

CONFIRMATION FROM THE RESPONSIBLE PERSONS

We, Deputy Chief Executive Officer of Šiaulių bankas AB acting as Chief Executive Officer Algirdas Butkus and Chief Accountant Vita Adomaitytė, confirm that as far as we know, consolidated financial statements for the first half-year of 2015 are formed in compliance with the applicable accounting standards, correspond the reality and correctly reflect the total assets, liabilities, financial status, activity result and cash flow of Šiaulių Bankas AB and consolidated companies. As far as we know, the interim report contains the correct review of the business development and activities.

Deputy Chief Executive Officer
acting as Chief Executive Officer



Algirdas Butkus

Chief Accountant



Vita Adomaitytė

20-08-2015



CONDENSED INTERIM
FINANCIAL STATEMENTS

for the six month period ended 30 June 2015

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THE GROUP'S AND THE BANK'S STATEMENTS OF FINANCIAL POSITION

	Notes	30-06-2015		31-12-2014	
		Group	Bank	Group	Bank
ASSETS					
Cash and cash equivalents	3	84 315	83 215	197 436	196 481
Due from other banks		27 076	26 667	5 665	5 265
Securities at fair value through profit or loss	2	60 625	33 611	52 098	56 068
Derivative financial instruments		7 747	7 299	7 097	6 650
Loans to customers	1	777 820	865 708	720 191	790 756
Finance lease receivables	1	54 742	1 650	53 670	3 068
Investment securities:					
- available-for-sale	2	30 561	30 348	22 118	21 844
- held-to-maturity	2	473 715	473 416	454 116	447 757
Investments in subsidiaries and associates	2	-	29 686	-	29 686
Intangible assets		3 306	376	3 325	412
Property, plant and equipment		10 898	9 707	11 223	10 083
Investment property		17 816	4 189	20 166	3 303
Current income tax prepayment		16	-	83	-
Deferred income tax asset		826	166	622	-
Other assets	3	65 599	19 802	54 642	11 113
Assets classified as held for sale	2	22 458	26 410	37 557	27 620
Total assets		1 637 520	1 612 250	1 640 009	1 610 106
LIABILITIES					
Due to other banks and financial institutions		45 571	48 869	55 839	61 979
Subordinated loan	12	19 367	19 367	19 295	19 295
Due to customers	4	1 398 285	1 412 123	1 415 313	1 415 716
Special and lending funds		1 851	1 851	2 499	2 499
Current income tax liabilities		2 902	1 908	919	535
Deferred income tax liabilities		282	-	1 360	108
Liabilities related to insurance activities		22 598	-	19 945	-
Other liabilities		12 140	4 780	14 329	5 245
Liabilities related to assets classified as held for sale	2	5 517	-	3 898	-
Total liabilities		1 508 513	1 488 898	1 533 397	1 505 377
EQUITY					
Share capital	6	85 034	85 034	78 197	78 197
Unpaid capital	6	6 772	6 772	-	-
Share premium	6	-	-	3 684	3 684
Reserve capital		756	756	756	756
Statutory reserve		2 468	2 290	1 450	1 275
Financial assets revaluation reserve		61	61	516	516
Retained earnings		33 916	28 439	22 009	20 301
Non-controlling interest		-	-	-	-
Total equity		129 007	123 352	106 612	104 729
Total liabilities and equity		1 637 520	1 612 250	1 640 009	1 610 106

The notes on pages 10-30 constitute an integral part of these financial statements.

Deputy Chief Executive Officer acting as Chief Executive Officer
Chief Accountant



Algirdas Butkus
Vita Adomaitytė

20 August 2015

THE GROUP'S AND THE BANK'S INCOME STATEMENTS

for the six month period ended

	Notes	Group	30-06-2015 Bank	Group (restated)	30-06-2014 Bank (restated)
Continuing operations					
Interest and similar income	7	30 758	26 732	31 752	27 666
Interest expense and similar charges	7	(9 671)	(9 718)	(12 145)	(12 152)
Net interest income		21 087	17 014	19 607	15 514
Fee and commission income	8	5 172	5 111	4 382	4 373
Fee and commission expense	8	(1 971)	(1 764)	(1 953)	(1 586)
Net fee and commission income		3 201	3 347	2 429	2 787
Net loss from embedded derivatives		(2 056)	(2 056)	(1 803)	(1 803)
Net gain (loss) from changes in fair value of subordinated loan		(77)	(77)	40	40
Net gain (loss) from operations with securities		746	(28)	2 615	1 979
Net foreign exchange gain		1 598	1 170	1 327	1 287
Net gain from derecognition of financial assets	11	2 477	2 477	1 585	1 585
Net gain from disposal of tangible assets		2 342	2 307	281	146
Revenue related to other activities of Group companies	11	7 087	-	6 465	-
Other operating income		818	347	886	452
Salaries and related expenses		(7 817)	(6 230)	(7 654)	(5 969)
Depreciation and amortization expenses		(750)	(515)	(744)	(588)
Expenses related to other activities of Group companies	11	(8 014)	-	(5 733)	-
Other expenses	9	(4 579)	(3 416)	(4 145)	(3 347)
Operating profit before impairment losses		16 063	14 340	15 156	12 083
Allowance for impairment losses on loans and other assets	10	(5 251)	(3 704)	(7 395)	(6 020)
Allowance for impairment losses on investments in subsidiaries	10	-	-	-	(4 244)
Dividends from investments in subsidiaries		-	3 475	-	6 097
Profit from continuing operations before income tax		10 812	14 111	7 761	7 916
Income tax (expense)		(2 124)	(1 712)	(1 053)	(893)
Profit from continuing operations		8 688	12 399	6 708	7 023
Profit (loss) from discontinued operations, net of tax	2	6 510	-	(225)	-
Net profit for the period		15 198	12 399	6 483	7 023
Net profit attributable to:					
Owners of the Bank		15 198	12 399	6 483	7 023
from continuing operations		8 688	12 399	6 708	7 023
from discontinued operations		6 510	-	(225)	-
Non-controlling interest (from continuing operations)		-	-	-	-
Basic earnings per share (in EUR per share) attributable to owners of the Bank					
from continuing operations		0.05		0.02	
from discontinued operations		0.03		0.02	
		0.02		(0.00)	
Diluted earnings per share (in EUR per share) attributable to owners of the Bank					
from continuing operations		0.05		0.02	
from discontinued operations		0.03		0.02	
		0.02		(0.00)	

The notes on pages 10-30 constitute an integral part of these financial statements.

Deputy Chief Executive Officer acting as Chief Executive Officer
Chief Accountant



Algirdas Butkus
Vita Adomaitytė

20 August 2015

THE GROUP'S AND THE BANK'S STATEMENTS
OF COMPREHENSIVE INCOME

	for the six month period ended				
		30-06-2015		30-06-2014	
	Group	Bank	Group (restated)	Bank	
<i>Net profit</i>	15 198	12 399	6 483	7 023	
<i>Other comprehensive income (loss):</i>					
Items that may be subsequently reclassified to profit or loss:					
Gain (loss) from revaluation of financial assets	(533)	(533)	1 578	1 578	
Deferred income tax on gain from revaluation of financial assets	78	78	(240)	(240)	
<i>Other comprehensive income (loss), net of deferred tax</i>	<i>(455)</i>	<i>(455)</i>	<i>1 338</i>	<i>1 338</i>	
<i>Total comprehensive income</i>	<i>14 743</i>	<i>11 944</i>	<i>7 821</i>	<i>8 361</i>	
<i>Total comprehensive income attributable to:</i>					
Owners of the Bank	14 743	11 944	7 821	8 361	
from continuing operations	8 233	11 944	8 046	8 361	
from discontinued operations	6 510	-	(225)	-	
Non-controlling interest	-	-	-	-	

The notes on pages 10-30 constitute an integral part of these financial statements.

Deputy Chief Executive Officer acting as Chief Executive Officer
Chief Accountant

20 August 2015



Algirdas Butkus
Vita Adomaitytė

THE GROUP'S AND THE BANK'S INCOME
STATEMENTS FOR THE PERIOD

	01-04-2015 - 30-06-2015		01-04-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank (restated)
Continuing operations				
Interest and similar income	15 395	13 272	16 166	13 573
Interest expense and similar charges	(4 598)	(4 644)	(6 152)	(6 154)
Net interest income	10 797	8 628	10 014	7 419
Fee and commission income	2 893	2 858	1 822	2 351
Fee and commission expense	(908)	(800)	(1 026)	(821)
Net fee and commission income	1 985	2 058	796	1 530
Net loss from embedded derivatives	(825)	(825)	(715)	(715)
Net gain from financial liabilities at fair value through profit or loss	(36)	(36)	198	198
Net gain from operations with securities	(1 601)	(1 081)	2 120	1 407
Net foreign exchange gain	498	734	767	736
Gain from derecognition of financial assets	2 091	2 091	306	306
Net gain from disposal of tangible assets	400	374	569	426
Revenue related to other activities of Group companies	3 170	-	2 726	-
Other operating income	430	142	417	159
Salaries and related expenses	(3 708)	(2 911)	(3 608)	(2 827)
Depreciation and amortization expenses	(348)	(252)	(365)	(282)
Expenses related to other activities of Group companies	(2 522)	0	(2 969)	0
Other expenses	(2 410)	(1 643)	(1 946)	(1 641)
Operating profit before impairment losses	7 921	7 279	8 310	6 716
Impairment losses on loans and other assets	(3 645)	(1 613)	(4 225)	(2 697)
Impairment losses on investments in subsidiaries	-	-	-	(4 244)
Dividends from investments in subsidiaries	-	579	-	3 201
Profit from continuing operations before income tax	4 276	6 245	4 085	2 976
Income tax (expense)	(1 097)	(904)	(650)	(595)
Profit from continuing operations	3 179	5 341	3 435	2 381
Profit (loss) from discontinued operations, net of tax	6 582	-	(186)	-
Net profit for the period	9 761	5 341	3 249	2 381
Net profit attributable to:				
Owners of the Bank	9 761	5 341	3 251	2 381
from continuing operations	3 179	5 341	3 437	2 381
from discontinued operations	6 582	-	(186)	-
Non-controlling interest (from continuing operations)	-	-	(2)	-

THE GROUP'S STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Unpaid capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve	Retained earnings	Total	Non-controlling interest	Total equity
Attributable to owners of the Bank											
31 December 2013		72 405	-	9 476	756	(576)	939	10 746	93 746	145	93 891
Increase in share capital	6	5 792	-	(5 792)	-	-	-	-	-	-	-
Transfer to statutory reserve		-	-	-	-	-	511	(511)	-	-	-
Acquisition of subsidiary		-	-	-	-	-	-	-	-	(145)	(145)
Total comprehensive income		-	-	-	-	1 338	-	6 483	7 821	-	7 821
30 June 2014		78 197	-	3 684	756	762	1 450	16 718	101 567	-	101 567
Total comprehensive income (loss)		-	-	-	-	(246)	-	5 291	5 045	-	5 045
31 December 2014		78 197	-	3 684	756	516	1 450	22 009	106 612	-	106 612
Increase in share capital	6	6 734	-	(3 684)	-	-	-	(3 050)	-	-	-
Business combination	6	-	6 772	-	-	-	-	-	6 772	-	6 772
Disposal of subsidiaries		-	-	-	-	-	-	973	973	-	973
Payment of dividends	6	-	-	-	-	-	-	(196)	(196)	-	(196)
Transfer to statutory reserve		-	-	-	-	-	1 018	(1 018)	-	-	-
Total comprehensive income (loss)		103	-	-	-	(455)	-	15 198	14 846	-	14 846
30 June 2015		85 034	6 772	-	756	61	2 468	33 916	129 007	-	129 007

THE BANK'S STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Unpaid capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve	Retained earnings	Total
31 December 2013		72 405	-	9 476	756	(576)	764	10 208	93 033
Increase in share capital	6	5 792	-	(5 792)	-	-	-	-	-
Transfer to statutory reserve		-	-	-	-	-	511	(511)	-
Total comprehensive income		-	-	-	-	1 338	-	7 023	8 361
30 June 2014		78 197	-	3 684	756	762	1 275	16 720	101 394
Total comprehensive income (loss)		-	-	-	-	(246)	-	3 581	3 335
31 December 2014		78 197	-	3 684	756	516	1 275	20 301	104 729
Increase in share capital		6 734	-	(3 684)	-	-	-	(3 050)	-
Payment of dividends	6	-	-	-	-	-	-	(196)	(196)
Transfer to statutory reserve		-	-	-	-	-	1 015	(1 015)	-
Business combination	6	-	6 772	-	-	-	-	-	6 772
Total comprehensive income (loss)		103	-	-	-	(455)	-	12 399	12 047
30 June 2015		85 034	6 772	-	756	61	2 290	28 439	123 352

THE GROUP'S AND THE BANK'S STATEMENTS OF CASH FLOWS

for the six month period ended

	30-06-2015		30-06-2014 (restated)	
	Group	Bank	Group	Bank
Operating activities				
Interest received on loans	23 430	18 645	24 150	20 281
Interest received on securities at fair value through profit or loss	1 484	1 267	1 200	923
Interest paid	(9 671)	(10 930)	(12 144)	(12 152)
Net cash received from service and commission fees	3 201	3 347	2 429	2 787
Cash inflows from trade in trading securities	1 678	904	1 793	1 176
Net inflows from foreign exchange operations	1 903	1 466	1 332	1 292
Recoveries on loans previously written off	488	40	136	11
Salaries and related payments to and on behalf of employees	(7 892)	(6 235)	(7 371)	(5 695)
Other net cash (payments) receipts	7 335	1 672	(1 498)	(1 871)
Income tax paid	(1 279)	(534)	(258)	-
Net cash flow from operating activities before change in operating assets and liabilities	20 677	9 642	9 769	6 752
Change in operating assets and liabilities:				
(Increase) decrease in securities at fair value through profit or loss	(10 102)	21 098	(4 910)	2 028
(Increase) in loans to credit and financial institutions	(21 102)	(21 402)	(1 842)	(1 842)
(Increase) decrease in loans to customers	(57 804)	(79 300)	15 068	583
Decrease (increase) in other assets	2 014	(7 336)	(7 506)	(3 290)
(Decrease) increase in liabilities to credit and financial institutions	(10 273)	(13 150)	4 566	575
(Decrease) increase in deposits	(17 028)	(2 346)	26 781	26 638
(Decrease) in special and lending funds	(648)	(648)	(1 151)	(1 151)
Increase (decrease) in other liabilities	2 184	(465)	(2 068)	(1 449)
Change	(112 759)	(103 549)	28 938	22 092
Net cash flow from from operating activities	(92 082)	(93 907)	38 707	28 844
Investing activities				
(Acquisition) of tangible and intangible assets	(315)	(127)	(2 267)	(618)
Disposal of tangible and intangible assets	8 195	5 813	10 356	10 261
(Acquisition) of held-to-maturity securities	(113 084)	(113 083)	(128 669)	(124 889)
Proceeds from redemption of held-to-maturity securities	82 624	83 124	48 717	48 717
Interest received on held-to-maturity securities	10 255	10 214	9 343	9 343
Dividends received	-	3 475	45	6 123
(Acquisition) of available-for-sale securities	(17 896)	(17 896)	(10 918)	(10 891)
Disposal or redemption of available-for-sale securities	8 759	8 698	28 727	28 726
Interest received on available-for-sale securities	614	614	1 346	1 346
(Acquisition) of subsidiaries	-	-	-	(1 735)
Net cash from (used in) investing activities	(20 848)	(19 168)	(43 320)	(33 617)
Financing activities				
Payment of dividends	(191)	(191)	(3)	(3)
Payment to minority shareholders	-	-	(145)	-
Net cash flow from financing activities	(191)	(191)	(148)	(3)
Net increase in cash and cash equivalents	(113 121)	(113 266)	(4 761)	(4 776)
Cash and cash equivalents at 1 January	197 436	196 481	139 308	139 307
Cash and cash equivalents at 30 June	84 315	83 215	134 547	134 531

GENERAL INFORMATION

Šiaulių Bankas AB was registered as a public company in the Enterprise Register of the Republic of Lithuania on 4 February 1992. The Bank is licensed by the Bank of Lithuania to perform all banking operations provided for in the Law on Commercial Banks of the Republic of Lithuania and the Statute of the Bank. In this document, Šiaulių Bankas AB is referred to as the Bank, Šiaulių Bankas AB and its subsidiaries - the Group.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 58 client service units. As of 30 June 2015 the Bank had 670 employees (31 December 2014: 677). As of 30 June 2015 the Group (except subsidiaries held for sale) had 825 employees (31 December 2014: 829).

The Bank's shares are listed on the Baltic Main List of the NASDAQ Stock Exchange..

As of 30 June 2015 the Bank owned the following directly controlled subsidiaries:

1. Šiaulių Banko Lizingas UAB (finance and operating lease activities),
2. Šiaulių Banko Investicijų Valdymas UAB (investment management activities),
3. Šiaulių Banko Turto Fondas UAB (real estate management activities),
4. Minera UAB (real estate management activities),
5. SBTf UAB (real estate management activities),
6. Pavasaris UAB (development of the area of multi-apartment residential houses),
7. SB Lizingas UAB (name changed from Ūkio Banko Lizingas UAB; consumer financing activities),
8. Bonum Publicum GD UAB (life insurance activities).

