



CONFIRMATION FROM THE RESPONSIBLE PERSONS

We, Chief Executive Officer of Šiaulių bankas AB Audrius Žiugžda and Chief Accountant Vita Adomaitytė, confirm that as far as we know, financial statements for 12 months of 2011 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.

Chief Executive Officer

A handwritten signature in black ink, appearing to be 'A. Žiugžda'.

Audrius Žiugžda

Chief Accountant

A handwritten signature in black ink, appearing to be 'V. Adomaitytė'.

Vita Adomaitytė

20-02-2012



FINANCIAL STATEMENT

31 DECEMBER 2011

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FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

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FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

THE GROUP'S AND BANK'S BALANCE SHEET

		31-12-2011		31-12-2010	
	Notes	Group	Bank	Group	Bank
ASSETS					
Cash and cash equivalents	2	223 877	223 844	208 400	208 397
Due from other banks	3	4 147	4 147	4 147	4 147
Trading securities	6	16 574	16 574	81 326	78 406
Derivative financial instruments		-	-	-	-
Loans to customers	4	1 786 631	2 069 758	1 438 387	1 657 609
Finance lease receivables	5	163 741	-	103 988	-
Investment securities:					
- available-for-sale	6	35 617	32 068	103 598	89 375
- held-to-maturity	6	306 349	303 281	214 055	207 635
Investments in subsidiaries, associates	6	18 392	16 889	-	16 889
Intangible assets		916	894	608	606
Tangible fixed assets		88 584	47 578	67 156	43 699
Prepaid income tax		10	-	1 615	1 598
Deferred income tax assets		9 091	8 952	10 407	10 177
Other assets	7	71 098	7 581	88 472	16 116
Assets related with subsidiaries to sale	7	13 999	-	12 455	-
Total assets		2 739 026	2 731 566	2 334 614	2 334 654
LIABILITIES					
Due to other banks and financial institutions	8	470 889	470 900	369 067	369 091
Due to customers	9	1 894 877	1 894 167	1 672 299	1 672 394
Special and lending funds	10	16 900	16 900	28 011	28 011
Debt securities in issue	11	45 284	45 284	5 291	5 291
Income tax liabilities		138	-	-	-
Liabilities related with subsidiaries to sale	7	1 296	-	882	-
Other liabilities	12	14 840	6 707	7 883	3 720
Total liabilities		2 444 224	2 433 958	2 083 433	2 078 507
EQUITY					
Share capital	13	234 858	234 858	204 858	204 858
Share premium	13	47 861	47 861	46 661	46 661
Reserve capital	13	2 611	2 611	2 611	2 611
General reserve to cover possible losses in assets	13	-	-	10 000	10 000
Statutory reserve	13	960	648	6 667	6 422
Financial assets revaluation reserve		(1 182)	(1 182)	(2)	1 369
Retained earnings		9 110	12 812	(19 614)	(15 774)
Total equity		294 218	297 608	251 181	256 147
Non controlling interest in equity		584	-	-	-
Total liabilities and equity		2 739 026	2 731 566	2 334 614	2 334 654

The notes on pages 10-41 constitute an integral part of these financial statements

Chief executive Officer
Chief accountant



Audrius Žiugžda
Vita Adomaitytė

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

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

		31-12-2011		31-12-2010	
	Notes	Group	Bank	Group	Bank
Continuing operations					
Interest and similar income	14	120 802	116 080	110 429	107 379
Interest expense and similar charges	14	(66 024)	(66 029)	(78 634)	(78 540)
Net interest income		54 778	50 051	31 795	28 839
Fee and commission income	15	14 208	14 152	12 478	12 325
Fee and commission expense	15	(5 724)	(5 703)	(4 467)	(4 387)
Net fee and commission income		8 484	8 449	8 011	7 938
Allowance for impairment losses		(10 415)	(9 561)	(46 031)	(43 915)
Net gain on operations with securities		(3 441)	(3 441)	3 088	3 088
Income from associates		11	-	-	-
Net foreign exchange gain		4 881	4 883	2 709	2 715
Gain on disposal of assets		2 164	31	1 212	165
Other income		2 899	736	1 695	787
Administrative and other operating expenses	16	(43 724)	(36 636)	(34 021)	(28 572)
(Losses) profit from continuing operations		15 637	14 512	(31 542)	(28 955)
Dividends from investments in subsidiaries		-	-	-	-
(Losses) profit before income tax		15 637	14 512	(31 542)	(28 955)
Discontinued operations:		-	-	-	-
(Losses) profit from discontinued operations before tax	7	(685)	-	(1 594)	-
Income tax expense		(1 929)	(1 700)	4 844	4 806
(Losses) profit for the year		13 023	12 812	(28 292)	(24 149)
Other comprehensive (loss) income					
Gain (losses) from revaluation of financial assets		(1 656)	(3 027)	599	599
Deferred income tax on (loss) gain from revaluation of financial assets		476	476	180	180
Other comprehensive (loss) income, net of tax		(1 180)	(2 551)	779	779
Total comprehensive (losses) income		11 843	10 261	(27 513)	(23 370)
Profit is attributable to:					
Equity holders of the Bank		13 023	12 812	(28 292)	(24 149)
from continuing operations		13 708	12 812	(26 698)	(24 149)
from discontinued operations		(685)	-	(1 594)	-
Non controlling interest		-	-	-	-
(Losses) profit for the year					
Equity holders of the Bank		11 843	10 261	(27 513)	(23 370)
Non controlling interest		-	-	-	-
Basic earnings (losses) per share, net (in LTL per share)	13	0,06	0,06	-0,15	-0,12

The notes on pages 10-41 constitute an integral part of these financial statements

Chief executive Officer

Audrius Žiugžda

Chief accountant

Vita Adomaitytė

20 February 2012

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

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

	FROM 10 TO 12 MONTH 2011		FROM 10 TO 12 MONTH 2010	
	Group	Bank	Group	Bank
Continuing operations				
Interest and similar income	33 346	32 115	26 579	26 103
Interest expense and similar charges	(16 412)	(16 737)	(16 824)	(16 824)
Net interest income	16 934	15 378	9 755	9 279
Fee and commission income	4 120	3 996	3 646	3 356
Fee and commission expense	(1 728)	(1 736)	(1 251)	(1 223)
Net fee and commission income	2 392	2 260	2 395	2 133
Allowance for impairment losses	(4 189)	(3 113)	(8 014)	(7 746)
Net gain on operations with securities	(3 664)	(3 664)	(1 077)	(1 077)
Income from associates	11			
Net foreign exchange gain	1 335	1 330	740	733
Gain on disposal of assets	325	15	209	6
Other income	1 494	204	92	142
Administrative and other operating expenses	(12 153)	(10 281)	(8 782)	(7 869)
(Losses) profit from continuing operations	2 485	2 129	(4 682)	(4 399)
Dividends from investments in subsidiaries	-	-	-	-
(Losses) profit before income tax	2 485	2 129	(4 682)	(4 399)
Discontinued operations:				
(Losses) profit from discontinued operations before tax	(131)	-	(1 594)	-
Income tax expense	(52)	(46)	936	914
(Losses) profit for the period	2 302	2 083	(3 746)	(3 485)

