

BANK OF LITHUANIA  
SUPERVISION SERVICE

APPROVED

Resolution No. 241-211  
of 15 October 2013

LTL 1,000,000,000

BASE PROSPECTUS OF  
NON-EQUITY SECURITIES ISSUES

**AB SEB BANKAS**

**S|E|B**

OCTOBER 2013  
VILNIUS

THIS BASE PROSPECTUS INCLUDING INFORMATION ABOUT NON-EQUITY SECURITIES IS ISSUED IN ACCORDANCE WITH THE RULES OF DRAWING UP AND APPROVAL OF THE PROSPECTUS OF SECURITIES AND DISCLOSURE OF INFORMATION APPROVED BY THE BANK OF LITHUANIA NO. 03-44 OF 28 FEBRUARY 2013, THE EUROPEAN COMMISSION REGULATION NO. 809/2004 OF 29 APRIL 2004, IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, COMMISSION DELEGATED REGULATION NO. 1787/2006 OF 4 DECEMBER 2006, AMENDING REGULATION NO. 809/2004, COMMISSION DELEGATED REGULATION NO. 211/2007 OF 27 FEBRUARY 2007, AMENDING REGULATION NO. 809/2004, COMMISSION REGULATION NO. 1289/2008 OF 12 DECEMBER 2008, AMENDING REGULATION NO. 809/2004, COMMISSION DELEGATED REGULATION (EU) NO 311/2012 OF 21 DECEMBER 2011, AMENDING REGULATION NO. 809/2004, COMMISSION DELEGATED REGULATION NO. 486/2012 OF 30 MARCH 2012 AMENDING REGULATION NO. 809/2004, COMMISSION DELEGATED REGULATION (EU) NO 862/2012 OF 4 JUNE 2012, AMENDING REGULATION NO. 809/2004 AND COMMISSION DELEGATED REGULATION NO. 759/2013 OF 30 APRIL 2013, AMENDING REGULATION (EC) NO. 809/2004 (HEREINAFTER - THE EUROPEAN COMMISSION REGULATION NO. 809/2004 OF 29 APRIL 2004).

INFORMATION IN THIS BASE PROSPECTUS (SUMMARY, SECURITIES LETTER AND REGISTRATION DOCUMENT) IS PROVIDED ACCORDING TO DESCRIPTIONS INCLUDED IN ANNEXES V, XI, XII AND XXII OF THE EUROPEAN COMMISSION REGULATION NO. 809/2004 OF 29 APRIL 2004.

AT THE MOMENT OF APPROVAL OF THE BASE PROSPECTUS, SOME TERMS OF NON-EQUITY SECURITIES ISSUE(S) ARE UNKNOWN. SUCH TERMS OF NON-EQUITY SECURITIES ISSUE(S) UNKNOWN ON THE BASE PROSPECTUS APPROVAL DATE SHALL BE SPECIFIED IN THE FINAL TERMS TO BE SEPARATELY ANNOUNCED BEFORE EACH NON-EQUITY SECURITIES ISSUE OFFER.

AUDITED FINANCIAL REPORTS FOR THE YEAR 2011 AND 2012 AND NON-AUDITED FINANCIAL REPORTS FOR THE SIX-MONTH OF 2012 AND FOR THE SIX-MONTH OF 2013 OF AB SEB BANKAS ARE INCORPORATED IN THE BASE PROSPECTUS BY REFERENCE AND IS AN INTEGRAL PART THEREOF.

THE ABOVE LISTED DOCUMENTS ARE AVAILABLE ON WEBSITE OF AB SEB BANKAS [WWW.SE.BLT](http://WWW.SE.BLT), THE MARKETS DEPARTMENT OF AB SEB BANKAS (GEDIMINO AVE.12, VILNIUS) AND OTHER BRANCH OFFICES OF AB SEB BANKAS (AT THE ADDRESSES SPECIFIED IN THE FINAL TERMS). IN CASE OF CHANGE IN ADDRESSES OF THE MARKETS DEPARTMENT OR OTHER BRANCH OFFICES OF AB SEB BANKAS SPECIFIED IN THE FINAL TERMS, A RELEVANT NOTIFICATION SHALL BE ANNOUNCED ON

THE BANK'S WEBSITE WWW.SEB.LT. IF MORE PLACEMENT AGENTS OF THE ISSUES ARE INVOLVED ACCORDING TO THE FINAL TERMS, THE BASE PROSPECTUS AND THE FINAL TERMS SHALL BE AVAILABLE FOR VIEWING AT THEIR BRANCH OFFICES AND ON WEBSITES. INFORMATION TO BE ANNOUNCED BY THE BANK ACCORDING TO THE LEGAL ACTS SHALL BE ALSO AVAILABLE ON WWW.CRIB.LT (THE CENTRAL STORAGE FACILITY).

IF ANY INVESTOR LODGES A CLAIM WITH THE COURT RELATED TO INFORMATION INCLUDED IN THE BASE PROSPECTUS, THE PLAINTIFF BASED ON THE CIVIL CODE AND OTHER LEGAL ACTS OF THE REPUBLIC OF LITHUANIA MAY BE REQUIRED TO COVER THE COSTS OF THE BASE PROSPECTUS TRANSLATION PRIOR TO COMMENCEMENT OF THE LEGAL PROCEEDINGS.

PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER THE SUITABILITY OF THAT INVESTMENT CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, INCLUDING A CONSIDERATION OF ALL THE INFORMATION SET FORTH IN THIS BASE PROSPECTUS, FINAL TERMS OF THE PARTICULAR ISSUE ALL THE DOCUMENTS INCORPORATED BY REFERENCE.

NEITHER THIS BASE PROSPECTUS NOR ANY FINAL TERMS DOES CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH AN OFFER OR SOLICITATION IN SUCH JURISDICTION.

## GENERAL DEFINITIONS USED IN THE BASE PROSPECTUS

**Base Prospectus or Prospectus** means the document assigned for investors and the general public including main information about the issuer and non-equity securities publicly offered by the issuer or admitted to trading on a regulated market.

**Business day** means any day except weekends and public holidays. In respect of several reference items, the business day shall have the meaning, as specified in this Base Prospectus when defining the risk of an extraordinary event and in the description of the Final Terms of each specific issue.

**Capital guarantee** means specific characteristics of non-equity securities ensuring payment equal to the nominal value of non-equity securities on the redemption date of such non-equity securities.

**Central Securities Depository of Lithuania** means the Lithuanian operator of securities settlements, engaged in general accounting of securities and their circulation, offering services of securities custody, securities account handling, settlement and other. The Central Securities Depository of Lithuania is also referred to as CSDL in this Prospectus.

**Client of a bank** - person and/or legal entity who has entered to any kind of agreement with a bank or has any business relationship with a bank as well as those who had concluded agreement with a bank, even though such agreement is currently terminated and/or invalid.

**Coupon bonds** mean non-equity securities entitling the investor to receive periodic interest (coupon) payments on the specified dates to be calculated as a percentage of the bond nominal value, and on the bond redemption date, the bond nominal value shall be paid.

**Credit event** means any event related to certain legal entity (bankruptcy, moratorium, debt restructuring, failure to fulfil obligations under the issued debt securities, etc.), the (non)occurrence of which determines profitability of reference item linked note, investment note or structured note issue and/or whether the investment notes retain capital guarantee. Particular credit events, the (non)occurrence of which determines profitability of non-equity securities shall be specified in the Final Terms of the issue.

**Discount bonds** mean non-equity securities offered at a lower price than nominal value of non-equity securities. Interest on discount bonds shall be included into the nominal value of the discount bond to be paid to the investor on the bond redemption date.

**Enforcement event** means the event related to third party credit risk, i.e., the event related to fulfilment of third party obligations under the securities issued by it and specified in the Final Terms of the structured notes issue on occurrence of which the Bank shall mandatorily purchase the structured notes of a particular issue from investors prior to the specified redemption date. The enforcement event related to third party credit risk is not deemed identical to the credit event upon (non)occurrence of which profitability of the reference item linked notes, investment notes or structured notes (unless the Final Terms of particular issue of the structured notes define otherwise) may be determined and/or investment notes may retain the capital guarantee.

**Final Terms** mean an integral part of the Base Prospectus that includes information about the specific terms of each particular non-equity securities issue unknown at the moment of the Base Prospectus approval.

**Investment notes** mean non-equity securities and on the date of redemption thereof the investor is paid a premium for a favourable change in value of the reference item to which the investment notes are linked and/or a premium for (non)occurrence of a certain credit event related to a specific legal entity. In certain cases, no premium on the investment notes or other payments shall be paid except for accrued interest (coupon). However under certain conditions specified in the documents of the investment note issue, the investment is not backed

up by a capital guarantee, i.e., the risk exists that by the end of the maturity term, the investor may be paid the investment note redemption price that is lower than the nominal value of the investment note – investor may lose a portion of investment or all invested amount. If certain conditions specified in the documents of the investment note issue on occurrence of which the investment is not backed up by a capital guarantee, do not occur, on the date of redemption of investment notes the investor is paid nominal value of the investment note.

**Investor category** means a certain group of investors that is offered and has a right to subscribe for non-equity securities issued according to this Base Prospectus and is granted certain exclusive rights specified in the Final Terms of non-equity securities issue. The investor category or information that a particular issue is offered without any limitations to all investors shall be specified in the Final Terms of each issue.

**Issuer** means a legal entity issuing securities. The issuer in this Base Prospectus shall mean the Bank.

**Legal entity in relation to which (non)occurrence of a credit event may have effect on profitability of non-equity securities** means the company, institution or organisation (including but not limited to governments, and public authorities) or another legal entity indicated in the Final Terms of a particular issue of non-equity securities in relation to which (non)occurrence of a certain credit event may have effect on profitability of reference item linked notes, investment notes or structured notes and/or whether investment notes retain the capital guarantee.

**Non-business day** means any day-off or public holiday.

**Non-equity securities issue date** means the day when non-equity securities maturity term commences.

**Non-equity securities redemption date** means the day when non-equity securities are redeemed from the investor and the amount specified in the issue terms of each particular issue of non-equity securities is paid.

**Non-equity securities subscription agreement** means the agreement between the issuer and investor under which the investor subscribes for the issuer's non-equity securities.

**Placement agent** means the intermediary of non-equity securities' public trading nominated by the Issuer to offer non-equity securities under the Prospectus.

**Programme** means the plan approved by Decision No. 36.1 of the Bank Board of 2 September 2013 on the basis of which the non-equity securities shall be issued within the period of 12 months from the announcement date of the Base Prospectus following the procedure established in the legal acts.

**Reference item** means transferable securities, money market instruments, units of collective investment undertakings in transferable securities and other instruments as specified in Par.4 of Article 3 of the Law on the Markets in Financial Instruments of the Republic of Lithuania, and also other instruments such as commodities, currencies, interest rates, etc. that are commonly called the "reference item" in this Base Prospectus.

**Reference item linked notes** mean non-equity securities on the redemption date of which the investor is paid the note nominal value and premium for a favourable change in value of the reference item to which the notes are linked, and/or premium for (non)occurrence of certain credit event related to certain legal entity.

**Risk Premium** means the additional amount to be paid by investor when subscribing for reference item linked notes, investment notes or structured notes exceeding nominal value of non-equity securities and the purpose of the premium is to increase values of the issue variables (participation ratio, the range of interval values of the reference item, etc.). If the investor subscribes for non-equity securities with the risk premium, the investor shall accept the risk of additionally invested funds – in case of unfavourable change in value of the reference item which the non-equity securities are linked, the additionally invested funds shall not be refunded to the investor

or only a portion of the additionally invested funds shall be refunded, if on the date of note redemption the premium for change in the reference item value is lower than risk premium paid.

**SEB Bankas Group** (hereinafter also referred to as “the Group”) means AB SEB bankas and its subsidiaries: UAB “SEB investicijų valdymas”, AB “SEB lizingas”, UAB “SEB Venture Capital”.

**SEB Group** - Northern European group of financial companies, engaged in business activities in 20 countries, providing a wide range of financial services in Sweden and in Estonia, Latvia and Lithuania, with strong focus on a full-service offering to corporate and institutional clients in Denmark, Finland, Norway and Germany.

**Special Banking Service Agreement** means alternatively Private Banking Service Agreement, Private Banking Client Agreement, Securities Portfolio Management Agreement, E-banking Service Agreement, Securities Account Handling Agreement.

**Structured notes** mean non-equity securities subscribed by investors who accept not only the Bank’s, i.e., non-equity securities issuer’s, risk but also third party’s credit risk. If within the maturity term of the structured notes any event related to third party credit risk occurs, the structured notes shall be mandatorily purchased from the investor by making relevant payments, and the investor shall be transferred securities of the third party and relevant claims rights specified in the documents of a particular issue of the structured notes, or other securities replacing the above securities or relevant claim rights or any portion thereof together with a payment in cash. If within the maturity term of the structured notes no event related to third party credit risk occurs, on the redemption date of structured note the investor shall be paid the nominal value of the structured note and a premium for favourable change in value of the reference item to which the structured notes are linked.

**The Bank** means AB SEB bankas (hereinafter also referred to as “AB SEB bankas or SEB Bank”), legal person code 112021238, registered address Gedimino ave. 12, Vilnius.

**The Bank of Lithuania** means the Central Bank of the Republic of Lithuania, also referred to as LB in this Prospectus.

**Third party** means any company, institution or organisation of private or public sector (including but not limited to governments, government institutions, central banks), specified in the Final Terms of a particular issue of structured notes, which issues the securities specified in the Final Terms of a particular issue of structured notes (these securities may be placed for public offering in the Republic of Lithuania) to be transferred to investors if within the maturity term of the structured notes at least one enforcement event occurs.

**Variables of the issue** means the participation ratio, the range of value fluctuation of the reference item, other variables specified in the Final Terms of the reference item linked note, investment note or structured note issue, which determines the profitability of each specific non-equity securities issue. The indicative and expected lowest (or highest) values of variables of each non-equity securities issue shall be specified in the Final Terms. Actual values of variables shall be published on the date specified in the Final Terms on the Bank’s website [www.seb.lt](http://www.seb.lt).

Definitions in the Base Prospectus used in the singular shall also include the plural and *vice versa*.



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## PERSONS RESPONSIBLE FOR INFORMATION INCLUDED IN BASE PROSPECTUS

Raimondas Kvedaras, President of AB SEB bankas, Jonas Iržikevičius, Head of the Business Support Division and CFO and Saulius Salda, Head of the Finance Department are responsible for the information contained in this Base Prospectus. They hereby represent that, to the best of their knowledge, the data included in the Base Prospectus based on information available to them reflects the actual situation and contains no omissions that might affect its meaning and that all reasonable measures were taken to ensure the above.

Rolandas Sungaila, Head of the Markets Department hereby represents that all data submitted to the above Department by the employees and heads of the Bank is included in the Base Prospectus, and shall be responsible for proper formalisation of information submitted to him.

AB SEB bankas shall be responsible for the correctness of information.

President of AB SEB bankas

Raimondas Kvedaras

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

Jonas Iržikevičius

Head of the Finance Department of AB SEB bankas

Saulius Salda

Head of the Markets Department of AB SEB bankas

Rolandas Sungaila

2013

## SUMMARY

### CHAPTER A – INTRODUCTION AND WARNINGS

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

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

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

A.1 This summary must be read as an introduction to the Base Prospectus and Issue(s) (Final Terms No. 2013XXXX/XXX).

Prior to making any decision to invest in non-equity securities, the investors should review carefully the entire Base Prospectus, the Final Terms No. 2013XXXX/XXX and all the documents incorporated by reference.

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

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

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

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

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

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

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

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

## CHAPTER B – ISSUER

B.1 AB SEB bankas  
Issuer's name

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

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

Applicable law: law of the Republic of Lithuania.

Country of incorporation: the Republic of Lithuania.

B.4b The year of 2012 for the Lithuanian banking was a breakthrough point, when the credit  
Information on any portfolio of banks which until then was dramatically declining over a several-years'  
known trends that period of time started stabilising in the market. According to the Bank of Lithuania, in  
may influence the 2012, as compared to 2011, the banks loan portfolio increased by 2 per cent.  
Issuer or market In the 1st half-year 2013, Lithuania's economy was marked by successful growth  
perspective in which enhanced not only by export, but also by household consumption. Expectations of  
the Issuer operates businesses and private individuals were improving; after a long pause there was a  
recovery in real wages, and the number of real estate market recovery signals was  
increasing. Favourable economic environment preconditioned stability in the  
improvement of SEB Bankas Group's performance within the 1st half-year of 2013.  
The positive growth of the Lithuanian banks loan portfolio is expected in 2013—  
preconditions for further growth in the loan portfolio consists of moderate growth in  
the national economy, increasing lending commitments, as well as increased free cash

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

B.13  
Material events that may have impact on the Issuer's solvency

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

B.14

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



Issuer's relations with other members of the Group	Sweden, legal form – a public limited liability company, legal person code 502032-8091, legal address Kungstradgardsgatan 8, Stockholm, Kingdom of Sweden, is a holder of 15,441,423 ordinary registered shares of AB SEB bankas that constitute 100 per cent of share capital of AB SEB bankas.
B.15 Principal activity of the Issuer	The Bank is a credit institution holding authorised capital. The Bank is issued a licence to engage in acceptance of deposits and other repayable funds from non-professional market participants and lending, and also has a right to provide other financial services and assumes related risks and responsibility.
B.16 Control of the Issuer and this control type	Currently Skandinaviska Enskilda Banken AB (publ) is a holder of 100 per cent of shares of AB SEB bankas in Lithuania.
B.17 Credit ratings assigned to the Issuer or non-equity securities issued by it	Not applicable. Any rating is not assigned to non-equity securities issued by the Bank. Currently, any rating agency, based on a request of the Bank, or with participation of the Bank in the rating process, has not assigned any credit rating of the Bank.

## CHAPTER C – SECURITIES

C.1 Offered securities, types and classes of securities	<p>Under this Prospectus, the Bank may issue for public offering one or several short-term (up to 1 year) and from 1 year to 10 year term non-subordinated, non-guaranteed and non-convertible non-equity securities.</p> <p><b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b> Issue maturity term: <i>[Maturity term in days]</i></p> <p>The Bank under this Programme may issue the below specified non-equity securities:</p> <ul style="list-style-type: none"> <li>• coupon bonds;</li> <li>• discount bonds;</li> <li>• reference item linked notes;</li> <li>• investment notes;</li> <li>• structured notes;</li> <li>• any combinations of the above non-equity securities.</li> </ul> <p>Maximum total nominal value of non-equity securities issued under this Programme may not exceed LTL 1,000,000,000 or its equivalent in any other currency.</p> <p>On the date of approval of the Base Prospectus, any ISIN codes are not assigned to non-equity securities to be issued.</p> <p><b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b> Type of non-equity securities: <i>[•]</i></p>
C.2 Securities issue currency	<p>Non-equity securities may be issued in Litas or in any other currency. The issue value shall be specified in the Final Terms of each issue.</p> <p><b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b> Currency: <i>[Currency code]</i></p>
C.5 Description of securities	Non-equity securities to be issued under this Base Prospectus shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union without any transfer restrictions.



transfer restrictions	<p>The non-equity securities to be issued under this Base Prospectus are not registered and shall not be registered following the requirements of legal acts of the US and other subordinate jurisdictions regulating the securities' market and shall not be offered or sold in any such jurisdiction except if registered in accordance with applicable laws or if relevant registration exclusions are applied. Legal and natural persons willing to subscribe for non-equity securities to be issued under this Base Prospectus must be aware of such restrictions and comply with the above requirements.</p>
C.8 Description of rights attached to the securities and procedure for exercising the rights	<p>All the holders of non-equity securities, issued by the Bank under this Base Prospectus are granted equal rights, which are described in the Base Prospectus and in the Final Terms of each issue, and also established in the laws and other legal acts of the Republic of Lithuania.</p> <p>Non-equity securities issued under this Base Prospectus, except the structured notes, shall grant the investors a right following the terms established in the Final Terms to receive from the Bank a payment in cash, which is calculated according to the procedure established in this Base Prospectus and in the Final Terms of each issue.</p> <p>The holders of structured notes issued under this Programme, shall be entitled following the terms established in the Final Terms of each issue to receive payment in cash from the Bank, when such non-equity securities are redeemed, or securities of the third party or relevant claims rights to such securities or securities issued by such third party replacing the securities of the third party above or relevant claims rights to such securities or any portion thereof together with a payment in cash, if such non-equity securities prior to the established redemption date are mandatorily purchased from investors, in case at least one enforcement event related to third party credit risk occurs.</p> <p>The Bank under this Programme may issue coupon or discount bonds, and investors subscribing for such bonds are entitled within the bond maturity term on the dates and prices specified in advance to sell all or any portion of such issue of bonds to the Bank in the secondary trading, if such right of the investor is established in the Final Terms of such issue.</p> <p>Holders of non-equity securities shall have the below rights:</p> <ul style="list-style-type: none"> <li>• on the date of non-equity securities redemption, early redemption or mandatory purchase (in case of structured notes) and/or on the date of interest (coupon) payment, and/or premium payment, and/or payment of other amounts for non-equity securities to receive payment from the Bank established in this Base Prospectus and following the procedure established in the Final Terms of each issue under this Programme;</li> <li>• sell or transfer in any other form all or any portion of non-equity securities;</li> <li>• if a holder of non-equity securities is a natural person, to bequeath all securities or any portion thereof to one or several persons;</li> <li>• other rights established by legal acts, including but not limited to those exercised by other creditors in respect of the Bank assets to whom the Banks' obligations are not secured by the asset pledge.</li> </ul> <p><b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Rights granted to the non-equity securities: [•]</p>
C.9 Calculation and payment terms of interest (coupon), premium and	<p><b>Calculation and payment terms of interest (coupon), premium and other amounts payable to the investor</b></p> <p>The Final Terms of each issue under this Programme shall announce the type of securities to be issued (coupon bonds, discount bonds, reference item linked notes, investment notes, structured notes and any combinations of the above non-equity securities).</p>

other amounts payable to the investor, redemption date, loan amortisation and repayment procedure and sale to the Bank in the secondary trading, representation of holders of non-equity securities	<p><i>Coupon bonds</i></p> <p>In case of coupon bond issue, the Issuer shall pay coupon on each bond on the specified date, and coupon amount shall be calculated as a certain percentage of the bond nominal value. Coupon on the coupon bonds may be fixed (it remains of the same amount for the entire bond maturity term) or variable (established on the dates specified in the Final Terms, taking into consideration the changes of the selected base interest rate). Coupon or its calculation method and coupon payment dates shall be specified in the Final Terms of each issue.</p> <p><i>(if not relevant, delete)</i> <b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Terms and procedure for calculation and payment of interest (coupon): <i>[specify whether fixed or floating interest will be paid; actual interest or procedure for calculating interest (coupon); date(s) of interest (coupon) payment, etc.]</i></p> <p>Coupon bonds redemption price or procedure for its calculation: [●]</p> <p>Method for calculating days: <i>[Act/365, Act/Act or other]</i></p> <p><i>Discount bonds</i></p> <p>Discount bonds within the subscription period shall be sold at the lower price than the bond nominal value (nominal bond value shall be discounted by the annual yield established in the Final Terms). On the bond redemption date, the investor shall be paid the bond nominal value.</p> <p><i>(if not relevant, delete)</i> <b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Terms and procedure for calculation and payment of interest (coupon): <i>[specify whether fixed or floating interest will be paid; actual interest or procedure for calculating interest (coupon); date(s) of interest (coupon) payment, etc.]</i></p> <p>Discount bonds redemption price or procedure for its calculation: [●]</p> <p>Method for calculating days: <i>[Act/365, Act/Act or other]</i></p> <p><i>Reference item linked notes</i></p> <p>Profitability of reference item linked notes depends on change in value of the reference item (shares, commodities, currencies, etc.) to be specified in the Final Terms, and on values of variables (participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity described in the Final Terms of the issue (e.g. whether bankruptcy proceedings, etc. have been initiated against the legal entity indicated in the Final Terms within the note maturity term) and on interest (coupon) (if interest (coupon) payment is established in the Final Terms). If change in value of the reference item is favourable, i.e., the reference item value changes or does not change as established in the Final Terms, the investor on the redemption date of the reference item linked notes shall receive the premium for change in value of the reference item. If change in value of the reference item is unfavourable, i.e., change in value of the reference item is different from that specified in the Final Terms, the investor shall be paid the nominal value of the reference item linked note on the redemption date.</p> <p>If the note profitability depends on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms, and the situation is favourable, i.e., the credit event (does not) occur, the investor shall be paid the premium for (non)occurrence of certain credit event on the note redemption date. If the situation is unfavourable, i.e., the situation occurs when the notes become unprofitable, the investor shall be paid the note nominal value on the note redemption date.</p> <p><i>(if not relevant, delete)</i> <b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Terms and procedure for calculation and payment of interest (coupon): <i>[specify whether fixed or floating interest will be paid; actual interest or procedure for calculating interest (coupon); date(s) of interest (coupon) payment, etc.]</i></p> <p>Terms and procedure for calculation and payment of premium: <i>[specify terms when premium is paid to an investor, e.g. if the value of the reference item increases or decreases; specify formula for calculating premium, etc.]</i></p> <p>Expected value of participation ratio: [●]/not applicable</p>
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Minimum participation ratio value: [●]/not applicable

Notes redemption price or procedure for its calculation: *[specify the constituent parts of redemption price: nominal value, premium, interest]*

Method for calculating days: *[Act/365, Act/Act or other]*

#### *Investment notes*

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

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

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Terms and procedure for calculation and payment of interest (coupon): *[specify whether fixed or floating interest will be paid; actual interest or procedure for calculating interest (coupon); date(s) of interest (coupon) payment, etc.]*

Terms and procedure for calculation and payment of premium: *[specify terms when premium is paid to an investor, e.g. if the value of the reference item increases or decreases; specify formula for calculating premium, etc.]*

Notes redemption price or procedure for its calculation: *[specify the constituent parts of redemption price: nominal value, premium, interim premium, interest]*

Method for calculating days: *[Act/365, Act/Act or other]*

#### *Structured notes*

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

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Terms and procedure for calculation and payment of interest (coupon): *[specify whether fixed or floating interest will be paid; actual interest or procedure for calculating interest (coupon); date(s) of interest (coupon) payment, etc.]*

Terms and procedure for calculation and payment of premium: *[specify terms when premium is paid to an investor, e.g. if the value of the reference item increases or decreases; specify formula for calculating premium, etc.]*

Notes redemption price or procedure for its calculation: *[specify the constituent parts of redemption price: nominal value, premium, interim premium, interest]*

Method for calculating days: *[Act/365, Act/Act or other]*

Differently from the reference item linked notes or investment notes, the issued structured notes shall be mandatorily purchased by the Bank from investors prior to the specified

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

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Third party: [●]

Securities issued by a third party: [●]

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

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

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

**Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Redemption date: [●]

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

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Early redemption: *[specify if applicable or not]*

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

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

**Enforcement events:** *The Bank will mandatorily purchase the issue of structured notes from investors if any of the following enforcement events occurs:*

- *a third party fails to fulfil its obligations in accordance with set terms and procedure with regard to securities issued by it (issue ISIN code [●]);*
- *it is announced that, at the request of a third party or holders of the securities issued by the third party (issue ISIN code [●]), the terms for fulfilment of obligations under, and/or for disposal of securities issued by the third party (issue ISIN code [●]) are amended.*

In case the Bank issues coupon or discount bonds and the investors subscribing for such bonds are entitled within the maturity term of the issue to sell all or any portion of such bonds to the Bank in the secondary trading, the Final Terms shall specify the dates when the bonds

may be sold to the Bank and the sale price effective on the dates when the bonds are sold to the Bank. The opportunity to sell the bonds in the secondary trading on the dates other than the dates established in the Final Terms, depends only on the existing market demand.

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Procedure for selling bonds in a secondary trading: [applicable at the dates and prices specified in the Final Terms No. 2013XXXX/XXX / Not applicable]

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

### **Profitability**

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

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

### **Representative of holders of non-equity securities**

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

### **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Protector of interests of owners of the non-equity securities: *[specify company name, address of branch offices, telephone, website]*

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

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

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

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

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



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

C.11 Admission to trading on regulated market	<p>Non-equity securities issued under this Base Prospectus may be admitted to the trading lists of regulated markets (Debt Securities Trading List of NASDAQ OMX Vilnius Stock Exchange, other regulated markets trading lists).</p> <p>Information about the application to the regulated market operator for admission to trading on the regulated market of the particular securities issued under this Prospectus shall be established in the Final Terms.</p> <p><b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Listing on regulated market trading lists: <i>[Specify whether the securities of the issue will be listed on regulated market trading lists and, if known, the date when the securities of the issue will be listed on regulated market trading lists]</i></p> <p>In case it is established in the Final Terms of the issues under the Programme that the request to admit the issued non-equity securities on the regulated market may be submitted to trading, the investor subscribing for non-equity securities issued by the Bank in the primary trading shall face the risk that the Bank's application to admit the securities on the regulated market to trading may be rejected due to technical or other reasons.</p>
C. 16 Maturity date of the derivative transactions of reference items to which non-equity securities are linked	<p>Maturity date of the derivative transactions entered when issuing non-equity securities under this Base Prospectus is not later date than redemption date of non-equity securities.</p>
C. 17 Settlements for the derivative transactions	<p>Settlements for the derivative transactions entered by the Bank when issuing non-equity securities under this Base Prospectus shall be made in accordance with the rules approved by International Swap and Derivatives Association (ISDA) and following other practice recognized in the international financial market.</p>
C. 18 Profitability of derivative transactions and its impact on non-equity securities' values	<p>Changes in the value of reference item linked notes, investment notes and structured notes until redemption date of such non-equity securities, and also the value of such non-equity securities on the redemption date thereof (redemption price) respectively depend on changes in value of the derivative transaction(s) entered by the Bank within the maturity term of such non-equity securities and the value of derivative transaction(s) on the maturity date of such transaction(s). The higher positive return on the derivative transaction(s), the higher profitability of reference item linked notes, investment notes and structured notes for the investor, i.e., higher value of such non-equity securities within the maturity term thereof and higher redemption price of such non-equity securities. In certain cases, no derivative transactions may be concluded when issuing reference item linked notes, investment notes</p>



and structured notes under this Base Prospectus.

C. 19 Final value of reference items to which non-equity securities are linked	<p>The Final Terms of the reference item linked notes, investment notes and structured notes to be issued under this Base Prospectus shall include a definition of the final value of the reference item(s) to which non-equity securities are linked, its valuation date and its calculation formula (if any).</p> <p><i>(if not relevant, delete)</i> <b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Final value of reference item: <i>[specify the definition, valuation date, calculation method or formula]</i></p>
C. 20 Reference items to which non-equity securities are linked	<p>Reference items to which non-equity securities issued under this Base Prospectus shall be:</p> <ul style="list-style-type: none"> <li>• shares, global depositary receipts, other transferable securities equivalent to shares admitted to trading on regulated markets;</li> <li>• bonds issued by private and public sector companies, institutions or organisations, including but not limited to governments, public authorities, central banks;</li> <li>• stocks, bonds, commodities, mixed (stocks, bonds, commodities and other financial instruments) indexes;</li> <li>• undertakings for collective investment in transferable securities (UCITS) (e.g. mutual funds units);</li> <li>• units of exchange traded funds (ETF);</li> <li>• commodities (industrial metals, precious metals, energy, agricultural, other) spot and future prices;</li> <li>• exchange rates;</li> <li>• interest rates (e.g. base interest rate on London, Europe and other interbank markets (e.g. LIBOR, EURIBOR)).</li> </ul> <p>Particular reference item(s) to which non-equity securities issued under this Base Prospectus are linked shall be specified in the Final Terms. In such case, the Final Terms shall include a link to the website of a stock exchange/market/association establishing the value of the reference item and publication its historical changes.</p> <p><i>(if not relevant, delete)</i> <b>Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):</b></p> <p>Reference item: <i>[description of reference item; if non-equity securities are linked to several reference items, specify the value of each of the reference items concerned or procedure for determining the value of each of the reference items concerned]</i></p>

## CHAPTER D – RISK FACTORS

D.2 Main risk factors related to the Issuer	<p>Main types of risk incurred by the Bank are:</p> <ul style="list-style-type: none"> <li>• <b>Credit risk</b> means the risk that other contracting party may fail to duly fulfil its obligations to the Bank;</li> <li>• <b>Market risk</b> means the risk of losses or loss of future income resulting from changes in the interest rates, currency exchange rates and share price;</li> <li>• <b>Operational risk</b> means the risk of financial loss, impairment of goodwill or loss of confidence that may result from the external events (including natural disasters, , criminal acts of third parties, activity disorders of major suppliers, etc.) or internal events (e.g. IT system disorder, fraud cases, non-compliance with the internal regulations and legal acts, inadequate internal control, etc.);</li> <li>• <b>Business risk</b> means the risk of income decrease, caused by unforeseen lack of usual income that typically results from lower business volume, downward pressure on</li> </ul>
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prices or competition;

- **Strategic risk** means the risk resulting from unfavourable or misleading business solutions, improper implementation of solution or inadequate reaction to political changes, amendments of legal acts and changes in the banking sector;
- **Liquidity risk** means the risk that the Bank will be unable to timely meet its financial obligations and/or seeking to meet thereof will be forced to sell its financial assets and/or close positions or will incur losses caused by low liquidity in the market. In this case the risk that in certain conditions the Bank's creditors will initiate the bankruptcy proceedings against the Bank exists.

### D.3

Main risk factors related to non-equity securities

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

- **market risk** means the risk that the market price of non-equity securities may fluctuate, i.e., the price of securities subscribed by the investor may go down and up in the secondary trading;
- **liquidity risk** means the risk of potential losses in case of failure to sell securities in a short-term or if it is impossible to sell the non-equity securities held for a certain period;
- **issuer credit risk** means the risk that in case of the Bank's insolvency, bankruptcy, moratorium and in other similar cases the Bank within the established term and conditions fails to settle with the investors (i.e. fails to redeem the non-equity securities, pay coupon or premium, etc.). The above risk of the Bank is not covered by insurance, i.e., the Bank's obligations to redeem non-equity securities issued is not insured by State Company "Indėlių ir investicijų draudimas";
- **issue cancellation risk** means the risk that in certain cases the issue of non-equity securities may be cancelled; in such case the investors shall not subscribe for non-equity securities, and the Bank shall refund non-equity securities' subscription price and subscription fee;
- **currency risk** means the risk that fluctuations in currency exchange rates may result in decrease in the actual value and the profitability of securities; therefore, investors, holding the non-equity securities denominated in other than the investors' home currency, will be exposed to movements in exchange rates that may adversely affect the value of the holdings. If non-equity securities are issued in Litas and within the maturity term thereof the Euro (or any other currency) becomes national currency of the Republic of Lithuania, the amount to be paid for redeemable non-equity securities to investor shall be calculated according to the exchange rate of the Litas with the Euro (or another currency) in accordance with the legal acts;
- **inflation risk** means the risk that real value of non-equity securities may decrease due to inflation;
- **tax and legal risk** means the risk that amendments to the legal acts of the Republic of Lithuania or changes in the state tax policy may have a material adverse effect on the non-equity securities, resulting in lower liquidity of non-equity securities and/or price and net profitability;
- **rating downgrade risk** means the risk that SEB Group's credit rating may be downgraded or the risk that the estimated credit rating of the Bank is lower than SEB Group's credit rating, which may have a material adverse effect on the non-equity securities, resulting in lower liquidity of non-equity securities and/or price;
- **risk related to the securities admission to trading on the regulated market** means the risk that non-equity securities that are supposed to be admitted to trading on the regulated market in fact are not admitted to the trading list due to any technical or other reasons, which may decrease the liquidity and eventually the price of the non-equity securities;

Risks applicable to coupon and discount bonds and structured notes:

- **risk related to the shortening of the issue subscription period** – the risk that the

investor fails to subscribe for the issued non-equity securities if the Final Terms of such non-equity securities establish the Bank's right to shorten the issue subscription period and the Bank exercises the right thereof;

- **risk related to the subscription through placement agents in Latvia and (or) Estonia** means the risk of the investors subscribing for non-equity securities through placement agents in Latvia and Estonia, that in case of issues of limited size, they may not be able to subscribe for the non-equity securities even if the investors applied for subscription within the subscription period due to the fact that the payment day for such investors may be the final day of subscription period and by the payment day thereof all the non-equity securities may be subscribed by other investors. This means that investors subscribing for non-equity securities through placement agents in Latvia and Estonia shall not be deemed as having subscribed for the non-equity securities up to the final day of the subscription period. In case of an issue of limited size, the non-equity securities are allocated by the time priority principle, therefore the investors who actually subscribe and pay for the non-equity securities on the final day of subscription period should consider this unfavourable condition. The investors subscribing for non-equity securities through placement agents in Latvia and (or) Estonia should also consider the risk that their right to dispose of the funds necessary to pay for the non-equity securities may be limited within the whole period from the day they applied for subscription until the payment day (which is the final day of the subscription period).

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

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

Risks applicable to investment notes and structured notes:

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

Risks applicable to structured notes:

- **third party credit risk** means the risk that in case the Bank executes mandatory purchase of the structured notes from the investor and transfers to the investor

securities of the third party or relevant claims rights, as specified in the Final Terms of the issue, or the securities issued by such third party replacing the securities of the third party above or relevant claims rights or any portion thereof, third party may fail to settle with the investor.

**Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Main risk factors related to *[specify the type of non-equity securities]* :

*[specify the list of applicable risk factors:*

- 
- 
- *etc.]*

D.6  
Risk related to  
the loss of  
funds invested

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

**In case of reference item linked notes**

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

**In case of investment notes**

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

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

may lose all invested funds or a portion thereof.

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

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

## **CHAPTER E – OFFER**

**E.2b**                      The Bank issuing non-equity securities seeks to offer for the investors a wider range of  
Reasons of the       investment instruments and services. Funds accumulated from the issues of non-equity  
offer and use of       securities shall be used to finance the loans of the Bank and to manage the liquidity.  
proceeds

**E.3**                      **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**  
Terms and              Issue date: [●]  
procedure of            Nominal value per non-equity security: [●]  
the offer                Subscription price(s) of non-equity securities: [●] *(If during the subscription period the subscription  
prices of the non-equity securities differ, subscription prices shall be specified in Annex No. [●] to the Final Terms  
No. 2013XXXX/XXX)*  
Risk premium: [●] *(if applicable)*

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

#### **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Markets where the offer takes place: [●]

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

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

#### **Summary of the Final Terms No. 2013XXXX/XXX:**

Subscription period: [●]

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

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

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

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

**Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Category of investors proposed for acquiring the non-equity securities and rights granted: [●]

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

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

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

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

**Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Total nominal value of the issue: [[●]/Unlimited]

Minimum number of non-equity securities offered to one investor: [●]

Maximum number of non-equity securities offered to one investor: [●]

In case of coupon and discount bond issue, if the range of interest (coupon) on bonds (in case of coupon bond issue) or annual yield (in case of discount bond issue) are specified and actual interest (coupon) or annual yield are fixed only at the end of the bond subscription period, the



investors are entitled to sign the bond subscription agreements as well as submit application for bond subscription. In such case, the Final Terms shall specify the minimum amount to be invested by the investor submitting the application for bond subscription.

*(if not relevant, delete)* **Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Minimum amount invested: [●]

E.4  
Related parties' interests arising in relation to non-equity securities issues

At the moment of the approval of the Base Prospectus there is no interest of natural and legal persons involved in the issues under the Programme. Any interests of the related parties arising in relation to a particular issue of non-equity securities issued under this Base Prospectus shall be specified in the Final Terms.

E.7  
Investor's costs

The Final Terms of a particular issue of non-equity securities may specify the subscription fee to be paid by the investor to the issuer together with the subscription price for non-equity securities subscribed.