As of 30 June 2015 the Bank owned the following indirectly controlled subsidiary:

9. Sandworks UAB (real estate management activities).

As of 30 June 2015 the Bank owned directly controlled subsidiaries held for sale:

10. Sporto Klubų Investicijos UAB (real estate management activities),
11. Trade Project UAB (real estate management activities),
12. Investicinio Turto Valdymas UAB (real estate management activities),
- 13-17. ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB, ŽSA 5 UAB (real estate management activities).

As of 30 June 2015 the Bank had the indirectly controlled subsidiary held for sale:

18. Žalgirio Sporto Arena UAB (real estate management activities).

As of 31 December 2014 the Bank owned the following directly controlled subsidiaries:

1. Šiaulių Banko Lizingas UAB (finance and operating lease activities),
2. Šiaulių Banko Investicijų Valdymas UAB (investment management activities),
3. Šiaulių Banko Turto Fondas UAB (real estate management activities),
4. Minera UAB (real estate management activities),
5. SBTf UAB (real estate management activities),
6. Pavasaris UAB (development of the area of multi-apartment residential houses),
7. Ūkio Banko Lizingas UAB (consumer financing activities),
8. Bonum Publicum GD UAB (life insurance activities).

As of 31 December 2014 the Bank owned the following indirectly controlled subsidiaries:

9. Sandworks UAB (real estate management activities),
10. Semelitas UAB (real estate management activities).

As of 31 December 2014 the Bank owned directly controlled subsidiaries held for sale:

11. Sporto Klubų Investicijos UAB (real estate management activities),
12. Trade Project UAB (real estate management activities),
13. Investicinio Turto Valdymas UAB (real estate management activities),
- 14.-18. ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB, ŽSA 5 UAB (real estate management activities).

As of 31 December 2014 the Bank had the indirectly controlled subsidiaries held for sale:

19. Kėdainių Oda UAB (leather processing, production activities),
20. Žalgirio Sporto Arena UAB (real estate management activities),
21. Nacionalinis Futbolo Stadionas UAB (development of the football stadium).

This condensed interim financial information for the six month period ended 30 June 2015 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements as at and for the year ended 31 December 2014, which were prepared in accordance with IFRS as adopted by the EU.

The comparative financial information of the Group for the six month period ended 30 June 2014 was restated to reflect the composition of the Group presented in the financial statements as of 30 June 2015 and 31 December 2014 - i.e. - to include the activity results of SB Lizingas UAB (former Ūkio Banko Lizingas UAB) and Bonum Publicum GD UAB in Continuing operations instead of Discontinued operations and to include the activity results of Kėdainių Oda UAB in Discontinued operations instead of Continuing operations. From 2015, the recognition of certain income related to the loans granted by the Bank using third-party funding was adjusted to include such income in commission income instead of interest income, therefore the comparative financial information was restated accordingly. Total activity result of the Group was not affected by this restatement, amounts were represented between the results of Continuing and Discontinued operations and line items of Continuing operations. The tables in the financial statement, which have been impacted the restatements described above, are marked with the word "restated" in the header.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. In preparing these condensed interim financial statements, the significant judgements made in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2014.

These financial statements combine the consolidated financial statements for the Group and stand-alone financial statements of the Bank. Such format of reporting was adopted to ensure consistency of presentation with the format prescribed by the Bank of Lithuania and applied for statutory reporting.

Amounts shown in these financial statements are presented in euros (EUR). Comparative financial information, which previously was presented in litas (LTL), was translated to euros using the ratio EUR 1 = LTL 3.4528.

No significant amounts of the Group's and the Bank's income or expenses are of a substantial seasonal nature.

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES

Credit risk is defined as the risk for the Group to incur losses due to the Group's customers' failure to fulfil their financial obligations towards the Group. Credit exposures arise principally in lending activities and it is the most significant risk in the Group's banking activities. There is also credit risk in investment activities that arise from debt securities and in the Group's asset portfolio as well as in the off-balance sheet financial instruments, such as loan commitments, guarantees and letters of credit.

The Bank regularly reviews its credit risk management policies which include lending policies, credit risk limit control, other credit risk mitigation measures as well as the internal control and internal audit of credit risk management.

The Bank takes risks only in the fields, which are well known to it and where it has long-term experience, trying to avoid excessive risk in transactions that can have negative influence to the big portion of shareholders' equity but seeks the sufficient profitability which, in terms of increasing competition, would ensure the stable Bank's position in the market and would increase the Bank's value. In assessing exposure to credit risk, the Bank adheres to the principle of prudence.

The aim of the Bank's credit risk management policy is to ensure that the conflict between interests of staff or structural units is avoided. With respect to provision of credits to clients, the principle stating that profit should not be earned at the expense of excessive credit risk is observed.

Maximum exposure to credit risk before collateral held or other credit enhancements

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Loans and advances to banks</i>	27 076	26 667	5 665	5 265
<i>Loans and advances to customers:</i>	777 820	865 708	720 191	790 756
<i>Loans and advances to financial institutions</i>	17	96 486	10	58 600
<i>Loans to individuals (Retail)</i>	102 919	56 484	103 114	56 233
<i>Loans to business customers</i>	674 884	712 738	617 067	675 923
<i>Finance lease receivables</i>	54 742	1 650	53 670	3 068
<i>Trading assets:</i>				
<i>Debt securities</i>	45 592	33 494	38 769	55 956
<i>Derivative financial instruments</i>	7 747	7 299	7 097	6 650
<i>Securities available for sale:</i>				
<i>Debt securities</i>	29 784	29 784	21 316	21 316
<i>Investment securities held to maturity:</i>				
<i>Debt securities</i>	473 715	473 416	454 116	447 757
<i>Other financial assets</i>	12 802	11 801	667	135
<i>Credit risk exposures relating to off-balance sheet items are as follows:</i>				
<i>Financial guarantees</i>	30 397	30 408	29 202	29 219
<i>Letters of credit</i>	9 162	9 162	315	315
<i>- Loan commitments and other credit related liabilities</i>	131 953	136 001	101 444	103 703
Total	1 600 790	1 625 390	1 432 452	1 464 140

Loans to customers

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Loans to individuals</i>	111 192	59 543	111 133	59 488
<i>Loans to business customers</i>	792 987	926 910	760 392	876 630
<i>Subtract: Fair value revaluation on acquisition*</i>	(84 798)	(84 798)	(103 698)	(103 698)
Gross	819 381	901 655	767 827	832 420
<i>Subtract: Allowance for impairment</i>	(41 561)	(35 947)	(47 636)	(41 664)
<i>of which: for individually assessed loans</i>	(41 262)	(35 947)	(47 261)	(41 664)
<i>of which: for collectively assessed loans</i>	(299)	-	(375)	-
Net	777 820	865 708	720 191	790 756

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Neither past due not impaired</i>	674 876	770 092	609 692	687 089
<i>Past due but not impaired</i>	80 140	76 843	84 323	80 215
<i>Impaired</i>	64 365	54 720	73 812	65 116
Gross	819 381	901 655	767 827	832 420
<i>Subtract: Allowance for impairment</i>	(41 561)	(35 947)	(47 636)	(41 664)
<i>of which: for individually assessed loans</i>	(41 262)	(35 947)	(47 261)	(41 664)
<i>of which: for collectively assessed loans</i>	(299)	-	(375)	-
Net	777 820	865 708	720 191	790 756

* Fair value revaluation on acquisition is the difference between the estimated fair value by appraisers of the loans acquired under the transaction transfer of assets, rights, transactions and liabilities of Ūkio Bankas and the gross value of the above-mentioned loans.

Loans and advances neither past due not impaired are loans which are not impaired and payments of which are not past due.

Past due but not impaired loans are loans for which principal or interest is past due but no allowance for impairment is recognized.

Impaired loan is a loan to which a loss event is recognized and allowance for impairment is made.

The list of loss events:

- 1) significant financial difficulties of the debtor or issuer, i.e. the borrower's financial status is evaluated as poor or bad;
- 2) violation of the loan agreement (non-payment of the periodic loan payments (the part of the loan or interest)) for more than 30 days;
- 3) the loan is being recovered;
- 4) funds granted to the borrower are used not according to the loan purpose and the implementation terms of investment project are violated or decrease in collateral value, when repayment terms of the evaluated loans directly depend on the value of the object of security measure;
- 5) third parties related to the borrower do not fulfil their obligations, which impacts the borrower's ability to fulfil its financial obligations;
- 6) other loss events (termination or cancellation of the licence validity of the borrower or issuer engaged in licensed activity; the death of the borrower or issuer).

Loans and advances past due but not impaired

	30-06-2015		31-12-2014	
	Group	Bankas	Group	Bankas
<i>Past due up to 7 days</i>	33 192	31 754	29 331	27 947
<i>Past due 8 to 30 days</i>	14 535	12 695	11 364	9 926
<i>Past due 31 -60 days</i>	4 950	4 940	14 106	14 100
<i>Past due 61 -90 days</i>	1 595	1 589	2 688	1 479
<i>Past due more than 90 days</i>	25 868	25 865	26 834	26 763
Total:	80 140	76 843	84 323	80 215
<i>Allowance for impairment of collectively assessed loans</i>	(84)	-	(92)	-
<i>Fair value of collateral</i>	64 520	64 520	64 019	62 832

Loans and advances individually impaired

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bankas
<i>Impaired loans</i>	64 365	54 720	73 812	65 116
<i>Allowance for impairment of individually assessed loans</i>	(41 262)	(35 947)	(47 261)	(41 664)
<i>Fair value of collateral</i>	34 190	34 144	36 707	37 814

Unsecured loans also include loans secured by other types of collateral (e.g. future inflow of funds into the borrowers' Bank accounts (controlled by the Bank), third party warrantees, bills of exchange, etc.).

Finance lease receivables

Segment information

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>By type of customer:</i>				
<i>Business customers</i>	60 342	12 521	65 918	19 011
<i>Individuals</i>	6 451	-	5 577	-
<i>Subtract: Fair value revaluation on acquisition*</i>	(10 810)	(10 810)	(15 882)	(15 882)
<i>Gross</i>	55 983	1 711	55 613	3 129
<i>Neither past due not impaired</i>	41 352	1 600	38 434	2 747
<i>Past due but not impaired</i>	12 341	1	14 546	271
<i>Impaired</i>	2 290	110	2 633	111
<i>Gross</i>	55 983	1 711	55 613	3 129
<i>Subtract: Allowance for impairment</i>	(1 241)	(61)	(1 943)	(61)
<i>of which: for individually assessed finance lease receivables</i>	(1 239)	(61)	(1 939)	(61)
<i>of which: for collectively assessed finance lease receivables</i>	(2)	-	(4)	-
<i>Net</i>	54 742	1 650	53 670	3 068

* Fair value revaluation on acquisition is the difference between the estimated fair value by appraisers of the finance lease receivables acquired under the transaction transfer of assets, rights, transactions and liabilities of Ukio Bankas.

	30-06-2015			31-12-2014		
	Individuals	Business customers	Total	Individuals	Business customers	Total
<i>Group</i>	238	34	272	19	323	342
<i>Unsecured finance lease receivables</i>	6 212	49 499	55 711	5 558	49 713	55 271
<i>Finance lease receivables secured by:</i>	4 922	15 380	20 302	3 789	15 439	19 228
<i>transport vehicles</i>	984	25 201	26 185	1 012	24 886	25 898
<i>real estate</i>	-	1 386	1 386	-	1 372	1 372
<i>airplanes</i>	-	2 352	2 352	3	2 598	2 601
<i>railway equipment</i>	115	4 806	4 921	261	4 719	4 980
<i>production equipment</i>	191	374	565	493	699	1 192
<i>other equipment</i>	6 450	49 533	55 983	5 577	50 036	55 613
<i>Total</i>	238	34	272	19	323	342

	30-06-2015			31-12-2014		
	Individuals	Business customers	Total	Individuals	Business customers	Total
<i>Bank</i>	-	-	-	-	90	90
<i>Unsecured finance lease receivables</i>	-	1 711	1 711	-	3 039	3 039
<i>Finance lease receivables secured by:</i>	-	37	37	-	29	29
<i>transport vehicles</i>	-	1 509	1 509	-	2 819	2 819
<i>real estate</i>	-	-	-	-	-	-
<i>airplanes</i>	-	156	156	-	179	179
<i>railway equipment</i>	-	9	9	-	12	12
<i>production equipment</i>	-	-	-	-	-	-
<i>other equipment</i>	-	1 711	1 711	-	3 129	3 129
<i>Total</i>	-	-	-	-	90	90

Securities at fair value through profit or loss

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Debt securities</i>				
Government bonds	31 096	24 581	24 961	17 836
Corporate bonds	14 496	8 913	13 808	38 120
<i>Equities:</i>				
Listed	117	117	112	112
Unlisted	-	-	-	-
Investment fund units	14 916	-	13 217	-
Total	60 625	33 611	52 098	56 068
<i>Group 30-06-2015</i>	<i>Government debt securities</i>	<i>Corporate debt securities</i>	<i>Corporate equity securities</i>	<i>Investment fund units</i>
From AA- to AAA	252	1 731	-	-
From A- to A+	25 761	4 229	-	-
From BBB- to BBB+	4 684	7 827	-	-
From BB- to BB+	286	708	-	-
Lower than BB-	114	-	-	-
No rating	-	-	117	14 916
Total	31 097	14 495	117	14 916
<i>Group 31-12-2014</i>	<i>Government debt securities</i>	<i>Corporate debt securities</i>	<i>Corporate equity securities</i>	<i>Investment fund units</i>
From AA- to AAA	400	3 134	-	-
From A- to A+	19 339	8 216	-	-
From BBB- to BBB+	4 708	2 458	-	-
From BB- to BB+	400	-	-	-
Lower than BB-	114	-	-	-
No rating	-	-	112	13 217
Total	24 961	13 808	112	13 217
<i>Bank 30-06-2015</i>	<i>Government debt securities</i>	<i>Corporate debt securities</i>	<i>Corporate equity securities</i>	<i>Investment fund units</i>
From AA- to AAA	-	1 731	-	-
From A- to A+	23 095	3 432	-	-
From BBB- to BBB+	1 486	3 750	-	-
From BB- to BB+	-	-	-	-
Lower than BB-	-	-	-	-
No rating	-	-	117	-
Total	24 581	8 913	117	-
<i>Bank 31-12-2014</i>	<i>Government debt securities</i>	<i>Corporate debt securities</i>	<i>Corporate equity securities</i>	<i>Investment fund units</i>
From AA- to AAA	-	2 425	-	-
From A- to A+	16 481	4 473	-	-
From BBB- to BBB+	1 355	2 260	-	-
From BB- to BB+	-	-	-	-
Lower than BB-	-	-	-	-
No rating	-	28 962	112	-
Total	17 836	38 120	112	-

Investment securities

	Securities available-for-sale		30-06-2015		31-12-2014	
	Group	Bank	Group	Bank	Group	Bank
Debt securities:						
Government bonds	6 436	6 436	6 331	6 331	6 331	6 331
Corporate bonds	23 348	23 348	14 985	14 985	14 985	14 985
Equity securities:						
Listed	-	-	-	-	-	-
Unlisted	640	427	677	403	677	403
Investment fund units	137	137	125	125	125	125
Total	30 561	30 348	22 118	21 844	22 118	21 844

	Securities held-to-maturity		30-06-2015		31-12-2014	
	Group	Bank	Group	Bank	Group	Bank
Debt securities:						
Government bonds	343 793	343 793	335 863	335 863	335 863	335 863
Corporate bonds	129 922	129 623	118 253	111 894	118 253	111 894
Total	473 715	473 416	454 116	447 757	454 116	447 757

Group 30-06-2015	Securities available-for-sale				Securities held-to-maturity	
	Government bonds	Corporate debt securities	Corporate equity securities	Investment fund units	Government bonds	Corporate debt securities
From AA- to AAA	-	1 362	-	-	5 906	12 207
From A- to A+	4 755	8 740	-	-	298 209	48 817
From BBB- to BBB+	1 681	13 246	-	-	29 588	48 225
From BB- to BB+	-	-	-	-	2 160	2 645
Lower than BB-	-	-	-	-	-	-
No rating	-	-	640	137	-	6 359
Total	6 436	23 348	640	137	335 863	118 253

Group 31-12-2014	Securities available-for-sale				Securities held-to-maturity	
	Government bonds	Corporate debt securities	Corporate equity securities	Investment fund units	Government bonds	Corporate debt securities
From AA- to AAA	-	1 243	-	-	5 906	12 207
From A- to A+	4 576	5 650	-	-	298 209	48 817
From BBB- to BBB+	1 755	8 092	-	-	29 588	48 225
From BB- to BB+	-	-	-	-	2 160	2 645
Lower than BB-	-	-	-	-	-	-
No rating	-	-	677	125	-	6 359
Total	6 331	14 985	677	125	335 863	118 253

Bank 30-06-2015	Securities available-for-sale				Securities held-to-maturity	
	Government bonds	Corporate debt securities	Corporate equity securities	Investment fund units	Government bonds	Corporate debt securities
From AA- to AAA	-	1 362	-	-	4 261	16 513
From A- to A+	4 755	8 740	-	-	308 137	41 569
From BBB- to BBB+	1 681	13 246	-	-	29 194	66 335
From BB- to BB+	-	-	-	-	2 201	5 206
Lower than BB-	-	-	-	-	-	-
No rating	-	-	427	137	-	-
Total	6 436	23 348	427	137	343 793	129 623

Bank 31-12-2014	Securities available-for-sale				Securities held-to-maturity	
	Government bonds	Corporate debt securities	Corporate equity securities	Investment fund units	Government bonds	Corporate debt securities
From AA- to AAA	-	1 243	-	-	5 906	12 207
From A- to A+	4 576	5 650	-	-	298 209	48 817
From BBB- to BBB+	1 755	8 092	-	-	29 588	48 225
From BB- to BB+	-	-	-	-	2 160	2 645
Lower than BB-	-	-	-	-	-	-
No rating	-	-	403	125	-	-
Total	6 331	14 985	403	125	335 863	111 894

During the six month periods ended 30 June 2015 and 30 June 2014, no reclassifications between portfolios of securities were performed.

