under this Base Prospectus may be admitted to the trading lists of regulated markets (Debt Securities Trading List of NASDAQ OMX Vilnius Stock Exchange, other regulated markets trading lists).</p> <p>Information about the application to the regulated market operator for admission to trading on the regulated market of the particular securities issued under this Prospectus shall be established in the Final Terms.</p>
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**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Listing on regulated market trading lists:** Not intended

In case it is established in the Final Terms of the issues under the Programme that the request to admit the issued non-equity securities on the regulated market may be submitted to trading, the investor subscribing for non-equity securities issued by the Bank in the primary trading shall face the risk that the Bank's application to admit the securities on the regulated market to trading may be rejected due to technical or other reasons.

C. 16 Maturity date of the derivative transactions of reference items to which non-equity securities are linked	Maturity date of the derivative transactions entered when issuing non-equity securities under this Base Prospectus is not later date than redemption date of non-equity securities.
C. 17 Settlements for the derivative transactions	Settlements for the derivative transactions entered by the Bank when issuing non-equity securities under this Base Prospectus shall be made in accordance with the rules approved by International Swap and Derivatives Association (ISDA) and following other practice recognized in the international financial market.
C. 18 Profitability of derivative transactions and its impact on non-equity securities' values	Changes in the value of reference item linked notes, investment notes and structured notes until redemption date of such non-equity securities, and also the value of such non-equity securities on the redemption date thereof (redemption price) respectively depend on changes in value of the derivative transaction(s) entered by the Bank within the maturity term of such non-equity securities and the value of derivative transaction(s) on the maturity date of such transaction(s). The higher positive return on the derivative transaction(s), the higher profitability of reference item linked notes, investment notes and structured notes for the investor, i.e., higher value of such non-equity securities within the maturity term thereof and higher redemption price of such non-equity securities. In certain cases, no derivative transactions may be concluded when issuing reference item linked notes, investment notes and structured notes under this Base Prospectus.

C. 19  
Final value of  
reference items  
to which non-  
equity  
securities are  
linked

The Final Terms of the reference item linked notes, investment notes and structured notes to be issued under this Base Prospectus shall include a definition of the final value of the reference item(s) to which non-equity securities are linked, its valuation date and its calculation formula (if any).

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Final value of reference item:** final value of the Index is equal to the arithmetic average of the interim values of the Index, which are estimated on the 24th day of every month, commencing on 24 January 2017 and ending on 24 January 2018, and is calculated following the below formula:

$$I_{pb} = \frac{I_1 + I_2 + I_3 + I_4 + I_5 + I_6 + I_7 + I_8 + I_9 + I_{10} + I_{11} + I_{12} + I_{13}}{13} \text{ where:}$$

*I<sub>1</sub> – Index value on 24 January 2017*

*I<sub>2</sub> – Index value on 24 February 2017*

*I<sub>3</sub> – Index value on 24 March 2017*

*I<sub>4</sub> – Index value on 24 April 2017*

*I<sub>5</sub> – Index value on 24 May 2017*

*I<sub>6</sub> – Index value on 24 June 2017*

*I<sub>7</sub> – Index value on 24 July 2017*

*I<sub>8</sub> – Index value on 24 August 2017*

*I<sub>9</sub> – Index value on 24 September 2017*

*I<sub>10</sub> – Index value on 24 October 2017*

*I<sub>11</sub> – Index value on 24 November 2017*

*I<sub>12</sub> – Index value on 24 December 2017*

*I<sub>13</sub> – Index value on 24 January 2018*

C. 20  
Reference items  
to which non-  
equity  
securities are  
linked

Reference items to which non-equity securities issued under this Base Prospectus shall be:

- shares, global depositary receipts, other transferable securities equivalent to shares admitted to trading on regulated markets;
- bonds issued by private and public sector companies, institutions or organisations, including but not limited to governments, public authorities, central banks;
- stocks, bonds, commodities, mixed (stocks, bonds, commodities and other financial instruments) indexes;
- undertakings for collective investment in transferable securities (UCITS) (e.g. mutual funds units);
- units of exchange traded funds (ETF);
- commodities (industrial metals, precious metals, energy, agricultural, other) spot and future prices;
- exchange rates;
- interest rates (e.g. base interest rate on London, Europe and other interbank markets (e.g. LIBOR, EURIBOR)).

Particular reference item(s) to which non-equity securities issued under this Base Prospectus are linked shall be specified in the Final Terms. In such case, the Final Terms shall include a link to the website of a stock exchange/market/association establishing the value of the reference item and publication its historical changes.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Reference item:** *CECE Composite Index in EUR* (Index Bloomberg code – CECEEUR).

