

INTERIM INFORMATION

for the three months period ended 31 March 2024

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CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

for the three months period ended 31 March 2024

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

	31 March 2024			31 December 2023	
	Notes	Group	Bank	Group	Bank
ASSETS					
Cash and cash equivalents		675,561	668,320	751,499	742,969
Securities in the trading book	2	221,928	21,750	207,677	20,402
Due from other banks		2,629	2,629	3,013	3,013
Derivative financial instruments		660	660	251	241
Loans to customers	1	2,759,453	2,748,274	2,645,104	2,633,482
Finance lease receivables	1	285,407	285,388	286,533	286,451
Investment securities at fair value	2	75,434	75,313	74,500	74,382
Investment securities at amortized cost	2	809,977	798,603	751,227	739,869
Investments in subsidiaries and associates	2	200	79,107	100	76,672
Intangible assets		44,835	8,214	45,138	8,149
Property, plant and equipment		15,310	14,575	15,781	14,702
Investment property		985	-	993	-
Current income tax prepayment		3,560	3,489	35	-
Deferred income tax asset		7,109	3,248	7,577	3,658
Other assets	3	19,759	17,625	19,743	18,970
Assets held for sale	3	150	150	150	150
Total assets		4,922,957	4,727,345	4,809,321	4,623,110
LIABILITIES					
Due to other banks and financial institutions		560,177	564,504	569,994	576,316
Derivative financial instruments		167	167	1,041	1,041
Due to customers	4	3,250,051	3,253,840	3,162,657	3,166,908
Special and lending funds	5	10,731	10,731	15,718	15,718
Debt securities in issue		280,910	280,910	276,480	276,480
Current income tax liabilities		11,461	11,461	6,412	6,412
Deferred income tax liabilities		6,113	-	6,125	-
Liabilities related to insurance activities		185,172	-	179,318	-
Other liabilities		84,839	70,469	48,448	35,794
Total liabilities		4,389,621	4,192,082	4,266,193	4,078,669
EQUITY					
Share capital	6	192,269	192,269	192,269	192,269
Share premium		25,534	25,534	25,534	25,534
Treasury shares (-)	6	(2,400)	(2,400)	(1,500)	(1,500)
Reserve capital		756	756	756	756
Statutory reserve		61,004	60,805	47,803	47,605
Reserve for acquisition of own shares	6	20,000	20,000	20,000	20,000
Financial instruments revaluation reserve		(4,767)	(4,767)	(5,426)	(5,426)
Other equity	6	1,697	1,209	1,697	1,209
Retained earnings		239,243	241,857	261,995	263,994
Non-controlling interest		-	-	-	-
Total equity		533,336	535,263	543,128	544,441
Total liabilities and equity		4,922,957	4,727,345	4,809,321	4,623,110

The notes on pages 9 - 31 constitute an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

29 April 2024



Vytautas Sinius



Donatas Savickas

THE GROUP'S AND THE BANK'S CONDENSED INCOME STATEMENTS

	for the three months period ended				
	Notes	31 March 2024		31 March 2023	
		Group	Bank	Group	Bank
<i>Interest revenue calculated using the effective interest method</i>	7	59,541	55,400	40,010	36,564
<i>Other similar income</i>	7	5,940	5,903	4,153	4,109
<i>Interest expense and similar charges</i>	7	(25,901)	(25,937)	(8,769)	(8,766)
Net interest income		39,580	35,366	35,394	31,907
<i>Fee and commission income</i>	8	8,710	7,373	6,331	6,552
<i>Fee and commission expense</i>	8	(2,227)	(2,032)	(1,693)	(1,662)
Net fee and commission income		6,483	5,341	4,638	4,890
<i>Net gain from trading activities</i>	11	7,187	1,624	2,825	1,620
<i>Net gain (loss) from derecognition of financial assets</i>		(15)	4	266	36
<i>Net gain (loss) from disposal of tangible assets</i>		32	18	638	(2)
<i>Revenue related to insurance activities</i>		3,998	-	2,578	-
<i>Other operating income</i>		163	322	146	160
<i>Salaries and related expenses</i>		(11,289)	(10,018)	(8,804)	(7,928)
<i>Depreciation and amortization expenses</i>		(1,802)	(1,399)	(1,346)	(1,242)
<i>(Expenses)/recovery of expenses related to insurance activities</i>	11	(7,571)	-	(3,272)	-
<i>Other operating expenses</i>	9	(6,754)	(5,464)	(5,727)	(4,481)
Operating profit before impairment losses		30,012	25,794	27,336	24,960
<i>Allowance for impairment losses on loans and other assets</i>	10	(2,193)	42	(2,762)	(1,885)
<i>Allowance for impairment losses on investments in subsidiaries</i>		-	-	-	-
<i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i>	12	-	2,335	-	1,392
Profit before income tax		27,819	28,171	24,574	24,467
<i>Income tax expense</i>		(5,353)	(5,013)	(5,421)	(5,043)
Net profit for the period		22,466	23,158	19,153	19,424
<i>Profit (loss) from discontinued operations, net of tax</i>		-	-	-	-
Net profit for the period		22,466	23,158	19,153	19,424
Net profit attributable to:					
<i>Owners of the Bank</i>		22,466	23,158	19,153	19,424
<i>From continuing operations</i>		22,466	23,158	19,153	19,424
<i>From discontinued operations</i>		-	-	-	-
<i>Non-controlling interest</i>		-	-	-	-
<i>Basic earnings per share (in EUR per share) attributable to owners of the Bank</i>		0.04		0.03	
<i>Diluted earnings per share (in EUR per share) attributable to owners of the Bank</i>		0.04		0.03	

The notes on pages 9 - 31 constitute an integral part of these financial statements.

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

	for the three months period ended			
	31 March 2024		31 March 2023	
	Group	Bank	Group	Bank
Net profit for the period	22,466	23,158	19,153	19,424
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Gain from revaluation of financial assets	827	824	731	716
Deferred income tax on gain from revaluation of financial assets	(168)	(165)	(143)	(143)
<i>Items that may not be subsequently reclassified to profit or loss:</i>				
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-	-	-
Other comprehensive income, net of deferred tax	659	659	588	573
Total comprehensive income for the period	23,125	23,817	19,741	19,997
Total comprehensive income (loss) attributable to:				
Owners of the Bank	23,125	23,817	19,741	19,997
Non-controlling interest	-	-	-	-
	23,125	23,817	19,741	19,997

The notes on pages 9 - 31 constitute an integral part of these financial statements.

THE GROUP'S CONDENSED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium	Treasury shares (-)	Reserve capital	Financial instruments revaluation	Statutory reserve	Reserve for acquisition of own shares	Other equity	Retained earnings	Total	Non-controlling interest	Total equity
Attributable to Bank shareholders													
1 January 2023		174,211	3,428	-	756	(8,111)	37,113	20,000	2,355	213,154	442,906	-	442,906
<i>Transfer to/from statutory reserve</i>		-	-	-	-	-	10,690	-	-	(10,690)	-	-	-
<i>Acquisition of own shares</i>	6	-	-	(1,868)	-	-	-	-	-	-	(1,868)	-	(1,868)
<i>Share-based payment</i>	6	-	-	-	-	-	-	153	-	-	153	-	153
<i>Payment of dividends</i>	6	-	-	-	-	-	-	-	(15,919)	(15,919)	-	-	(15,919)
<i>Total comprehensive income</i>		-	-	-	-	588	-	-	-	19,153	19,741	-	19,741
31 March 2023		174,211	3,428	(1,868)	756	(7,523)	47,803	20,000	2,508	205,698	445,013	-	445,013
<i>Increase in share capital</i>	6	18,058	22,106	-	-	-	-	-	-	-	40,164	-	40,164
<i>Acquisition of own shares</i>	6	-	-	(1,500)	-	-	-	-	-	-	(1,500)	-	(1,500)
<i>Share-based payment</i>	6	-	-	1,868	-	-	-	(811)	75	1,132	-	-	1,132
<i>Total comprehensive income</i>		-	-	-	-	2,097	-	-	-	56,222	58,319	-	58,319
31 December 2023		192,269	25,534	(1,500)	756	(5,426)	47,803	20,000	1,697	261,995	543,128	-	543,128
<i>Transfer to statutory reserve</i>		-	-	-	-	-	13,200	-	-	(13,200)	-	-	-
<i>Acquisition of own shares</i>	6	-	-	(900)	-	-	-	-	-	-	(900)	-	(900)
<i>Share-based payment</i>	6	-	-	-	-	-	-	-	78	78	-	-	78
<i>Payment of dividends</i>	6	-	-	-	-	-	-	-	(32,095)	(32,095)	-	-	(32,095)
<i>Total comprehensive income</i>		-	-	-	-	660	-	-	-	22,465	23,125	-	23,125
31 March 2024		192,269	25,534	(2,400)	756	(4,766)	61,003	20,000	1,697	239,243	533,336	-	533,336

