

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

 EUR thousand
 30.09.2015

ASSETS	Group	Fin. group	Bank
Cash and cash equivalents	103 701	103 325	80 328
Due from other banks	26 398	26 368	26 368
Securities at fair value through profit or loss	60 488	33 788	23 417
Derivative financial instruments	7 634	7 634	7 003
Loans to customers	834 422	842 213	898 641
Finance lease receivables	56 976	56 991	1 382
Investment securities:			
- available-for-sale	23 723	23 673	23 126
- held-to-maturity	503 970	503 695	478 319
Investments in subsidiaries	-	17 679	35 405
Intangible assets	3 659	889	465
Property, plant and equipment	11 401	11 053	10 157
Investment property	16 543	4 668	3 484
Current income tax prepayment	10	9	-
Deferred income tax assets	867	762	159
Other assets	51 032	28 967	6 818
Assets classified as held for sale	3 440	16 089	16 089
Total assets	1 704 264	1 677 803	1 611 161
LIABILITIES			
Due to other banks and financial institutions	69 679	69 760	73 833
Derivative financial instruments	345	345	-
Subordinated loan	19 465	19 465	19 465
Due to customers	1 433 371	1 438 524	1 379 641
Special and lending funds	1 180	1 180	1 180
Current income tax liabilities	2 680	2 651	2 375
Deferred income tax liabilities	920	155	-
Other liabilities	39 694	15 046	7 925
Liabilities related to assets classified as held for sale	5 737	-	-
Total liabilities	1 573 071	1 547 126	1 484 419
EQUITY			
Share capital	91 226	91 226	91 226
Reserve capital	756	756	756
Statutory reserve	2 468	2 464	2 290
Financial assets revaluation reserve	(297)	(297)	(295)
Retained earnings	37 040	36 528	32 765
Total equity	131 193	130 677	126 742
Total liabilities and equity	1 704 264	1 677 803	1 611 161

THE GROUP'S AND BANK'S INCOME STATEMENT

 EUR thousand
30.09.2015

	Group	Fin. group	Bank
Interest and similar income	47 643	47 521	41 534
Interest expense and similar charges	(14 106)	(14 120)	(14 038)
Net interest income	33 537	33 401	27 496
Fee and commission income	8 661	8 762	8 305
Fee and commission expense	(3 004)	(2 974)	(2 622)
Net fee and commission income	5 657	5 788	5 683
Net loss from embedded derivatives	(2 903)	(2 903)	(2 908)
Net loss from changes in fair value of subordinated loan	(175)	(175)	(175)
Net (loss) gain on operations with securities	(378)	138	56
Net foreign exchange gain	2 553	2 182	1 991
Net gain from derecognition of financial assets	3 248	5 550	3 248
Net gain on disposal of tangible assets	2 426	2 501	2 563
Revenue related to other activities of group companies	10 009	-	-
Other operating income	1 311	803	470
Salaries and related expenses	(11 936)	(11 164)	(9 228)
Depreciation and amortization	(1 163)	(1 029)	(778)
Expenses related to other activities of group companies	(9 359)	-	-
Other expenses	(6 783)	(6 300)	(4 943)
Operating profit before impairment losses	26 044	28 792	23 475
Allowance for impairment losses on loans and other assets	(12 323)	(10 248)	(8 660)
Allowance for impairment losses on investments in subsidiaries	-	(13 185)	(14 363)
Dividends from investments in subsidiaries	-	15 477	18 373
Profit from continuing operations before income tax	13 721	20 836	18 825
Income tax (expense)	(2 742)	(2 729)	(2 254)
Profit from continuing operations	10 979	18 107	16 571
Profit (loss) from discontinued operations, net of tax	6,261	(656)	-
Net profit	17 240	17 451	16 571
Net profit attributable to:			
Owners of the Bank	17 240	17 451	16 571
from continuing operations	10 979	18 107	16 571
from discontinued operations	6 261	(656)	-
Non controlling interest	-	-	-
Basic earnings per share (in EUR per share) attributable to owners of the Bank	0.06		
from continuing operations	0.04		
from discontinued operations	0.02		
Diluted earnings per share (in EUR per share) attributable to owners of the Bank	0.05		
from continuing operations	0.03		
from discontinued operations	0.02		