**Summary of the Issue(s) (Final Terms No. 2013XXXX/XXX):**

Subscription fee: [●]

## SECURITIES NOTE

### PROCEDURE FOR DETERMINING THE FINAL TERMS

The Final Terms of each issue of non-equity securities issued under this Base Prospectus shall be determined on the Bank's initiative taking into consideration the financial needs and financial market conditions. The template of the Final Terms shall be established in the Annex of the Base Prospectus. The Final Terms shall be published on the Bank's website [www.seb.lt](http://www.seb.lt). If there are more placement agents specified in the Final Terms, the Final Terms shall be also published on the websites of such placement agents. The Bank shall provide the Final Terms above to the Bank of Lithuania. It shall also communicate the Summary translations into local languages, together with the Final Terms, to the supervisory authority of financial market of the relevant countries, where it is intended to publicly offer the non-equity securities. Information to be announced by the Bank in accordance with the legal acts shall be also available on the website of the Central Storage Facility [www.crib.lt](http://www.crib.lt).

#### *In case of coupon and discount bonds*

In case of issue of coupon or discount bonds, which at the end of subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date, the Final Terms of the new issue shall be determined and announced following the procedure identical to the one followed for announcing the Final Terms of the previous outstanding bond issue.

In case of issue of coupon or discount bonds, and investors subscribing for such bonds are entitled within the bond maturity term to sell all subscribed bonds or any portion thereof to the Bank in the secondary trading, the Final Terms shall establish the dates for the bond sale to the Bank and the bond sale price applicable on the bond sale dates to the Bank.

In case of any coupon and discount bond issue of unlimited size, when coupon (in case of coupon bond issue) or annual yield (in case of discount bond issue) are fixed and specified in the Final Terms, the Final Terms shall establish that the Bank taking into consideration the number of subscribed bonds and market interest rates shall have a right to unilaterally shorten the subscription period of the coupon and discount bond issue indicated in the Final Terms. If the Bank passes a decision to shorten the subscription period of such coupon and discount bonds, on the final date of the shortened bonds subscription period, after expiry of the time for bonds subscription, a special notice on the shortening of bond subscription period shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved).

If the coupon and discount bond subscription period is shortened and the notice is published following the above procedure, other data on coupon and discount bonds issue (e.g. issue maturity term, issue date, redemption date, coupon payment date (in case of coupon bond)) established in the Final Terms and available to investors on the bond subscription date shall not be changed.

#### *In case of reference item linked notes, investment notes and structured notes*

The Final Terms of the reference item linked notes, investment notes and structured notes issue shall establish that upon the occurrence of certain conditions, the Bank shall redeem such non-equity securities prior to the established securities redemption date. In such case, the Final Terms of non-equity securities shall specify: a) special conditions upon the occurrence of which the early redemption of non-equity securities is allowed (conditions for early redemption), b) price of early redemption or relevant calculation procedure, c) dates of early redemption. A special notice on the early redemption

of the non-equity securities shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) at least 1(one) business day prior to the early redemption day of the non-equity securities.

Any structured note issue shall be mandatorily purchased by the Bank prior to the established redemption date, if within the maturity term thereof at least one enforcement event related to third party credit risk occurs. The Final Terms of each particular structured note issue shall specify third party and securities issued by it in respect of which enforcement event may occur.

Taking into consideration changes in the market conditions, the Bank shall have a right to make amendments to the Final Terms of the reference item-linked notes, investment notes and structured notes within the subscription period of such non-equity securities. Such amendments to the Final Terms shall be permitted if: a) the Bank seeks on its initiative to improve the conditions in favour of investors, i.e., to increase interest (coupon), increase the value of participation ratio, expand the range of interval values of the reference item, increase the value of expected premium, improve the conditions in favour of investors in relation to the risk of loss of invested funds (in case of investment notes and structured notes), b) certain events occur beyond the Bank's control, when the investors face risk factors related to the reference item-linked notes, investment notes and structured notes – the risk of reference item value adjustment and change of the calculation method and premium calculation risk (see more in paragraph "Issue-related risk factors". In such case the below actions shall be carried out: a) amendments to the Final Terms shall be set forth in the Annex to the Final Terms to be submitted to the Bank of Lithuania and published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved); b) information about amendments to the Final Terms shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved).

The amended terms established in the Annex to the Final Terms shall be applied to the investors who subscribed for non-equity securities of the specified issue prior to amendment of the Final Terms of such issue and did not refuse of the subscribed non-equity securities within 5 (five) business days from the amendment of the Final Terms of such issue. The Annex shall include the specific amended terms of the non-equity securities issue without making amendments to the non-equity securities subscription agreements signed prior to the amendment of the Final Terms. After the amended terms are published following the procedure established in the Base Prospectus, the Bank shall make relevant amendments to the non-equity securities subscription agreements and shall sign the amended non-equity securities agreements with the new investors.

If the terms of reference item-linked notes, investment notes and structured notes applicable to investors are changed following the procedure established in the Base Prospectus, implementation of the amended terms becomes binding and irrevocable obligation of the Bank from the date the amendment of the Final Terms is published on the Bank's website [www.seb.lt](http://www.seb.lt)

#### *In case of structured notes*

It should be noted that in case of structured note issue, the Bank taking into consideration the number of subscribed structured notes and market interest rates, has a right to unilaterally shorten the subscription period and / or limit the size of structured notes issue established in the Final Terms. If the Bank passes a decision to shorten the subscription period and / or limit the size of such structured notes issue, on the final date of the shortened structured notes subscription period, after expiry of the time for subscription of the structured notes, a special notice on the shortening of structured notes subscription period shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved). If the Bank adopts a decision to limit the size of structured notes issue, a special notice regarding the limit of the size of structured notes issue shall be immediately published on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved).

If the structured notes subscription period is shortened and (or) the size of the structured notes issue is limited and the notice is published following the above procedure, other data on structured notes issue (e.g. issue maturity term, issue date, redemption date), established in the Final Terms and available to investors on the subscription date of the structured notes, shall not be changed.

## DESCRIPTION OF THE PROGRAMME

The Board of the Bank on 2 September 2013 passed a Resolution No. 36.1 and approved the Programme of non-equity securities issue of the total value of LTL 1 billion (or its equivalent in any another currency). Under the above Programme the Bank is entitled within a period of 12 months from the approval date of the Base Prospectus by the Bank of Lithuania according to the procedure set forth in the legal acts to issue short-term (up to 1 year) and from 1 year to 10 year term non-subordinated, non-guaranteed and non-convertible non-equity securities.

Under the Programme, the Bank may issue for a public trading one or several short-term (up to 1-year) and from 1 year to 10 year term issues of non-subordinated, non-guaranteed and non-convertible non-equity securities. The Bank under this Programme may issue coupon bonds, discount bonds, reference item linked bonds, investment notes, structured notes and any combinations of the above non-equity securities. Maximum total nominal value of non-equity securities issued under this Programme may not exceed LTL 1,000,000,000 (one billion Litas) or equivalent amount in any other currency. The issue terms that are unknown at the time of approval of the Base Prospectus shall be established in the Final Terms of each non-equity securities issue. The Programme shall be effective for the period of 12 months from the approval date of the Base Prospectus by the Bank of Lithuania.

Under this Programme, the Bank may issue coupon or discount bond issue, which at the end of the bond subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date. Coupon and discount bond issue at the end of the bond subscription period may be merged with any previous outstanding issue of the same type of bonds effective on the new issue date only if the investor is granted the rights identical to those of the previous issue. All the rights of the investors arising from the bonds held are described in the Base Prospectus and in the Final Terms of each issue, and also in the laws and other legal acts of the Republic of Lithuania.

Under this Programme, the Bank may issue coupon or discount bonds and the investor who subscribes for the above-mentioned securities shall have a right within the issue maturity term at the pre-established dates and price to sell all or any portion of bonds of such issue to the Bank in the secondary trading, if said right granted to the investor is established in the Final Terms of the specified issue.

According to this Programme, the Bank may issue non-equity securities to be offered only to particular category(ies) of investors. The below categories of the investors are approved:

- professional investors (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- non-professional investors (natural and legal persons not meeting the requirements applicable to the professional investors defined in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- investors that are clients of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia);
- investors, who signed one or several Special Banking Service Agreements with a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia );

- investors holding non-equity securities previously issued by the Bank, which within a particular subscription period of non-equity securities shall be redeemed;
- investors subscribing for the number of non-equity securities at least equal to the minimum number of securities specified in the Final Terms;
- employees of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia)
- any combination of at least two categories above.

It shall be noted that an investor who signed one or several Special Banking Service Agreements with a bank shall be automatically deemed a client of a bank, but not necessarily vice versa.

The Final Terms shall specify the category(ies) of the investors to whom a particular issue of non-equity securities shall be offered, as well as relevant identification criteria and rights granted to the investors. In case the investor meets criteria of several categories established in the Final Terms of the particular issue, the most favourable conditions with respect to the particular investor will be applied by the Bank (the best-execution policy terms).

This Base Prospectus after its approval by the Bank of Lithuania and other documents incorporated by reference shall be available in electronic form on the Bank's website [www.seb.lt](http://www.seb.lt). If there are more placement agents specified in the Final Terms of the issue, the Base Prospectus and the Final Terms shall be also available for viewing on the websites of the placement agents. A printed copy of the Base Prospectus and the Final Terms available in electronic form and also other documents incorporated by reference shall be submitted free of charge to each investor upon request at the Markets Department (address Gedimino ave. 12, Vilnius) and at any branch office of the Bank (at the addresses and during business hours specified in the Final Terms). If there are more placement agents specified in the Final Terms of the issue, the Base Prospectus and the Final Terms shall be available for viewing at their branch offices (at the addresses and during business hours specified in the Final Terms).

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

Information that has to be announced by the Bank in accordance with the legal acts shall be also available on a website of the Central Storage Facility ([www.crib.lt](http://www.crib.lt)).

## **1. PERSONS RESPONSIBLE**

Raimondas Kvedaras, President of AB SEB bankas, Jonas Iržikevičius, Head of the Business Support Division and CFO and Saulius Salda, Head of the Finance Department are responsible for the information contained in this Base Prospectus. They hereby represent that, to the best of their knowledge, data included in the Base Prospectus based on information available to them reflects the actual situation and contains no omissions that might affect its meaning, and that all reasonable measures were taken to ensure the above.

Rolandas Sungaila, Head of the Markets Department, hereby represents that all data submitted to the above Department by the employees and heads of the Bank is included in the Base Prospectus, and shall be responsible for proper formalisation of information submitted to him.

## 2. ISSUE RELATED RISK FACTORS

**Market risk.** Investors subscribing for non-equity securities have to take into consideration the market price fluctuation risk: non-equity securities price may go down as well as up in the secondary trading. Investors should note that after the Bank issues the coupon and discount bond issue, which at the end of the bond subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date, the bond price in the secondary trading, after the adjustments (increase) of the size of the issue in the general account of the previous securities issue are made with the Central Securities Depository of Lithuania, may go down as well as up. Such risk is not so relevant to investors who subscribe for coupon and discount bonds issued by the Bank and are entitled to sell all or any portion of such bonds in the secondary trading to the Bank within the bond maturity term, as the Final Terms of such issue establish the bond sale price effective on the bond sale dates to the Bank. The above risk is not substantial for investors who retained the subscribed non-equity securities issued under this Programme until the redemption date.

**Liquidity risk.** Investors subscribing for the Bank's non-equity securities accept the liquidity risk of the securities, i.e., the investor may suffer loss if he fails to sell the non-equity securities within the shortest possible term or the sale of the non-equity securities held is limited for a certain period of time. Possibility to sell non-equity securities in the secondary trading depends only on the market demand. There are no intermediaries who assume an obligation to ensure liquidity of non-equity securities issued in the secondary trading. Such risk is less important for investors who subscribed for coupon and discount bonds issued by the Bank and are entitled to sell all or any portion of such bonds in the secondary trading to the Bank within the bond maturity term, as the Final Terms of such issue establish the bond sale dates to the Bank in the secondary trading.

**Issuer credit risk.** Investors investing into the Bank's non-equity securities accept the risk that in case of the Bank's insolvency, bankruptcy, moratorium and in other similar cases, Bank may have no sufficient funds for redemption of non-equity securities issued, payment of coupon or premium, and may fail to settle with the investors within the term and under the conditions established in the Final Terms. The above risk of the Bank is not covered by insurance, i.e., the Bank's obligations to redeem non-equity securities issued is not insured by State Company "Indėlių ir investicijų draudimas". In case of Bank's bankruptcy the claims of the holders of non-equity securities shall be satisfied in accordance with the terms and procedures established by the legal acts of the Republic of Lithuania.

**Issue cancellation risk.** Investors have to note that non-equity securities issue in certain cases may be considered failed and cancelled.

Issue of the reference item-linked notes, investment notes and structured notes may be deemed failed or cancelled if the established actual values of variables of the issue (participation ratio, range of interval values of the reference item, etc.) are lower than the lowest values of variables established in the Final Terms of such issue (or higher than the highest values of variables established in the Final Terms of such issue). Expected lowest (or highest) values of such variables shall be specified in the Final Terms of the issue. Actual values of variables shall be published on the date specified in the Final terms of the issue on the Bank's website [www.seb.lt](http://www.seb.lt).

The structured note issue shall be deemed failed and cancelled if within the structured note subscription period at least one enforcement event related to the third party credit risk occurs.

Non-equity securities issue may be deemed failed and cancelled if the nominal value of subscribed non-equity securities is lower than the value established in the Final Terms. If at the same time several issues of non-equity securities are offered (and the subscription periods of such issues coincide,



maturity term is identical and they are linked to the same reference item (in case of reference item linked notes, investment notes and structured notes), such issues may be deemed failed and cancelled if the total nominal value of the subscribed non-equity securities issues is lower than the value established in the Final Terms.

Any issue of the reference item linked notes, investment notes and structured notes may be deemed failed and cancelled if economic, financial and political events that might prevent from a successful issue of non-equity securities occur.

Information about a cancellation of the issue shall be published on websites of the Bank and placement agents within the period established in the Final Terms. The Final Terms shall also specify the procedure for repayment of funds for the subscribed non-equity securities.

If within the subscription period of reference item linked notes, investment notes and structured notes any events beyond the Bank's control occur and such events cause for investors risk factors related to reference item linked notes, investment notes and structured notes, i.e., risk of reference item value adjustment and change of the calculation method and premium calculation risk (see more in chapter "Issue-related risk factors"), the Bank shall have a right to cancel the issue of non-equity securities in respect of which the specified risk factors occurred during the subscription period.

If any event beyond the Bank's control, leading to the above-mentioned risk factors and consequences thereof with respect to the investors, occurs and more than 7 (seven) business days remain until the end of the subscription period of non-equity securities, the Bank shall have a right to cancel non-equity securities issue and shall have a right to apply the measures listed in the chapter "Issue-related risk factors" (change of the reference item, change of premium calculation method or change of a premium value). In such case, the Bank shall provide an opportunity for investors within the period of 5 (five) business days from the amendment date of the Final Terms of the issue, to refuse of the subscribed non-equity securities and shall refund a subscription price of non-equity securities effective on the announcement date of the Annex to the Final Terms (i.e. the Bank shall refund a subscription price of non-equity securities and also interest accrued within the subscription period) and subscription fee.

If any event beyond the Bank's control occurs, leading to the above-mentioned risk factors and consequences with respect to the investors, and 7 (seven) or less business days remain until the end of the subscription period of non-equity securities, the Bank shall cancel such non-equity securities issue. In such case, information about cancellation of the issue shall be immediately published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). Investors within 5 (five) business days from the date of announcement about the issue cancellation shall be refunded a subscription price of non-equity securities effective on the issue cancellation date (i.e. the Bank shall refund a subscription price of non-equity securities and also interest accrued within the subscription period) and subscription fee.

**Currency risk.** All payments related to non-equity securities issues and redemption thereof shall be made in the currency in which the non-equity securities issues are denominated. If an investor invests into non-equity securities which are not denominated in the investor's home currency (i.e., investor's currency), he will be exposed to movements in exchange rates that may adversely affect the value of the holding. This includes the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which non-equity securities are denominated or revaluation of investor's currency) and the risk that authorities with jurisdiction over investor's currency may impose or modify exchange controls.

Specifically, if non-equity securities are issued in Litas and within the maturity term thereof the Euro (or any other currency) becomes national currency of the Republic of Lithuania, the amount to be

paid for redeemable non-equity securities to investor shall be calculated according to the exchange rate of the Litas with the Euro (or another currency) in accordance with the legal acts.

The investors should note that in case of the reference item linked notes, investment notes and structured notes, any changes in particular exchange rate within the entire maturity term of the above securities may have impact on profitability of such non-equity securities, i.e., changes in the value of reference item linked notes, investment notes and structured notes until redemption date of such non-equity securities, and also the value of such non-equity securities on the redemption date thereof (redemption price), and the investors shall have to assume this currency risk. This includes the risk that the non-equity securities and the derivative of the reference item to which such non-equity securities are linked may be denominated in different currency. In such case, movements in exchange rates between currencies of the denomination of the non-equity securities and the denomination of the derivative may affect (positively or negatively) the value of investor's holdings. In case of such different currency denomination of non-equity securities and derivative of the reference item to which these non-equity securities are linked, the Final Terms shall specify the actual currency risk related to each particular such non-equity securities issue, i.e., the currencies and relevant changes in exchange rates that may influence the profitability of such non-equity securities.

**Inflation risk.** Investors subscribing for non-equity securities shall accept the risk of possible decrease in non-equity securities real value due to inflation.

**Tax and legal risk.** If legal acts related to non-equity securities of the Republic of Lithuania are amended or the state tax policy is changed, non-equity securities issued under this Programme may become less attractive for all investors or for certain groups of investors. The above may result in lower liquidity of non-equity securities and/or price and net yield of non-equity securities issued under this Programme. Investors willing to subscribe for non-equity securities issued under this Programme should consider the existing legal regulation on investment into non-equity securities in the relevant jurisdiction and shall also focus on and evaluate the taxation requirements applicable to income generated from non-equity securities.

**Rating downgrade risk.** Investors subscribing for non-equity securities issued under this Programme shall accept the risk that the market demand for non-equity securities issued by the Bank may decrease as well as the price thereof in case of deterioration of the Bank's financial condition and/or the downgrade of SEB Group's rating, or if the estimated credit rating of the Bank is lower than SEB Group's credit rating, which may have a material adverse effect on the non-equity securities, resulting in lower liquidity of non-equity securities and/or price.

**Risk related to securities admission to the trading lists on the regulated market.** Non-equity securities issued under this Base Prospectus may be admitted to the trading lists on regulated markets (Debt Securities Trading List of NASDAQ OMX Vilnius Stock Exchange, trading lists of other regulated markets). If the Final Terms of the issues under the Programme specify that the request to admit the issued non-equity securities to trading on the regulated market may be submitted, the investor subscribing for non-equity securities issued by the Bank in the primary trading shall assume the risk that due to technical or other reasons, the Bank's application to admit the securities to trading on the regulated market may be rejected. In such case, liquidity of the non-equity securities may decrease and certain groups of investors due to limitations established in the legal acts may be forced to sell the securities subscribed on the primary trading and it may result in decrease of the price of the securities.

**Risk related to the shortening of the issue subscription period.** If the coupon bond and discount bond issues are of an unlimited size, the Final Terms of the issue shall establish that the Bank, taking into consideration the number of subscribed bonds and market interest rates, shall have a right to unilaterally shorten the issue subscription period specified in the Final Terms. The investor shall assume the risk that due to shortening of the subscription period for bonds the investor may fail to subscribe on time for such non-equity securities.

The Bank, taking into consideration the number of subscribed structured notes and market interest rates, shall have a right to unilaterally shorten the issue subscription period specified in the Final Terms, therefore the investor shall assume the risk that due to shortening of the subscription period of structured notes the investor may fail to subscribe on time for such non-equity securities.

This includes also the risk that investors having an opportunity to choose a subscription day for non-equity securities and also the relevant non-equity securities subscription price applicable on such day assumes the risk that their order to subscribe for non-equity securities may be rejected due to shortened subscription period.

**Risk related to the subscription through placement agents in Latvia and (or) Estonia**

In case of issues of limited size of non-equity securities, the investors subscribing for non-equity securities through placement agents in Latvia and (or) Estonia assume the risk that their order may be rejected due to the fact that the payment day for such investors may be the final day of the subscription period, thus during the non-equity securities subscription period up to the final day of subscription period the whole issue of non-equity securities may already be subscribed by other investors. This means that, in contrary to the subscription for non-equity securities through the Bank, such investors shall not be deemed as having subscribed for the non-equity securities up to the final day of the subscription period. In case of an issue of limited size, the non-equity securities are allocated by the time priority principle, therefore, the investors who actually subscribe and pay for the non-equity securities on the final day of subscription period should consider this unfavourable condition.

The Final Terms may specify that if the investors subscribe for non-equity securities through placement agents in Latvia and (or) Estonia, their right to dispose of the funds necessary to pay for the non-equity securities may be limited within the whole period from the day they applied for subscription until the payment day (which is the final day of the subscription period).

*Risk factors applicable to reference item linked notes, investment notes and structured notes*

**Premium risk.** In case of an unfavourable change in value of the reference item to which the non-equity securities are linked, i.e., the change in value of the reference item is different from that established in the Final Terms, or (non)occurrence of a certain credit event (if the Final Terms provide that the premium for one redeemable non-equity security or interim premium payable within the maturity term of non-equity securities depends on (non)occurrence of the credit event in respect of a certain legal entity), the premium payable for one redeemable non-equity security on the redemption date, or interim premium payable within the maturity term of non-equity securities shall be equal to 0 (zero). Investors should note that in case of a unfavourable change in value of the reference item, i.e., the change in value of the reference item is different from that established in the Final Terms, or (non)occurrence of a certain credit event (if the Final Terms provide that the premium for one

redeemable non-equity security or interim premium payable within the maturity term of non-equity securities depends on (non)occurrence of the credit event in respect of a certain legal entity), the investor on the redemption date of the non-equity securities shall be paid only the nominal value of non-equity securities (in case of reference item linked notes). However in case of investment notes and structured notes the investors are not guaranteed that the redemption price shall not be lower than the nominal value of non-equity securities, i.e., the investor assumes the risk of loss of the subscription fee (if any), and also the loss of the additionally invested funds if non-equity securities were issued with the risk premium. Investors should also pay attention to the fact that the risk premium is used to increase values of the issue variables (participation ratio, the range of interval values of the reference item, expected value of the premium, etc.) and is not included in the redemption price of the non-equity securities.

If the Bank prior to the specified redemption date mandatorily purchases the structured notes from the investors, the premium shall not be paid to investors. In such case, the Bank shall transfer to the investors the securities of the third party or relevant claims rights to such securities, or other securities (replacing the above securities), issued by the same third party or relevant claims rights to such securities or any portion thereof, together with a payment in cash. The amount of the payment in cash depends on the amount to be received by the Bank for the termination of the derivative transaction of the reference item. The derivative transactions should be terminated no later than on the following business day after the date of enforcement event. The payment in cash shall be calculated taking into consideration the size of the structured note issue and values of the issue variables (participation ratio, the range of interval values of the reference item, etc.) and interest (coupon) (if interest (coupon) payment is specified in the Final Terms of such issue) accrued until the date of mandatory purchase (such date excluded).

**Risk of reference item value adjustment and change of calculation method.** If any price or value of the reference item, which is announced by the stock exchange or by an agency announcing and/or calculating the reference item value, and used to calculate and fix any payouts to investors, is modified, the Bank shall have a right to recalculate any amounts payable to investors to the extent necessary for such modification, following the principle of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

If on the valuation date of the reference item or prior to such date, the agency announcing and/or calculating the reference item value informs that a major amendment to the formula for calculating the reference item value or to the calculation method shall be made, or the value of the reference item shall be adjusted, or that the reference item shall be materially modified in any other way (i.e., another change shall be made that is not specified in the formula or method), or if the reference item value calculation and/or announcement is suspended temporarily or for an unlimited period, and if at least one of the above events makes a material impact on calculation of the amounts of the gain payable to the investor, the actions specified below may be taken, following the principle of goodwill, common practice recognized in the international financial market and acting in the interests of investors:

- the reference item may be used, the value of which is calculated in accordance with the formula and the calculation method effective prior to the replacement of reference item, failure to calculate its value or prior to the permanent cancellation of the reference item. The other reference items that were included into the reference item impacted prior to its replacement, failure to calculate its value or cancellation of such reference item should be included into the reference item being calculated (if it depends on the values of several other reference items), or
- valuation date of the reference item may be moved to the nearest business date of the stock exchange and/or the market, where such reference item is traded, and also the stock

exchange(s) and/or market(s), where futures and/or options of such reference item are traded, when the suspension of calculation and/or announcement of the reference item value expires. If the reference item valuation date is moved 8 (eight) business days in a row of the above-mentioned stock exchange and/or the market and the calculation and/or announcement of the reference item value is still suspended, then the eighth business date of the stock exchange(s) and/or market(s) shall be the reference item valuation date, provided that the Bank calculates the reference item value taking into consideration the reference item formula and calculation method applied prior to the suspension of the reference item valuation and shall include into value of the reference item being calculated (if it depends on the value of several other reference items) other reference items, which were included into the reference item prior to suspension of calculation of such reference item;

- reference item may be replaced with another reference item of a similar investment strategy;
- premium calculation method or premium value may be amended, or premium value to be paid on the redemption date of the non-equity securities may be established in advance.

The Bank shall inform the holders of securities about the amended calculation method of the reference item value, changed reference item, amended premium calculation method or premium value, or the premium value established in advance by announcing the above information on the Bank's website [www.seb.lt](http://www.seb.lt).

Investors should note that the risk of reference item value adjustment or change of the calculation method of the reference item value (including but not limited to replacement of the reference item) exists not only within maturity term of reference item linked notes, investment notes or structured notes issues but also during the subscription period of such non-equity securities. In such case, the Bank shall have a right to cancel the issue of the non-equity securities or to apply the above-mentioned measures (reference item replacement, change of the premium calculation method or change of its value).

If any event beyond the Bank's control, resulting in the above-mentioned risk factor with respect to the investors, occurs and more than 7 (seven) business days remain until the end of the subscription period of non-equity securities, the Bank has a right to cancel non-equity securities issue in respect of which the said risk factor arises, if the consequences of the above risk may violate the interests of investors, or to impose the above listed measures. In case of the issue cancellation, the Bank shall immediately announce about it on its website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). If the Bank considers it necessary, it is entitled to announce the event of issue cancellation as a material event of the Bank and inform the investors pursuant to the relevant requirements established in the legal acts. The investors within 5 (five) business days from the announcement about the issue cancellation shall be paid the non-equity securities subscription price effective on the issue cancellation date (i.e., non-equity securities subscription price paid together with the interest accrued within the subscription period shall be refunded to the investor) and the subscription fee. If the above specified measures are implemented, the following actions shall be executed: a) the amendments to the Final Terms related to the consequences of the event that occurred beyond Bank's control shall be set forth in the Annex to the Final Terms to be submitted to the Bank of Lithuania and published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved); b) information about amendments to the Final Terms shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). In such case, the Bank shall give an opportunity for investors to refuse of the subscribed non-equity securities within 5 (five) business days from the amendment of the Final Terms of the issue and shall pay non-equity securities subscription price effective on the date of



announcement of the Annex to the Final Terms (i.e., shall refund a non-equity securities subscription price paid together with the interest accrued within the subscription period) and the subscription fee.

If any event beyond the Bank's control occurs causing the above mentioned risk factor and consequences with respect to the investors, and 7 (seven) or less business days remain until the end of the subscription period of non-equity securities, the Bank shall cancel such non-equity securities issue. In such case, the Bank shall immediately announce about cancellation of the issue on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). The investors within 5 (five) business days from the announcement about the issue cancellation shall be refunded the subscription price of non-equity securities effective on the issue cancellation date (i.e., non-equity securities subscription price paid together with the interest accrued within the subscription period shall be refunded) and the subscription fee.

**Unforeseen events in the markets.** If any unforeseen event occurs on the valuation date of the reference item value, which influences the calculation of the amounts payable to investors, the valuation date of the reference item may be moved to the nearest business day of the stock exchange(s) and/or market(s), where such reference item is traded, and also of the stock exchange(s) and/or market(s), where futures and/or options related to such reference item are traded, when the unforeseen events have ended. The Bank shall seek to immediately notify the holders of non-equity securities about such unforeseen events, however shall not assume such obligation. If the reference item valuation date is moved 8 (eight) business days in a row of the above-mentioned stock-exchange(s) and/or market(s) and unforeseen events still continue to last, the eighth business day of the above mentioned stock exchange(s) and/or market(s) shall be the reference item valuation date, provided that the Bank calculates the reference item value, taking into consideration the reference item value formula and calculation method, applied prior to occurrence of unforeseen events, at the value of the reference items included into the underlying reference item to which non-equity securities are linked and announced by relevant stock exchange or market, or at the market value of such reference items. If the unforeseen events influence a specific reference item, the Bank shall calculate the value of such reference item following the principle of goodwill common practice recognized in the international financial market and acting in the interests of investors.

Unforeseen events mean the following:

- general trade suspension or trade limitation on the stock exchanges or markets, where such reference items and /or futures and/or options related to such reference items are traded and/or which announce the values of such reference items;
- other interruptions of stock exchange and markets preventing from making transactions in reference items, futures and/or options related to such reference items, as well as preventing from getting the values of the reference items, futures and/or options related to such reference items;
- early closure of regular trading on the stock exchanges and markets, except for the cases when relevant stock exchanges and markets inform at least 1 (one) hour prior to regular trade closure on stock exchanges and markets.

If profitability of non-equity securities depends on changes in value of several reference items (a basket of reference items) and on the valuation date of the interim value of the basket of reference items it is impossible to calculate the value of one or several reference items due to any unforeseen events, the value of the basket of reference items is calculated using (i) the values of such reference items in respect of which unforeseen events did not occur and (ii) the values of the reference items in respect of which unforeseen events occur, if such values of such reference item were determined. Valuation date of the reference items, in respect of which unforeseen events occur, shall be moved to the nearest business day of the stock exchange(s) and/or market(s), when unforeseen events have



ended. If valuation date of the reference item, in respect of which unforeseen events occur, is moved 8 (eight) business days in a row of the stock exchange(s) and/or market(s) and unforeseen events still continue to last, the eighth business day of the stock exchange(s) and/or market(s) shall be the reference item valuation date, provided that the Bank calculates the value of such reference item following the principles of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

Business day of the stock exchange(s) and/or market(s) is a day when the stock exchange(s) is regularly trading in the reference items as well as in futures and/or options of a relevant reference item and/or market(s), where a relevant reference item, futures and/or options of a relevant reference item are being traded.

**Risk of unforeseen events related to commodities.** Investors should note that they assume the additional risk of unforeseen events related to commodities if profitability of non-equity securities' issue depends on the change in value/price of the particular commodity. The Bank shall fairly and reasonably from the economic point of view identify which of the below specified unforeseen events may occur with respect to commodities. Unforeseen events related to commodities mean the following:

- market disruption when the stock exchange executing trading in commodities and in futures of relevant commodities cannot notify or announce the closing price of the respective commodity or future transaction, or when the closing price of the respective commodity or future is temporarily or permanently not announced or unknown;
- trading disruption, i.e., general trading suspension or trading limitation on the stock exchange executing trading in commodities and futures. Suspension of the trading in commodity or futures shall be deemed general and effective only if one of the below specified factors exist: (1) trading in commodity or futures is suspended during the entire valuation day; or (2) all trading in the respective commodity and futures is suspended on the valuation day at any time after trade opening, if notified about such suspension less than 1 (one) hour prior to such suspension of trading in commodity and futures, and commodity and futures trading is not resumed until closure of the regular trading session; (3) if the relevant stock exchange sets the limits of price change (fluctuation limit) of the commodity and future, and closing price of the commodity or future is higher or lower than the limit set by the stock exchange;
- commodity disappears, when trading in commodity futures is completely terminated; the commodity disappears or trading in such commodity is completely terminated; the commodity disappears but irrespective of that the stock exchange still announces the commodity price, or if trading in commodity or futures is not taking place, however it is not completely terminated in the stock exchange;
- change in calculation formula, if formula or calculation method of the closing price of the commodity or future changes;
- change in composition, if the composition, quantity or structure of the commodity or future changes.

If any unforeseen events related to commodities arise or occur on the valuation date of the commodity price, which influences the calculation of the amounts payable to the investor, the Bank shall determine the price of commodity in respect of which unforeseen events occurred based on the price of another closest kind of such commodity. If it is impossible to determine the commodity price, the commodity price valuation date may be moved to the nearest commodity price valuation date when such unforeseen events cease to exist. If the commodity price valuation date is moved 2 (two) commodity valuation business days in a row and unforeseen events still continue to last, the Bank in accordance with the relevant legal acts, following the principle of goodwill and common practice

recognized in the international financial market and acting in the interests of investors shall put best efforts to determine the commodity price based on the respective commodity price announced by other stock exchanges or investment banks, which announce the respective commodity price. If it fails to determine the commodity price within 3 (three) business days starting from the date when the unforeseen events in respect of commodities occurred or were identified, the Bank shall determine the commodity price by itself in accordance with the relevant legal acts, following the principle of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

Business day for commodity valuation is the day when the relevant market announces the commodity price during its regular trading hours or another relevant information source announces the commodity price.

**Risk of unforeseen events related to exchange rate.** Investors should note that the additional risk of unforeseen events related to exchange rate exists if profitability of non-equity securities' issue depends on fluctuations of the currency exchange rate as a reference item to which non-equity securities are linked. The Bank shall fairly and reasonably from the economic point of view identify which of the bellow listed unforeseen events may prevent from fixing the exchange rate. Unforeseen events related to exchange rate mean the following:

- exchange rate is not announced or it is impossible to fix it in any other ways;
- exchange rate is not announced and it may only be fixed based on other currency exchange rates;
- the premium value depends on the fluctuations of the currency exchange rate of the country and the government of that country fails to timely settle for the securities issued, return the funds lent, pay coupon or other due amounts or announces about amendments to the schedule of due amounts payable or terms for settlement;
- other events beyond the Bank's control occur in the country above and it becomes impossible to fulfil obligations under the derivative transaction.

If the currency exchange rate may not be fixed on the specified date or other unforeseen events preventing from fixing the exchange rate on its fixing date or within the nearest 2 (two) business days after the specified date occur, then the Bank following the principle of goodwill and recognized practice shall fix the currency exchange rate by itself no later than on the third business day of currency exchange rate fixing after the specified date of initial or final currency exchange rate fixing.

Business for currency exchange rate fixing is any day when relevant currency markets are open and they execute settlements in such currency and related transactions, and commercial banks executing settlements in respective currency are open.

**Premium calculation risk.** The investors should note that the Bank has a right to change the premium calculation method (including the right to replace the reference item) or its value, or to calculate in advance the premium value to be paid on non-equity securities redemption date or on any other dates of premium payment, specified in the Final Terms, seeking to minimize or totally eliminate the economic impact on interests of holders of non-equity securities, if prior to non-equity securities redemption date any of the below events occur:

a) due to the factors that occur beyond the Bank's control, the risk management costs of the derivative transaction entered significantly increase, the derivative transaction is terminated or derivative transactions is replaced in any other way;

b) factors (related to amendments of legal acts, etc.) occur preventing the Bank to subscribe, manage or dispose of the reference items determining profitability of non-equity securities, or the reference items that determine profitability of non-equity securities are nationalized, expropriated or an order is given to transfer thereof in any other way to the government or any other public institution, or the right to manage, use or dispose thereof is limited due to liquidation, bankruptcy, insolvency, dissolution or winding-up or other similar procedure of the issuer of the reference item (if

relevant) or the legal entity that issued the reference items fails to fulfil its obligations under the issued reference items (e.g. fails to timely pay the coupon), or it is publicly announced that the terms of fulfilment of obligations related to the reference items and/or disposal terms of such reference items are amended (e.g. the nominal value of the reference items is reduced, redemption date is deferred, the reference items are replaced with other reference items, etc.);

c) due to factors that occur beyond the Bank's control, certain conditions arise due to which the reference items to which non-equity securities are linked are excluded from the securities trading lists (or trade in such reference items is suspended).

The Bank shall change the premium calculation method or its value on the basis of the above events following the principle of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

Investors should also note that the Bank shall have a right to change (recalculate) the share initial (strike) value and/or change the participation ratio and/or other variables and/or change the calculation of share final value, if reference items to which non-equity securities are linked are shares and if until the redemption date of non-equity securities beyond the Bank's control certain events occur or conditions arise (e.g. increase/decrease of the authorised capital, increase/decrease of the share nominal value, reorganisation of the issuer of the shares, etc.), due to which the nominal value of shares to which non-equity securities are linked changes.

The Bank shall put the best efforts to inform the holders of non-equity securities about the amended premium calculation method or premium value, the premium value determined in advance, changed (recalculated) initial (strike) value of the reference item or amended values of variables by announcing the above information on website [www.seb.lt](http://www.seb.lt), but does not assume any responsibility for announcing such information.

Investors have to note that the premium calculation risk exists not only within the maturity term of reference item linked notes, investment notes and/or structured notes, but also within subscription period of such non-equity securities. In such case, the Bank has a right to cancel non-equity securities issue or impose the above specified measures (change the premium calculation method (including the right to replace the reference item) or its value, or to establish in advance the premium value to be paid on the non-equity securities redemption date or on other days of premium payment specified in the Final Terms.

If any event beyond Bank's control resulting in the above-mentioned risk factor with respect to the investors occurs and more than 7 (seven) business days remain until the end of non-equity securities subscription period, the Bank shall have a right to cancel non-equity securities issue in respect of which the specified risk factor arises, if the consequences of the above risk may violate the interests of investors, or the Bank shall have a right to impose the measures, mentioned in the above description of the "Risk of reference item value adjustment and change of calculation method". In case of the issue cancellation, the information shall be immediately announced on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). The investors within 5 (five) business days from the announcement about the issue cancellation shall be paid the non-equity securities subscription price effective on the issue cancellation date (i.e., non-equity securities subscription price paid together with the interest accrued within the subscription period shall be refunded to the investor) and the subscription fee. If the above specified measures are implemented, the following actions shall be executed: a) the amendments to the Final Terms related to the consequences of the event that occurred beyond Bank's control shall be set forth in the Annex to the Final Terms to be submitted to the Bank of Lithuania and published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved); b) information about amendments to the Final Terms shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on the

websites of the placement agents (if more placement agents are involved). In such case, the Bank shall give an opportunity for investors to refuse of the subscribed non-equity securities within 5 (five) business days from the amendment of the Final Terms of the issue and shall pay non-equity securities subscription price effective on the date of announcement of the Annex to the Final Terms (i.e., shall refund a non-equity securities subscription price paid and the interest accrued within the subscription period) and the subscription fee.

If any event beyond Bank's control occurs causing the above-mentioned risk factor and consequences with respect to the investors and 7 (seven) or less business days remain until the end of the subscription period of non-equity securities, the Bank shall cancel such non-equity securities issue. In such case, the information shall be immediately announced on the Bank's website [www.seb.lt](http://www.seb.lt) and on the websites of the placement agents (if more placement agents are involved). The investors within 5 (five) business days of announcement about the issue cancellation shall be refunded the subscription price of non-equity securities effective on the issue cancellation date (i.e., non-equity securities subscription price paid together the interest accrued within the subscription period shall be refunded) and the subscription fee.

**Risk of early redemption.** The investor shall assume the risk that profitability of securities in case of early redemption of the non-equity securities may be lower compared to profitability of non-equity securities held until the redemption date if the Final Terms of non-equity securities establish that under certain conditions specified in the Final Terms, non-equity securities shall be redeemed on the specified dates prior to the non-equity securities redemption date.

*Risk factors applicable to investment notes and structured notes*

#### **The risk of loss of invested funds.**

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

***In case of investment notes.*** If from the valuation date of the initial (strike) value of the reference item until the valuation date of its final value, or on the particular date specified in the Final Terms, the certain conditions specified in the Final Terms of the issue occur (e.g. reference item value reaches the specified limit, etc.), the investment is not backed up by capital guarantee, i.e., the investor assumes the risk that the redemption price of investment notes may be lower than the nominal value of such non-equity securities. Thus, the investor may lose all invested amount or a portion thereof.