THE BANK'S CONDENSED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium	Treasury shares (-)	Reserve capital	Financial instruments revaluation reserve	Statutory reserve	Reserve for acquisition of own shares	Other equity	Retained earnings	Total
1 January 2023		174,211	3,428	-	756	(8,111)	36,922	20,000	1,917	214,888	444,011
<i>Transfer to statutory reserve</i>		-	-	-	-	-	10,683	-	-	(10,683)	-
<i>Acquisition of own shares</i>	6	-	-	(1,868)	-	-	-	-	-	-	(1,868)
<i>Payment of dividends</i>	6	-	-	-	-	-	-	-	-	(15,919)	(15,919)
<i>Total comprehensive income</i>		-	-	-	-	573	-	-	-	19,424	19,997
31 March 2023		174,211	3,428	(1,868)	756	(7,538)	47,605	20,000	1,917	207,710	446,221
<i>Increase in share capital</i>	6	18,058	22,106	-	-	-	-	-	-	-	40,164
<i>Acquisition of own shares</i>	6	-	-	(1,500)	-	-	-	-	-	-	(1,500)
<i>Share-based payment</i>	6	-	-	1,868	-	-	-	-	(708)	88	1,248
<i>Total comprehensive income</i>		-	-	-	-	2,112	-	-	-	56,196	58,308
31 December 2023		192,269	25,534	(1,500)	756	(5,426)	47,605	20,000	1,209	263,994	544,441
<i>Transfer to statutory reserve</i>		-	-	-	-	-	13,200	-	-	(13,200)	-
<i>Acquisition of own shares</i>	6	-	-	(900)	-	-	-	-	-	-	(900)
<i>Payment of dividends</i>	6	-	-	-	-	-	-	-	-	(32,095)	(32,095)
<i>Total comprehensive income</i>		-	-	-	-	659	-	-	-	23,158	23,817
31 March 2024		192,269	25,534	(2,400)	756	(4,767)	60,805	20,000	1,209	241,857	535,263

The notes on pages 9 - 31 constitute an integral part of these financial statements.

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

	Notes	for the three months period ended			
		31 March 2024		31 March 2023	
		Group	Bank	Group	Bank
Operating activities					
Interest received on loans and advances		57,637	53,967	38,084	35,066
Interest received on securities in the trading book		325	290	465	429
Interest paid		(14,952)	(15,102)	(4,299)	(4,320)
Fees and commissions received		8,710	7,373	6,331	6,552
Fees and commissions paid		(2,227)	(2,032)	(1,784)	(1,753)
Net cash inflows from trade in securities in the trading book		(4,194)	(2,093)	(3,836)	(3,935)
Net inflows from foreign exchange operations		1,306	1,306	1,638	1,638
Net inflows from derecognition of financial assets		(15)	4	266	36
Net inflows from derecognition of non-financial assets		32	18	638	(2)
Cash inflows related to other activities of Group companies		4,161	322	2,724	160
Cash outflows related to other activities of Group companies		(7,571)	-	(3,272)	-
Recoveries on loans previously written off		80	38	83	61
Salaries and related payments to and on behalf of employees		(10,053)	(8,782)	(7,842)	(6,966)
Payments related to operating and other expenses		(6,755)	(5,464)	(5,778)	(4,532)
Income tax paid		(3,618)	(3,489)	(2,295)	(2,070)
Net cash flow from operating activities before change in operating assets and liabilities		22,866	26,356	21,123	20,364
Change in operating assets and liabilities:					
Decrease (increase) in due from other banks		384	384	-	-
(Increase) in loans to customers and finance lease receivables		(114,707)	(114,504)	(48,326)	(58,950)
(Increase)/decrease in finance lease receivables		632	569	(8,332)	(8,337)
Decrease (increase) in other assets		6,404	7,801	(6,610)	(3,040)
Decrease (increase) in due to banks and financial institutions		(14,511)	(16,506)	5,066	5,570
Increase (decrease) increase in due to customers		81,270	80,808	18,352	18,298
Increase in special and lending funds		(4,987)	(4,987)	(5,537)	(5,537)
Increase (decrease) in other liabilities		7,344	3,951	1,503	572
Change		(38,171)	(42,484)	(43,884)	(51,424)
Net cash flow from (used in) from operating activities		(15,305)	(16,128)	(22,761)	(31,060)
Investing activities					
Acquisition of property, plant and equipment, investment property and intangible assets		(1,145)	(1,123)	(227)	(1)
Disposal of property, plant and equipment, investment property and intangible assets		48	29	1,506	76
Acquisition of debt securities at amortized cost		(148,690)	(133,710)	(20,065)	(19,765)
Proceeds from redemption of debt securities at amortized cost		87,861	75,220	10,210	10,000
Interest received on debt securities at amortized cost		2,511	2,247	2,477	2,427
Dividends received		1	1	1	10,001
Sale or redemption of investment securities at fair value		-	-	10,000	10,000
Interest received on investment securities at fair value		36	36	36	36
Acquisition of shares in subsidiaries	2	(100)	(100)	(400)	(400)
Net cash flow (used in) from investing activities		(59,478)	(57,400)	3,538	12,374
Financing activities					
Payment of dividends		-	-	(1)	(1)
Acquisition of own shares	6	(900)	(900)	(1,868)	(1,868)
Principal elements of lease payments		(255)	(221)	(337)	(315)
Net cash flow (used in) financing activities		(1,155)	(1,121)	(2,206)	(2,184)
Net increase (decrease) in cash and cash equivalents		(75,938)	(74,649)	(21,429)	(20,870)
Cash and cash equivalents at 1 January		751,499	742,969	384,758	383,518
Cash and cash equivalents at 31 March		675,561	668,320	363,329	362,648

The notes on pages 9 - 31 constitute an integral part of these financial statements.

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 Banks of the Republic of Lithuania and the Charter of the Bank. In this document, Šiaulių Bankas AB is referred to as the Bank, Šiaulių Bankas AB and its subsidiaries (described in more detail in Note 2) - the Group.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. At the end of the reporting period the Bank had 54 customer service outlets (31 December 2023: 54 outlets). As at 31 March 2024 the Bank had 1,002 employees (31 December 2023: 981). As at 31 March 2024 the Group had 1 163 employees (31 December 2023: 1 137 employees).

The Bank accepts deposits, issues loans, makes money transfers and documentary settlements, exchanges currencies for its clients, issues and processes debit and credit cards, is engaged in trade finance and is investing and trading in securities, as well as performs other activities set forth in the Law on Banks of the Republic of Lithuania and the Charter of the Bank.

