



AB SEB BANKAS

**CONDENSED INTERIM INFORMATION
FOR THE SIX-MONTH PERIOD 2014**

TABLE OF CONTENTS

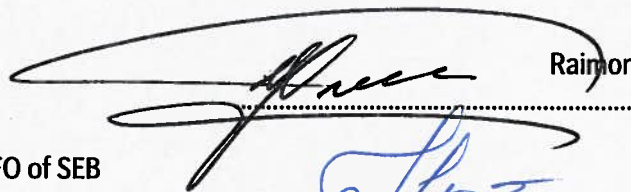
1. CONFIRMATION OF RESPONSIBLE PERSONS REGARDING INTERIM SIX-MONTH CONSOLIDATED FINANCIAL REPORTING
2. CONDENSED INTERIM FINANCIAL INFORMATION FOR THE 6 MONTH PERIOD ENDED JUNE 2014
3. CONSOLIDATED SEMI-ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

AB SEB bankas
Gedimino ave. 12
LT-01103 Vilnius

CONFIRMATION OF RESPONSIBLE PERSONS

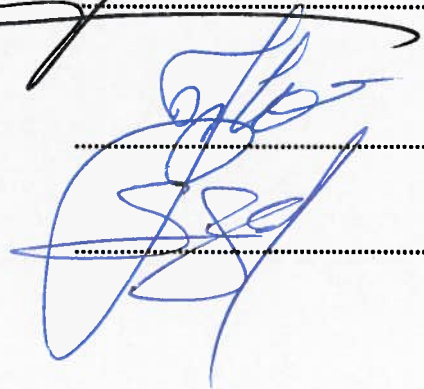
Abiding by Article 22 of the Law of the Republic of Lithuania on Securities as well as by the rules approved by the board of the bank of the Republic of Lithuania for the preparation and submitting of periodic and supplementary information, we hereby confirm that, in accordance with our knowledge, the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

President of AB SEB bankas



Raimondas Kvedaras

Head of Business Support Division and CFO of SEB bankas



Jonas Iržiukevičius

Director of Finance Department of AB SEB bankas



Saulius Salda

Vilnius,
August 2014



**AB SEB bankas condensed interim financial information
for the 6 months period ended 30 June 2014**

1. Reporting period

The report has been produced for the 6 months period ended 30 June 2014.

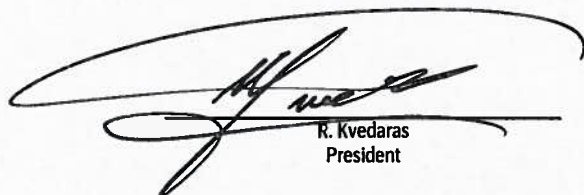
2. The issuer's key data

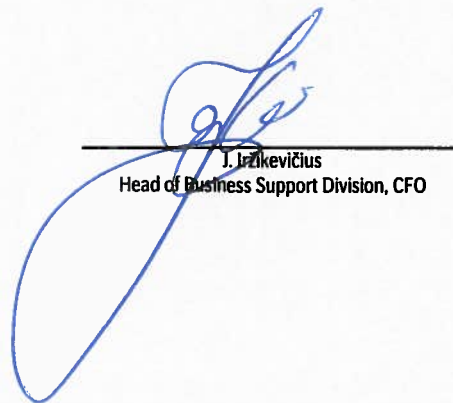
Issuer's name	AB SEB bankas
Share capital	LTL 1,034,575,341
Domicile address	Gedimino ave.12, LT-01103 Vilnius
Telephone	(8 5) 2682 800
Fax	(8 5) 2682 333
E-mail	info@seb.lt
Legal organisational form	Public limited company
Registration date and place	29 November 1990, Bank of Lithuania
Company's code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

**CONDENSED INTERIM INCOME STATEMENT
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

The Group				The Bank			
January 1 - June 30 2014	The second quarter 2014	January 1 - June 30 2013	The second quarter 2013	January 1 - June 30 2014	The second quarter 2014	January 1 - June 30 2013	The second quarter 2013
233,916	116,168	236,210	117,061	233,897	116,238	235,970	116,941
(76,513)	(37,503)	(99,203)	(46,838)	(76,524)	(37,508)	(99,209)	(46,842)
157,403	78,665	137,007	70,223	157,373	78,730	136,761	70,099
(14,248)	3,801	(12,153)	(1,426)	(14,248)	3,801	(12,153)	(1,426)
10,366	6,087	(10,920)	(6,530)	10,366	6,087	(10,920)	(6,530)
(448)	589	708	(245)	(448)	589	708	(245)
9	3	1	1	9	3	1	1
(4,321)	10,480	(22,364)	(8,200)	(4,321)	10,480	(22,364)	(8,200)
153,082	89,145	114,643	62,023	153,052	89,210	114,397	61,899
130,109	66,703	128,991	65,748	124,318	63,494	122,756	62,365
(33,189)	(17,261)	(32,429)	(17,115)	(32,493)	(16,989)	(32,026)	(16,867)
96,920	49,442	96,562	48,633	91,825	46,505	90,730	45,488
9,374	5,049	6,402	10,887	4,382	5,064	6,179	10,887
(119)	(21)	(561)	(660)	(119)	(20)	(560)	(659)
-	-	-	-	7,477	-	7,351	-
27,607	13,600	35,971	18,689	27,610	13,602	35,994	18,712
2,519	1,164	2,826	1,211	2,894	1,351	3,074	1,335
39,381	19,792	44,638	30,127	42,244	19,997	52,038	30,275
(65,411)	(33,419)	(63,164)	(31,725)	(64,391)	(33,102)	(61,656)	(30,760)
(55,424)	(19,556)	(76,828)	(38,568)	(54,821)	(19,232)	(76,062)	(38,172)
168,548	105,404	115,851	70,490	167,909	103,378	119,447	68,740
(20,029)	(11,946)	(18,340)	(11,650)	(19,481)	(11,646)	(17,577)	(11,303)
148,519	93,458	97,511	58,840	148,428	91,732	101,770	57,437
148,519	93,458	97,511	58,840	148,428	91,732	101,770	57,437


R. Kvedaras
President

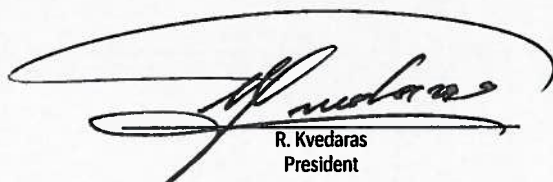

J. Irzikevičius
Head of Business Support Division, CFO

AB SEB bankas

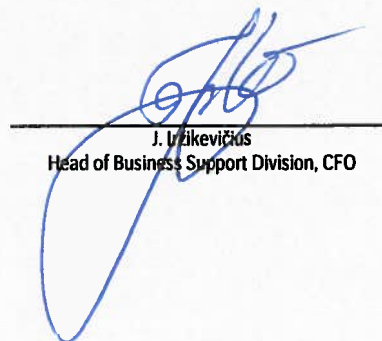
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30 2014	January 1 - June 30 2013		January 1 - June 30 2014	January 1 - June 30 2013
148,519	97,511	Net gain (losses) for the year	148,428	101,770
		<i>Items that may subsequently be reclassified to the income statement:</i>		
1,162	(398)	Net gain (loss) on available for sale financial assets	1,162	(398)
100	154	Amortisation of financial assets revaluation reserve of reclassified financial assets	100	154
(189)	37	Income tax relating to the components of other comprehensive income	(189)	37
		<i>Items that will not be reclassified to the income statement:</i>		
1,073	(207)	Total other comprehensive income	1,073	(207)
149,592	97,304	Total comprehensive income	149,501	101,563
		Attributable to:		
149,592	97,304	Owners of the Bank	149,501	101,563
-	-	Non controlling interest	-	-



R. Kvedaras
President

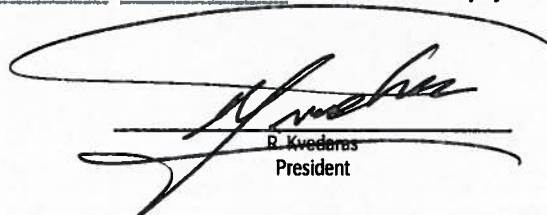


J. Vikevičius
Head of Business Support Division, CFO

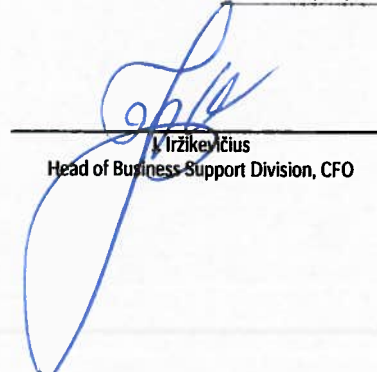
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