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

THE GROUP'S AND BANK'S CASH FLOW STATEMENT

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Operating activities				
Interest received	102 548	97 816	99 006	96 019
Interest paid	(63 935)	(62 364)	(78 390)	(78 296)
Net cash received from service and commission fees	8 484	8 449	8 011	7 938
Net cash received from operations in trading securities	(3 363)	(3 363)	4 352	4 352
Net cash received from operations in foreign currency	4 608	4 610	2 726	2 732
Cash received from previously written-off loans	1 756	1 157	1 240	790
Salaries and related payments to and on behalf of employees	(24 975)	(21 623)	(18 185)	(15 590)
Other receipts (payments)	(13 382)	(11 512)	(12 561)	(9 865)
Income tax paid	-	-	30	-
Net cash flow from operating activities before change in short-term assets and liabilities	11 741	13 170	6 229	8 080
(Increase) decrease in assets:				
Decrease in trading securities	66 415	63 505	(77 013)	(77 066)
Decrease in loans to credit and financial institutions	570	(55 520)	6 627	(1 375)
(Increase) in loans to customers	(428 638)	(366 698)	(68 914)	(102 253)
Decrease in other assets	20 207	8 535	(32 376)	(11 046)
Increase in liabilities				-
Increase in liabilities to credit and financial institutions	100 857	99 883	122 751	131 732
Increase in deposits, special and leanding funds	209 620	209 776	140 224	140 303
Increase in other liabilities	8 391	4 175	2 529	873
Change	(22 578)	(36 344)	93 828	81 168
Net cash flow from operating activities	(10 837)	(23 174)	100 057	89 248
Investing activities				
(Purchase) of tangible and intangible fixed assets	(22 872)	(7 877)	(19 887)	(2 190)
Disposal of tangible and intangible fixed assets	5 256	1 876	4 202	1 356
(Acquisition) of held to maturity securities	(121 941)	(118 873)	(74 267)	(70 820)
Proceeds from redemption of held to maturity securities	39 542	33 122	14 220	14 220
(Acquisition) of available-for-sale securities	(211 236)	(210 667)	(176 218)	(176 148)
Disposal of available-for-sale securities	272 296	270 658	165 133	165 133
(Acquisition) of subsidiary, associates	(5 697)	-	-	(7 505)
Dividends received	42	42	68	68
Net cash used in investing activities	(44 610)	(31 719)	(86 749)	(75 886)
Financing activities				
Increase in share capital	31 200	31 200	25 480	25 480
Dividends paid	-	-	(2)	(2)
Payment to non controlling interest	584	-	-	-
Debt securities issued	111 933	111 933	20 134	20 134
Debt securities repurchased and redeemed	(72 793)	(72 793)	(19 228)	(19 228)
Net cash flow from financing activities	70 924	70 340	26 384	26 384
Net increase in cash and cash equivalents	15 477	15 447	39 692	39 746
Cash and cash equivalents at 1 January	208 400	208 397	168 708	168 651
Cash and cash equivalents at 31 December	223 877	223 844	208 400	208 397

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

THE GROUP'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Bank							
	Share capital	Share premium	Reserve capital	Statutory reserve and others reserves	Retained earnings	Total:	Non controlling interest	Total equity:
31 December 2009	180 358	45 681	2 611	15 595	9 939	254 184	-	254 184
Increasing of capital	24 500	980	-	-	-	25 480	-	25 480
Formation of reserve	-	-	-	441	(441)	-	-	-
Financial assets revaluation reserve	-	-	-	599	-	599	-	599
Recognition of deferred income tax	-	-	-	180	-	180	-	180
Profit (loss) for the year	-	-	-	-	(28 292)	(28 292)	-	(28 292)
Others transfers	-	-	-	(150)	(820)	(970)	-	(970)
31 December 2010	204 858	46 661	2 611	16 665	(19 614)	251 181	-	251 181
Financial assets revaluation reserve	-	-	-	(1 656)	-	(1 656)	-	(1 656)
Recognition of deferred income tax	-	-	-	476	-	476	-	476
Others transfers	30 000	1 200	-	(15 707)	15 701	31 194	-	31 194
Profit for the year	-	-	-	-	13 023	13 023	-	13 023
31 December 2011	234 858	47 861	2 611	(222)	9 110	294 218	-	294 218

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

THE BANK'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve and others reserves	Retained earnings	Total equity:
31 December 2009	180 358	45 681	2 611	590	15 981	8 816	254 037
Increasing of capital	24 500	980	-	-	-	-	25 480
Formation of reserve	-	-	-	-	441	(441)	-
Financial assets revaluation reserve	-	-	-	599	-	-	599
Recognition of deferred income tax	-	-	-	180	-	-	180
Profit (loss) for the year	-	-	-	-	-	(24 149)	(24 149)
31 December 2010	204 858	46 661	2 611	1 369	16 422	(15 774)	256 147
Financial assets revaluation reserve	-	-	-	(3 027)	-	-	(3 027)
Recognition of deferred income tax	-	-	-	476	-	-	476
Others transfers	30 000	1 200	-	-	(15 774)	15 774	31 200
Profit (loss) for the year	-	-	-	-	-	12 812	12 812
31 December 2011	234 858	47 861	2 611	(1 182)	648	12 812	297 608

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

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, except for operations with precious metals.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. As of December 31 th 2011 the Bank had 494 employees (31 December 2010: 481). As of December 31 th 2011 the Group had 559 employees (31 December 2010: 545 employees).

The Bank's shares are listed on the Official List of the National Stock Exchange of Lithuania (NSEL).

The Bank had the following subsidiaries:

1. Šiaulių Banko Lizingas UAB (hereinafter – SB Lizingas, finance and operating lease activities),
2. Šiaulių Banko Investicijų Valdymas UAB (hereinafter SB Investicijų Valdymas, investment management activities),
3. Šiaulių Banko Turto Fondas UAB (hereinafter – SB Turto Fondas, real estate management activities),
4. Minera UAB (hereinafter – Minera, real estate management activities),
5. SBTF UAB (hereinafter – SBTF, real estate management activities).

The financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared under the historical cost convention as modified for the revaluation of available-for-sale investment securities, financial assets and financial liabilities held for trading and all derivative financial instruments.

The preparation of financial statements in conformity with International Financial Reporting Standards require 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.

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 the local currency, Litas (LTL). Since 2 February 2002 the exchange rate of the litas was pegged to the euro at a rate of LTL 3.4528 = EUR 1.

Financial risk management

The Group analyses, evaluates, accepts and manages the risk or combination of risks it is exposed to. Risk management at the Group aims at ensuring a sufficient return on equity following the conservative risk management policy. While implementing an advanced risk management policy the Group focuses not only on minimising potential risk but also on improving pricing and achieving efficient capital allocation.

The Risk Management Policy approved by the Bank Board as well as by the procedures to manage different types of risks prepared on its basis ensures the integrity of the risk management process in the Group.

The most important types of risk the Group is exposed to are credit risk, market risk, liquidity risk, concentration risk and operational risk. Market risk includes currency risk, interest rate and equity price risk. Other types of risk are considered immaterial by the Group and, therefore, are not assessed.

In order to avoid a conflict of interest the Bank's subdivisions that implement risk management functions are separated from those subdivisions the direct activities of which are connected with the up rise of various types of banking risks.

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 1 CREDIT INSTITUTION ACTIVITIES

The bank's Head Office is located in Šiauliai. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 38 client services.

As of December 31 th 2011 the number of the bank's clients included 285 municipal companies and governmental companies, 61 state companies, 55 agricultural companies, 31 economic partnership, 5 579 limited liability public companies, 1 616 private companies, 689 non-profit making and public sector companies and 1 337 other organizations as well as 134 212 individuals.

As of December 31 th 2011 and December 31 st 2010 the bank controlled 6 subsidiaries: "Šiaulių banko lizingas" UAB (financial and operational leasing), "Šiaulių banko investicijų valdymas" UAB (investment management), "Šiaulių banko turto fondas" UAB, "Minera" UAB, "SBTF" UAB (real estate management). The bank owns 100% of "Šiaulių banko lizingas" UAB (acquisition value – 31 th December 2011 – LTL 5 000 thou), 100 % of "Šiaulių banko investicijų valdymas" UAB (acquisition value – 31 th December 2011 - LTL 4 040 thou), 100 % of "Šiaulių banko turto fondas" UAB (acquisition value – 31 th December 2011 -LTL 5 117 thou), 100 % of "Minera" UAB (acquisition value – 31 th December 2011 - LTL 5 505 thou), 100 % of "SBTF" UAB (acquisition value – 31 th December 31 2011- LTL 2 000 thou). During the 2011 year acquired undirect control in Birstono šaltinis UAB (acquisition value – 31 th December 31 2011- LTL 6 666 thou).

The consolidated statements of the Group include financial statements of the bank and its subsidiaries.

NOTE 2 CASH AND CASH EQUIVALENTS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Cash and other valuables	29 989	29 988	34 605	34 602
Mandatory reserves in national currency	77 003	77 003	67 381	67 381
Correspondent bank accounts	85 562	85 530	12 744	12 744
Banks time deposits	15 001	15 001	68 006	68 006
Correspondent account with central bank	16 322	16 322	25 664	25 664
Total:	223 877	223 844	208 400	208 397

Mandatory reserves comprise the funds calculated on a monthly basis as a 4 % share of the average balance of deposits of the previous month. The mandatory reserves are held with the Bank of Lithuania in the form of deposits. The compensation for deposits held is calculated according to the Regulations of the Bank of Lithuania.