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

This condensed interim financial information for the three months period ended 31 March 2024 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 2023, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. Except for the points described below, all the accounting policies applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements of the Bank for the year ended 31 December 2023.

Income tax

Income tax in the interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

New and amended standards and interpretations

The Bank's management do not believe that newly published standards, amendments and interpretations that are mandatory for the Group's and Bank's reporting periods beginning on or after 1 January 2024 will have a material impact on the Group's and Bank's financial statements, also there are no new standards, amendments and interpretations that are mandatory for the Group and the Bank with effect from 2024, and that would have a material impact on the Group's and the Bank's financial information.

Critical accounting estimates and judgements

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 2023, except for judgements and estimations used for calculation of impairment, which were revised to reflect the most recent economic forecasts. These judgements and estimates are described in more detail in Notes 1 and 10. It should be noted that at the moment of producing the financial reports there was no full clarity regarding further development scenarios of Russia invasion to Ukraine and uncertainties regarding further global, country and sector development trends existed, therefore there is a significant probability that actual results may deviate from the estimated.

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.

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:

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
<i>Cash equivalents</i>	597,513	590,370	679,810	671,390
<i>Loans and advances to banks</i>	2,629	2,629	3,013	3,013
<i>Loans and advances to customers:</i>	2,759,453	2,748,274	2,645,104	2,633,482
<i>Loans and advances to financial institutions</i>	-	285,642	-	274,106
<i>Loans to individuals (Retail)</i>	1,293,889	1,025,073	1,258,203	999,029
<i>Loans to business customers</i>	1,465,564	1,437,559	1,386,901	1,360,347
<i>Finance lease receivables</i>	285,407	285,388	286,533	286,451
<i>Debt securities at fair value through profit or loss</i>	68,454	21,530	65,761	20,240
<i>Derivative financial instruments</i>	660	660	251	241
<i>Debt securities at fair value through other comprehensive income</i>	72,636	72,636	71,740	71,740
<i>Debt securities at amortized cost</i>	809,977	798,603	751,227	739,869
<i>Other assets subject to credit risk</i>	5,072	4,478	7,351	8,289
<i>Credit risk exposures relating to off-balance sheet items are as follows:</i>				
<i>Financial guarantees</i>	59,009	59,049	59,216	59,256
<i>Letters of credit</i>	538	538	538	538
<i>Loan commitments and other credit related liabilities</i>	483,695	478,504	482,027	489,655
Total	5,145,043	5,062,659	5,052,571	4,984,164

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

Loans to customers

Loans and advances are summarized as follows:

	31 March 2023		31 December 2023	
	Group	Bank	Group	Bank
<i>Gross loans at amortized cost</i>	2,799,038	2,773,428	2,685,454	2,661,035
<i>Less: allowance for impairment</i>	(44,542)	(30,111)	(43,558)	(30,761)
<i>Net loans at amortized cost</i>	2,754,496	2,743,317	2,641,896	2,630,274
<i>Gross loans at fair value</i>	4,957	4,957	3,208	3,208
<i>Total loans</i>	2,759,453	2,748,274	2,645,104	2,633,482

The Bank has provided loans as investment to securitization vehicle through Banks's subsidiary SB Modernizavimo Fondas UAB for financing multiapartment buildings renovation projects. Bank's investments in securitization are provided in several tranches to different investment layers bearing different risk levels. Part of investments made so far were made into layer bearing highest level of risk, therefore according to clauses in IFRS 9 applicable to contractually linked instruments, loans to SB Modernizavimo Fondas UAB are accounted at fair value through profit and loss and are disclosed in statement of financial position within line "Loans to customers". At initial recognition it was considered that fair value of these loans is equal to its acquisition value. During three months period ended 31 March 2024 reversal of losses from fair value change of such loans of EUR 2 thousand was recognized (31 March 2023 no losses or reversal of losses were recognized).

The distribution of loans by stages and days past due:

	31 March 2024					31 December 2023				
	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total
Stage 1:										
<i>Gross amount</i>	2,481,504	40,414	291	12	2,522,221	2,364,705	45,340	135	4	2,410,184
<i>Allowance for impairment</i>	(21,494)	(246)	(7)	-	(21,747)	(20,982)	(278)	(3)	-	(21,263)
<i>Net amount</i>	2,460,010	40,168	284	12	2,500,474	2,343,723	45,062	132	4	2,388,921
Stage 2:										
<i>Gross amount</i>	159,998	28,114	13,945	32	202,089	165,301	20,976	14,397	64	200,738
<i>Allowance for impairment</i>	(1,942)	(3,389)	(1,551)	(10)	(6,892)	(2,106)	(2,827)	(1,333)	(18)	(6,284)
<i>Net amount</i>	158,056	24,725	12,394	22	195,197	163,195	18,149	13,064	46	194,454
Stage 3:										
<i>Gross amount</i>	21,242	18,037	6,611	33,795	79,685	36,775	5,455	5,263	30,247	77,740
<i>Allowance for impairment</i>	(3,676)	(1,174)	(1,841)	(9,212)	(15,903)	(3,936)	(1,345)	(1,896)	(8,834)	(16,011)
<i>Net amount</i>	17,566	16,863	4,770	24,583	63,782	32,839	4,110	3,367	21,413	61,729
Total:										
<i>Gross amount</i>	2,662,744	86,565	20,847	33,839	2,803,995	2,566,781	71,771	19,795	30,315	2,688,662
<i>Allowance for impairment</i>	(27,112)	(4,809)	(3,399)	(9,222)	(44,542)	(27,024)	(4,450)	(3,232)	(8,852)	(43,558)
<i>Net amount</i>	2,635,632	81,756	17,448	24,617	2,759,453	2,539,757	67,321	16,563	21,463	2,645,104

	31 March 2024					31 December 2023				
	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total
Stage 1:										
<i>Gross amount</i>	2,240,525	30,698	-	12	2,271,235	2,130,579	35,340	-	4	2,165,923
<i>Allowance for impairment</i>	(16,092)	(37)	-	-	(16,129)	(15,888)	(67)	-	-	(15,955)
<i>Net amount</i>	2,224,433	30,661	-	12	2,255,106	2,114,691	35,273	-	4	2,149,968
Stage 2:										
<i>Gross amount</i>	417,163	11,142	7,674	-	435,979	412,309	6,877	8,965	4	428,155
<i>Allowance for impairment</i>	(1,902)	(56)	(45)	-	(2,003)	(2,059)	(147)	(71)	(1)	(2,278)
<i>Net amount</i>	415,261	11,086	7,629	-	433,976	410,250	6,730	8,894	3	425,877
Stage 3:										
<i>Gross amount</i>	19,481	16,433	2,801	32,456	71,171	35,119	4,065	1,929	29,052	70,165
<i>Allowance for impairment</i>	(2,843)	(442)	(102)	(8,592)	(11,979)	(3,157)	(710)	(374)	(8,287)	(12,528)
<i>Net amount</i>	16,638	15,991	2,699	23,864	59,192	31,962	3,355	1,555	20,765	57,637
Total:										
<i>Gross amount</i>	2,677,169	58,273	10,475	32,468	2,778,385	2,578,007	46,282	10,894	29,060	2,664,243
<i>Allowance for impairment</i>	(20,837)	(535)	(147)	(8,592)	(30,111)	(21,104)	(924)	(445)	(8,288)	(30,761)
<i>Net amount</i>	2,656,332	57,738	10,328	23,876	2,748,274	2,556,903	45,358	10,449	20,772	2,633,482

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

Loans are assigned to stages using the following principles (a deviation from these principles is allowed in the process of individual loan assessment based on contract-specific circumstances if it would result in more precise assessment of the risk of the contract):

Stage 1 loans: loans with no increase in credit risk observed.