The Group		The Bank	
30 June 2014	31 December 2013	30 June 2014	31 December 2013
Assets			
405,138	418,136	405,138	418,136
1,347,649	935,323	1,347,649	935,323
3,616,429	3,691,046	3,616,429	3,691,046
59,967	59,895	59,337	59,228
907,236	953,982	857,426	909,613
259,755	259,288	259,755	259,288
21,545	86,077	21,545	86,077
15,189,828	15,164,544	15,220,334	15,191,785
1,374,896	1,428,253	1,374,956	1,428,394
186,940	191,126	186,940	191,126
200	200	200	200
13,423	13,302	13,423	13,302
-	-	34,900	34,900
43,327	48,239	43,327	48,239
24,168	24,643	23,961	24,469
2,490	3,924	2,490	3,924
11,964	14,047	11,964	14,047
155,034	167,633	155,007	167,600
118,817	131,288	118,110	130,295
23,738,806	23,590,946	23,752,891	23,606,992
Liabilities			
47	33	47	33
7,286,220	7,177,824	7,286,220	7,177,824
268,897	270,943	268,897	270,943
13,257,404	13,224,857	13,274,649	13,245,685
49,663	51,822	49,437	50,778
10,792	2,135	9,537	-
82,764	117,556	82,764	117,556
134,866	144,249	134,629	143,996
21,090,653	20,989,419	21,106,180	21,006,815
Equity			
Equity attributable to equity holder of the parent			
1,034,575	1,034,575	1,034,575	1,034,575
2,200	2,200	2,200	2,200
(1,477)	(2,550)	(1,477)	(2,550)
352,347	289,202	350,472	287,327
16,349	15,731	16,349	15,731
1,244,159	1,262,369	1,244,592	1,262,894
2,648,153	2,601,527	2,646,711	2,600,177
-	-	-	-
2,648,153	2,601,527	2,646,711	2,600,177
23,738,806	23,590,946	23,752,891	23,606,992



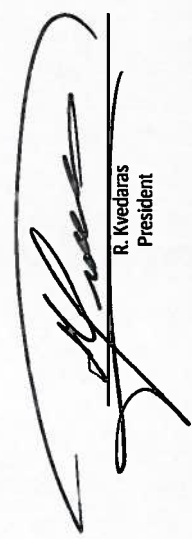
R. Kvedoras
President



V. Iržikeyčius
Head of Business Support Division, CFO

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**
(All amounts in LTL, thousands unless otherwise stated)

	Equity attributable to equity holder of the parent							Total
	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total before non controlling interest	
The Group								
31 December 2012	1,034,575	2,200	(4,098)	239,612	14,132	1,137,930	2,424,351	2,424,351
Change in fair value measurement of financial assets	-	-	-	-	-	(27,222)	(27,222)	(27,222)
Impairment of homogenous loans interest	-	-	-	-	-	(11,058)	(11,058)	(11,058)
Adjusted balance as of 31 December 2012	1,034,575	2,200	(4,098)	239,612	14,132	1,099,650	2,386,071	2,386,071
Net change in available for sale investments, net of deferred taxes	-	-	(361)	-	-	-	(361)	(361)
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	154	-	-	-	154	154
Net profit for the year	-	-	(207)	-	-	97,511	97,511	97,511
Total comprehensive income	-	-	-	-	-	97,511	97,304	97,304
Share-based compensation	-	-	-	-	727	-	727	727
Transfers to reserves	-	-	-	49,590	-	(49,590)	-	-
30 June 2013	1,034,575	2,200	(4,305)	289,202	14,859	1,147,571	2,484,102	2,484,102
31 December 2013	1,034,575	2,200	(2,550)	289,202	15,731	1,262,369	2,601,527	2,601,527
Net change in available for sale investments, net of deferred taxes	-	-	973	-	-	-	973	973
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	100	-	-	-	100	100
Net profit for the year	-	-	-	-	-	148,519	148,519	148,519
Total comprehensive income	-	-	1,073	-	-	148,519	149,592	149,592
Share-based compensation	-	-	-	-	618	-	618	618
Transfers to reserves	-	-	-	63,145	-	(63,145)	-	-
Dividends	-	-	-	-	-	(103,584)	(103,584)	(103,584)
30 June 2014	1,034,575	2,200	(1,477)	352,347	16,349	1,244,159	2,648,153	2,648,153



R. Kvedaravicius
President



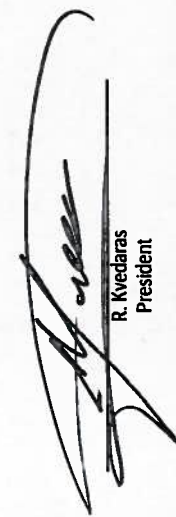
J. J. Kvedaravicius
Head of Business Support Division, CFO

AB SEB bankas

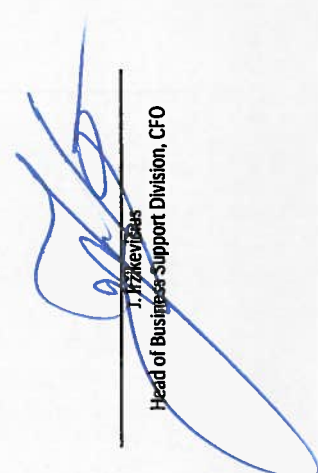
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL, thousands unless otherwise stated)

The Bank	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total
31 December 2012	1,034,575	2,200	(4,098)	236,737	14,132	991,793	2,275,339
Change in fair value measurement of financial assets	-	-	-	-	-	(27,222)	(27,222)
Impairment of homogenous loans interest	-	-	-	-	-	(11,058)	(11,058)
Effect of merger with subsidiary	-	-	-	1,000	-	146,660	147,660
Adjusted balance as of 31 December 2012	1,034,575	2,200	(4,098)	237,737	14,132	1,100,173	2,384,719
Net change in available for sale investments, net of deferred taxes	-	-	(361)	-	-	-	(361)
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	154	-	-	-	154
Net profit for the year	-	-	-	-	-	101,770	101,770
Total comprehensive income	-	-	(207)	-	-	101,770	101,563
Share-based compensation	-	-	-	-	727	-	727
Transfers to reserves	-	-	-	49,590	-	(49,590)	-
30 June 2013	1,034,575	2,200	(4,305)	287,327	14,859	1,152,353	2,487,009
31 December 2013	1,034,575	2,200	(2,550)	287,327	15,731	1,262,894	2,600,177
Net change in available for sale investments, net of deferred taxes	-	-	973	-	-	-	973
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	100	-	-	-	100
Net profit for the year	-	-	-	-	-	148,428	148,428
Total comprehensive income	-	-	1,073	-	-	148,428	149,501
Share-based compensation	-	-	-	-	618	-	618
Transfers to reserves	-	-	-	63,145	-	(63,145)	-
Dividends	-	-	-	-	-	(103,584)	(103,584)
30 June 2014	1,034,575	2,200	(1,477)	350,472	16,349	1,244,592	2,646,711



R. Kvedaras
President



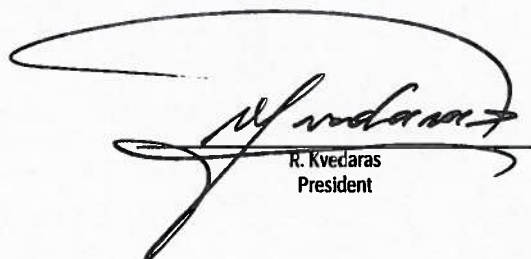
I. Kveivėnas
Head of Business Support Division, CFO

AB SEB bankas

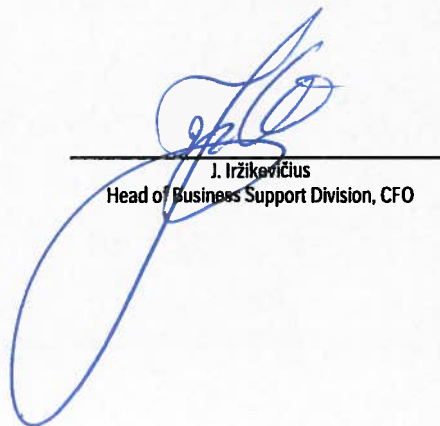
**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

The Group			The Bank	
January 1 - June 30, 2014	January 1 - June 30, 2013		January 1 - June 30, 2014	January 1 - June 30, 2013
169,948	72,744	Net cash from operating activities before change in operating assets	166,694	78,048
1,860,624	(1,820,248)	Net decrease (increase) in operating assets	1,858,613	(1,821,488)
32,488	(441,370)	Net (decrease) increase in operating liabilities	29,825	(446,210)
2,063,060	(2,188,874)	Net cash from (to) operating activities	2,055,132	(2,189,650)
-	-	Income tax paid	-	-
2,063,060	(2,188,874)	Net cash from (to) operating activities after income tax	2,055,132	(2,189,650)
72,947	22,855	Cash used in investing activities	80,875	23,711
(36,419)	107,931	Cash (used in) received from financing activities	(36,419)	107,851
2,099,588	(2,058,088)	Net increase in cash	2,099,588	(2,058,088)
1,454,891	3,118,790	Cash at the beginning of the period	1,454,891	3,118,790
3,554,479	1,060,702	Cash at the end of the period	3,554,479	1,060,702
Specified as follows:				
145,248	(61,815)	Balance available for withdrawal with the Central Banks	145,248	(61,815)
2,834,746	600,506	Overnight deposits	2,834,746	600,506
405,138	396,206	Cash on hand	405,138	396,206
169,347	125,805	Current accounts with other banks	169,347	125,805
3,554,479	1,060,702		3,554,479	1,060,702



R. Kvedaras
President



J. Iržikevičius
Head of Business Support Division, CFO

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 1 GENERAL INFORMATION

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

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

At the end of the reporting period AB SEB bankas had 2 subsidiaries (the Bank and its subsidiaries thereafter are referred to as the Group). The subsidiaries are as follows: UAB "SEB Venture Capital" is a fully owned subsidiary involved in venture capital activities; UAB "SEB investicijų valdymas" is a fully owned subsidiary engaged in provision of investments' management services activities.