Investors should note that the risk of loss of the invested amount in respect of the investment notes may appear also if any of the below events occur prior to the redemption date of the investment notes:

a) due to the factors beyond the Bank's control, the risk management costs of the derivative transaction entered significantly increase, the derivative transaction is terminated or replaced in any other way;

b) factors (related to amendments to legal acts, etc.) not permitting the Bank to subscribe, manage or dispose of the reference items, which determine profitability of investment notes, occur, or the reference items that determine profitability of investment notes are nationalized, expropriated or an order is given to transfer thereof to the government or any other public institution in any other way, or due to liquidity, bankruptcy, insolvency or other similar procedure the right to manage, use or dispose thereof is limited, or the legal entity that issued the reference items fails to fulfil its obligations under

such issued reference items (e.g. fails to timely pay coupon), or it is publicly announced that the terms of fulfilment of obligations related to the reference items and/or disposal terms of such reference items are amended (e.g. the nominal value of the reference items is reduced, redemption date is deferred, reference items are replaced with other reference items, etc.);

c) due to factors beyond the Bank's control, conditions arise due to which the reference items to which investment notes are linked are excluded from the securities trading lists (or trade in such reference items is suspended).

If at least one of the above specified events occurs, the investment is not backed by capital guarantee, i.e., the investor assumes the risk that the redemption price of the investment notes may be lower than the nominal value of such non-equity securities, i.e., the investor may lose all invested amount or a portion thereof.

The Bank shall immediately inform the holders of non-equity securities about occurrence of the above specified events and about the fact that investment notes are no longer backed up by capital guarantee by announcing about it on its website [www.seb.lt](http://www.seb.lt). The Bank seeks to minimize or totally eliminate the economic impact of the above-mentioned events on interests of holders of non-equity securities, following the principles of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

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

#### *Risk factors applicable to structured notes*

**Third party credit risk.** The investors subscribing for the structured notes shall assume the risk that upon occurrence of at least one enforcement event related to the third party credit risk, the Bank shall mandatorily purchase the structured notes from investors and shall transfer as a payment the securities of the third party specified in the Final Terms or relevant claims rights or any portion thereof or, other securities issued by the same third party replacing the above securities or relevant claims or any portion thereof and payment in cash. Enforcement events are related to the creditworthiness of the third party, therefore, the risk exists that in case of third party insolvency, bankruptcy, moratorium or other similar situation, the third party shall fail to settle with the investor, after the Bank mandatorily purchases the structured notes from investors and transfers to the investor (as a payment) the securities of the third party specified in the Final Terms or relevant claims rights or any portion thereof or other securities issued by the same third party replacing the above securities or relevant claims rights or any portion thereof.



### 3. ESSENTIAL INFORMATION

#### 3.1. *Interests of natural and legal persons involved in the issues*

At the moment of the approval of the Base Prospectus there is no interest of natural and legal persons involved in the issues under the Programme. Any interests of related parties arising in relation to a particular issue of non-equity securities issued under this Base Prospectus shall be specified in the Final Terms.

#### 3.2. *Reasons of the offer and use of proceeds*

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

### 4. INFORMATION ABOUT THE SECURITIES TO BE OFFERED

#### 4.1. *Description of the type and class of the securities, including the ISIN (International Securities Identification Number) or other security identification code*

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

- Coupon bonds;
- Discount bonds;
- Reference item linked notes;
- Investment notes;
- Structured notes;
- Any combinations of the above non-equity securities.

Non-equity securities issued under the Programme may be short-term (up to 1 year) and from 1 to 10 year term maturity, non-subordinated, non-guaranteed and non-convertible.

After the approval of the Base Prospectus by LB and after announcement of the Final Terms of each issue, prior to the start of the subscription period, LCSD shall be requested to provide the ISIN code for each issue of the securities under the Programme. As soon as the subscription period of particular issue of non-equity securities ends and if the issue is deemed valid, a separate general account shall be opened with LCSD. If the Bank issues coupon or discount bonds, which at the end of subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date, LCSD shall not be requested to provide an ISIN code for the new issue; and the ISIN code, provided by LCSD for the previous bond issue of the same type, shall be used. LCSD shall be requested to make adjustments (increase) on the size of the issue in the general account of the previous bond issue, without opening any new general account with LCSD for the new issue. The ISIN code provided for each issue shall be specified in the relevant non-equity securities' subscription agreement.

#### 4.2. *Legislation governing securities issue and offering*

Non-equity securities shall be issued following the requirements of the below legal acts (valid at the time of reference):

- The Company Law of the Republic of Lithuania;
- The Law on Securities of the Republic of Lithuania;



- The Law on Markets in Financial Instruments of the Republic of Lithuania;
- The Civil Code of the Republic of Lithuania;
- Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC;
- Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
- The Rules on drawing up and approval of the prospectus of securities and disclosure of information, adopted under the decision of the Bank of Lithuania No. 03-44 of 28 February 2013;
- Amendments, supplements to all the above legal acts and related documents.

The Bank shall also follow the rules approved by International Swap and Derivatives Association (ISDA), the common practice recognised in the international financial markets and the principles established in the Chapter 2 of the Base Prospectus “Issue-related risk factors” with respect to each risk factor.

#### ***4.3. Record keeping of the securities***

The Bank under this Programme shall issue book-entry bearer non-equity securities. Each investor signing non-equity securities subscription agreement shall be entitled to apply and select a record keeper who will be in charge of keeping the subscribed non-equity securities. Unless another record keeper is specified, non-equity securities shall be recorded in the securities accounts opened with AB SEB bankas (Gedimino ave. 12, LT-01103 Vilnius).

#### ***4.4. Currency of securities issues***

Non-equity securities may be issued in the Litas or in any other currency. The issue currency shall be specified in the Final Terms of each issue. If the Bank issues coupon or discount bonds, which at the end of subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date, the new issue shall be denominated in the currency of the previous issue.

All payments related to non-equity securities issues and their redemption shall be made in the currency, which the non-equity securities issues are denominated. If non-equity securities are issued in the Litas and within the maturity period thereof the Euro (or any other currency) becomes national currency of Lithuania, the payments to be paid for non-equity securities to investors shall be calculated according to the exchange rate of the Litas with the Euro (or another currency) in accordance with the requirements established in the legal acts.

#### ***4.5. Ranking of the securities***

Issued non-equity securities are transferable non-equity securities as specified in the Law on Markets in Financial Instruments of the Republic of Lithuania. The types of non-equity securities to be issued by the Bank are specified in Chapter 4.1. Coupon bonds, discount bonds and reference item linked notes shall be attributed to bonds as defined in the Company Law of the Republic of Lithuania.

The type of non-equity securities to be issued under this the Base Prospectus shall be selected taking into consideration the financial needs, situation in the foreign and local markets and also

analytical forecast. Each issue of non-equity securities under the Base Prospectus shall be approved by the resolution of the Bank Board.

#### ***4.6. Description of rights attached to the securities and procedure for the exercise of the rights***

The below described are general rights attached to non-equity securities to be issued by the Bank and procedure for the exercise of such rights.

All holders of non-equity securities, issued by the Bank under the Programme, are granted equal rights, which are described in the Base Prospectus and in the Final Terms of each issue, and also established in the laws and other legal acts of the Republic of Lithuania.

Non-equity securities issued under this Programme, except the structured notes, shall grant the investors a right following the terms established in the Final Terms to receive from the Bank payment in cash, which is calculated according to the procedure established in this Base Prospectus and in the Final Terms of each issue.

The holders of the structured notes issued under this Programme shall be entitled following the terms established in the Final Terms of each issue to receive payment in cash from the Bank, when such non-equity securities are redeemed, or securities of the third party or relevant claims rights to such securities or securities issued by such third party replacing the securities of the third party above or relevant claims rights to such securities or any portion thereof together with a payment in cash, if such non-equity securities prior to the established redemption date are mandatorily purchased from investors, in case at least one enforcement event related to third party credit risk occurs.

The Bank shall have an obligation to settle with the holders of non-equity securities issued under the Programme and shall assume obligations against the holders of non-equity securities as creditors of the Bank.

In case of liquidation of the Bank, the claims of the creditors shall be satisfied following the procedure and order of priority established in the Civil Code of the Republic of Lithuania and other legal acts of the Republic of Lithuania.

If the Bank until the end of the maturity period of non-equity securities issued under the Programme issues more issues of non-equity securities, the new creditors shall assume the same rights as other creditors of the Bank.

The right to redeem non-equity securities prior to the specified redemption date shall not be granted to the investors. The Bank shall have a right to redeem non-equity securities prior to redemption day specified only in the cases established in Chapter 4.8 of this Programme.

The Bank under this Programme may issue coupon or discount bonds, and investors subscribing for such bonds are entitled within the bond maturity term on the dates and prices specified in advance to sell all or any portion of such issue of bonds to the Bank in the secondary trading, if such right of the investor is established in the Final Terms of such issue. The procedure for exercising the above right of the investor is established in Chapter 4.8 of the Programme.

Holders of non-equity securities shall have the below rights:

- on the date of redemption, early redemption or mandatory purchase (in case structured notes) and/or on the date of interest (coupon) payment, and/or premium payment, and/or other amounts for non-equity securities to receive from the Bank a payment established in this Base Prospectus and following the procedure established in the Final Terms of each issue under this Programme;
- sell or transfer in any other form all or any portion of non-equity securities;
- if a holder of non-equity securities is a natural person, to bequeath all securities or any portion thereof to one or several persons;

- other rights established by acts of law, including but not limited to those exercised by other creditors in respect of the Bank assets to whom the Banks' obligations are not secured by the asset pledge.

Holders of more than ½ of particular issue of bonds shall have the following rights:

- to suspend functions of the intermediary of securities' public trading, protecting the interests of the investors, and request the Bank to sign an agreement with the other intermediary of securities' public trading proposed;
- to specify to the intermediary of securities' public trading, protecting their interests that a breach committed by the Bank and related to non-securities issue is a non-material breach, therefore no actions to defend their interests are required (this provision shall not be applied in case of breaches committed by the Bank, if the bond redemption and payment of the interest (coupon) are concerned).

Coupon and discount bond issue at the end of subscription period can be merged with any previous outstanding issue of the same type of bonds effective on the new issue date only if the investors of the new issue are granted the rights identical to the rights of a previous issue.

Rights of holders of non-equity securities shall be exercised following the procedure established in this Base Prospectus and the Final Terms and valid laws and other legal acts of the Republic of Lithuania.

#### ***4.7. Terms for calculation and payment of interest (coupon), premium and other amounts to the investor***

##### ***Coupon bonds***

In case of coupon bond issue, the Issuer shall pay on the specified date the interest (coupon) on each bond, calculated as a certain percentage of the bond nominal value. Interest (coupon) on the coupon bonds may be fixed (the percentage established for the entire bond maturity term) or floating (the percentage established on the specified dates described in the Final Terms). Floating interest (coupon) on coupon bonds shall be determined taking into consideration the base interest rate of certain period and currency of London, Europe or other interbank markets (e.g. LIBOR, EURIBOR) specified in the Final Terms of a particular coupon bond issue and fixed share of interest (coupon) (if any, specified in the Final Terms of the issue). The Final Terms of the issue may also specify maximum and minimum floating interest (coupon), indicating fluctuation limits of floating interest (coupon).

Fixed interest (coupon) or its calculation method and fixed interest (coupon) payment dates shall be specified in the Final Terms of each particular issue. If floating interest (coupon) is paid, the Final Terms of the issue shall specify: a) floating interest (coupon) calculation method (formula), b) base interest rate; c) base interest rate calculation date; d) fixed share of interest (coupon) (if any); e) maximum and minimum floating interest (coupon) (if any); f) floating interest (coupon) payment dates.

Interest (coupon) for each period shall start to accrue on the date of interest (coupon) payment of the previous period. In case of the first interest (coupon) payment or if interest (coupon) is paid only once, the interest (coupon) shall start to accrue from the issue date of non-equity securities and shall accrue until the payment date of the interest (coupon) for such period or until redemption date, unless the Final Terms provide otherwise. Interest (coupon) accrued per each non-equity security shall be rounded to the nearest of 1 (one) cent value (or the smallest unit of the currency of each issue) based on the arithmetic rules for rounding. The Act/Act day count convention method shall be used to calculate the interest (coupon) payment for bond issue. This method evaluates the actual number of

days in the interest (coupon) payment period and the actual number of days in a year (365 or, in case of a leap year, 366). The Final Terms of the coupon bond issue may specify another day count convention method for calculating interest (coupon) of coupon bonds issued under this Programme.

If the Bank issues coupon bonds, which at the end of the subscription period shall be immediately merged with any previous outstanding issue of the same type bonds effective on the new issue date, the offering terms of the coupon bonds of the new issue (interest (coupon), interest (coupon) payment dates, day count convention method) shall be identical to the offering terms of the previous bond issue.

If the Bank issues coupon bonds, which at the end of the subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds effective on the new issue date, and if the range of expected interest (coupon) of the previous issue was established and actual interest (coupon) was fixed only at the end of the bond subscription period, the interest (coupon) of the new issue bonds shall be equal to the fixed interest (coupon) of the previous bond issue.

### ***Discount bonds***

Discount bonds within the subscription period shall be offered at the lower price than the bond nominal value (nominal value of the bond shall be discounted by the annual yield rate specified in the Final Terms). On the bond redemption date, the investor shall be paid the bond nominal value. The discount bonds subscription price shall be calculated using Act/365 day count convention method, which evaluates the actual number of days in the interest (coupon) payment period and considers that there are 365 days in the calendar year. The Final Terms of the discount bond issue may specify another day count convention method to be used for calculating the bond price.

If the Bank issues discount bonds, which at the end of the subscription period shall be immediately merged with any previous outstanding issue of the same type of bonds outstanding on the new issue date, the annual yield of the new issue of discount bonds shall be determined taking into consideration the market interest rate effective on the date of a new issue.

### ***Reference item linked notes***

Profitability of the reference item linked notes depends on a change in value of the reference item to be specified in the Final Terms of the issue, and on actual values of variables (participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms of the issue and on interest (coupon) (if interest (coupon) payment is specified in the Final Terms). If profitability of the reference item linked notes depends on (non)occurrence of certain credit events, the Final Terms shall specify: a) legal entity in respect of which certain event ensuring the bond profitability must occur or must not occur; b) credit event(s), which must occur or must not occur; c) source of information for investors about the above-mentioned legal entity; d) exact value of a premium.

The investor subscribing for reference item linked notes shall be refunded the note nominal value thereof on the redemption date, if the notes are retained until the redemption date.

If profitability of the reference item linked notes depends on a change in value of the reference item, and if such change in value of the reference item is favourable to the investor, i.e., the reference item value changes or does not change in a way established in the Final Terms, the investor on the redemption date of the notes shall receive the premium for a change in value of the reference item. As a rule, the premium is paid for positive change in the reference item value, however the Final Terms of the issue may establish that the premium shall be paid for any changes in the reference item value: for positive and negative changes, for changes above or below some specified level or for unchanged value of the reference item. If change in the reference item value is unfavourable to the investor, i.e., if change in value of the reference item is different from the one specified in the Final Terms, the investor

on the notes redemption date shall be paid only the nominal value of the reference item linked notes and the premium shall not be paid.

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

Premium for a change in the reference item value or for unchanged reference item value, as well as a premium for (non)occurrence of certain credit events, related to certain legal entity specified in the Final Terms of the issue, may be paid to the investors not only on the note redemption date, but also within the maturity term on the dates established in the Final Terms. It is an interim premium and its value, payment terms and dates shall be specified in the Final Terms of the issue. The premium paid on the note redemption date, and the interim premium paid within the maturity term shall be generally referred to as the “premium”. The Final Terms of each issue shall specify, whether the premium shall be paid on the note redemption date or within the maturity term on the dates, specified in the Final Terms.

The value of the premium to be paid for each reference item linked note to investors for a favourable change in reference item value can be fixed or calculated according to the formula and shall be rounded to the nearest 4 (four) decimal places based on the arithmetic rules for rounding. The Final Terms of each reference item linked note issue shall specify fixed value of the premium or its calculation method (formula).

Day count convention method Act/Act (when the premium is paid within the maturity term on the dates established in the Final Terms) evaluating the actual number of days in premium payment period and the actual number of days in a calendar year or Act/365 (when the premium is paid for the entire maturity term on the notes redemption date) evaluating the actual number of days in premium payment period and the 365 days in a calendar year shall be used to calculate premium for reference item linked notes. The Final Terms of particular issue of reference item linked notes may specify another day count convention method to be used for calculating of the value of the premium.

If notes are linked to several reference items (basket), the Final Terms may establish that the value thereof in the basket of reference items shall be established at the end of maturity term (following the procedure established in the Final Terms) taking into consideration the change in value of each reference item. The calculation method of the reference item initial (strike) and final value shall be established in the Final Terms.

The participation ratio, the range of value fluctuation of reference item, etc. are the variables of the issue. The indicative (expected) and the minimum (or maximum) values of variables of each issue shall be specified in the Final Terms. Actual values of variables shall be announced on the date specified in the Final Terms on the Bank’s website [www.seb.lt](http://www.seb.lt).

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

### ***Investment notes***



Profitability of these non-equity securities, as well as of the reference item linked notes, depends on change in value of the reference item to be specified in the Final Terms of the issue, and on value of variables (e.g. participation ratio, range of interval values of the reference item, etc.) and/or on (non)occurrence of certain credit events related to the legal entity indicated in the Final Terms of the issue and on interest (coupon) (if interest (coupon) payment is specified in the Final Terms of the issue). In certain cases the Final Terms may establish only payment of interest (coupon) without a payment of premium or other amounts.

If a value of a premium to be paid for the investment notes depends on a change in the reference item value, the Final Terms of the issue shall establish the method for calculating the premium for change in value of the reference item: whether the premium to the investor shall be paid only for increase (or only for decrease) in the value of the reference item, or for both the increase and decrease in value, or in such case when the reference item value reaches certain specified limit or when such limit is not reached, or when the reference item value remains unchanged.

If the payment of premium for investment notes depends on (non)occurrence of certain credit events, related to certain legal entity specified in the Final Terms of the issue, the Final Terms shall specify: a) legal entity in respect of which certain event ensuring the note profitability must occur or must not occur; b) credit event(s), which must occur or must not occur; c) source of information for investors about the above-mentioned legal entity; d) exact value of a premium.

Premium for change in the reference item value or for unchanged reference item value, and also the premium depending on (non)occurrence of certain credit events, related to certain legal entity specified in the Final Terms of the issue may be paid to the investors not only on the investment note redemption date but also within the maturity term on the dates established in the Final Terms. It is an interim premium and its value, payment terms and dates shall be specified in the Final Terms of the issue. The premium paid on the investment note redemption date, and the interim premium paid within the investment note maturity term shall be generally referred to as the "premium". The Final Terms of each issue shall specify whether the premium shall be paid on the investment notes redemption date or within the investment notes maturity term on the dates specified in the Final Terms.

The value of a premium to be paid to investors for each investment note for a favourable change in reference item value can be fixed or calculated according to the formula and shall be rounded to the nearest 4 (four) decimal places based on the arithmetic rules for rounding. The Final Terms of each structured note issue shall specify fixed premium value or its calculation method (formula).

Day count convention method Act/Act (when the premium is paid within the maturity term on the dates established in the Final Terms) evaluating the actual number of days in premium payment period and the actual number of days in a calendar year or Act/365 (when the premium is paid for the entire maturity term on the notes redemption date) evaluating the actual number of days in premium payment period and the 365 days in a calendar year shall be used to calculate premium for investment notes. The Final Terms of particular issue of investment notes may specify another day count convention method to be used for calculating of the value of the premium.

If investment notes are linked to several reference items (basket), the Final Terms may establish that the value thereof in the basket of reference items shall be established at the end of maturity term (following the procedure established in the Final Terms) taking into consideration the change in value of each reference item. The calculation method of reference item initial (strike) and final value shall be established in the Final Terms.

The participation ratio, the range of value fluctuation of reference item, etc. are the variables of the issue. The indicative (expected) and minimum (or maximum) values of variables of each issue shall be specified in the Final Terms. Actual values of variables shall be announced on the date specified in the Final Terms on the Bank's website [www.seb.lt](http://www.seb.lt).



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

Differently from the reference item linked notes, the investors who subscribed for the investment notes, are not guaranteed that on the note redemption date they will be refunded the nominal value of these non-equity securities. The Final Terms of the investment notes shall establish the events, upon occurrence of which (e.g. if the reference item value falls below the specified limit or change in value of the reference item within a certain period of time reaches the specified limit; in respect of certain legal entity the credit event occurs (or does not occur), etc.) the investment notes are not backed up by capital guarantee. The Final Terms of the issue shall also specify the period of time (any time from the estimation day of reference item initial (strike) value until the calculation date of its final value or a specific period of time within non-equity securities maturity term) for verifying whether the conditions when the investment notes are no longer backed up by capital guarantee exist. If within the period of time determined in the Final Terms of the issue, the specified events occur, investment notes are no longer backed up by capital guarantee, i.e., at the end of maturity term the investor shall be paid the note redemption price that may be lower than the nominal value of these non-equity securities. The Bank may issue investment notes that upon occurrence of the events specified in the Final Terms of the issue (e.g. if the reference item value falls below the specified limit or if in respect of certain legal entity the credit event occurs (or does not occur), etc.) result in loss of all invested amount, i.e., at the redemption date of the investment notes, the investor shall be paid the investment notes redemption price equal to 1 (one) cent (or to the smallest unit of a currency of the particular issue). In such case the Final Terms shall establish the events upon occurrence of which the investor loses all invested funds, i.e., the events upon occurrence of which the investment notes redemption price is equal to 1 (one) cent (or to the smallest unit of currency of a particular issue).

The investor should note that the investment is not backed up by capital guarantee, if prior to the investment note redemption date any of the below events occur:

a) due to the factors that are beyond Bank's control, the risk management costs of the derivative transaction concluded by the Bank significantly increase, the derivative transaction is terminated or is replaced in any other way;

b) factors (related to amendments of legal acts, etc.) not permitting the Bank to subscribe, manage or dispose of the reference items which determine profitability of investment notes occur; or the reference items that determine profitability of investment notes are nationalised, expropriated or it is ordered to transfer them in any other way to the government or any other public institution, or due to liquidation, bankruptcy, insolvency, dissolution or winding-up or due to other similar procedure of the issuer of the reference item (if relevant) the right to manage, use or dispose of the reference items is limited; or the legal entity that issued the reference items fails to fulfil its obligations related to the reference items issued (e.g. fails to timely pay the coupon); or it is publicly announced that the terms of fulfilment of obligations related to the reference items and / or disposal terms of such reference items are amended (e.g. the nominal value of the reference items is reduced, redemption date is deferred, reference items are replaced by other reference items, etc.);

c) due to factors that are beyond Bank's control, certain conditions arise due to which the reference items to which investment notes are linked are excluded from the securities trading lists (or trading in such reference items is suspended).

The Bank shall immediately inform the holders of non-equity securities on its website [www.seb.lt](http://www.seb.lt) about occurrence of the above specified events or about the fact that investment notes are no longer backed up by capital guarantee. The Bank shall seek to minimize or totally eliminated the economic impact of the above-mentioned events on interests of holders of non-equity securities, following the principles of goodwill, common practice recognized in the international financial market and acting in the interests of investors.

### *Structured notes*

The investors subscribing for structured notes shall assume not only the credit risk of the Bank as the issuer of non-equity securities, but also the credit risk of the third party, specified in the Final Terms of the issue. The Bank shall mandatorily purchase the structured notes from investors if within maturity term thereof at least one of the below specified enforcement events related to third party's credit risk occurs:

- third party under the established terms and procedure fails to fulfil obligations related to the securities issued by it and specified in the Final Terms of the structured notes issue (e.g. third party fails to timely pay interest (coupon), to redeem the securities specified in the Final Terms, etc.);
- it is publicly announced that at the request of third party or holders of the securities issued by third party and specified in the Final Terms of the structured notes issue, the terms of fulfilment of obligations and/or disposal terms of the securities specified in the Final Terms are amended (e.g. the nominal value of the securities issued by third party is reduced, redemption date is deferred, securities are replaced by other securities, etc.).

The Bank shall immediately announce about the enforcement event occurred on the Bank's website [www.seb.lt](http://www.seb.lt). The Bank no later than within 4 (four) business days from the enforcement event date shall mandatorily purchase the structured notes from investors. On the same mandatory purchase date, i.e., no later than on the 4th (fourth) business day from the enforcement event date, the Bank shall settle with the investors for the mandatorily purchased structured notes. The Bank shall settle with the investors for mandatorily purchased structured notes by transferring non-equity securities of the third party specified in the Final Terms or relevant claims rights, or securities issued by such third party replacing the securities of the third party above or relevant claims rights or any portion thereof, and payment in cash. For one mandatorily purchased structured note the investor shall be transferred such number of securities of the third party that the total nominal value of one mandatorily purchased structured note would be equal to the nominal value of securities of the third party transferred for one structured note purchased. If third party replaces the securities of a particular issue specified in the Final Terms with other securities issued by the same third party until the date of mandatory purchase, and the Bank is unable to transfer to the investors the securities of a particular issue specified in the Final Terms, the investor for the mandatorily purchased structured notes shall be transferred other securities issued by the same third party replacing the above securities issued by third party. The investor shall be transferred as many securities of the third party replacing the securities of a particular issue specified in the Final Terms of structured notes issue as the investor would have received, if on the replacement day of the securities he/she would have held the securities of a particular issue specified in the Final Terms of structured notes and the above specified rule would have been applied, i.e., that the investor is transferred such number of securities of the third party that the total nominal value of one mandatorily purchased structured note would be equal to the nominal value of securities of the third party transferred for one structured note purchased.

The amount of a payment in cash to the investor at the moment of mandatory purchase depends on the amount to be received by the Bank for the termination of the derivative transaction of the reference

item. The derivative transactions should be terminated no later than on the following business day after the date of enforcement event. The payment in cash shall be calculated taking into consideration the size of the issue of the structured notes issued and values of the issue variables (participation ratio, range of interval values of the reference item, etc.) as well as the interest (coupon) (if interest (coupon) payment is specified in the Final Terms of the issue) accrued until the date of mandatory purchase (such date excluded).

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

If value of the premium to be paid for the structured notes depends on change in the reference item value, the Final Terms of the issue shall establish the method for calculating the change in value of the reference item: whether the premium to the investor shall be paid only for increase (or only for decrease) in the value of the reference item, or both the increase and decrease in value, or in such case when the reference item value reaches certain specified limit or when such limit is not reached, or when the reference item value remains unchanged.

If premium for the structured notes depends on (non)occurrence of certain credit events, related to certain legal entity specified in the Final Terms of the issue, the Final Terms shall specify: a) legal entity in respect of which certain event ensuring the note profitability must occur or must not occur; b) credit event(s), which must occur or must not occur; c) source of information for investors about the above-mentioned legal entity d) exact value of the premium.

Premium for change in the reference item value or for unchanged reference item value, and also the premium depending on (non)occurrence of certain credit events, related to certain legal entity specified in the Final Terms of the issue may be paid to the investors not only on the structured note redemption date but also within the structured note maturity term on the dates established in the Final Terms. It is an interim premium and its value, payment terms and dates shall be specified in the Final Terms of the issue. The premium paid on the structured note redemption date, and the interim premium paid within the structured note maturity term shall be generally referred to as the "premium". The Final Terms of each issue specify whether the premium shall be paid on the redemption date or within the structured note maturity term on the dates specified in the Final Terms.

The value of a premium to be paid for each structured note to investors for a favourable change in reference item value can be fixed or calculated according to the formula and shall be rounded to the nearest 4 (four) decimal places based on the arithmetic rules for rounding. The Final Terms of each structured note issue shall specify fixed premium value or its calculation method (formula).

Day count convention method Act/Act (when the premium is paid within the maturity term on the dates established in the Final Terms) evaluating the actual number of days in premium payment period and the actual number of days in a calendar year or Act/365 (when the premium is paid for the entire maturity term on the notes redemption date) evaluating the actual number of days in premium payment period and the 365 days in a calendar year shall be used to calculate premium for structured notes. The Final Terms of particular issue of structured notes may specify another day count convention method to be used for calculating of the value of the premium.

If structured notes are linked to several reference items (basket), the Final Terms may establish that the value thereof in the basket of reference items shall be established at the end of maturity term (following the procedure established in the Final Terms) taking into consideration the change in value of each reference item. The calculation method of reference item initial (strike) and final value shall be established in the Final Terms.

The indicative (expected) and minimum (or maximum) values of variables of each issue shall be specified in the Final Terms. Actual values of variables shall be announced on the date specified in the Final Terms on the Bank's website [www.seb.lt](http://www.seb.lt).

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

Differently from the reference item linked notes and investment notes, if at least one enforcement event related to third party credit risk occurs, the Bank shall mandatorily purchase the structured notes from the investor prior to the specified redemption date. The investor is not guaranteed that the amount equivalent to the nominal value of such non-equity securities shall be refunded after the Bank mandatorily purchases these non-equity securities. Mandatory purchase of structured notes means that the structured notes are not anymore backed up by capital guarantee. The Bank shall settle with the investor for mandatorily purchased structured notes by transferring the securities of the third party or relevant claims rights specified in the Final Terms of a particular issue, or the securities issued by such third party replacing the securities of the third party above or relevant claims rights or any portion thereof, and payment in cash. On the date of settlement for mandatorily purchased structured notes, the value of securities of the third party transferred to the investor or other securities issued by the same third party replacing thereof and payment in cash may be lower than the nominal value of the structured notes. In such case the investor may lose a portion of invested funds, and in case of third party insolvency, bankruptcy, moratorium or in similar cases, the investor may lose the total invested amount.

**Investors should note that the subscription fee is not subject to refund when calculating the return on investment. If the Final Terms of the issue establish the subscription fee for non-equity securities, on the issue date of non-equity securities issue such fee shall be considered as the Bank's income.**

*Value dependence on change in value of reference items to which the reference item linked notes, investment notes and structured notes are linked and on (non)occurrence of certain credit events related to the legal entity and derivative transactions of these reference items*

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

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

- shares, global depositary receipts, other transferable securities equivalent to shares admitted to trading on regulated markets;
- bonds issued by private and public sector companies, institutions or organisations, including but not limited to governments, public authorities, central banks;

- indices of stocks, bonds, commodities, mixed indices (comprised of stocks, bonds, commodities and other reference items);
- units of undertakings for collective investment in transferable securities (UCITS) (e.g. mutual funds units);
- units of exchange traded funds (ETF);
- commodities (industrial metals, precious metals, energy, agricultural, other) spot and future prices;
- exchange rates;
- interest rates (e.g. base interest rate of London, Europe and other interbank markets (e.g. LIBOR, EURIBOR)).

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

Investors investing in the reference item linked notes, investment notes or structured notes should note that changes in value of non-equity securities linked to reference item prior to these securities redemption date may not correlate with the change in value of the reference item to which such non-equity securities are linked or with (non)occurrence of certain credit events related to the legal entity; it depends on the change in value of the derivative of the reference item to which these non-equity securities are linked and the changes in the market interest rates within the maturity term of such non-equity securities. For instance, if interest rates in the market increase, the value of non-equity securities linked to reference item may decrease irrespective of the change in value of the reference item or (non)occurrence of certain credit events related to the legal entity. Changes in value of non-equity securities linked to reference item prior to the redemption date may be great and bigger than the changes in value of the reference item to which such non-equity securities are linked and depend on the values of the issue variables (participation ratio, range of interval values of the reference item, etc.). In general, the bigger participation ratio, the greater changes in value of non-equity securities within the period prior to redemption date thereof.

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

Changes in the value of reference item linked notes, investment notes and structured notes until redemption date of such non-equity securities, and also the value of such non-equity securities on the redemption date thereof (redemption price) depend respectively on changes in value of the derivative transaction(s) entered by the Bank within the maturity term of such non-equity securities and the value of derivative transaction(s) at the maturity date thereof. The higher positive return of the derivative transaction(s), the higher profitability of reference item linked notes, investment notes and structured notes for the investor, i.e., higher value of such non-equity securities within the maturity term thereof and higher redemption price of such non-equity securities. In certain cases, no derivative transactions may be concluded by the Bank when issuing reference item linked notes, investment notes and structured notes under this Base Prospectus.

Settlements for the derivative transactions entered by the Bank when issuing non-equity securities under this Base Prospectus shall be made in accordance with the rules approved by International Swap and Derivatives Association (ISDA) and following common practice recognized in the international financial market.



# *Interest (coupon) payment on reference item linked notes, investment notes and structured notes*

The Final Terms of the issue of the reference item linked notes, investment notes and structured notes may specify that the investor who has subscribed for such non-equity securities, shall be paid not only the premium for change in value of the reference item and/or the premium that depends on (non)occurrence of certain credit events related to the legal entity specified in the Final Terms of the issue but shall also receive interest (coupon). Interest (coupon) may be fixed or floating and paid irrespective of the change in value of the reference item to which non-equity securities are linked and/or (non)occurrence of credit events related to the legal entity specified in the Final Terms of the issue. Interest (coupon) may be paid for the entire maturity term on the non-equity securities redemption date or on the specified dates (e.g. on annual basis). Interest (coupon) accrued per each non-equity security shall be rounded to the nearest 4 (four) decimal places based on the arithmetic rules for rounding.

Day count convention method Act/Act or Act/365 shall be used to calculate interest (coupon) accrued on the reference item linked notes, investment notes and structured notes. The Final Terms of the non-equity securities issue may specify another day count convention method to be used for calculating the value of (coupon) to be paid.

## *Fixed interest (coupon)*

If interest is paid for the entire maturity term on the non-equity securities redemption date, the interest shall be calculated according to the below formula taking into account day count convention method Act/365 evaluating the actual number of days in interest payment period and the 365 days in a calendar year:

$$I = N \times \left( (1 + r)^{\frac{t}{365}} - 1 \right)$$

I – fixed interest for the entire non-equity securities maturity term;

N – non-equity security nominal value;

r – annual interest rate;

t – issue maturity term in days.

If interest is paid in the form of coupon, the coupon payment shall be calculated according to the below formula taking into account day count convention method Act/Act evaluating the actual number of days in coupon payment period and the actual number of days in a calendar year:

$$C = N \times \frac{d}{D} \times \frac{r}{100}$$

C – coupon payment;

N – non-equity security nominal value;

d – number of calendar days in a coupon;

D – number of days in the year;

r – annual interest rate.

If the structured notes are mandatorily purchased prior to the redemption date specified, the interest (coupon) (if interest (coupon) payment is specified in the Final Terms of the issue) accrued until the mandatory purchase date (such date excluded) shall be included into the cash payment paid for investors.

If the Final Terms of the structured notes issue specify that interest shall be paid for the entire maturity term, the interest accrued until the mandatory purchase date (such date excluded) of the structured notes shall be calculated according to the below formula taking into account day count



convention method Act/365 evaluating the actual number of days in interest payment period and the 365 days in a calendar year:

$$I = N \times ((1 + r)^{\frac{T}{365}} - 1)$$

I – accrued interest;  
N – structured note nominal value;  
r – annual interest rate;  
T – structured note issue maturity term in days until mandatory purchase date (such date excluded).

If the Final Terms of the structured notes issue specify that interest shall be paid in the form of coupon, the coupon accrued until the mandatory purchase date (such date excluded) shall be calculated according to the below formula taking into account day count convention method Act/Act evaluating the actual number of days in interest payment period and the actual number of days in a calendar year:

$$C = N \times \frac{T}{D} \times \frac{r}{100}$$

C – accrued coupon;  
N – structured note nominal value;  
r – annual interest rate;  
T – structured note issue term in days until mandatory purchase date (such date excluded);  
D – number of days in the year.

Fixed interest (coupon) or its calculation method and payment dates of such interest (coupon) shall be specified in the Final Terms of the issue.

#### *Floating interest (coupon)*

Floating interest (coupon) shall be paid taking into consideration the base interest rate of certain period and currency of London, Europe and other interbank markets (e.g. LIBOR, EURIBOR) specified in the Final Terms of a particular issue and fixed share of interest (coupon) (if any specified in the Final Terms of the issue). The Final Terms of the issue may specify maximum and minimum floating interest (coupon, indicating fluctuation limits of floating interest (coupon).

If floating interest (coupon) is paid, the Final Terms of the issue shall specify: a) floating interest (coupon) calculation method (formula), b) base interest rate; c) calculation date of base interest rate; d) fixed share of interest (coupon) (if any); e) maximum and minimum floating interest (coupon) (if any); f) floating interest (coupon) payment dates.

#### ***Procedure for payment of due amounts to investor for non-equity securities***

If valuation date of the reference item, the change in value of which determines profitability of reference item linked notes, investment notes or structured notes is a non-business day, the reference item value shall be calculated on the nearest valuation business date of the particular reference item. The Final Terms of each issue of non-equity securities shall include the definition of a business day applicable to each reference item to which the notes are linked.

If a redemption day, early redemption day, payment day of interest (coupon), premium or any other amounts for non-equity securities is a non-business day, payments to investors shall be made on the nearest business day.

The Final Terms of non-equity securities issue shall specify the procedure for returning the funds for investors in case of the issue cancellation, also a calculation method of non-equity securities redemption price.

Due amounts for non-equity securities shall be disbursed to investors by transferring thereof to the account manager of non-equity securities, who shall record the non-equity securities held by the investor by the end of the business day until the funds disbursement. If the records of the non-equity securities held by the investor by the end of the business day until to the funds disbursement is kept in the Bank, the due amount shall be transferred on the payment date to the non-equity securities account specified in the securities subscription agreement or another account specified by the investor.

**4.8. *Redemption date, arrangements for the amortisation of a loan, repayment procedures and sale to the Bank in the secondary trading***

***Redemption of non-equity securities***

The Final Terms of each issue under the Programme shall specify non-equity securities redemption date. On non-equity securities redemption date, the non-equity securities shall be redeemed and due amount to the holders thereof shall be transferred:

- to account managers of the holder of non-equity securities, that manages the securities of the investor at the end of the last business day prior to the redemption day ;
- to the account specified in the non-equity securities subscription agreement or to other account specified by investor, if non-equity securities held by the investors at the end of a the last business day prior the redemption day are managed by AB SEB bankas.

It should be noted that if within the structured note maturity term at least one enforcement event related to third party credit risk occurs, the Bank shall mandatorily purchase the structured notes from the investors prior to the established redemption date. In such case the structured notes shall not be redeemed on the established redemption date.

If the Bank issues coupon or discount bonds, which at the end of subscription period shall be immediately merged with any previous outstanding issue of the same type bonds effective on the new issue date, the redemption date of the new bond issue specified in the Final Terms and the redemption date of the previous bond issue shall coincide.

A right to request for early redemption of the non-equity securities shall not be granted to the investors. The Bank shall redeem the reference item linked notes, investment notes and structured notes prior to maturity, if such right of early redemption is established in the Final Terms of the issue. In such case, the Final Terms of non-equity securities shall specify: a) special conditions, when the early redemption of non-equity securities is allowed (conditions of early redemption), b) price of the early redemption or relevant calculation method, c) dates of the early redemption. Information on the early redemption on the issued non-equity securities shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) at least 1 (one) day prior to the early redemption of non-equity securities.

The Bank shall not maintain secondary trading of the reference item linked notes, investment notes and structured notes redeemed prior to maturity and shall request LCSD to liquidate the issue prior to the specified redemption date.

### *Procedure of mandatory purchase of structured notes*

The Bank shall mandatorily purchase the structured notes from investors prior to the specified redemption date if at least one enforcement event related to third party credit risk occurs within the maturity term of the structured notes:

- the third party fails under the established terms and procedure to fulfil obligations related to securities issued by it and specified in the Final Terms (e.g. third party fails to timely pay the coupon, to redeem the securities specified in the Final Terms, etc.);
- it is publicly announced that at request of third party or holders of the securities issued by the third party and specified in the Final Terms of the issue, the terms of fulfilment of obligations related to third party securities specified in the Final Terms and / or disposal terms of such securities are amended (e.g. the nominal value of securities issued by third party is reduced, redemption date is deferred, securities are replaced with other securities, etc.);

The Bank shall immediately announce about the occurred enforcement event on the Bank's website [www.seb.lt](http://www.seb.lt) and no later than within 4 (four) business days from the enforcement event date shall mandatorily purchase the structured notes from investors. On the same mandatory purchase date, i.e., no later than on the 4th (fourth) business day from the enforcement event date, the Bank shall settle with the investors for the mandatorily purchased structured notes. The Bank shall settle with the investors for the mandatorily purchased structured notes following the bellow procedure:

- a) the investor for one mandatorily purchased structured note shall be transferred the securities of third party specified in the Final Terms of the structured note issue and relevant claims rights or securities issued by the same third party replacing the securities above or relevant claims rights or any portion thereof. For one mandatorily purchased structured note the investor shall be transferred such number of securities of the third party that the total nominal value of mandatorily purchased structured notes would be equal to the nominal value of securities of the third party transferred for one structured note. If third party replaces the securities of a particular issue specified in the Final Terms with other securities issued by the same third party until the date of mandatory purchase, and the Bank is unable to transfer to the investors the securities of a particular issue specified in the Final Terms, the investor for mandatorily purchased structured notes shall be transferred other securities issued by the same third party replacing the above securities issued by third party. The investor shall be transferred as many securities of the third party replacing the securities of a particular issue specified in the Final Terms of structured notes issue as the investor would have received, if on the replacement day of the securities he/she have held the securities of a particular issue specified in the Final Terms of structured notes and the above specified rule would have been applied, i.e., that the investor is transferred such number of securities of the third party that the total nominal value of one mandatorily purchased structured note would be equal to the nominal value of securities of the third party transferred for one structured note purchased, and
- b) payment in cash.