Investments in subsidiaries

Investments in consolidated directly controlled subsidiaries

	30-06-2015			31-12-2014		
	Share in equity, %	Acquisition cost	Carrying amount	Share in equity, %	Acquisition cost	Carrying amount
<i>Šiaulių Banko Lizingas UAB</i>	100	3 910	869	100	3 910	869
<i>Šiaulių Banko Investicijų Valdymas UAB</i>	100	4 066	312	100	4 066	312
<i>Šiaulių Banko Turto Fondas UAB</i>	100	1 482	1 237	100	1 482	1 237
<i>Minera UAB</i>	100	1 884	1 594	100	1 884	1 594
<i>SBTF UAB</i>	100	579	579	100	579	579
<i>SB Lizingas UAB</i>	100	8 862	8 862	100	8 862	8 862
<i>Bonum Publicum GD UAB</i>	100	8 399	8 399	100	8 399	8 399
<i>Pavasaris UAB</i>	100	10 456	7 834	100	10 456	7 834
Total		39 638	29 686		39 638	29 686

Investments in consolidated indirectly controlled subsidiaries

	30-06-2015			31-12-2014		
	Share in equity, %	Acquisition cost	Carrying amount	Share in equity, %	Acquisition cost	Carrying amount
<i>Semelitas UAB</i>	-	-	-	100	3	3
<i>Sandworks UAB</i>	100	3	3	100	3	3

In 2014, the Bank changed its plans to sell two entities (SB Lizingas UAB (former Ūkio Banko Lizingas UAB) and Bonum Publicum GD UAB) that were included in subsidiaries held for sale and decided to classify these entities as consolidated subsidiaries. Also, Kėdainių Oda UAB was reclassified from consolidated subsidiaries to subsidiaries held for sale.

These reclassifications caused restatements in the comparative financial information of the Group for the six month period ended 30 June 2014, which was represented to include the activity results of SB Lizingas UAB (former Ūkio Banko Lizingas UAB) and Bonum Publicum GD UAB in Continuing operations and to present the activity results of Kėdainių Oda UAB in Discontinued operations (total activity result of the Group was not affected by this representation, amounts were represented between the results of Continuing and Discontinued operations).

In May 2015, the Group sold Semelitas UAB. The result of sale is included in the result of discontinued operations.

Assets classified as held for sale

Subsidiaries held for sale

3 March 2013, under the agreement on the transfer of assets, rights, transactions and liabilities of Ūkio Bankas, based on which a part of assets, rights, transactions and liabilities of Ūkio Bankas was transferred to Šiaulių Bankas, Šiaulių Bankas AB acquired 100% control over following subsidiaries engaged in real estate development activities: Eastern Europe Development Fund UAB, Sporto Klubų Investicijos UAB, Trade Project UAB, Investicinio Turto Valdymas UAB, ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB and ŽSA 5 UAB (ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB and ŽSA 5 UAB together own 100% shares of Žalgirio Sporto Arena UAB; Žalgirio Sporto Arena UAB owns 100% shares of Nacionalinis Futbolo Stadionas UAB).

Above-mentioned subsidiaries are classified as subsidiaries held for sale. Initially, they are accounted at acquisition value which is equal to their fair value and subsequently adjusted by the amount of activity result (in case of profit, the value is increased; in case of loss, the value is decreased).

In 2014, the Bank sold 100% shares of Eastern Europe Development Fund UAB.

In the first quarter of 2015, Nacionalinis Futbolo Stadionas UAB was liquidated.

In the second quarter of 2015, Kėdainių Oda UAB, indirectly owned subsidiary held for sale, and Semelitas UAB, indirectly owned subsidiary, were sold.

	<i>30-06-2015</i>		
	Entities acquired under the agreement on the transfer of assets, rights, transactions and liabilities of Ūkio Bankas	Kėdainių Oda UAB, Semelitas UAB	Total:
<i>Assets held for sale attributable to the group of entities</i>	22 458	-	22 458
<i>Liabilities attributable to assets held for sale attributable to the group of entities</i>	5 517	-	5 517
<i>Profit (loss) of the current year</i>	7 166	(656)	6 510

	<i>31-12-2014</i>		
	Entities acquired under the agreement on the transfer of assets, rights, transactions and liabilities of Ūkio Bankas	Kėdainių Oda UAB	Total
<i>Assets held for sale attributable to the group of entities</i>	35 421	926	36 347
<i>Liabilities attributable to assets held for sale attributable to the group of entities</i>	3 542	356	3 898
<i>Profit (loss) of the current year</i>	(78)	(147)	(225)

Property, plant and equipment held for sale

In addition to the subsidiaries held for sale, real estate properties, which are expected by the Bank to be sold during the year from the inclusion in this item are also included in assets held for sale. The fair value of real estate properties included in assets held for sale was EUR nil as of 30 June 2015 (31 December 2014: EUR 1 210 thousand).

NOTE 3

SIGNIFICANT INFORMATION ON CHANGES IN OTHER ASSET ITEMS

Cash and cash equivalents

During the six month period ended 30 June 2015, the carrying amount of the Group's cash and cash equivalents reduced by EUR 113 121 thousand, from EUR 197 436 thousand at the beginning of the period to EUR 84 315 thousand at the end of the period. At the year-end 2014 the Bank had to hold larger than usual amount of cash and cash equivalents because of its preparation for adoption of euro as local currency in Lithuania. Major part of LTL-EUR exchange operations were performed during the first half of 2015, and in the end of the period there was no such demand for cash and cash equivalents as in the beginning of the year.

Other assets

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Assets held for sale</i>	37 627	-	35 542	-
<i>Amounts receivable</i>	8 687	8 404	667	135
<i>Deferred expenses</i>	525	396	849	526
<i>Assets under reinsurance and insurance contracts</i>	519	-	485	-
<i>Prepayments</i>	4 115	3 397	3 807	3 300
<i>Foreclosed assets</i>	5 937	583	10 895	5 681
<i>Other assets</i>	8 189	7 022	2 397	1 471
Total	65 599	19 802	54 642	11 113

NOTE 4

DUE TO CUSTOMERS

	30-06-2015		31-12-2014	
	Group	Bank	Group	Bank
<i>Demand deposits:</i>				
<i>National government institutions</i>	8 667	8 667	8 883	8 883
<i>Local government institutions</i>	41 437	41 437	25 289	25 289
<i>Governmental and municipal companies</i>	2 548	2 548	4 002	4 002
<i>Corporate entities</i>	122 474	136 312	132 308	132 711
<i>Non-profit organisations</i>	10 631	10 631	7 949	7 949
<i>Individuals</i>	201 335	201 335	187 572	187 572
<i>Unallocated amounts due to customers</i>	7 327	7 327	4 962	4 962
Total demand deposits:	394 419	408 257	370 965	371 368
<i>Time deposits:</i>				
<i>National government institutions</i>	330	330	375	375
<i>Local government institutions</i>	536	536	540	540
<i>Governmental and municipal companies</i>	668	668	714	714
<i>Corporate entities</i>	66 154	66 154	51 545	51 545
<i>Non-profit organisations</i>	3 379	3 379	3 750	3 750
<i>Individuals</i>	932 799	932 799	987 424	987 424
Total time deposits:	1 003 866	1 003 866	1 044 348	1 044 348
Total:	1 398 285	1 412 123	1 415 313	1 415 716

NOTE 5

SIGNIFICANT INFORMATION ON CHANGES IN OTHER LIABILITY ITEMS

Debt securities in issue

During the six month period ended 30 June 2015 the Bank did not issue debt securities. As of 30 June 2015 and as of 31 December 2014, the Bank did not have any liabilities related to holders of its debt securities.

NOTE 6 CAPITAL

As of 30 June 2015 the Bank's share capital comprised 293 220 000 ordinary registered shares with par value of EUR 0.29 each (31 December 2014 - 270 000 000 ordinary registered shares with par value of LTL 1 (EUR 0.28962) each. According to legislation, on 1 January 2015, as the Bank adopted euro, the nominal value of shares was rounded to two decimal digits, from EUR 0.28962 to EUR 0.29. This caused an increase in Bank's share capital by EUR 103 thousand, from EUR 78 197 thousand to EUR 78 300 thousand. The difference was accounted as foreign currency conversion expense in Bank's income statement.

The ordinary meeting of shareholders of Šiaulių bankas that took place on 27 March 2015 passed a resolution to increase Bank's share capital by EUR 6 734 thousand (8.6%) using Bank's own resources (share premium and retained earnings). 26 May 2015, after the procedures of new share issue registration were completed, the shares were distributed among Bank's shareholders using the proportion of their stakes at the end of accounting date of the shares (13 April 2015).

The meeting of shareholders of Šiaulių bankas that took place on 22 June 2015 passed a resolution to increase Bank's share capital up to EUR 6 771 500 by additional contributions issuing a new share issue consisting of up to 23 350 000 ordinary shares with a nominal value of EUR 0.29 each, with the price of EUR 0.29 per share. The purpose of the new share issue is to settle with Invalda INVLA AB for the acquisition of the stakes of Bank Finasta AB and FMĮ Finasta AB. In the financial statements for 30 June 2015, this share issue was accounted for as Unpaid capital. The acquisition was completed in June 2015, see note 16 for more details on the transaction.

As at 30 June 2015, the Bank had 3 848 shareholders. A share of capital and votes held by Bank's shareholders by the place of residence: residents 63.03%, non-residents 36.97% (as at 31 December 2014: 3 585 shareholders, of which residents 65.21%, non-residents 34.79%).

As of 30 June 2015, the shareholders holding over 5% of the Bank's shares and votes are listed in the table below:

Shareholder	Share of votes held, % 30-06-2015	Share of votes held, % 31-12-2014
The European Bank for Reconstruction and Development (EBRD):	19.57	19.57
Gintaras Kateiva	6.24	6.24
Swedbank AS (Estonia) clients	5.98	3.44

Another 16 shareholders had less than 5% but more than 1% of the Bank's share capital.

Shareholders of the Bank that have signed shareholders agreement - European Bank for Reconstruction and Development, Prekybos namai „Aiva“ UAB, Mintaka UAB, Įmonių grupė „Alita“ AB, Arvydas Salda, Sigitas Baguckas, Vigintas Butkus, Vytautas Junevičius, Gintaras Kateiva, Kastytis Jonas Vyšniauskas, Algirdas Butkus, and shareholders related to them, votes of which are calculated together based on the legal acts of Republic of Lithuania, form a group of acting together shareholders. As of 30 June 2015, this group possessed 42.02 percent of the authorised capital and votes of the Bank (31 December 2014: 42.26%).

Dividends

On 27 March 2015 the ordinary general meeting of shareholders made a decision to pay EUR 0.000725 dividends per one ordinary registered share with EUR 0.29 nominal value each (i.e. 0.25% of the nominal value of the share). On 28 March 2014 the annual general meeting of shareholders decided to not to pay dividends.

NOTE 7 NET INTEREST INCOME

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank (restated)
<i>Interest income:</i>				
<i>on loans to other banks and financial institutions and placements with credit institutions</i>	283	1 669	257	1 214
<i>on loans to customers</i>	21 693	17 647	22 422	18 269
<i>on debt securities</i>	6 904	7 111	7 073	7 742
<i>on finance leases</i>	1 878	305	2 000	441
Total interest income	30 758	26 732	31 752	27 666
<i>Interest expense:</i>				
<i>on liabilities to other banks and financial institutions and amounts due to credit institutions</i>	(1 260)	(1 307)	(1 379)	(1 386)
<i>on customer deposits and other repayable funds</i>	(5 270)	(5 270)	(7 814)	(7 814)
<i>compulsory insurance of deposits</i>	(3 141)	(3 141)	(2 952)	(2 952)
Total interest expense	(9 671)	(9 718)	(12 145)	(12 152)
Net interest income	21 087	17 014	19 607	15 514

NOTE 8 NET FEE AND COMMISSION INCOME

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank (restated)
<i>Fee and commission income:</i>				
for administration of loans of third parties	1 535	1 535	166	166
for settlement services	1 353	1 384	1 326	1 355
for cash operations	803	803	757	757
for currency exchange	182	182	943	944
for payment administration	614	614	536	536
for guarantees, letters of credit, documentary collection	260	260	303	303
for collection of utility and similar payments	148	149	168	177
for services related to securities	63	128	56	119
other fee and commission income	214	56	127	16
Total fee and commission income	5 172	5 111	4 382	4 373
<i>Fee and commission expense:</i>				
for payment cards	(1 173)	(1 173)	(983)	(983)
for cash operations	(422)	(422)	(399)	(399)
for correspondent bank and payment system fees	(202)	(87)	(222)	(119)
for services of financial data vendors	(56)	(56)	(42)	(42)
for services related to securities	(22)	(22)	(27)	(27)
other fee and commission expenses	(96)	(4)	(280)	(16)
Total fee and commission expense	(1 971)	(1 764)	(1 953)	(1 586)
Net fee and commission income	3 201	3 347	2 429	2 787

NOTE 9 OTHER EXPENSES

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank
Rent of buildings and premises	(631)	(574)	(640)	(511)
Utility services for buildings and premises	(409)	(382)	(474)	(438)
Other expenses related to buildings and premises	(128)	(115)	(124)	(121)
Transportation expenses	(252)	(283)	(299)	(289)
Legal costs	(78)	(78)	(95)	(87)
Personnel and training expenses	(55)	(44)	(35)	(15)
IT and communication expenses	(700)	(631)	(625)	(593)
Marketing and charity expenses	(718)	(286)	(374)	(118)
Service organisation expenses	(521)	(534)	(469)	(607)
Non-income taxes, fines	(335)	(91)	(340)	(103)
Costs incurred due to debt recovery	(213)	(140)	(280)	(272)
Other expenses	(539)	(258)	(390)	(193)
Total other expenses	(4 579)	(3 416)	(4 145)	(3 347)

NOTE 10 IMPAIRMENT LOSSES

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank
<i>Impairment losses on loans</i>	(4 213)	(3 745)	(6 613)	(5 985)
<i>Recoveries of loans previously written-off</i>	400	40	538	11
<i>Impairment losses on finance lease receivables</i>	702	-	134	(33)
<i>Recovered previously written-off finance lease receivables</i>	84	-	65	-
<i>Impairment losses on investment in subsidiaries</i>	-	-	-	(4 244)
<i>Impairment losses on other assets</i>	(2 252)	1	(1 521)	(13)
<i>Recoveries of other assets previously written-off</i>	-	-	2	-
<i>Provisions for pending legal issues</i>	28	-	-	-
Total	(5 251)	(3 704)	(7 395)	(10 264)

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank
<u>Allowance for impairment of loans</u>				
<i>As at 1 January</i>	47 636	41 664	46 312	41 388
<i>Change in allowance for loan impairment</i>	4 213	3 745	6 613	5 985
<i>Loans written off during the period</i>	(10 482)	(9 656)	(7 509)	(7 326)
<i>Other factors (reclassification, FX rate shift, etc.)</i>	194	194	(66)	7
As at 30 June	41 561	35 947	45 350	40 054
<u>Allowance for impairment of finance lease receivables</u>				
<i>As at 1 January</i>	1 943	61	2 648	-
<i>Change in allowance for loan impairment</i>	(702)	-	(134)	33
<i>Loans written off during the period</i>	-	-	(79)	-
<i>Other factors (reclassification, FX rate shift, etc.)</i>	-	-	-	-
As at 30 June	1 241	61	2 435	33

NOTE 11 SIGNIFICANT INFORMATION ON OTHER INCOME STATEMENT ITEMS

Net gain from derecognition of financial assets

Net gain from derecognition of financial assets of EUR 2 477 thousand during the six month period ended 30 June 2015 is attributable to the derecognition of the acquisition value adjustment (i.e. the difference between acquisition value and the gross value) for the fully or partially repaid/refinanced or sold loans that were acquired under the transaction of transfer of assets, rights, transactions and liabilities of Ūkio Bankas.

Revenues and expenses related to other activities of Group companies

	01-01-2015 - 30-06-2015		01-01-2014 - 30-06-2014	
	Group	Bank	Group (restated)	Bank
<i>Revenue from sale of apartments</i>	4 224	-	3 713	-
<i>Revenue related to insurance activities</i>	2 863	-	2 752	-
<i>Cost of apartments sold</i>	(4 096)	-	(3 257)	-
<i>Expenses related to insurance activities</i>	(3 918)	-	(2 476)	-

The result from assets of life insurance company Bonum Publicum GD UAB, which cover liabilities under unit-linked insurance contracts are not included in income-expense items presented in the table above. The result from the assets mentioned above is included in following items of income statement for the six month period ended 30 June 2015: Interest and similar income EUR 35 thousand, Net gain from operations with securities EUR 935 thousand, Net foreign exchange gain EUR 426 thousand (for the six month period ended 30 June 2014: Interest and similar income EUR 38 thousand, Net gain from operations with securities EUR 437 thousand, Net foreign exchange gain EUR 39 thousand).