On November 23rd Bank's subsidiary AB "SEB lizingas" has been merged to AB SEB bankas. After the merge all comparative figures of AB SEB bankas are presented including the result of AB "SEB lizingas".

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 finance leasing, investing and trading in securities as well as performs other activities set in the Law on Banks (except for operations with precious metals).

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

NOTE 2 BASIS OF PRESENTATION

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

The accounting policies adopted and methods of computation used are consistent with those of the annual financial statements for the year ended 31 December 2013, as described in the annual financial statements for the year ended 31 December 2013.

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

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

NOTE 3 SEGMENT REPORTING

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

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

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

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

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

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

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

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

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

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

Business segments of the Group for the period ended 30 June 2014 were as follows:

	Baltic Division	Merchant Banking	Asset Management	Treasury	Operations	Staff Functions	Information Technologies	Eliminations	Total Group
Interest income	220,850	295	25	105,909	-	-	-	(92,107)	234,972
- Internal	7,296	-	11	84,800	-	-	-	(92,107)	-
- External	213,554	295	14	21,109	-	-	-	-	234,972
Interest expense	(89,677)	(289)	(1)	(82,688)	-	-	-	92,107	(80,548)
- Internal	(84,512)	(289)	(1)	(7,305)	-	-	-	92,107	-
- External	(5,165)	-	-	(75,383)	-	-	-	-	(80,548)
Net commission income	90,187	120	2,794	902	-	-	-	-	94,003
- Internal	3,071	-	(6,154)	902	-	-	-	-	(2,181)
- External	87,116	120	8,948	-	-	-	-	-	96,184
Net financial income	32,418	5,005	(1)	3,228	-	-	-	-	40,650
Net other income	(773)	-	2,181	190	-	(3)	-	-	1,595
Net operating income	253,004	5,131	4,998	27,541	-	(3)	-	-	290,671
Total staff costs and other administrative expenses	(110,634)	(407)	(1,593)	(442)	133	2,375	2,129	-	(108,439)
Depreciation and amortisation	(8,507)	(9)	(10)	(2)	(102)	(522)	(876)	-	(10,028)
Total impairment losses	(3,647)	-	-	-	-	-	-	-	(3,647)
Loss before income tax	130,211	4,715	3,395	27,097	31	1,846	1,253	-	168,548
Income tax benefit	(19,481)	(4)	(544)	-	-	-	-	-	(20,029)
Net (loss) for the year	110,730	4,711	2,851	27,097	31	1,846	1,253	-	148,519
Total assets	17,851,278	56,887	18,738	7,931,163	31	1,846	1,469	(2,122,606)	23,738,806
Total liabilities	15,240,427	52,176	14,897	7,905,543	-	-	216	(2,122,606)	21,090,653
Acquisition of intangible assets and property, plant and equipment	5,039	-	4	-	-	-	-	-	5,043

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

For the period ended 30 June 2014 reconciliation between Group's Segment reporting and financial statements is presented below:

	<u>Eliminations</u>			
	Segment Reporting	Interest income from Hedged L&R	Other reconciling entries	Financial Statements
Interest income	234,972	-	(1,056)	233,916
Interest expense	(80,548)	4,034	1	(76,513)
Net commission income	94,003	-	2,917	96,920
Net financial income	40,650	(4,034)	-	36,616
Net other income	1,595	-	1,171	2,766
Net operating income	290,671	-	3,033	293,704
Total staff costs, other administrative expenses	(108,439)	-	(2,359)	(110,798)
Depreciation and amortisation	(10,028)	-	-	(10,028)
Total impairment losses	(3,647)	-	(674)	(4,321)
(Losses) profit before income tax	168,548	-	-	168,548
Income tax benefit	(20,029)	-	-	(20,029)
Net (losses) for the period	148,519	-	-	148,519

AB SEB banks

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 3 SEGMENT REPORTING (CONTINUED)

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

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014

(All amounts in LTL thousands unless otherwise stated)

NOTE 4 FINANCIAL ASSETS AND LIABILITIES

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

	30 June 2014		31 December 2013	
	Book value	Fair value	Book value	Fair value
Balances with the Central Bank	1,347,649	1,347,055	935,323	935,319
Loans to credit institutions	3,637,974	3,635,849	3,777,123	3,774,546
Loans to customers	15,189,828	14,892,990	15,164,544	14,630,340
Investment securities - loans and receivables	186,940	191,990	191,126	194,854
Finance lease receivable	1,374,896	1,374,623	1,428,253	1,423,330
Investment securities – held to maturity	13,423	13,439	13,302	13,240
Total financial assets valued at amortised cost	21,750,710	21,455,945	21,509,671	20,971,629
Due to the Central Bank	47	47	33	33
Due to credit institutions	7,286,220	7,302,910	7,177,824	7,285,084
Deposits from the public	13,257,404	13,333,632	13,224,857	13,217,123
Debt securities in issue	75,555	78,005	110,247	111,426
Total financial liabilities valued at amortised cost	20,619,226	20,714,594	20,512,961	20,613,666

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

	30 June 2014		31 December 2013	
	Book value	Fair value	Book value	Fair value
Balances with the Central Bank	1,347,649	1,347,055	935,323	935,319
Loans to credit institutions	3,637,974	3,635,849	3,777,123	3,774,545
Loans to customers	15,220,334	14,923,468	15,191,785	14,657,553
Investment securities - loans and receivables	186,940	191,990	191,126	194,854
Finance lease receivable	1,374,956	1,374,682	1,428,394	1,423,474
Investment securities – held to maturity	13,423	13,439	13,302	13,240
Total financial assets valued at amortised cost	21,781,276	21,486,483	21,537,053	20,998,985
Due to the Central Bank	47	47	33	33
Due to credit institutions	7,286,220	7,302,910	7,177,824	7,285,084
Deposits from the public	13,274,649	13,350,871	13,245,685	13,237,952
Debt securities in issue	75,555	78,005	110,247	111,426
Total financial liabilities valued at amortised cost	20,636,471	20,731,833	20,533,789	20,634,495

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

	Fair value measurement at the end of reporting period based on:		
	Quoted price in active markets for the same instrument	Valuation techniques for which all significant inputs are based on observable market data	Valuation techniques for which any significant input is not based on observable market data
30 June 2014			
Government securities available for sale	59,967	-	-
Financial assets at fair value through profit and loss	857,426	-	49,810
Derivative financial instruments (assets)	74	259,681	0
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(81)	(268,815)	-
Debt securities in issue	-	(7,209)	-
Total	917,386	(16,343)	50,010

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 4 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

	Fair value measurement at the end of reporting period based on:		
	Quoted price in active markets for the same instrument	Valuation techniques for which all significant inputs are based on observable market data	Valuation techniques for which any significant input is not based on observable market data
31 December 2013			
Government securities available for sale	59,895	-	-
Financial assets at fair value through profit and loss	910,923	-	43,059
Derivative financial instruments (assets)	132	259,141	15
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(33)	(270,895)	(15)
Debt securities in issue	-	(7,309)	-
Total	970,917	(19,063)	43,259

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

	Fair value measurement at the end of reporting period based on:		
	Quoted price in active markets for the same instrument	Valuation techniques for which all significant inputs are based on observable market data	Valuation techniques for which any significant input is not based on observable market data
30 June 2014			
Government securities available for sale	59,337	-	-
Financial assets at fair value through profit and loss	857,426	-	-
Derivative financial instruments (assets)	74	259,681	
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(81)	(268,816)	-
Debt securities in issue	-	(7,209)	-
Total	916,756	(16,344)	200

	Fair value measurement at the end of reporting period based on:		
	Quoted price in active markets for the same instrument	Valuation techniques for which all significant inputs are based on observable market data	Valuation techniques for which any significant input is not based on observable market data
31 December 2013			
Government securities available for sale	59,228	-	-
Financial assets at fair value through profit and loss	909,613	-	-
Derivative financial instruments (assets)	132	259,141	15
Investment securities – available for sale	-	-	200
Derivative financial instruments (liabilities)	(33)	(270,895)	(15)
Debt securities in issue	-	(7,309)	-
Total	968,940	(19,063)	200

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 5 ASSETS UNDER MANAGEMENT

The Group			The Bank	
30 June 2014	31 December 2013		30 June 2014	31 December 2013
51,642	86,181	Customers funds	-	-
804,767	757,743	Financial instruments acquired at customer account	-	-
1,981,936	1,842,752	Accounts receivable from customer assets managed on trust basis	-	-
2,838,345	2,686,676	Total assets under management	-	-