The amount of a payment in cash to the investor at the moment of mandatory purchase of structured notes depends on the amount to be received by the Bank for the termination of the derivative transaction of the reference item. The derivative transactions should be terminated no later than on the following business day after the date of enforcement event. The payment in cash shall be calculated taking into consideration the size of the issue of the structured note issued and values of the issue variables (participation ratio, range of interval values of the reference item, etc.) as well as interest (coupon) accrued (if interest (coupon) payment is specified in the Final Terms of a particular structured notes issue) until the date of mandatory purchase (such date excluded).

The mandatory purchase of the structured notes from investors shall be executed following the principle of delivery versus payment (DVP), i.e., on the same day the structured notes shall be mandatorily purchased and third party securities or relevant claims rights or securities replacing thereof or relevant claims rights or any portion thereof and payment in cash shall be transferred to investors. The mandatory purchase of the structured notes from investors shall be executed according to the list of holders of non-equity securities drafted at the end of 1 (one) business day prior to the mandatory purchase date. The settlement with the holders of such non-equity securities for the mandatorily purchased structured notes shall be made on the mandatory purchase date by transferring third party securities or securities replacing thereof and payment in cash:

- to the account managers of the holder of structured notes, that manages the non-equity securities of the investor at the end of the last business day prior to the mandatory purchase; or
- to the account specified in the non-equity securities subscription agreement or to other account specified by investor, if non-equity securities held by the investors at the end of the last business day prior to the mandatory purchase are managed by AB SEB bankas.

### ***Sale of securities to the Bank in the secondary trading***

#### *In case of coupon and discount bonds*

If the Bank issues coupon or discount bonds, and the investor subscribing for such bonds is granted a right within the issue maturity term to sell all or any portion of such bonds to the Bank in the secondary trading, the Final Terms shall specify the dates when the bond may be sold to the Bank and the sale prices effective on the dates when bonds are sold to the Bank. The opportunity to sell the bonds in the secondary trading on the days other than the dates specified in the Final Terms, depends only on the existing market demand.

- The date of the bond sale to the Bank in the secondary trading. The first date of bond sale to the Bank in the secondary trading shall be specified not earlier than after 1 (one) month from the issue date of the bond issue. The dates of bond sale to the Bank in the secondary trading shall be established periodically (e.g. each month, etc.); it may depend on maturity term of each issue, categories of the investors whom bonds were offered and other bond offering terms. The date of bond sale to the Bank in the secondary trading in all cases means that on such date, the Bank based on the investor's application for bond sale to the Bank in the secondary trading (hereinafter "Application for sale of securities") shall purchase from the investor all or a portion of bonds (as many as the investor requires) of a particular issue, i.e., the Bank shall debit all bonds or a portion of bonds held by the investor of a particular issue from the investor's securities account opened with the Bank and shall transfer a relevant amount to be paid for all bonds or a portion of bonds sold by the investor to the cash account opened with the Bank. The investor willing to sell all bonds or a portion of bonds of a particular issue held by him / her to the Bank in the secondary trading should submit the Application for sale of securities to the Bank on any date specified in the Final Terms of a particular issue as the date for Application for sale of securities. The transaction of bond sale to the Bank in the secondary trading signed on the date of submitting the Application for sale of securities to the Bank shall be executed on the bond sale date to the Bank in the secondary trading to be calculated as the 3<sup>rd</sup> (third) business day from the date of transaction (T+3).
- Bond sale price to the Bank in the secondary trading. The bond sale price to the Bank in the secondary trading specified in the Final Terms shall be applied on each day of the bond sale to the Bank in the secondary trading which is established periodically and specified in the

Final Terms of a particular issue. The bond sale price to the Bank in the secondary trading specified in the Final Terms in all cases means that the investor, who submits the Application for sale of securities to the Bank pursuant to the established procedure, shall receive such amount for one sold bond of a particular issue. In case of the discount bonds, the bond sale price to the Bank in the secondary trading shall be equal to the bond nominal value discounted by the annual interest fixed by the Bank; in case of the coupon bond sale to the Bank in the secondary trading, the price shall be equal to the estimated payments (coupon(s) and the nominal value), discounted by the annual interest fixed by the Bank.

- Procedure for submitting the Application for sale of securities. The investor willing to sell all bonds or any portion of the bonds held by him / her to the Bank in the secondary trading has to fill out and submit an Application for sale of securities to the Bank in the template approved by the Bank. The investor willing to sell all bonds or any portion of the bonds of a particular issue to the Bank in the secondary trading may address any branch office of the Bank specified in the Final Terms of such issue and fill out the Application for sale of securities. The date for submitting the Application for sale of securities to the Bank shall be specified in the Final Terms of the issue. If the date specified in the Final Terms for submitting the Application for the sale of securities to the Bank is non-business day, the Application for sale of securities shall be submitted to the Bank on the nearest business day following such non-business day. The Application for sale of securities must be submitted to the Bank by 3 P.M. of the date for submitting the Application for sale of securities to the Bank, specified in the Final Terms of a particular bond issue, at any branch office of the Bank, specified in the Final Terms of such bond issue. Any Application for sale of securities submitted after 3 P.M. of the date specified in the Final Terms, or on any other day prior or after the date specified in the Final Terms, or in other way but not addressing the branch office of the Bank specified in the Final Terms of a particular bond issue, shall be deemed invalid and shall not be executed. Investors have to note that the bonds (all currently held bonds or any portion thereof, depending on the number of bonds intended to be sold to the Bank) should be managed in the securities account opened on behalf of the investor with the Bank at the moment of submitting the Application for sale of securities to the Bank; in other case the Application for sale of securities shall not be executed. It also means that the Application for sale of securities shall not be executed, if the number of bonds indicated in the Application for sale of bonds at the moment of submitting the latter exceeds the number of bonds managed in the securities account opened on behalf of the investor with the Bank.

Investors willing to sell all bonds or a portion of currently held bonds to the Bank in the secondary trading (if such right is granted to the investors), the Bank may apply a certain fee for sale of securities to the Bank in the secondary trading. The fee (if any) for the sale of securities to the Bank in the secondary or relevant calculation method shall be specified in the Final Terms of a particular bond issue.

*In case of all non-equity securities issued under the Programme*

There are no intermediaries who assume an obligation to ensure liquidity of non-equity securities issued under this Programme in the secondary trading.

If the date of non-equity securities redemption, date of security sale to the Bank in the secondary trading (if such right is granted to the investors), date of mandatory purchase (in case of the structured notes) is a non-business day, the settlement for the non-equity securities, which were redeemed, sold to the Bank in the secondary trading or mandatorily purchased shall be executed on the nearest business day. If the account of the investor is changed, the investor shall immediately inform its Account Manager about the changes. Otherwise the funds and / or the securities to be transferred shall



be kept in the Bank for the period established in legal acts of the Republic of Lithuania (according to the Par. 9 of the Article 55 of Company Law of the Republic of Lithuania, the funds for coupon bonds, discount bonds and reference item linked notes shall be kept for the period of 3 years; the funds for investment notes and structured notes and transferable securities (in case of the structured notes), in accordance with the Civil Code of the Republic of Lithuania, shall be kept for the period of 10 years) and paid / transferred upon the first request of the investor.

Investors may contact the Bank if any questions arise with respect to any payments for non-equity securities redeemed or sold to the Bank (if such right is granted to the investors), and also with respect to the securities of the third party or related claims rights or other securities replacing such securities or relevant claim rights or any portion thereof to be transferred or payment in cash to be paid if the structured notes are mandatorily purchased.

If the Bank fails to timely redeem non-equity securities, to transfer funds for non-equity securities sold to the Bank in the secondary trading (if such right is granted to the investors), to transfer securities of the third party or related claims rights or other securities replacing such securities or relevant claim rights or any portion thereof or fails to pay cash payment if the structured notes are mandatorily purchased, or fails to pay the premium, accrued interest (coupon) or other due amounts for the non-equity securities and the investor lodges a written claim to the Bank, the Bank shall pay default interest of 0.02% of the overdue amount to the investor for each day of delay until the date of full settlement.

#### ***4.9. Information about profitability***

Profitability of non-equity securities to be issued under the Programme depends on: the subscription price; maturity term; whether the non-equity securities are held until redemption date; whether no enforcement events resulting in mandatory purchase of non-equity securities from the investors occur (in case of the structured notes); bond sale price to the Bank in the secondary trading following the established procedure (if such right is granted to the investors); interest (coupon or annual yield); changes in value of the reference item to which the notes are linked; subscription fees and other factors.

All amounts payable for the redeemable non-equity securities, settlement for mandatorily purchased non-equity securities (in case of the structured notes) shall be calculated following the procedure established in this Base Prospectus and in the Final Terms of each issue.

#### ***4.10. Representation of the holders of non-equity securities***

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

If the Bank issues coupon bonds or discount bonds, which at the end of the bond subscription period shall be immediately merged with any previous outstanding issue of the same type bonds effective on the new issue date, the interests of the holders of the new issue of non-equity securities shall be protected according to the agreement signed with the intermediary of securities' public trading on protection of interests of the holders of the previous bond issue. Each agreement on protection of interests of the holders of non-equity securities (coupon bonds and discount bonds) signed with the intermediary of securities' public trading shall establish the obligation of the intermediary of securities' public trading to protect also the interests of holders of the new issues of

the coupon bonds and discount bonds, which at the end of the subscription period shall be immediately merged with the previously issued and outstanding issue of non-equity securities.

The protector of interests of the holders of non-equity securities shall assume an obligation to protect the rights and legitimate interests of the holders of non-equity securities in accordance with the Company Law and other legal acts of the Republic of Lithuania by taking the identical measures necessary to protect its rights and legitimate interests that the Bank would being the holder of all non-equity securities. The provisions of the Company Law of the Republic of Lithuania regulating the mutual relationship between the bond issuer and the holder of such bonds, the content of rights and obligations shall be applied *mutatis mutandis* to all non-equity securities issued under this Base Prospectus. Based on Par. 7 of Article 55 of the Company Law of the Republic of Lithuania, the holders of more than ½ of one particular bond issue shall have a right to suspend the functions of the intermediary of securities' public trading protecting their interests, and request the Bank to sign an agreement with the other intermediary of securities' public trading proposed and/or to specify to the intermediary of securities' public trading protecting their interests that a breach committed by the Bank and related to the public offer of a particular non-equity securities issue is a non-material breach, therefore no actions to protect their interests are required (this provision shall not be applied in case of breaches committed by the public company if the redemption of non-equity securities and payment of a reasonable redemption price are concerned). If services provided by the protector of interests of the holders of non-equity securities are suspended, an agreement on protection of interests of the holders of non-equity securities shall be immediately signed with another intermediary of securities' public trading. Information about the replacement of the protector of interests of the holders of non-equity securities shall be published on the Bank's website [www.seb.lt](http://www.seb.lt).

#### ***4.11. Resolutions, authorisations and approvals by virtue of which the non-equity securities are issued***

The Board of the Bank by its resolution No. 36.1. of 2 September 2013 has decided:

1. To approve a new non-equity securities Programme of the value of LTL 1 billion (or in equivalent amount in other currency) according to which the Bank within the period of 12 months from the approval of Base Prospectus is entitled to issue short-term (up to 1 year) and from 1 to 10 years-term non-guaranteed, non-convertible and non-subordinated non-equity securities. The Bank under the Programme shall issue the below specified non-equity securities:

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

2. To authorise the Markets Department to:

- prepare the Base Prospectus of non-equity securities Programme of the value of LTL 1 billion;
- prepare the Final Terms of each non-equity securities issue;
- in accordance with Chapter VII of the Article of Association of the Bank, to submit the decisions on each issue under the Programme to the Bank's Board for approval.

#### ***4.12. Non-equity securities issue date***

The issue date of each non-equity securities shall be specified in the Final Terms.

#### ***4.13. Restrictions on transfer of securities***

Non-equity securities to be issued under this Base Prospectus shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union without any transfer restrictions. The non-equity securities to be issued under this Base Prospectus are not registered and shall not be registered following the requirements of legal acts of the US and other subordinate jurisdictions regulating the securities' market and shall not be offered or sold in any such jurisdiction except if registered in accordance with applicable laws or if relevant registration exclusions are applied. Legal and natural persons willing to subscribe for non-equity securities to be issued under this Base Prospectus must be aware of such restrictions and comply with the above requirements.

#### ***4.14. Information on taxes to be deducted at the moment of securities income disbursement***

Review on taxes applicable to the non-equity securities prepared by the Bank is provided below, however it is not and it should not be considered as tax advice. Investors willing to subscribe for the securities to be issued under the Programme should consider the income tax requirements applicable to the non-equity securities in the relevant jurisdiction.

#### ***Taxes to be deducted from non-equity securities income in Lithuania***

##### **Individual income tax**

Individual income taxation is regulated by the Law on Individual Income Tax of the Republic of Lithuania No. IX-1007 (hereinafter referred to as the "LIIT") adopted on 2 July 2002 (with all valid amendments) and other subordinate legislation.

##### ***Individual income tax applied to permanent residents of Lithuania on income received before 1 January 2014***

In accordance with Par. 20 of Part 1 of Article 17 of LIIT, interest on non-equity securities (except for non-equity securities issued by a person connected with an individual through employment relations or corresponding relations, if the person connected with the individual through employment relations or corresponding relations pays to the individual higher interest on those non-equity securities than to the other holders of the same non-equity securities) is non-taxable if the redemption of those securities commences not earlier than 366 days after the date of the issue of those securities.

In accordance with Par. 30 of Part 1 of Article 17 of LIIT income from the sale or other transfer into ownership of non-equity securities acquired after 1 January 1999 are not subject to income tax, if non-equity securities are sold or otherwise transferred into ownership no earlier than 366 days after the date of their acquisition and an individual (personally or together with connected persons) was not the owner of more than 10% of the shares (interests, member shares) of the entity, the non-equity securities whereof are sold or otherwise transferred into ownership, for 3 years preceding the end of the tax period during which non-equity securities were sold or otherwise transferred into ownership.

In accordance with Article 22 of LIIT, interest income from non-equity securities is attributed to category A income. Therefore in such cases when interest income from non-equity securities does not meet the above-mentioned tax-exemption criteria, the income tax applicable to such income is

withheld and transferred to the state budget by a person paying such benefits. Part 1 of Article 6 of LIIT establishes 15 per cent rate of income tax on interest.

Income from sales of non-equity securities in accordance with of Article 22 of LIIT are attributed to category B income. Therefore in such cases when income from sales of non-equity securities does not meet the above-mentioned tax-exemption criteria, based on Article 25 of LIIT the income tax withheld from such income following the procedure established in LIIT is estimated and paid by the individual himself/herself or by a person authorised by him/her. The Bank is not obligated and does not assume an obligation on behalf of the resident to submit a declaration, account for and pay income tax being applied to the individual's income. Part 1 of Article 6 of LIIT establishes 15 per cent rate of income tax on income from sales of non-equity securities. In addition to the above seeking to estimate taxable income based on Article 19 of LIIT, acquisition costs and paid commission fee and taxes, charges related to non-equity securities sale and any other transfer may be deducted from the selling price of non-equity securities.

*Individual income tax applied to permanent residents of Lithuania on income received after 1 January 2014*

According to the amendment of LIIT, from 1 January 2014 the above mentioned exemption for interest on non-equity securities when non-equity securities are acquired before 31 December 2013 is abolished. However, it is recommended to consult State Tax Authorities with respect to application and interpretation of the legal regulation at the moment of taxation.

In accordance with Par. 20 of Part 1 of Article 17 of LIIT when the non-equity securities are acquired after 1 January 2014, tax exemption is applied only on the amount of interest (including interest from other securities acquired after 1 January 2014 and deposits in case agreement concluded after 1 January 2014) which does not exceed LTL 10,000 per tax year.

In accordance with Par. 30 of Part 1 of Article 17 of LIIT capital gains from transfer of financial instruments (including non-equity securities) or from realization of derivatives not exceeding LTL 10,000 per tax year would also be tax exempt.

Interest income from non-equity securities received after 1 January 2014 in accordance with the Article 22 of LIIT is attributed to category B income. Also, income from sales of non-equity securities is attributed to category B income. Therefore, in such cases when mentioned income from non-equity securities does not meet the above-mentioned tax-exemption criteria, based on Article 25 of LIIT the income tax withheld from such income following the procedure established in LIIT is estimated and paid by the individual himself/herself or by a person authorised by him/her. The Bank is not obligated and does not assume an obligation on behalf of the resident to submit a declaration, account for and pay income tax being applied to the individual's income. Part 1 of Article 6 of LIIT establishes 15 per cent rate of income tax on income from interest of non-equity securities and sales of non-equity securities. In addition to the above seeking to estimate taxable income based on Article 19 of LIIT, acquisition costs and paid commission fee and taxes, charges related to non-equity securities sale and any other transfer may be deducted from the selling price of non-equity securities.

*Individual income tax applied to non-residents of Lithuania*

Based on Part 4 of Article 5 of LIIT, interest income from non-equity securities is the subject of income tax of a non-resident of Lithuania. In case if interest income from non-equity securities does not meet tax-exemption requirements established in LIIT as mentioned above for residents of Lithuania (before and after 1 January 2014), income tax is withheld and transferred to the budget of the Republic of Lithuania by the person who paid out such benefits as such income according to requirements of Article 22 of LIIT is attributed to category A income. Based on requirements of Part 1 of Article 6 of LIIT, 15 per cent rate of income tax is applied to such income.

Based on requirements of Part 1 of Article 5 of the Law on Tax Administration of the Republic of Lithuania (hereinafter referred to as the “LTA”), if international treaties signed by the Republic of Lithuania establish different rules than the taxation rules established in relevant taxation laws and such treaties are ratified, effective and applicable in the Republic of Lithuania, the rules established in such international treaties will have priority.

In accordance with Part 4 of Article 5 of LIIT capital gains received by a non-resident from non-equity securities is not subject to income tax in Lithuania.

#### Corporate income tax

Taxation procedure of legal entities is regulated by Law on Corporate Income Tax of the Republic of Lithuania Nr. IX-675 (hereinafter referred to as the “LCIT”) adopted on 20 December 2001 (as amended) and other subordinated legislation based on the above-mentioned Law.

#### *Taxation of income of Lithuanian legal entities*

Interest income from non-equity securities issued by the Bank generated by Lithuanian legal entity is subject to taxable income of such legal entity.

Lithuanian legal entity after selling non-equity securities recognises income from increase in the asset value in accordance with requirements of Article 16 of LCIT (the difference between selling price and acquisition costs). Based on requirements of Part 5 of the above Article, if the legal entity transfers non-equity securities the result of such non-equity securities transfer for the legal entity – income from increase in the asset value – is discounted by the amount reflected in income of the legal entity which transferred non-equity securities.

The above specified interest income from non-equity securities and after sale of non-equity securities - income from increase in the asset value – are included into the total taxable result of the Lithuanian legal entity taxable following the procedure established in LCIT. The Company is not obligated and does not assume an obligation for any Lithuanian legal entity to submit a declaration, account for and pay income tax being applied to the legal entity’s income.

#### *Taxation of income of foreign legal entities*

Based on requirements of Part 4 of Article 4 of LCIT, only interest income from non-equity securities is deemed subject to corporate income tax. Based on requirements of Part 1 of Article 5 of LTA, the interest income of foreign entities which are registered or otherwise organised in a state of the European Economic Area or in a state with which a double tax treaty has been concluded and brought into effect, sourced in the Republic of Lithuania and received otherwise than through their permanent establishments situated in the Republic of Lithuania shall not be subject to taxation. Interest income from non-equity securities generated in the Republic of Lithuania and received in any other way than through their permanent establishments by a foreign entity that is not registered or otherwise established in a member state of the European Economic Area or in a state, which signed a double tax treaty shall be subject to 10 per cent income tax at source of income. In accordance with requirements of Article 37 of LCIT, Bank undertakes to calculate and transfer to the budget of the Republic of Lithuania the corporate income tax at the source of income on interest paid out to foreign legal entities.

Based on requirements of Part 1 of Article 5 of LTA, if international treaties signed by the Republic of Lithuania establish different rules than the taxation rules established in relevant taxation laws and such treaties are ratified, effective and applicable in the Republic of Lithuania, the rules established in such international treaties will have priority.



*Taxes to be deducted from non-equity securities income in Latvia*Individual income tax applied to permanent residents of Latvia

Individual income taxation is regulated by the Law on Personal Income Tax of the Republic of Latvia (hereinafter referred to as the “LPIT”) adopted on 11 May 1993 (as amended from time to time) and other subordinate legislation based on the above-mentioned Law.

According to the LPIT an individual resident in Latvia is taxed on interest income (or income which is similar to interest income) at a rate of 10 per cent provided the income is not from the individual’s business activity. If the applicable tax has not been withheld at source then it is the obligation of the recipient to declare the income in the individual’s annual tax return and pay the applicable tax.

According to the LPIT an individual resident in Latvia is taxed on any gain on the disposition of capital assets including financial instruments at a rate of 15 per cent. The gain is determined as the difference between the acquisition value and the disposal value. It is the individual’s obligation to declare the income and pay the tax on a monthly, quarterly or annual basis depending on the amount of gains realized on a monthly basis.

If tax has been paid in another jurisdiction on the income earned from the non-equity securities or from the disposal of the non-equity securities the individual is eligible to reduce his/her Latvian tax liability by the amount of tax paid in the other jurisdiction.

Taxation of income of Latvian legal entities

Taxation of legal entities is regulated by the Law on Enterprise Income Tax of the Republic of Latvia (hereinafter referred to as the “LEIT”) adopted on 09 February 1995 (as amended from time to time) and other subordinated legislation based on the above-mentioned Law.

According to the LEIT interest income received by a company tax resident in Latvia is treated as ordinary income and is subject to tax at the rate of 15 per cent.

According to the LEIT capital gains realized by a company tax resident in Latvia from the disposal of securities which are publicly traded in the European Union or the European Economic Area are not included in the taxable income of the company. Otherwise, capital gains are taxed at the ordinary corporate tax rate of 15 per cent.

In accordance with the Law on Taxes and Duties of the Republic of Latvia if international treaties signed by the Republic of Latvia establish different rules than the taxation rules established in relevant taxation laws and such treaties are ratified, effective and applicable in the Republic of Latvia, the rules established in such international treaties will have priority.

*Taxes to be deducted from non-equity securities income in Estonia*Individual income tax applied to permanent residents of Estonia

Individual income taxation is regulated by the Estonian Income Tax Act (“ITA”). According to ITA, income tax is charged on all interest income (interest accrued from loans, securities, leases or other debt obligations) at 21 per cent tax rate. The said tax shall be withheld by the payer of interest if such

payer is resident of Estonia, otherwise the tax obligation shall be declared and paid by the Estonian resident individual investor.

Note, that starting from 1 January 2011 Estonian resident individual investors have a possibility to shift their income tax obligation from profits accrued in connection with financial assets from the moment of actual accrual to the moment of distribution. The said postponing of income tax obligation is allowed only for Estonian resident individuals, provided that they open a special investment account with a credit institution of an EEA or OECD member state and administer their investments into financial assets only through such investment accounts.

If interest is paid to investors by an entity residing in a country other than Estonia, and such interest is withheld in the source country, the amounts withheld in the source country will be taken into account when calculating the tax obligation in Estonia, upon submission by the investor to Estonian tax authority of a relevant notice evidencing payment of tax amounts in the source country. Such notice must be issued by the source country's competent tax authority. If the tax amounts paid at source are lower than the corresponding tax obligation arising under Estonian law, such amounts will be credited from the investor's tax obligation in Estonia. If the tax amounts paid at source exceed the tax obligation calculated under Estonian law, the investor will be freed from additional tax obligation in Estonia, however, the difference will not be compensated.

Income tax rate of 21 per cent shall be applied to income from sale or any other transfer of non – equity securities by permanent residents of Estonia. Taxable income generated from sale (or transfer) of the non-equity securities shall be equal to the difference between such non-equity securities' sale price (or market price of other securities received for transfer of such securities) and non-equity securities' subscription price (subscription fee should be taken into consideration/included in calculation?). The resident seeking to reduce taxable income has to deduct expenses related to the non-equity securities' sale or transfer.

Payment of taxes on increase in the assets value of permanent residents of Estonia generated from sale or transfer of non-equity securities may be deferred if sale or transfer of such non-equity securities is accounted for in the above-mentioned securities account.

### Taxation of income of Estonian legal entities

The system of taxation of corporate earnings currently in force in Estonia shifts the moment of taxation from the moment of earning the profits to the moment of their distribution. Therefore, no income tax will be charged upon accrual of profit from the payment of interest (coupon) and principal in respect of the Notes until such profit is distributed by the corporate investor – resident of Estonia.

Distribution of profit can be carried out in the form of dividends or various implicit distributions. All such profit distributions are taxed at the rate of 21/79 of the net distribution, which amounts to 21 per cent of the gross amount of the distribution.

Income tax imposed on distributed profits is not a withholding tax and is subject to paying by the corporate entity distributing the profit (and not the receiver of the distribution). As income tax imposed on distributed profits is not a withholding tax, it is also not influenced by the applicable international tax treaties.

Similarly to the taxation of interest, capital gains received from the sale of non-equity securities by Estonian resident corporate investors will be taxed at the rate of 21/79 (from net distributions) only upon distribution of such capital gains in the form of dividends or implicit profit distributions.

*If any additional questions arise, investors are required to contact tax consultants independent from the Bank and/or relevant tax administration authorities to obtaining information on taxes applicable to the non-equity securities to be subscribed.*

## 5. TERMS AND CONDITIONS OF THE OFFER

### 5.1. *Conditions, offer statistics, expected timetable, procedure for responding to the offer and subscription procedure*

#### *Validity term of the offer and procedure*

The non-equity securities to be issued shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union. In case of a private placement, the non-equity securities shall be offered following the restrictions set forth in the legal acts. The Final Terms of a particular issue shall specify the country(s), where such non-equity securities are offered. The non-equity securities issued by the Bank shall be offered by the Bank itself and by placement agents if such placement agents are specified in the Final Terms. The offer to subscribe the Bank's non-equity securities shall be valid within the subscription period specified in the Final Terms.

Non-equity securities may be offered by the Bank to the potential investors by mass media, via the Baltic News Service (BNS), at private meetings and presentations.

Non-equity securities may be subscribed for at the branch offices of the Bank and in the offices of the placement agents, at the addresses and during business hours specified in the Annex to the Final Terms.

Non-equity securities may be subscribed for via the Internet Securities Trading System of the Bank. Only the investors, who have signed with the Bank the Internet Securities Trading Agreement may be subscribed for non-equity securities via the above System. Non-equity securities via the Internet Securities Trading System may be subscribed at any time within the subscription period.

Non-equity securities shall be subscribed by signing a subscription agreement of the said securities. Non-equity securities' subscription agreements between the Bank and professional investors (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania) may be also signed by both parties of the deal by sending the agreements on the agreed date and time to another party of the deal by facsimile and by sending on the same day the original of the signed agreement via courier or registered mail to another party of the deal. The Agreement shall be signed by a person authorised by the Bank and the investor in person or through his/her authorised persons. The subscription agreement may be also concluded through the Bank's acceptance of the investor's application submitted within the subscription period, if the opportunity for submitting the application is specified in the Final Terms.

According to this Programme, the Bank may issue non-equity securities to be offered only to particular category(ies) of investors. The below investor categories are approved:

- professional investors (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- non-professional investors (natural and legal persons not meeting the requirements applicable to the professional investors defined in Par.39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- investors that are clients of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia);

- investors, who signed one or several Special Banking Service Agreements with a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia);
- investors holding non-equity securities previously issued by the Bank, which within a particular subscription period of non-equity securities shall be redeemed;
- investors subscribing for the number of non-equity securities at least equal to the minimum number of securities specified in the Final Terms;
- employees of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia)
- any combination of at least two categories above.

It shall be noted that an investor who signed one or several Special Banking Service Agreements with a bank shall be automatically deemed a client of a bank, but not necessarily vice versa.

The Final Terms shall specify the investor category(ies) to whom a particular issue of securities shall be offered, as well as relevant identification criteria and rights granted. If the same investor is attributed to more than one investor category specified in the Final Terms, the most favourable conditions with respect to the particular investor will be applied by the Bank (the best-execution policy terms).

The Final Terms may establish that the professional investor (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania) may settle with the Bank for the non-equity securities subscribed by issuing a payment order to the Bank account indicated in the non-equity securities' subscription agreement (or in the application for bond subscription, in case of coupon bonds and discount bonds, if the Final Terms establish an opportunity for submitting the application).

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

In case of an issue of a limited size, the Bank shall control that the number of non-equity securities subscribed does not exceed the number specified in the Final Terms. Each non-equity securities' subscription agreement during the subscription period shall be numbered. At the end of each day during the subscription period, the employee of the Bank shall check, whether the number of non-equity securities subscribed does not exceed the number specified in the Final Terms of the issue. If the investors sign non-equity securities' subscription agreements for subscription of a number of non-equity securities exceeding the number specified in the Final Terms, non-equity securities shall be distributed to investors taking into consideration the time of submitting the agreement. The agreements that were submitted to the Bank at the earlier date and time shall have a priority. The non-equity securities' subscription agreements shall be implemented following the principle of time priority until the established total size of the issue of non-equity securities is reached. If the investor intends to subscribe for a number of non-equity securities exceeding the total number of the remaining non-subscribed non-equity securities, such non-equity securities' subscription agreement shall be satisfied partially, i.e., the investors shall subscribe only for the remaining number of non subscribed non-equity securities. If two or more non-equity securities' subscription agreements are signed at the same time and the requested number of the non-equity securities to be subscribed exceeds the total remaining number of non subscribed non-equity securities, the non-equity securities' subscription agreements shall be satisfied *pro rata* based on the required number of non-equity securities. All non-equity securities' subscription agreements signed later on shall be deemed invalid. Funds paid by the investors for the subscribed non-equity securities shall be credited to the investor's account from which such funds were debited within 5 (five) business days.

In case of an issue of a limited size and if the non-equity securities are to be offered in Lithuania, Latvia, Estonia and (or) other member states, there will be no plans set in advance to allocate the non-equity securities between the countries.

In case of an issue of an unlimited size, the Bank shall control that the number of subscribed non-equity securities does not exceed maximum total nominal value of the non-equity securities to be issued under the Programme, i.e., LTL 1,000,000, 000 or its equivalent in any other currency.

The ownership right to the subscribed non-equity securities shall be recorded in the investor's personal securities account. If not specified otherwise, the non-equity securities shall be held in the investor's personal securities account being managed by AB SEB bankas. The non-equity securities subscribed through placement agents in Latvia, Estonia and (or) other member states shall all be held in one account opened in the name of a particular placement agent's clients. Within the term of a non-equity securities issue, investors may request to transfer the subscribed non-equity securities to the investor's personal securities account opened with the intermediary of securities' public trading specified by the investor.

#### *Specific features of coupon and discount bond offer*

In case of any coupon and discount bond issue of an unlimited size, when interest (coupon in case of coupon bond issue or annual yield in case of discount bond issue) are fixed and specified in the Final Terms, the Final Terms shall establish that the Bank taking into consideration the number of subscribed bonds and market interest rates shall have a right to unilaterally shorten the subscription period of the coupon and discount bond issue indicated in the Final Terms. The Final Terms shall be published on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved).

If the coupon and discount bond subscription period is shortened and if a respective notice is published following the above procedure, the other data on coupon and discount bond issue (e.g. issue term, issue date, redemption date, coupon payment date (in case of coupon bond)) established in the Final Terms and available to investors on the bond subscription date, shall not be changed.

In case of any coupon and discount bond issue, when coupon (in case of coupon bond issue) or annual yield (in case of discount bond issue) are fixed and specified in the Final Terms, the bonds shall be subscribed within the bond subscription period by signing the bond subscription agreements. In case of coupon and discount bond issue, if the indicative coupon on bonds (in case of coupon bond issue) or annual yield (in case of discount bond issue) are specified and actual interest (coupon or annual yield) are fixed only at the end of the bond subscription period, the bonds may be subscribed within the bond subscription period not only by signing the bond subscription agreements but also by submitting the application for bond subscription, i.e., the investor will be able to choose and subscribe for bonds by signing the bond subscription agreement or by submitting the above application. In such case, the bonds shall be subscribed following the below procedure:

#### 1. The Final Terms shall specify:

- a) fluctuation range of bond interest (coupon or annual yield) indicated as minimum and maximum interest (coupon or annual yield)
- b) minimum amount to be invested in bonds by the investor submitting the application for bond subscription, and indicating higher than fixed minimum interest (coupon or annual yield);
- c) fixing date of actual interest (coupon or annual yield);
- d) announcement procedure of actual interest (coupon or annual yield).

The bond subscription agreement shall specify minimum interest (coupon or annual yield), i.e., the lowest range, which means that the investor signing the bond subscription agreement shall not have a right to select the interest (coupon or annual yield). If the amount indicated by the investor in the



application for bond subscription is bigger than minimum amount of investment established in the Final Terms or equal to minimum amount of investment specified in the Final Terms, the investor may indicate minimum or higher than established minimum interest (coupon or annual yield) in his/her application. The application for bond subscription submitted by the investor shall be deemed invalid and rejected, if i) the amount specified in the application is lower than the minimum amount of investment established in the Final Terms and/or ii) interest (coupon or annual yield) specified by the investor in the application exceeds maximum interest (coupon or annual yield) defined in the Final Terms.

2. At the end of the bond subscription period:

- a) in case of coupon and discount bond issue of a limited size, if within the bond subscription period the total issue is subscribed by signing the bond subscription agreements, the minimum interest (coupon or annual yield) established in the Final Terms shall be applied, i.e., the lowest range. If the investors sign the bond subscription agreements for a number of non-equity securities exceeding the number specified in the Final Terms, the bonds shall be distributed to investors taking into consideration the time of submitting the agreement. The agreements that were submitted to the Bank at the earlier date and time shall have a priority. The bond subscription agreements shall be implemented following the principle of time priority until the established total size of the bond issue is reached. If two or more bond subscription agreements are signed at the same time and the requested number of the bonds to be subscribed under such agreements exceeds the total remaining number of non subscribed bonds, the bond subscription agreements shall be satisfied *pro rata* based on the required number of bonds.
- b) in case of any coupon and discount bond issue of a limited size, if within the bond subscription period only a portion of the total issue is subscribed by signing the bond subscription agreements, and there are valid applications for bond subscription submitted, the Bank shall distribute the remaining bonds to the investors who have submitted the applications seeking to ensure subscription of the nominal value of bonds of the issue specified in the Final Terms or a lower nominal value of the bonds issue. In any case the nominal value of the bonds subscribed shall not be lower than the total nominal value of the bonds subscribed under the bond subscription agreements together with the applications for bond subscription submitted and to be satisfied. The priority shall be given to the applications, which specify the lowest interest (coupon or annual yield). In case the several investors indicated the same interest (coupon or annual yield) and the remaining number of bonds is insufficient, the bonds shall be distributed to the investors *pro rata* based on the number indicated in the applications. The applications for bond subscription, in which the investors indicated the interest (coupon or annual yield) higher than the fixed actual interest (coupon or annual yield), shall be rejected. All holders of the bonds issued, irrespective of whether the bonds were subscribed by signing the bond subscription agreements or by submitting the applications, shall be paid the highest interest (coupon or annual yield) specified in the applications that were satisfied by the Bank;
- c) in case of any coupon and discount bond issue of an unlimited size, the Bank taking into consideration the number of subscribed bonds under the subscription agreements and applications and market interest rates, shall fix actual interest (coupon or annual yield). When actual interest (coupon or annual yield) is fixed, the applications for bond subscription in which the investors have indicated the interest (coupon or annual yield) higher than the fixed actual interest (coupon or annual yield), shall be rejected. The actual interest (coupon or annual yield) in any case shall not exceed maximum interest (coupon or annual yield) specified in the Final Terms;
- d) actual interest (coupon or annual yield) shall be fixed on the last day of the subscription period of coupon bond and discount bond issue, specified in the Final Terms. On the actual interest

(coupon or annual yield) fixing date, the investors who have indicated in the submitted application the interest (coupon or annual yield) lower or equal to the actual interest (coupon or annual yield), fixed by the Bank, shall be informed by e-mail, facsimile or by phone about the number of bonds allocated to them. The Bank shall also inform in a form specified above that the investor subscribing for bonds has to pay on the date specified in the Final Terms and by the time specified in the Final Terms, however in any case no later than until the bond issue date. If the investor fails to pay until the specified terms for the bonds allocated to him/her, according to the submitted application: i) fixed actual interest (coupon or annual yield) shall not be changed and shall be announced following the procedure established in the Final Terms, and ii) the bonds, which were allocated according to the application, however unpaid, shall not be allocated to other investors. If the investor on the date specified in the Final Terms and by the time specified in the Final Terms pays only for a portion of bonds allocated to him/her under the submitted application, such application shall be deemed invalid, and the amounts paid by the investor for the subscribed bonds shall be credited to the investor's account from which the funds were debited within 5 (five) business days.

The investor who submitted the application for bond subscription shall not be bound to sign the bond subscription agreement, i.e., the bond subscription agreement and the application shall have identical legal power.

#### *Specific features of the structured note offer*

It should be noted that in case of the structured note issue, the Bank taking into consideration the number of subscribed structured notes and market interest rates shall have a right to unilaterally shorten the subscription period and/or limit the size of the issue indicated in the Final Terms. If the Bank passes a decision to shorten the subscription period of such structured note issue and/or limit the size of the issue, on the final date of the shortened subscription period of the structured note, after expiry of the structured note subscription time, a special notice on the structured note subscription period shortening shall be announced on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved). If the Bank passes a decision to limit the size of the issue, a special notice on the limitation of the size of the issue shall be immediately published on the Bank's website [www.seb.lt](http://www.seb.lt) and on websites of the placement agents (if more placement agents are involved).

If the structured note subscription period is shortened or if the size of the issue is limited and a relevant notice is published following the above procedure, other data on the structured note issue (e.g. issue maturity term, issue date, redemption date) established in the Final Terms and available to investors on the structured note subscription shall not be changed.

#### ***The procedure for reducing subscriptions and refund of the excess amount paid by investors who signed non-equity securities documents***

If the issue of non-equity securities comes into effect, all non-equity securities subscribed and paid up shall be considered issued and number thereof shall not be decreased.

In case of the discount bond issue, if the limits of indicative annual yield is established but the actual annual yield at the end of the bond subscription period exceeds the minimum annual yield used in the calculation of the bond subscription price, the difference between the price paid by the investor and to be paid for the subscribed bonds (if any) shall be credited to the investor's account specified in the bond subscription agreement within 5 (five) business days from the fixing date of actual annual yield of bonds.

***Information on minimum and (or) maximum number of non-equity securities specified in non-equity securities subscription documents***

Minimum number of the non-equity securities to be subscribed by one investor is 1 (one), unless the Final Terms provide otherwise. In case of the coupon and discount bond issue, when the bond subscription agreements may be signed and the applications for bond subscription may be submitted, the Final Terms shall specify minimum amount to be invested in the bonds by the investor who submits the application for bond subscription and indicates the interest (coupon or annual yield) not lower than established minimum interest (coupon or annual yield).