NOTE 12 RELATED-PARTY TRANSACTIONS

Related parties with the Bank are classified as follows:

- members of the Bank's Supervisory Council and Board (which also are the main decision makers of the Group), their close family members and companies that are controlled, jointly controlled or significantly influenced over by these related parties. For some companies the presumed significant influence threshold of 20% voting rights has been reduced if other evidence shows that a person/ entity can exercise significant influence by additional means (e.g. by holding a seat in the Board of Directors of a particular entity);
- subsidiaries of the Bank;
- the Shareholders holding over 5% of the Bank's share capital.

During 2014, 2015 a certain number of banking transactions were entered into with related parties in the ordinary course of business. These transactions include settlements, loans, debt securities, deposits and foreign currency transactions.

The balances of loans granted to and deposits accepted from the Bank's related parties, except for subsidiaries, were as follows:

	30-06-2015		31-12-2014	
	Balances of deposits	Balances of loans (incl.off-balance sheet credit commitments)	Balances of deposits	Balances of loans (incl.off-balance sheet credit commitments)
<i>Members of the Council and the Board</i>	784	1 297	677	1 330
<i>Other related parties (excluding subsidiaries of the Bank)</i>	2 350	34 524	2 190	35 543
Total	3 134	35 821	2 867	36 873

Transactions with EBRD:

The Group/Bank has a subordinated loan received from European Bank for Reconstruction and Development (hereinafter – EBRD), book value of which was EUR 19 367 thousand as of 30 June 2015 (31 December 2014: EUR 19 295 thousand). The agreement for the loan was signed at the end of February 2013. Loan amount is EUR 20 million, term – 10 years. Loan agreement provides a conversion option to EBRD, under which EBRD has a right to convert a part of or the whole loan to ordinary shares of the Bank at a price, which at certain scenarios could be more favourable than the market price (but in any case, not less than the nominal value of the share). Because of this option, which is an embedded derivative, the Bank chose to account the whole instrument for as Financial liabilities at fair value through profit or loss. Subordinated loan related interest expenses amounted to EUR 735 thousand, a loss of EUR 77 thousand related to revaluation of the liability to fair value was recorded in income statement for the six month period ended 30 June 2015 (six month period ended 30 June 2014: interest expenses EUR 670 thousand, revaluation gain EUR 40 thousand).

Balances of transactions with the subsidiaries (including subsidiaries held for sale) are presented below:

	30-06-2015		30-06-2015	
	Balances of deposits	Balances of loans, debt securities (incl.off-balance sheet credit commitments)	Balances of deposits	Balances of loans, debt securities (incl.off-balance sheet credit commitments)
<i>Non-financial institutions</i>	13 838	52 822	317	65 658
<i>Financial institutions</i>	3 298	96 734	6 227	60 815
Total	17 136	149 556	6 544	126 473

Transactions with subsidiaries:

	<i>Assets</i>	<i>30-06-2015</i>	<i>31-12-2014</i>
	<i>Loans</i>	143 120	121 993
	<i>Debt securities</i>	-	28 962
	<i>Bank's investment in subsidiaries</i>	29 686	29 686
	<i>Bank's investment in subsidiaries classified as assets held for sale</i>	26 410	26 410
	<i>Other assets</i>	22	25
<i>Liabilities and shareholders' equity</i>			
	<i>Deposits</i>	17 136	6 543
	<i>Other liabilities</i>	8	136
<i>Income</i>			
	<i>Interest</i>	<i>01-01-2015 - 30-06-2015</i>	<i>01-01-2014 - 30-06-2014</i>
	<i>Commission income</i>	2 547	2 876
	<i>Income from foreign exchange operations</i>	98	103
	<i>Dividends</i>	-	-
	<i>Gain on sale of tangible assets</i>	3 475	6 097
	<i>Other income</i>	-	18
		87	86
<i>Expenses</i>			
	<i>Interest</i>	(1)	(8)
	<i>Commission expense</i>	-	-
	<i>Expenses from foreign exchange operations</i>	-	-
	<i>Operating expenses</i>	(215)	(283)
	<i>Reversal of impairment of loans</i>	-	(18)
	<i>Impairment of an investment to subsidiaries</i>	-	(4 244)

NOTE 13

LIQUIDITY, MARKET AND OPERATIONAL RISKS

Liquidity risk

Liquidity risk means the risk that the Bank is unable to meet its financial obligations in time or that it will not manage to receive financial resources during a short time by borrowing or selling the assets.

Liquidity risk management process

The liquidity risk management depends on the Bank's ability to cover the cash shortage by borrowing from the market and the liquidity of the market itself. Liquidity risk management is regulated by the Procedures for Liquidity Risk Management approved by the Board of the Bank. The management of the current and non-current liquidity risk is distinguished in the mentioned procedures. The current liquidity is based on the control of the incoming and outgoing cash flow. The non-current liquidity is managed on the limit system basis.

Tables below present the assets and liabilities according to their remaining maturity defined in the agreements. However, actual maturity of the particular types of assets and liabilities may be longer as, for example a portion of loans and deposits is extended and thus the real repayment terms of short-term loans and demand deposits move forward.

The structure of the Group's liabilities by maturity as of 30 June 2015 was as follows:

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More than 3 years	Maturity undefined	Total
Total assets	64 149	95 150	53 290	130 704	222 897	445 094	501 445	124 791	1 637 520
Total liabilities and equity	398 731	120 203	169 110	279 312	359 358	104 495	58 394	147 917	1 637 520
Net liquidity gap	(334 582)	(25 053)	(115 820)	(148 608)	(136 461)	340 599	443 051	(23 126)	-

The structure of the Group's liabilities by maturity as of 31 December 2014 was as follows:

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More than 3 years	Maturity undefined	Total
Total assets	147 715	84 536	94 363	95 527	167 174	365 181	536 863	148 650	1 640 009
Total liabilities and equity	376 382	156 314	191 017	242 760	398 736	103 313	57 494	113 993	1 640 009
Net liquidity gap	(228 667)	(71 778)	(96 654)	(147 233)	(231 562)	261 868	479 369	34 657	-

The structure of the Bank's liabilities by maturity as of 30 June 2015 was as follows:

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More than 3 years	Maturity undefined	Total
Total assets	63 033	100 238	46 238	127 480	267 191	418 081	480 820	109 169	1 612 250
Total liabilities and equity	415 160	115 991	167 872	277 721	358 315	103 085	37 746	136 360	1 612 250
Net liquidity gap	(352 127)	(15 753)	(121 634)	(150 241)	(91 124)	314 996	443 074	(27 191)	-

The structure of the Bank's liabilities by maturity as of 31 December 2014 was as follows:

	Demand	Up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More than 3 years	Maturity undefined	Total
Total assets	146 684	85 582	117 554	100 348	188 661	336 585	519 066	115 626	1 610 106
Total liabilities and equity	381 964	152 334	190 127	241 885	398 092	99 696	39 414	106 594	1 610 106
Net liquidity gap	(235 280)	(66 752)	(72 573)	(141 537)	(209 431)	236 889	479 652	9 032	-

Market risk

The Group takes on exposure to market risk, which means the risk for the Bank to incur losses due to the adverse fluctuations in the market parameters such as currency exchange rates (foreign currency risk), interest rates (interest rate risk) or equities prices (equity risk). The most significant market risk for a Group is interest rate risk while other market risks are of lower significance.

Interest rate risk

Interest rate risk is the risk to incur loss because of uncoordinated re-evaluation of the Bank's assets and liabilities. The risk management is regulated by the Interest Rate Risk Management Procedures which define the risk assessment approaches as well as risk management measures. The present procedure specifies that the Bank shall avoid guessing the future interest rates. The scope of the risk is assessed referring to the interest rate gap model.

Sensitivity of interest rate risk

Assessing the sensitivity of the Group's profit towards the change of interest rates, it has been assumed that interest is to change by 1 percentage point.

The data provided in the table below specify the Group and the Bank's interest rate risk when the assets and liabilities shown at the carrying amount are allocated by the date of the interest rate review or by maturity of assets and liabilities, depending on which comes first. The scenarios presented in the table show the changes in Group's/Bank's profit in the event of interest rate increase by the number specified. In case interest rates decreased, the values of the changes in profit would be opposite.

Group 30 June 2015:

	<i>Demand and less than 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>More than 1 year</i>	<i>Non monetary</i>	<i>Total</i>
Assets	166 614	274 428	341 482	79 037	519 992	255 967	1 637 520
Liabilities and equity	122 510	181 342	256 773	349 828	121 348	605 719	1 637 520
Net interest sensitivity gap	44 104	93 086	84 709	(270 791)	398 644	(349 752)	-
Higher/lower impact on profit from balance sheet assets and liabilities	423	776	529	(677)	-	-	1 051

Group 31 December 2014:

	<i>Demand and less than 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>More than 1 year</i>	<i>Non monetary</i>	<i>Total</i>
Assets	202 788	260 256	291 216	84 553	444 344	356 852	1 640 009
Liabilities and equity	174 430	210 465	234 920	376 540	112 644	531 010	1 640 009
Net interest sensitivity gap	28 358	49 791	56 296	(291 987)	331 700	(174 158)	-
Higher/lower impact on profit from balance sheet assets and liabilities	272	415	352	(730)	-	-	309

Bank 30 June 2015:

	<i>Demand and less than 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>More than 1 year</i>	<i>Non monetary</i>	<i>Total</i>
Assets	168 884	251 930	318 063	134 125	533 681	205 567	1 612 250
Liabilities and equity	122 313	181 322	256 545	349 665	99 371	603 034	1 612 250
Net interest sensitivity gap	46 571	70 608	61 518	(215 540)	434 310	(397 467)	-
Higher/lower impact on profit from balance sheet assets and liabilities	446	588	384	(539)	-	-	880

Bank 31 December 2014:

	<i>Demand and less than 1 month</i>	<i>1 to 3 months</i>	<i>3 to 6 months</i>	<i>6 to 12 months</i>	<i>More than 1 year</i>	<i>Non monetary</i>	<i>Total</i>
Assets	200 509	266 716	278 416	116 334	454 294	293 837	1 610 106
Liabilities and equity	180 135	210 381	234 846	376 286	93 341	515 117	1 610 106
Net interest sensitivity gap	20 374	56 335	43 570	(259 952)	360 953	(221 280)	-
Higher/lower impact on profit from balance sheet assets and liabilities	195	470	272	(650)	-	-	287

Operational risk

Objectives of the operational risk management of the Bank are: to properly identify and assess the operational risk; to prevent the occurrence of major events and losses by implementing effective internal controls; to properly organize and maintain the internal control environment by regularly reviewing internal control methods; to concentrate time and resources on the identification and management of key sources of operational risk of the Bank across all lines of its activity; to assure the enforcement of the compliance legislation.

In view of operational risk management system, the Bank's activities are grouped into the following categories: credit facilities, other financial services to customers, cash and other valuables, tangible assets, areas not related to the provision of financial services to customers, and information security.

The bank distinguishes a reputation risk as an operational risk sub-group. The reputation risk is the existing or foreseen risk, which might have a negative impact on the Bank's income and (or) capital with regard to unfavourable opinion about the Bank's reputation and which is made by the clients, parties of the agreement, shareholders and investors.

The following key sources of the operational risk are distinguished within the Bank based on the type and volume of the activity:

1. internal fraud;
2. external fraud;
3. working conditions and occupational safety;
4. customers, products and business environment;
5. damage of tangible assets;
6. business process malfunctions and system errors;
7. execution, delivery and process management.

The Bank accumulates the historical data related to operational risk and losses caused by it with the aim to gather information on operational risk events. For this purpose, the Bank developed a system the operation of which is described by the Operational Risk Events Registration Instruction.

To ensure continuity of the activities the Bank has approved the Activity Continuity Plan and Procedures for Provision of Banking Products, in case of the incident occurring in the Bank's Information Systems. According to the policies mentioned above the particular procedures and actions are taken in case of a contingency event and emergency cases seeking to minimize and avoid operational risks and loss of values if the daily activities of the Bank are disturbed.

NOTE 15 SEGMENT INFORMATION

Business segments

A summary of major indicators for the main business segments of the Group included in the statement of financial position as at 30 June 2015 and in the income statement for the six month period ended 30 June 2015 is presented below:

	<i>Banking</i>	<i>Leasing</i>	<i>Investment management</i>	<i>Other activity</i>	<i>Eliminations</i>	<i>Total</i>
<i>Internal</i>	2 546	(1 927)	32	(422)	(229)	-
<i>External</i>	14 468	5 903	57	659	-	21 087
Net interest income	17 014	3 976	89	237	(229)	21 087
<i>Internal</i>	2 644	(1 958)	32	(452)	(266)	-
<i>External</i>	17 717	5 853	57	661	-	24 288
Net interest, fee and commission income	-	20 361	3 895	89	209	(266)
<i>Internal</i>	(215)	(56)	(3)	(28)	302	-
<i>External</i>	(9 431)	(1 640)	(119)	(9 220)	-	(20 410)
Operating expenses	(9 646)	(1 696)	(122)	(9 248)	302	(20 410)
Amortisation charges	(65)	(19)	-	(11)	-	(95)
Depreciation charges	(450)	(89)	(3)	(113)	-	(655)
<i>Internal</i>	-	-	-	-	-	-
<i>External</i>	(3 704)	584	(16)	(2 115)	-	(5 251)
Impairment expenses	(3 704)	584	(16)	(2 115)	-	(5 251)
<i>Internal</i>	3 559	-	31	36	(3 626)	-
<i>External</i>	4 056	158	15	8 706	-	12 935
Net other income	7 615	158	46	8 742	(3 626)	12 935
<i>Profit before tax</i>	14 111	2 833	(6)	(2 536)	(3 590)	10 812
<i>Profit from discontinued operations</i>	-	-	-	-	6 510	6 510
<i>Income tax</i>	(1 712)	(379)	-	(33)	-	(2 124)
Profit per segment after tax	12 399	2 454	(6)	(2 569)	2 920	15 198
<i>Profit for the period attributable to owners of the Bank</i>						15 198
<i>Profit for the period attributable to non-controlling interest</i>						-
Total segment assets	1 612 250	112 928	1 286	92 842	(181 786)	1 637 520
Total segment liabilities	1 488 898	101 230	1 103	72 317	(155 035)	1 508 513
Net segment assets (shareholders' equity)	123 352	11 698	183	20 525	(26 751)	129 007

A summary of major indicators for the main business segments of the Group (restated) included in the statement of financial position as at 30 June 2014 and in the income statement for the six month period ended 30 June 2014 is presented below:

	<i>Banking</i>	<i>Leasing</i>	<i>Investment management</i>	<i>Other activity</i>	<i>Eliminations</i>	<i>Total</i>
<i>Internal</i>	2 868	(2 273)	32	(349)	(278)	-
<i>External</i>	12 646	6 300	8	653	-	19 607
Net interest income	15 514	4 027	40	304	(278)	19 607
<i>Internal</i>	2 971	(2 311)	32	(293)	(399)	-
<i>External</i>	15 330	6 094	8	604	-	22 036
Net interest, fee and commission income	18 301	3 783	40	311	(399)	22 036
<i>Internal</i>	(283)	(68)	(4)	(13)	368	-
<i>External</i>	(9 033)	(1 573)	(77)	(6 849)	-	(17 532)
Operating expenses	(9 316)	(1 641)	(81)	(6 862)	368	(17 532)
Amortisation charges	(54)	(9)	(1)	(10)	-	(74)
Depreciation charges	(534)	(81)	(2)	(53)	-	(670)
<i>Internal</i>	(4 261)	-	-	-	4 261	-
<i>External</i>	(6 003)	(1 030)	(383)	21	-	(7 395)
Impairment expenses	(10 264)	(1 030)	(383)	21	4 261	(7 395)
<i>Internal</i>	6 201	-	10	15	(6 226)	-
<i>External</i>	3 582	135	4	7 675	-	11 396
Net other income	9 783	135	14	7 690	(6 226)	11 396
<i>Profit before tax</i>	7 916	1 157	(413)	1 097	(1 996)	7 761
<i>Profit from discontinued operations</i>	-	-	-	-	(225)	(225)
<i>Income tax</i>	(893)	(135)	-	(25)	-	(1 053)
Profit per segment after tax	7 023	1 022	(413)	1 072	(2 221)	6 483
<i>Profit for the period attributable to owners of the Bank</i>						6 483
<i>Profit for the period attributable to non-controlling interest</i>						-
Total segment assets	1 553 951	113 885	9 109	89 197	(185 577)	1 580 565
Total segment liabilities	1 452 556	102 669	8 332	74 052	(158 612)	1 478 997
Net segment assets (shareholders' equity)	101 395	11 216	777	15 145	(26 965)	101 568

NOTE 16
EVENTS AFTER THE REPORTING PERIOD

On 17 June 2015 the Bank acquired 100% shares of Bank Finasta AB and brokerage firm Finasta AB and gained control over these entities. In settlement for the shares, the Bank presented 21.35 million new shares with a total nominal value of EUR 6.19 million to AB Invalda INVL for subscription. The new issue will be registered and AB Invalda INVL will obtain ownership rights to the shares of the new issue only after permission is received from the Bank of Lithuania, as the Bank's supervisory institution, for the amendment of the Bank's Charter related to the authorized capital increase.