NOTE 6 OFF BALANCE SHEET ITEMS

The Group			The Bank	
30 June 2014	31 December 2013		30 June 2014	31 December 2013
2,727,573	2,915,536	Agreements to grant loans	2,735,180	2,920,735
465,508	610,245	Guarantees issued	465,508	610,245
141,251	132,090	Letters of credit issued	141,251	132,090
49,540	39,798	Commitments to purchase assets and other commitments	49,540	39,798
38	38	Customs guarantees collateralised by deposits	38	38

NOTE 7 RELATED PARTIES

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

The Group				The Bank	
30 June 2014	31 December 2013		Interest rate %	30 June 2014	31 December 2013
3,520,345	3,644,324	Outstanding loan amount	0.02-3.50	3,520,345	3,644,324
82,326	72,919	Positive replacement values (HFT)	-	82,326	72,919
1,752	3,269	Other assets	-	1,631	2,729
6,732,031	6,756,676	Outstanding deposit amount	0.01-5.49	6,732,031	6,756,676
201,576	216,974	Other liabilities	-	201,566	216,616
7,632	59,369	Unused granted overdraft facilities	-	7,632	59,369
470,139	396,172	Guarantees received	-	470,139	396,172
For 6 months period ended 30 June 2014 and 2013					
10,127	1,942	Interest income	-	10,127	1,942
(45,965)	(65,806)	Interest expense	-	(45,965)	(65,806)
(4,333)	(1,792)	Other services received and cost incurred from SEB group, net	-	(4,306)	(5,226)

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 7 RELATED PARTIES (CONTINUED)

Transactions with parent bank can be specified as follows:

The Group			Interest rate %	The Bank	
30 June 2014	31 December 2013			30 June 2014	31 December 2013
3,473,126	3,521,798	Outstanding loan amount	0.02-3.50	3,473,126	3,521,798
82,326	72,919	Positive replacement values (HFT)	-	82,326	72,919
1	62	Other assets	-	1	62
6,691,721	6,679,239	Outstanding deposit amount	0.07-5.49	6,691,721	6,679,239
190,404	204,251	Other liabilities	-	190,404	204,251
6,615	59,352	Unused granted overdraft facilities	-	6,615	59,352
464,772	390,446	Guarantees received	-	464,772	390,446
For 6 months period ended 30 June 2014 and 2013					
10,006	1,657	Interest income	-	10,006	1,657
(45,928)	(65,785)	Interest expense	-	(45,928)	(65,785)
(1,666)	(165)	Other services received and cost incurred from SEB group, net	-	(1,786)	(3,180)

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

	Interest rate %	The Bank	
		30 June 2014	31 December 2013
Off-balance sheet commitments:			
Agreements to grant loans	1.39	7,607	5,199
Outstanding loan amounts:			
UAB „SEB Venture Capital“	1.39-3.50	37,522	39,970
UAB „SEB investicijų valdymas“	-	-	74
Outstanding deposit amounts:			
UAB „SEB Venture Capital“	-	2,609	271
UAB „SEB investicijų valdymas“	0.84-1.04	14,635	20,557
Other assets	-	1,912	2,241
For 6 months period ended 30 June 2014 and 2013			
Interest income	-	290	277
Interest expense	-	(11)	(5)
Dividend income	-	7,477	7,351
Other services received and cost incurred from subsidiaries, net	-	4,356	4,406

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 8 DEBT SECURITIES ISSUANCE AND REDEMPTION

During six months of 2014 the Bank successfully placed 14 issues of reference item linked notes, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Reference item
2014.02.04	2018.02.09	1 466 days	LTL	228,800	CECE Composite Index in EUR
2014.02.04	2018.02.09	1 466 days	LTL	235,400	CECE Composite Index in EUR
2014.02.04	2018.02.09	1 466 days	EUR	181,617	CECE Composite Index in EUR
2014.02.04	2017.02.10	1 102 days	EUR	877,011	Basket of European companies' shares – Vinci SA, Bayerische Motoren Werke (BMW) AG, Deutsche Telekom AG, Muenchener Rueckversicherungs-Gesellschaft AG (MunichRe), Siemens AG, TeliaSonera AB, Air Liquide SA, GDF Suez, Eni S.p.A. and Unilever NV
2014.03.18	2017.04.04	1 113 days	LTL	589,000	Basket of global companies' shares – CLP Holdings Ltd, HSBC Holdings PLC, E.ON SE, Johnson & Johnson, Procter & Gamble Co, Royal Dutch Shell PLC, ConocoPhillips, Siemens AG, AT&T Inc and Vodafone Group PLC
2014.03.18	2017.04.04	1 113 days	LTL	417,100	Basket of global companies' shares – CLP Holdings Ltd, HSBC Holdings PLC, E.ON SE, Johnson & Johnson, Procter & Gamble Co, Royal Dutch Shell PLC, ConocoPhillips, Siemens AG, AT&T Inc and Vodafone Group PLC
2014.03.18	2017.04.04	1 113 days	EUR	621,159	Basket of global companies' shares – CLP Holdings Ltd, HSBC Holdings PLC, E.ON SE, Johnson & Johnson, Procter & Gamble Co, Royal Dutch Shell PLC, ConocoPhillips, Siemens AG, AT&T Inc and Vodafone Group PLC
2014.05.06	2017.05.08	1 098 days	LTL	606,000	Basket of Swedish companies' shares – ABB Ltd, Autoliv Inc., Telefonaktiebolaget LM Ericsson, Hennes & Mauritz AB, Investor AB, Nordea Bank AB, Sandvik AB, Swedbank AB, TeliaSonera AB and Volvo AB
2014.05.06	2017.05.08	1 098 days	EUR	422,277	Basket of Swedish companies' shares – ABB Ltd, Autoliv Inc., Telefonaktiebolaget LM Ericsson, Hennes & Mauritz AB, Investor AB, Nordea Bank AB, Sandvik AB, Swedbank AB, TeliaSonera AB and Volvo AB
2014.05.06	2017.05.08	1 098 days	EUR	935,364	Basket of Swedish companies' shares – ABB Ltd, Autoliv Inc., Telefonaktiebolaget LM Ericsson, Hennes & Mauritz AB, Investor AB, Nordea Bank AB, Sandvik AB, Swedbank AB, TeliaSonera AB and Volvo AB
2014.05.12	2017.05.30	1 114 days	EUR	3,069,884	The basket of Singapore and Taiwan indices – MSCI Singapore Free Index and MSCI Taiwan Index .
2014.06.26	2018.07.13	1 478 days	LTL	902,200	S&P Southern Europe Low Volatility Index
2014.06.26	2018.07.13	1 478 days	LTL	122,500	S&P Southern Europe Low Volatility Index
2014.06.26	2018.07.13	1 478 days	EUR	187,832	S&P Southern Europe Low Volatility Index

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 8 DEBT SECURITIES ISSUANCE AND REDEMPTION (CONTINUED)

During six months of 2014 the Bank successfully redeemed 25 issues of reference item linked notes and 1 issue of investment notes, as presented in the table below:

Issue date	Redemption date	Duration	Currency	Amount in issue (in LTL)	Reference item
2010.12.21	2014.01.23	1129 days	LTL	3,185,000	Silver, aluminium, copper, palladium, nickel, zinc
2010.12.21	2014.01.23	1129 days	LTL	1,491,000	Silver, aluminium, copper, palladium, nickel, zinc
2010.12.21	2014.01.23	1129 days	EUR	1,498,860	Silver, aluminium, copper, palladium, nickel, zinc
2010.12.21	2014.01.23	1129 days	LTL	3,725,700	Basket of Scandinavian companies' shares - Volvo AB, ABB Ltd, Atlas Copco AB, Boliden AB, Autoliv Inc, Sandvik AB, Outokompu OY, Outotec OYJ, Metso OYJ and AP Moller – Maersk A/S
2010.12.21	2014.01.23	1129 days	LTL	1,221,100	Basket of Scandinavian companies' shares - Volvo AB, ABB Ltd, Atlas Copco AB, Boliden AB, Autoliv Inc, Sandvik AB, Outokompu OY, Outotec OYJ, Metso OYJ and AP Moller – Maersk A/S
2010.12.21	2014.01.23	1129 days	EUR	741,661	Basket of Scandinavian companies' shares - Volvo AB, ABB Ltd, Atlas Copco AB, Boliden AB, Autoliv Inc, Sandvik AB, Outokompu OY, Outotec OYJ, Metso OYJ and AP Moller – Maersk A/S
2012.01.30	2014.02.03	735 days	LTL	1,001,800	USD/CNY FX rate
2012.01.30	2014.02.03	735 days	LTL	524,300	USD/CNY FX rate
2011.01.26	2014.02.12	1113 days	LTL	2,340,500	Commerzbank East Asia Index
2011.01.26	2014.02.12	1113 days	LTL	1,999,700	Commerzbank East Asia Index
2011.01.26	2014.02.12	1113 days	EUR	1,086,596	Commerzbank East Asia Index
2013.02.05	2014.02.20	380 days	EUR	2,172,847	"Brent" oil
2011.03.01	2014.03.19	1114 days	LTL	3,095,300	Basket of Russian companies' shares - Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.03.01	2014.03.19	1114 days	LTL	848,500	Basket of Russian companies' shares - Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.03.01	2014.03.19	1114 days	EUR	646,019	Basket of Russian companies' shares - Gazprom OAO, Rosneft Oil Co, Lukoil OAO, NovaTek OAO, MMC Norilsk Nickel OJSC, Severstal OAO, Evraz Group SA, Mechel, X5 Retail Group NV and Magnit OJSC
2011.04.20	2014.05.12	1118 days	LTL	4,475,400	Basket of Germany companies' shares – Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2011.04.20	2014.05.12	1118 days	LTL	1,732,900	Basket of Germany companies' shares – Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2011.04.20	2014.05.12	1118 days	EUR	1,338,305	Basket of Germany companies' shares – Bayer AG, Daimler AG, Fresenius Medical Care AG & Co KGaA, Infineon Technologies AG, MAN SE, SAP AG, K+S AG and Siemens AG
2010.10.26	2014.05.15	1297 days	LTL	2,849,200	BNP Paribas Next 11 Core 8 Excess Return Index
2010.10.26	2014.05.15	1297 days	LTL	1,347,300	BNP Paribas Next 11 Core 8 Excess Return Index
2010.10.26	2014.05.15	1297 days	EUR	2,948,691	BNP Paribas Next 11 Core 8 Excess Return Index
2012.05.03	2014.05.23	750 days	LTL	238,900	Basket of exchange rates – EUR/TRY, EUR/BRL and EUR/KRW
2012.05.03	2014.05.23	750 days	LTL	145,200	Basket of exchange rates – EUR/TRY, EUR/BRL and EUR/KRW
2011.05.31	2014.06.05	1101 days	LTL	1,108,400	Basket of Russian and Central and Eastern Europe companies' shares – Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS
2011.05.31	2014.06.05	1101 days	LTL	637,400	Basket of Russian and Central and Eastern Europe companies' shares – Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS
2011.05.31	2014.06.05	1101 days	EUR	482,011	Basket of Russian and Central and Eastern Europe companies' shares – Mobile Telesystems OJSC, Mechel, Sberbank of Russia, Federal Hydrogenerating Co JSC, Lukoil OAO, Surgutneftegas OJSC, Severstal OAO, KGHM Polska Miedz SA, Telekomunikacja Polska SA and Komerčni Banka AS

NOTE 9 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After 30 June 2014 the Bank redeemed 3 issues of reference item linked notes and 2 issues of investment notes with the nominal value of LTL thousand 8,767.8.

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014**

(All amounts in LTL thousands unless otherwise stated)

NOTE 10 MAJOR EVENTS IN THE ISSUER'S ACTIVITIES

On 5 February 2014, the Bank announced that according to preliminary data, unaudited net profit earned over the year 2013 by AB SEB bankas is LTL 212,3 million (EUR 61,5 million) and by AB SEB bankas Group - LTL 212,3 million (EUR 61,5 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the year 2012, audited net profit earned by AB SEB bankas totaled LTL 87,6 million (EUR 25,4 million) and by AB SEB bankas Group – LTL 84,9 million (EUR 24,6 million). In November 2013 AB “SEB lizingas” was merged with AB SEB bankas therefore AB SEB bankas results of the year 2012 are presented including the result of AB “SEB lizingas”.

On 21 March 2014, the Bank announced that on the 31st of March 2014, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the Bank) will take place. The Annual General Meeting is initiated and convened by the Management Board of the Bank. 100 % of shares of the Bank is owned by the bank Skandinaviska Enskilda Banken AB.

Issues on the agenda:

1. Regarding the Annual Report of the Bank;
2. Regarding the Report of the Auditor of the Bank;
3. Regarding the comments and proposals of the Supervisory Council of the Bank;
4. Regarding approval of the Consolidated Financial Statements of the Bank for the year 2013;
5. Regarding appropriation of the year 2013 profit (loss) of the Bank.

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

On 31 March 2014, the Bank announced that on the 31st March 2014, the Annual General Meeting of Shareholders of AB SEB bankas (hereinafter – the SEB Bank) took place and decisions on all issues on the agenda were adopted:

1. Bank Group's year 2013 Consolidated Annual Report and its Annex "Disclosure form concerning the compliance with the Corporate Governance Code for the Companies Listed on NASDAQ OMX Vilnius" have been familiarized with;
2. Report of the audit company UAB "PricewaterhouseCoopers", which has performed the audit, has been familiarized with;
3. Comments and proposals of the Supervisory Council of the Bank regarding the Bank's Activity Strategy, its Annual Consolidated Financial Statements, Draft Profit (Loss) Appropriation and the Bank's Consolidated Annual Report as well as the activities of the Bank's Management Board and President have been familiarized with;
4. Bank's and Bank Group's year 2013 Consolidated Financial Statements produced in accordance with the International Financial Reporting Standards were approved;
5. Appropriation of the year 2013 profit (loss) of the Bank was approved;

On 9 April 2014, the Bank announced that on the 8th of April 2014 the Supreme Administrative Court of Lithuania adopted a decision whereby the decision of Vilnius Regional Administrative Court was changed by cancelling the fine imposed on AB SEB bankas by the Competition Council of the Republic of Lithuania on the 20th of December 2012 for agreements which restricted competition in cash-in-transit (CIT) and cash handling services' markets and returning the case to the Competition Council for the additional investigation.

On 25 April 2014, the Bank announced that according to preliminary data, unaudited net profit earned over the first quarter of the year 2014 by AB SEB bankas is LTL 56.7 million (EUR 16.4 million) and by AB SEB bankas Group is LTL 55.1 million (EUR 16.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first quarter of the year 2013, unaudited net profit earned by AB SEB bankas totaled LTL 44.3 million (EUR 12.8 million) and by AB SEB bankas Group – LTL 38.7 million (EUR 11.2 million). In November 2013 AB “SEB lizingas” was merged with AB SEB bankas therefore AB SEB bankas results of the first quarter of the year 2013 are presented including the result of AB “SEB lizingas”.

On 14 July 2014, the Bank announced that according to preliminary data, unaudited net profit earned over the first half of the year 2014 by AB SEB bankas is LTL 148.4 million (EUR 43.0 million) and by AB SEB bankas Group is LTL 148.5 million (EUR 43.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first half-year of the year 2013, unaudited net profit earned by AB SEB bankas was LTL 101.8 million (EUR 29.5 million) and by AB SEB bankas Group – LTL 97.5 million (EUR 28.2 million). In November 2013 AB “SEB lizingas” was merged with AB SEB bankas, therefore AB SEB bankas results of the first half-year of the year 2013 are presented including the result of AB “SEB lizingas”.

CONSOLIDATED SEMI - ANNUAL REPORT OF AB SEB BANKAS FOR 6 MONTH PERIOD 2014

1. Reporting period covered by the Consolidated Annual Report

This Consolidated semi - annual Report (hereinafter the Report) has been prepared for the period from 1 January 2014 until 30 June 2014.

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

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

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

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

On 23 November 2013, AB "SEB lizingas", wholly owned by AB SEB bankas, was merged to AB SEB bankas in a manner established under Item 3 of Article 2.97 of the Civil Code of the Republic of Lithuania and under Item 1 of Article 70 of the Company Law of the Republic of Lithuania. AB "SEB lizingas" as a legal entity was deregistered from the Register of Legal Persons of the Republic of Lithuania on 28 November 2013 (the last financial statements of AB "SEB lizingas" is provided alongside with the annual financial reporting for the year 2013).

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

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

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

3. Agreements between the Issuer and securities' public offering agents

The Bank, in the process of a public issue of bonds, must execute an agreement with the selected public offering agent for the protection of interests of the owners of any relevant issue of bonds.

As of 30 June 2014, AB SEB bankas had 47 agreements with AB bankas "Finasta" (legal entity code 301502699, address Maironio str. 11, LT-01124 Vilnius).

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

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

As of 30 June 2014, three non-equity securities issues of AB SEB bankas were included in the trading list of the debt securities list of "NASDAQ OMX Vilnius" exchange:

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

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

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

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

5. Information on the Issuer's branches and representative offices

As of 30 June 2014, the Bank had 3 branches: AB SEB bankas Eastern Region (code 112053613, address: Savanorių str. 1, LT-03116 Vilnius), AB SEB bankas Middle Region (code 112052511, address: Laisvės ave. 82/ Maironio str. 17, LT-44250 Kaunas), and AB SEB bankas Western Region (code 112052479, address: Taikos ave. 32, LT-91246 Klaipėda).

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

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

In the first half of the year 2014, economic development pace in Lithuania has slightly slowed down mostly due to a decrease in exports. Nevertheless, positive impact on the banking system was made by strengthening local market and revitalising investment process that results in higher demand for credits and other financial services. Future expectations of households and businesses remained positive also due to the economic recovery in the eurozone, and the euro introduction in Lithuania in the year 2015. On the other hand, the local economy growth perspectives will depend on the situation in the Eastern markets, where operating companies face a higher risk resulting from a conflict between Russia and Ukraine.