Unless the Final Terms provide otherwise, the largest number of non-equity securities to be offered to one investor shall not be specified. However if the issue is of a limited size, it may not exceed the number of the non-subscribed non-equity securities remaining on the signing date of the agreement, or if the issue is of an unlimited size, it may not exceed the total number of non-subscribed non-equity securities under the Programme remaining on the signing date of the agreement.

***Method and term for paying up the securities and delivery of securities***

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

If the Final Terms specify that the payment date for non-equity securities subscribed under the subscription agreement is the last day of non-equity securities subscription period, it means that the investors shall have to pay up for non-equity securities on the last day of non-equity securities subscription period by the time specified in the Final Terms and at the price that is effective on such date.

If the Final Terms specify that the payment day for non-equity securities subscribed under the subscription agreements is the subscription date of non-equity securities, it means that the investors shall have to pay for non-equity securities on the subscription date of non-equity securities by the time specified in the Final Terms and at the price that is effective on that subscription date. Such payment method for non-equity securities shall always be applied in respect of the issues of coupon bond and discount bond of an unlimited size, when coupon on bonds (in case of the coupon bond issue) and annual yield (in case of the discount bond issue) are estimated and published in the Final Terms, and the Final Terms also specify that the Bank, taking into consideration the number of subscribed bonds and market interest rates, shall have a right to unilaterally shorten the subscription period of such issue of coupon and discount bond, indicated in the Final Terms. Such payment method for non-equity securities shall also be applied in case of the issue of structured note when the Final Terms specify that the Bank, taking into consideration the number of subscribed structured notes and market interest rates, shall have a right to unilaterally shorten the subscription period of such issue of structured notes, indicated in the Final Terms.

The Final Terms may specify that each investor signing the agreement has an opportunity to select a payment date for non-equity securities, if such date is the subscription date of non-equity securities, and the price applicable on the relevant subscription date. It means that the investor may sign the agreement and to immediately pay for the non-equity securities being subscribed (at the price effective on the date of signing the agreement) or sign the agreement, which establish an obligation to subscribe for the requested number of non-equity securities and pay for non-equity securities later on (on the date selected by the investor until the time specified in the Final Terms) at the price effective on the payment date. If on the date of signing the agreement it is impossible to pay the subscription price (e.g. if the signing date is Saturday, etc.) for non-equity securities being subscribed, the investor in all cases shall have to select the date of payment for the non-equity securities. All payments under such

agreements shall be made within the term specified in the Final Terms. If the investor signs an agreement with the Bank which binds the investor to pay for the non-equity securities being subscribed later than on the signing date of the agreement and the investor fails to timely pay for non-equity securities, such agreement shall become invalid.

The Final Terms may specify that each investor signing the subscription agreement of non-equity securities has to accumulate in his/her account indicated in the subscription agreement the amount of funds necessary to pay for the non-equity securities. The investor may also sign the subscription agreement of non-equity securities, when the amount of funds accumulated in the account is insufficient to pay for the non-equity securities being subscribed, but only if on the selected date of payment for the non-equity securities the sufficient funds are received in the account from the sale of other securities in relation to which the sale order is submitted by the investor.

The Final Terms may also specify that if the date of payment for non-equity securities is later than the date of the signing the subscription agreement of non-equity securities, the Bank shall limit the investor's right to dispose of the specified amount in the investor's account, which is necessary to pay for the non-equity securities being subscribed.

The Final Terms may specify an exact term for subscription and payment for non-equity securities and hours. The Final Terms shall also specify the date by which the agreement with the deferred payment may be signed (if applicable). After this date passes all non-equity securities being subscribed shall be paid up only on the subscription date of non-equity securities. If such date coincides with the final date for subscription of non-equity securities, such date shall not be specified.

The investors who submitted the applications for bond subscription shall have to pay up on the date by the particular time as specified in the Final Terms, however no later than until the bond issue date.

The Final Terms may also specify that for the investors subscribing for non-equity securities through placement agents in Latvia and (or) Estonia there is only one payment date, which most probably shall be the final day of the subscription period, and the relevant subscription price of such day shall be applied. Even though the application is submitted earlier than the final day of the subscription period, the investors shall not be deemed as having subscribed for the non-equity securities up to the final day of the subscription period when the payment for the non-equity securities shall be executed.

The Final Terms may also specify that if investors subscribe for non-equity securities through placement agents in Latvia and (or) Estonia, their right to dispose of the funds necessary to pay for the non-equity securities may be limited within the whole period from the day they applied for subscription until the payment day (which is the final day of the subscription period)

Amounts paid by the investors for non-equity securities under the subscription agreements of non-equity securities that become invalid (in case of the issue cancellation) shall be refunded to investors no later than within 5 (five) business days from the announcement about the issue cancellation. If the issue of non-equity securities is cancelled at the end of the subscription period of non-equity securities, the amount, paid by the investor for each non-equity security under cancelled subscription agreement equal to the value of the non-equity securities effective on the issue date under the cancelled subscription agreements and the subscription fee (if any), shall be credited to the account from which respective amount was debited for each subscribed non-equity security. If the issue is cancelled prior to the end of the subscription period, the investors shall be credited the amount equal to the subscription price effective on issue cancellation date paid for non-equity securities subscribed under the cancelled subscription agreements and the subscription fee (if any).

### *Manner and date of the public announcement of the offer results*

At the end of the subscription period of non-equity securities and after the issue came into effect, on the nearest business day the Bank shall submit to LB and LCSD the report on distribution of securities, and shall request LCSD to open the issue registration account. If the Bank issues coupon or discount bonds, which at the end of subscription period shall be immediately merged with any previous outstanding issue of the same type bonds effective on the new issue date, LCSD shall be requested to make adjustments (increase in value) to the size of the issue in the general account of the previous bond issue, and no other general account for the new issue shall be opened with the LCSD. Information to be announced by the Bank in accordance with the legal acts shall be also available on the website of the Central Storage Facility [www.crib.lt](http://www.crib.lt).

If the issue does not come into effect, the securities issue registration account shall not be opened.

### **5.2. Plan of distribution and allotment**

Non-equity securities to be issued shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union. The Final Terms of the issue shall specify the country(ies) in which non-equity securities are offered. If the Final Terms establish that non-equity securities shall be offered in other member states of the European Union than Lithuania, the Bank shall inform about the intent to offer the non-equity securities publicly and to list thereof on the regulated markets in several countries the Bank of Lithuania. The Bank shall provide the Final Terms above to the Bank of Lithuania. It shall also communicate the Summary translations into local languages, together with the Final Terms, to the supervisory authority of financial market of the relevant countries, where it is intended to publicly offer the non-equity securities. Special plan of distribution and allotment of non-equity securities among the countries shall not be arranged. In case of an issue of a limited size and if the non-equity securities are to be offered in Lithuania, Latvia, Estonia and (or) other member states, there will be no plans set in advance to allocate the non-equity securities between the countries.

The Final Terms shall establish the category(ies) of the investors, who shall be offered the securities of particular issue, as well as relevant identification criteria, according to which the persons are attributed to the category enabling to subscribe for the securities of a particular issue. The investors may be attributed to the below categories:

- professional investors (as established in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- non-professional investors (natural and legal persons not meeting the requirements applicable to the professional investors defined in Par. 39 of Article 2 of the Law on Securities of the Republic of Lithuania);
- investors that are clients of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia);
- investors, who signed one or several Special Banking Service Agreements with a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia);
- investors holding non-equity securities previously issued by the Bank, which within a particular subscription period of non-equity securities shall be redeemed;
- investors subscribing for the number of non-equity securities at least equal to the minimum number of securities specified in the Final Terms
- employees of a bank (AB SEB bankas in Lithuania and/or AS SEB banka in Latvia and/or AS SEB Pank in Estonia)



- any combination of at least two categories above.

The Final Terms shall specify the investor category(ies) to whom a particular issue of securities shall be offered, as well as relevant identification criteria and rights granted. If the same investor is attributed to more than one investor category specified in the Final Terms, the most favourable conditions with respect to the particular investor will be applied by the Bank (the best-execution policy terms). If the Final Terms specify that securities are offered to several categories of the investors, neither certain issue of non-equity securities nor any portion hereof shall be reserved for a particular category of the investors.

In case of an issue of limited size, if prior to the end of the subscription period of the non-equity securities all the non-equity securities are subscribed, the subscription of non-equity securities shall be terminated.

In case of coupon and discount bond issue of an unlimited size, when interest (coupon in case of coupon bond issue or annual yield in case of discount bond issue) are established and published in the Final Terms, the Final Terms may specify that the Bank taking into consideration the number of subscribed bonds and market interest rates shall have a right to unilaterally shorten the subscription period of such coupon and discount bond issue indicated in the Final Terms. Also some other principles of allotment of coupon or discount bond issue can be established and specified in the Final Terms of the relevant issue.

In case of the structured note issue, the Bank taking into consideration the number of the subscribed structured notes and market interest rates shall have a right to unilaterally shorten the subscription period indicated in the Final Terms and/or limit the size of the structured notes issue.

Information on non-equity securities subscribed by investors shall be provided by the Bank by making entries in the personal securities accounts after the end of the subscription period of the non-equity securities. The non-equity securities subscribed through placement agents in Latvia, Estonia and (or) other member states shall all be held in one account opened in the name of a particular placement agent's clients. It is the responsibility of a placement agent in Latvia, Estonia and (or) other member states to inform the final client about his non-equity securities held with the Bank.

### 5.3. *Estimation of price*

During the subscription period the non-equity securities may be subscribed at the price that depends on the date of payment for non-equity securities.

The estimated prices of non-equity securities shall be specified in the Final Terms of each issue. The investors shall pay the total subscription price for the non-equity securities being subscribed effective on the date of payment for non-equity securities according to the agreement. The Final Terms may establish the subscription fee to be paid by the investor to the issuer together with the price for non-equity securities.

#### *In case of discount bond issue*

Unless the Final Terms provide otherwise, the subscription price of discount bond shall be calculated according to the below formula:

$$SP = N \times \frac{1}{\left(1 + \frac{Y}{100}\right)^{\frac{d+D}{365}}}$$

SP – subscription price of non-equity securities;

Y – annual yield;

N – nominal value of non-equity securities;

d – days remaining until the end of subscription period of non-equity securities;

D – non-equity securities maturity term in days.

In case of discount bond issue, when expected range of the bond annual yield (defined as maximum and minimum annual yield) are calculated, and the actual annual yield is fixed only at the end of the bond subscription period, at the moment of signing the bond subscription agreement, the bond subscription price shall be calculated using the minimum annual yield specified (the lowest range of the fixed annual yield). At the end of the bond subscription period, when the actual annual bond yield is fixed and it exceeds the minimum annual yield used in the calculation of the bond subscription price, the difference between the amounts paid and to be paid by the investor for the subscribed bonds, if any, within 5 (five) business days from identification of the actual annual bond yield shall be credited to the investor's account specified in the bond subscription agreement.

*In case of other non-equity securities issued under this Programme*

Unless the Final Terms provide otherwise, the subscription price of the coupon bonds, reference item linked notes, investment notes, structured notes and any other combinations of the non-equity securities issued under the Programme shall be calculated according to the below formula:

$$SP = (N + R) \times \frac{1}{1 + \frac{Y}{100} \times \frac{d}{365}}$$

SP – subscription price of non-equity securities;

Y – annual interest rate;

N – nominal value of non-equity securities;

R – risk premium (if applicable);

d – days remaining until the end of subscription period of non-equity securities.

The Final Terms may specify another formula/procedure for subscription price calculation.

#### **5.4. Placement and guarantees**

Non-equity securities to be issued under this Base Prospectus shall be publicly offered in Lithuania, also shall be publicly and/or on the basis of private placement offered in Latvia and Estonia and in other member states of the European Union without any transfer limitations. The non-equity securities to be issued according to this Base Prospectus are not registered and shall not be registered following the requirements of legal acts of the United States of America and other subordinate jurisdictions regulating the securities market and shall not be offered or sold in any such jurisdiction except if registered in accordance with applicable legal acts or if relevant registration exclusions are applied. Natural and legal persons willing to subscribe for non-equity securities to be issued under this Base Prospectus must be aware of such limitations and comply with the above requirements.

The non-equity securities issued by the Bank shall be offered by the Bank itself. The Bank may nominate one or more placement agents and include relevant information in the Final Terms of each issue under the Programme. Such placement agents nominated by the Bank may use this Base Prospectus and other documents prepared by the Issuer for the subscription purposes of non-equity securities while offering the non-equity securities. Any other legal or natural persons who offer non-equity securities issued under this Base Prospectus and/or admit thereof to the trading list on the regulated market shall not be granted a right to use this Base Prospectus or any other documents incorporated by reference.

Any agreements ensuring subscription of the issue under the Programme are not signed and shall not be signed. If an agreement ensuring the subscription of the total issue of non-equity securities or any portion hereof is signed with a certain legal or natural person, such legal or natural person shall be specified in the Final Terms of the issue.

Claim rights of the investors related to the non-equity securities are not secured by any guarantee and/or in any other way.

## 6. ADMISSION TO TRADING

### 6.1. Information related to admission of issuer securities to trading on the regulated market

Non-equity securities issued under this Programme may be admitted to the trading lists on regulated markets (Debt Securities Trading List of NASDAQ OMX Vilnius Stock Exchange, other regulated markets trading lists). Information about the application to the regulated market operator on admission to trading on the regulated market of the securities issued under the Programme shall be announced in the Final Terms. If the Final Terms of the issues under the Programme specify that the request to admit the issued non-equity securities to trading on the regulated market may be submitted, the investor subscribing for non-equity securities issued by the Bank in the primary trading assumes the risk that due to technical or other reasons, the Bank's application to admit the securities to trading on the regulated market may be rejected. In such case, the liquidity of securities would decrease and certain groups of investors due to restrictions established in legal acts would have to sell the securities subscribed on the primary trading, and it may reduce the price of the securities.

If the Final Terms of the coupon or discount bonds specify that the Bank shall request the regulated market operator to admit to trading on the regulated market the issue of coupon or discount bonds, and if within maturity term of the issue the Bank issues coupon or discount bonds, which at end of the bond subscription period shall be immediately merged with any previous outstanding issue of the same type bonds, the Bank shall also request the regulated market operator to admit to trading on the regulated market the new issue of bonds.

### 6.2. Information on the same type securities admitted to trading on the regulated market

The Bank has issued five issues of non-equity securities, which are admitted to the Debt Securities Trading List of NASDAQ OMX Vilnius Stock Exchange:

Parameters	Issue
ISIN code	LT0000431025
Issue size in units	31 850
Unit nominal value	LTL 100,00
Issue nominal value	LTL 3 185 000,00
Issue date	2010 12 21
Redemption date	2014 01 23

Parameters	Issue
ISIN code	LT0000431157
Issue size in units	37 257
Unit nominal value	LTL 100,00
Issue nominal value	LTL 3 725 700,00
Issue date	2010 12 21
Redemption date	2014 01 23

Parameters	Issue
ISIN code	LT0000405060
Issue size in units	46 575
Unit nominal value	LTL 100,00
Issue nominal value	4 657 500,00 LTL
Issue date	2011 05 17
Redemption date	2016 06 13

Parameters	Issue
ISIN code	LT0000405078
Issue size in units	38 857
Unit nominal value	LTL 100,00
Issue nominal value	LTL 3 885 700,00
Issue date	2011 12 21
Redemption date	2017 01 09

Parameters	Issue
ISIN code	LT0000405086
Issue size in units	47 032
Unit nominal value	LTL 100,00
Issue nominal value	LTL 4 703 200,00
Issue date	2012 05 30
Redemption date	2017 06 13

**6.3. *Legal and natural persons, who has a firm commitment to act as intermediaries in the secondary trading and ensure liquidity at the existing prices***

There are no intermediaries having a firm commitment to ensure liquidity of non-equity securities issued under this Programme in the secondary trading or other regulated markets and no arrangements with such intermediaries are signed and are planned to sign. In cases of certain issues of coupon or discount bonds the investor subscribing for such bonds may be entitled within the issue maturity term to sell all or any portion of such bonds to the Bank in the secondary trading. In such case The Final Terms shall specify the dates of bond sale to the Bank and the price of bond sale effective on the date of the bond sale to the Bank. The opportunity to sell the bonds on the dates other than the dates of the bond sale established in the Final Terms in the secondary trading depends only on the existing market demand.

If other intermediaries assuming the obligation to ensure liquidity of non-equity securities in the secondary trading are nominated for a particular non-equity securities issue, such intermediaries shall be specified in the Final Terms.

## **7. ADDITIONAL INFORMATION RELATED TO ISSUES**

### **7.1. *Issue advisors***

There are no advisors involved in the preparation process of the Base Prospectus.

### **7.2. *Audited data and expert's statement***

Financial statements for the years 2011 and 2012 included in the Registration Document of this Base Prospectus are audited but financial statements for the six-month period of the year 2012 and for the six-month period of the year 2013 are unaudited. Recent financial data of the Bank is available on Bank's website [www.seb.lt](http://www.seb.lt) and on website of the Central Storage Facility [www.crib.lt](http://www.crib.lt). There are no statement or report of a person acting as the expert included in the Base Prospectus.

### **7.3. *Credit rating assigned to the issuer and non-equity securities issued by it***

No rating is assigned to the non-equity securities issued by the Bank.

Currently, no rating agency assigns any credit ratings at the Bank's request or with cooperation of the Bank in the rating process.

The below ratings are assigned to the SEB Group. AB SEB bankas is a member of SEB Group.

Rating agency	Short-term credit rating	Long-term credit rating	Credit rating outlook
Moody's*	P-1	A1	stable
Standard & Poor's*	A-1	A+	negative
Fitch ratings*	F1	A+	stable

\*The credit rating agency has been registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (the Credit Rating Agencies Regulation).



## REGISTRATION DOCUMENT

INFORMATION IN THIS REGISTRATION DOCUMENT IS PROVIDED IN ACCORDANCE WITH THE DESCRIPTION PROVIDED IN ANNEX XI OF COMMISSION REGULATION NO. 809/2004 OF 29 APRIL 2004.

### 8. CERTIFIED AUDITORS

#### *8.1. Names and addresses of auditors that conducted the audit of the Issuer's financial information*

The audit of the financial information for the year 2011 and 2012 was conducted by auditor Rimvydas Jogėla, holder of auditor certificate No. 000457,

Company that conducted the audit:

Name	UAB "PricewaterhouseCoopers"
Registered address	J. Jasinskio str. 16B, LT-01112 Vilnius, Lithuania
	Tel. (8 5) 239 2300, fax (8 5) 239 2301
Date of registration	29 December 1993
Legal person code	111473315
Audit company licence	No. 00173

#### *8.2. Information on whether auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information*

The audit company has not been substituted during the periods covered by the historical financial information.

### 9. RISK FACTORS

Within SEB Bankas Group, risks are managed in a centralised manner. The main types of risks managed by the Bank include issuer risk, credit risk, liquidity risk, market risk (covering foreign exchange risk exposure, interest rate risk, and share price risk), and operational risk. The risks are managed through adherence both to internal norms as well as to those set by the Bank of Lithuania. In 2013, the Bank met all the parameters limiting risks as set forth by the Bank of Lithuania.

**Issuer risk.** Bank's obligations against investors are not additionally secured by any guarantee and/or in any other manner, the Bank's obligation to redeem non-equity securities is not insured by State Company „Indėlių ir investicijų draudimas“, therefore, the investor assumes operational risk of the bank, related to political, economic, technical and technological as well as social factors. In case of the Bank's bankruptcy, claims of holders of non-equity securities would be satisfied according to the procedure and order of priority established by legal acts of the Republic of Lithuania.

**Credit risk.** The risk that the other counterparty shall be unable to duly meet its obligations against the Bank. The risk of the counterparty is assessed based on credit equivalents calculated with respect to the type of a financial deal. SEB Bankas Group's Credit Policy is applied adhering to the principle that any lending transaction may be executed only subject to credit analysis. Taking into account the complexity of the deal and customer's creditworthiness, various credit risk management measures are applied.

SEB Bankas Group loans are assessed individually as well as in total, taking into account its total portfolio. Assessment of the portfolio of homogeneous loan groups with similar risk characteristics, i.e., natural persons' mortgage loans, consumer loans, payment card account overdraft

limits, also, loans to small enterprises, is performed. Special provisions for homogenous loans are formed by applying statistical methodology based on historical data on any defaults of the borrowers and sustained losses within the corresponding homogeneous loan group. Individually assessed borrowers are assigned to a relevant risk class, based on which special provisions requirement is established. SEB Bankas Group classifies its individually assessed borrowers based on 16 risk classes.

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

Applied credit portfolio concentration risk limits are as follows:

- maximum exposure per single borrower must not exceed 25 per cent of the Bank's/ SEB Bankas Group's equity, and the total amount of large exposures may not exceed 800 per cent of the Bank's/ SEB Bankas Group's equity;
- total loans issued by the Bank to other subsidiary companies of the parent company or the Bank's subsidiary companies per single borrower may not exceed 75 per cent of the Bank's equity, if the Bank of Lithuania performs consolidated supervision of the entire financial group. If the Bank of Lithuania does not perform any consolidated supervision of the entire financial group, the maximum exposure per each SEB Bankas Group company may not exceed 20 per cent of the Bank's equity.

The dynamics of the Bank's and SEB Bankas Group's indicator (%) of the maximum loan per single borrower and indicator (%) of large loans provided for the past year is presented in the table below.

SEB Bankas Group				Indicator	the Bank			
31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013	Indicator of maximum loan per single borrower, % (up to 25%)	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
19.96	19.75	17.88	18.22		22.63	22.96	21.46	21.96
152.79 (529.80)*	156.82 (407.00)*	164.22 (386.06)*	176.49 (432.74)*	Indicator of large loans, % (up to 800%)	197.76 (625.13)*	190.20 (481.19)*	221.22 (482.30)*	254.46 (563.01)*

\* In accordance with Resolution No. 03-127 of 21 October 2010 of the Board of the Bank of Lithuania, the following data is presented: the ratio of the value of banking and trade book items after the application of all the measures aimed at reducing the credit risk and of the Bank's capital; the ratio of the value of banking and trade book items before the application of all the measures aimed at reducing the credit risk and of the Bank's capital (in parentheses).

\*\* Maximum exposure ratio since 3 May 2011 is not deemed to be the prudential requirement applicable to banks (amendment to the Law on Banks of the Bank of Lithuania of 21 April 2001 (*Valstybės žinios* No. 52-2512, 3 May 2011)).

The information on changes in the gross amount and the ratio to the credit portfolio of the Bank's individually assessed credit, which value has impaired, over periods of historic financial information.

	31 Dec 2011*	30 June 2012*	31 Dec 2012*	30 June 2013*
Individually assessed client credits, which value has impaired, gross amount (impaired loans), in LTL'000	2 178 332	1 978 983	1 773 698	1 615 492
Client credit portfolio (without special provisions), in LTL'000	16 886 118	16 848 069	16 691 484	16 520 858
<b>Ratio (in per cent)</b>	<b>12,90 per cent</b>	<b>11,75 per cent</b>	<b>10,63 proc.</b>	<b>9,78 proc.</b>

\* In accordance with Letter No. 1203-310 of 10 June 2008 of the Credit Institutions Supervision Department of the Bank of Lithuania.

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

	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
Impairment losses on loans to customers (special provisions)	1 207 686	1 135 248	1 022 564	976 164
Impairment losses on loans to credit and financial institutions as of year end (special provisions)	31	0	0	1
<b>Balance of impairment losses on loans to credit and financial institutions as of year end (special provisions)</b>	<b>1 207 717</b>	<b>1 135 248</b>	<b>1 022 564</b>	<b>976 165</b>
<b>Portfolio of loans to customers, credit and financial institutions</b>	<b>17 325 420</b>	<b>17 370 784</b>	<b>17 429 410</b>	<b>17 620 307</b>
<b>Special provisions to loan portfolio ratio</b>	<b>6.97%</b>	<b>6.58%</b>	<b>5,87%</b>	<b>5,54 %</b>

**Market risk** is the risk of losses or of a loss of future net income due to changes in interest rates, credit spreads, foreign exchange rates and share prices (including the price risk in case of sales of assets or closing of positions).

**Interest rate risk** is the risk that the Bank will incur losses due to interest rate fluctuations. Interest rate risk is managed by forecasting market interest rates and making relevant adjustments so that there is no mismatch in the assets and liabilities within the revaluation periods. The Bank applies interest rate risk management methods that help to measure SEB Bankas Group's sensitivity to interest rate changes by computing the impact to yearly net interest income ( $\Delta NII$ ) and net effect on the market value of shareholders equity (delta 1%) in case of a parallel shift by one percentage point in the yield curve.

**Credit margin risk** is the risk that the value of debt securities will decrease as a result of a change in the issuer's credit risk. This type of risk is managed by establishing limits on investments in debt securities. The Bank also sustains risk as a result of credit margin changes in Credit Value Adjustment (CVA) in case of increased a derivative counterparty's default risk.

**Foreign exchange risk exposure** – the risk that the Bank has a net open foreign exchange position resulting from foreign exchange trading operations and / or its assets and liabilities structure, will suffer losses as a result of foreign currency exchange rate fluctuations. Foreign exchange risk exposure is defined by two measures: the single open foreign currency position and the aggregate open currency position - the larger one of all summed-up long and short open currency positions. Foreign exchange risk measures include net exposure of spot and forward positions, foreign exchange futures, including gold, the delta equivalent position of foreign exchange options and other balance sheet items. The currency risk control is ensured by monitoring the risk exposure against the limits established for single open currency position. The Bank adheres to the open currency position limits established by the Bank of Lithuania: 1) maximum open position in one currency (other than the Euro) must be no more than 15 per cent of the bank's equity; 2) maximum total (other than the Euro) open position must be no more than 25 per cent of the bank's equity.

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

SEB Bankas Group	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
Maximum open single currency position	105,63 per cent	139,00 per cent	133.48 percent	57.49 percent
Maximum aggregate open currency position	0,34 per cent	1,01 per cent	0.22 percent	0.80 percent

**Share price risk** – is the risk that the Bank will incur losses on equity portfolio held by the Bank. Share price risk is managed by establishing limits that describe acceptable share price risk, taking into consideration any possible losses related to market price volatility, by establishing the structure of the share portfolio.

**Liquidity risk** – is the risk that the bank may be unable to timely meet its financial obligations and/or, aiming to meet them, it may have to sell its financial assets and/or close positions and will sustain losses due to a lack of liquidity in the market. In this case, there is also the risk that the Bank's creditors, in the presence of certain conditions, may demand the initiation of the Bank's bankruptcy proceedings.

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

Changes in the Bank's and SEB Bankas Group's liquidity ratio over years are shown in the table below.

Ratio	the Bank				SEB Bankas Group*			
	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
Liquidity ratio (at least 30%)	46.12%	34.66%	35.21%	33.48%	46.80%	34.90%	35.86%	33,85%

\* SEB Bankas Group's liquidity ratio is presented for 31 December 2010 and 31 December 2011, and the financial SEB Bankas Group's liquidity ratio is presented for 30 June 2011 and 30 June 2012 (excluding the data for UAB "SEB Venture Capital").

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

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

The Bank has developed and continuously upgrades and improves its operational risk management tools: operational risk policy, ORSA (Operational Risk Self Assessment) and RTSA (Rogue Trading Self Assessment) methodologies, activities continuity planning requirements and continuity plans, new product and services approval process, etc.

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

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

The Bank has the Operational Risk Committee, which is aimed at improving the operational risk management and ensure appropriate cooperation between risk managers and control units. The management board is provided with quarterly operational risk reports, which contain a review of new operational risk cases, efficiency of the application of the operational risk management measures as well as other risks.

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

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

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

**Risk of non-compliance with the capital adequacy ratio** means the risk that the bank's capital may be insufficient to cover its financial losses arising out of currently held risk- weighted assets, thus it may require to decrease the risk level of the bank assets, to attract the additional capital or to

liquidate the bank. The actual capital adequacy reserve exceeding the capital adequacy requirement (8 per cent) approved by the Bank of Lithuania shows the bank's risk.

Lithuanian banks are required to maintain capital adequacy ratio, which is calculated as the capital base to risk-weighted assets ratio. During the internal capital adequacy assessment process for 2013, the target capital adequacy ratio was set at higher than 12 per cent.

In the first quarter of 2013, the shareholders decided to strengthen the capital and at the same time capital adequacy by profit earned in 2012 (no dividends were paid).

Having strengthened its capital base with its profit earned in 2012 and upon obtaining a relevant prior approval of the Bank of Lithuania, on 19 April 2013 AB SEB bankas bought out an issue of securities of indeterminate duration worth EUR 100,000,000 (repaid a subordinated loan), thus reducing its capital base and increasing the share of Tier I capital within total capital. Also, with the aim to increase capital adequacy, open short currency position in the Litas (long in the Euro) was decreased. The optimisation allowed achieving considerable interest cost cutting, maintaining high capital adequacy.

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

SEB Bankas Group				Ratio	the Bank			
31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013	Capital adequacy ratio (at least 8%)	31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
13.59%	14.01%	15.17%	15.84%		12.94%	12.95%	13.37%	13.85%

**Risk of increase in the bank's liabilities (in relation to the issued non-equity securities)** means the risk that increasing liabilities of the Bank may result in too high debt-to-capital or debt-to-asset ratio, which means the risk for the bank in fulfilment of its obligations.

As of 31 August 2013, AB SEB bankas had outstanding 84 non-equity securities issues with a total nominal value of LTL 126,852,427.

## 10. INFORMATION ABOUT THE ISSUER

### 10.1. History and development of the Issuer

AB SEB bankas, a member of the Northern European financial group SEB, is the largest commercial bank in Lithuania and provides banking services to individuals, companies, and financial institutions. AB SEB bankas provides services to over one million customers throughout Lithuania.

AB SEB bankas has 3 subsidiaries. The subsidiaries are as follows: AB "SEB lizingas" is a fully owned subsidiary engaged in the finance lease activities; UAB "SEB Venture Capital" is a fully owned subsidiary involved in venture capital activities; UAB "SEB investicijų valdymas" is a fully owned subsidiary engaged in provision of investments' management services activities.

AB SEB bankas was established in Lithuania in 1990 (it was first called Spaudos Bankas, later—Vilniaus Bankas, and still later—SEB Vilniaus Bankas). AB SEB bankas was one of the pioneers of cutting-edge commercial banking in Lithuania. From the very beginning of its operation in Lithuania, the Bank has implemented new financial services, encouraging the development of the country's banking, and exercising great influence on the development of the country's bank market.

In November 1991, the Bank (which at that time was called Vilniaus Bankas) became a member of the international payment card association Visa International. In December 1993, the Bank issued the first Visa Classic card in Lithuania. In December of the same year, the Bank joined the global interbank transfer network SWIFT.



In 1995, two new divisions of the Bank were established to provide new services in Lithuania: the Financial Brokerage Department and the leasing company (now—AB “SEB lizingas”). Furthermore, the first large long-term credit lines from the World Bank and the European Bank for Reconstruction and Development (EBRD) were received and the first in Lithuania twin bank programme with ABN AMRO Bank (Holland) was started. In October of the same year, the bank rating agency granted the Bank with the first international rating.

In March 1998, a strategic cooperation agreement was signed between the banks of the three Baltic States: Eesti Uhispank, Latvijas Unibanka, and the Bank. In June, the Bank acquired 70% of UAB FMĮ Vilfima, which was then reorganised as a subsidiary—UAB “SEB Enskilda” that is now within SEB Bankas Group. In December, the Bank issued a targeted issue of shares, which was subscribed for by the strategic investor Skandinaviska Enskilda Banken AB (Sweden). The authorised capital of the Bank increased to LTL 150 million.

In 1999, a subsidiary, life insurance company (now—UAB “SEB gyvybės draudimas”) began operations; this was the first company in Lithuania to offer investment life insurance.

On 31 December 1999, AB SEB bankas acquired AB Bankas Hermis, which was fully integrated into the structure of the Bank by July 2000. Furthermore, AB SEB bankas distributed a new issue of shares intended to replace the shares of AB Bankas Hermis with the shares of AB SEB bankas, and this led to the authorised capital of the Bank increasing to LTL 154 million.

In October and November 2000, after the implementation of the official offer to purchase all the shares of AB SEB bankas, AB SEB bankas became a subsidiary bank of Skandinaviska Enskilda Banken AB. In 2000, AB SEB bankas became the first bank in Lithuania to establish an investment management company (now—UAB “SEB investicijų valdymas”).

In January 2005, after the acquisition of 95.02% of the shares of Agio bank (Ukraine) by the Bank, SEB Bankas Group began its expansion into the Eastern European markets.

On 18 April 2005, the name of the Bank was changed from AB Vilniaus Bankas to AB SEB Vilniaus Bankas. The names of subsidiaries were also changed accordingly. In 2005, a new modern online service system was launched and the Bank began to issue chip payment cards.

In December 2006, the principal shareholder of AB SEB bankas, Skandinaviska Enskilda Banken AB, started the compulsory process of redemption of minority shares with a view to acquiring the remaining shares of the Bank for the price approved by the Securities Commission of the Republic of Lithuania—LTL 266.96 per share.

During the extraordinary meeting of the shareholders of AB SEB bankas held on 15 November 2007, it was decided to change the name of the Bank from AB SEB Vilniaus Bankas to AB SEB bankas and to change the names of subsidiaries accordingly.

According to current international practice, the sale of the real estate belonging to the banks of SEB Bankas Group was completed at the end of 2007. AB SEB bankas sold 25 real properties to the Homburg Invest Inc. group of companies with a view to ensuring even more effective operation and engaging exclusively in its main banking activities after the release of the capital.

At the end of 2007, the Bank of Lithuania took the decision to allow AB SEB bankas, from 1 January 2008, to independently evaluate and set the Bank’s need for capital by the method of credit risk evaluation based on internal ratings in compliance with the requirements of the new EU directives concerning capital adequacy. The possibility to independently set the need for capital proves that the Bank has developed procedures that meet the most stringent international standards for the management of credit risk in the banking sector.

On 21 January 2008, after the Register of Legal Entities of the Republic of Lithuania registered the amended Articles of Association of the Bank and issued the Bank with a new registration certificate,

AB SEB bankas changed its name (from SEB Vilniaus Bankas) and completed the process of change of the name that lasted for over two years, thus finally affirming its membership in the international financial group SEB. The names of the Bank's branch offices, Bank's companies and their representative offices were also changed accordingly.

In the same year, SEB Bankas Group transferred some of its operations to Lithuania—the Vilnius Branch of Skandinaviska Enskilda Banken AB was established, which provides SEB Bankas Group in different countries with IT, finance, operation and personnel administration services.

At the beginning of 2009, with a view to increasing the efficiency of its operation and ensuring an even higher quality of services provided to customers, AB SEB bankas adjusted the structure of its customer service branches and changed the names of the branches. After the new organisational structure of the branches had been implemented, the branches (of the Eastern Region, of the Central Region, and of the Western Region) became responsible for the coordination of the operation of all the Bank's branches (financial services centres (FSC) and units) belonging to them. The Bank's branches that operated prior to this adjustment became financial services centres and assumed the functions that were previously performed by the branches, while the customer service branches became FSC units and assumed the functions that were previously performed by customer service units.

Based on the model used throughout SEB Bankas Group, in 2009 AB SEB bankas started integrating its leasing business activities—all the leasing services and their administration will be transferred from the subsidiary AB "SEB lizingas" to AB SEB bankas in the foreseeable future, which will help to ensure the provision of services that best satisfy the needs of customers and allow business administration costs to be reduced.

At the beginning of 2010, AB SEB bankas transferred all the shares of its subsidiary UAB "SEB gyvybės draudimas" to the company SEB Trygg Liv Holding AB, which belongs to the international SEB Group and is registered in the Kingdom of Sweden. The shares were transferred with a view to strengthening the management and coordination of life insurance activities in the international SEB Group.

At the beginning of 2010, AB SEB bankas transferred all the shares of its subsidiary UAB "Litectus" to the real estate management company Warehold B.V. of SEB Group. This company received the shares of real estate management companies owned by SEB banks in all three Baltic States. The transfer of the shares was aimed at optimising the management of the real estate of the Group both in the Baltic States and throughout the SEB Group. The activities of UAB "Litectus" in Lithuania did not change after the transfer—the aim of the company remains the assurance of the management, development and sale of real estate which is purchased and disposed of by the Bank and which serves as a guarantee of loan repayment; the name of the company did not change either.

In July 2010, AB SEB bankas completed and launched a new main information system of the Bank, FlexCube, which is used to provide the Bank's services and to manage business processes. The new system opened new development prospects for the Bank—provided the Bank with an opportunity to implement various customer-targeted novelties in a more flexible manner and to speed up the Bank's internal processes. The FlexCube system is one of the most advanced and popular systems currently used by financial institutions in 105 countries.

In 2010, AB SEB bankas, together with AB DNB bankas, distributed Lithuanian Government 7-year bonds in euros with a value of LTL 259 million.

In 2010, the principal shareholder of AB SEB bankas, Skandinaviska Enskilda Banken AB (publ), completed the compulsory process of acquiring minority shares that was started in December 2006 and that was aimed at acquiring all the shares of the Bank. At present, 100% of the shares of AB SEB bankas in Lithuania is owned by Skandinaviska Enskilda Banken AB (publ).

On 3 March 2011, AB SEB bankas transferred 100% of the shares of its subsidiary UAB “SEB Enskilda” (legal person code 221949450, registered address Gedimino ave. 12, Vilnius) to the holding company of AB SEB bankas, Skandinaviska Enskilda Banken AB.

In 2011, AB SEB bankas successfully completed the integration of the payment card information system and the Bank’s main information system. Having enhanced its IT systems, the Bank can now offer more opportunities to debit card holders—the Bank’s debit cards were related to bank accounts and now debit card holders can execute the same banking operations as they can execute if they have bank account.

In 2011, AB SEB bankas was the first in the Lithuanian banking market to introduce financial services schemes for private customers for a fixed monthly fee and provided individuals and companies with an opportunity to receive new debit cards by post directly at their home or business address.

At the end of 2011, State Company “Indėlių ir investicijų draudimas” entrusted AB SEB bankas to pay insurance benefits to the former depositors of akcinė bendrovė bankas SNORAS (individuals and companies registered in Vilnius County). By the end of 2011, AB SEB bankas paid out the greatest share—over LTL 3 billion—of insurance benefits to these depositors.

In 2012, the Bank offered its customers new services and financial solutions: AB SEB bankas was the first in Lithuania to offer 24/7 advice by phone (1528) to private individual customers on daily banking issues, also it launched for them a free-of-charge banking service Financial Planner, e-signature and electronic mobile signature, a new payment and loyalty card SEB Mylimiausia MasterCard, started applying a new financial advice model for small and medium enterprises, started offering the Lithuanian Government saving bonds as well as a new financial instrument in the Lithuanian market, namely, structured bonds. In 2012, AB SEB bankas for its customers in the Baltic countries started providing cash management service Baltic Online, presented financial service plans to corporate customers and expanded possibilities for private individuals who are users of daily financial service plans, proposed private individuals to receive their new debit cards by mail, started communicating with its customers in social media Facebook profile.

In 2012, SEB Bankas Group won significant global and local awards: AB SEB bankas was awarded with the title of the Best Bank in Lithuania (Global Finance, Euromoney, The Banker), the Best FX Trade Bank in Lithuania (Global Finance), for the sixth time it was selected as the Most Desirable Employer in Lithuania (Verslo Žinios and CV.lt) and the Most Attractive Employer in Lithuania (CV Market). AB SEB bankas e-banking services received the Best E-banking Services award in such categories as Functionality and Mobile Banking (Metasite Business Solutions). In the year 2012 CSR National Excellence Awards AB SEB bankas won a special title for novelties, original ideas and consistent progress within a five-year period of the awards (the awards are initiated by the Ministry of Social Security and Labour of the Republic of Lithuania jointly with the UNDP Lithuania).

In the 1st half-year of 2013, SEB Bankas Group upgraded its website [www.seb.lt](http://www.seb.lt), created a possibility for private individuals and companies to call the bank via Skype free of charge, launched its customers a free-of-charge service of reminders on expiry of a payment card, time deposit and any other most frequently used service (by SMS, e-mail), etc.