CONSOLIDATED INTERIM REPORT OF
ŠIAULIŲ BANKAS AB FOR
THE PERIOD OF 6 MONTHS OF 2015

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1. REPORTING PERIOD COVERED IN THE CONSOLIDATED INTERIM REPORT

The consolidated report of Šiaulių Bankas AB (hereinafter — the Bank) covers the period from 01 January 2015 to 30 June 2015.

2. THE GROUP'S COMPANIES, CONTACTS

Contact information of the Bank

Šiaulių Bankas AB	
<i>Legal form</i>	Limited Liability Public Company
<i>Registration date</i>	04/02/1992
<i>Registrar</i>	State Enterprise Centre of Registers
<i>Company's code</i>	112025254
<i>Domicile address</i>	Tilžės str.149, LT-76348 Šiauliai Tel. +370 41 595 607 fax +370 41 430 774 info@sb.lt , www.sb.lt

Contact information of the companies of the Group

The subsidiary companies managed by the Bank directly:

SB Lizingas UAB

- assets: EUR 51.0 million
- nature of activities: finance lease, consumer lease and consumer credits.

<i>Legal form</i>	Limited Liability Private Company
<i>Registration date</i>	14/07/1997
<i>Registrar</i>	State Enterprise Centre of Registers
<i>Company's code</i>	234995490
<i>Domicile address</i>	K. Donelaičio str. 60, 44248 Kaunas Tel. +370 37 40 72 00 fax +370 37 40 72 03 info@ubl.lt , www.sblizingas.lt

Šiaulių Banko Lizingas UAB

- assets: EUR 61.9 million
- nature of activities: finance lease and operating leases.

<i>Legal form</i>	Limited Liability Private Company
<i>Registration date</i>	16/08/1999
<i>Registrar</i>	State Enterprise Centre of Registers
<i>Company's code</i>	45569548
<i>Domicile address</i>	Vilniaus str.167, LT-76352 Šiauliai Tel.: +370 41 598010, +370 5 272 3015 fax +370 41 423 437 lizingas@sb.lt , www.siauliubankolizingas.lt

Šiaulių Banko Turto Fondas UAB

- assets: EUR 19.0 million
- nature of activities: real estate management activities.

<i>Legal form</i>	Limited Liability Private Company
<i>Registration date</i>	13/08/2002
<i>Registration address</i>	Vilniaus str.167, LT-76352 Šiauliai
<i>Registrar</i>	State Enterprise Centre of Registers
<i>Company's code</i>	145649065
<i>Domicile address</i>	Šeimyniškių str. 1A, 09312 Vilnius fax (8 5) 272 2477 sbiv@sb.lt , www.sbp.lt

SBTF UAB

- assets: EUR 11.2 million
- nature of activities: management, administration of liquid real estate and movable assets and assurance and realization of current activities.

<i>Legal form</i>	Limited Liability Private Company
<i>Registration date</i>	24/11/2004
<i>Registrar</i>	State Enterprise Centre of Registers
<i>Company's code</i>	00069309
<i>Domicile address</i>	Vilniaus str.167, LT-76352 Šiauliai Tel. +370 41 525 322 fax +370 41 525 321 sbtf@sb.lt , www.sbp.lt

Minera UAB

- assets: EUR 12.4 million
- nature of activities: real estate management activities.

Legal form	Limited Liability Private Company
Registration date	30/09/1992
Domicile address	Vilniaus str.167, LT-76352 Šiauliai
Registrar	State Enterprise Centre of Registers
Company's code	21736330
Domicile address	Dvaro str.123, LT-76208 Šiauliai
	Tel. +370 41 399 423
	fax +370 41 399 423
	info@minera.lt , www.sbp.lt , www.minera.lt

Pavasaris UAB

- assets: EUR 13.8 million
- nature of activities: development of residential apartment area.

Legal form	Limited Liability Private Company
Registration date	25/09/1992
Registration address	Šiltnameių str. 27, 04130 Vilnius
Registrar	State Enterprise Centre of Registers
Company's code	121681115
Domicile address	Jonažolių str. 3-113, 04138 Vilnius
	Tel. +370 5 244 8096
	fax +370 5 240 1623
	info@pavasaris.net , www.pavasaris.net

Life insurance Bonum Publicum UAB

- assets: EUR 28.6 million
- nature of activities: life insurance.

Legal form	Limited Liability Private Company
Registration date	31/08/2000
Registrar	State Enterprise Centre of Registers
Company's code	110081788
Domicile address	Vilniaus str. 28, 01402 Vilnius
	Tel. +370 5 236 27 23
	fax +370 5 236 27 24
	life@bonumpublicum.lt , www.bonumpublicum.lt

Šiaulių Banko Investicijų Valdymas UAB

- assets: EUR 19.0 million
- nature of activities: real estate management activities.

Legal form	Limited Liability Private Company
Registration date	31/08/2000
Registration address	Vilniaus str.167, LT-76352 Šiauliai
Registrar	State Enterprise Centre of Registers
Company's code	145649065
Domicile address	Šeimyniškių str. 1A, 09312 Vilnius
	Tel. +370 5 272 2477
	sbiv@sb.lt , www.sbp.lt

A company owned by the Bank by 100 per cent indirectly:

Sandworks UAB

- assets: EUR 5.1 million
- nature of activities: real estate management.

Legal form	Limited Liability Private Company
Registration date	10/10/2012
Domicile address	Joniškės str. 24G-54, 91266 Klaipėda
Registrar	State Enterprise Centre of Registers
Company's code	302896357
Domicile address	Šeimyniškių str. 1A, 76208 Vilnius
	Tel. +370 615 34251

As of 30 June 2015 Šiaulių Banko Investicijų Valdymas UAB, a company 100 per cent owned by the Bank, controlled 100 per cent of the shares of Sandworks UAB. This is the company with a target purpose to manage a particular finite real estate project. Such a project form has been chosen to provide more opportunities for its realization.

As of 30 June 2015 the Bank owned the following subsidiary companies engaged in real estate development activities acquired under the agreement on the transfer of assets, rights and liabilities of Ūkio Bankas Sporto Klubų Investicijos UAB, Trade Project UAB, Investicinio Turto Valdymas UAB, ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB and ŽSA 5 UAB (ŽSA 1 UAB, ŽSA 2 UAB, ŽSA 3 UAB, ŽSA 4 UAB and ŽSA 5 UAB together own 100% shares of Žalgirio Sporto Arena UAB).

During the reporting period, Kėdainių Oda UAB, indirectly owned subsidiary held for sale, and Semelitas UAB, indirectly owned subsidiary, were sold, Nacionalinis Futbolo Stadionas UAB was liquidated.

3. THE BANK'S MISSION AND VALUES

The Bank's mission gives meaning to our mutual endeavours. Sharing our roots with the people of Lithuania makes us unique, and that's something we're proud of.

Mission

We come from the same roots. By providing financial services, we increase the well-being of Lithuania's people and businesses, and we grow together with them.

Our values

- Trust
- Professionalism
- Respect
- Responsibility

4. NATURE OF THE BANK'S ACTIVITIES

As of 30 June 2015 the Bank had 72 regional customer service points in 38 cities and towns of Lithuania and was one of banks in the country with the biggest number of regional units. The Bank's network covers the major cities of the country as well as financially active regional centres with the Head Office located in Šiauliai.

In its activities the Bank follows the laws and other legal acts of the Republic of Lithuania, the Charter of the Bank and agreements concluded, the Bank is engaged in usual activity of commercial banks and renders all banking services, i.e.,

- opening and handling of bank accounts in euros and foreign currency to Lithuanian and foreign clients;
- domestic and international payments
- collection of utility bills and other settlements;
- direct debit services, standing and conditional orders;
- account management on the Internet;
- mobile banking services;
- trading in foreign currencies;
- conclusion of various types deposit agreements;
- issue, purchase and sales of cheques,
- granting of various short-term and long-term credits;
- issue and administration of payment cards;
- intermediation in entering transactions on the Stock Exchanges;
- registration of transactions in securities off-stock trading;
- consulting regarding issue, acquisition and transfer of securities;
- handling of accounting of shares issued by the entities;
- issue of debt securities;
- preparation of share issue prospectus;
- distribution of commemorative coins and numismatic sets, etc.

5. INVOLVEMENT INTO ASSOCIATED STRUCTURES

The Bank participates in the activities of the following organizations, associations, and associated structures:

- Society for Worldwide Interbank Financial Telecommunication (SWIFT);
- Visa International Payment Card Association
- MasterCard Worldwide International Payment Card Organization
- International initiative under the UN – Global Compact
- Association of Lithuanian Banks
- Stock Exchange NASDAQ OMX Baltic
- Association of Lithuanian Financial Brokers
- Lithuanian Business Employers' Confederation (centre and Utena)
- Kaunas Chamber of Commerce, Industry and Crafts
- Klaipeda Chamber of Commerce, Industry and Crafts
- Panevezys Chamber of Commerce, Industry and Crafts
- Šiauliai Chamber of Commerce, Industry and Crafts

- Klaipeda Association of Industrialists
- Siauliai Association of Industrialists
- Mazeikiai Association of Entrepreneurs
- Šilalė Association of Entrepreneurs
- ISACA
- Kelmė Association of Entrepreneurs
- Tauragė Association of Entrepreneurs
- Association of Human Resources Professionals

6. AUTHORIZED CAPITAL AND SHAREHOLDERS OF THE BANK

The authorized capital of the Bank totals to EUR 85 033 800 and is comprised of 293 220 000 units of ordinary registered shares with a nominal value of EUR 0.29 each. The amendments of the Charter related to the capital increase were registered the Register of Legal Entities on 26 May 2015.

The General Meeting of Shareholders held on 27 March 2015 passed a resolution to increase the Bank's authorized capital by 8.6 per cent from the Bank's funds in the amount of EUR 6.73 million and to distribute issued shares to the shareholders in proportion to the shares owned by them at the end of the day of accounting of rights (13/04/2015). 23 220 000 units of shares have been issued in total.

Authorized capital by types of shareholders (in EUR mln):



Change of the Bank's authorized capital:

Date of registration	22/06/2010	04/08/2011	31/05/2013	03/06/2014	26/05/2015
Capital, EUR	59 408 685	68 108 685	72 500 000	78 300 000	85 033 800

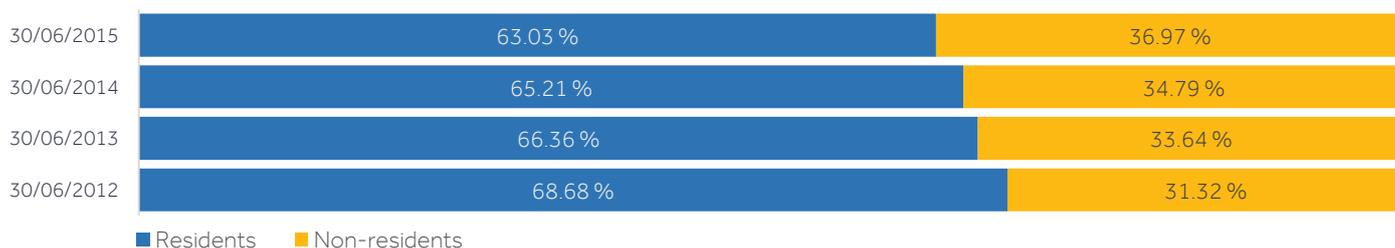
The extraordinary Meeting of the Shareholders held on 22/06/2015 passed a resolution to increase the Bank's authorized capital by additional contributions issuing a share issue of EUR 6 771 500 which would comprise of 23 350 000 units of ordinary registered shares with a nominal value of EUR 0.29 each. It has been allowed to 1 investor to acquire these shares.

Structure of the Bank's authorized capital:

Type of shares	Number of shares, unt	Nominal value, EUR	Total nominal value, EUR
Ordinary registered shares, ISINLT0000102253	293 220 000	0.29	85 033 800

The number of the Bank's shareholder was 3 848 as of 30 June 2015. All issued shares grant the shareholders equal rights foreseen by the Law on Companies of the Republic of Lithuania and the Charter of the Bank.

A share of capital managed by the Bank's shareholders by the place of residence (per cent):



The Bank's shareholders owning more than 5 per cent of the Bank's shares as of 30 June 2015 are as follows:

Shareholder	Number of shares under the right of ownership, units	Share of authorized capital under the right of ownership, %	Share of votes under the right of ownership, %	Share of votes together with the related parties, %
European Bank for Reconstruction and Development (EBRD). Address One Exchange Square, London, United Kingdom	57 387 804	19.57	19.57	42.02
Gintaras Kateiva	18 303 301	6.24	6.24	42.02
Clients of Swedbank AS (Estonia)	17 535 978	5.98	5.98	-

Shareholders of the Bank that have signed shareholders agreement - European Bank for Reconstruction and Development, Prekybos namai „Aiva“ UAB, Mintaka UAB, Įmonių grupė „Alita“ AB, Arvydas Salda, Sigitas Baguckas, Vigintas Butkus, Vytautas Junevičius, Gintaras Kateiva, Kastytis Jonas Vyšniauskas, Algirdas Butkus, and shareholders related to them, votes of which are calculated together based on the legal acts of Republic of Lithuania, form a group of acting together shareholders. As of 30 June 2015, this group possessed 42.02 percent of the authorised capital and votes of the Bank.

7. TRADE IN SHARES OF THE COMPANIES OF THE GROUP IN REGULATED MARKETS

In the Official trading list of AB NASDAQ OMX Baltic, only the shares of the Bank are quoted. ISIN code LT0000102253; the number of shares: 293 200 000. Shares of the Bank's subsidiary companies are issued for non-public circulation.

The Bank's shares are included in to the OMX Baltic 10 which consists of shares of the 10 the most liquid companies enrolled into the trading list of the OMX Baltic. Shares issued by the Bank are also included in the comparative index of the OMX Baltic states securities market OMX Baltic Benchmark, which comprises shares of the highest capitalization and most liquid companies as well as in indices OMX Vilnius, OMX Baltic, OMX Baltic Financials, and OMX Baltic Benchmark Cap. Besides, shares issued by the Bank are included in the indices STOXX Eastern Europe TMI, STOXX Eastern Europe TMI Small, STOXX EU Enlarged TMI, STOXX Global Total Market and STOXX Lithuania Total Market.

Changes in the share price within three years:

Source: NASDAQ Vilnius AB website

<http://www.nasdaqomxbaltic.com/market/?instrument=LT0000102253&list=2&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&date=&start=2012.06.30&end=2015.06.30>



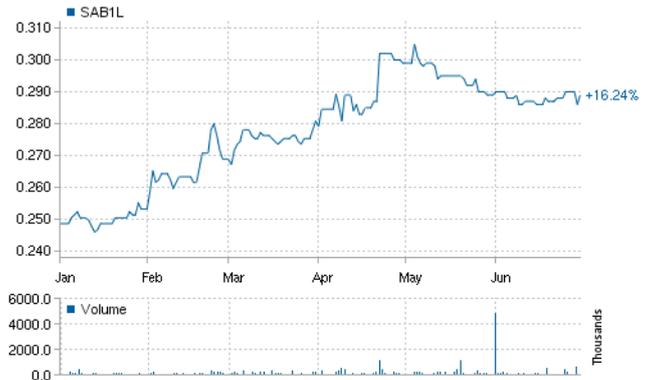
Turnover the the Bank's shares during the period between 2012 and 30 June 2015:

Year	Last trading session price, EUR	Max. price, EUR	Min. price, EUR	Average price, EUR	Number of shares, units	Turnover, EUR mln
2012	0.231	0.285	0.230	0.256	11 106 241	2.48
2013	0.266	0.310	0.227	0.266	20 496 506	5.45
2014	0.266	0.331	0.266	0.290	28 107 139	8.15
30/06/2015	0.289	0.314	0.267	0.293	21 858 964	6.39

Turnover and price of the Bank's shares over the period between 1 January 2015 and 30 June 2015 (EUR):

Source: NASDAQ OMX Vilnius AB website

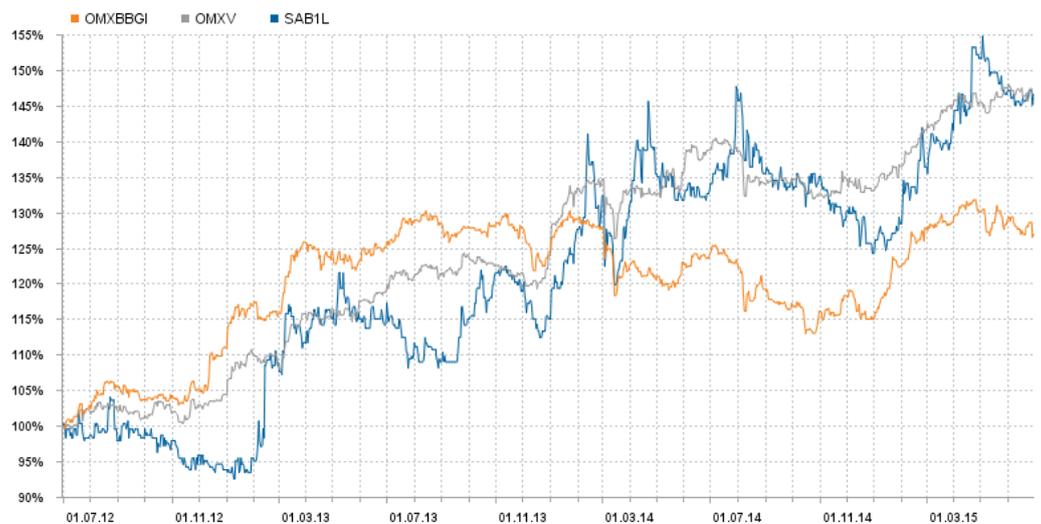
<http://www.nasdaqomxbaltic.com/market/?instrument=LT0000102253&list=2&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&date=&start=2012.06.30&end=2015.06.30&start=2015.01.02&end=2015.06.30>



The charts of the share price changes of OMX Vilnius index, OMX Baltic Benchmark and Bank's shares during the period between 2012 and 30 June 2015 are provided below:

Source: NASDAQ OMX Vilnius AB website

http://www.nasdaqomxbaltic.com/market/?pg=charts&lang=en&idx_main%5B%5D=OMXBGGI&idx_main%5B%5D=OMXV&add_index=OMXBBPI&add_equity=LT0000128266&idx_equity%5B%5D=LT0000102253&period=other&start=2012.06.30&end=2015.06.30



The Chart's data:

Index/Shares	30/06/2012	30/06/2015	+/-, %
OMX Baltic Benchmark GI	492.43	625.19	26.96
OMX Vilnius	339.89	497.46	46.36
SAB1L	0.197 EUR	0.289 EUR	46.67

The capitalization of the Bank was EUR 84.74 million as of 30 June 2015; half a year earlier, i.e. on 31 December 2014 it comprised EUR 76.95 million.