NOTE 3 DUE FROM OTHER BANKS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Due from other banks	4 147	4 147	4 147	4 147
Total:	4 147	4 147	4 147	4 147

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 4 LOANS TO CUSTOMERS

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

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Cash and balances with central banks	223 845	223 844	208 400	208 397
Loans and advances to banks	4 147	4 147	4 147	4 147
Loans and advances to customers:	1786 631	2069 758	1438 387	1657 609
Loans and advances to financial institutions	1 319	174 886	570	119 342
Loans to individuals (Retail)	196 695	193 070	202 569	191 321
Loans to business customers	1305 543	1701 802	1235 248	1346 946
Finance lease receivables	163 741	-	103 988	-
Trading assets:	-	-	-	-
Debt securities	16 216	16 216	81 228	78 308
Equity securities	358	358	98	98
Derivative financial instruments	-	-	-	-
Securities available for sale	-	-	-	-
Debt securities	30 379	30 379	87 626	87 626
Equity securities	5 238	1 689	15 972	1 749
Investment securities held to maturity	-	-	-	-
Debt securities	306 349	303 281	214 055	207 635
Other financial assets	23 125	116	35 254	12 025
Credit risk exposures relating to off-balance sheet items are as follows:			-	-
Financial guarantees	73 351	73 396	62 025	62 070
Letters of credit	5 064	5 064	4 472	4 472
Loan commitments and other credit related liabilities	123 052	119 631	94 145	89 495
December 31	2 761 496	2 847 879	2 349 797	2 413 631

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Loans are summarised as follows:				
Loans to business customers	1 660 917	1 951 564	1 302 230	1 532 232
Loans to individuals	220 593	206 730	216 537	203 232
Gross	1 881 510	2 158 294	1 518 767	1 735 464
Allowance for impairment	94 879	88 536	80 380	77 855
Net	1 786 631	2 069 758	1 438 387	1 657 609

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Neither past due not impaired	1 595 717	1 883 208	1 281 030	1 502 817
Past due but not impaired	104 745	103 245	73 768	72 535
Impaired	181 048	171 841	163 969	160 112
Gross	1 881 510	2 158 294	1 518 767	1 735 464
Allowance for impairment	94 879	88 536	80 380	77 855
Net	1 786 631	2 069 758	1 438 387	1 657 609

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

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Past due up to 30 days	68 388	67 048	44 487	43 500
Past due 31-60 days	3 359	3 280	11 916	11 686
Past due 61-90 days	3 658	3 577	2 826	2 810
Past due more than 90 days	29 340	29 340	14 539	14 539
Total	104 745	103 245	73 768	72 535
Fair value of collateral	163 304	163 304	121 677	121 677

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Loans and advances impaired

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Impaired loans	181 048	171 841	163 969	160 112
Fair value of collateral	102 303	99 904	109 643	108 957

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.).

NOTE 5 FINANCE LEASE RECEIVABLES

“Šiaulių banko lizingas” UAB was established on 16th August 1999. The main business of the company is financial lease.

Leasing activities mainly depend on the attracted financial resources. The funds allocated to provide funding to leasing operations are formed from two following sources: own funds and bank's loans. The leasing company pays interest to the bank for the borrowed funds

Finance lease receivables are summarised as follows:

	31-12-2011	31-12-2010
Business customers	157 628	90 965
Individuals	7 753	14 975
Gross	165 381	105 940

	31-12-2011	31-12-2010
Neither past due not impaired	125 908	74 148
Past due but not impaired	35 333	26 735
Impaired	4 140	5 057
Gross	165 381	105 940
Allowance for impairment	1 640	1 952
Net	163 741	103 988

			31-12-2011
	Individuals	Business customers	Total:
Finance lease receivables by sector:			
transport vehicles	2 653	37 058	39 711
residential real estate	139	70 583	70 722
airplanes	-	8 092	8 092
rolling-stock	-	-	-
production equipment	27	23 838	23 865
other equipment	482	8 847	9 329
other assets	4 452	9 210	13 662
Total:	7 753	157 628	165 381

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

	31-12-2010		
	Individuals	Business customers	Total:
Finance lease receivables by sector:			
transport vehicles	1 239	12 424	13 663
residential real estate	443	41 370	41 813
airplanes	-	9 306	9 306
rolling-stock	-	774	774
production equipment	94	14 303	14 397
other equipment	1 136	5 068	6 204
other assets	12 063	7 720	19 783
Total:	14 975	90 965	105 940

NOTE 6 SECURITIES

Trading securities

Debt securities:

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Private enterprise bonds of the Republic of Lithuania	-	-	16 496	13 576
Government bonds of the Republic of Lithuania	16 216	16 216	63 444	63 444
Government bonds of foreign states	-	0	-	-
State companies bonds of foreign states	-	0	1 288	1 288
Private enterprise bonds of foreign states	-	0	-	-

Nuosavybės vertybiniai popieriai:

Listed equity securities	267	267	-	-
Unlisted equity securities	6	6	2	2
Units of funds	85	85	96	96
Total:	16 574	16 574	81 326	78 406

	State companies debt securities	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
Bank 31-12-2011					
from AA-to AAA	-	-	-	-	-
from A- to A+	-	-	-	-	-
from BBB- to BBB+	-	16 216	-	-	-
from BB- to BB+	-	-	-	-	-
below už BB-	-	-	-	60	-
no rating	-	-	-	213	85
Total:	-	16 216	-	273	85

	State companies debt securities	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
Bank 31-12-2010					
from AA-to AAA	-	-	1 689	-	-
from A- to A+	-	-	4 170	-	-
from BBB- to BBB+	1 288	63 444	6 885	-	-
from BB- to BB+	-	-	832	-	-
below už BB-	-	-	-	-	-
no rating	-	-	-	2	96
Total:	1 288	63 444	13 576	2	96

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

	State companies debt securities	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
Group 31-12-2011					
from AA-to AAA	-	-	-	-	-
from A- to A+	-	-	-	-	-
from BBB- to BBB+	-	16 216	-	-	-
from BB- to BB+	-	-	-	-	-
below už BB-	-	-	-	60	-
no rating	-	-	-	213	85
Total:	-	16 216	-	273	85

	State companies debt securities	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
Group 31-12-2010					
from AA-to AAA	-	-	1 689	-	-
from A- to A+	-	-	4 170	-	-
from BBB- to BBB+	1 288	63 444	6 885	-	-
from BB- to BB+	-	-	832	-	-
below už BB-	-	-	-	-	-
no rating	-	-	2 920	2	96
Total:	1 288	63 444	16 496	2	96

Investment securities

Securities available-for-sale:

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Debt securities				
Private enterprise bonds the Republic of Lithuania	0	0	3 216	3 216
Government bonds of the Republic of Lithuania	10 602	10 602	46 594	46 594
Government bonds of foreign states	19 777	19 777	27 595	27 595
Private enterprise bonds of foreign states	0	0	10 221	10 221
Equity securities				
Listed equity securities	-	-	-	-
Unlisted equity securities	4 940	1 391	15 614	1 391
Units of funds	298	298	358	358
Total:	35 617	32 068	103 598	89 375

Securities held-to-maturity

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Debt securities				
Private enterprise bonds the Republic of Lithuania	3 068	-	6 420	-
Government bonds of the Republic of Lithuania	263 045	263 045	166 602	166 602
Government bonds of foreign states	24 144	24 144	29 250	29 250
Private enterprise bonds of foreign states	16 092	16 092	11 783	11 783
Total:	306 349	303 281	214 055	207 635

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

	Treasury bills	Municipality debt securities	Corporate debt securities
Bank 31-12-2011			
from AA-to AAA	8 106	-	6 798
from A- to A+	10 686	-	-
from BBB- to BBB+	263 045	0	9 294
from BB- to BB+	5 352	-	-
below už BB-	-	-	-
no rating	-	-	-
Total:	287 189	-	16 092

	Treasury bills	Municipality debt securities	Corporate debt securities
Bank 31-12-2010			
from AA-to AAA	8 120	-	-
from A- to A+	10 662	-	6 785
from BBB- to BBB+	173 666	709	4 998
from BB- to BB+	2 695	-	-
below už BB-	-	-	-
no rating	-	-	-
Total:	195 143	709	11 783

	Treasury bills	Municipality debt securities	Corporate debt securities
Group 31-12-2011			
from AA-to AAA	8 106	-	6 798
from A- to A+	10 686	-	-
from BBB- to BBB+	263 045	0	9 294
from BB- to BB+	5 352	-	-
below už BB-	-	-	-
no rating	-	-	3 068
Total:	287 189	-	19 160

	Treasury bills	Municipality debt securities	Corporate debt securities
Group 31-12- 2010			
from AA-to AAA	8 120	-	-
from A- to A+	10 662	-	6 785
from BBB- to BBB+	173 666	709	4 998
from BB- to BB+	2 695	-	-
below už BB-	-	-	-
no rating	-	-	6 420
Total:	195 143	709	18 203