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

In the year 2014, AB SEB bankas Group offered a full-range of banking services to private individuals, corporate customers and finance institutions. As of 30 June 2014, AB SEB bankas and two companies: UAB "SEB investicijų valdymas", UAB "SEB Venture Capital" were the members of the Group in Lithuania.

In the first half of the year 2014, performance of AB SEB bankas Group was successful, its financial ratios have improved – asset and deposit portfolio grew, income and net profit increased, cost/income ratio improved and customer satisfaction ratio in the banking services and also the employee satisfaction has increased.

Corporate investments in development and a higher volume of mortgage loans to individuals, which was partially influenced by the planned euro adoption, has determined a higher demand for the new loans in the first half-year – the new loans granted by AB SEB bankas amounted to LTL 2.66 billion, i.e., higher by 3 per cent, as compared with the equivalent period in the year 2013.

Unaudited net profit earned over the first half-year of the year 2014 by AB SEB bankas is LTL 148.4 million (EUR 43.0 million) and by AB SEB bankas Group is LTL 148.5 million (EUR 43.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first half-year of the year 2013, unaudited net profit earned by AB SEB bankas was LTL 101.8 million (EUR 29.5 million) and by AB SEB bankas Group – LTL 97.5 million (EUR 28.2 million). In November 2013 AB "SEB lizingas" was merged with AB SEB bankas, therefore AB SEB bankas results of the first half-year of the year 2013 are presented including the result of AB "SEB lizingas".

In the first half of 2014, AB SEB bankas Group paid close attention to improvement of the daily banking services that may be used by residents independently and at lower cost compared to the bank branches. One of the top priorities of AB SEB bankas Group in the first-half of the 2014 year was proper preparation for the euro adoption in the year 2015 and related support and assistance to its customers.

As of 30 June 2014, AB SEB bankas Group's equity was LTL 2.6 billion (LTL 2.5 billion as of 30 June 2013), i.e. increased by 6 per cent.

As of 30 June 2014, AB SEB bankas Group's assets were LTL 23.7 billion (LTL 22.8 billion as of 30 June 2013), i.e. increased by 4 per cent.

Since 30 June 2014, AB SEB bankas' deposit portfolio went up by 8 per cent, i.e. from LTL 12.2 billion to LTL 13.3 billion as of 30 June 2014.

As of 30 June 2014, net value of AB SEB bankas Group's loans and leasing portfolio was LTL 16.6 billion (LTL 16,9 billion as of 30 June 2013), i.e. decreased by 2 per cent.

Over the 1st half 2014, the amount of new loans issued by AB SEB bankas increased up to LTL 2.7 billion as compared to the amount of new loans issued over 1H of the year 2013, i.e. increased by 3 per cent.

The 1st half 2014 income of AB SEB bankas Group was LTL 294 million (LTL 278 million as of 30 June 2013), i.e. increased by 6 per cent.

At the close of June 2014, AB SEB bankas Group liquidity ratio was 38.9 per cent (requirement being 30 per cent).

The number of registered SEB Internet Bank users increased by 43 thousand and at the close of the 1st half 2014 was 1.135 million, which is a 4 per cent increase yoy.

As compared to the data of 30 June 2013, the number of cash transactions at cash-in ATMs increased by 20 per cent, and a drop in of cash transactions at the bank's branches over the same period was 42 per cent.

Over a relevant period, an increase in the turnover of payment cards was 5 per cent, and that in the number of POS terminals was 7 per cent.

At the close of the 1st half 2014, AB SEB bankas had 46 customer service branches all over Lithuania. The ATM network offered to SEB customers is the largest one in Lithuania and includes ATMs of both SEB and DNB banks, i.e. 550 ATMs.

As of 30 June 2014, the actual number of employees (staff on parental leave excluded) of AB SEB bankas' Group made up 1,529 i.e., was lower by 0.5 per cent as compared with 30 June 2013 when the actual number of the Group employees was 1,537.

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

Over the 1st half-year of 2014, SEB bankas further pursued its strategy to be the home bank for its customers. As a long-term relationship bank, SEB bankas offered modern universal banking services in a professional and convenient way, taking into consideration each customer's needs and expectations.

In the first six months of the year 2014, AB SEB bankas Group has introduced new services and improved its current services. AB SEB bankas has updated its Internet bank for private individuals and corporate customers, which is more tailored for smart devices (smart phones and tablets), thus private individuals and companies will have access to a larger number of the banking services. AB SEB bankas has expanded its network of customer self-service zones in Lithuania operating on a 24-hour-a-day basis and has installed cash withdrawal and acceptance

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

ATMs – in addition to currently operating fifteen self-service zones, four self-service zones in branches and sub-branches of AB SEB bankas (Rokiškio, Šilutės, Kauno Šilainių and Vilniaus Naugarduko) were installed.

In the year 2014, AB SEB bankas Group provided useful information seeking to create added value: the bank organised presentations of the “Lithuanian Macroeconomic Review” for its customers, introduced such surveys as the “Baltic Business Outlook”, “Lithuanian Household Outlook”, continuously informed customers about the financial markets and macroeconomic situation. Seeking to stimulate innovations in business it has organised the “Innovation Labs” event for small and medium-sized enterprises. When participating in the financial literacy events organised for children, SEB bankas asked them on the Internet to respond to the questions of Test “Koks esi Piniginčius?” and invited them to financial literacy lessons “Introduction to the Financial World” in various towns all over the country. AB SEB bankas continued its cooperation with Association “Mentor Lietuva”.

In the first six months of 2014, the AB SEB bankas’ Group was awarded with significant international and local awards: Global Finance named SEB bankas Lithuania’s best bank, Global Finance elected it the best FX Bank/House in Lithuania and Euromoney named SEB bankas the best provider of private banking services in Lithuania.

7. Analysis of the Issuer Group’s financial and non-financial activity results

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

AB SEB bankas group Income and Net profit has increased if compare the first half of 2014 to the first half of 2013:

LTL million	2014 1st half	2013 1st half	Change
Income	294	278	+6%
Costs	(121)	(140)	-14%
Result before losses	173	138	+25%
Credit losses	(4)	(22)	-81%
Operating result	169	116	+45%
Profit tax	(20)	(18)	+9%
Net profit	149	98	+52%

Income increase during 2014 1st half was related to: i) subordinated loan amounting to EUR 100 million was paid back to SEB parent bank in April 2013; as a result, interest expenses have decreased, ii) the Bank’s Treasury has placed liquidity portfolio with the parent bank starting June 2013; as a result, interest income has increased. Costs decrease was related to G4S fine paid back by Tax authority in 2014 1st half (24.8 mLTL). Lower credit losses were related to better lending portfolio quality.

The main financial ratios:

	Value	Change
Net profit (LTL million)	149	52%
Cost / Income ratio	0,41	-9 b.p.
New loans (LTL billion)	2,7	+3%
Loans & leasing, net value (LTL billion)	16,6	-2%
Deposits (LTL billion)	13,2	+8%

Lending portfolio decrease was caused by conservative expectations from clients side regarding economy development in the future. As a result, new loans are not sufficient to cover loans amortization. Deposits’ portfolio increase is driven by euro introduction in 2015.

Some ratios representing the Bank’s and the Group’s result are presented in the table below:

The Group		Ratio	The Bank	
31-12-2013	30-06-2014		31-12-2013	30-06-2014
0.91 per cent	1.27 per cent	Return on Assets	0.92 per cent	1.27 per cent
8.50 per cent	11.42 per cent	Return on Equity	8.93 per cent	11.42 per cent
13.75	9.62	Earnings per share, LTL	13.75	9.61
168.48	171.50	Book value per share, LTL	168.39	171.40

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

8. Major events since the end of financial year

On **14 July 2014**, the Bank announced that according to preliminary data, unaudited net profit earned over the first half-year of the year 2014 by AB SEB bankas is LTL 148.4 million (EUR 43.0 million) and by AB SEB bankas Group is LTL 148.5 million (EUR 43.0 million). The result has been calculated in accordance with the requirements set by the acts of the Bank of Lithuania and legal acts of the Republic of Lithuania. Over the first half-year of the year 2013, unaudited net profit earned by AB SEB bankas was LTL 101.8 million (EUR 29.5 million) and by AB SEB bankas Group – LTL 97.5 million (EUR 28.2 million). In November 2013 AB “SEB lizingas” was merged with AB SEB bankas, therefore AB SEB bankas results of the first half-year of the year 2013 are presented including the result of AB “SEB lizingas”.