Stage 2 loans: loans with an increase in credit risk observed. Main reasons for determining an increase in credit risk are: deterioration of borrower's financial status from the initial (this criteria is not applicable to the low credit risk loans, i.e. loans that have internal borrower's financial status assessment grades "very good" or "good" or investment grade credit ratings by external credit rating agencies), payment delay of over 30 days, and other objective criteria showing an increase in credit risk.

Stage 3 loans: defaulted loans. Main reasons for determining a default are: payment delay of over 90 days, bankruptcy of the borrower, termination of the contract, start of the foreclosure procedures and other objective criteria.

As lending activities are oriented to Lithuanian market, the Bank and the Group held no significant direct loan positions in Russia, Belarus and Ukraine. Potential risk assessment for separate sectors has not demonstrated economic sectors for which risk would be increased. Due to potential increase in credit risk the Bank has individually assessed clients with loans and finance lease contracts which have medium or high dependency from countries mentioned above through supply or sales chains or through shareholders structure and if increase in risk was determined credit stages for certain clients were reduced.

Finance lease receivables

Information on finance lease receivables is summarized in the tables below:

	31 March 2023		31 December 2023	
	Group	Bank	Group	Bank
<i>Business customers</i>	251,402	250,581	254,058	253,170
<i>Individuals</i>	42,180	42,180	40,049	40,049
Gross	293,582	292,761	294,107	293,219
<i>Less: Allowance for impairment</i>	(8,175)	(7,373)	(7,574)	(6,768)
Net	285,407	285,388	286,533	286,451

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

The distribution of finance lease receivables by stages and days past due:

	31 March 2024					31 December 2023				
	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total
Stage 1:										
Gross amount	228,100	38,086	-	-	266,186	240,529	26,934	-	-	267,463
Allowance for impairment	(2,924)	(606)	-	-	(3,530)	(2,563)	(379)	-	-	(2,942)
Net amount	225,176	37,480	-	-	262,656	237,966	26,555	-	-	264,521
Stage 2:										
Gross amount	16,967	1,427	1,032	-	19,426	17,132	895	1,065	-	19,092
Allowance for impairment	(864)	(63)	(17)	-	(944)	(1,024)	(25)	(28)	-	(1,077)
Net amount	16,103	1,364	1,015	-	18,482	16,108	870	1,037	-	18,015
Stage 3:										
Gross amount	1,050	3,528	664	2,728	7,970	4,089	211	1,143	2,109	7,552
Allowance for impairment	(404)	(1,824)	(193)	(1,280)	(3,701)	(2,101)	(33)	(150)	(1,271)	(3,555)
Net amount	646	1,704	471	1,448	4,269	1,988	178	993	838	3,997
Total:										
Gross amount	246,117	43,041	1,696	2,728	293,582	261,750	28,040	2,208	2,109	294,107
Allowance for impairment	(4,192)	(2,493)	(210)	(1,280)	(8,175)	(5,688)	(437)	(178)	(1,271)	(7,574)
Net amount	241,925	40,548	1,486	1,448	285,407	256,062	27,603	2,030	838	286,533

	31 March 2024					31 December 2023				
	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total	Not past due	Past due <= 30 days	Past due 31-90 days	Past due >90 days	Total
Stage 1:										
Gross amount	228,100	38,086	-	-	266,186	240,529	26,934	-	-	267,463
Allowance for impairment	(2,924)	(606)	-	-	(3,530)	(2,563)	(379)	-	-	(2,942)
Net amount	225,176	37,480	-	-	262,656	237,966	26,555	-	-	264,521
Stage 2:										
Gross amount	16,948	1,427	1,032	-	19,407	17,055	895	1,057	-	19,007
Allowance for impairment	(864)	(63)	(17)	-	(944)	(1,021)	(25)	(27)	-	(1,073)
Net amount	16,084	1,364	1,015	-	18,463	16,034	870	1,030	-	17,934
Stage 3:										
Gross amount	1,050	3,528	664	1,926	7,168	4,089	211	1,143	1,306	6,749
Allowance for impairment	(404)	(1,824)	(193)	(478)	(2,899)	(2,101)	(33)	(150)	(469)	(2,753)
Net amount	646	1,704	471	1,448	4,269	1,988	178	993	837	3,996
Total:										
Gross amount	246,098	43,041	1,696	1,926	292,761	261,673	28,040	2,200	1,306	293,219
Allowance for impairment	(4,192)	(2,493)	(210)	(478)	(7,373)	(5,685)	(437)	(177)	(469)	(6,768)
Net amount	241,906	40,548	1,486	1,448	285,388	255,988	27,603	2,023	837	286,451

**NOTE 2
SECURITIES**

Securities in the trading book

Securities in the trading book are comprised of trading securities and other securities that cover insurance contract liabilities under unit-linked insurance contracts of life insurance subsidiary. These securities are measured at fair value through profit or loss.

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Debt securities:	68,454	21,530	65,761	20,240
Government bonds	28,543	2,662	24,839	2,637
Corporate bonds	39,911	18,868	40,922	17,603
Equity securities	153,474	220	141,916	162
Total	221,928	21,750	207,677	20,402
	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Trading securities:				
Debt securities	32,208	21,530	27,663	20,240
from AA- to AAA	-	-	1,588	-
from A- to A+	8,107	2,662	8,016	2,637
from BBB- to BBB+	-	-	204	-
from BB- to BB+	95	95	-	-
lower than BB-	-	-	-	-
no rating	24,006	18,773	17,855	17,603
Equity securities	220	220	162	162
listed	220	220	162	162
unlisted	-	-	-	-
units of investment funds	-	-	-	-
Total trading securities	32,428	21,750	27,825	20,402
Other trading book securities:				
Debt securities	36,246	-	38,098	-
from AA- to AAA	-	-	106	-
from A- to A+	3,763	-	12,296	-
from BBB- to BBB+	10,480	-	17,826	-
from BB- to BB+	5,103	-	7,804	-
lower than BB-	-	-	-	-
no rating	16,900	-	66	-
Equity securities	153,254	-	141,754	-
listed	3,139	-	2,843	-
unlisted	121	-	121	-
units of investment funds	149,994	-	138,790	-
Total other trading book securities	189,500	-	179,852	-
TOTAL	221,928	21,750	207,677	20,402

NOTE 2
SECURITIES (CONTINUED)

Investment securities

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Securities at fair value:				
Debt securities:	72,636	72,636	71,740	71,740
Government bonds	54,582	54,582	53,949	53,949
Corporate bonds	18,054	18,054	17,791	17,791
Equity securities	2,798	2,677	2,760	2,642
Total	75,434	75,313	74,500	74,382
Securities at amortized cost:				
Debt securities:	809,977	798,603	751,227	739,869
Government bonds	741,316	735,539	663,211	657,445
Corporate bonds	68,661	63,064	88,016	82,424
Total	809,977	798,603	751,227	739,869

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Securities at fair value:				
Debt securities	72,636	72,636	71,740	71,740
from AA- to AA+	-	-	-	-
from A- to A+	59,618	59,618	58,981	58,981
from BBB- to BBB+	5,658	5,658	5,591	5,591
from BB- to BB+	4,528	4,528	4,345	4,345
lower than BB-	-	-	-	-
no rating	2,832	2,832	2,823	2,823
Equities	2,798	2,677	2,760	2,642
listed	241	241	241	241
unlisted	542	421	501	383
units of investment funds	2,015	2,015	2,018	2,018
Total	75,434	75,313	74,500	74,382
Securities at amortized cost:				
Debt securities	809,977	798,603	751,227	739,869
from AA- to AA+	204	-	2,271	2,067
from A- to A+	750,173	744,186	670,920	664,946
from BBB- to BBB+	58,482	54,417	76,919	72,856
from BB- to BB+	1,118	-	1,117	-
lower than BB-	-	-	-	-
no rating	-	-	-	-
Total	809,977	798,603	751,227	739,869

Credit stages of investment debt securities:

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Stage 1:				
Gross amount	879,851	868,468	820,227	808,860
Allowance for impairment	(70)	(61)	(84)	(75)
Net amount	879,781	868,407	820,143	808,785
Stage 2:				
Gross amount	2,977	2,977	2,969	2,969
Allowance for impairment	(145)	(145)	(145)	(145)
Net amount	2,832	2,832	2,824	2,824
Stage 3:				
Gross amount	1,020	-	1,020	-
Allowance for impairment	(1,020)	-	(1,020)	-
Net amount	-	-	-	-

During three months periods ended 31 March 2024 and 31 March 2023 no material reclassifications between portfolios of securities were performed.