In 2013, SEB Bankas Group won significant global and local awards: AB SEB bankas received the award of the Best FX Bank in Lithuania (Global Finance), for the seventh time and for the fifth time in a row it was recognised to be the Most Attractive Employer in Lithuania (Verslo Žinios and CV.LT) and the Most Desirable Employer in Lithuania (CVMarket.LT).

### **Legal name of the Issuer**

AB SEB bankas

**Place of registration and registration number of the Issuer**

Place of registration: Register of Legal Persons of Republic of Lithuania

Legal person code: 112021238

**Date of incorporation of the Issuer**

29 November 1990

**Registered address and telephone number of the Issuer, legal form of the Issuer, legislation under which the Issuer operates, country of incorporation of the Issuer**

Registered address: Gedimino ave. 12, Vilnius, Republic of Lithuania

Telephone: 8 5 268 2800

Legal form: public limited company

Legislation: Republic of Lithuania

Country of incorporation: Republic of Lithuania

**Information about any recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency**

There were no important events particular to the Bank which are to a material extent relevant to the evaluation of the Bank's solvency.

## **11. BUSINESS OVERVIEW**

### ***11.1. Principal activities***

AB SEB bankas is a credit institution operating on the basis of its share capital and holding a licence to engage and is actually engaged in the acceptance of deposits and other repayable funds from market retail participants and in lending these funds. AB SEB bankas also has the right to provide other financial services and assumes the related risks and responsibility. AB SEB bankas and its subsidiaries offer the following services to their customers: bank accounts, deposits, loans, local and international payments, international and local payment cards, acceptance and issue of commercial cheques, currency exchange, cash register operations, safe-keeping, financial brokerage, safe-keeping of securities and accounting of securities, personal automatic/mechanical safe boxes, leasing, pension funds, investment management, funds handling, business consultancy, and other services.

## 11.2. Information about the Issuer's principal activities stating the main categories of products sold and/or services performed

The scope and dynamics of the activities of AB SEB bankas and SEB Bankas Group is in part described by the following data from the balance sheet and profit (loss) accounts that were prepared in accordance with the International Financial Reporting Standards (IFRS):

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

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

LTL million	31 Dec 2011		30 June 2012		31 Dec 2012		30 June 2013	
	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank	SEB Bankas Group	the Bank
Net interest income (loss)	353.1	316.0	151.2	132.4	289.6	253.8	137.0	121.5
(Impairment losses) / Reversals	331.5	129.9	(15.1)	(31.5)	(25.2)	(52.7)	(22.4)	(11.4)
Other net income before operating costs	188.8	191.4	114.2	116.9	251.0	248.3	141.2	143.5
Result before operating costs	873.5	637.2	250.3	217.8	515.4	449.4	255.8	253.5
Decrease of the value of goodwill	-	-	-	-	-	-	-	-
Decrease of the value of investments in controlled companies	-	107.0	-	-	-	83.0	-	-
Operating costs	(343.7)	(329.0)	(159.3)	(152.6)	406.3	392.8	140.0	134.1
Net income from life insurance	-	-	-	-	-	-	-	-
Profit (loss) before profit tax from ongoing activity	529.8	415.3	91.0	65.1	109.1	139.7	115.9	119.5
Net profit (loss) from ongoing activity	469.7	379.8	80.4	59.5	86.3	126.3	97.5	102.3

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

SEB Bankas Group				Indicator	the Bank			
31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013		31 Dec 2011	30 June 2012	31 Dec 2012	30 June 2013
13.59%	14.01%	15.17%	15.84%	Capital adequacy coefficient	12.94%	12.95%	13.37%	13.85%
1.99%	0.63%	0.35%	0.85%	Average return on assets	1.72%	0.49%	0.53%	0.90%
21.86%	6.77%	3.60%	7.98%	Average return on shareholders' equity	19.50%	5.47%	5.73%	8.91%
46.80%	34.90%	35.86%	33.87%	Liquidity coefficient*	46.12%	34.66%	35.21%	33.48%
30.42	5.20	5.59%	6.31%	Profit (loss) per share, LTL	24.59	3.85	8.18	6.62
63.4%	60.0%	59.7%	50.3%	Cost-to-income ratio	64.8%	61.2%	61.6%	50.6%
150.94	156.33	155.24	161.59	Book value per share, LTL	138.70	142.74	145.59	152.25

**Capital adequacy coefficient:** calculated in accordance with the General Regulation for the Calculation of Capital Adequacy approved by Resolution No. 138 of 9 November 2006 of the Board of the Bank of Lithuania (the current wording was approved by Resolution No. 03-13 of 29 January 2013).

**Average return on shareholders' equity:** net profit (loss)/average shareholder's equity.

The net profit (loss) is calculated as an annual indicator of the relevant period of time.

The average shareholders' equity is calculated as the arithmetic



**Bank's liquidity coefficient:** calculated in accordance with the Rules on Liquidity of Banks approved by Resolution No. 1 of 29 January 2004 of the Board of the Bank of Lithuania (the current wording was approved by Resolution No. 03-58 of 25 May 2010).

**Average return on assets:** net profit (loss)/average asset value.

The net profit (loss) is calculated as an annual indicator of the relevant period of time.

The average asset value is calculated as the arithmetic mean of the values at the beginning and at the end (as well as interim results, if any) of the relevant period of time.

**Book value per share, LTL:** equity capital/number of shares issued.

mean of the values at the beginning and at the end (as well as interim results, if any) of the relevant period of time.

**Profit per share, LTL:** net profit (loss)/weighted average of the number of ordinary shares per year.

**Cost-to-income ratio:** costs / income

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

The year of 2012 for the country's banking was some kind of a breakthrough point, when the credit portfolio of banks which until then was dramatically declining over a several-years' period of time started stabilising in the market.

Audited net profit earned over the year 2012 by AB SEB bankas is LTL 126,3 million (EUR 36,6 million) and by SEB Bankas Group – LTL 86,3 million (EUR 25,0 million).

SEB Bankas Group's income over the year 2012 remained at the same level as in 2011 (2012: LTL 541 mln. and 2011: LTL 542 mln.) whereas ordinary operating costs shrank, however, due to additional one-off operating costs SEB Bankas Group's operating profit before provisions was lower compared to that in 2011. As of 31 December 2012, SEB Bankas Group's equity was LTL 2.4 billion, i.e., it increased by 4 per cent (LTL 2.3 billion yoy). As of 31 December 2012, SEB Bankas Group's assets were worth LTL 23.2 billion (LTL 26.6 billion yoy), i.e., they decreased by 13 per cent. Over the year 2012, AB SEB bankas deposit portfolio increased from LTL 12.2 billion up to LTL 12.4 billion, i. e. by 2 per cent.

As of 31 December 2012, SEB Bankas Group's credit and lease portfolio was worth LTL 18.3 billion in total (LTL 18.7 billion yoy). Over a year, there was a slight drop (2 per cent) in SEB Bankas Group's credit and lease portfolio, however, the corporate credit portfolio stopped decreasing, and over a year the amount of new loans issued to large corporate customers increased by 12 per cent, i.e., from LTL 4.3 billion up to LTL 4.8 billion. Over the year 2012, the amount of new loans issued by AB SEB bankas (extended agreements excluded) increased up to LTL 4.12 billion, which is a 19 per cent increase yoy.

As of 31 December 2012, SEB Bankas Group's liquidity ratio was 35.86 per cent (the requirement being 30 per cent).

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

In the 1st half-year 2013, unaudited net profit earned by AB SEB bankas and SEB Bankas Group was, respectively, LTL 102.3 million (EUR 29.6 million) and LTL 97.5 million (EUR 28.2 million).

In the 1st half-year of 2013, SEB Bankas Group's income was LTL 278.2 million (yoy LTL 265.4 million), i.e., increased by 4.8 per cent.

As of 30 June 2013, SEB Bankas Group's equity was worth LTL 2.5 billion (yoy LTL 2.4 billion), i. e. increased by 3.4 per cent and the SEB Bankas Group's assets made LTL 22.8 billion (yoy LTL 24.3 billion), i. e. decreased by 6.1 per cent.

Since 30 June 2012, SEB Bankas Group's deposit portfolio decreased by 4.3 per cent, i. e. from LTL 12.3 billion down to LTL 11.8 billion.

As of 30 June 2013, SEB Bankas Group's deposit and leasing portfolio was worth LTL 18.0 billion (yoy LTL 18.5 billion) in total, i. e. decreased by 2.9 per cent. The amount of new loans (without

extended loans) issued by SEB Bankas Group over the 1st half-year of 2013 was LTL 2.6 billion, i.e., increased by 31.0 per cent as compared to a relevant amount yoy.

As of 30 June 2013, SEB Bankas Group's liquidity ratio was 33.87 per cent (the requirement being 30 per cent).

The number of registered users of AB SEB bankas Internet Banking System increased up to 1.09 million, i. e. by 4.8 per cent (yoy 1.04 million). The number of users of the Bank's services by mobile phone increased up to 531 thousand, i. e. by 12 per cent (yoy 474 thousand). Over a relevant period, the number of payment transactions via the Internet increased by 7.2 per cent, the turnover in payment card accounts increased by 2 per cent, and an increase in the number of the Bank's POS terminals was 5 per cent.

As at the close of the 1st half-year of 2013, AB SEB bankas had 46 customer service subdivisions all over Lithuania. Customers of AB SEB bankas had access to the largest ATM network in Lithuania which includes ATMs of AB SEB bankas and AB DNB bankas, i. e. 530 ATMs in 82 Lithuanian cities and towns.

### ***11.3. Information about new types of activity and/or new products***

In the period of the historical financial information, the SEB Bank Group offered its customers new services and financial solutions.

In 2012 AB SEB bankas was the first in the Lithuanian finance market to launch a 24/7 advice service by phone (1528) on issues of everyday banking for private customers. Also, it launched for them a free-of-charge banking service Financial Planner, a new payment and loyalty card SEB Mylimiausia MasterCard, started applying a new financial advice model for small and medium enterprises. In 2012, AB SEB bankas for its customers in the Baltic countries started providing cash management service Baltic Online, presented financial service plans to corporate customers and expanded possibilities for private individuals who are users of daily financial service plans, proposed private individuals to receive their new debit cards by mail, started communicating with its customers in social media Facebook profile.

AB SEB bankas has started to provide its customers with the opportunity to use electronic and mobile signatures. This modern method of identification provides the Bank's customers with the opportunity to securely and conveniently login to the website, as well as confirm payments and documents presented to the Bank.

UAB "SEB investicijų valdymas", a company of SEB Bankas Group, started the distribution of the units of four investment funds - SEB Strategy Defensive, SEB Strategy Balanced, SEB Strategy Opportunity, and SEB Strategy Growth - investing in various types of assets. Customers of the Bank were also introduced to life insurance investment schemes that comply with the investment strategies offered by these funds.

In 2012 AB SEB bankas started the distribution of the Lithuanian Government saving notes, as well as structured notes, which are new financial instruments to the Lithuanian market and their profitability depends on changes in the value of the reference item and on the fulfilment of the obligations of the Republic of Lithuania related with the securities issued by it.

In the 1st half-year of 2013, SEB Bankas Group upgraded its website [www.seb.lt](http://www.seb.lt), created a possibility for private individuals and companies to call the bank via Skype free of charge, launched its customers a free-of-charge service of reminders on expiry of a payment card, time deposit and any other most frequently used service (by SMS, e-mail), etc.

AB SEB bankas expanded its network of self-service areas in Lithuania: in 2012 the first self-service areas accessible 24/7 were opened in Šiauliai, Alytus and Tauragė.

#### 11.4. Principal markets

AB SEB bankas provides its services in Lithuania only. On 30 June 2013, the Bank had 46 customer service branches (7 financial services centres and 39 branches) throughout Lithuania. On 30 June 2012 the Bank controlled (in full) 3 subsidiaries: AB “SEB lizingas”, UAB “SEB Venture Capital”, and UAB “SEB investicijų valdymas”.

#### 11.5. The basis for any statements made by the Issuer regarding its competitive position

At present, 7 commercial banks holding a license from the Bank of Lithuania, 8 foreign bank branches, 2 foreign banks representative offices, 273 EU banks providing cross-border services in the Republic of Lithuania without a branch, 3 financial institutions controlled by EU licensed foreign banks providing services without a branch are operating in the country.

AB SEB bankas is one of the three largest commercial banks in Lithuania. The main competitors of the Bank are “Swedbank” AB and AB DNB bankas.

The results of operation of AB SEB bankas and its main competitors as of 31 December 2012 and 30 June 2013 are presented in the table below.

	AB SEB bankas (LTL million)		“Swedbank” AB (LTL million)		AB DNB bankas (LTL million)	
	31 Dec 2012	30 June 2013	31 Dec 2012	30 June 2013	31 Dec 2012	30 June 2013
Assets	22 559	22 638	18 902	19 246	11 581	11 892
Net profit (loss)	126 287	102 287	334 198	339 072	88 428	25 534
Loans provided to customers	16 401	16 628	12 780	13 618	8 964	9 125
Deposits	12 817	12 278	14 798	14 243	5 871	6 218
Debt securities issued	561	132	424	471	71	54

Sources: websites of the Association of Lithuanian Banks, AB SEB bankas, AB DNB bankas, and “Swedbank” AB

Information about the activities of credit and payment institutions and about the supervision of these institutions in Lithuania in 2012 and in the 1st half-year of 2013 is presented below (source: Bank of Lithuania).

In 2012, there was a very rapid increase in deposits, and the loan portfolio significantly increased after a several year break. All banks, except for akcinė bendrovė Ūkio bankas, were characterized by high capital adequacy and liquidity levels. It should be noted that from December 2012 to January 2013, after the inspection of akcinė bendrovė Ūkio bankas, the results showed that the financial and supervision reports submitted by the inspected bank to the Supervision Service of the Bank of Lithuania, do not reflect the real situation of the bank, therefore, in order for the data to be comparable, the data of akcinė bendrovė Ūkio bankas is eliminated from the analysis of the banking sector indicators.

## Dynamics of some performance indicators of the banking system

	Indicator	Amount as at 01-01-2012, LTL millions (excl. Ūkio bankas)	Amount as at 01-01-2012, LTL millions	Amount as at 01-10-2012, LTL millions (excl. Ūkio bankas)	Amount as at 01-10-2012, LTL millions	Amount as at 01-01-2013, LTL millions (excl. Ūkio bankas)	Change in Q4 2012, % (excl. Ūkio bankas)	Change in 2012, % (excl. Ūkio bankas)
1.	Assets	74,750.2	78,970.6	72,850.6	76,945.0	74,259.3	1.9	-0.7
2.	Debt securities	4,779.0	5,664.1	4,850.2	5,674.1	5,180.6	6.8	8.4
3.	Loans granted to customers	51,815.8	54,009.4	52,160.3	54,308.2	52,875.0	1.4	2.0
3.1.	to private undertakings	23,509.5	25,114.9	24,067.1	25 813.2	24,005.5	-0.3	2.1
3.2.	to financial institutions	1,785.8	2,152.6	2,009.1	2,146.0	2,843.9	41.5	59.2
3.3.	to natural persons	23,393.1	23,499.1	22,962.0	23,068.0	22,775.2	-0.8	-2.6
3.3.1.	Housing loans	19,525.5	19,555.1	19,314.0	19,341.3	19,246.7	-0.3	-1.4
4.	Impairment of loan value	3,783.5	3,980.9	3,388.9	3,649.3	2,984.7	-11.9	-21.1
4.1.	Relation between the loan amount impairment and granted loans, in per cent	6.8	6.9	6.1	6.3	5.3	-	-
5.	Deposits and letters of credit	39,806.2	43,174.1	41,401.1	44,867.7	43,613.6	5.3	9.6
5.1.	of private undertakings	13,497.5	14,246.5	13,522.0	14,193.6	14,840.5	9.8	9.9
5.2.	of financial institutions	1,089.7	1,263.0	954.3	1,066.7	1,068.6	12.0	-1.9
5.3.	of natural persons	22,770.5	25,128.6	23,494.0	26,037.7	24,379.9	3.8	7.1
6.	Shareholders' equity	6,401.9	6,854.1	6,868.7	7,275.3	7,070.3	2.9	10.4
7.	Profit (loss) of the current year	1,120.8	1,116.2	531.7	483.9	721.5	-	-

In 2012, the bank assets declined a little, but compared to 2011, the decrease was insignificant — merely LTL 0.5 billion (0.7%). On 1 January 2013, the bank assets totalled to LTL 74.3 billion.

The loan portfolio, comprising the major part of assets, which was declining during Q1, grew steadily for the next part of the year. In 2012, the bank loan portfolio increased by LTL 1.1 billion and on 1 January 2013 totalled LTL 52.9 billion.

Despite the prevailing very low interest rates, deposits in the banking sector increased significantly in 2012. According to data of 1 January 2013, bank deposits amounted to LTL 43.6 billion, and in akcinė bendrovė Ūkio bankas — another LTL 3.4 billion. So basically, as of 1 January, deposits in the banking sector (including akcinė bendrovė Ūkio bankas) were as high as LTL 47 billion. This is a record amount in excess of even the former deposit levels before the suspension of akcinė bendrovė bankas SNORAS activities. The annual deposit growth rate was as high as 8.9 per cent (after eliminating akcinė bendrovė Ūkio bankas — 9.6%).

In the second quarter of 2013, the banking sector performance remained stable, the banks generated profits and complied with the prudential requirements. UniCredit retreat from the market was one of the major factors, which resulted in decrease of the banks' assets by LTL 1.7 billion. The value of the banks' assets almost reached the level prior to economic overheating: as of 1 July 2013, the value of assets held by banks amounted to LTL 75.6 billion or identical to the value 6 years ago.

## Bank loan portfolio

In 2012, as compared to 2011, the bank loan portfolio increased by 2 per cent and at the end of 2012 amounted to LTL 52.9 billion. Over the year, lending to private companies, financial and government institutions increased, while to natural persons and state and municipal enterprises — decreased. The positive growth of the loan portfolio is expected in 2013 as well — preconditions for further growth in the loan portfolio consists of moderate growth in the national economy, increasing lending commitments, as well as increased free cash volumes available to banks, that resulted when the Bank of Lithuania reduced the reserve requirement ratio.

Credit commitments during the year increased by LTL 453.8 million, or 7.1 per cent. This indicates that the loan portfolio will increase in the future.

In the second quarter of this year, the bank loan portfolio shrank by 0.7 per cent and as of 1 July 2013 made up LTL 53.9 billion. Such decrease of the bank loan portfolio was determined by the above-mentioned retreat of UniCredit from the market. A slight growth of the bank loan portfolio would be observed if the value of the loan portfolio transferred by said branch to the head office in Latvia is eliminated.

The ratios indicating the loan portfolio quality insignificantly improved in the second quarter. Such stabilisation of the ratios indicating the loan portfolio quality shows that uncertainty, which prevailed in the entire banking sector after the economic decline in general is coming to an end due to future perspectives of the specific sectors, assessment of the financial standing of borrowers and that the banks finalising the recovery procedures initiated in the crisis period eliminate bad loans from the financial reporting.

## Profitability and efficiency of operations

In 2012, the banks earned LTL 721.5 million of profit — a third less than in 2011.

Banking profit decline was primarily due to the loan value impairment. Last year, for the loan value impairment, the banks experienced LTL 49 million in costs and in 2011, because of previously recognized loan impairment reversals, banks received LTL 164.4 million in income.

Major income of the banks is net interest income, that in 2012, as compared to 2011, declined by 124.1 million litas (9.8%) to LTL 1.1 billion. The decline in net interest income is mainly due to interest income from the loan portfolio, that decreased by LTL 284.5 million, while bank interest expense, although was declining, but not to the extent of the falling interest income.

Although the banks were profitable last year, but due to the lower profit, the indicators describing the operating efficiency of banks, according to data of 1 January 2013, were lower than in 2011: the banking cost to income ratio was 58.2 per cent, the annual banking sector index of return on assets — 1 per cent, return on capital — 8.7 per cent.

In the first-half of the year 2013, the banks and foreign bank branches earned LTL 550,3 million, or more by 61 per cent as compared with the first-half of 2012. If the profit of “Swedbank” AB generated from sale of a number of shares of the life insurance company in the first quarter and profits of other banks received from subsidiaries are excluded, the profit of the banking sector of the first-half year before taxes and provisions, as compared with the respective period of the year 2012, shrank by 12.7 per cent. Such change basically was determined by a decrease in net interest income and growth of operating expenses.

Continuing increase in operating expenses reduced the banks' profit: in the first half, as compared with the relevant period of 2012, said expenses grew by 9.6 per cent, or up to LTL 528.2 million. Staff costs grew by 5 per cent, other costs and administrative costs also went up. It is expected that in future



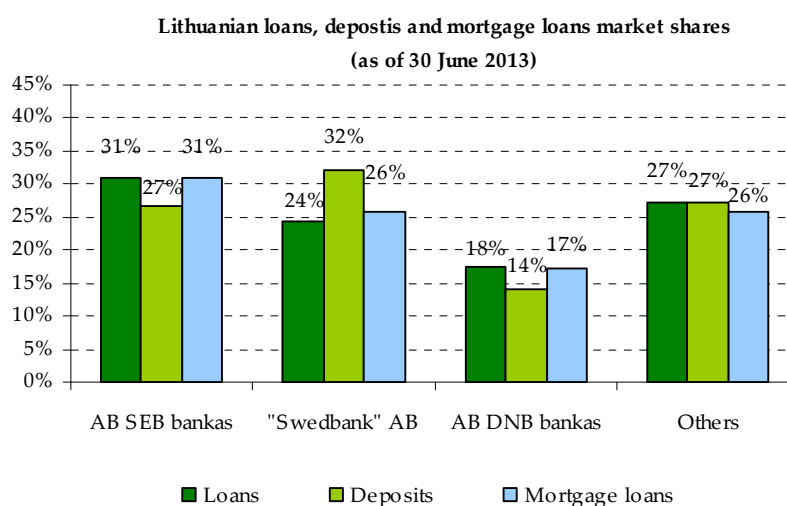
the banks seeking to decrease their operating costs will further stimulate e-banking development and may cut its staff number.

## Implementation of prudential requirements for banking activities

As of 1 July 2013, all banks complied with the prudential requirements for banking activities, besides the banks should not face any difficulties of complying with the new capital adequacy and liquidity ratios established in the new Capital Requirements Directive (CRD IV).

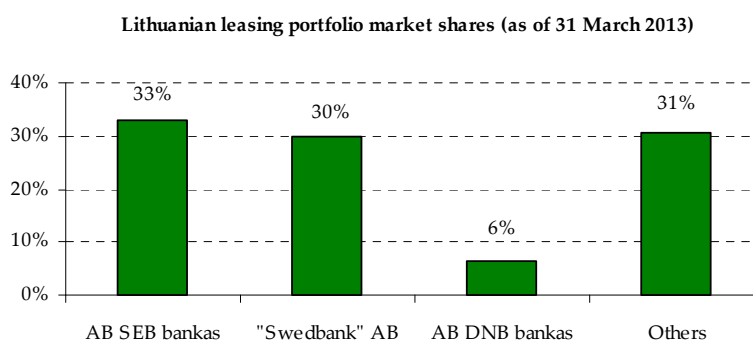
Rather high capital adequacy ratio was typical of the banking system: in the second quarter of 2013, the banking sector capital adequacy ratio did not change and based on the data as of 1 July 2013 made up 15.6 per cent. Liquidity ratio as of 1 July 2013 made 39.3 per cent, or was higher by 9 percentage points compared to the requirement.

Market share of AB SEB bankas and its main competitors as of 30 June 2013 by individual product groups are shown below.



**Source:** Association of Lithuanian Banks

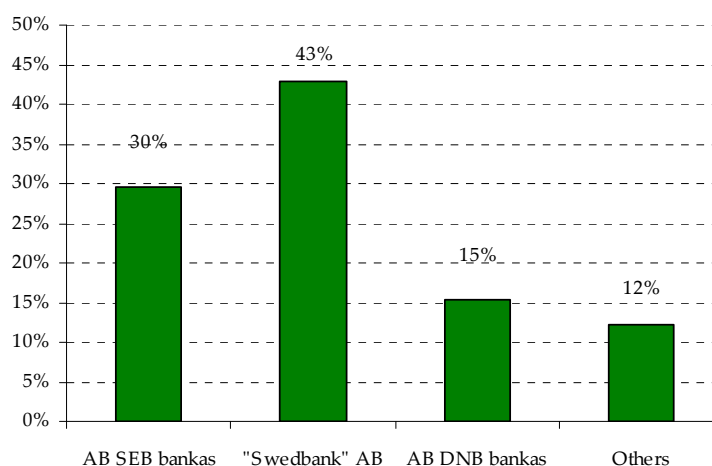
**Note:** AB SEB bankas data is only for mortgage loans portfolio not including home equity loans portfolio.



**Source:** Association of Lithuanian Banks

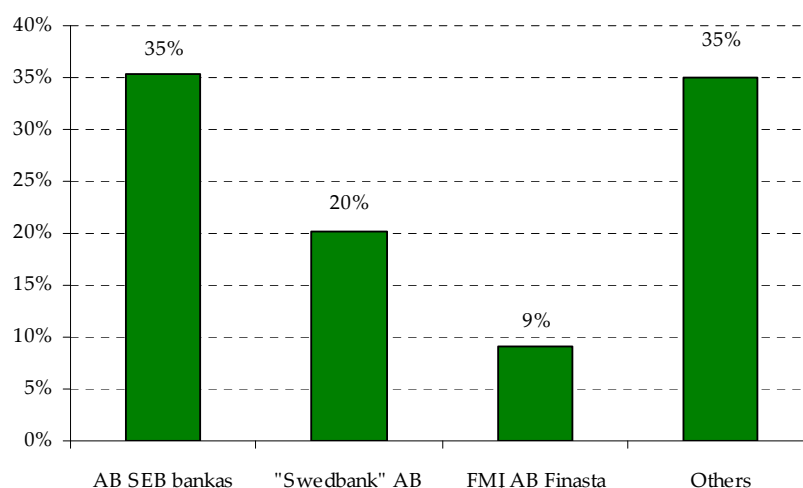
**Note:** Information for the end of Q1 2013 is provided due to the lack of more recent available public data.

Lithuanian internet banking market shares (as of 30 June 2013)



Source: Association of Lithuanian Banks

Lithuanian securities safe-keeping market shares (as of 30 June 2013)



Source: Central Securities Depository of Lithuania

**Note:** Data provided according to the capitalisation of the nominal value of securities, Financial instruments without a nominal value and financial instruments issued abroad whose nominal value is unknown are excluded from the nominal value capitalisation.

## INFORMATION ON THE OPERATIONS OF THE CENTRAL CREDIT UNION OF LITHUANIA

As of 1 July 2013, 63 credit unions were the members of the Central Credit Union of Lithuania (hereinafter - CCUL).

CCUL assets decreased in the second quarter of 2013 by LTL 67.6 million and as of 1 July 2013 totalled LTL 334.7 million. The main reason of such decrease was shrinking deposit portfolio of the credit unions, i.e., members of CCUL. Deposits of the credit unions, which in the second quarter of 2013 shrank by nearly one fourth (to LTL 246,9 million) remained the major financing source of CCUL assets (74 % of CCUL assets were financed from deposits).

Loan portfolio of CCUL members in the second quarter of 2013 insignificantly increased and as of 1 July 2013 exceeded LTL 63 million. Subordinated debts granted to the credit unions represented a significant portion of CCUL loan portfolio (46 %).

In the first half of the year 2013, CCUL earned profit of LTL 953 thousand (LTL 463 thousand within the equivalent period of 2012). Interest income on investment in the Government securities made the largest effect on CCUL performance result.

CCUL continued to comply with liquidity and capital adequacy ratios with a significant reserve.

## REVIEW OF THE ACTIVITIES OF CREDIT UNIONS

As of 1 January 2013, 77 credit unions had activity licences issued by the Bank of Lithuania. They had nearly 146 thousand members. In the year 2012, three new credit unions started their activity (credit union Panevėžio Regiono Taupomoji Kasa, LTL Kredito Unija and Verslo Kredito Unija).

In the fourth quarter of 2012, the assets of credit unions grew by 3.2 per cent, and during a one-year period – more than by one fourth. Irrespective of a rapid growth of the credit unions, they make an insignificant part of the finance sector as their assets as of 1 January 2013, totalling nearly LTL 2.1 billion made up 2.6 per cent of the operating banking system assets.

### Development of the key indicators

No.	Indicator	Amount 01-01- 2012, LTL million	Amount 01-10- 2012, LTL million	Amount 01 -01-2013, LTL million	Change in 2012 Q4, %	Annual change, %
1.	Assets	1 628,5	1 995,0	2 058,1	3,2	27,5
2.	Funds in banks	44,8	84,3	80,6	-4,4	-26,2
3.	Funds at the CCUL	312,9	283,0	310,2	9,6	13,2
3.1.	Of which, term deposits	162,2	143,0	158,9	11,1	11,1
4.	Government securities	237,3	368,8	412,6	11,9	78,3
5.	Loans granted	933,5	1 141,9	1 122,9	-1,7	24,1
6.	Specific provisions for loans	28,6	28,6	80,2	2,8 times	2,8 times
7.	Ratio of specific provisions for loans to loans (%)	3,0	2,4	6,7	–	–
8.	Debt to the CCUL	47,2	63,5	53,1	-16,4	12,5
9.	Deposits	1 405,8	1 709,3	1 822,0	6,6	29,6
9.1.	Of which, by members and associated members of credit unions	1 393,3	1 697,9	1 809,5	6,6	29,9
10.	Share capital	177,8	224,3	236,2	5,3	328
11.	Profit (loss) for current year	-14,0	-0,4	-55,1	–	–

Loans represented the greatest share (54.6 %) of the assets of the credit unions. In the fourth quarter of 2012, the loan portfolio shrank by 1.7 per cent, however since the start of the year it grew by 20.3 per cent and as of 1 January 2013, the loans granted by the credit unions amounted to LTL 1.1 billion.

The credit unions with their limited opportunities to offer a wider range of services are attractive for depositors due to higher interest rates compared to those offered by banks. The depositors taking into consideration a large difference in interest rates on deposits continued to increase the deposit portfolio of the credit unions. In the fourth quarter of 2012, deposits with the credit unions increased by 6.6 per cent and within the year 2012 – by nearly 30 per cent and as of 1 January 2013 amounted to LTL 1.8 billion, or 96.4 per cent of liabilities of the credit unions.

Unaudited financial statements show that in the year 2012, 52 credit unions generated the profit of LTL 10.3 million, however 25 credit unions incurred losses of LTL 65.4 million. Total annual result is the loss of LTL 55.1 million, which is the worst result since the start of activities of the credit unions in the year 1995.

Liquidity ratio of the credit unions as of 1 January 2013 made up 48.98 per cent (requirement – 30 %). Capital adequacy ratio was complied by the credit unions with a significant reserve – the ratio on the reporting date made up 16.96 per cent (requirement – 13 %), however two credit unions (Nacionalinė Kredito Unija and credit union Švyturio Taupomoji Kasa), whose activity licences were cancelled in January 2013 failed to comply with this ratio.

As of 1 July 2013, 74 credit unions were operating in Lithuania (as of 9 May 2013, the Board of the Bank of Lithuania has cancelled the activity licence issued for credit union Laikinosios Sostinės Kreditas, which had more than 145 thousand members. Members of the (CCUL were 63 credit unions and 11 credit unions operated independently.

Activity restrictions imposed on some credit unions and the new more rigid prudential requirements limited the volumes of irresponsible lending and development of the credit union system became more sustainable. The decreased number of the credit unions also made effect on the main activity ratios of the credit union system.

Assets of the credit unions in the second quarter 2013 remained nearly unchanged however as compared with the data of 1 July 2012, during the year assets grew by 9.8 per cent and as of 1 July 2013 totalled LTL 2 billion, or 2.7 per cent of the banking system assets. Assets of the ten largest credit unions made up more than a half of all assets of the credit unions. Credit union Vilniaus Taupomoji Kasa remains the largest credit union: its assets made up 17.6 per cent of the total assets of the credit unions.

## REVIEW OF THE ACTIVITIES OF PAYMENT INSTITUTIONS

### Activities performed

As of 1 January 2013, twenty eight payment institutions were registered in the Public List of Payment Institutions. Of these, 20 held licences entitling to provide payment services in the Republic of Lithuania and other European Union member states, 8 – payment institution licences for restricted activity (waivers) only valid in the Republic of Lithuania and providing that the average amount of payment transactions performed by a payment institution within the last 12 months is not above LTL 1 million per month.

Most payment institutions, as in previous periods, carried out economic and commercial activities, providing payment services as additional services only, hence the debt of all payment institutions for payment services on the reporting date accounted for a small share (5.6%) of total liabilities.

The total turnover of all payment institutions' payment transactions performed in 2012 amounted to LTL 6 billion. It slightly increased in the fourth quarter (LTL 154 million, or 2.6%). In 2012 payment institutions' income earned from the provision of payment services made LTL 65 million, an increase of LTL 10 million, or 18% year on year. This was driven mainly by an increase in the number of payment institutions in 2012.

In the second quarter of 2013, 2 payment institution licences were issued: UAB "WoraPay" that planned to offer the payment service – money transfers specified in Par. 6 of Article 5 of the Law on Payments of the Republic of Lithuania and to Mokejimų Terminalų Sistemose UAB.

Income from payment services of the payment institutions in the first half of 2013 made up LTL 33.6 million and slightly increased (LTL 0.3 million) as compared with the equivalent period of the previous year. One payment institution (AB Lietuvos Paštas) in the second quarter of 2013 as well as in the previous reporting periods by the volume of rendered payment services represented a considerable portion of the entire payment system institutions. In the second quarter of 2013, its income from the payment services made up 43 per cent of the total income from payment services of

the payment institutions. Payment transactions turnover of this company within the recent 12 months made up 46 per cent of the total turnover of the payment institutions.

## Compliance with prudential requirements

As of 1 January 2013, all payment institutions complied with the requirements for the initial capital and own funds established in the Law on Payment Institutions. As of 1 January 2013, the total amount of the own funds of payment institutions made LTL 138 million. In 2012, two payment institutions increased their authorized capital to enhance their own funds base.

Total own funds requirement (calculated by applying one Bank of Lithuania-approved method chosen by a payment institution) on the aforementioned date amounted to LTL 7.1 million (compared to the third quarter of 2012, for 5 payment institutions the amount specified above changed, driven by an increase in their activity volumes). Due to rather low volumes of payment transactions and scarce other financial data used in calculating the amount of own funds requirement, the own funds requirement of 8 payment institutions did not exceed the amount established in the Law (EUR 20 thousand).

As of 1 July 2013, all payment institutions complied with the minimum own capital and own funds requirements established in the above-mentioned Law. As of 1 July 2013, own funds of the payment institutions amounted to LTL 135 million.

## 12. ORGANISATIONAL STRUCTURE

### 12.1. Information about the position of the Issuer within the group it belongs to

On 30 June 2013, SEB Bankas Group included AB SEB bankas, which has 7 financial services centres and 39 financial services centre branches, and 3 subsidiaries—UAB “SEB investicijų valdymas”, AB “SEB lizingas”, and UAB “SEB Venture Capital” (the Bank controls 100% of their authorised capital).

The key information about the subsidiaries of the Bank as of 30 June 2013 is presented below.

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

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
Legal person code	124186219
Registered 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



<b>Name</b>	<b>UAB “SEB investicijų valdymas”</b>
Type of core activities	Various investment management services, consultancy services
Legal form	Private limited company
Registration date and place	3 May 2000, Vilnius
Legal person code	125277981
Registered 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

## ***12.2. Information about the nature of the Issuer’s dependency upon the group***

Skandinaviska Enskilda Banken AB (publ) which as of 30 June 2013 controlled 100% of the shares of AB SEB bankas, is a Northern European group of financial companies. As a bank retaining long-term relations with its customers, Skandinaviska Enskilda Banken AB (publ) provides consultancy to customers in Sweden and in the Baltic States on issues of finance and provides customers with multifaceted financial services. The main fields of activities of the banks belonging to SEB Group and operating in Denmark, Finland, Norway and Germany include corporate and investment banking services for corporate customers and institutions. SEB Group is engaged in business activities in 20 countries and has approximately 17,000 employees.

## **13. TREND INFORMATION**

### ***13.1. Information about material adverse change in the prospects of the Issuer since the date of its last published audited financial statements***

No material adverse change has occurred since the date of the last published audited financial statements and until the date of submission of the Base Prospectus to the Bank of Lithuania.

### ***13.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects for at least the current financial year***

No information on any trends, uncertainties, demands, commitments or significant events that are likely to have a material effect on the Bank’s prospects was known of on the date of submission of the Base Prospectus to the Bank of Lithuania.

## **14. PROFIT FORECASTS OR ESTIMATES**

The profit forecasts prepared by the Bank are not evaluated by any independent accountants or auditors and they are not published, for which reason they are not presented in the Base Prospectus.

## 15. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 15.1. *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 Board of the Bank (hereinafter the "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 Board and the President are the Bank's management bodies.

The Council is a collegiate supervisory body carrying out the function of supervision over the Bank's activities. The Council consisting of 5 members is elected by the Meeting. The Council elects the Board members and revokes them from their positions, supervises over the activities of the 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 Board is a collegiate management body of the Bank, consisting of 5 members and is elected by the Council. The 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 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 Board have no powers granted to them as members of the 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.

### THE SUPERVISORY COUNCIL OF THE BANK (as of 30 June 2013)

#### **KNUT JONAS MARTIN JOHANSSON**

Head of Business Support Division of Skandinaviska Enskilda Banken AB (publ). 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 AB SEB bankas held on 29 October 2009, Chairman of the Supervisory Council since 13 November 2009.

#### **MARK BARRY PAYNE**

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

Member of the Supervisory Council elected by an extraordinary meeting of shareholders of AB SEB bankas held on 29 October 2009.

#### **CARL STEFAN DAVILL**

Head of Operations and IT of the SEB Group. 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 AB SEB bankas held on 29 October 2009.

#### **STEFAN STIGNÄS**

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 AB SEB bankas held on 29 October 2009.

#### **TED TONY KYLBERG**

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

Member of the Supervisory Council elected by an annual general meeting of shareholders of AB SEB bankas held on 25 March 2010.

The tenure of all members of the Supervisory Council expires on 29 October 2013.

### **THE BOARD OF THE BANK (as of 30 June 2013)**

#### **RAIMONDAS KVEDARAS**

Chairman of the Board and President of AB SEB bankas since 19 October 2009. Elected to the 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 Board since 19 October 2009. Education: higher, specialisation – economics. No shares of the Bank are held by the Member.

#### **ROBERTS BERNIS**

Vice President and Head of Credit and Risk Management Division of AB SEB bankas. Member of the 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 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 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 Board expires on 7 February 2016 (on 8 February 2012, the Supervisory Council of the Bank took a decision to re-elect the Board of the Bank for a new four-year tenure).

**CHIEF EXECUTIVE OFFICER**

**RAIMONDAS KVEDARAS** – Chairman of the Board and President of AB SEB bankas since 19 October 2009. Elected to the 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 Board and Chief Financial Officer since 11 April 2011.

The members of management bodies of AB SEB bankas have not been convicted for any crimes to property, economic order, and/or finance.

***15.2. Administrative, management and supervisory bodies conflicts of interests***

There are no administrative, management and supervisory bodies conflicts of interest between any duties with regard to the Bank and their private interests and/or any other duties.

**16. MAJOR SHAREHOLDERS*****16.1. Information on whether the Issuer is directly or indirectly owned or controlled and by whom, description of the nature of such control, and description of the measures in place to ensure that such control is not abused***

The authorised capital of the Bank registered with the Register of Legal Persons is LTL 1,034,575,341 (one billion, thirty-four million, five hundred seventy-five thousand, three hundred and forty-one). The authorised capital of the Bank is divided into 15,441,423 (fifteen million, four hundred forty-one thousand, four hundred and twenty-three) ordinary registered shares with a nominal value of LTL 67 (sixty-seven) per share. All shares of the Bank are paid up and are not subject to any restrictions in terms of securities assignment.

On 19 November 2010, the squeeze-out procedure of AB SEB bankas shares was finalized. 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.

***16.2. Description of any arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer***

AB SEB bankas is not aware of any such arrangements.