The capitalization the Bank and the total capitalization of shares quoted on the NASDAQ OMX Vilnius AB as of the last trading day of 30/06/2014 and 30/06/2015 is provided below:

The list of the Baltic shares	30/06/2014	30/06/2015	Change
Šiaulių Bankas – SAB1L	76 950 000 EUR	84 740 580 EUR	10.12 %
The Baltic market in total:	6 042 921 514 EUR	6 176 367 601 EUR	2.21 %

Source: NASDAQ OMX Vilnius AB website

<http://www.nasdaqomxbaltic.com/market/?pg=capital&list%5B%5D=BAMT&list%5B%5D=BAIT&period=other&start=2014.06.30&end=2015.06.30>

The Price/Earnings indicator of the Group (P/E):

	31/12/2012	31/12/2013	31/12/2014	30/06/2015
P/E	13,29	13,12	6,12	2,89

8. INFORMATION ON AGREEMENTS WITH THE FOLLOWING INTERMEDIARIES IN PUBLIC CIRCULATION OF SECURITIES

The Bank's Securities Accounting Department is in charge of accounting of the securities issued by the Bank.

To execute and account other transactions with securities the Bank concluded agreements with the following intermediaries in public circulation of securities:

- with the bank Finasta AB - Investment service provision agreement;
- with the Lithuanian branch of Danske Bank A/S - Investment service provision agreement.
- with DnB bankas AB - Agreement regarding management of financial instrument account and execution of orders.
- with Swedbank AB - Agreements of securities account management and brokerage.
- with SEB bankas AB - Agreements of securities account management.
- with Raiffeisen Bank International AG - Agreements of securities account management and brokerage.

9. ACQUISITION OF OWN SHARES

The Bank and its subsidiary companies or persons acting at the instruction of the subsidiary companies do not hold any shares of the Bank. The Bank has not acquired its own shares and has not transferred them to others over the reporting period. The shares to those employees who in compliance with the Bank's Remuneration Policy should receive the shares are purchased at the Nasdaq Vilnius stock exchange on behalf of the group by the joint order which is covered from the Bank's funds.

10. INFORMATION IN COMPLIANCE WITH THE PRUDENTIAL REQUIREMENTS SET TO THE BANK

During the reporting period the Bank and the Group complied with all the prudential requirements. The topical information on compliance with the prudential requirements is constantly updated on the Bank's internet site and is available in the rubric "Prudential standards" at <http://www.sb.lt/en/about-bank/investors/prospectus-and-reports/>.

11. RISK MANAGEMENT AND INTERNAL CONTROL

The Group accepts, manages, analyses, and evaluates the risks arising from its activities. The purpose of risk management in the group of the Bank is to ensure sufficient return on equity by managing risks in a conservative manner. By implementing an advanced risk management policy, the Group seeks not only to minimize the potential risks as much as possible, but also to ensure the optimal risk and profit ratio as well as an effective distribution of capital.

The risk management system of the Group includes the policy of the risk management in the banking activities, individual procedures for management of different types of risks, as well as the internal control system and internal audit.

More detailed information on the key risks incurred by the Group by size as well as their management and principle amendments during the reporting period is provided for in the explanatory notes to the condensed interim financial statements for the 6 months of 2015:

- Credit risk - Note 1;
- Liquidity, market and operational risks – Note 13.

12. RATINGS ASSIGNED BY THE INTERNATIONAL AGENCIES

The credit rating agencies are registered and 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 of the Bank is determined by the international rating agency Moody's Investors Service LTD, the licence of which was updated on 31 October 2011.

The international rating agency Moody's Investors Service updated the rating of the Bank on 17 June 2015. The long-term credit rating has been upgraded by two notches from B1 to Ba2.

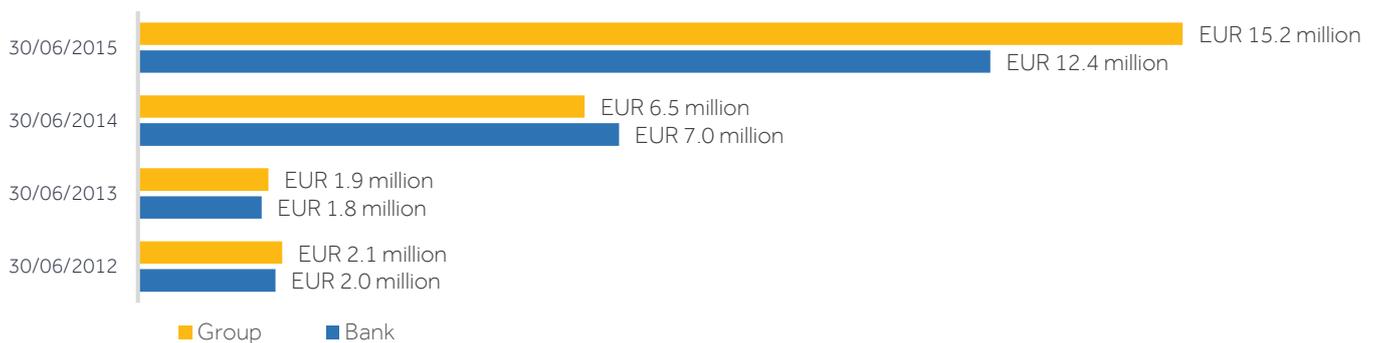
Long-term credit rating	Ba2
Short-term credit rating	NP
Rating outlook	Stable

13. INFORMATION ON THE RESULTS OF PERFORMANCE

Increasing activity of the small-medium sized entities, acceleration of multi-apartment building renovation process, impact from substantial non-banking asset sale transactions executed during the first half of the year 2015 were the factors behind further improvement in financial ratios of the Bank and Group.

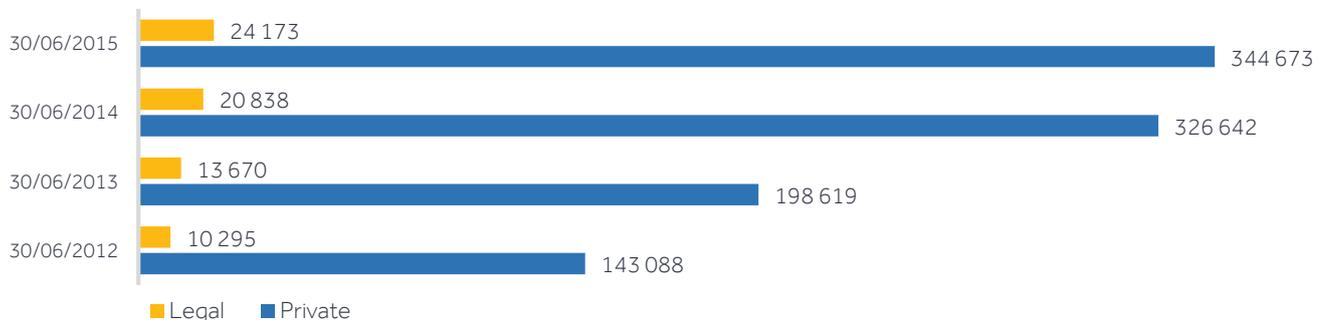
During the first half of 2015, the Group earned a net profit of EUR 15.2 million – i. e. 2.3 times more than in the same period of previous year (EUR 6.5 million). Net profit of the Bank amounted to EUR 12.4 million – i. e. increased by 77 % as compared to the first half of previous year when net profit of EUR 7 million was earned.

The Bank's and Group's net profit:



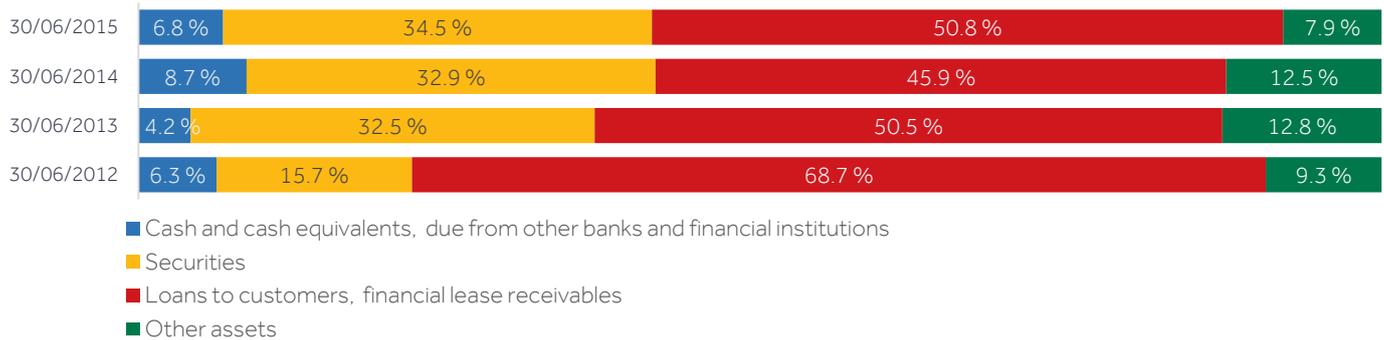
Results achieved by the Group during the first half year are the reflection of major changes in activities for the recent years. Increasing economic expectations of individuals and entities also made a positive contribution to solid financial results.

Number of private customers and legal entities:

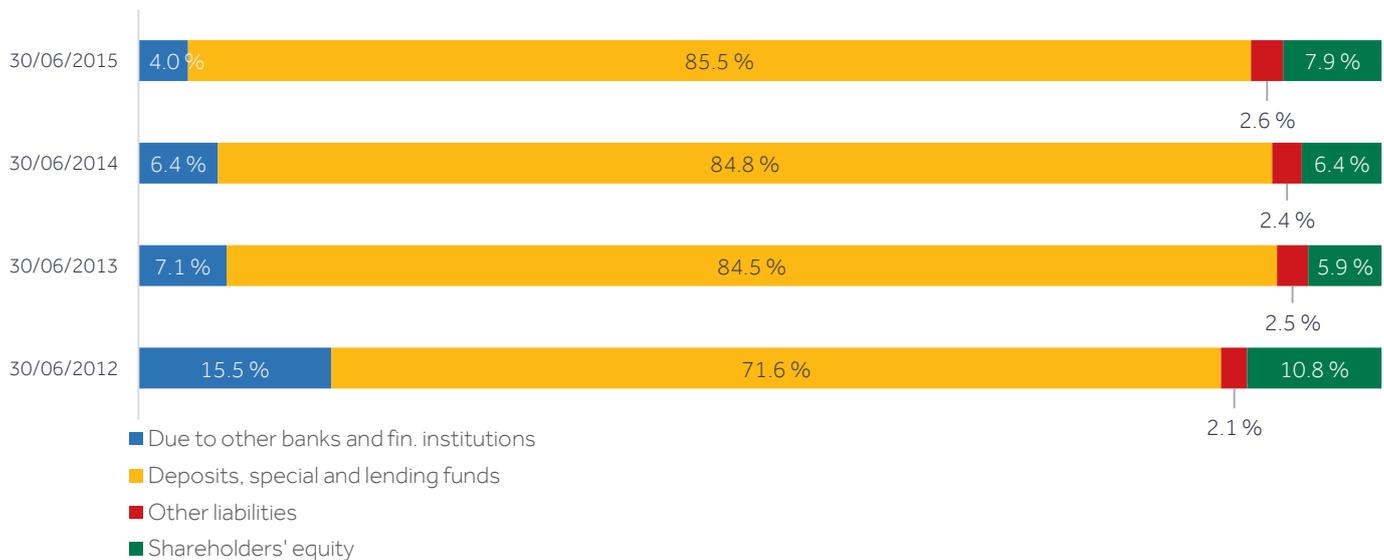


The Group's assets totalled to EUR 1.6 billion at the end of June. During the same period, loan and finance lease portfolio increased by 7 % and amounted to EUR 832 million. The value of new loans granted to the customers of the bank during the first half of the year totals to approx. EUR 230 million. Deposit portfolio remained stable and amounted to over EUR 1.4 billion at the end of the half year. In deposit and loan markets, the Bank ranked 4th among the banks operating in Lithuania.

Structure of the Group's Assets:



Structure of the Group's Liabilities:



As the number of renovation agreements grows, not only the income from Multi-apartment Building Renovation Programme increased – other income from fees and commission increased by 11 % during the second quarter. The Group earned EUR 3.2 million of net service fees and commission income, i. e. exceeded the result of the first half of the previous year by one third.

The decline in securities market had negative impact on the activity results of the Group and extinguished most of the profit earned from this activity during the first quarter of 2015.

Group's operating efficiency increased along with the increasing operating income. Cost to income ratio amounted to 56.8 % at the end of June in 2015, return on equity amounted to 26.8 %, return on assets was 1.9 %.

Profitability ratios, in per cent:

	Profitability ratios, %	2012	2013	2014	30/06/2015
The Bank	ROAA	0.52	0.20	0.68	1.55
	ROAE	4.79	3.36	10.38	22.36
	Cost / income	47.13	52.68	38.74	41.47
The Financial Group	ROAA	0.54	0.16	0.70	1.42
	ROAE	4.90	2.65	10.69	20.30
	Cost / income	47.64	52.70	39.65	39.09
The Group	ROAA	0.46	0.34	0.74	1.86
	ROAE	4.24	5.79	11.45	26.85
	Cost / income	61.52	62.05	50.58	58.85

The Bank has fortified its leading position in the multi-apartment renovation programme. 573 renovation agreements for EUR 111 million were signed by the Bank at the end of June 2015. In order to solve an issue related to the lack of

funds for renovation and to continue the successful implementation of the full-fledged programme, the Bank lent EUR 20 million of its own funds to the JESSICA holding fund at the end of 2014.

On 11 May 2015, the Bank signed an agreement on acquisition of the bank Finasta AB and the brokerage firm FMJ Finasta AB, whereas, a closing transaction regarding acquisition of both companies' shares and voting rights was signed on 17 July.

Moreover, in May the agreements regarding sales of the Žalgiris stadium territory in Vilnius were signed. The transaction, the value of which exceeded EUR 40 million, was almost equally financed from the Bank's credit and the buyer's funds.

The Bank's customers used 230 ATMs of the joint ATM network of Nordea, Danske Bank, Citadele and Šiaulių Bankas operating in 46 cities and towns of the country. Moreover, the customers were able to cash their funds or place them to the payment card accounts through 2000 terminals of "Perlo paslaugos" UAB all over Lithuania.

14. MAJOR INVESTMENTS MADE OVER THE REPORTING PERIOD

The major investments made by the Group over the reporting period are provided in the table below in thousand euros:

<i>Acquisition of property, plant and equipment, investment property and intangible assets</i>	315
<i>Acquisition of held-to-maturity securities</i>	113 084
<i>Acquisition of available-for-sale securities</i>	17 896

On 11 May 2015 the agreement on acquisition of 100 per cent of the bank Finasta AB and FMJ Finasta AB was signed, however, the control over the above mentioned companies had not been assumed over the reporting period, therefore these investments were not included in the financial statements for the reporting period.

15. SOCIAL RESPONSIBILITY

In 2008, the Bank joined the UN Global Compact and since then it has been submitting its Communication on Progress annually. The Bank has assumed a commitment to comply with 10 principles stipulated by the Global Compact which cover such areas as the human and labour rights, the principles of environment protection and anti-corruption.

In the first half year of 2015, special attention was focused on the employees through active implementation of the project *Forum of Values* which aims at creating favourable environment for discussion on the Bank's values and the patterns of appropriate behaviour. The initiative was launched to mobilize the staff at the imposed values and to start practical implementation of a value system consisting of the educated values related to the goals and plans of the Bank's performance, the behaviour patterns corresponding these values in daily situations at workplace as well as developed foundation for on-going dialogue on how to implement the values and consistently follow them in making decisions. With this intention the employees have described daily activity situations, which do not allow feeling comfortable at work and achieving expected results. The most urgent ones have been selected from the list of submitted situations and adapted by the ambassadors of values for the particular situations in such a manner that would foster the employees to analyse various possibilities and would be acceptable for discussion during the forum. *The Forum of Values* is planned to be held in the autumn.