*CECE Composite Index in EUR* (hereinafter referred to as Index) is a free float weighted price index made up of the most liquid stocks traded on Budapest, Prague and Warsaw Stock Exchange. Index composition is defined to best reflect changes of the Central and Eastern

Europe stock markets; therefore, the number of constituents and weight in the Index may change. Constituent weights are capped at 20%. The Index was first calculated in 1999. More information about the index can be found on [www.indices.cc](http://www.indices.cc).

## CHAPTER D – RISK FACTORS

### D.2

Main risk factors related to the Issuer

Main types of risk incurred by the Bank are:

- **Credit risk** means the risk that other contracting party may fail to duly fulfil its obligations to the Bank;
- **Market risk** means the risk of losses or loss of future income resulting from changes in the interest rates, currency exchange rates and share price;
- **Operational risk** means the risk of financial loss, impairment of goodwill or loss of confidence that may result from the external events (including natural disasters, , criminal acts of third parties, activity disorders of major suppliers, etc.) or internal events (e.g. IT system disorder, fraud cases, non-compliance with the internal regulations and legal acts, inadequate internal control, etc.);
- **Business risk** means the risk of income decrease, caused by unforeseen lack of usual income that typically results from lower business volume, downward pressure on prices or competition;
- **Strategic risk** means the risk resulting from unfavourable or misleading business solutions, improper implementation of solution or inadequate reaction to political changes, amendments of legal acts and changes in the banking sector;
- **Liquidity risk** means the risk that the Bank will be unable to timely meet its financial obligations and/or seeking to meet thereof will be forced to sell its financial assets and/or close positions or will incur losses caused by low liquidity in the market. In this case the risk that in certain conditions the Bank's creditors will initiate the bankruptcy proceedings against the Bank exists.

### D.3

Main risk factors related to non-equity securities

Main risk factors related to non-equity securities issued are as follows:

- **market risk** means the risk that the market price of non-equity securities may fluctuate, i.e., the price of securities subscribed by the investor may go down and up in the secondary trading;
- **liquidity risk** means the risk of potential losses in case of failure to sell securities in a short-term or if it is impossible to sell the non-equity securities held for a certain period;
- **issuer credit risk** means the risk that in case of the Bank's insolvency, bankruptcy, moratorium and in other similar cases the Bank within the established term and conditions fails to settle with the investors (i.e. fails to redeem the non-equity securities, pay coupon or premium, etc.). The above risk of the Bank is not covered by insurance, i.e., the Bank's obligations to redeem non-equity securities issued is not insured by State Company "Indėlių ir investicijų draudimas";
- **issue cancellation risk** means the risk that in certain cases the issue of non-equity securities may be cancelled; in such case the investors shall not subscribe for non-equity securities, and the Bank shall refund non-equity securities' subscription price and subscription fee;
- **currency risk** means the risk that fluctuations in currency exchange rates may result in decrease in the actual value and the profitability of securities; therefore, investors, holding the non-equity securities denominated in other than the investors' home currency, will be exposed to movements in exchange rates that may adversely affect the value of the holdings. If non-equity securities are issued in Litas and within the maturity term thereof the Euro (or any other currency) becomes national currency of the Republic of Lithuania, the amount to be paid for redeemable non-equity securities

to investor shall be calculated according to the exchange rate of the Litas with the Euro (or another currency) in accordance with the legal acts;

- **inflation risk** means the risk that real value of non-equity securities may decrease due to inflation;
- **tax and legal risk** means the risk that amendments to the legal acts of the Republic of Lithuania or changes in the state tax policy may have a material adverse effect on the non-equity securities, resulting in lower liquidity of non-equity securities and/or price and net profitability;
- **rating downgrade risk** means the risk that SEB Group's credit rating may be downgraded or the risk that the estimated credit rating of the Bank is lower than SEB Group's credit rating, which may have a material adverse effect on the non-equity securities, resulting in lower liquidity of non-equity securities and/or price;
- **risk related to the securities admission to trading on the regulated market** means the risk that non-equity securities that are supposed to be admitted to trading on the regulated market in fact are not admitted to the trading list due to any technical or other reasons, which may decrease the liquidity and eventually the price of the non-equity securities;

Risks applicable to coupon and discount bonds and structured notes:

- **risk related to the shortening of the issue subscription period** – the risk that the investor fails to subscribe for the issued non-equity securities if the Final Terms of such non-equity securities establish the Bank's right to shorten the issue subscription period and the Bank exercises the right thereof;
- **risk related to the subscription through placement agents in Latvia and (or) Estonia** means the risk of the investors subscribing for non-equity securities through placement agents in Latvia and Estonia, that in case of issues of limited size, they may not be able to subscribe for the non-equity securities even if the investors applied for subscription within the subscription period due to the fact that the payment day for such investors may be the final day of subscription period and by the payment day thereof all the non-equity securities may be subscribed by other investors. This means that investors subscribing for non-equity securities through placement agents in Latvia and Estonia shall not be deemed as having subscribed for the non-equity securities up to the final day of the subscription period. In case of an issue of limited size, the non-equity securities are allocated by the time priority principle, therefore the investors who actually subscribe and pay for the non-equity securities on the final day of subscription period should consider this unfavourable condition.

Risks applicable to the reference item linked notes, investment notes and structured notes:

- **premium risk** means the risk that on the redemption date of non-equity securities the investor shall not receive premium for change in the value of the reference item in case of unfavourable change in the value of reference item, i.e., the investor assumes the risk of loss of the subscription fee (if applicable) as well as the risk of additionally invested funds, if non-equity securities were issued with the risk premium;
- **risk of reference item value adjustment and change of calculation method** means the risk that the agency calculating/announcing the reference item value may adjust the value of the reference item and/or change the method for calculation the reference item value and/or change the reference item itself; suspend the value calculation and/or announcing temporarily or for an unlimited term. The risk of reference item value adjustment, change of calculation method of the reference item value (including but not limited to the risk of change in the reference item itself) shall exist not only within maturity term of non-equity securities issue but also within the subscription period of such non-equity securities;
- **risk of unforeseen events in the markets** mean the risk that due to unforeseen events, the valuation date of the reference item (shares, commodities, exchange rates, etc.) may be moved to another date when unforeseen events cease to exist;



- **premium calculation risk** means the risk that due to factors that are beyond the Bank's control, the premium calculation method or its value may be changed; the premium calculation risk shall exist not only within maturity term of non-equity securities but also during the subscription period of such non-equity securities;
- **risk of the early redemption** means the risk that profitability of non-equity securities if redeemed prior to maturity may be lower than profitability of non-equity securities that are held until the scheduled redemption date.

Risks applicable to investment notes and structured notes:

- **risk of investment loss** means the risk that upon occurrence of certain conditions, established in the Final Terms of the issue, the investor may lose all invested funds or a portion thereof.

Risks applicable to structured notes:

- **third party credit risk** means the risk that in case the Bank executes mandatory purchase of the structured notes from the investor and transfers to the investor securities of the third party or relevant claims rights, as specified in the Final Terms of the issue, or the securities issued by such third party replacing the securities of the third party above or relevant claims rights or any portion thereof, third party may fail to settle with the investor.

#### Summary of the Issue(s) (Final Terms No. 20131015/003):

##### Main risk factors related to Reference item linked notes:

- market risk
- liquidity risk
- issuer credit risk
- issue cancellation risk
- currency risk
- inflation risk
- tax and legal risk
- rating downgrade risk
- premium risk
- risk of reference item value adjustment and change of calculation method
- risk of unforeseen events in the markets
- premium calculation risk.

D.6

Risk related to the loss of funds invested

**Investment notes and structured notes are risky investment instruments, therefore may not be suitable for all investors and should be chosen by such investors who may assume higher investment risk.**

#### In case of reference item linked notes

Issue price of reference item linked notes may be higher than the nominal note value. The difference between reference item linked note issue price and nominal reference item linked note value is called risk premium. The purpose of the risk premium is to increase values of the issue variables (participation ratio, the range of interval values of the reference item, etc.). If the investor subscribes for notes with the risk premium, the investor shall assume the risk of a loss of additionally invested funds: the additionally invested funds shall not be refunded to the investor, if a change of the value of the reference item is different from that specified in the Final Terms, or only a portion of the additionally invested funds shall be refunded, if the premium for change of the value of the reference item on the note redemption date is lower than the risk premium paid by the investor.

#### In case of investment notes

Upon occurrence of certain conditions specified in the Final Terms of investment notes issue

(e.g. if the reference item value reaches the specified limit), the investment is not backed up by a capital guarantee, i.e., the investor assumes the risk that the redemption price of the investment note may be lower than the nominal value of the investment note, i.e., the investor may lose all invested funds or a portion thereof.