9. Issuer Group’s activity plans and forecasts

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

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

- **Customer relationship strengthening.** Seeking to achieve this objective, the Bank in its activities will continue implementing its Home Bank (or the Home Bank for its customers) strategy. The essence of the Home Bank strategy is to develop new attractive concepts, services and products for the existing and potential customers, taking into account the needs of separate customer segments. The Bank regularly measures its private individual and corporate customer satisfaction according to the NPS indicator.
- **Work culture and people.** The bank, as before, will aim at creating an atmosphere of mutual trust and respect enabling its employees to improve and reveal their potential to a full extent. For measuring its employee satisfaction, the Bank applies Insight methodology used at the entire SEB level – it allows assessing employee involvement in the activities of the organisation as well as the employee performance efficiency.
- **Operational efficiency improvement.** In order to remain an efficiently operating and competitive bank, the Bank plans to have its key focus on the following areas:
 - Income growth, by i) prospecting new income sources, ii) being more advisory,
 - To ensure its profitability, the Bank has formed its transfer pricing, based on business capital concept; business capital are resources required for executing a transaction, and which are assessed taking into account the risk level of a relevant transaction. Business capital is attributed to each customer, at the same time to a relevant subdivision of the Bank.
 - Ensuring cost efficiency, by i) rational setting of priorities both for daily and project tasks, ii) undertaking regular stock-taking of the works in progress with the aim to eliminate overlapping of tasks (functions) thus contributing towards improvement of the internal processes of the organisation.
- **Risk management improvement.** Risk-taking is not a task in itself, rather, it is aimed at creating value for customers and ensuring return on equity for the shareholders:
 - Use of new more precise risk assessment instruments,
 - Implementation of a more precise real estate indexation methodology,
 - Ensuring compliance with requirements of supervisory institutions (e.g. Basel III requirements)

10. Information about the entity’s research and development (R&D) activities

AB SEB bankas Group did not undertake any R&D activities.

11. Major investments made over the reporting period

The Group’s investments over the first half of the year 2014 into tangible and intangible assets did not make more than 10 per cent of the authorised capital.

AB SEB bankas group acquisitions of tangible and intangible assets during the first half of 2014 are as follows:

LTL million	30-06-2014
Intangible assets	0.3
Vehicles	0.9
Computers	3.2
Other tangible assets	0.6
Total	5.0

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

12. *Financial risk management objectives, hedge instruments in case of which hedge accounting is applied as well as the entity's price risk, liquidity risk and monetary risk scale*

The Group manages its financial risk as described in section *Financial risk management policy* in Note 3 to the Year 2013 consolidated financial reporting. Said section includes also a description of financial risk management objectives, hedging transactions applied as well as the Group's credit risk and market risk level.

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

The Bank, as an issuer of non-equity securities, abides by the recommendatory-character Corporate Governance Code on the management of companies listed "NASDAQ OMX Vilnius", to which it adheres in substance. Reasons for the provisions that it does not adhere to are indicated in the Corporate Governance Code (see Annex 1 of annual financial statements for the year 2013). The Corporate Governance Code and other information on the practice of the governance of AB SEB bankas is announced at the Bank's website www.seb.lt and at the central database of regulated information of the market operator ("NASDAQ OMX Vilnius" stock exchange).

14. *Information on risk level and its management*

SEB strives for a holistic governance, planning and follow-up system in which business planning, risk management, capital management, liquidity and funding planning, and result and performance management are clearly interconnected and interactive over time. SEB manages the financial consequences of business decisions by focusing on three main aspects: (1) growth, mix and risk of business volumes, (2) capital, funding and liquidity requirements driven by the business, and (3) profitability. Targets are set and reviewed on a regular basis to manage and optimise resources in respect of these three aspects.

Managing risk is a core activity in banking and therefore fundamental for long-term profitability and stability. The overall level of risk that the Bank is willing to accept is set by the Board of Directors based on the guiding principle that taking risk is not an end in itself, but is done for the purpose of creating customer value and sustainable shareholders value. In its overarching risk tolerance statement, the Board lays out its long-term view of the Bank's risk level as well as its view on how the funding is to be structured, what liquidity buffers are required, and the amount of capital that is needed to cover the aggregated risks. The development of risk and capital regulatory requirements are also taken into account.

The risk tolerance statement is highly significant for management's business planning. Risk measurements are set based on the Board's risk tolerance and are reviewed annually. SEB's risk profile in relation to its risk tolerance is followed upon a regular basis by the risk organisation, management and the Board.

The business units are responsible for the risks that arise in their operations. Therefore the first defence against potential future losses is ensuring that correct decisions are made from the start and the resulting risks are managed throughout the life of the transaction. SEB's risk culture is based on long experience, strong customer relationships and sound banking principles, and provides a solid foundation for the Bank's risk governance. The business is supported by Group-wide rules and policies and an established decision-making hierarchy. The business units are responsible for making the initial risk assessment both of the customer relationship and the individually proposed transactions. Larger transactions are then reviewed by the risk organisation. The business units are responsible for ensuring that activities are in compliance with applicable rules.

The risk and compliance organisations constitute the second line of defence and are independent from the business. The risk organisation is responsible for identifying, measuring and controlling risks. Risks are measured both on a detailed and aggregated level. Risks are controlled through limit structures, both at the transactional and portfolio levels. Asset quality in the credit portfolio is monitored and analysed continuously, among other ways through stress testing and, above all, reverse stress testing. The compliance organisation ensures compliance quality and focuses on compliance issues under direction of the Board and management.

The quality of risk management is reviewed on a regular basis by both internal audit – the third line of defence – and the external auditors.

SEB assumes credit, market, liquidity, operational risks. For more information about specific risk types and their assessment and management instruments see Note 3 *Financial risk management policy* of an explanatory letter to the Year 2013 financial reporting. Over the reporting period there were no substantial changes in risk management.

AB SEB bankas

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

During the 1st half-year 2014, AB SEB bankas Group was compliant with all the requirements set by supervisory institutions:

The Group		Ratio	The Bank	
31-12-2013	30-06-2014		31-12-2013	30-06-2014
38.85 percent	38.92 percent	Liquidity ratio (at least 30%)	38.81 percent	38.87 percent
15.59 percent*	18.67 percent**	Capital adequacy ratio	15.51 percent*	18.57 percent**
75.57 percent	71.73 percent	Maximum open single currency position	75.51 percent.	69.55 percent
0.33 percent	0.08 percent	Maximum aggregate open currency position	0.31 percent	0.08 percent
18.24	21.51	Maximum loans per single borroweri	19.07	21.58
		<= 25 percent of the capital		

*- the ratio has been calculated according to Resolution of the Bank of Lithuania 'Regarding general provisions for capital adequacy calculation' No. 138

** - the ratio has been calculated according to the requirements of the European Parliament and Council regulation (EU) No. 575/2013 (effective as of 1 January 2014)

The year 2014 does not lack of news from the turbulent hot spots around the world. Russia - Ukraine situation continues.

In August, Russia responded to Western sanctions by imposed various trade barriers in the agriculture and food sectors. About 10 per cent of Russia's food imports are being suspended for one year. Lithuania has relatively large food exports to Russia. Further targeted sanction measures by the Russians are rather likely. But in that case they will be relatively cautious. Current Russian sanctions affect 4% of Lithuania's exports.

On July 23, 2014, EU Council has invited Lithuania to join euro zone as of January 1, 2015. The permanent euro-litas exchange rate was set at previous peg rate, i.e. 1 EUR = 3.45280 LTL

Conversion to euro is major transformation for Lithuania. It is also a very big project for SEB and a great platform to help it's customers. Converting a currency touches everyone in society and it is not easy. In the short term it means an increase in costs of the Group and lower revenues. In the long term, we see reduced financial risk and more streamlined operations for the Group and it's customers.

Another big challenge for the Bank in terms of time, efforts and resources is to implement in the fast pace new regulatory requirements. The Basel III framework is the process of being implemented in the EU through the CRD IV/CRR package. The new rules set higher requirements on bank's liquidity and capital reserves. AB SEB bankas is well capitalized and funded to meet the new requirements

15. *Main characteristics of the company group's internal risk control and risk management systems related to the formation of consolidated financial statements*

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

16. *The Issuer's authorised capital*

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

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

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

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

17. Shareholders

On 19 November 2010, the squeeze-out procedure of AB SEB bankas shares was finalized. As of June 30, 2014 a 100 % stake in AB SEB bankas represented by its 15,441,423 ordinary registered shares is owned by bank Skandinaviska Enskilda Banken AB (publ) registered with the Enterprise Register of Sweden, its legal form: a public limited company, legal entity number: 502032-9081, domicile address: Kungsträdgårdsgatan 8, Stockholm, the Kingdom of Sweden.

No restrictions on the Bank's shares with regard to voting rights have been imposed, also, no special control rights as per paragraph 5 of Item 3 of Article 25 of the Law of the Republic of Lithuania on Financial Statements of Entities have been established.

18. Information about significant directly or indirectly held blocks of shares

Name	Company code	Address	Type of core activity
UAB "C gates"	120622256	Ukmergės str. 120, Vilnius	Internet, telecommunications, means of communications, TV and radio
UAB "Duonos centras"	302638225	Lvovo str. 25 Vilnius	Bakery, supply

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

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

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

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

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

The Bank has none and during the first half of the year 2014 did not acquire its own shares. Also, the Bank's subsidiary companies have not acquired the Bank's shares. During the reporting period, the Bank and its subsidiary companies did not buy or sell their own shares.