Like every year, on the Bank's birthday occasion much attention was paid to the employees with the longest working experience. They received bonuses and the Bank's commemorative badges.

For the first time the Bank initiated an external customer servicing quality survey which was conducted by the company *Dive Lietuva* in June 2015. A secret shopper evaluated the staff attentiveness, helpfulness, completeness of information provided, the ability to identify customer needs, etc. The results of the survey revealed that customer servicing quality at the Bank is improving.

Over the first half a year, the Bank arranged seminars to its employees and participated in various events. During the XI Lithuanian-Belarusian Economic Forum held in Marijampole by the Lithuanian Confederation of Industrialists the Bank's representatives made a presentation to the conference participants on funding opportunities and other services rendered by the Bank which could be relevant to people developing their businesses. In the event *Verslas Veža* organized by *Versli Lietuva VŠĮ* in Šiauliai the Bank's employees talked to young people on how to start up a business. In the events arranged by the Lithuanian Agriculture Advisory Service (LAAS) in Akademijos town located in Kėdainiai

region and in Varėna town the employees of Kėdainiai Customer Service Point and Alytus branch met with the farmers and presented all banking services that might be relevant to this sector. Great attention has been paid to the renovation process implemented in the country as housing modernization is one of the priority areas of the Bank's activities.

Over the first half of 2015, the Bank traditionally granted its nominal scholarships to two students of Vilnius Vytautas Magnus University for their strive for knowledge and exceptional progress.

During the reporting period the Bank provided support to the cultural centres operating in Alytus, Ukmergė and Šiauliai, it also supported Vilnius Kolegija, the events arranged by Lithuanian Business Employers' Confederation, Marijampolė Municipality, and contributed to the Klaipėda running club Gintarinė Jūrmylė, etc.

During the reporting period the Bank's representatives participated in such inter-bank sports events as volleyball tournament, basketball tournament, and karting championship. The Bank's team became the champions of the karting championship of the Lithuanian financial sector. The Bank's sports enthusiasts examined their strength and stamina in running marathons, riding bicycles and spend their free time jointly travelling to Tallinn, Anykščiai and Vilnius.

16. DIVIDENDS PAID

The Bank does not have an established procedure for allocation of dividends. The General Shareholders' Meeting annually decides either to pay dividends or not while allocating the Bank's profit. Dividends paid by the Bank are revealed in the table below:

	2012	2013	2014	30/06/2015
<i>Per cent from the nominal value</i>	0.00	0.50	0.00	0.25
<i>Amount of dividends per share, EUR</i>	0.000000	0.001450	0.000000	0.000725
<i>Amount of dividends, EUR</i>	0	340 097	0	195 750
<i>Dividends to net profit, %</i>	0.00	7.89	0.00	1.84

Taxation of dividends — profit taxation of legal entities is regulated by the Profit Law of the Republic of Lithuania No. IX-675 as of 20 December (further — PL), 2001 and the resolutions and other legal acts adopted by the Government of the Republic of Lithuania on its basis. The charge of 15 per cent is applied to the paid dividends. The dividends of the Lithuanian unit that owns 10 per cent of issuer's capital for the period longer than one year are not subject to charges (with exceptions described in the chapter VII of the Profit Law of the Republic of Lithuania). The dividends of the foreign units are charged by applying an income tax rate of 15 per cent. If a foreign unit owns the shares granting at least 10 per cent of votes for a period of at least 12 months without interruption, the dividends paid to that foreign entity are not charged, except for the cases when a foreign entity receiving dividends is registered or otherwise organized in the targeted countries.

Taxation of citizens' income is regulated by the Law on Citizen's Income Tax of the Republic of Lithuania No. IX-1007 as of 2nd July, 2002 and the latter amendments of the Law as well as resolutions adopted on the basis of this Law. The dividends received since 01/01/2014 are charged by 15 per cent tax, which is deducted and paid to the budget by the Bank in compliance with the applicable orders.

17. PRINCIPLES OF INTERNAL AUDIT'S PERFORMANCE

The Bank has a following three-level control system: the business units bear responsibility for the operational risk management, the compliance and risk control units ensure efficiency of the instruction, rules and control mechanisms while the Internal Audit Division inspects the integrity and efficiency of the control system on the whole.

The purposes, functions, organization, rights, duties and responsibilities of the Internal Audit Division are foreseen by the Provisions of the Internal Audit Division and Methodology of the Internal Audit. These documents are prepared in accordance with the laws of the Republic of Lithuania, resolutions passed by the Government of the Republic of Lithuania and the Bank of Lithuania, International Financial Reporting Standards, International Internal Audit Standards, the Code of Ethics, the general organization regulations of the Internal Audit of the Bank approved by the Board of the Bank of Lithuania, the Charter of the Bank, the resolutions of the General Shareholders' Meeting, Bank's Supervisory Council, Internal Audit Committee and the Bank's Board.

The purpose of Internal Audit is to provide independent and objective assurance and consulting activity, to systematically and comprehensively evaluate and promote the improvement of the Bank's risk management and the efficiency of the internal control system. Also to assist the Bank in achieving its goals by seeking to ensure that the

objectives of internal control are achieved at the lowest cost and the functions of internal control are implemented efficiently.

The Internal Audit Division performs its functions by exercising the strategic plan for 2015-2017 and operational plan of the current year (both approved by the Internal Audit Committee).

The employees of the Internal Audit Division follow the principles of:

- *INTEGRITY*, i.e., to perform their work honestly, with due diligence, in compliance with the laws, to not participate in any illegal activities, not take any actions, that could discredit an internal auditor's profession and the Bank, to respect lawful and ethical objectives of the Bank and to support their implementation;
- *OBJECTIVITY*, i.e., to not participate in any activities and not have any relations that harm or might harm their impartiality and would contradict with the Bank's interest, to not accept presents in order to avoid the impact on their professional opinion and to disclose all the important facts they are aware of;
- *CONFIDENTIALITY*, i.e., to use and store the information gained while performing their duties responsibly, to not use the information for their own purposes;
- *COMPETENCY* i.e., to provide only such services, for the performance of which they possess necessary knowledge, skills and experience, to provide internal audit services in compliance with the International Audit Standards, to improve their qualification on a regular basis, to improve the quality and efficiency of the services.

On quarterly basis the Head of the Internal Audit Division provides the Bank's senior management with the information regarding the recommendations submitted after the performed inspections and their implementation.

The Internal Audit division is under the direct control of the Internal Audit Committee and reports to it on a quarterly basis. The key objectives of the Internal Audit Committee are to supervise the process of the Bank's internal control implementation, the Bank's risk management implementation, efficiency of organizing the internal audit process, the statutory audit process, the Bank's operational compliance with laws and regulations and to ensure the independence of the Internal Audit's performance.

The Bank's Internal Audit Committee consists of 4 members including an independent member of the Supervisory Council. The Internal Audit Committee performs the following functions:

- to monitor integrity of the information provided by the company with particular attention to relevance and consistency of accounting methods used by the company and its group;
- to discuss deficiencies of the internal control process, its non-compliance with the applicable laws of the Republic of Lithuania, of the Bank of Lithuania and other legal acts as well as deficiencies in the Bank's procedures, Charter and business strategy and other shortcomings established by the internal and external auditors;
- to ensure the efficiency of the internal audit functions;
- to monitor independence and objectivity of the external audit company;
- to carry out inspection of the external audit efficiency and reaction of the administration to recommendations provided by the audit company in its letter to the top management;
- to set out the common principles of the internal audit that would apply to the Bank and all its subsidiary companies.

The Internal Audit Committee reports on its activities to the Bank Supervisory Council once a year.

18. EXTERNAL AUDIT

PricewaterhouseCoopers UAB (company's code 111473315, address: J.Jasinskio str. 16B, Vilnius, Lithuania) was elected to carry out the bank's audit in 2014-2015. The company was selected after the Board interviewed a number of international audit companies and discussed their offers. Reputation risk, price of services and other factors had been considered while selecting the audit company.

19. INFORMATION ON MALICIOUS TRANSACTIONS

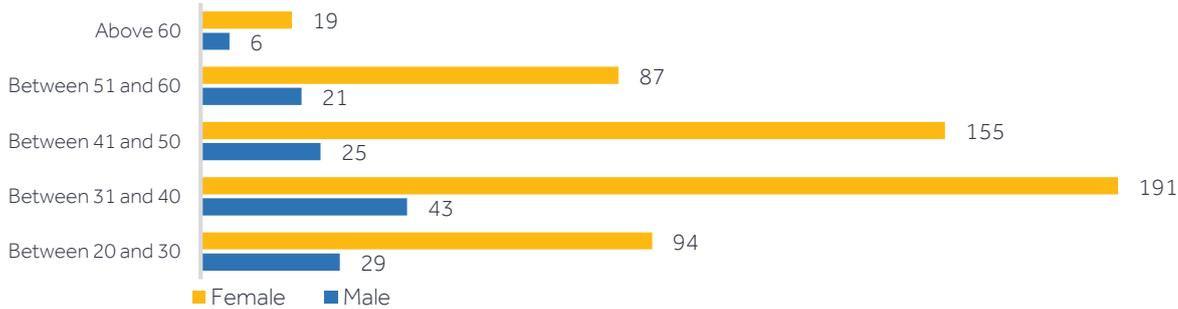
During the reporting period, no malicious transactions not meeting the objectives of the Bank, normal market conditions, breaching the shareholders' or other group's interests which have had or will likely have a negative impact on the Bank's performance or activity results have been made nor was there any transactions made on the conflict of interest between the Bank's senior management, controlling shareholders or other related parties' obligations to the Bank and their private interests and (or) office.

20. EMPLOYEES

As of 30 June 2015 the Bank employed 670 staff members, 562 (83.88 %) of the total number of the Bank's employees had the university education, 72 (10.74 %) had college, 16 (2.39 %) – special secondary education and 20 (2.99 %) had secondary education. As of 31 December 2014 the Bank employed 677 employees.



Structure of the Bank's employees by age and gender as of 30 June 2015:



As of 30 June 2015 the Group employed 825 employees (excluding subsidiaries held for sale) while 829 people were employed as of 31 December 2014.

Over the first half year of 2015 much attention was drawn to the educed Bank's values. Visualisation of the values has been presented to the employees to describe what requirements they have to meet to achieve the common goals. In the middle of the year, the Bank has been intensively involved in preparation for the forum. Interactive forums will allow analysing situation specified as vulnerable to the workers and acceptable behaviour based on values. The patterns of behaviour specific to the values have been integrated into the annual performance appraisals - the Group's employees discussed their activities, achievements and agreed on goals and areas of improvement with their direct heads over the first half a year.

In the first half of the year a programme for adaptation and education of new employees have been launched at the Bank, many specialists and executives of the Bank participated in internal and external trainings according to the specifics of their duties. During the Bank's birthday commemorative badges and bonuses were granted to the employees who have been working at the Bank for more than ten years. Sports and leisure event took place in June in Rumšiškės.

The monthly average salary of the appropriate group of employees before taxes:

	2011		2012		2013		2014		30/06/2015	
	Average number of employees	Average monthly salary, in EUR	Average number of employees	Average monthly salary, in EUR	Average number of employees	Average monthly salary, in EUR	Average number of employees	Average monthly salary, in EUR	Average number of employees	Average monthly salary, in EUR
Employees' Team										
Leading employees	12	6 826	11	7 011	11	8 466	11	9 768	11	10 026
Officers	418	718	411	806	609	848	632	939	606	998

The Bank does not have agreements with the employees foreseeing compensations in case of retirement or dismissal without the reasonable ground or in case their capacities would be cancelled because of changes in the bank's control.

The Bank also is not the party of material agreements, which would become effective, change or would be cancelled because of changes in the bank's control.

21. REMUNERATION POLICY

The information is prepared and delivered implementing the requirement set by the cl. 25 of the resolution No. 03-175 of the Board of the Bank of Lithuania as of December 23, 2010 regarding "The amendment of the "Policy of minimal requirements to remuneration of employees of credit institutions" approved by resolution No. 228 of the Board of the Bank of Lithuania as of December 10, 2009".

Currently the Bank applies the Remuneration Policy approved by the Bank's Supervisory Council on 02 May 2013. The composition of the Remuneration Committee is specified in chapter XXII of the Bank's Interim Consolidated Report for 6 months of 2015.

Aggregate quantitative information on remuneration to employees, highlighting the Bank's leaders - aggregate amounts of fixed and variable remuneration (without taxes to soc. insurance and guarantee fund) as well as number of beneficiaries thou are provided in the table below. Financial Group includes the employees of Bank's and Šiaulių Banko Lizingas.

The Bank's data:

<i>01/01/2014 - 31/12/2014</i>	<i>Fixed portion of remuneration, EUR thou</i>	<i>Portion of variable remuneration EUR thou</i>	<i>Number of beneficiaries, units</i>
<i>The senior management (members of the Board)</i>	718	184	7
<i>Employees</i>	6 716	832	636
<i>Total</i>	7 434	1 016	643

<i>01/01/2015 - 30/06/2015</i>	<i>Fixed portion of remuneration, EUR thou</i>	<i>Portion of variable remuneration EUR thou</i>	<i>Number of beneficiaries, units</i>
<i>The senior management (members of the Board)</i>	358	215	7
<i>Employees</i>	3 298	574	610
<i>Total</i>	3 656	789	617

Data of the Financial Group:

<i>01/01/2014 - 31/12/2014</i>	<i>Fixed portion of remuneration, EUR thou</i>	<i>Portion of variable remuneration EUR thou</i>	<i>Number of beneficiaries, units</i>
<i>The senior management (members of the Board)</i>	868	206	12
<i>Employees</i>	7 039	863	672
<i>Total</i>	7 907	1 069	684

<i>01/01/2015 - 30/06/2015</i>	<i>Fixed portion of remuneration, EUR thou</i>	<i>Portion of variable remuneration EUR thou</i>	<i>Number of beneficiaries, units</i>
<i>The senior management (members of the Board)</i>	437	254	12
<i>Employees</i>	3 479	594	645
<i>Total</i>	3 916	848	657

The pay outs of the variable remuneration for the Q4 of 2014 the form of bonuses were paid in Q1 of 2015, while the employees whose professional activities can have the significant impact on the risks accepted by the Bank received the pay outs in 2014 and in Q2 of 2015.

The amounts of variable remuneration for 2014 split into monetary pay outs, pension contributions, Bank's shares, financial instruments related to the Bank's shares, other financial or non-monetary measures, (amounts):

The Bank's data:

<i>Deferred portion of variable remuneration</i>	
<i>Monetary payments</i>	EUR 253 thousand
<i>Bank's shares</i>	905 thousand units
<i>Pension contributions</i>	-
<i>Financial instruments related to shares</i>	-
<i>Other financial or non-monetary measures</i>	-

Data of the Financial Group:

<i>Deferred portion of variable remuneration</i>	
<i>Monetary payments</i>	EUR 277 thousand
<i>Bank's shares</i>	990 thousand units
<i>Pension contributions</i>	-
<i>Financial instruments related to shares</i>	-
<i>Other financial or non-monetary measures</i>	-

The amounts of outstanding deferred variable remuneration for 2012 and 2013 as of 30 June 2015 (data covers both operating and redundant employees):

The Bank's data:

<i>Deferred portion of variable pay</i>	
Monetary payments	EUR 47 thousand
Bank's shares	182 thousand units

Data of the Financial Group:

<i>Deferred portion of variable pay</i>	
Monetary payments	EUR 53 thousand
Bank's shares	202 thousand units

The amounts of outstanding deferred variable remuneration for 2014 as of 30 June 2015 (data covers both operating and redundant employees):

The Bank's data:

<i>Deferred portion of variable pay</i>	
Monetary payments	EUR 101 thousand
Bank's shares	362 thousand units

Data of the Financial Group:

<i>Deferred portion of variable pay</i>	
Monetary payments	EUR 110 thousand
Bank's shares	396 thousand units

22. MEMBERS OF THE COMMITTEES FORMED WITHIN THE BANK AND AREAS OF THEIR PERFORMANCE

The Loan, Internal Audit, Risk Management and Remuneration Committees are formed within the Bank. The functions, procedures of formation and the policy of activities of these committees are defined by the legal acts of the Republic of Lithuania, legal acts of the Bank of Lithuania as well as provisions of the certain committees approved by the Management Board or Supervisory Council of the Bank.

- *The Loan Committee* analyses loan application documents, decides regarding granting of loans and amendment of their terms, assesses risks of loans, suggests regarding loan granting, loan interest rates, improvement of loan administration procedures and performs other functions foreseen by its provisions.
- *The Internal Audit Committee* monitors and discusses the process of financial statement preparation, the efficiency of the Bank's internal control, risk management and internal audit systems, the processes of the audit and internal audit performance on regular basis and performs other functions foreseen by the legal acts of the supervisory authority and provisions of the Internal Audit Committee. The composition, competences and arrangement of activities of the internal Audit Committee are defined by the provisions of the internal Audit Committee approved by the Bank's Supervisory Council.
- *The Risk Management Committee* performs the functions related to the efficiency of the Bank's activities taking into consideration the parameters of the acceptable risks and integrating the management of the interest rates, capital and liquidity, also, performs other functions foreseen by its provisions.
- *The Remuneration Committee* evaluates the Policy of variable remuneration, practice and incentives created to manage the risks accepted by the Bank, its capital and liquidity, supervises the variable remuneration of the employees responsible for risk management and control of compliance, prepares draft resolutions regarding variable remunerations and performs other functions foreseen by its provisions.