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Investments in subsidiaries, associates

	31-12-2011		
	Share in equity %	Acquisition cost	Carrying value
ŠB Lizingas UAB	100	5 000	2 000
ŠB Investicijų Valdymas UAB	100	4 040	3 113
ŠB Turto Fondas UAB	100	5 117	4 271
Minera UAB	100	5 505	5 505
SBTF UAB	100	2 000	2 000
Total:		21 662	16 889

	31-12-2010		
	Share in equity %	Acquisition cost	Carrying value
ŠB Lizingas UAB	100	5 000	2 000
ŠB Investicijų Valdymas UAB	100	4 040	3 113
ŠB Turto Fondas UAB	100	5 117	4 271
Minera UAB	100	5 505	5 505
SBTF UAB	100	2 000	2 000
Total:		21 662	16 889

Within 2009 value decrease of LTL 4 773 thousand (among them covered activity's loss of Šiaulių banko lizingas UAB comprises LTL 3000 thousand, value decrease of Šiaulių banko turto fondas UAB – LTL 846 thousand, Šiaulių banko investicijų valdymas UAB – LTL 927 thousand) was acknowledged in the balance of Šiaulių bankas AB as well as in the profit (loss) report.

Associates

	31-12-2011		
	Share in equity %	Acquisition cost	Carrying value
Pavasaris UAB (equity method)	50	18 381	18 392

NOTE 7 OTHER ASSETS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Assets held for sale	37 135	-	42 961	-
Amounts receivable	23 125	116	35 254	12 025
Deferred expenses	3 031	2 399	2 791	2 528
Prepayments	2 895	2 295	4 491	918
Foreclosed assets	2 686	1 980	1 442	246
Other	2 226	791	1 533	399
Total:	71 098	7 581	88 472	16 116

In 2010 Kėdainių oda UAB, a company controlled by the subsidiary of the Bank Šiaulių banko investicijų valdymas UAB, has become material to the Group and therefore is consolidated in these financial statements. The management of the Bank is taking steps to sell the investment into Kėdainių oda UAB in the near future, therefore assets, liabilities and profit and loss related to this subsidiary are disclosed in these financial statements as related to the subsidiary that is held for sale.

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Note 7 continued

Sales income	10 933
Cost of goods sold	(9 869)
Gross profit (loss)	1 064
Sales and marketing expenses	-
Operating expenses	(2 034)
Other income (expenses)	5
Operating profit (loss)	(965)
Net profit (loss) from financial activities	-
(Loss) profit before income tax	(965)
Income tax	280
(Loss) profit from before impairment provision	(685)
(Loss) related to an impairment provision regarding the impairment of assets held (see below)	-
Net profit (loss) for the year	(685)

Identified that the recoverable amount is not lower than the book value of the assets therefore no impairment has been recognised.

Long term assets	9 805
Short term assets (except for cash & cash equivalents)	3 856
Cash & cash equivalents	0
Deferred income tax assets	338
Total assets	13 999
Long term liabilities	0
Short term liabilities	1 296
Total liabilities	1 296
Total net assets related to discontinued operations	12 703
Net assets attributable to Group	12 703

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 8 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Correspondent accounts and deposits of other banks and financial institutions:				
Correspondent accounts and demand deposits	21 313	21 324	26 417	26 441
Time deposits	75 653	75 653	62 317	62 317
Total:	96 966	96 977	88 734	88 758
Loans received:				
Loans from other banks	72 206	72 206	89 919	89 919
Loans from international organisations	80 364	80 364	57 251	57 251
Loans from financial institutions	221 353	221 353	133 163	133 163
Total:	373 923	373 923	280 333	280 333
Total:	470 889	470 900	369 067	369 091

NOTE 9 DUE TO CUSTOMERS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Demand deposits:				
National government institutions	28 256	28 256	28 388	28 388
Local government institutions	28 961	28 961	58 364	58 364
Governmental and municipal companies	32 932	32 932	49 940	49 940
Corporate entities	201 943	202 194	127 925	128 020
Non-profit organisations	10 755	10 755	8 361	8 361
Individuals	158 431	158 431	129 131	129 131
Unallocated amounts due to customers	12 668	12 668	3 698	3 698
Total demand deposits:	473 946	474 197	405 807	405 902
Time deposits:				
National government institutions	3 336	3 336	10 037	10 037
Local government institutions	1 185	1 185	801	801
Governmental and municipal companies	85 020	85 020	102 771	102 771
Corporate entities	171 690	170 729	154 510	154 510
Non-profit organisations	8 442	8 442	8 589	8 589
Individuals	1 151 258	1 151 258	989 784	989 784
Total time deposits:	1 420 931	1 419 970	1 266 492	1 266 492
Total:	1 894 877	1 894 167	1 672 299	1 672 394

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 10 SPECIAL AND LENDING FUNDS

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Special funds	5 439	5 439	9 289	9 289
Lending funds	11 461	11 461	18 722	18 722
Total:	16 900	16 900	28 011	28 011

Special funds consist of compulsory social security and health insurance funds. Special funds have to be available to their contributors on their first demand. Lending funds consist of loans from banks and financial institutions for granting of special purpose credits.

NOTE 11 DEBT SECURITIES IN ISSUE

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
260 days coupon bonds in LTL with rate of 3,8 per cent, maturity 05-07-2011	-	-	5 291	5 291
276 days coupon bonds in LTL with rate of 4,5 per cent, maturity 07-05-2012	15 274	15 274	-	-
555 days coupon bonds in LTL with rate of 5,25 per cent, maturity 06-03-2013	15 268	15 268	-	-
505 days coupon bonds in LTL with rate of 4,25 per cent, maturity 03-01-2013	6 936	6 936	-	-
367 days coupon bonds in LTL with rate of 4,9 per cent, maturity 24-09-2012	7 787	7 787	-	-
547 days coupon bonds in LTL with rate of 4,5 per cent, maturity 29-05-2013	19	19	-	-
Total:	45 284	45 284	5 291	5 291

NOTE 12 OTHER LIABILITIES

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Accrued charges	6 073	5 351	3 399	2 934
Deferred income	1 182	787	922	519
Advances received from the buyers of assets	1 322	-	1 699	-
Amounts payable for finance lease agreements	3 922	-	1 503	-
Payable dividends	41	41	67	67
Other liabilities	2 300	528	293	200
Total:	14 840	6 707	7 883	3 720

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 13 SHARE CAPITAL

As of 3 December 2011 the Bank's share capital comprised 234 857 533 ordinary registered shares with par value of LTL 1 each. Authorized capital was registered in the Register of Legal Entities on 4 August 2011, by additional contributions in the amount of LTL 30 million .

Shareholders including the European Bank for Reconstruction and Development, Trade-house Aiva UAB, Mintaka UAB, Company Group Alita AB, Algirdas Butkus, Gintaras Kateiva, Arvydas Salda, Kastytis Jonas Vyšniauskas, Sigitas Baguckas, Vigintas Butkus, Vytautas Junevičius, Justas Baguckas, Audrius Žiugžda, Arūnas Užupis, Daiva Kiburienė, Vita Adomaitytė and Donatas Savickas comprise the group of shareholders, whose votes are calculated jointly. As of 30 September 2011, this group possessed 43.46 percent of the authorised capital and votes of the Bank.

As of 31 December 2011, the Bank had 3 805 shareholders (31 December 2010 - 3 601).

Shareholder	Share of votes held together with the related persons, %
The European Bank for Reconstruction and Development (EBRD);	19,57
Gintaras Kateiva	6,24

Share premium

The share premium represents the difference between the issue price and nominal value of the shares issued by the Bank. Share premium can be used to increase the Bank's authorised share capital.

Reserve capital

The reserve capital is formed from the Bank's profit and its purpose is to ensure the financial stability of the Bank. The shareholders may decide to use the reserve capital to cover losses incurred.

Statutory reserve

According to the Law of the Republic of Lithuania on Banks, allocations to the statutory reserve shall be compulsory and may not be less than 1/20 of the profit available for appropriation. The statutory reserve may, by a decision of the annual or extraordinary general meeting of the shareholders, be used only to cover losses of the activities.

Dividends

In 2010, 2011 the annual general meeting of shareholders decided to not to pay dividends.

General reserve to cover possible losses in assets

This reserve is formed from the Bank's profit or additional contributions of shareholders. The purpose of reserve is to cover losses incurred because of the risk related to the major activity of the Bank.