NOTE 2
SECURITIES (CONTINUED)

Investments in subsidiaries

As of 31 March 2024 the Bank owned the following directly controlled subsidiaries:

1. SB Draudimas UAB (name changed Bonum Publicum GD UAB; life insurance activities),
2. SB Lizingas UAB (consumer financing activities),
3. SB Turto Fondas UAB (real estate management activities),
4. SB Modernizavimo Fondas (multiapartment buildings renovation financing activities),
5. SB Asset Management UAB (funds management activities),
6. SB Modernizavimo Fondas 2 UAB (multiapartment buildings renovation financing activities).

As of 31 December 2023 the Bank owned the following directly controlled subsidiaries:

1. SB Draudimas UAB (life insurance activities),
2. SB Lizingas UAB (consumer financing activities),
3. Šiaulių Banko Lizingas UAB (lease activities),
4. Šiaulių Banko Turto Fondas UAB (real estate management activities),
5. SB Modernizavimo Fondas UAB (multiapartment buildings renovation financing activities),
6. SB Asset Management UAB (funds management activities).

On February 21, 2024 the Bank established a special purpose entity - SB Modernizavimo Fondas 2 UAB. Bank's investment in share capital of SB Modernizavimo Fondas UAB 2 is EUR 100 thousand. According to agreements with investors and provision in IFRS 10, Bank holds no control in SB Modernizavimo Fondas 2 UAB therefore it is not consolidated in Group's consolidated financial statements. According to clauses in IFRS 9 applicable to contractually linked instruments, investment in SB Modernizavimo Fondas 2 UAB is accounted at fair value through profit and loss and is disclosed in statement of financial position within line "Investments in subsidiaries and associates". At initial recognition it was considered that fair value of this investment is equal to its acquisition value. Since initial recognition there were no circumstances due to which fair value of investment in SB Modernizavimo Fondas 2 UAB would change significantly.

On 7 February 2023 new Šiaulių Bankas group company was established – SB Asset Management UAB, legal entity code: 306241274, registered office address Gynėjų str. 14, Vilnius, whose sole founder, owning 100 percent of the shares, is the Bank. SB Asset Management UAB was established to properly prepare for the implementation of the agreement signed on 22 November 2022 regarding the merger of AB "Invalda INVL" retail asset management and life insurance businesses with AB Šiaulių bankas, and which after the transaction closing date took over the management business of pension funds and investment funds for its further development.

According to clauses in IFRS 9 applicable to contractually linked instruments, investment in SB Modernizavimo Fondas UAB is accounted at fair value through profit and loss and is disclosed in statement of financial position within line "Investments in subsidiaries and associates". At initial recognition it was considered that fair value of this investment is equal to its acquisition value. Since initial recognition there were no circumstances due to which fair value of investment in SB Modernizavimo Fondas UAB would change significantly.

By implementing its strategic plan, the Bank optimizes the structure of its subsidiaries. During three months period ended 31 March 2024 Bank's directly controlled subsidiary Šiaulių Banko Lizingas UAB was liquidated. During three months period ended 31 March 2023 Bank's indirectly controlled subsidiary Šiaulių Banko Investicijų Valdymas UAB was liquidated.

Bank's investments in subsidiaries consisted of:

	Share in equity	31 March 2024	31 December 2023
<i>SB draudimas GD UAB</i>	100%	34,906	32,528
<i>SB lizingas UAB</i>	100%	2,576	2,964
<i>Šiaulių Banko Lizingas UAB</i>	100%	-	-
<i>SB Turto Fondas UAB</i>	100%	36,278	5,083
<i>SB Asset Management UAB</i>	100%	5,147	35,997
Total investments in subsidiaries using equity method		78,907	76,572
<i>SB Modernizavimo Fondas UAB</i>	100%	100	100
<i>SB Modernizavimo Fondas 2 UAB</i>	100%	100	-
Total investments in subsidiaries at fair value		200	100

On 1 December 2023 the Group has completed merger of retail businesses with Invalda INVL. After completion of this transaction Group entities have acquired parts of insurance and pension funds and investment funds for retail clients' management businesses from Invalda INVL. Transaction price – EUR 41,760 thousand. From this amount EUR 40,165 thousand was paid using new 62,270,383 units share emission issued by the Bank (see Note 6), remaining part (EUR 1,595 thousand) was paid in cash. After this transaction Bank's subsidiary SB Asset Management UAB is managing second- and third-pillar pension funds and investment funds in Lithuania with assets amounting to EUR 1,272 million at 31 March 2024 and Bank's subsidiary GD SB draudimas UAB has significantly expanded its life insurance business in Baltic countries (operating in Latvia and Estonia through its own branches). The Bank has capitalized liabilities of subsidiaries arising from the transaction during December 2023, also due to regulatory requirements share capitals of these subsidiaries were increased by cash as well, because of these reasons value of subsidiaries in Bank's stand-alone financial statements have increased significantly as the Bank is accounting subsidiaries at equity method. The business combination was accounted using acquisition method. Minority interest has not originated because of this transaction. Acquisition costs directly attributable with the transaction amounting to EUR 2,500 thousand were expensed and accounted within Group's income statement item 'Other operating expenses'.

**NOTE 2
SECURITIES (CONTINUED)**

According to clauses in IFRS 3 'Business combinations' the Group management has decided to account for and measure two separate businesses acquired as one transaction. Fair values of assets, liabilities and net assets of this business acquisition transaction are provided in table below.

Fair value	Acquisition date for consolidation purposes			In thousand EUR
	Group	Insurance business	Funds management business	1 December 2023 Retail support
<i>Funds management rights</i>	30,598	-	30,598	-
<i>Intangible assets</i>	196	73	123	-
<i>Property, plant and equipment</i>	105	76	26	3
<i>Identified deferred tax assets</i>	3,501	-	3,501	-
<i>Financial assets accounted at fair value through profit and loss</i>	133,240	133,126	114	-
<i>Reinsurance assets</i>	4	4	-	-
<i>Trade amounts receivable</i>	63	54	9	-
<i>Prepayments</i>	46	38	8	-
<i>Cash and cash equivalents</i>	7,203	6,652	551	-
Total assets	174,956	140,023	34,930	3
<i>Liabilities for remaining coverage</i>	47,775	47,775	-	-
<i>Liabilities for incurred claims</i>	1,148	1,148	-	-
<i>Investments contracts liabilities</i>	82,983	82,983	-	-
<i>Identified deferred tax liabilities</i>	4,589	-	4,589	-
<i>Trade accounts payable</i>	66	43	23	-
<i>Other amounts payable</i>	914	255	659	-
<i>Accrued expenses</i>	11	11	-	-
Total liabilities	137,486	132,215	5,271	-
Total net assets	37,470	7,808	29,659	3
<i>Goodwill</i>	4,290	1,147	3,143	-
Total consideration paid	41,760	8,955	32,802	3
<i>Consideration paid in cash</i>	1,595	1,595	-	-
<i>Other nettings of mutual transactions</i>	40,165	7,360	32,802	-
<i>Less: cash acquired</i>	(7,203)	(6,652)	(551)	-
Total consideration paid in cash less cash acquired	(5,608)	(5,057)	(551)	-