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

 EUR thousand
30.09.2015

	Group	Fin. group	Bank
Net profit	17 240	17 451	16 571
Other comprehensive income			
Gain from revaluation of financial assets	(956)	(956)	(954)
Deferred income tax on loss from revaluation of financial assets	143	143	143
Other comprehensive income, net of tax	(813)	(813)	(811)
Total comprehensive income :	16 427	16 638	15 760
Total comprehensive income (loss) attributable to:			
Equity holders of the Bank	16 427	16 638	15 760
from continuing operations	10 166	17 294	15 760
from discontinued operations	6 261	(656)	-
Non controlling interest	-	-	-

Three Quarters Results of Šiaulių Bankas Group

- The Group earned an unaudited net profit of 17.2 million euros, the Bank - 16.6 million euros.
- Loan and finance lease portfolio grew by 7 per cent over Q3.
- The increase in authorized capital was registered.
- Intensive efforts toward customer service improvement and process optimisation.

The profit of Šiaulių Bankas Group increased over the first nine months of the year. The Group earned an unaudited net profit of 17.2 million euros - i.e. 69 per cent more than in the same period of the last year (10.2 million euros). The net profit of Šiaulių Bankas amounted to 16.6 million euros and increased by 74 per cent in comparison to the first three quarters of the previous year when the bank earned 9.5 million euros.

"For Šiaulių Bankas, the current year was exceptional and successful though full of changes. The euro adoption, declining prices of the payment services, rearrangements of the bank's organizational structure and its activities related to integration of the leasing and investment companies as well as development of services – it's quite a challenge we are dealing with successfully. The Bank's results are indicating that focus on domestic market, business continuity, flexibility and speed of decision-making consistently strengthen the Bank as well as its ambition to become a reliable financial partner to the country's business and population" - Vytautas Sinius, the CEO of Šiaulių Bankas, summarized the interim result.

This year lending became more active - both the business entities and households borrowed more. The Group's loan and finance lease portfolio grew by 7 per cent up to 891 million euros over Q3, while from the beginning of the year it increased by 15 per cent. Šiaulių Bankas originated new loans to customers amounting to more than 350 million euros over the three quarters of the year.

Deposits remain the most popular means of saving for the country's population. The Group's deposit portfolio exceeded 1.4 billion euros at the end of September, i.e. increased by 1 per cent from the beginning of the year. This increase is an outcome of the acquisition of the bank Finasta by Šiaulių Bankas Group. Excluding the influence of this single factor, the deposit portfolio decreased slightly since the beginning of the year as the result of the euro adoption - in order to convert the currency safely and without standing in queues, part of the population decided to place deposits in litas in the end of 2014, which later were withdrawn in euros. Comparing to the respective period of last year, the Group's deposit portfolio grew even after elimination of the impact arising from the acquisition of the bank Finasta.

The net interest income was boosted by increasing lending. Over the first nine months of 2015, Šiaulių Bankas Group earned 13 per cent more from this type of income as compared to the same period of previous year.

A positive change in the net service and commission fees have been observed over the year: 5.7 million euros were earned and the result of the respective period of last year was exceeded by 34 per cent. This was largely impacted by the proficiency in financing of projects under the multi-apartment house modernization programme gained by Šiaulių Bankas over a few recent years.

Cost to income ratio comprised 52.9 per cent, return on equity reached 19.2 per cent and return on assets amounted 1.4 per cent at the end of September.

Increase in the authorized capital of Šiaulių Bankas was registered on 14 September of the current year and went in line with implementation of other capital strengthening measures. These actions have ensured the bank's compliance with the capital adequacy ratios with a comfortable cushion. After the implementation of the above mentioned measures, the capital adequacy ratio exceeded 14 per cent.

The transaction of acquisition of the bank Finasta AB and brokerage company Finasta was closed in July. The process of companies' integration has been already launched by Šiaulių Bankas and is planned to be accomplished within the current year. Supplementing the range of its services with securities trading and brokerage services, Šiaulių Bankas will be able to offer more complex investment solutions and better saving conditions to its customers. Also, the bank is intensively working on other projects that will be finished within this year: SEPA, which will allow the bank's clients to make payments throughout the euro area just as easily and safely as national payments starting from 2016 and an e-invoice service, which is supposed to replace currently used direct debit and allow handling regular invoices according to the customers' needs, are in the process of implementation.