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. The Group and the Bank have no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share.

Bank	31-12-2011	31-12-2010
Profit (loss) for the year attributable to equity holders of the Bank (in LTL thousand)	12 812	(24 149)
Weighted average number of issued shares (thousand of shares)	211 121	193 245
Basic earnings per share (in LTL per share)	0,06	-0,12

Group	31-12-2011	31-12-2010
Profit (loss) for the year attributable to equity holders of the Bank (in LTL thousand)	13 023	(28 292)
Weighted average number of issued shares (thousand of shares)	211 121	193 245
Basic earnings per share (in LTL per share)	0,06	-0,15

NOTE 14 NET INTEREST INCOME

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Interest income:				
on loans to other banks and financial institutions and placements with credit institutions	2 059	6 693	1 122	7 072
on loans to customers	92 861	91 882	83 838	84 193
on debt securities	17 907	17 505	16 942	16 114
on finance leases	7 975	0	8 527	0
Total interest income	120 802	116 080	110 429	107 379
Interest expense:				
on liabilities to other banks and financial institutions and amounts due to credit institutions	(13 693)	(13 693)	(7 300)	(7 206)
on customer deposits and other repayable funds	(43 166)	(43 168)	(63 713)	(63 713)
on debt securities issued	(853)	(853)	(243)	(243)
compulsory insurance of deposits	(8 312)	(8 312)	(7 378)	(7 378)
Total interest expense	(66 024)	(66 026)	(78 634)	(78 540)
Net interest income	54 778	50 054	31 795	28 839

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 15 NET FEE AND COMMISSION INCOME

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Fee and commission income:				
for money transfer operations	8 918	9 008	7 456	7 565
for payment card services	1 858	1 872	1 618	1 621
for base currency exchange	1 672	1 681	1 373	1 373
for operations with securities	145	145	130	130
other fee and commission income	1 615	1 446	1 901	1 636
Total fee and commission income	14 208	14 152	12 478	12 325
Fee and commission expense:				
for payment card services	(4 108)	(4 108)	(3 089)	(3 089)
for money transfer operations	(1 518)	(1 497)	(1 297)	(1 217)
for operations with securities	(80)	(80)	(69)	(69)
for base currency exchange	(3)	(3)	(2)	(2)
other fee and commission expenses	(15)	(15)	(10)	(10)
Total fee and commission expense	(5 724)	(5 703)	(4 467)	(4 387)
Net fee and commission income	8 484	8 449	8 011	7 938

NOTE 16 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Salaries, social security and other related expenses	(25 649)	(22 059)	(18 059)	(15 464)
Rent and maintenance of premises	(4 182)	(4 074)	(3 531)	(3 451)
Office equipment maintenance	(1 068)	(1 047)	(983)	(974)
Depreciation of fixed tangible assets	(4 299)	(3 177)	(4 121)	(3 060)
Amortisation of intangible assets	(243)	(235)	(266)	(262)
Transportation, post and communications expenses	(2 230)	(1 982)	(2 044)	(1 762)
Real estate tax and other taxes	(1 603)	(280)	(1 014)	(246)
Advertising and marketing expenses	(819)	(772)	(358)	(330)
Training and business trip expenses	(120)	(75)	(38)	(30)
Charity	(238)	(207)	(121)	(96)
Service organisation expenses	(665)	(617)	(627)	(591)
Other operating expenses	(2 608)	(2 111)	(2 859)	(2 306)
Total:	(43 724)	(36 636)	(34 021)	(28 572)

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 17 RELATED-PARTY TRANSACTIONS

Related parties with the Bank include the members of the Bank's Supervisory Council and Board, shareholders acting jointly in accordance with the Agreement of Shareholders, the close family members of these related parties, legal entities that are controlled, jointly controlled or can be significantly influenced by, or for which significant voting power in such entities resides with the above mentioned related parties and subsidiary companies of the Bank.

In the ordinary course of business the Bank performs banking transactions with major shareholders, members of the Council and the Board, as well as with the subsidiaries.

During 2010, 2011 a certain number of banking transactions were entered into with related parties in the ordinary course of business. These transactions include settlements, loans, 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:

	Balances of deposits	31-12-2011 Balances of loans	Balances of deposits	31-12-2010 Balances of loans
Members of the Council and the Board	1 823	6 437	921	6 784
Other related parties (excluding subsidiaries of the Bank)	11 454	180 465	4 705	233 488
Total:	13 277	186 902	5 626	240 272

Transactions with EBRD:

The balance of the Bank's loans received from the EBRD . As of December 31 th 2011 the total value of the EBRD loan was LTL 91 791 thou (in 31-12-2010 – LTL 95 950 thou). The interest related with the loan as well as other expenses comprised LTL 5 283 thou on 31 DEcember 2011 (LTL 3 029 thou on 31 December 2010).

Balances of transactions with the subsidiaries are given below:

	Balances of deposits	31-12-2011 Balances of loans	Balances of deposits	31-12-2010 Balances of loans
Non-financial institutions	251	141 864	95	128 466
Financial institutions	11	173 567	24	118 772
Total:	262	315 431	119	247 238

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Transactions with subsidiaries:

Assets	31-12-2011	31-12-2010
Loans	315 431	247 238
Other assets	25	21
Liabilities and shareholders' equity		
Demand deposits	262	119
Bank's investment	16 889	16 889
Other liabilities	50	-
	31-12-2011	31-12-2010
Income		
Interest	9 486	9 840
Commission income	166	207
Income from foreign exchange operations	8	6
Dividends	-	-
Other income	255	192
Expenses		
Interest	(5)	-
Commission charges	-	-
Operating expenses	(198)	(36)

NOTE 18 CAPITAL MANAGEMENT

The capital of the Group is calculated and allocated for the risk coverage following the General Regulations for the Calculation of Capital Adequacy approved by the Bank of Lithuania Board. The Group's objectives when managing capital are as follows:

- 1) to comply with the capital requirements set by the Bank of Lithuania as well as the higher target capital requirements set by the major shareholder,
- 2) to safeguard the Bank's and the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders,
- 3) to support the development of the Group's business with the help of the strong capital base.

Capital adequacy and the use of the regulatory capital are monitored on a daily basis and information regarding capital adequacy is submitted to the supervising authority quarterly in accordance with the Bank of Lithuania requirements.

The Bank of Lithuania has set the following minimum capital requirements:

- 1) minimum level of capital held must be no less than 5 mill EUR,
- 2) minimum capital adequacy ratio, calculated as the regulatory capital to the risk-weighted assets, must be no less than 8%. Capital adequacy (solvency) ratio is calculated as a ratio of the capital of the Bank and the capital required to cover credit, trading book and operating risks multiplied by 0.08 and presented in percentage points.

Additional capital need for credit, operational, market and liquidity risk is subject to the regular stress-testing and Internal Capital Adequacy Assessment processing.

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

The Group's regulatory capital is divided into two tiers:

- 1) tier 1 capital consists of the share capital, share premium, reserve capital, retained earnings of the previous financial year and less the intangible assets,
- 2) tier 2 capital consists of the revaluation reserves of the fixed and financial assets, other reserves.

The regulatory capital is calculated as the sum of the previously mentioned tier 1 and tier 2 capital less the investments in other credit or financial institution.

The risk-weighted assets are measured by means of nine risk weights classified according to the nature of each assets and counterpart, taking into account collaterals and guarantees eligible for risk mitigation. A similar treatment with some adjustments is adopted for the off-balance sheet exposures. Capital requirements for operational risk are calculated using the Basic Indicator Approach.

The table below summarizes the composition of regulatory capital and the ratios of the Bank and Group as of December 31 th 2011 and of December 31 st 2010. During those two years, the Group complied with capital requirements to which it is subject.

	31-12-2011		31-12-2010	
	Group	Bank	Group	Bank
Tier 1 capital				
Ordinary shares	234 858	234 858	204 858	204 858
Share premium	47 861	47 861	46 661	46 661
Reserve capital	2 611	2 611	2 611	2 611
Previous year's retained earnings	(3 913)	-	8 678	8 375
Not audited result	-	-	(28 292)	(24 149)
Others reserve	960	648	16 667	16 422
Less: financial assets revaluation reserve	(1 182)	(1 182)	(2)	-
Less: Intangible assets	(916)	(894)	(608)	(606)
Total Tier 1 capital	280 279	283 902	250 573	254 172
Tier 2 capital				
85 % financial assets revaluation reserve	-	-	-	1 164
Total Tier 2 capital	-	-	-	1164
Less Investments in other credit or financial institutions	-	(1 647)	-	(1 762)
Total capital:	280 279	282 255	250 573	253 574
Capital requirement:				
Standardised approach credit risk	157 723	158 179	131 965	131 810
Traded debt instruments	140	140	2 039	1 784
Equities	57	57	12	12
Foreign exchange risk exposure	7 149	7 097	1 882	3 050
Operational risk by Basic indicator's method	8 199	7 500	8 084	7 600
Total capital requirement:	173 268	172 973	143 982	144 256
Capital ratio, %	12,94	13,05	13,92	14,06

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 19 LIQUIDITY

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.