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

21. The Issuer's bodies

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

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

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

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

AB SEB bankas

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

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

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

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

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

THE SUPERVISORY COUNCIL OF THE BANK (30 June 2014)

KNUT JONAS MARTIN JOHANSSON

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

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

An extraordinary meeting of shareholders held on 29 October 2013 re-elected him for a new tenure. On 13 November 2009 he was elected Chairman of the Supervisory Council, on 14 November 2013 he was re-elected Chairman of the Supervisory Council.

MARK BARRY PAYNE

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

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009. An extraordinary meeting of shareholders held on 29 October 2013 re-elected him for a new tenure.

DAVID BAMFORTH TEARE

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

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2013.

STEFAN STIGNĀS

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

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of SEB Bank held on 29 October 2009. An extraordinary meeting of shareholders held on 29 October 2013 re-elected him for a new tenure.

TED TONY KYLBERG

Head of Procurement and Vendor Management of SEB Business Support Division. Education: university degree, specialisation – law. No shares of the Bank are held by the Member.

Member of the Supervisory Council elected by an annual general meeting of shareholders of SEB Bank held on 25 March 2010. An extraordinary meeting of shareholders held on 29 October 2013 re-elected him for a new tenure.

The tenure of all members of the Supervisory Council expires on 29 October 2017.

THE MANAGEMENT BOARD OF THE BANK (30 June 2014)

RAIMONDAS KVEDARAS

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

AIVARAS ČIČELIS

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

AB SEB bankas

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

ROBERTS BERNIS

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

VIRGINIJUS DOVEIKA

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

JONAS IRŽIKEVIČIUS

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

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

CHIEF EXECUTIVE OFFICER

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

CHIEF FINANCIAL OFFICER

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

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

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

	Amounts in connection with labour relations	Property assigned gratis	Guarantees issued in the name of the company
In total to all members of the Management Board (LTL '000) before taxes, of which:	1,866	-	-
amounts based on a labour contract (LTL'000)	1,431	-	-
employer's social security contributions (LTL'000)	435	-	-
Other disbursements, including the employer's social security contributions (LTL'000)**:	350	-	-
Per member of the Management Board on average (LTL'000) before taxes: *	373	-	-
amounts based on a labour contract (LTL'000)	286	-	-
employer's social security contributions (LTL'000)	87	-	-
During the 1st half of the year 2014 calculated amounts to the Company's Chief Executive Officer and Chief Financial Officer (LTL'000) before taxes:	715		
amounts calculated to the Company's Chief Executive Officer during the 1 st half of the year 2014 based on labour contract (LTL'000)	432	-	-
amounts calculated to the Company's Chief Financial Officer during the 1 st half of the year 2014 based on labour contract (LTL'000)	283	-	-

* The Management Board consists of 5 members.

** Bonus, daily allowances exceeded the set standard.

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

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

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

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

AUDIT AND COMPLIANCE COMMITTEE (30 June 2014)

MARK BARRY PAYNE

Chairman of the Committee. Employer: Skandinaviska Enskilda Banken AB (publ), Head of Finance of SEB Baltic Division. No shares of the Bank held.

GÖRAN RASPE

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

AUŠRA MATUSEVIČIENĖ

Employer: Skandinaviska Enskilda Banken AB (publ), Head of business support CFO. No shares of the Bank held.

BEN WILSON

Employer: Skandinaviska Enskilda Banken AB (publ), Head of Group Finance Control & Reporting. No shares of the Bank held.

ARNOLDS ČULKSTENS

Employer: Skandinaviska Enskilda Banken AB (publ). Head of SEB Baltic Life and Pensions. No shares of the Bank held.

JONAS GUDMUNDSSON

Employer: Skandinaviska Enskilda Banken AB (publ), SEB Baltic Division, Head of Baltic Operations & IT. No shares of the Bank held.

REMUNERATION COMMITTEE (30 June 2014)

KNUT JONAS MARTIN JOHANSSON

Chairman of the committee. Head of Business Support Division of Swedish bank SEB.

MARK BARRY PAYNE

Member of the committee. Head of Finance of SEB Baltic Division.

TED TONY KYLBERG

Member of the committee. Head of Procurement and Vendor Management of SEB Business Support Division.

ANNA MARIA ERIKA HAMSTEDT

Member of the committee. Head of Human Relations of SEB Baltic Division.

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

Candidates to members of the remuneration committee are approved by the supervisory council of the Bank. Persons related to the Bank or its subsidiary companies by labour relations as well as members of the Bank's management board may not be elected chairman or members of the remuneration committee. None of the members of the remuneration committee has shares in the Bank.

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

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

- Establishing individual remuneration by position (including pension saving plans) to senior managers, other than members of the board, directly reporting to the president of the Bank;
- allocation of short-term incentive programmes to certain employee groups;
- allocation of the amount of the short-term incentive programme.
-
- The remuneration committee drafts and submits to the Bank's supervisory council for approval:
- the Bank's remuneration policy, any amendments thereto and a list of risk-takers and any amendments thereto
- remuneration by position to the president, board members of the Bank, heads of the Internal Audit Department, Compliance Unit and Risk Control Unit;
- long-term incentive programmes applied to the group employees;
- pension saving plans applied to the president and board members of the Bank;
- proposals regarding employee individual remuneration by position, if their amount is equal or exceeds the minimum amount of individual remuneration by position of a board member.

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

23. Employees

As of 30 June 2014, the AB SEB bankas Group in Lithuania (AB SEB bankas, UAB "SEB investicijų valdymas and UAB "SEB Venture Capital") had 1,732 employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave), i.e. by 0.5 per cent less compared to the end of 2013, when the Group had 1,741 employees. As of 30 June 2014, the number of actually working employees (excluding those on maternity/paternity leave) was 1,529, i.e. 0.4 per cent more than at the end of 2013, when the actual number of the Group's employees was 1,522.

During the first half of the year 2014, the number of employees of the Bank alone (working under labour contracts with and without a fixed term, including those on maternity/paternity leave) dropped by 0.5 per cent – from 1,731 to 1,722, and the number of the Bank's actually employed employees (excluding those on maternity/paternity leave) was 1,519, i.e. 0.5 per cent more than at the end of 2013, when their number was 1,512.

In the first half of the year 2014, the average actual number (excluding the number of employees on maternity/paternity leave) was 1,516 employees (in 2013, it was 1,519 employees).

In November 2013 AB "SEB lizingas" was merged with AB SEB bankas therefore AB SEB bankas results of the year 2013 are presented including the result of AB "SEB lizingas" unless indicated otherwise.

	The Bank		The Group	
	31-12-2013	30-06-2014	31-12-2013	30-06-2014
Regular employees (working under labour contracts with and without a fixed term, including those on maternity/paternity leave)	1,731	1,722	1,741	1,732
Actually number of employees (excluding those on maternity/paternity leave)	1,512	1,519	1,522	1,529

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

	Number of employees		Average monthly wages (in LTL)	
	31-12-2013	30-06-2014	31-12-2013	30-06-2014
Senior management staff	200	190	11,468	11,419
Specialists	1,510	1,511	3,740	3,853
Service staff	21	21	2,212	2,212
In total	1,731	1,722	-	-

CONSOLIDATED SEMI - ANNUAL REPORT FOR THE 6 MONTH PERIOD 2014

(all amounts in LTL thousand, unless indicated otherwise)

	Number of employees	University education		College education		Secondary education	
		number	per cent	number	per cent	number	per cent
Senior management staff	190	183	96.3	4	2.1	3	1.6
Specialists	1,511	1,196	79.2	100	6.6	215	14.2
Service staff	21	11	52.4	5	23.8	5	23.8
In total	1,722	1,390	80.7	109	6.3	223	13.0

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

Such significant arrangements are envisaged under the Bank's loan agreements, however these arrangements are not significant.

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

On 27 January 2014, the administration of the Bank and representatives of the Bank employees signed an updated collective bargaining agreement at a two-year effective period. The present Agreement superseded the Bank's collective bargaining agreement that was effective since 10 February 2012. The collective bargaining agreement regulates labour relations as well as terms and conditions, defines mutual obligations of the employer and the employees, additional incentive measures for the employees as well as other labour relations terms and conditions on which the employees and the employer have mutually agreed, for instance, on a sum-total working hours time, calculation of the employment record, additional vacations, etc. The collective bargaining agreement has been signed by and between the administration of SEB Bank and representatives of the labour council. The labour council of the Bank consists of 15 employees of the Bank elected by secret vote holding different positions at the Bank. The collective bargaining agreement includes the terms and conditions of work and the aspects on which it may be directly agreed with the employer.

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

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

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

The Bank has implemented organisational measures, procedures as well as internal control tools, among them in the area of conflict avoidance and management with the aim that no transactions are executed in the name of the issuer that would not be in line with the company's objectives, the existing regular market conditions or would be in violation of the interests of shareholders or any other groups of persons.

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

President of AB SEB bankas

Raimondas Kvedaras

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

Jonas Iržikevičius

Director of Finance Department of AB SEB bankas

Saulius Salda

Vilnius,
25 August 2014