**17. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES*****17.1. Historical financial information***

The financial information of AB SEB bankas and SEB Bankas Group is prepared in accordance with the International Financial Reporting Standards. The financial statements of the Bank and the Group

for the years ended on 31 December 2011 and 31 December 2012—more precisely, their reports on the financial position, profit (loss) accounts, income statements, reports on changes in equity, and cash flow statements have been audited. Investors can familiarise themselves with the aforementioned financial information (which is also detailed below) by visiting the Bank’s website [www.seb.lt](http://www.seb.lt), the Markets Department of AB SEB bankas (Gedimino ave. 12, Vilnius), and other branch offices of AB SEB bankas (at the addresses specified in the Final Terms). Information, which the Bank must publish pursuant to legislation regulating the securities market, is also stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

On 31 December 2012 and on 31 December 2011 SEB Bankas Group in Lithuania included AB SEB bankas and three controlled companies—UAB “SEB investicijų valdymas”, AB “SEB lizingas”, and UAB “SEB Venture Capital”.



**STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>	
<b>2012</b>	<b>2011</b>		<b>2012</b>	<b>2011</b>
		<b>Assets</b>		
443,393	634,922	Cash on hand	443,393	634,922
1,002,933	3,438,209	Balances with the Central Bank	16 1,002,933	3,438,209
2,666,929	2,718,507	Due from banks	17 2,666,929	2,718,507
60,900	52,911	Government securities available for sale	18 60,234	51,921
		Financial assets at fair value through		
651,603	69,881	profit and loss	19 608,544	28,376
355,201	193,054	Derivative financial instruments	20 355,201	193,054
6,802	12,706	Loans to credit and financial institutions	21 737,926	439,302
15,642,962	15,649,121	Loans to customers	7, 22 15,668,920	15,678,432
1,502,759	1,673,486	Finance lease receivables	23 -	-
		Investment securities:		
386,010	1,588,260	– loans and receivables	24 386,010	1,588,260
200	376	– available for sale	24 200	376
13,812	14,148	– held to maturity	24 13,812	14,148
-	-	Investments in subsidiaries	25 307,900	224,900
58,260	132,970	Intangible fixed assets	26 57,827	132,730
22,645	33,121	Property, plant and equipment	27 22,127	32,357
375	841	Assets under operating lease	28 -	-
23,686	27,960	Non-current assets held for sale	44 -	29
14,232	40,702	Investment property	29 1,332	1,471
190,998	213,596	Deferred tax asset	14 143,064	157,440
113,842	147,390	Other assets	30 107,275	143,139
<b>23,157,542</b>	<b>26,642,161</b>	<b>Total assets</b>	<b>22,583,627</b>	<b>25,477,573</b>
		<b>Liabilities</b>		
37	32	Due to the Central Bank	37	32
7,193,144	10,135,681	Due to credit and financial institutions	31 6,791,475	9,176,873
377,836	239,686	Derivative financial instruments	20 377,836	239,686
12,393,252	12,152,999	Deposits from public	32 12,393,390	12,158,994
61,181	36,016	Accrued expenses and deferred income	35 59,150	33,659
1,316	-	Income tax payable	-	-
-	244,218	Subordinated loans	33 -	244,218
561,016	565,598	Debt securities in issue	34 561,016	565,598
145,409	937,172	Other liabilities and provisions	35 125,384	916,735
<b>20,733,191</b>	<b>24,311,402</b>	<b>Total liabilities</b>	<b>20,308,288</b>	<b>23,335,795</b>
		<b>Equity</b>		
		<b>Equity attributable to owners of the Bank</b>	<b>36</b>	
1,034,575	1,034,575	Share capital	1,034,575	1,034,575
2,200	2,200	Reserve capital	2,200	2,200
(4,098)	(9,737)	Financial assets revaluation reserve	(4,098)	(9,737)
239,612	194,708	Legal reserve	236,737	191,184
14,132	12,497	General and other reserves	14,132	12,497
1,137,930	1,096,516	Retained earnings	991,793	911,059
2,424,351	2,330,759		2,275,339	2,141,778
-	-	<b>Non controlling interest in equity</b>	-	-
<b>2,424,351</b>	<b>2,330,759</b>	<b>Total equity</b>	<b>2,275,339</b>	<b>2,141,778</b>
<b>23,157,542</b>	<b>26,642,161</b>	<b>Total liabilities and equity</b>	<b>22,583,627</b>	<b>25,477,573</b>

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

The Group				The Bank	
2012	2011		Note	2012	2011
625,451	751,997	Interest income		572,113	680,314
(335,802)	(398,850)	Interest expenses		(318,361)	(364,335)
289,649	353,147	Net interest income	6	253,752	315,979
(55,031)	124,092	Impairment (losses)/ reversals on loans	7	(55,031)	124,092
27,412	201,630	Impairment reversals on lease portfolio	7	-	-
		Provisions, reversals for guarantees and other off balance sheet items		2,380	5,789
2,380	5,789			2,380	5,789
(25,239)	331,511	Total impairment (losses), reversals		(52,651)	129,881
264,410	684,658	Net interest income after impairment losses		201,101	445,860
251,454	229,013	Fee and commission income	8	239,939	218,227
(66,806)	(61,948)	Fee and commission expenses	8	(66,263)	(61,431)
184,648	167,065	Net fee and commission income		173,676	156,796
		Net losses on operations with debt securities and derivative financial instruments	10	(7,031)	(38,671)
(7,152)	(38,671)	Net (loss) gain on investment securities		(859)	1,399
(859)	1,121	Impairment loss on investment securities available for sale		-	(390)
-	(390)	Net gain (loss) on disposal of subsidiaries	25	-	6,376
-	(1,166)	Dividend income from subsidiaries	9	8,344	6,064
-	-	Net foreign exchange gain	11	67,850	54,778
67,833	54,738	Other income, net		6,342	5,020
6,492	6,113				
66,314	21,745	Net investment activities		74,646	34,576
(141,720)	(140,201)	Staff costs	12	(136,078)	(134,415)
(264,563)	(203,477)	Other administrative expenses	13	(256,678)	(194,547)
109,089	529,790	Operating profit		56,667	308,270
-	-	Impairment reversal on investment in subsidiaries	25	83,000	107,000
109,089	529,790	Profit before income tax		139,667	415,270
(22,771)	(60,139)	Income tax expenses	14	(13,380)	(35,508)
86,318	469,651	Net profit for the year		126,287	379,762
		Attributable to:			
86,318	469,651	Owners of the Bank		126,287	379,762
-	-	Non controlling interest		-	-
86,318	469,651			126,287	379,762

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

The Group				The Bank	
2012	2011		Note	2012	2011
86,318	469,651	Net profit for the year		126,287	379,762
		Other comprehensive income:			
5,184	(4,157)	Net gain (loss) on available for sale assets	36	5,184	(4,157)
		Amortisation of financial assets revaluation reserve			
1,450	3,075	of reclassified financial assets	36	1,450	3,075
		Income tax relating to the components of other			
(995)	195	comprehensive income	14	(995)	195
5,639	(887)	Total other comprehensive income/ (loss)		5,639	(887)
91,957	468,764	Total comprehensive income		131,926	378,875
		Attributable to:			
91,957	468,764	Owners of the Bank		131,926	378,875
-	-	Non controlling interest		-	-
91,957	468,764			131,926	378,875

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

Equity attributable to owners of the Bank										
The Group	Note	Share capital	Reserve capital	Financial assets revaluation reserve (deficit)	Legal reserve	General and other reserves	Retained earnings	Total before noncontrolling interest	Non controlling interest	Total Equity
31 December 2010		1,034,575	1,034	(8,850)	165,425	10,846	656,148	1,859,178	-	1,859,178
Net change in available for sale investments, net of deferred tax		-	-	(3,962)	-	-	-	(3,962)	-	(3,962)
Amortisation of financial assets revaluation reserve of reclassified financial assets		-	-	3,075	-	-	-	3,075	-	3,075
Net profit for the year		-	-	-	-	-	469,651	469,651	-	469,651
Total comprehensive income		-	-	(887)	-	-	469,651	468,764	-	468,764
Sales of UAB SEB Enskilda		-	1,166	-	-	-	-	1,166	-	1,166
Share-based compensation		-	-	-	-	1,651	-	1,651	-	1,651
Transfers to reserves		-	-	-	29,283	-	(29,283)	-	-	-
31 December 2011		1,034,575	2,200	(9,737)	194,708	12,497	1,096,516	2,330,759	-	2,330,759
Net change in available for sale investments, net of deferred tax	36	-	-	4,189	-	-	-	4,189	-	4,189
Amortisation of financial assets revaluation reserve of reclassified financial assets	36	-	-	1,450	-	-	-	1,450	-	1,450
Net profit for the year		-	-	-	-	-	86,318	86,318	-	86,318
Total comprehensive income		-	-	5,639	-	-	86,318	91,957	-	91,957
Other movements		-	-	-	(711)	-	711	-	-	-
Share-based compensation		-	-	-	-	1,635	-	1,635	-	1,635
Transfers to reserves		-	-	-	45,615	-	(45,615)	-	-	-
31 December 2012		1,034,575	2,200	(4,098)	239,612	14,132	1,137,930	2,424,351	-	2,424,351

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

The Bank	Note	Share capital	Reserve capital	Financial assets revaluation reserve (deficit)	Legal reserve	General and other reserves	Retained earnings	Total Equity
<b>31 December 2010</b>		<b>1,034,575</b>	<b>2,200</b>	<b>(8,850)</b>	<b>163,221</b>	<b>10,846</b>	<b>559,260</b>	<b>1,761,252</b>
Net change in available for sale investments, net of deferred tax		-	-	(3,962)	-	-	-	(3,962)
Amortisation of financial assets revaluation reserve of reclassified financial assets		-	-	3,075	-	-	-	3,075
Net profit for the year		-	-	-	-	-	379,762	379,762
<i>Total comprehensive income</i>		-	-	(887)	-	-	379,762	378,875
Share-based compensation		-	-	-	-	1,651	-	1,651
Transfers to reserves		-	-	-	27,963	-	(27,963)	-
<b>31 December 2011</b>		<b>1,034,575</b>	<b>2,200</b>	<b>(9,737)</b>	<b>191,184</b>	<b>12,497</b>	<b>911,059</b>	<b>2,141,778</b>
Net change in available for sale investments, net of deferred tax	36	-	-	4,189	-	-	-	4,189
Amortisation of financial assets revaluation reserve of reclassified financial assets	36	-	-	1,450	-	-	-	1,450
Net profit for the year		-	-	-	-	-	126,287	126,287
<i>Total comprehensive income</i>		-	-	5,639	-	-	126,287	131,926
Share-based compensation		-	-	-	-	1,635	-	1,635
Transfers to reserves		-	-	-	45,553	-	(45,553)	-
<b>31 December 2012</b>		<b>1,034,575</b>	<b>2,200</b>	<b>(4,098)</b>	<b>236,737</b>	<b>14,132</b>	<b>991,793</b>	<b>2,275,339</b>



**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>		<b>Note</b>
<b>2012</b>	<b>2011</b>		<b>2012</b>	<b>2011</b>	
		<b>Cash from operating activities</b>			
593,967	734,432	Interest income received	540,652	662,593	
(354,301)	(414,519)	Interest expenses paid	(327,615)	(378,033)	
54,048	40,423	Net foreign currency exchange gain	54,053	40,372	11
-	14,315	Unrealised translation gain	-	14,406	
(6,665)	4,638	Net gain (loss) in securities trading and financial instruments	(6,665)	4,638	
(14,111)	(43,507)	Net loss in derivatives trading	(14,111)	(43,507)	
190,720	174,596	Net commission and service income	179,598	163,234	
(141,182)	(136,884)	Staff costs	(135,580)	(130,792)	
(109,548)	(154,084)	Other payments	(130,618)	(149,371)	
<b>212,928</b>	<b>219,410</b>	<b>Net cash from operating activities before change in operating assets and liabilities</b>	<b>159,714</b>	<b>183,540</b>	
		<b>Changes in operating assets</b>			
674,850	(857,489)	Decrease (increase) in compulsory balances with the Central Bank	674,850	(857,489)	
1,731,809	(1,885,165)	Decrease (increase) in due from banks and loans to credit and financial institutions	1,427,281	(1,860,524)	
(61,298)	160,481	(Increase) decrease in loans to customers	(60,491)	142,099	
195,560	450,914	Decrease of finance lease receivable	-	-	
34,798	(31,461)	Decrease (increase) in other current assets	36,120	(35,227)	
<b>2,575,719</b>	<b>(2,162,720)</b>	<b>Net change in operating assets</b>	<b>2,077,760</b>	<b>(2,611,141)</b>	
		<b>Changes in operating liabilities</b>			
239,463	2,515,269	Increase in deposits from public	233,606	2,519,931	
(787,786)	796,584	(Decrease) increase in accrued expenses, deferred income and other liabilities	(788,627)	836,236	
<b>(548,323)</b>	<b>3,311,853</b>	<b>Net change in operating liabilities</b>	<b>(555,021)</b>	<b>3,356,167</b>	
<b>2,240,324</b>	<b>1,368,543</b>	<b>Net cash from operating activities before income tax</b>	<b>1,682,453</b>	<b>928,566</b>	
-	-	Income tax paid	-	-	
<b>2,240,324</b>	<b>1,368,543</b>	<b>Net cash from operating activities after income tax</b>	<b>1,682,453</b>	<b>928,566</b>	

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**  
(All amounts in LTL thousand unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>		<b>Note</b>
<b>2012</b>	<b>2011</b>		<b>2012</b>	<b>2011</b>	
		<b>Cash flow from investing activities</b>			
(6,880)	(8,883)	Acquisition of tangible and intangible fixed assets, net	(6,610)	(9,182)	
(138,763)	(44,763)	Acquisition of Government securities available for sale	(138,763)	(44,763)	
141,734	156,011	Sale of Government securities available for sale	141,423	156,379	
-	8,194	Disposal of subsidiaries, net of cash disposed	-	10,092	
-	-	Dividends received from subsidiaries	9	8,344	6,064
(2,808,042)	(4,156,970)	Acquisition of investment in other securities	(2,806,368)	(4,144,497)	
3,475,679	4,166,431	Sale of investment in other securities	3,475,679	4,166,431	
<b>663,728</b>	<b>120,020</b>	<b>Cash generated from investing activities</b>	<b>673,705</b>	<b>140,524</b>	
		<b>Cash flow from (used in) financing activities</b>			
5	(6)	Increase (decrease) in amounts owed to the Central Bank	5	(6)	
(2,890,346)	840,400	(Decrease) increase in amounts owed to credit and financial institutions	(2,342,452)	1,259,873	
(241,696)	(352,186)	(Decrease) in subordinated loans	(241,696)	(352,186)	
(6,308)	(11,872)	Interest paid on subordinated loans	(6,308)	(11,872)	
56,738	76,698	Proceeds from own issued debt securities	56,738	76,698	
(76,876)	(162,706)	Repurchased own issued debt securities	(76,876)	(162,706)	
(23,197)	(6,128)	Interest paid for own issued debt securities	(23,197)	(6,128)	
<b>(3,181,680)</b>	<b>384,200</b>	<b>Cash received from (used in) financing activities</b>	<b>(2,633,786)</b>	<b>803,673</b>	
<b>(277,628)</b>	<b>1,872,763</b>	<b>Net increase (decrease) in cash/cash equivalents</b>	<b>(277,628)</b>	<b>1,872,763</b>	
<b>3,396,418</b>	<b>1,523,655</b>	<b>Cash/cash equivalents 1 January</b>	<b>3,396,418</b>	<b>1,523,655</b>	
<b>3,118,790</b>	<b>3,396,418</b>	<b>Cash/cash equivalents 31 December</b>	<b>3,118,790</b>	<b>3,396,418</b>	
		Specified as follows:			
424,169	2,184,595	Balance available for withdrawal with the Central Bank	424,169	2,184,595	16
42,550	29,812	Overnight deposits	42,550	29,812	17
443,393	634,922	Cash on hand	443,393	634,922	
2,208,678	547,089	Current accounts with other banks	2,208,678	547,089	17
<b>3,118,790</b>	<b>3,396,418</b>		<b>3,118,790</b>	<b>3,396,418</b>	

## ***17.2. The Issuer's accounting policies and explanatory notes***

The main accounting policies are described in the notes to the financial statements of AB SEB bankas for the year 2011 and 2012. Complete audited financial statements for the year ended 31 December 2011 and 31 December 2012 constitute an integral part of this Base Prospectus. Investors can familiarise themselves with the aforementioned information by visiting the Bank's website at [www.seb.lt](http://www.seb.lt), the Markets Department of AB SEB bankas (Gedimino ave. 12, Vilnius), and other branch offices of AB SEB bankas (at the addresses specified in the Final Terms). Information, which AB SEB bankas must publish pursuant to legislation regulating the securities market, is also stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

## ***17.3. Auditing of historical annual financial information***

Presented below is the auditor's report for the shareholders of AB SEB bankas on the financial statements for the years 2011 and 2012. Complete audited financial statements for the years ended 31 December 2011 and 31 December 2012 constitute an integral part of the Base Prospectus. Investors can familiarise themselves with the aforementioned information by visiting the Bank's website at [www.seb.lt](http://www.seb.lt), the Markets Department of AB SEB bankas (Gedimino ave. 12, Vilnius), and other branch offices of AB SEB bankas (at the addresses specified in the Final Terms). Information, which AB SEB bankas must publish pursuant to legislation regulating the securities market, is also stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

The audit of the financial statements for the year 2011 was conducted by auditor Rimvydas Jogėla, holder of auditor certificate No. 000457, UAB "PricewaterhouseCoopers". The audit report was signed on 12 March 2012.

### **Independent auditor's report**

To the shareholder of SEB Bank

We have audited the accompanying stand alone and consolidated financial statements (together "the Financial Statements") of SEB Bank ("the Bank") and its subsidiaries (collectively "the Group") set out on pages 23–102, which comprise the stand alone and consolidated statement of financial position as of 31 December 2011 and the stand alone and consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

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

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

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

#### *Opinion*

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the Bank and the Group as of 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

#### **Report on other legal and regulatory requirements**

Furthermore, we have read the consolidated Annual Report for the year ended 31 December 2011 set out on pages 5–22, including its Appendix 1 set out on pages 103–131 and have not noted any material inconsistencies between the financial information included in it and the audited Financial Statements for the year ended 31 December 2011.

The audit of the Financial Statements for the year 2012 was conducted by auditor Rimvydas Jogėla, holder of auditor certificate No. 000457, UAB "PricewaterhouseCoopers". The audit report was signed on 13 March 2013..

#### **Independent auditor's report**

To the shareholder of SEB Bank.

We have audited the accompanying stand alone and consolidated financial statements (together – "the Financial Statements") of SEB Bank and its subsidiaries set out on pages 24–103, which comprise the stand alone and consolidated statement of financial position as of 31 December 2012 and the stand alone and consolidated income statement, statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2012, and their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

### **Report on other legal and regulatory requirements**

Furthermore, we have read the consolidated Annual Report for the year ended 31 December 2012 set out on pages 5–23, including its Appendix 1 set out on pages 104–130 and have not noted any material inconsistencies between the financial information included in it and the audited Financial Statements for the year ended 31 December 2012.

### **17.4. Interim and other financial information**

Presented below are the Bank's and the Group's 2012 and 2013 6-month statements of financial position, income statement, profit (loss) account, statements of comprehensive income, changes in equity and cash flows prepared in accordance with the International Financial Reporting Standards (IFRS). AB SEB bankas and SEB Bankas Group's 2012 and 2013 6-month financial statements have not been audited.

On 30 June 2013 and on 30 June 2012, SEB Bankas Group included AB SEB bankas and three subsidiaries of the Bank—UAB “SEB investicijų valdymas”, AB “SEB lizingas”, and UAB “SEB Venture Capital”. The Bank controls 100% of the authorised capital of the subsidiaries.



**CONDENSED INTERIM STATEMENT  
OF FINANCIAL POSITION AS OF 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>	
<b>30 June 2013</b>	<b>31 December 2012</b>		<b>30 June 2013</b>	<b>31 December 2012</b>
		<b>Assets</b>		
396,206	443,393	Cash on hand	396,206	443,393
426,441	1,002,933	Balances with the Central Bank	426,441	1,002,933
3,111,174	2,666,929	Due from banks, net	3,111,174	2,666,929
57,283	60,900	Government securities available for sale	56,631	60,234
910,699	651,603	Financial assets at fair value through profit and loss	866,747	608,544
286,198	326,230	Derivative financial instruments	286,198	326,230
		Loans to credit institutions, net of impairment losses		
28,121	6,242		28,121	6,242
15,518,235	15,643,522	Loans to customers, net of impairment losses	16,627,594	16,400,604
		Finance lease receivable, net of impairment losses		
1,421,637	1,502,759		-	-
		Investment securities:		
188,157	386,010	– loans and receivables	188,157	386,010
200	200	– available for sale	200	200
14,043	13,812	– held to maturity	14,043	13,812
-	-	Investments in subsidiaries	307,900	307,900
53,129	58,260	Intangible fixed assets	52,706	57,827
19,263	22,645	Property, plant and equipment	18,831	22,127
2	375	Assets under operating lease	-	-
16,824	23,686	Non-current assets held for sale	-	-
19,050	14,232	Investment property	1,302	1,332
178,158	195,802	Deferred tax asset	130,730	147,868
143,750	113,842	Other assets, net of impairment losses	124,944	107,275
<b>22,788,570</b>	<b>23,133,375</b>	<b>Total assets</b>	<b>22,637,925</b>	<b>22,559,460</b>
		<b>Liabilities</b>		
50	37	Amounts owed to the Central Bank	50	37
7,329,160	6,789,296	Amounts owed to credit institutions	7,329,160	6,368,066
311,683	380,892	Derivative financial instruments	311,683	380,892
12,248,977	12,797,100	Deposits from public	12,276,788	12,816,799
28,911	61,181	Accrued expenses and deferred income	27,399	59,150
1,976	1,316	Income tax payable	-	-
131,970	561,016	Debt securities in issue	131,970	561,016
240,684	145,409	Other liabilities and provisions	209,952	125,384
<b>20,293,411</b>	<b>20,736,247</b>	<b>Total liabilities</b>	<b>20,287,002</b>	<b>20,311,344</b>
		<b>Equity</b>		
		<b>Equity attributable to equity holder of the parent</b>		
1,034,575	1,034,575	Share capital	1,034,575	1,034,575
2,200	2,200	Reserve capital	2,200	2,200
(4,305)	(4,098)	Financial assets revaluation reserve	(4,305)	(4,098)
289,202	239,612	Legal reserve	286,327	236,737
14,859	14,132	General and other reserves	14,859	14,132
1,158,628	1,110,707	Retained earnings	1,017,267	964,570
<b>2,495,159</b>	<b>2,397,128</b>		<b>2,350,923</b>	<b>2,248,116</b>

**CONDENSED INTERIM INCOME STATEMENT**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

<b>The Group</b>					<b>The Bank</b>			
January 1- June 30, 2013	The second quarter 2013	January 1 - June 30, 2012	The second quarter 2012		January 1- June 30, 2013	The second quarter 2013	January 1- June 30, 2012	The second quarter 2012
236,210	117,061	348,887	165,082	Interest income	217,434	108,264	319,500	150,911
(99,203)	(46,838)	(197,655)	(92,271)	Interest expenses	(95,929)	(46,199)	(187,141)	(88,024)
<b>137,007</b>	<b>70,223</b>	<b>151,232</b>	<b>72,811</b>	<b>Net interest income</b>	<b>121,505</b>	<b>62,065</b>	<b>132,359</b>	<b>62,887</b>
(12,154)	(1,427)	(32,869)	(18,874)	Impairment loss on loans	(12,153)	(1,426)	(32,869)	(18,874)
(10,919)	(6,529)	16,334	2,266	Impairment (loss), reversals on lease portfolio	-	-	-	-
708	(245)	1,404	1,588	Provisions for guarantees and other off balance sheet items	708	(245)	1,404	1,588
1	1	-	-	Other impairment (loss), reversals	1	1	-	-
<b>(22,364)</b>	<b>(8,200)</b>	<b>(15,131)</b>	<b>(15,020)</b>	<b>Total impairment (loss), reversals</b>	<b>(11,444)</b>	<b>(1,670)</b>	<b>(31,465)</b>	<b>(17,286)</b>
<b>114,643</b>	<b>62,023</b>	<b>136,101</b>	<b>57,791</b>	<b>Net interest income after impairment loss</b>	<b>110,061</b>	<b>60,395</b>	<b>100,894</b>	<b>45,601</b>
128,991	65,748	117,376	60,573	Fee and commissions income	123,312	62,648	111,940	57,930
(32,429)	(17,115)	(32,227)	(16,656)	Fee and commissions expenses	(32,032)	(16,867)	(31,964)	(16,537)
<b>96,562</b>	<b>48,633</b>	<b>85,149</b>	<b>43,917</b>	<b>Net fee and commission income</b>	<b>91,280</b>	<b>45,781</b>	<b>79,976</b>	<b>41,393</b>
6,402	10,887	(11,927)	879	Net loss on operations with debt securities and derivative financial instruments	6,179	10,887	(11,927)	879
(561)	(660)	(739)	(798)	Net gain (loss) on investment securities	(560)	(659)	(740)	(797)
-	-	-	-	Dividend income from subsidiaries	7,351	-	8,344	-
35,971	18,689	38,291	18,761	Net foreign exchange gain	35,989	18,720	38,275	18,736
2,826	1,211	3,382	2,098	Other income, net	3,231	1,386	2,937	1,944
<b>44,638</b>	<b>30,127</b>	<b>29,007</b>	<b>20,940</b>	<b>Net investment activities</b>	<b>52,190</b>	<b>30,334</b>	<b>36,889</b>	<b>20,762</b>
(63,164)	(31,725)	(71,590)	(35,608)	Staff costs	(59,933)	(29,982)	(68,892)	(34,271)
(76,828)	(38,568)	(87,674)	(43,470)	Other administrative expenses	(74,136)	(37,101)	(83,740)	(41,468)
<b>115,851</b>	<b>70,490</b>	<b>90,993</b>	<b>43,570</b>	<b>Profit before income tax</b>	<b>119,462</b>	<b>69,427</b>	<b>65,127</b>	<b>32,017</b>
(18,340)	(11,650)	(10,636)	(4,728)	Income tax expenses	(17,175)	(11,116)	(5,662)	(3,253)
<b>97,511</b>	<b>58,840</b>	<b>80,357</b>	<b>38,842</b>	<b>Net profit for the period</b>	<b>102,287</b>	<b>58,311</b>	<b>59,465</b>	<b>28,764</b>
-	-	-	-	Profit (loss) for the period from discontinued operations	-	-	-	-
97,511	58,840	80,357	38,842	<b>Attributable to:</b>	102,287	58,311	59,465	28,764
-	-	-	-	Owners of the bank	-	-	-	-
-	-	-	-	Non controlling interest	-	-	-	-

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>	
<b>January 1 - June 30 2013</b>	<b>January 1 - June 30 2012</b>		<b>January 1 - June 30 2013</b>	<b>January 1 - June 30 2012</b>
97,511	80,357	<b>Net gain (losses) for the year</b>	102,287	59,465
		<i>Items that may subsequently be reclassified to the income statement:</i>		
(398)	1,497	Net gain (loss) on available for sale financial assets	(398)	1,497
154	1,035	Amortisation of financial assets revaluation reserve of reclassified financial assets	154	1,035
37	(380)	Income tax relating to the components of other comprehensive income	37	(380)
		<i>Items that will not be reclassified to the income statement:</i>		
(207)	2,152	<b>Total other comprehensive income</b>	(207)	2,152
<b>97,304</b>	<b>82,509</b>	<b>Total comprehensive income</b>	<b>102,080</b>	<b>61,617</b>
		<b>Attributable to:</b>		
97,304	82,509	Owners of the Bank	102,080	61,617
-	-	Non controlling interest	-	-

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

The Group	Equity attributable to equity holder of the parent							
	Share capital	Reserve capital	Financial assets revaluation reserve	Legal reserve	General and other reserves	Retained earnings	Total before non controlling interest	Non controlling interest
<b>31 December 2011</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(9,737)</b>	<b>194,708</b>	<b>12,497</b>	<b>1,096,516</b>	<b>2,330,759</b>	<b>-</b>
Net change in available for sale investments, net of deferred taxes	-	-	1,117	-	-	-	1,117	-
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035	-
Net profit for the year	-	-	-	-	-	80,357	80,357	-
<i>Total comprehensive income</i>	-	-	2,152	-	-	80,357	82,509	-
Share-based compensation	-	-	-	-	765	-	765	-
Transfers to reserves	-	-	-	45,616	-	(45,616)	-	-
<b>30 June 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(7,585)</b>	<b>240,324</b>	<b>13,262</b>	<b>1,131,257</b>	<b>2,414,033</b>	<b>-</b>
<b>31 December 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,098)</b>	<b>239,612</b>	<b>14,132</b>	<b>1,137,930</b>	<b>2,424,351</b>	<b>-</b>
Change in fair value measurement of financial assets	-	-	-	-	-	(27,223)	(27,223)	-
<b>Adjusted balance as of 31 December 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,098)</b>	<b>239,612</b>	<b>14,132</b>	<b>1,110,707</b>	<b>2,397,128</b>	<b>-</b>
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	-	-	-	-	-	97,511	97,511	-
<i>Total comprehensive income</i>	-	-	(207)	-	-	97,511	97,304	-
Share-based compensation	-	-	-	-	727	-	727	-
Transfers to reserves	-	-	-	49,590	-	(49,590)	-	-
<b>30 June 2013</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,305)</b>	<b>289,202</b>	<b>14,859</b>	<b>1,158,628</b>	<b>2,495,159</b>	<b>-</b>

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
**(All amounts in LTL thousands unless otherwise stated)**

<b>The Bank</b>	<b>Share capital</b>	<b>Reserve capital</b>	<b>Financial assets revaluation reserve</b>	<b>Legal reserve</b>	<b>General and other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
<b>31 December 2011</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(9,737)</b>	<b>191,184</b>	<b>12,497</b>	<b>911,059</b>	<b>2,141,778</b>
Net change in available for sale investments, net of deferred taxes	-	-	1,117	-	-	-	1,117
Amortisation of financial assets revaluation reserve of reclassified financial assets	-	-	1,035	-	-	-	1,035
Net profit for the year	-	-	-	-	-	59,465	59,465
<i>Total comprehensive income</i>	-	-	2,152	-	-	59,465	61,617
Share-based compensation	-	-	-	-	765	-	765
Transfers to reserves	-	-	-	45,553	-	(45,553)	-
<b>30 June 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(7,585)</b>	<b>236,737</b>	<b>13,262</b>	<b>924,971</b>	<b>2,204,160</b>
<b>31 December 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,098)</b>	<b>236,737</b>	<b>14,132</b>	<b>991,793</b>	<b>2,275,339</b>
Change in fair value measurement of financial assets	-	-	-	-	-	(27,223)	(27,223)
<b>Adjusted balance as of 31 December 2012</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,098)</b>	<b>236,737</b>	<b>14,132</b>	<b>964,570</b>	<b>2,248,116</b>
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	-	-	-	-	-	102,287	102,287
<i>Total comprehensive income</i>	-	-	(207)	-	-	102,287	102,080
Share-based compensation	-	-	-	-	727	-	727
Shareholder's contribution	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	49,590	-	(49,590)	-
<b>30 June 2013</b>	<b>1,034,575</b>	<b>2,200</b>	<b>(4,305)</b>	<b>286,327</b>	<b>14,859</b>	<b>1,017,267</b>	<b>2,350,923</b>



**CONDENSED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2013**  
(All amounts in LTL thousands unless otherwise stated)

<b>The Group</b>			<b>The Bank</b>		
<b>January 1 - June 30,</b>	<b>January 1 - June 30,</b>		<b>January 1 - June 30,</b>	<b>January 1 - June 30,</b>	
<b>2013</b>	<b>2012</b>		<b>2013</b>	<b>2012</b>	
72,744	120,787	Net cash from operating activities before change in operating assets	66,796	113,299	
(1,820,248)	618,319	Net decrease (increase) in operating assets	(2,158,907)	575,907	
(441,370)	(492,430)	Net (decrease) increase in operating liabilities	(447,187)	(493,558)	
<b>(2,188,874)</b>	<b>246,676</b>	Net cash from (to) operating activities	<b>(2,539,308)</b>	<b>195,650</b>	
<b>(2,188,874)</b>	<b>246,676</b>	Net cash from (to) operating activities after income tax	<b>(2,539,308)</b>	<b>195,650</b>	
22,855	820,982	Cash (used) received from investing activities	(41,049)	739,340	
107,931	(2,196,547)	Cash (used in) received from financing activities	522,289	(2,063,879)	
<b>(2,058,088)</b>	<b>(1,128,889)</b>	Net (decrease) increase in cash	<b>(2,058,088)</b>	<b>(1,128,889)</b>	
3,118,790	3,396,418	Cash at the beginning of the period	3,118,790	3,396,418	
<b>1,060,702</b>	<b>2,267,529</b>	Cash at the end of the period	<b>1,060,702</b>	<b>2,267,529</b>	
Specified as follows:					
(61,815)	111,979	Balance available for withdrawal with the Central Banks	(61,815)	111,979	
600,506	123,361	Overnight deposits	600,506	123,361	
396,206	331,550	Cash on hand	396,206	331,550	
125,805	1,700,639	Current accounts with other banks	125,805	1,700,639	
<b>1,060,702</b>	<b>2,267,529</b>		<b>1,060,702</b>	<b>2,267,529</b>	

The main accounting principles are described in the explanatory notes to the financial information for the year ended 31 December 2012. Short interim financial statements for the period ended 30 June 2013 constitute an integral part of this Base Prospectus. Investors can familiarise themselves with this financial information by visiting the Bank's website at [www.seb.lt](http://www.seb.lt), the Markets Department of AB SEB bankas (Gedimino ave. 12, Vilnius), and other branch offices of AB SEB bankas (at the addresses specified in the Description of the Final Terms). Information, which AB SEB bankas must publish pursuant to legislation regulating the securities market, is also stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

#### ***17.5. Legal and arbitration proceedings***

There are no legal proceedings to which the Bank is a party and which could have material effects on the operations of the Bank.

#### ***17.6. Significant changes in the Issuer's financial or trading position***

After the 2013 6-month interim financial information was published, no significant changes in the financial or trading position of AB SEB bankas or SEB Bankas Group have taken place.

### **18. MATERIAL CONTRACTS**

There are no material contracts, with the exclusion of those finalised by AB SEB bankas in the ordinary course of business under which any member of SEB Bankas Group has any obligation or entitlement, which is material to the fulfilment by AB SEB bankas of obligations connected with securities being issued. Certain material agreements are provided for in loan contracts, but the parties to such contracts as well as their provisions qualify as confidential information both with regard to AB SEB bankas and the other parties.

### **19. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

This Registration Document contains auditor's reports for 2011 and 2012 and the Bank of Lithuania annual report for 2012. Furthermore, during the preparation of the Registration Document, information provided on the websites of the Bank of Lithuania, the Association of Lithuanian Banks, the Central Securities Depository of Lithuania, AB SEB bankas, AB DNB bankas, and "Swedbank" AB was used. This information has been accurately reproduced and as far as the Bank is aware and was able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **20. DOCUMENTS ON DISPLAY**

The Bank's Incorporation Deed and Articles of Association, audit and other reports, letters, historical financial information and other related documents can be familiarised with at: headquarters of AB SEB bankas at Gedimino ave. 12, Vilnius, opening hours: Monday to Thursday from 8.00 a.m. to

5.00 p.m., Friday from 8.00 a.m. to 3.45 p.m. Furthermore, AB SEB bankas annual and other audited financial statements and AB SEB bankas and SEB Bankas Group's annual operation overviews can be familiarised with by visiting the website [www.seb.lt](http://www.seb.lt). Information, which AB SEB bankas must publish pursuant to legislation regulating the securities market, is also stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

## ANNEX NO. 1

### AB SEB BANKAS

**THE FINAL TERMS NO. 2013XXXX/XXX** *[date of approval of the Base Prospectus by the Bank of Lithuania and No. of the Final Terms]*

**[TITLE OF ISSUE]**

**ISSUED UNDER THE BASE PROSPECTUS OF LTL 1,000,000,000 NON-EQUITY  
SECURITIES ISSUE PROGRAMME,**

**[date]**

**Vilnius**

These Final Terms and the LTL 1,000,000,000 non-equity securities issue Programme Base Prospectus, which was approved by the Bank of Lithuania on [date], [approval certificate No.], Annex to the Base Prospectus (if any) *[if Annex was prepared, date of the approval by the Bank of Lithuania and approval certificate No. is indicated]*, as well as documents incorporated by reference constitute the Prospectus of the issue that was prepared in accordance with the Rules for Drawing up and Approval of a Prospectus of Securities and Information Disclosure approved by the Bank of Lithuania No. 03-44 of 28 February 2013 and in accordance with Commission Regulation No. 809/2004 of 29 April 2004 implementing Directive No. 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements and all of its subsequent amendments.

These Final Terms is accompanied by a Summary of the Issue(s).

Prior to taking a decision to acquire any of the securities offered by the Issuer, investors should review all the documents comprising the Base Prospectus.

A paper copy of the Base Prospectus, Annex to the Base Prospectus (if any), the Final Terms, and documents incorporated by reference will be provided free of charge to each investor upon request at the Markets Department of AB SEB bankas (Gedimino ave. 12, Vilnius, Monday to Thursday 8.00 a.m.–5.00 p.m., Friday 8.00 a.m.–3.45 p.m.) and other branch offices of AB SEB bankas (at the addresses and during the opening hours specified in Annex [●] to the Final Terms). Investors can also review the aforementioned documents by visiting the Bank's website at [www.seb.lt](http://www.seb.lt). The Base Prospectus and the Final Terms are also available on the branch offices of placement agents (at the addresses and during the opening hours specified in the Final Terms) and on their websites *[if applicable, specify websites of the placement agents involved]* *[if the Bank has not finalised any non-equity securities distribution agreements, this sentence is to be deleted]*. Information, which must be published by the Bank pursuant to legislation, will also be stored in the Central Storage Facility at [www.crib.lt](http://www.crib.lt).