**NOTE 3
SIGNIFICANT INFORMATION ON CHANGES IN OTHER ASSET ITEMS**

Other assets

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
<i>Amounts receivable</i>	5,072	4,478	7,351	8,289
<i>Inventories</i>	113	-	114	-
<i>Deferred charges</i>	3,654	3,503	3,529	3,424
<i>Assets under reinsurance and insurance contracts</i>	459	-	153	-
<i>Prepayments</i>	1,860	1,076	2,225	1,000
<i>Foreclosed assets</i>	157	153	168	164
<i>Other</i>	8,444	8,415	6,203	6,093
Total	19,759	17,625	19,743	18,970

Assets held for sale

Assets held for sale consist of:

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
<i>Real estate classified as held for sale</i>	150	150	150	150
Total assets classified as held for sale	150	150	150	150

NOTE 4 DUE TO CUSTOMERS

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
<i>Demand deposits:</i>				
<i>National government institutions</i>	47,037	47,037	56,135	56,135
<i>Local government institutions</i>	174,511	174,511	121,886	121,886
<i>Governmental and municipality companies</i>	30,064	30,064	38,209	38,209
<i>Corporate entities</i>	622,684	626,473	628,408	632,159
<i>Non-profit organizations</i>	36,506	36,506	35,780	35,780
<i>Individuals</i>	634,709	634,709	711,184	711,184
<i>Unallocated amounts due to customers</i>	36,103	36,103	17,572	18,093
Total demand deposits	1,581,614	1,585,403	1,607,816	1,612,067
<i>Term deposits:</i>				
<i>National government institutions</i>	7,590	7,590	2,519	2,519
<i>Local government institutions</i>	6,425	6,425	2,316	2,316
<i>Governmental and municipality companies</i>	6,327	6,327	3,831	3,831
<i>Corporate entities</i>	357,531	357,531	336,944	336,944
<i>Non-profit organizations</i>	14,283	14,283	8,278	8,278
<i>Individuals</i>	1,276,281	1,276,281	1,200,953	1,200,953
Total term deposits	1,668,437	1,668,437	1,554,841	1,554,841
Total	3,250,051	3,253,840	3,162,657	3,166,908

NOTE 5 SIGNIFICANT INFORMATION ON CHANGES IN OTHER LIABILITIES ITEMS

Due to other banks and financial institutions

On 28th June 2023 the Bank has repaid a EUR 150 million loan borrowed under the ECB's TLTRO III programme. After this repayment outstanding borrowing on the balance sheet under third series of the targeted longer-term refinancing operations (TLTRO-III) program of the European Central Bank amounted to EUR 479 million as at 31 March 2024. On 29 September 2021 Bank has borrowed additional EUR 479 million via ECB's latest TLTRO III.9 operation. Loan maturity date is on 25 September 2024 with early repayment option started on 29 June 2022. The Bank has not used early repayment option. Interest rate on TLTRO III was -0.5% from June 2020 to June 2021 and for banks meeting the lending thresholds, the interest rate can be as low as -1%. The Bank has met the lending thresholds during first two quarters of 2022 therefore has included the bonus on the special interest period in its effective interest recognition. Based on an internal assessment, part of the inflow of economic benefits from TLTRO-III borrowing with negative effective interest rate, which may be justified as market rate, was recognised within the income statement line "Interest income". The remainder is a benefit of the below-market rate of interest and was recognised within the income statement line "Other income" as a support or compensation for the fulfilment of the required obligations. Since 14th September 2022 interest rates for TLTRO-III borrowings are positive, TLTRO-III positive interest recorded in 2024 and 2023 income statement line "Interest expenses". Securities with a carrying value of EUR 520 345 thousand were placed as a collateral for these borrowings.

Special and lending funds

The special funds consist of the funds from the mandatory social and health insurance funds. The special funds should be returned to the institutions which have placed them upon the first requirement of the latter. The increase in special and lending funds from EUR 15,718 thousand in the beginning of the year to EUR 10,731 thousand in the end of the reporting period is attributable to routine fluctuations in these funds.

NOTE 6 CAPITAL

As of 31 December 2022 share capital of the Bank amounted to EUR 174,210,616.27, it comprised 600,726,263 ordinary registered shares with par value of EUR 0.29 each.

On 22 November 2022 the Bank and Invalda INVL signed an agreement according which segments of their retail businesses were merged on 1 December 2023. After closing the transaction, 62,270,383 newly issued shares of the Bank which represents 9.39% of the Bank shareholding were transferred to Invalda INVL on 15 December 2023. After this issue of shares as of 31 March 2024 share capital of the Bank amounted to EUR 192,269,027.34, it comprised 662,996,646 ordinary registered shares with par value of EUR 0.29 each. On 22 March 2024 Invalda INVL Group sold 0.29% of Bank shares. Following completion of these transactions, the Invalda INVL Group held 18.24% of shares of the Bank as at 31 March 2024.

NOTE 6
CAPITAL (CONTINUED)

At 31 December 2020 European Bank for Reconstruction and Development (EBRD) possessed 26.02% of the authorised capital and votes of the Bank. On 22 December 2021 EBRD announced that it has agreed to sell an 18 % stake in Bank. EBRD has signed 3 separate agreements with Invalda INVL, an asset management group, Nord Security, (part of the Tesonet group of companies and soon to be renamed Tesonet Global), and Willgrow, a holding company that owns Girteka Logistics, to sell stakes of 5.87%, 5.87% and 6.29% in Bank, respectively. Acquisitions of shares will take place through a series of transactions until June 2024 and in some cases might be subject to regulatory approvals. After this transaction as of 31 March 2024 EBRD possessed 12.69% of the authorised capital and votes of the Bank. Following the completion of this and other planned share acquisition transactions announced, the Invalda INVL Group intends to increase its shareholding in the Bank up to 20% threshold.

As at 31 March 2024, the Bank had 19,106 shareholders (as at 31 December 2023: 19,087).

Dividends:

On 29 March 2024 ordinary general meeting of shareholders made a decision to pay EUR 0.0485 (i.e. 16.7%) dividends per one ordinary registered share with EUR 0.29 nominal value each.

On 31 March 2023 ordinary general meeting of shareholders made a decision to pay EUR 0.0265 (i.e. 9.1%) dividends per one ordinary registered share with EUR 0.29 nominal value each.

Reserve for acquisition of own shares:

On 28 March 2019 ordinary general meeting of shareholders made a decision to form a reserve for acquisition of own shares from retained earnings. On 30 March 2022 ordinary general meeting of shareholders made a decision to increase reserve for acquisition of own shares by EUR 10,000 thousand. The reserve can be used for two purposes – to preserve the market price of Bank's shares and to acquire the shares that will be granted to Group's employees as part of variable remuneration. As of 31 March 2024 carrying value of reserve for own shares acquisition amounts to EUR 20,000 thousand (as at 31 December 2023: EUR 20,000 thousand).

During three months period ended 31 March 2024 the Bank acquired 1,250 thousand units of own shares for EUR 900 thousand. The purpose of share acquisition is intended to maintain and increase the value of shares of the Bank. As of 31 March 2024 the Bank held 3,523 thousand own shares with carrying value of EUR 2,400 thousand.

During twelve months period ended 31 December 2023 the Bank acquired 4,764 thousand units of own shares for EUR 3,368 thousand. Part of acquired shares were granted to the employees of the Bank and its subsidiaries as a deferred part of variable remuneration for 2019. As of 31 December 2023 the Bank held 2,273 thousand own shares with carrying value of EUR 1,500 thousand.