Risk related to the loss of funds invested also occurs when prior to the redemption date of the investment notes due to factors that are beyond the Bank's control the risk management costs of the derivative transaction entered by the Bank significantly increase; the derivative transaction is terminated or replaced; factors not permitting the Bank to subscribe, manage or dispose of the reference items, which determine profitability of investment notes occur; or the reference items are nationalised, expropriated or it is ordered to transfer them in any other way to the government or any other public institution; or due to liquidation, bankruptcy, insolvency, dissolution or winding-up of the issuer of the reference item (if relevant) or due to other analogous proceedings affecting the latter, the right to manage, use or dispose of the reference items is limited; or the legal entity that issued the reference items fails to fulfil its obligations related to the reference items issued (e.g. fails to timely pay the coupon); or it is publicly announced that the terms of fulfilment of obligations related to the reference items and/or disposal terms of such reference items are amended (e.g. the nominal value of the reference items is reduced, redemption date is deferred, etc.); due to factors that are beyond Bank's control, certain conditions arise due to which the reference items to which investment notes are linked are excluded from the securities trading lists (or trading in such reference items is suspended). If any of the above events occur the investment may be not backed up by a capital guarantee, i.e., the investor assumes the risk that the redemption price of the investment note may be lower than the nominal value of the investment note, i.e., the investor may lose all invested funds or a portion thereof.

#### **In case of structured notes**

If within maturity term of the structured notes enforcement event related to third party credit risk occurs the Bank shall mandatorily purchase the issue of the structured notes from the investors. The Bank shall settle with the investors for mandatorily purchased structured notes by transferring securities of the third party or relevant claims rights or securities issued by such third party replacing the securities of the third party above or relevant claims rights or any portion thereof, and payment in cash. On the settlement date for the mandatorily purchased structured notes the value of third party's securities transferred to the investor or other securities issued by the third party replacing thereof and payment in cash may be lower than the nominal value of the structured notes. In such case the investor may lose a portion of invested funds, and in case of third party insolvency, bankruptcy, moratorium or in similar cases, the investor may lose the total invested amount.

## **CHAPTER E – OFFER**

E.2b  
Reasons of the offer and use of proceeds

The Bank issuing non-equity securities seeks to offer for the investors a wider range of investment instruments and services. Funds accumulated from the issues of non-equity securities shall be used to finance the loans of the Bank and to manage the liquidity.

E.3  
Terms and procedure of the offer

### **Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Issue date:** 4 February 2014

#### **Nominal value per non-equity security:**

First issue	Second issue	Third issue
LTL 100	LTL 100	EUR 100

**Subscription price(s) of non-equity securities:** subscription prices of the notes are specified in Annex No.1 to the Final Terms No. 20131015/003)

**Risk premium:**

First issue	Second issue	Third issue
LTL 0	LTL 10	EUR 0

Non-equity securities to be issued under the Prospectus shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other states of the European Union. The Final Terms of the issue shall specify the country(ies) in which non-equity securities are offered.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Markets where the offer takes place:** the Republic of Lithuania

The offer to subscribe for non-equity securities shall be valid within the subscription period specified in the Final Terms.

The subscription term shall be specified in the Final Terms of each issue under the Prospectus.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Subscription period:** 7 January – 3 February 2014

In case of any coupon and discount bonds issue of unlimited size, when coupon on bonds (in case of the coupon bond issue) or annual yield (in case of discount bond issue) shall be fixed and published in the Final Terms, the Final Terms may establish that the Bank, taking into consideration the number of subscribed bonds and market interest rates, has a right to unilaterally shorten the subscription period established in the Final Terms for such coupon and discount bond issue.

In case of structured notes issue, the Bank taking into consideration the number of subscribed structured notes and market interest rates, has a right to unilaterally shorten the subscription period established in the Final Terms.

No specific plan of securities offering and distribution shall be prepared, non-equity securities subscription agreements shall be signed during the entire subscription period on a time basis without any other restrictions.