*(If several issues are issued simultaneously and their maturity term, nominal value, reference item, start/end and redemption dates coincide, certain lines may be split into columns and the details of each individual issue is to be presented in each of the columns (where such details for individual issues differ). Also, if a certain item of the Final Terms is not applicable, it may be deleted and the numbering may be adjusted accordingly)*

#### KEY INFORMATION

- |    |   |               |
|----|---|---------------|
| 1. | Issuer                                    | AB SEB bankas |
| 2. | Interests of parties related to the issue | [●]           |
| 3. | Reasons of the offer and use of income    | [●]           |

#### INFORMATION ABOUT NON-EQUITY SECURITIES OFFERED

4.	Type of non-equity securities	[●]
5.	ISIN	[●]
6.	Entity accounting for the non-equity securities	AB SEB bankas
7.	Currency	[Currency code]
8.	Issue maturity term	[Maturity term in days]
9.	Issue date	[●]
10.	Redemption date	[●]
11.	Basis for the issue of the non-equity securities	Resolution No. [●] of [date] of the Board of AB SEB bankas.
<b>12.</b>	<b>Coupon bonds</b>	<i>(If not applicable, item 12 is to be deleted)</i>
12.1.	applicable interest (coupon)	<i>[Specify whether fixed or floating interest will be paid]</i>
12.1.1.	terms and procedure for calculation and payment of fixed interest	<i>(If not applicable, item 12.1.1 is to be deleted)</i>
12.1.1.1.	fixed interest	<i>(If not applicable, item 12.1.1.1 is to be deleted)</i>
12.1.1.2.	minimum interest	<i>[Specify the lowest limit of range in which fixed interest will be set]</i> <i>(If not applicable, item 12.1.1.2 is to be deleted)</i>
12.1.1.3.	maximum interest	<i>[Specify the highest limit of range in which fixed interest will be set]</i> <i>(If not applicable, item 12.1.1.3 is to be deleted)</i>
12.1.1.4.	date of announcement of actual interest	<i>(If not applicable, item 12.1.1.4 is to be deleted)</i>
12.1.2.	terms and procedure for calculation and payment of floating interest	<i>(If not applicable, item 12.1.2 is to be deleted)</i>
12.1.2.1.	procedure for calculating floating interest	<i>[Specify formula for calculating floating interest and terms for paying floating interest]</i> <i>(If not applicable, item 12.1.2.1 is to be deleted)</i>
12.1.2.2.	base interest rate	<i>(If not applicable, item 12.1.2.2 is to be deleted)</i>
12.1.2.3.	day(s) of setting of base interest rate	<i>(If not applicable, item 12.1.2.3 is to be deleted)</i>
12.1.2.4.	fixed share of interest	<i>(If not applicable, item 12.1.2.4 is to be deleted)</i>
12.1.2.5.	expected bottom range of floating interest	<i>(If not applicable, item 12.1.2.5 is to be deleted)</i>
12.1.2.6.	minimum bottom range of floating interest	<i>(If not applicable, item 12.1.2.6 is to be deleted)</i>
12.1.2.7.	expected top range of floating interest	<i>(If not applicable, item 12.1.2.7 is to be deleted)</i>
12.1.2.8.	maximum top range of floating interest	<i>(If not applicable, item 12.1.2.8 is to be deleted)</i>
12.1.2.9.	date of announcement of actual range of floating interest	<i>(If not applicable, item 12.1.2.9 is to be deleted)</i>
12.2.	date(s) of coupon(s) payment	[●]
12.3.	method for calculating days	[Act/365, Act/Act or other]
12.4.	minimum amount invested	<i>[If interest range (interval) is set, specify minimum amount for which an investor willing to subscribe for bonds may apply and may specify a higher-than-specified minimum interest (bottom range of interest)]</i> <i>(If not applicable, item 12.4 is to be deleted)</i>
12.5.	bonds redemption price or procedure for its calculation	[●]
12.6.	procedure for selling bonds in a secondary trading	<i>(If not applicable, item 12.6 is to be deleted)</i>
12.6.1.	dates of submission of application for sale of securities	<i>[Dates of application for sale of securities in a secondary trading are specified in Annex No. XX to the Final Terms]</i>
12.6.2.	date of sale of bonds in a secondary trading	<i>[Dates of application for bond sale in a secondary trading are specified in Annex No. XX to the Final Terms]</i>
12.6.3.	prices of sale of bonds in a secondary	<i>[Prices of sale of bonds in a secondary trading are specified in Annex No.</i>



12.6.4.	trading fee for sale of bonds in a secondary trading	<i>XX to the Final Terms]</i> <i>[Specify rate of fee for sale of bonds in a secondary trading or procedure for its calculation]</i>
<b>13.</b>	<b>Terms of discount bonds</b>	<i>(If not applicable, item 13 is to be deleted)</i>
13.1.	annual yield	<i>[Specify rate (range) of annual yield and procedure for determining annual yield]</i>
13.2.	method for calculating days	<i>[Act/365, Act/Act or other]</i>
13.3.	minimum amount invested	<i>[If annual yield range (interval) is set in item 13.1, specify minimum amount for which an investor willing to subscribe for bonds may apply and may specify a higher-than-specified minimum yield (bottom range of annual yield)]</i> <i>(If not applicable, item 13.3 is to be deleted)</i>
13.4.	date of fixing actual annual yield	<i>[To be filled in if item 13.1 sets annual yield range (interval); otherwise item 13.4 is to be deleted]</i>
13.5.	procedure for announcing actual annual yield	<i>[To be filled in if item 13.1 sets annual yield range (interval); otherwise item 13.5 is to be deleted]</i>
13.6.	bonds redemption price or procedure for its calculation	<b>[●]</b>
13.7.	procedure for selling bonds in a secondary trading	<i>(If not applicable, item 13.7 is to be deleted)</i>
13.7.1.	dates of submission of application for sale of securities	<i>[Dates of application for sale of securities in a secondary trading are specified in Annex No. XX to the Final Terms]</i>
13.7.2.	dates of sale of bonds in a secondary trading	<i>[Dates of application for bond sale in a secondary trading are specified in Annex No. XX to the Final Terms]</i>
13.7.3.	prices of sale of bonds in a secondary trading	<i>[Prices of sale of bonds in a secondary trading are specified in Annex No. XX to the Final Terms]</i>
13.7.4.	fee for sale of bonds in a secondary trading	<i>[Specify rate of fee for sale of bonds in a secondary trading or procedure for its calculation]</i>
<b>14.</b>	<b>Terms of reference item linked notes</b>	<i>(If not applicable, item 14 is to be deleted)</i>
14.1.	applicable interest	<i>[Specify whether fixed or floating interest will be paid]</i> <i>(If not applicable, item 14.1 is to be deleted)</i>
14.1.1.	terms and procedure for calculation and payment of fixed interest	<i>(If not applicable, item 14.1.1 is to be deleted)</i>
14.1.1.1.	fixed interest	<i>(If not applicable, item 14.1.1.1 is to be deleted)</i>
14.1.1.2.	minimum interest	<i>[Specify the lowest limit of range in which the fixed interest will be set]</i> <i>(If not applicable, item 14.1.1.2 is to be deleted)</i>
14.1.1.3.	maximum interest	<i>[Specify the highest limit of range in which the fixed interest will be set]</i> <i>(If not applicable, item 14.1.1.3 is to be deleted)</i>
14.1.1.4.	date of announcement of actual interest	<i>(If not applicable, item 14.1.1.4 is to be deleted)</i>
14.1.2.	terms and procedure for calculation and payment of floating interest	<i>(If not applicable, item 14.1.2 is to be deleted)</i>
14.1.2.1.	procedure for calculating floating interest	<i>[Specify formula for calculating floating interest and terms for paying floating interest]</i> <i>(If not applicable, item 14.1.2.1 is to be deleted)</i>
14.1.2.2.	base interest rate	<i>(If not applicable, item 14.1.2.2 is to be deleted)</i>
14.1.2.3.	day(s) of setting base interest rate	<i>(If not applicable, item 14.1.2.3 is to be deleted)</i>
14.1.2.4.	fixed share of interest	<i>(If not applicable, item 14.1.2.4 is to be deleted)</i>
14.1.2.5.	expected bottom range of floating interest	<i>(If not applicable, item 14.1.2.5 is to be deleted)</i>
14.1.2.6.	minimum bottom range of floating interest	<i>(If not applicable, item 14.1.2.6 is to be deleted)</i>
14.1.2.7.	expected top range of floating interest	<i>(If not applicable, item 14.1.2.7 is to be deleted)</i>
14.1.2.8.	maximum top range of floating interest	<i>(If not applicable, item 14.1.2.8 is to be deleted)</i>

14.1.2.9.	date of announcement of actual range of floating interest	<i>(If not applicable, item 14.1.2.9 is to be deleted)</i>
14.2	date(s) of payment of interest	[●]
14.3	method for calculating days	[Act/365, Act/Act or other] <i>(If not applicable, item 14.3 is to be deleted)</i>
14.4.	reference item	[Description of reference item; if non-equity securities are linked to several reference items, specify the value of each of the reference items concerned or procedure for determining the value of each of the reference items concerned] <i>(If not applicable, item 14.4 is to be deleted)</i>
14.5.	historical changes in the value of the reference item	[Provide a reference to a source where information on historical changes in the value of reference item can be found]
14.6.	notes redemption price or procedure for its calculation	[Specify the constituent parts of redemption price: nominal value, premium, interim premium, interest]
14.7.	premium rate or procedure for its calculation	<i>(If not applicable, item 14.7 is to be deleted)</i>
14.7.1.	premium paid on notes redemption date:	<i>(If not applicable, item 14.7.1 is to be deleted)</i>
14.7.1.1.	terms of payment of premium	[Specify terms when premium is paid to an investor, e.g. if the value of the reference item increases or decreases]
14.7.1.2.	premium rate	[Specify specific rate of fixed premium. If the rate of the fixed premium is not known in advance and will be set on the date specified in item 14.7.1.6, item 14.7.1.2 does not apply and is to be deleted]
14.7.1.3.	procedure for calculating premium	[Specify formula for calculating premium. If the premium rate is known in advance, it will be specified in item 14.7.1.2]
14.7.1.4.	expected premium rate	[Specify expected premium rate which will be paid to an investor if conditions set out in item 14.7.1.1 of the Description of the Final Terms are fulfilled] <i>(If the premium rate is known in advance, it will be specified in item 14.7.1.2 or, if the premium rate is not a specific value, a formula for calculating the premium rate will be specified in item 14.7.1.3)</i>
14.7.1.5.	minimum premium rate	<i>(If not applicable, item 14.7.1.5 is to be deleted)</i>
14.7.1.6.	date of announcement of actual premium rate	<i>(If not applicable, item 14.7.1.6 is to be deleted)</i>
14.7.1.7.	expected value of participation ratio	<i>(If not applicable, item 14.7.1.7 is to be deleted)</i>
14.7.1.8.	minimum participation ratio value	<i>(If not applicable, item 14.7.1.8 is to be deleted)</i>
14.7.1.9.	expected bottom limit of change in the value of the reference item	<i>(If not applicable, item 14.7.1.9 is to be deleted)</i>
14.7.1.10.	maximum bottom limit of change in the value of the reference item	<i>(If not applicable, item 14.7.1.10 is to be deleted)</i>
14.7.1.11.	expected top limit of change in the value of the reference item	<i>(If not applicable, item 14.7.1.11 is to be deleted)</i>
14.7.1.12.	minimum top limit of change in the value of the reference item	<i>(If not applicable, item 14.7.1.12 is to be deleted)</i>
14.7.1.13.	date of announcement of actual variables of the issue	<i>(If variables of the issue are not applicable, item 14.7.1.13 does not apply and is to be deleted)</i>
14.7.1.14.	participation ratio value	<i>(If the actual value of the participation ratio is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 14.7.1.13, item 14.7.1.14 does not apply and is to be deleted)</i>
14.7.1.15.	limit(s) of change in the value of the reference item	<i>(If a limit(s) of change in the value of the reference item does not apply or if the actual limit(s) of the value of the reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 14.7.1.13, item 14.7.1.15 does not apply and is to be deleted)</i>

14.7.2.	interim premium:	(If no interim premium is provided for, item 14.7.2 is to be deleted)
14.7.2.1.	terms of payment of interim premium	[Specify terms on the occurrence of which interim premium is paid to an investor]
14.7.2.2.	date(s) of payment of interim premium	[Specify date(s) when interim premium is paid to an investor]
14.7.2.3.	interim premium rate	[Specify specific rate of fixed interim premium. If the rate of fixed premium is not known in advance and will be set on the date specified in item 14.7.2.7, item 14.7.2.3 does not apply and is to be deleted]
14.7.2.4.	procedure for calculating interim premium	[Specify formula for calculating interim premium. If the interim premium rate is known in advance, it will be specified in item 14.7.2.3]
14.7.2.5.	expected interim premium rate	[Specify expected interim premium rate which will be paid to an investor if conditions set out in item 14.7.2.1 of the Description of the Final Terms are fulfilled]  (If the interim premium rate is known in advance, it will be specified in item 14.7.2.3 or, if the premium rate is not a specific value, a formula for calculating the interim premium rate will be specified in item 14.7.2.4)
14.7.2.6.	minimum interim premium rate	(If not applicable, item 14.7.2.6 is to be deleted)
14.7.2.7.	date of announcement of actual rate of interim premium	(If not applicable, item 14.7.2.7 is to be deleted)
14.7.2.8.	expected value of participation ratio	(If not applicable, item 14.7.2.8 is to be deleted)
14.7.2.9.	minimum value of participation ratio	(If not applicable, item 14.7.2.9 is to be deleted)
14.7.2.10.	expected bottom limit of change in the value of reference item	(If not applicable, item 14.7.2.10 is to be deleted)
14.7.2.11.	maximum bottom limit of change in the value of the reference item	(If not applicable, item 14.7.2.11 is to be deleted)
14.7.2.12.	expected top limit of change in the value of the reference item	(If not applicable, item 14.7.2.12 is to be deleted)
14.7.2.13.	minimum top limit of change in the value of the reference item	(If not applicable, item 14.7.2.13 is to be deleted)
14.7.2.14.	date of announcement of actual variables of the issue	(If variables of the issue do not apply, item 14.7.2.14 does not apply and is to be deleted)
14.7.2.15.	participation ratio value	(If the actual value of the participation ratio is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 14.7.2.14, item 14.7.2.15 does not apply and is to be deleted)
14.7.2.16.	limit(s) of change in the value of the reference item	(If a limit(s) of change in the value of the reference item does not apply or if the actual limit(s) of the value of the reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 14.7.2.14, item 14.7.2.16 is not applied and is to be deleted)
14.8.	initial value of reference item	(If not applicable, item 14.8 is to be deleted)
14.9.	final value of reference item	(If not applicable, item 14.9 is to be deleted)
14.10.	value of reference item and other related terms	[Specify what is considered as the value/price of the reference item; specify exchange/market/association whose information is used to set the price/value of the reference item; specify what days are considered as business days with regard to the reference item in question]
14.11.	entity that will carry out calculations	AB SEB bankas
14.12.	terms of credit linked notes:	(If not applicable, item 14.12 is to be deleted)
14.12.1.	entity(ies) in whose regard a credit event must (not) occur	[Specify entity(ies) in whose regard a certain credit event(s) listed in item 14.12.3 must or must not occur for notes to be profitable]
14.12.2.	source of information	[Source of information related to the entity specified in item 14.12.1 is indicated]
14.12.3.	credit event(s)	[Specify credit event(s) that must or must not occur with regard to entity(ies) listed in item 14.12.1 for notes to be profitable]
15.	<b>Terms of investment notes</b>	(If not applicable, item 15 is to be deleted)
15.1.	applicable interest	[Specify whether fixed or floating interest will be paid]

		<i>(If not applicable, item 15.1 is to be deleted)</i>
15.1.1.	terms and procedure for calculation and payment of fixed interest	<i>(If not applicable, item 15.1.1 is to be deleted)</i>
15.1.1.1.	fixed interest	<i>(If not applicable, item 15.1.1.1 is to be deleted)</i>
15.1.1.2.	minimum interest	<i>[Specify the lowest limit of range in which fixed interest will be set]</i> <i>(If not applicable, item 15.1.1.2 is to be deleted)</i>
15.1.1.3.	maximum interest	<i>[Specify the highest limit of range in which fixed interest will be set]</i> <i>(If not applicable, item 15.1.1.3 is to be deleted)</i>
15.1.1.4.	date of announcement of actual interest	<i>(If not applicable, item 15.1.1.4 is to be deleted)</i>
15.1.2.	terms and procedure for calculation and payment of floating interest	<i>(If not applicable, item 15.1.2 is to be deleted)</i>
15.1.2.1.	procedure for calculating floating interest	<i>[Specify formula for calculating floating interest and terms for paying floating interest]</i> <i>(If not applicable, item 15.1.2.1 is to be deleted)</i>
15.1.2.2.	base interest rate	<i>(If not applicable, item 15.1.2.2 is to be deleted)</i>
15.1.2.3.	day(s) of fixing base interest rate	<i>(If not applicable, item 15.1.2.3 is to be deleted)</i>
15.1.2.4.	fixed share of interest	<i>(If not applicable, item 15.1.2.4 is to be deleted)</i>
15.1.2.5.	expected bottom range of floating interest	<i>(If not applicable, item 15.1.2.5 is to be deleted)</i>
15.1.2.6.	minimum bottom range of floating interest	<i>(If not applicable, item 15.1.2.6 is to be deleted)</i>
15.1.2.7.	expected top range of floating interest	<i>(If not applicable, item 15.1.2.7 is to be deleted)</i>
15.1.2.8.	maximum top range of floating interest	<i>(If not applicable, item 15.1.2.8 is to be deleted)</i>
15.1.2.9.	date of announcement of actual range of floating interest	<i>(If not applicable, item 15.1.2.9 is to be deleted)</i>
15.2.	date(s) of payment of interest	<b>[●]</b>
15.3.	method for calculating days	<i>[Act/365, Act/Act or other]</i> <i>(If not applicable, item 15.3. is to be deleted)</i>
15.4.	reference item	<i>[Description of reference item; if non-equity securities are linked to several reference items, specify the value of each of the reference items concerned or the procedure for determining the value of each of the reference items concerned]</i> <i>(If not applicable, item 15.4 is to be deleted)</i>
15.5.	historical changes in the value of the reference item	<i>[Provide a reference to a source where information on historical changes in the value of the reference item can be found]</i>
15.6.	investment notes redemption price or procedure for its calculation	<i>[Specify the constituent parts of redemption price: nominal value, premium, interim premium, interest]</i>
15.7.	premium rate or procedure for its calculation	<i>(If not applicable, item 15.7 is to be deleted)</i>
15.7.1.	premium paid on the day of redemption of investment notes:	<i>(If not applicable, item 15.7.1 is to be deleted)</i>
15.7.1.1.	terms of payment of premium	<i>[Specify terms when premium is paid to an investor, e.g. if the value of the reference item increases or decreases]</i>
15.7.1.2.	premium rate	<i>[Specify specific rate of fixed premium. If the rate of fixed premium is not known in advance and will be set on the date specified in item 15.7.1.6, item 15.7.1.2 does not apply and is to be deleted]</i>
15.7.1.3.	procedure for calculating premium	<i>[Specify formula for calculating premium. If the premium rate is known in advance, it will be specified in item 15.7.1.2]</i>
15.7.1.4.	expected premium rate	<i>[Specify expected premium rate which will be paid to an investor if conditions set out in item 15.7.1.1 of the Final Terms are fulfilled]</i> <i>(If the premium rate is known in advance, it will be specified in item 15.7.1.2 or, if the premium rate is not a specific value, a formula for calculating the premium rate will be specified in item 15.7.1.3)</i>
15.7.1.5.	minimum premium rate	<i>(If not applicable, item 15.7.1.5 is to be deleted)</i>

15.7.1.6.	date of announcement of actual premium rate	<i>(If not applicable, item 15.7.1.6 is to be deleted)</i>
15.7.1.7.	expected value of participation ratio	<i>(If not applicable, item 15.7.1.7 is to be deleted)</i>
15.7.1.8.	minimum value of participation ratio	<i>(If not applicable, item 15.7.1.8 is to be deleted)</i>
15.7.1.9.	expected bottom limit of change in the value of the reference item	<i>(If not applicable, item 15.7.1.9 is to be deleted)</i>
15.7.1.10.	maximum bottom limit of change in the value of the reference item	<i>(If not applicable, item 15.7.1.10 is to be deleted)</i>
15.7.1.11.	expected top limit of change in the value of the reference item	<i>(If not applicable, item 15.7.1.11 is to be deleted)</i>
15.7.1.12.	minimum top limit of change in the value of the reference item	<i>(If not applicable, item 15.7.1.12 is to be deleted)</i>
15.7.1.13.	date of announcement of actual variables of the issue	<i>(If no variables of the issue apply, item 15.7.1.13 does not apply and is to be deleted)</i>
15.7.1.14.	participation ratio value	<i>(If the actual value of the participation ratio is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 15.7.1.13, item 15.7.1.14. does not apply and is to be deleted)</i>
15.7.1.15.	limit(s) of change in the value of the reference item	<i>(If a limit(s) of change in the value of reference item does not apply or if the actual limit(s) of the value of reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 15.7.1.13, item 15.7.1.15 does not apply and is to be deleted)</i>
15.7.2.	interim premium:	<i>(If no interim premium is provided for, item 15.7.2 is to be deleted)</i>
15.7.2.1.	terms of payment of interim premium	<i>[Specify terms on the occurrence of which interim premium is paid to an investor]</i>
15.7.2.2.	date(s) of payment of interim premium	<i>[Specify date(s) when interim premium is paid to an investor]</i>
15.7.2.3.	interim premium rate	<i>[Specify specific rate of fixed interim premium. If the rate of fixed premium is not known in advance and will be set on the date specified in item 15.7.2.7, item 15.7.2.3 does not apply and is to be deleted]</i>
15.7.2.4.	procedure for calculating interim premium	<i>[Specify formula for calculating interim premium. If the premium rate is known in advance, it will be specified in item 15.7.2.3]</i>
15.7.2.5.	expected interim premium rate	<i>[Specify expected interim premium rate which will be paid to an investor if conditions set out in item 15.7.2.1 of the Final Terms are fulfilled] (If the interim premium rate is known in advance, it will be specified in item 15.7.2.3 or, if the premium rate is not a specific value, a formula for calculating the premium rate will be specified in item 15.7.2.4)</i>
15.7.2.6.	minimum interim premium rate	<i>(If not applicable, item 15.7.2.6 is to be deleted)</i>
15.7.2.7.	date of announcement of actual interim premium rate	<i>(If not applicable, item 15.7.2.7 is to be deleted)</i>
15.7.2.8.	expected value of participation ratio	<i>(If not applicable, item 15.7.2.8 is to be deleted)</i>
15.7.2.9.	minimum value of participation ratio	<i>(If not applicable, item 15.7.2.9 is to be deleted)</i>
15.7.2.10.	expected bottom limit of change in the value of the reference item	<i>(If not applicable, item 15.7.2.10 is to be deleted)</i>
15.7.2.11.	maximum bottom limit of change in the value of the reference item	<i>(If not applicable, item 15.7.2.11 is to be deleted)</i>
15.7.2.12.	expected top limit of change in the value of the reference item	<i>(If not applicable, item 15.7.2.12 is to be deleted)</i>
15.7.2.13.	minimum top limit of change in the value of the reference item	<i>(If not applicable, item 15.7.2.13 is to be deleted)</i>
15.7.2.14.	date of announcement of actual variables of the issue	<i>(If no variables of the issue apply, item 15.7.2.14 does not apply and is to be deleted)</i>
15.7.2.15.	participation ratio value	<i>(If the actual value of the participation ratio is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 15.7.2.14, item 15.7.2.15 does not apply and is to be deleted)</i>
15.7.2.16.	limit(s) of change in the value of the	<i>(If a limit(s) of change in the value of the reference item does not apply or</i>



	reference item	if the actual limit(s) of the value of the reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 15.7.2.14, item 15.7.2.16 does not apply and is to be deleted)
15.8.	initial value of reference item	(If not applicable, item 15.8 is to be deleted)
15.9.	final value of reference item	(If not applicable, item 15.9 is to be deleted)
15.10.	terms when capital guarantee ceases to be valid	[Specify terms on the occurrence of which an investor faces the risk of losing the funds invested]
15.11.	period for checking whether any conditions due to which notes may not be backed up by capital guarantee occur	[●]
15.12.	value of reference item and other related terms	[Specify what is considered as the value/price of the reference item; specify exchange/market/association whose information is used to set the price/value of the reference item; specify what days are considered as business days with regard to the reference item in question]
15.13.	entity that will carry out calculations	AB SEB bankas
15.14.	terms of investment notes associated with credit risk:	(If not applicable, item 15.14 is to be deleted)
15.14.1.	entity(ies) in whose regard a credit event must (not) occur	[Specify entity(ies) in whose regard a certain credit event(s) listed in item 15.14.3 must or must not occur for investment notes to be profitable]
15.14.2.	source of information	[Source of information related to the entity specified in item 15.14.1. is indicated]
15.14.3.	credit event(s)	[Specify credit event(s) that must or must not occur with regard to entity(ies) listed in item 15.14.1 for investment notes to be profitable]
<b>16.</b>	<b>Terms of structured notes</b>	(If not applicable, item 16 is to be deleted)
16.1.	applicable interest	[Specify whether fixed or floating interest will be paid] (If not applicable, item 16.1 is to be deleted)
16.1.1.	terms and procedure for calculation and payment of fixed interest	(If not applicable, item 16.1.1 is to be deleted)
16.1.1.1.	fixed interest	(If not applicable, item 16.1.1.1 is to be deleted)
16.1.1.2.	minimum interest	[Specify the lowest limit of range in which fixed interest will be set] (If not applicable, item 16.1.1.2 is to be deleted)
16.1.1.3.	maximum interest	[Specify the highest limit of range in which fixed interest will be set] (If not applicable, item 16.1.1.3 is to be deleted)
16.1.1.4.	date of announcement of actual interest	(If not applicable, item 16.1.1.4 is to be deleted)
16.1.2.	terms and procedure for calculation and payment of floating interest	(If not applicable, item 16.1.2 is to be deleted)
16.1.2.1.	procedure for calculating floating interest	[Specify formula for calculating floating interest and terms for paying floating interest] (If not applicable, item 16.1.2.1 is to be deleted)
16.1.2.2.	base interest rate	(If not applicable, item 16.1.2.2 is to be deleted)
16.1.2.3.	day(s) of fixing base interest rate	(If not applicable, item 16.1.2.3 is to be deleted)
16.1.2.4.	fixed share of interest	(If not applicable, item 16.1.2.4 is to be deleted)
16.1.2.5.	expected bottom range of floating interest	(If not applicable, item 16.1.2.5 is to be deleted)
16.1.2.6.	minimum bottom range of floating interest	(If not applicable, item 16.1.2.6 is to be deleted)
16.1.2.7.	expected top range of floating interest	(If not applicable, item 16.1.2.7 is to be deleted)
16.1.2.8.	maximum top range of floating interest	(If not applicable, item 16.1.2.8 is to be deleted)
16.1.2.9.	date of announcement of actual range of floating interest	(If not applicable, item 16.1.2.9 is to be deleted)
16.2.	method for calculating days	[Act/360, Act/Act or other] (If not applicable, item 16.2 is to be deleted)
16.3.	third party	Investors assume third party credit risk. [Specify entity whose securities specified in item 16.14 of the Final Terms



or claim right to such securities or securities replacing such securities or claim rights to such securities, either in full or partially, will be transferred to an investor after mandatory purchase in the case of occurrence of any enforcement event listed in item 16.11 of the Final Terms]

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| 16.4.      | reference item   | [Description of reference item; if non-equity securities are linked to several reference items, specify the value of each of the reference items concerned]<br>(If not applicable, item 16.4 is to be deleted)   |
| 16.5.      | historical changes in the value of the reference item              | [Provide a reference to a source where information on historical changes in the value of the reference item can be found]  |
| 16.6.      | structured notes redemption price or procedure for its calculation | [Specify the constituent parts of the redemption price: nominal value, premium, interim premium, interest]   |
| 16.7.      | premium rate or procedure for its calculation                      | (If not applicable, item 16.7 is to be deleted)  |
| 16.7.1.    | premium paid on the date of structured notes redemption:           | (If not applicable, item 16.7.1 is to be deleted)  |
| 16.7.1.1.  | terms of payment of premium  | [Specify terms when premium is paid to an investor, e.g. if the value of reference item increases or decreases]  |
| 16.7.1.2.  | premium rate   | [Specify specific rate of fixed premium. If the rate of the fixed premium is not known in advance and will be set on the date specified in item 16.7.1.6, item 16.7.1.2 does not apply and is to be deleted]   |
| 16.7.1.3.  | procedure for calculating premium                                  | [Specify formula for calculating premium. If the premium rate is known in advance, it will be specified in item 16.7.1.2]  |
| 16.7.1.4.  | expected premium rate  | [Specify expected premium rate which will be paid to an investor if conditions set out in item 16.7.1.1 of the Final Terms are fulfilled]<br>(If the premium rate is known in advance, it will be specified in item 16.7.1.2 or, if the premium rate is not a specific value, a formula for calculating the premium rate will be specified in item 16.7.1.3) |
| 16.7.1.5.  | minimum premium rate   | (If not applicable, item 16.7.1.5 is to be deleted)  |
| 16.7.1.6.  | date of announcement of actual premium rate                        | (If not applicable, item 16.7.1.6 is to be deleted)  |
| 16.7.1.7.  | expected value of participation ratio                              | (If not applicable, item 16.7.1.7 is to be deleted)  |
| 16.7.1.8.  | minimum value of participation ratio                               | (If not applicable, item 16.7.1.8 is to be deleted)  |
| 16.7.1.9.  | expected bottom limit of change in the value of the reference item | (If not applicable, item 16.7.1.9 is to be deleted)  |
| 16.7.1.10. | maximum bottom limit of change in the value of the reference item  | (If not applicable, item 16.7.1.10 is to be deleted)   |
| 16.7.1.11. | expected top limit of change in the value of the reference item    | (If not applicable, item 16.7.1.11 is to be deleted)   |
| 16.7.1.12. | minimum top limit of change in the value of the reference item     | (If not applicable, item 16.7.1.12 is to be deleted)   |
| 16.7.1.13. | date of announcement of actual variables of the issue              | (If no variables of the issue apply, item 16.7.1.13 does not apply and is to be deleted)   |
| 16.7.1.14. | participation ratio value  | (If the actual value of participation ratio is not known at the time of subscription period of securities and will be set on the date specified in item 16.7.1.13, item 16.7.1.14. does not apply and is to be deleted)  |
| 16.7.1.15. | limit(s) of change in the value of the reference item              | (If a limit(s) of change in the value of reference item does not apply or if the actual limit(s) of the value of reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 16.7.1.13, item 16.7.1.15 does not apply and is to be deleted)  |
| 16.7.2.    | interim premium:   | (If no interim premium is provided for, item 16.7.2 is to be deleted)  |
| 16.7.2.1.  | terms of payment of interim premium                                | [Specify terms on the occurrence of which interim premium will be paid to an investor]   |
| 16.7.2.2.  | date(s) of payment of interim premium                              | [Specify date(s) on which interim premium will be paid to an investor]   |
| 16.7.2.3.  | interim premium rate   | [Specify specific rate of fixed interim premium. If the rate of fixed  |

		<i>premium is not known in advance and will be set on the date specified in item 16.7.2.7, item 16.7.2.3 does not apply and is to be deleted]</i>
16.7.2.4.	procedure for calculating interim premium	<i>[Specify formula for calculating interim premium. If the interim premium rate is known in advance, it will be specified in item 16.7.2.3]</i>
16.7.2.5.	expected interim premium rate	<i>[Specify expected interim premium rate which will be paid to an investor if conditions set out in item 16.7.2.1 of the Final Terms are fulfilled] (If the interim premium rate is known in advance, it will be specified in item 16.7.2.3, or, if the premium rate is not a specific value, a formula for calculating the premium rate will be specified in item 16.7.2.4)</i>
16.7.2.6.	minimum interim premium rate	<i>(If not applicable, item 16.7.2.6 is to be deleted)</i>
16.7.2.7.	date of announcement of actual interim premium rate	<i>(If not applicable, item 16.7.2.7 is to be deleted)</i>
16.7.2.8.	expected value of participation ratio	<i>(If not applicable, item 16.7.2.8 is to be deleted)</i>
16.7.2.9.	minimum value of participation ratio	<i>(If not applicable, item 16.7.2.9 is to be deleted)</i>
16.7.2.10.	expected bottom limit of change in the value of the reference item	<i>(If not applicable, item 16.7.2.10 is to be deleted)</i>
16.7.2.11.	maximum bottom limit of change in the value of the reference item	<i>(If not applicable, item 16.7.2.11 is to be deleted)</i>
16.7.2.12.	expected top limit of change in the value of the reference item	<i>(If not applicable, item 16.7.2.12 is to be deleted)</i>
16.7.2.13.	minimum top limit of change in the value of the reference item	<i>(If not applicable, item 16.7.2.13 is to be deleted)</i>
16.7.2.14.	date of announcement of actual variables of the issue	<i>(If no variables of the issue apply, item 16.7.2.14 does not apply and is to be deleted)</i>
16.7.2.15.	participation ratio value	<i>(If the actual value of participation ratio is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 16.7.2.14, item 16.7.2.15 does not apply and is to be deleted)</i>
16.7.2.16.	limit(s) of change in the value of the reference item	<i>(If a limit(s) of change in the value of the reference item does not apply or if the actual limit(s) of the value of the reference item is not known at the time of subscription period of non-equity securities and will be set on the date specified in item 16.7.2.14, item 16.7.2.16 does not apply and is to be deleted)</i>
16.8.	initial value of reference item	<i>(If not applicable, item 16.8 is to be deleted)</i>
16.9.	final value of reference item	<i>(If not applicable, item 16.9 is to be deleted)</i>
16.10.	terms of credit linked structured notes:	<i>(If not applicable, item 16.10 is to be deleted)</i>
16.10.1.	entity(ies) in whose regard a credit event must (not) occur	<i>[Specify entity(ies) in whose regard a certain credit event(s) listed in item 16.10.3 must or must not occur for structured notes to be profitable]</i>
16.10.2.	source of information	<i>[Source of information related to the entity specified in item 16.10.1 is indicated]</i>
16.10.3.	credit event(s)	<i>[Specify credit event(s) that must or must not occur with regard to entity(ies) listed in item 16.10.1 for structured notes to be profitable]</i>
16.11.	enforcement events	The Bank will mandatorily purchase the issue of these structured notes from investors if any of the following enforcement events occurs: <ul style="list-style-type: none"> <li>• a third party fails to fulfil its obligations in accordance with set terms and procedure with regard to securities issued by it and listed in item 16.14 of the Final Terms;</li> <li>• it is announced that, at the request of a third party or holders of the securities issued by the third party which are specified in item 16.14 of the Final Terms, the terms for fulfilment of obligations under, and/or for disposal of securities issued by the third party and listed in item 16.14 of the Final Terms are amended.</li> </ul>
16.12.	procedure for provision of information about an occurred enforcement event	The Bank will announce information about a enforcement event immediately on the Bank's website at <a href="http://www.seb.lt">www.seb.lt</a> . <i>(If an additional</i>

		<i>procedure is set on how and when information about an occurred enforcement event must be provided, specify this procedure)</i>
16.13.	terms and procedure for mandatory purchase	<p>The Bank will, not later than within 4 (four) business days from the date of the relevant enforcement event (this date coincides with the date of announcement of the occurred enforcement event), mandatorily purchase the issue of these securities from investors. The Bank will settle accounts with the investors on the same day of the mandatory purchase. Account settlement for the structured notes being mandatorily purchased will take place according to the following procedure:</p> <p>a) for one mandatorily purchased structured note, an investor will receive third party securities specified in item 16.14 of the Final Terms or the claim right to such securities, or other securities replacing such securities or the claim rights to them or any portion thereof. For one mandatorily purchased structured note, an investor will receive such number of securities of the third party that the total nominal value of mandatorily purchased structured note would be equal to the nominal value of securities of the third party transferred for one structured note purchased. If the third party concerned replaces its securities of a certain issue that are specified in the Final Terms with other securities issued by it before the date of the mandatory purchase and for this reason the Bank will not be able to transfer the securities of a certain issue that are specified in the Final Terms to an investor, the investor will be provided with securities that replace the securities of the third party and that are issued by the same third party for the structured notes being mandatorily purchased; the investor will receive such number of securities replacing the third party securities of a specific issue that are specified in the Final Terms that the investor would have received if, on the date of replacement of the securities, it disposed of the third party securities of a specific issue that are specified in the Final Terms received according to the aforementioned rule—that is, the number of third party securities that the investor must receive for each structured note must ensure that the nominal value of the structured note and the total nominal value of all the third party securities being transferred for the structured note be equal; and</p> <p>b) cash payment specified in item 16.15 of the Final Terms.</p>
16.14.	securities issued by a third party	<i>[Specify specific securities issued by the third party, which or the claim right to which, or securities issued by the same third party and replacing such securities or their part will be transferred to an investor on occurrence of a enforcement event]</i>
16.15.	cash payment	<i>[Specify the procedure for calculating the cash payment payable upon occurrence of a enforcement event]</i>
16.16.	value of the reference item and other terms connected with reference item	<i>[Specify what is considered as the value/price of the reference item; specify exchange/market/association whose information is used to set the price/value of reference item; specify what days are considered as business days with regard to reference item in question]</i>
16.17.	entity that will carry out calculations	AB SEB bankas
17.	Early redemption	<i>(If not applicable, item 17 is to be deleted)</i>
17.1.	terms of the early redemption	<i>[Terms of the early redemption, e.g. occurrence of a certain change in the value of the reference item]</i>
17.2.	early redemption price or procedure for its calculation	●
17.3.	dates of early redemption	●
17.4.	procedure for informing about early redemption	●

## TERMS OF THE OFFER

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|------|--|--|
| 18.  | Category of investors proposed for acquiring the non-equity securities and rights granted                            | <i>[Specify whether the non-equity securities are offered to all investors without restrictions or to a specific category of investors. If the non-equity securities are offered to an individual category of investors, specify what criteria apply and rights are granted to parties that qualify as investors of this category]</i>   |
| 19.  | Nominal value per non-equity security  | [●]  |
| 20.  | Issue size in units  | [[●]units/ Unlimited]  |
| 21.  | Total nominal value of the issue   | [[●] / Unlimited]  |
| 22.  | Subscription price(s) of non-equity security   | [●] <i>(If during the subscription period the subscription prices of the non-equity securities differ "Subscription prices of non-equity securities are specified in Annex No. [●]" )</i>  |
| 22.1 | risk premium   | [●] <i>(If not applicable, item 22.1 is to be deleted)</i>   |
| 22.2 | calculation of subscription price  | [●]  |
| 23.  | Subscription fee   | [●]  |
| 24.  | Subscription period  | [●]  |
|      |  | <i>[In the case of issue of coupon and discount bonds: specify whether the Bank, considering the number of subscribed bonds and the market interest rates, may shorten the bonds subscription period; in the case of the structured note issue it shall be always specified that the bank taking into consideration the number of subscribed notes and the market interest rates has a right to shorten the structured notes' subscription period. Specify what steps will be taken if the Bank is granted this right]</i> |
| 25.  | Information about the possibility to reduce the number of subscribed securities                                      | [[●] / Not applicable]   |
| 26.  | Minimum number of non-equity securities offered to one investor  | [●]  |
| 27.  | Maximum number of non-equity securities offered to one investor  | [●]  |
| 28.  | Venues of finalisation of non-equity securities subscription agreements and deadline for payment for the securities  | [●]  |
| 29.  | Venues for presentation of applications to acquire non-equity securities and deadline for payment for the securities | <i>(If not applicable, item 29 is to be deleted)</i>   |
| 30.  | Share of the issue reserved for certain investors  | <i>[If a share of the issue is reserved for certain investors, specify the exact size of such share]</i><br><i>(If no share of the issue is reserved, item 30 is to be deleted)</i>  |
| 31.  | Procedure for provision of information about non-equity securities assigned to investors                             | [●]  |
| 32.  | Markets where the offer take place   | [●]  |
| 33.  | Announcement of the offer results  | [●]  |
| 34.  | Placement agents   | <i>[Company name, address of branch offices, telephone, website]</i>   |
| 35.  | Information about parties who assumes the firm commitment to underwrite a part of the securities of the issue        | <i>[Company name, address of branch offices, telephone, website; date of the obligation to underwrite a part of the issue, applicable number of securities of the issue, commission fee]</i>   |
| 36.  | Protector of interests of owners of the non-equity securities  | <i>[Company name, address of branch offices, telephone, website]</i>   |

## LISTING ON REGULATED MARKET TRADING LISTS

- |     |   |   |
|-----|---|---|
| 37. | Listing on regulated market trading lists | <i>[Specify whether the securities of the issue will be listed on regulated market trading lists and, if known, the date when the securities of the</i> |
|-----|---|---|

38. Entities who undertook the obligation to support secondary trading
- issue will be listed on regulated market trading lists]*
- No intermediaries assume an obligation to ensure liquidity of non-equity securities issued under this Programme in the secondary trading or other regulated markets.
- [If any intermediary assumes an obligation to ensure liquidity of a particular non-equity securities issue, company name of the intermediary, address of branch offices, telephone and website are indicated]*

#### ADDITIONAL INFORMATION

39. Cancellation of the issue(s)
- [Specify cases of cancellation of issues; information on where and when cancellation of an issue will be announced; amount of refund per non-equity security subscribed; deadlines and procedure for returning the funds]*
40. Advisors
- (If not applicable, item 39 is to be deleted)*
- [Specify advisors, if their services were used during preparation of the securities issue documents; specify scope of advisor services used]*
41. Third party information
- [If third party information was used during preparation of the securities issue documents, specify the source(s) of such information and provide confirmations as to the reliability of such information]*
42. Credit ratings
- [Specify the credit rating of the securities of the issues and provide a description of the credit rating, if such is provided by the rating agency]*

The Issuer is responsible for the accuracy of the information contained in these Final Terms.

[Title, signature, given name and surname of the authorised representative of the Issuer]

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Seal