The liquidity risk management

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. While managing the liquidity risk the relatively small size of the Bank has both positive and negative features. On the one part, in case of liquidity problems, the demand for total funds is rather small in terms of banking system, therefore, they are solved easily. On the other part, in case of liquidity problems the Bank's ability to borrow from the market may decrease significantly. Due to that fact the Bank possesses a significant Debt Securities Portfolio, which is of high liquidity.

The liquidity risk management is regulated by the Liquidity Risk Management Procedures 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.

As of December 31 th 2011 the above Group's ratio was 37,25 per cent (31-12-2010 - 44,61 per cent), and the Bank's – 38,36 per cent (31-12-2010 – 46,00 per cent.).

The tables below disclose the assets and liabilities as of March 31 st 2011 according to their remaining maturity defined in the agreements. However, the real 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 December 31 th 2011 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	222 525	49 599	142 602	143 921	341 430	794 110	848 365	196 474	2 739 026
Total liabilities and shareholder's equity	494 221	257 400	305 333	419 574	531 380	330 772	102 586	297 760	2 739 026
Net liquidity gap	(271 696)	(207 801)	(162 731)	(275 653)	(189 950)	463 338	745 779	(101 286)	-

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

The structure of the Group's liabilities by maturity as of December 31 st 2010 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	200 493	71 911	166 600	220 779	182 505	694 686	613 428	184 212	2 334 614
Total liabilities and shareholder's equity	441 626	222 179	293 816	389 547	403 823	158 886	171 441	253 296	2 334 614
Net liquidity gap	(241 133)	(150 268)	(127 216)	(168 768)	(221 318)	535 800	441 987	(69 084)	-

The structure of the Bank's liabilities by maturity as of December 31 th 2011 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	222 351	76 612	186 008	199 346	431 067	734 770	754 709	126 703	2 731 566
Total liabilities and shareholder's equity	493 393	251 330	305 047	418 990	530 415	330 554	102 586	299 251	2 731 566
Net liquidity gap	(271 042)	(174 718)	(119 039)	(219 644)	(99 348)	404 216	652 123	(172 548)	-

The structure of the Bank's liabilities by maturity as of December 31st 2010 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	200 395	98 072	209 978	277 703	229 332	628 540	556 100	134 534	2 334 654
Total liabilities and shareholder's equity	440 819	219 918	293 685	389 381	403 439	158 594	171 441	257 377	2 334 654
Net liquidity gap	(240 424)	(121 846)	(83 707)	(111 678)	(174 107)	469 946	384 659	(122 843)	-

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Non-derivative cash flow

Undiscounted cash flows in the table below describe presumable liability side outflows which are represented by nominal contract amounts together with accrued interest till the end of the contract.

	maturity undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	more than 5 years	Total:
Group 31-12-2011							
Liabilities							
Due to banks	-	54 924	45 021	77 940	274 685	42 474	495 044
Due to customers	-	680 316	260 912	852 466	101 969	7 818	1 903 481
Debt securities in issue	-	-	-	23 574	23 778	-	47 352
Special and lending fund	-	6 218	36	6 351	4 677	-	17 282
Total liabilities (contractual maturity dates)	-	741 458	305 969	960 331	405 109	50 292	2 463 159
Group 31-12-2010							
Liabilities							
Due to banks	-	32 428	21 950	65 752	239 658	34 799	394 587
Due to customers	-	617 086	273 085	729 833	56 221	4 836	1 681 061
Debt securities in issue	-	-	-	5 392	-	-	5 392
Special and lending fund	-	10 160	167	1 309	16 318	637	28 591
Total liabilities (contractual maturity dates)	-	659 674	295 202	802 286	312 197	40 272	2 109 631

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

	maturity undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	more than 5 years	Total:
Bank 31-12-2011							
Liabilities							
Due to banks	-	54 935	45 021	77 940	274 685	42 474	495 055
Due to customers	-	680 567	260 912	851 505	101 969	7 818	1 902 771
Debt securities in issue	-	-	-	23 574	23 778	-	47 352
Special and lending fund	-	6 218	36	6 351	4 677	-	17 282
Total liabilities (contractual maturity dates)	-	741 720	305 969	959 370	405 109	50 292	2 462 460

	maturity undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	more than 5 years	Total:
Bank 31-12-2010							
Liabilities							
Due to banks	-	32 428	21 950	65 752	239 658	34 799	394 587
Due to customers	-	617 153	273 085	729 833	56 221	4 836	1 681 128
Debt securities in issue	-	-	-	5 392	-	-	5 392
Special and lending fund	-	10 160	167	1 309	16 318	637	28 591
Total liabilities (contractual maturity dates)	-	659 741	295 202	802 286	312 197	40 272	2 109 698

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

NOTE 20 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.

Foreign exchange risk

The foreign exchange risk management is regulated by the Procedures for Foreign Currency Risk Management. They include the list of types of sale and purchase transactions executed by the Group. Also they establish principles which help the Group to minimize the exposure to foreign exchange risk. The Group does not carry out speculative FX operations expecting to gain from favourable changes in currency exchange. The Bank's Board approves and reviews on a regular basis the maximum limits for open currency positions for the Bank's branches, subsidiaries and the Bank itself. The established limits are lower than those allowed by the Bank of Lithuania. The Bank's Treasury Department is responsible for the Group's compliance with the Procedures for Foreign Currency Risk Management.

The Group and the Bank monitors the foreign currency risk by calculating open currency position. Open currency position (OCP) is equal to assets in the balance sheet and off-balance sheet less balance sheet and off-balance sheet liabilities in a single currency. There are two types of OCP, i.e. long and short. The Bank also calculates Total open position (TOP), which is the higher of the separately added short and long positions. As of December 31 th 2011 the TOP to capital ratio was: Group's – 0,50 % (31-12-2010: 0,55 %), Bank's – 0,49 % (31-12-2010: 0,55 %).

Sensitivity of foreign exchange risk

Foreign exchange (FX) risk is limited by amounts of open FX positions. For calculation of sensitivity to FX risk all exposures shall be converted into possible loss, i.e. open FX position is multiplied by possible FX rate change. The FX risk parameters for the Group (Bank) have been established in view of the maximum fluctuations of currency exchange rate in 2010 and prognosis that exchange rate fluctuations will remain similar in 2011. The Group does not evaluate FX risk on open EUR position as LTL is pegged to EUR at a fixed rate (see General information).

Currency	Annual reasonable shift 2012	Annual reasonable shift 2011
USD	7%	9%
GBP	4,5%	6%
DKK	0,5%	1%
SEK	3%	7%
LVL	1%	1%
other currencies	6,5%	6%

The following table presents Group (Bank) sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the balance sheet date, with all other variables held constant:

	31-12-2011		31-12-2010	
	Impact on profit or loss, on equity		Impact on profit or loss, on equity	
	Group	Bank	Group	Bank
USD	6	6	36	41
GBP	1	1	4	4
DKK	1	1	2	2
SEK	13	13	11	11
LVL	2	2	1	1
other currencies	31	31	31	31
Total:	54	54	85	90

The presumable FX rate change creates acceptable impact on the Bank's profit and makes LTL 54 thousand in 2011 (2010: LTL 90 thousand) and the Group's annual profit and makes LTL 54 thousand in 2011 (2010: LTL 85 thousand) higher/lower impact on profit.