Other equity:

Other equity consists of amount that corresponds to the obligation to present Bank's shares to Group's employees as part of variable remuneration.

The Group's remuneration policy prescribes two main elements of remuneration – fixed remuneration and variable remuneration, and various additional benefits. Employees whose professional activities and/or decisions might have a significant impact on the risk accepted by the Group, receive deferred variable remuneration. The remuneration amounts are accrued as staff expenses in income statement. Until 2018, Group's incentive scheme included deferred payments in shares and cash of not less than 40% of variable remuneration being paid in equal instalments during three-year period. From 2019 under the Group's incentive scheme employees whose professional activities and/or decisions may have a significant impact on the risk assumed by the Group receive 50% of the annual long-term incentive program in cash and 50% in form of Bank's shares options executable after 3 years. From 2023 Bank's shares options are executable after 4-5 years. The number of share options is based on the currency value of the achieved results divided by the weighted average price at which the Bank's shares are traded on Nasdaq Vilnius during the period of five months prior the approval of remuneration. Each option is convertible into one ordinary share.

The Group has assessed fair value of shares option by the Black-Scholes model which is attributable to Level 3 in fair value hierarchy. The model inputs include:

- For the option granted 31 March 2023: grant date (31 March 2023), expiry days (9 April 2027 and 14 April 2028), share price 0.747 on grant day, exercise price 0.65, expected price volatility of the bank's shares 26%, risk free interest rates - 5% ir 2.3%;
- For the option granted 30 March 2022: grant date (30 March 2022), expiry day (11 April 2025), share price 0.656 on grant day, exercise price 0.588, expected price volatility of the bank's shares 28%, risk free interest rate - 0.1%;
- For the option granted 31 March 2021: grant date (31 March 2021), expiry day (12 April 2024), share price 0.538 on grant day, exercise price 0.498, expected price volatility of the bank's shares 25%, risk free interest rate - 0.1%;

NOTE 6
CAPITAL (CONTINUED)

The value of the option is included in other equity line in the statement of financial position. Other equity consists of:

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
Options	1,697	1,209	1,697	1,209
Shares distributable to employees	-	-	-	-
Total	1,697	1,209	1,697	1,209

No options were forfeited or expired during three months periods ended 31 March 2024 and 31 March 2023. During three months period ended 31 March 2024 and 31 March 2023 no share options were exercised.

Basic earnings per share:

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. There were no potential ordinary shares at 31 March 2024 and 31 March 2023, therefore the Group had no dilutive potential ordinary shares and diluted earnings per share are equal to basic earnings per share.

The number of shares in issue for the period ended 31 March 2024 was 662,997 and for the period ended 31 March 2023 was 600,726 thousand. Weighted average number of shares in issue period ended 31 March 2024 was 618,095 thousand (31 March 2023: 599,851 thousand).

	31 March 2024	31 March 2023
Net profit from continuing operations attributable to equity holders	22,466	19,153
Net profit (loss) from discontinued operations attributable to equity holders	-	-
Net profit attributable to equity holders	22,466	19,153
Weighted average number of shares in issue during the period (thousand units)	618,095	599,851
Basic earnings per share (EUR)	0.04	0.03
Basic earnings per share (EUR) from continuing operations	0.04	0.03
Basic earnings per share (EUR) from discontinued operations	-	-

NOTE 7
NET INTEREST INCOME

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
Interest revenue calculated using the effective interest method (on financial assets at amortized cost and fair value through other comprehensive income):	59,541	55,400	40,010	36,564
on loans to other banks and financial institutions and placements with credit institutions	6,487	9,209	1,804	3,476
on loans to customers	50,052	43,615	36,148	31,080
on debt securities at amortized cost	2,511	2,468	1,871	1,822
on debt securities at fair value through other comprehensive income	491	108	187	186
Other similar income:	5,940	5,903	4,153	4,109
on debt securities at fair value through profit or loss	325	290	465	429
on loans at fair value through profit or loss	143	143	-	-
on finance leases	5,472	5,470	3,688	3,680
other interest income	-	-	-	-
Total interest income	65,481	61,303	44,163	40,673
Interest expense:				
on financial liabilities designated at fair value through profit or loss	-	-	-	-
on financial liabilities measured at amortized cost	(25,898)	(25,937)	(8,760)	(8,762)
on other liabilities	(3)	-	(9)	(4)
Total interest expense	(25,901)	(25,937)	(8,769)	(8,766)
Net interest income	39,580	35,366	35,394	31,907

NOTE 8

NET FEE AND COMMISSION INCOME

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
<i>Fee and commission income:</i>				
for administration of loans of third parties	1,615	1,615	1,110	1,110
for settlement services	1,205	1,207	1,355	1,359
for cash operations	977	977	1,178	1,178
for account administration	1,567	1,567	1,563	1,563
for guarantees, letters of credit, documentary collection	262	262	203	203
for collection of utility and similar payments	49	49	49	49
for services related to securities	1,206	1,228	660	677
pension and investment funds management	1,598	-	-	-
other fee and commission income	231	468	213	413
Total fee and commission income	8,710	7,373	6,331	6,552
<i>Fee and commission expense:</i>				
for payment cards	(1,368)	(1,368)	(1,080)	(1,080)
for cash operations	(218)	(218)	(182)	(182)
for correspondent bank and payment system fees	(129)	(98)	(122)	(98)
for services of financial data vendors	-	-	-	-
for services related to securities	(232)	(232)	(188)	(188)
pension and investment funds management	(16)	-	-	-
other fee and commission expenses	(264)	(116)	(121)	(114)
Total fee and commission expense	(2,227)	(2,032)	(1,693)	(1,662)
Net fee and commission income	6,483	5,341	4,638	4,890

NOTE 9

OTHER OPERATING EXPENSES

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
Rent of buildings and premises	(94)	(94)	(74)	(75)
Utility services for buildings and premises	(327)	(317)	(441)	(421)
Other expenses related to buildings and premises	(254)	(253)	(202)	(202)
Transportation expenses	(105)	(87)	(99)	(75)
Legal costs	(11)	(11)	(73)	(73)
Personnel and training expenses	(385)	(383)	(318)	(301)
IT and communication expenses	(3,176)	(2,840)	(2,319)	(2,135)
Marketing and charity expenses	(979)	(426)	(872)	(260)
Service organization expenses	(816)	(671)	(729)	(663)
Non-income taxes, fines	(170)	(20)	(212)	(66)
Costs incurred due to debt recovery	(136)	(80)	(87)	(31)
Other expenses	(302)	(283)	(301)	(179)
Total	(6,754)	(5,464)	(5,727)	(4,481)

NOTE 10

IMPAIRMENT LOSSES

	1 January - 31 March 2024		1 January - 31 Marc 2023	
	Group	Bank	Group	Bank
(Impairment losses) / reversal of impairment losses on loans	(2,183)	97	(3,307)	(2,422)
Recoveries of loans previously written-off	44	38	62	61
Reversal of impairment losses / (impairment losses) on finance lease receivables	(602)	(605)	727	729
Recovered previously written-off finance lease receivables	-	-	-	-
(Impairment losses) on debt securities	15	15	10	22
Reversal of impairment losses on due from banks	10	10	8	8
Reversal of impairment losses / (impairment losses) on other financial assets	487	487	(283)	(283)
(Impairment losses) on subsidiaries	-	-	-	-
(Impairment losses) / reversal of impairment losses on other non-financial assets	-	-	-	-
Recoveries of other non-financial assets previously written-off	-	-	-	-
Provisions for other liabilities	36	-	21	-
Total	(2,193)	42	(2,762)	(1,885)