The Final Terms may specify the category(ies) of the investors who shall be offered the securities of a particular issue, as well as relevant identification criteria and rights granted to the investors. The below categories of the investors are approved: a) professional investors (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania); b) non-professional investors (natural and legal persons not meeting the requirements applicable to the professional investors defined in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania); c) investors that are clients of a bank in Lithuania and/or Latvia and/or Estonia; d) investors, who signed one or several Special Banking Service Agreements with a bank in Lithuania and/or Latvia and/or in Estonia; e) investors holding non-equity securities previously issued by the Bank, which within a particular subscription period of non-equity securities shall be redeemed; f) investors subscribing for the number of non-equity securities at least equal to the minimum number of securities specified in the Final Terms; g) employees of a bank in Lithuania and/or Latvia and/or Estonia; h) any combination of at least two categories above. It shall be noted that an investor who falls under category d) shall also automatically fall into category c), but not necessarily vice versa.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Category of investors proposed for acquiring the non-equity securities and rights granted:**

Investors who are offered the notes are divided into 2 categories. Depending on which category an investor is assigned to, different subscription fee shall be set:

- Subscription fee equal to 0.5 percent of the nominal value of the note shall be applied to investors who on the first day of the subscription period (i. e. 7 January 2014) of the notes, terms of which are set in the Final Terms no. 20131015/003, shall hold any of the following previously issued non-equity securities that are to be redeemed within the subscription period (i. e. 7 January 2014 – 3 February 2014) of the notes offered under the Final Terms No. 20131015/003:

1. *SEB metalai* (ISIN codes – LT0000431025, LT0000431140 and LT1000430165)

2. *SEB Skandinavija* (ISIN codes – LT0000431157, LT0000431165 and LT1000430173)

3. *SEB Kinijos juanis* (ISIN codes – LT0000402711 and LT0000402729).

Such fee shall be applied only if an investor subscribes for the notes at the addresses and within business hours specified in Annex no. 2 to the Final Terms No. 20131015/003.

- Subscription fee equal to 1 percent of the nominal value of the note shall be applied to all other investors.

The investors shall subscribe for the non-equity securities during business hours at the branch offices of the Bank and placement agents, at the addresses specified in the Annex of the Final Terms. Non-equity securities may be subscribed using the Bank's Securities Online Trading System.

Non-equity securities shall be deemed subscribed and issued if the investors who signed non-equity securities subscription agreement have paid for non-equity securities pursuant to the procedure and within the term established in the agreement thereof.

The Final Terms of each issue of non-equity securities shall specify the payment method and term.

The minimum amount of non-equity securities to be offered to one investor is 1 (one) unless the Final Terms provide otherwise. The maximum amount of non-equity securities to be offered to one investor is not established, unless the Final terms provide otherwise; however if the issue is of a limited size, the number of securities to be subscribed may not exceed the number of unsubscribed non-equity securities remaining on the agreement date, or if the issue is of an unlimited size, the number of securities to be subscribed may not exceed the number of all unsubscribed non-equity securities issued under the Programme remaining on the agreement date.

**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Total nominal value of the issue:** Unlimited

**Minimum number of non-equity securities offered to one investor:** Not defined

**Maximum number of non-equity securities offered to one investor:** Not defined

In case of coupon and discount bond issue, if the range of interest (coupon) on bonds (in case of coupon bond issue) or annual yield (in case of discount bond issue) are specified and actual interest (coupon) or annual yield are fixed only at the end of the bond subscription period, the investors are entitled to sign the bond subscription agreements as well as submit application for bond subscription. In such case, the Final Terms shall specify the minimum amount to be invested by the investor submitting the application for bond subscription.

E.4  
Related parties'

At the moment of the approval of the Base Prospectus there is no interest of natural and legal persons involved in the issues under the Programme. Any interests of the related parties

interests arising in relation to non-equity securities issues	arising in relation to a particular issue of non-equity securities issued under this Base Prospectus shall be specified in the Final Terms.
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E.7 Investor's costs	The Final Terms of a particular issue of non-equity securities may specify the subscription fee to be paid by the investor to the issuer together with the subscription price for non-equity securities subscribed.
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**Summary of the Issue(s) (Final Terms No. 20131015/003):**

**Subscription fee:** Subscription fee equal to **0.5 percent** of the nominal value of the note shall be applied to investors who on the first day of the subscription period (i. e. 7 January 2014) of the notes, terms of which are set in the Final Terms no. 20131015/003, shall hold any of the following previously issued non-equity securities that are to be redeemed within the subscription period (i. e. 7 January 2014 – 3 February 2014) of the notes offered under the Final Terms no. 20131015/003:

1. *SEB metalai* (ISIN codes – LT0000431025, LT0000431140 and LT1000430165)
2. *SEB Skandinavija* (ISIN codes – LT0000431157, LT0000431165 and LT1000430173)
3. *SEB Kinijos juanis* (ISIN codes – LT0000402711, LT0000402729).

Such fee shall be applied only if an investor subscribes for the notes at the addresses and within business hours specified in Annex no. 2 to the Final Terms no. 20131015/003.

Subscription fee equal to **1 percent** of the nominal value of the note shall be applied to all other investors.