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(all amounts are in LTL thousand, unless otherwise stated)

The Group's open positions of prevailing currencies as of December 31 th 2011 were as follow:

	USD	Others currencies	Total currencies:	EUR	LTL	Total:
Assets	70 866	4 374	75 240	849 083	1 814 703	2 739 026
Liabilities and shareholder's equity	72 816	2 192	75 008	760 067	1 903 951	2 739 026
Net balance sheet position	(1 950)	2 182	232	89 016	(89 248)	-
Currency swaps	1 869	(826)	1 043	(1 045)	-	(2)
Net open position	(81)	1 356	1 275	87 971	(89 248)	(2)

The Group's open positions of prevailing currencies as of December 31st 2010 were as follow:

	USD	Others currencies	Total currencies:	EUR	LTL	Total:
Assets	44 367	1 747	46 114	740 304	1 548 196	2 334 614
Liabilities and shareholder's equity	43 131	922	44 053	718 949	1 571 612	2 334 614
Net balance sheet position	1 236	825	2 061	21 355	(23 416)	-
Currency swaps	(783)	-	(783)	783	-	-
Net open position	453	825	1 278	22 138	(23 416)	-

The Bank's open positions of prevailing currencies as of December 31 th 2011 were as follow:

	USD	Others currencies	Total currencies:	EUR	LTL	Total:
Assets	70 865	4 374	75 239	848 030	1 808 297	2 731 566
Liabilities and shareholder's equity	72 816	2 192	75 008	759 656	1 896 902	2 731 566
Net balance sheet position	(1 951)	2 182	231	88 374	(88 605)	-
Currency swaps	1 869	(826)	1 043	(1 045)	-	(2)
Net open position	(82)	1 356	1 274	87 329	(88 605)	(2)

FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

(all amounts are in LTL thousand, unless otherwise stated)

Žemiau pateiktos Banko atviros pagrindinių valiutų pozicijos 2010 m. gruodžio 31 d.:

	USD	Others currencies	Total currencies:	EUR	LTL	Total:
Assets	44 366	1 747	46 113	754 584	1 533 957	2 334 654
Liabilities and shareholder's equity	43 131	922	44 053	718 628	1 571 973	2 334 654
Net balance sheet position	1 235	825	2 060	35 956	(38 016)	-
Currency swaps	(783)	-	(783)	783	-	-
Net open position	452	825	1 277	36 739	(38 016)	-

Interest rate risk

An interest rate risk is a risk to incur losses because of the mismatch of re-evaluation possibility between the Bank's assets and liabilities. The risk management is regulated by the Procedures for Interest Rate Risk Management which establish methods of risk measurement and set up measures for risk management. These procedures define that:

- > the Bank observes the principle to avoid the speculation with future interest rates;
- > the risk size is evaluated applying a pattern of interest rate gap (GAP);
- > planning and Financial Risk Department provides the information on regular basis to Risk Management Committee about compliance with relative gap limits and submits proposals to the Bank's Board regarding the establishment of interest rates for credits and deposits.

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.

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(all amounts are in LTL thousand, unless otherwise stated)

Group 31-12-2011

	Demand and less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	398 784	560 439	772 547	139 569	384 241	483 446	2 739 026
Liabilities and shareholder's equity	415 875	397 950	490 584	488 768	110 208	835 641	2 739 026
Net interest sensitivity gap at 30 June 2010	(17 091)	162 489	281 963	(349 199)	274 033	(352 195)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(164)	1 354	1 762	(873)	-	-	2 079

Group 31-12-2010

	Demand and less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	266 843	487 776	671 754	58 343	398 490	451 408	2 334 614
Liabilities and shareholder's equity	303 182	402 234	461 783	384 335	59 414	723 666	2 334 614
Net interest sensitivity gap at 31 December 2010	(36 339)	85 542	209 971	(325 992)	339 076	(272 258)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(348)	713	1 312	(815)	-	-	862

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(all amounts are in LTL thousand, unless otherwise stated)

Bank 31-12-2011

	Demand and less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	416 797	574 807	756 739	247 141	380 596	355 486	2 731 566
Liabilities and shareholder's equity	415 875	397 950	490 184	488 218	110 208	829 131	2 731 566
Net interest sensitivity gap at 30 June 2010	922	176 857	266 555	(241 077)	270 388	(473 645)	-
Higher/lower impact on profit from balance sheet assets and liabilities	9	1 474	1 666	(603)	-	-	2 546

Bank 31-12-2010

	Demand and less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	287 795	488 439	706 037	119 611	394 568	338 204	2 334 654
Liabilities and shareholder's equity	303 182	402 234	461 783	384 335	59 414	723 706	2 334 654
Net interest sensitivity gap at 31 December 2010	(15 387)	86 205	244 254	(264 724)	335 154	(385 502)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(147)	718	1 527	(662)	-	-	1 436

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(all amounts are in LTL thousand, unless otherwise stated)

Operational risk

The goals of the Bank's operational risk management include such areas as implementation of the internal control, processes and measures of the operational risk mitigation, prevention of accidents and losses; proper identification and assessment of the operational risks; concentration of funds and time on the establishment and management of the major operational risk sources in every area of the Bank's activity; proper arrangement of the internal control environment and monitoring constantly reviewing the applied methods and learning from the past.

Operational risk management system at the Bank covers all the areas of banking activities: work with cash (cash values), investment services (deposits, investment and pension funds), account payments (bank accounts, direct debit, fee collection), e-banking (SB linija, SMS bank, payment card), credits (credits, factoring, guarantees and documentary settlements), leasing, trading in foreign currency, etc.

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.

Considering the nature and scope of the banking activities, the following key sources of the operational risk are distinguished within the Bank:

1. Information systems (technical and software equipment, disorders in telecommunication systems, etc.)
2. Influence of human factors:
 - 2.1. A suspected unintended error or action of an employee;
 - 2.2. The bank's employees errors without establishing a motive of action;
 - 2.3. Suspected illegal actions, fraud, deceit made by the bank's employees;
 - 2.4. Illegal actions, fraud, deceit made by non- bank's employees.
3. Working conditions (violation of the safe working conditions, etc.)
4. The forces of nature.

In order to collect information about operational risk events, the Bank accumulates the historical data related to operational risk and losses caused by it. For this purpose the Operational Risk Event Registration procedure is approved by the Bank's Board.

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.

The Bank's operational risk management system is supplemented by the Bank's Activity Continuity Plan and the Information Security and Emergency Management systems created and installed by the Information technologies agency "Blue Bridge".

Referring to the scope of the Bank's activities and possibilities to take advantage of the historical data with regard to operational risk, the Bank has decided to apply a basic indicator approach indicated in the regulations for the Capital adequacy ratios.

Stress tests

Besides the regular assessment of the risks and the capital requirement calculation the Group also performs stress tests for the credit, liquidity, market (interest rate and currency), and operational risks. During this process it is determined if the Bank's capital is sufficient to cover the possible losses which may occur because of the financial status impairment. The stress testing is performed once a year in accordance with the requirements set by the Bank of Lithuania.

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(all amounts are in LTL thousand, unless otherwise stated)

21 NOTE SEGMENT INFORMATION

Business segments

Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as at 31 December 2011 and in the statement of comprehensive income :

	Banking	Leasing	Investment management	Real estate development	Eliminations	Total:
Internal	9 481	(4 628)	(1 319)	(3 534)	-	-
External	40 570	10 091	1 075	3 042	-	54 778
Net interest income	50 051	5 463	(244)	(492)	-	54 778
Internal	9 647	(4 772)	(1 320)	(3 555)	-	-
External	48 853	10 072	1 195	3 142	-	63 262
Net interest, fee and commissions income	58 500	5 300	(125)	(413)	-	63 262
Provision expenses	(9 561)	(599)	313	(568)	-	(10 415)
Internal	(198)	(194)	(50)	(46)	488	-
External	(33 026)	(2 966)	(634)	(2 556)	-	(39 182)
Operating expenses	(33 224)	(3 160)	(684)	(2 602)	488	(39 182)
Amortisation charges	(235)	(7)	-	(1)	-	(243)
Depreciation charges	(3 177)	(1 000)	(14)	(108)	-	(4 299)
Internal	263	167	17	41	(488)	-
External	1 946	592	555	3 421	-	6 514
Net other income	2 209	759	572	3 462	(488)	6 514
Profit before tax	14 512	1 293	62	(230)	-	15 637
Losses from discontinued operations	-	-	-	-	(685)	(685)
Income tax	(1 700)	(147)	-	(82)	-	(1 929)
Profit per segment after tax	12 812	1 146	62	(312)	(685)	13 023
Profit for the year attributable to equity holders of the Bank	12 812	1 146	62	(312)	(685)	13 023
Total segment assets	2 731 566	184 457	38 330	149 212	(364 539)	2 739 026
Total segment liabilities	2 433 958	180 931	33 041	112 971	(316 677)	2 444 224
Net segment assets (shareholders' equity)	297 608	3 526	5 289	36 241	(47 862)	294 802

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Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as at 31 December 2010 and in the statement of comprehensive income:

	Banking	Leasing	Investment management	Real estate development	Eliminations	Total:
Internal	9 841	(5 950)	(1 663)	(2 228)		-
External	18 998	10 470	840	1 487		31 795
Net interest income	28 839	4 520	(823)	(741)	-	31 795
Internal	10 048	(6 151)	(1 664)	(2 233)		-
External	26 729	10 395	870	1 812		39 806
Net interest, fee and commissions income	36 777	4 244	(794)	(421)	-	39 806
Provision expenses	(43 915)	(1 916)	3	(203)		(46 031)
Internal	36	(164)	(35)	(32)	195	-
External	(25 286)	(1 858)	(605)	(1 885)		(29 634)
Operating expenses	(25 250)	(2 022)	(640)	(1 917)	195	(29 634)
Amortisation charges	(262)	(2)	-	(2)		(266)
Depreciation charges	(3 060)	(945)	(14)	(102)		(4 121)
Internal	198	(1)	3 507	(64)	(3 640)	-
External	6 557	809	(251)	1 589		8 704
Net other income	6 755	808	3 256	1 525	(3 640)	8 704
Profit before tax	(28 955)	167	1 811	(1 120)	(3 445)	(31 542)
Income tax	4 806	38	-	-	-	4 844
Profit per segment after tax	(24 149)	205	1 811	(1 120)	(5 039)	(28 292)
Profit for the year attributable to equity holders of the Bank	(24 149)	205	1 811	(1 120)	(5 039)	(28 292)
Total segment assets	2 334 654	124 204	44 607	97 267	(266 118)	2 334 614
Total segment liabilities	2 078 507	121 824	39 490	92 841	(249 229)	2 083 433
Net segment assets (shareholders' equity)	256 147	2 380	5 117	4 426	(16 889)	251 181

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(all amounts are in LTL thousand, unless otherwise stated)

22 NOTE ADDITIONAL INFORMATION

Trade in shares of the bank's in regulated markets

The shares of Šiaulių bankas AB are quoted in the Official trading list of AB NASDAQ OMX Vilnius. ISIN code LT0000102253, the number of shares 204 857 533.

Changes in the share price within October – December month of 2011

(share price is provided in Euros because trade in shares from 22 November 2010 is performed in Euros):



Source: AB NASDAQ OMX Vilnius website

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000102253&list=2&date=2012-02-15&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&start_d=2&start_m=10&start_y=2011&end_d=31&end_m=12&end_y=2011

Changes in the share price within three years:



Source: AB NASDAQ OMX Vilnius website

http://www.nasdaqomxbaltic.com/market/?instrument=LT0000102253&list=2&date=2012-02-15&pg=details&tab=historical&lang=en¤cy=0&downloadcsv=0&start_d=1&start_m=1&start_y=2009&end_d=31&end_m=12&end_y=2011

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(all amounts are in LTL thousand, unless otherwise stated)

Price and turnover of shares during the 2011 years:

Quarter	Price of the last trading session, EUR	Maximum price, EUR	Minimum price, EUR	Turnover of shares, units	Turnover, million EUR
I-2011	0.327	0.353	0.312	3 428 636	1,118
II-2011	0.316	0.325	0.306	3 026 771	0,948
III-2011	0.270	0.344	0.260	6 880 750	2,095
IV-2011	0.245	0.292	0.230	4 563 345	1,181

Members of the collegial bodies

The Bank's Supervisory Council

- **Arvydas Salda** – the Chairman of the Council since 1999 (since 1991 until 1999 – member of the Council), a consultant of Šiaulių banko turto fondas UAB.
- **Sigitas Baguckas** – Deputy Chairman of the Council since 2000 (since 1991 until 2000 – member of the Council), procurist of Namų statyba UAB.
- **Gintaras Kateiva** – Member of the Supervisory Council since 2008, Director of Litagros mažmena UAB, Director General of Litagra UAB.
- **Kastytis-Jonas Vyšniauskas** – Member of the Supervisory Council since 1996, Chairman of the Board of Sulinkiai UAB;
- **Vigintas Butkus** – Member of the Supervisory Council since 2004, Director of Mintaka UAB, Director of trade house Aiva UAB.
- **Vytautas Junevičius** - Member of the Supervisory Council since 2006, Senior consultant of Alita AB.
- **Peter Reiniger** – Member of Supervisory Council since 2011, the European Bank for Reconstruction and Development (EBRD) managing director.

The Bank's Board

- **Algirdas Butkus** – Chairman of the Board, Deputy Chief Executive Officer;
- **Audrius Žiugžda** – Deputy Chairman of the Board, Chief Executive Officer;
- **Donatas Savickas** – Deputy Chairman of the Board, Deputy Chief Executive Officer, Head of Finance and Risk Management Division.;
- **Vita Adomaitytė** – Member of the Board, Chief Accountant, Head of Accounting and Reporting Division;
- **Daiva Kiburienė** – Member of the Board, Deputy Chief Executive Officer, Head of Šiauliai region;
- **Vytautas Sinius** - Member of the Board, Head of Corporate Banking Division;
- **Arūnas Užupis** – Member of the Board, Head of Retail Banking Division.

Name, surname	Beginning/end of tenure	Share of capital under the right of ownership, %	Share of votes together with the related entities, %
Arvydas Salda	Beginning 27-03-2008; End 2012	2,59	43,46
Sigitas Baguckas	Beginning 27-03-2008; End 2012	0,65	43,46
Kastytis Jonas Vyšniauskas	Beginning 27-03-2008; End 2012	0,98	43,46
Vigintas Butkus	Beginning 27-03-2008; End 2012	0,39	43,46
Vytautas Junevičius	Beginning 27-03-2008; End 2012	0,13	43,46
Peter Reiniger	Beginning 29-03-2011; End 2012	-	43,46
Gintaras Kateiva	Beginning 27-03-2008; End 2012	6,24	43,46
Algirdas Butkus	Beginning 27-03-2008; End 2012	4,79	43,46
Audrius Žiugžda	Beginning 22-01-2011; End 2012	0,56	43,46
Donatas Savickas	Beginning 27-03-2008; End 2012	0,10	43,46
Vita Adomaitytė	Beginning 03/05/2011; End 2012	0,02	43,46
Daiva Kiburienė	Beginning 27-03-2008; End 2012	0,05	43,46
Vytautas Sinius	Beginning 11-08-2011; End 2012	0,06	43,46
Arūnas Užupis	Beginning 10/03/2011; End 2012	0,11	43,46

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(all amounts are in LTL thousand, unless otherwise stated)

The most important events during the accounting period

- Since October 2011 Siauliu bankas has joined the joint ATM network of Ūkio bankas, „Citadele“ bankas, Nordea and Danske banks. It is the fourth ATM network in Lithuania by size which covers 270 ATMs in forty seven towns of the country. The cardholders of all mentioned banks can use the joint ATMs under such conditions as applied by the bank that has issued a payment card.
- In November 2011 after bankruptcy of the bank „Snoras“ and turmoil in country's financial sector, the European Bank for Reconstruction and Development (EBRD) reiterated its confidence in Siauliu bankas and emphasized its on-going support to it. The partnership of The EBRD and Siauliu bankas has been started in 2000.
- On December 1, 2011 Siauliu bankas signed an extension of the agreement with the European Investment Fund (EIF) that would enable the bank to further expand the granting of the risk sharing loans under the JEREMIE Initiative to Lithuanian Small and Medium-sized Enterprises (SMEs) by EUR 20 million.
- On December 14, 2011 Siauliu bankas started paying the insurance benefits to the enterprises- former clients of Siauliai branch of the bankrupt bank “Snoras” in compliance with the agreement signed with the state undertaking “Insurance of Deposits and Investments”.

Data on the publicly disclosed information

- 19-10-2011 Unaudited activity result of Šiaulių Bankas AB and the Bank Group for 9 months of 2011;
- 10-11-2011 New bond issues;
- 23-11-2011 Regarding the assets in the bank “Snoras” AB;
- 30-11-2011 Interim information for 9 months of the year 2011;
- 01-12-2011 Regarding registration of non-equity securities;
- Reports regarding the transactions with the Bank's shares made by the Bank's senior management.

Šiaulių bankas AB has informed the Securities Commission of the Republic of Lithuania and Vilnius Stock Exchange (NASDAQ OMX Vilnius AB) about all the stock events in accordance with the procedures set by the Charter and the legal acts of the Republic of Lithuania, the reports were announced in the central regulated data base www.crib.lt and on Šiaulių bankas' website www.sb.lt.