Data of the members of the committees as of 30 June 2015:

Internal Audit Committee

<i>Name, surname</i>	<i>Beginning / end of tenure</i>	<i>Share of capital under the right of ownership, %</i>	<i>Employer</i>
Ramunė Vilija Zabulienė	29/03/2012 / 2016	0.00	Public Undertaking ArsDomina
Sigitas Baguckas	29/03/2012 / 2016	0.65	Namų Statyba UAB
Vytautas Junevičius	29/03/2012 / 22/04/ 2015	0.13	Enterprise Group Alita AB
Rimantas Purtulis	29/03/2012 / 2016	0.10	Certificate of the Lithuanian resident for individual activity

Risk Management Committee

<i>Name, surname</i>	<i>Beginning / end of tenure</i>	<i>Share of capital under the right of ownership, %</i>	<i>Employer</i>
<i>Donatas Savickas</i>	12/03/2014 / operating on a continuous basis	0.09	Šiaulių Bankas AB
<i>Jolanta Dūdaitė</i>	12/03/2014 / operating on a continuous basis	0.00	Šiaulių Bankas AB
<i>Pranas Gedgaudas</i>	12/03/2014 / operating on a continuous basis	0.02	Šiaulių Bankas AB
<i>Morena Liachauskienė</i>	12/03/2014 / operating on a continuous basis	0.00	Šiaulių Bankas AB
<i>Edas Mirijauskas</i>	12/03/2014 / operating on a continuous basis	0.02	Šiaulių Bankas AB

Loan Committee

<i>Name, surname</i>	<i>Beginning / end of tenure</i>	<i>Share of capital under the right of ownership, %</i>	<i>Employer</i>
<i>Vytautas Sinius</i>	27/03/2012 / operating on a continuous basis	0.12	Šiaulių Bankas AB
<i>Edas Mirijauskas</i>	27/03/2012 / operating on a continuous basis	0.02	Šiaulių Bankas AB
<i>Danutė Gaubienė</i>	27/03/2012 / operating on a continuous basis	<0.01	Šiaulių Bankas AB
<i>Daiva Kiburienė</i>	27/03/2012 / operating on a continuous basis	0.06	Šiaulių Bankas AB
<i>Ramūnas Dešukas</i>	13/01/2015 / operating on a continuous basis	0.00	Šiaulių Bankas AB
<i>Giedrius Sarapinas</i>	27/03/2012 / operating on a continuous basis	0.01	Šiaulių Bankas AB
<i>Donatas Savickas</i>	27/03/2012 / operating on a continuous basis	0.09	Šiaulių Bankas AB

Remuneration Committee

<i>Name, surname</i>	<i>Beginning / end of tenure</i>	<i>Share of capital under the right of ownership, %</i>	<i>Employer</i>
<i>Gintaras Kateiva</i>	02/05/2013 / operating on a continuous basis	6.24	Litagra UAB
<i>Pranas Gedgaudas</i>	13/08/2012 / operating on a continuous basis	0.02	Šiaulių Bankas AB
<i>Ernesta Laurinavičienė</i>	09/05/2011 / operating on a continuous basis	0.00	Šiaulių Bankas AB
<i>Živilė Skibarkienė</i>	09/05/2011 / operating on a continuous basis	0.08	Šiaulių Bankas AB

23. BANK'S MANAGEMENT BODIES

The management bodies of the Bank are as follows: the General Meeting of the Shareholders of the Bank, Council of the Bank, Board of the Bank and Chief Executive Officer (Head of the Bank).

General Meeting of Shareholders takes place annually, within three months after the end of fiscal year. The shareholders, having no less than 1/10 of all the votes, as well as the Board and Council have an initiative right of convening the meeting. The Law on Companies specifies the cases when a general meeting can be convened by other persons.

General Meeting of Shareholders is organized, voting is carried out and resolutions passed in compliance with the Law on Companies. If the meeting cannot take place due to lack of a quorum (more than 1/2 of the total votes), the re-convened meeting of shareholders with the valid agenda of the previous meeting shall be summoned.

The Supervisory Council of the Bank is a collegial body supervising the activities of the Bank. The Supervisory Council is directed by its Chairman. The Supervisory Council consisting of eight members is elected by the General Meeting of Shareholders for a term of four years. The initiators of the Meeting or the shareholders holding shares that grant at least 1/20 of the Bank's shares, shall have the right of proposing the members of the Supervisory Council. The candidates are proposed before the Meeting or during such Meeting. Each candidate to the Supervisory Council's members shall inform the Meeting about his current capacity and how his activities are related to the Bank or to other legal entities associated with the Bank. While electing the Supervisory Council's members each shareholder shall have such number of votes which is equal to the product of the numbers of votes granted to him by the shares owned and number of the Supervisory Council's members to be elected. These votes are allocated by the shareholder at his own discretion - for one or several candidates. The candidates who receive the biggest number of votes are elected. 1 independent member is elected to the current tenure of the Supervisory Council. In accordance with the Bank's Charter the number of tenures of the Council member is not limited.

The Board of the Bank is a collegial Bank management body, consisting of seven members. It manages the Bank, handles its matters and answers under the laws for the execution of the Bank's financial services. Order of the Board's work is set by the Board work regulations. The Board of the Bank is elected by the Council for a term of 4 years. The Board members are elected, recalled and supervised by the Bank's Supervisory Council. The Board of the Bank is elected by the Council for a term of 4 years - the number of tenures is not limited. If individual Board members are elected, they are elected till the end of the active Board's term.

Chief Executive Officer arranges everyday activities of the Bank and performs other actions necessary to perform his functions, to implement the decisions of the Bank's bodies and to ensure the Bank's activities. The Chief Executive Officer acts on the Bank's behalf and is entitled to make transactions at his sole discretion, except for the exceptions, stated therein or in the resolutions of the bodies of the Bank.

24. THE MEMBERS OF THE BANK'S COLLEGIAL BODIES

Supervisory Council of the Bank:

Arvydas Salda



Member of the Supervisory Council of Šiaulių Bankas AB since 1991, Chairman of the Supervisory Council since 1999.

Education:

Kaunas Institute of Technology, Vilnius University, Master in applicable mathematics.

Work experience (not less than 5 years):

A consultant of SB Turto Fondas UAB since 2004.

Sigitas Baguckas



Deputy Chairman of the Supervisory Council of Šiaulių Bankas AB since 2000, Member of Council since 1991.

Education:

Vilnius Civic Engineering Institute, an engineer-constructor.

Work experience (not less than 5 years):

Procurist and director at Namų Statyba UAB since 2007

Gintaras Kateiva



Member of the Supervisory Council of Šiaulių Bankas AB since 2008.

Education:

Vilnius Pedagogic Institute, a teacher.

Work experience (not less than 5 years):

Chairman of the Board of Litagra UAB since 2005, Director of Litagros Prekyba UAB until 2008.

Vigintas Butkus



Member of the Supervisory Council of Šiaulių Bankas AB since 2004.

Education:

Marijampole School of Culture, a director.

Work experience (not less than 5 years):

Director of Mintaka UAB since 2000, Director of Trade House Aiva UAB since 2002.

Valdas Vitkauskas



Member of the Supervisory Council of Šiaulių Bankas AB since 2014.

Education:

Vytautas Magnus University, Master of Business Administration and Management; Southern Methodist University (USA), Master.

Work experience (not less than 5 years):

Head of the EBRD representative office in Minsk until 2011, EBRD senior banker since 2011, Member of the Council of the bank belonging to the Societe Generale Group in Mobiasbanka (Moldova).

Peter Reiniger



Member of the Supervisory Council of Šiaulių Bankas AB since 2011.

Education:

Technical University of Budapest, an engineer-mechanic, an engineer of production organization.

Work experience (not less than 5 years):

Director of the EBRD Business Group until 2010, the Managing director since 2010, Chief Advisor of the First Vice-president and Executive Committee since 2011.

Ramunė Vilija Zabulienė



Independent member of the Supervisory Council of Šiaulių Bankas AB since May 2012.

Education:

Vilnius University, an engineer-economist.

Work experience (not less than 5 years):

Member of the Board of the Bank of Lithuania, Deputy Chairman of the Board until 2011. Director of ArsDomina VšĮ.

Vytautas Junevičius



Member of the Supervisory Council of Šiaulių Bankas AB between 2006 and 22/04/2015.

Education:

Kaunas Institute of Technology, an engineer-economist.

Vilnius University, a specialist of international economy relations.

Work experience (not less than 5 years):

Director General of Alita AB until 2009, t Consultant of the Director General of the Company's Group Alita, 2009-2011.

The Management Board of the Bank:

Algirdas Butkus



Chairman of the Board of Šiaulių Bankas AB

Education:

Kaunas Technology Institute, Master of economy.

Work experience (not less than 5 years):

Chairman of the Board and, Chief Executive Officer of Šiaulių Bankas AB from 1999 to February 2011, Deputy Chief Executive Officer since 2011.

Vytautas Sinius



Member of the Board, Chief Executive Officer of Šiaulių Bankas AB from 1 February 2014

Education:

Vilnius Higher School of Economics, a bank officer. Vilnius University, Bachelor of economy. Vytautas Magnus University, Master of Business Administration and Management.

Work experience (not less than 5 years):

Director of Retail Banking Division of the bank SEB AB 2006-2010, Head of Corporate Banking Division of Šiaulių Bankas 2011- 2014.

Donatas Savickas



Member of the Board of Šiaulių Bankas AB, Deputy Chief Executive Officer, Head of Finance and Risk Management Division.

Education:

Vilnius University, Master of economy. Vytautas Magnus University, Master of business administration and management.

Work experience (not less than 5 years):

Deputy Chairman of the Board of Šiaulių bankas AB since 1995, Deputy Chief Executive Officer, Head of Finance and Credit Division since 2005, Head of Finance and Risk Management Division since 2011.

Daiva Kiburienė



Member of the Board of Šiaulių Bankas AB, Deputy Chief Executive Officer, Head of Business Development Division.

Education:

Vilnius University, Mater of economy. Vytautas Magnus University, Master of business administration and management.

Work experience (not less than 5 years):

Deputy Chairperson of the Board of Šiaulių Bankas AB since 1998, Deputy Chief Executive Officer, Head of Corporate and Retail Banking Division since 2005, Head of Business Development Division since 2014.

Vita Adomaitytė



Member of the Board of Šiaulių Bankas AB, Chief Accountant, Head of Accounting and Tax Division.

Education:

Vilnius University, Master of finance and credit.

Work experience (not less than 5 years):

Chief Accountant of Šiaulių Bankas since 2002, Head of Accounting and Reporting Division since 2005.

Jonas Bartkus



Member of the Board of Šiaulių Bankas AB, Head of IT Division.

Education:

Vilnius University, Master in mathematics.

Work experience (not less than 5 years):

Head of Business Development Division of the Bank since 2005, Head of the IT Division since 2011.

Ilona Baranauskienė



Member of the Board since February 2014; Head of the Assets Restructuring Division.

Education:

Kaunas University of Technology, Bachelor of business administration and management.

Šiauliai University, Master of economy.

Work experience:

Director General of SLEZVB UAB until 2013, Deputy Director of SBTF UAB since 2006, Director of the Special Financing Department of Šiaulių Bankas AB.

<i>Name, surname</i>	<i>Beginning / end of tenure</i>	<i>Share of capital under the right of ownership, %</i>	<i>Share of votes together with the related persons, %</i>
<i>Arvydas Salda</i>	beginning 29/03/2012/ end 2016	2.59	42.02
<i>Sigitas Baguckas</i>	beginning 29/03/2012/ end 2016	0.65	42.02
<i>Vigintas Butkus</i>	beginning 29/03/2012/ end 2016	0.03	42.02
<i>Gintaras Kateiva</i>	beginning 29/03/2012/ end 2016	6.24	42.02
<i>Peter Reiniger</i>	beginning 29/03/2012/ end 2016	—	—
<i>Ramunė Vilija Zabulienė</i>	beginning 04/05/2012/ end 2016	—	—
<i>Valdas Vitkauskas</i>	beginning 28/03/2014/ end 2016	—	—
<i>Vytautas Junevičius</i>	beginning 29/03/2012 /end 22/04/2015.	0.13	42.02
<i>Algirdas Butkus</i>	beginning 29/03/2012/ end 2016	3.86	42.02
<i>Vytautas Sinius</i>	beginning 29/03/2012/ end 2016	0.12	42.02
<i>Donatas Savickas</i>	beginning 29/03/2012/ end 2016	0.09	42.02
<i>Daiva Kiburienė</i>	beginning 29/03/2012/ end 2016	0.06	42.02
<i>Vita Adomaitytė</i>	beginning 29/03/2012/ end 2016	0.05	42.02
<i>Jonas Bartkus</i>	beginning 29/03/2012/ end 2016	0.08	42.02
<i>Ilona Baranauskienė</i>	beginning 12/02/2014/ end 2016	0.04	42.02

25. TRANSACTIONS WITH RELATED PARTIES

The following parties are considered as the parties related to the Bank:

- members of the Bank's Supervisory Council and Board (which also are the main decision makers of the Group), their close family members and companies that are controlled, jointly controlled or significantly influenced over by these related parties. For some companies the presumed significant influence threshold of 20% voting rights has been reduced if other evidence shows that a person/ entity can exercise significant influence by additional means (e.g. by holding a seat in the Board of Directors of a particular entity));
- subsidiaries of the Bank;
- the Shareholders holding over 5% of the Bank's share capital.

The members of the Bank's Supervisory Council and the Management Board work for the benefit of the shareholders avoiding the conflicts of interest. The Bank follows a conflict of interest procedure that establishes the requirements for internal procedures and measures that help identify and manage any circumstances that may give rise to a conflict of interest related to the provision of the banking services and specifies the ways and actions to be followed in case such conflicts arise. All transactions with the Bank's senior management are entered under the market conditions.

At the Bank the transactions with the related parties through the IT measures are distinguished from the other transactions, the comprehensive description on these transactions is provided in Note 12 to the condensed interim financial statements of the Bank.

26. ACTIVITY PLANS AND FORECASTS

In order to achieve the set goals, the key directions of the Bank's activity plans and forecasts remain unchanged: the Bank will continue operating in low interest rate environment, a stable net interest margin is to be maintained, the position in the multi-apartment house renovation shall be further strengthened, the range of service and products is to be expanded and the active Bank's brand strengthening campaign is going to be continued.

27. DATA ON PUBLICLY DISCLOSED INFORMATION

The following information was publicly disclosed over the first half year of 2015:

02/02/2015	notification on received offers regarding acquisition of Žalgiris stadium and surrounding plots of land;
02/02/2015	information on the sold part of the real estate
03/02/2015	supplemented information on the sold part of the real estate
26/02/2015	a pre-audited activity result of the Bank and the Group for 2014 and interim information for twelve months
02/03/2015	information on the final negative adjustment amount payable to Ūkio Bankas BAB
06/03/2015	convocation of the Ordinary General Meeting of Shareholders
06/03/2015	the draft resolutions prepared by the Board for the Ordinary General Meeting of Shareholders to be held on 27/03/2015
09/03/2015	notification regarding a Letter of Intent with Invalda LT AB
27/03/2015	resolutions of the Ordinary General Meeting of Shareholders held on 27/03/2015
27/03/2015	annual information
09/04/2015	information on resignation of the member of the Supervisory Council of the Bank
13/04/2015	information on the results of the inspection carried out by the Bank of Lithuania
15/04/2015	notification regarding acquisition of Finasta
22/04/2015	unaudited performance result of the bank and group for Q1 of 2015
04/05/2015	information on the signed agreements of non-banking assets sales
12/05/2015	notification regarding agreements signed with respect to acquisition of the bank Finasta and Finasta FMĮ
19/05/2015	interim information for 3 months of 2015
19/05/2015	news on the received permit to register the amendment of the Bank's Charter
21/05/2015	information on concluded transactions, related to payment of the variable remuneration in the Bank's shares
27/05/2015	the Charter of the Bank with the increased authorized capital was registered
29/05/2015	information on the shares and authorized capital
29/05/2015	convocation of the Extra-Ordinary General Meeting of Shareholders
29/05/2015	the draft resolutions prepared by the Board for the Extra-Ordinary General Meeting of Shareholders
04/06/2015	information on the presentation of the Bank to Investors
18/06/2015	notification regarding the upgraded rating of the Bank
22/06/2015	information on the resolutions passed by of the Extra-Ordinary General Meeting of Shareholders
	reports regarding the transactions with the Banks shares entered by the Bank's senior managers

In accordance with the procedures set by the Charter of the Bank and the legal acts of the Republic of Lithuania all the stock events are announced in the Central regulated information base and on the Bank's website www.sb.lt. Notifications on the Meetings of Shareholders are additionally announced in the daily newspaper *Lietuvos Rytas*.

Deputy Chief Executive Officer acting as Chief Executive Officer

20 August 2015



Algirdas Butkus