NOTE 10
IMPAIRMENT LOSSES (CONTINUED)

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
Allowance for impairment of loans				
As at 1 January	43,558	30,761	34,229	26,705
Change in allowance for loan impairment	2,183	(97)	3,307	2,422
Loans written off during the period	(1,197)	(551)	(858)	(380)
Other factors (reclassification, FX rate shift, etc.)	(2)	(2)	-	-
As at 31 March	44,542	30,111	36,678	28,747
Allowance for impairment of finance lease receivables				
As at 1 January	7,574	6,768	5,300	4,494
Change in allowance for impairment of finance lease receivables	602	605	(727)	(729)
Finance lease receivables written off during the period	-	-	-	-
Other factors (reclassification, FX rate shift, etc.)	(1)	-	(1)	-
As at 31 March	8,175	7,373	4,572	3,765
Allowance for impairment of debt securities				
As at 1 January	1,249	220	1,632	598
Change in allowance for impairment of debt securities	(15)	(15)	(10)	(22)
Debt securities written off during the period	-	-	-	-
Other factors (reclassification, FX rate shift, etc.)	1	1	1	1
As at 31 March	1,235	206	1,623	577
Allowance for impairment of due from banks				
As at 1 January	46	46	39	39
Change in allowance for impairment of due from banks	(10)	(10)	(8)	(8)
Due from banks written off during the period	-	-	-	-
Other factors (reclassification, FX rate shift, etc.)	1	1	-	-
As at 31 March	37	37	31	31
Allowance for impairment of other financial assets				
As at 1 January	1,118	1,101	506	490
Change in allowance for impairment of other financial assets	(487)	(487)	283	283
Other financial assets written off during the period	-	-	(3)	(3)
Other factors (reclassification, FX rate shift, etc.)	-	-	(1)	(2)
As at 31 March	631	614	785	768

As environmental factors changed, assumptions and estimates used in probability of default (PD) estimations were changed. The scenarios used to calculate PDs were based on the latest available economic change scenarios published by institutions, Group's management assigned judgement-based probabilities to these scenarios. It should be noted that economic forecasts used took into account ongoing Russia's invasion to Ukraine but without knowing result scenario of it significant uncertainties existed on how it will impact further global, country and sectors development trends. Due to such circumstances there is a significant probability that actual results may deviate from the estimated.

Scenario probabilities and weighted average GDP growth:

	2024		2025		2026		2027		2028	
	GDP	Probability	GDP	Probability	GDP	Probability	GDP	Probability	GDP	Probability
At 31 March 2024:										
Baseline scenario	1.60%	60 %	3.10%	60 %	3.30%	60 %	2.21%	60 %	2.15%	60 %
Optimistic scenario	2.50%	15 %	3.80%	15 %	4.00%	15 %	3.50%	15 %	3.10%	15 %
Pessimistic scenario	0.00%	25 %	1.90%	25 %	2.00%	25 %	1.50%	25 %	1.50%	25 %
Weighted average GDP growth	1.34%		2.91%		3.08%		2.23%		2.13%	
At 31 December 2023:										
Baseline scenario	1.80%	60 %	3.10%	60 %	3.30%	1.80%	60 %	3.10%	60 %	3.30%
Optimistic scenario	2.50%	15 %	3.80%	15 %	4.00%	2.50%	15 %	3.80%	15 %	4.00%
Pessimistic scenario	0.20%	25 %	1.90%	25 %	2.00%	0.20%	25 %	1.90%	25 %	2.00%
Weighted average GDP growth	1.51%		2.91%		3.08%		2.23%		2.13%	

Recovery rates used to derive LGD parameters were also revised to take into account latest available collateral sales data. Group's impairment expenses due to changes in accounting estimates amounted to: for the three months period ended 31 March 2024 – impairment loss of EUR 2,647 thousand (all attributable to change in calculation parameters), for the three months period ended 31 March 2023 – impairment loss of EUR 939 thousand (all attributable to change in calculation parameters).

NOTE 11

SIGNIFICANT INFORMATION ON OTHER INCOME STATEMENT ITEMS

Net gain from trading activities

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
<i>Net gain from operations with securities</i>	5,479	(84)	1,088	(117)
<i>Net gain from foreign exchange and related derivatives</i>	(438)	(438)	2,933	2,933
<i>Net gain (loss) from other derivatives</i>	2,146	2,146	(1,196)	(1,196)
Total	7,187	1,624	2,825	1,620

Net gain from trading activities includes investment result of the insurance company assets under unit-linked investments (see below): a net profit of EUR 5,239 thousand for the three months period ended 31 March 2024; a net profit of EUR 1,206 thousand for the three months period ended 31 March 2023.

Expenses related to insurance activities

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
<i>Part of the change of insurance contract liabilities that covers the result of investment of assets under unit-linked investments*</i>	(5,622)	-	(1,207)	-
<i>Other changes of insurance contract liabilities and other expenses related to insurance activities</i>	(1,949)	-	(2,065)	-
Total expenses related to insurance activities	(7,571)	-	(3,272)	-

* The investment result of the insurance company assets under unit-linked contracts is included in the following income statement lines:

	1 January - 31 March 2024		1 January - 31 March 2023	
	Group	Bank	Group	Bank
<i>Interest and similar income</i>	383	-	1	-
<i>Net gain (loss) from operations with securities</i>	5,239	-	1,206	-
<i>Net gain (loss) from foreign exchange</i>	-	-	-	-
Total	5,622	-	1,207	-

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 over by these related parties;
- subsidiaries of the Bank;
- the shareholders holding over 20% of the Bank's share capital or being a part of a voting group acting in concert that holds over 20% of voting rights therefore presumed to have a significant influence over the Group.

During 2024 and 2023, 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. According to the local legislation, the information on executed material transactions with related parties is published on Bank's website (www.sb.lt › About bank › Information › Reports regarding the transactions with related parties).

NOTE 12

RELATED-PARTY TRANSACTIONS (CONTINUED)

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

	31 March 2024		31 December 2023	
	Balances of deposits	Balances of loans (incl. off-balance sheet credit commitments)	Balances of deposits	Balances of loans and debt securities (incl. off-balance sheet credit commitments)
<i>Members of the Council and the Board</i>	357	297	424	299
<i>Other related parties (excluding subsidiaries of the Bank)</i>	64,057	84,488	225	9,172
Total	64,413	84,785	649	9,471

As of 31 March 2024, the balance of individual allowance for impairment losses on loans to related parties, except subsidiaries, amounted to EUR 14 thousand (31 December 2023: EUR 10 thousand).

Transactions with subsidiaries:

Balances of transactions with the subsidiaries are presented below:

	31 March 2024		31 December 2023	
	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>Non-financial institutions</i>	8,073	-	35,155	43,820
<i>Financial institutions</i>	43	260,262	52	263,192
	8,116	260,262	35,207	307,012

Bank's total balances with subsidiaries:

	31 March 2024	31 December 2023
Assets		
<i>Loans</i>	257,637	277,623
<i>Other assets</i>	-	-
<i>Bank's investment in subsidiaries</i>	79,107	76,672
Liabilities and shareholders' equity		
<i>Deposits</i>	32,750	35,207
<i>Other liabilities</i>	-	-

Income and expenses arising from transactions with subsidiaries:

	1 January – 31 March 2024	1 January – 31 March 2023
Income		
<i>Interest</i>	4,037	1,873
<i>Commission income</i>	2,089	222
<i>FX gain (loss)</i>	-	-
<i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i>	2,335	1,392
<i>Other income</i>	231	91
Expenses		
<i>Interest</i>	(38)	(2)
<i>Operating expenses</i>	280	-
<i>(Impairment losses)/ reversal of impairment losses on loans</i>	(655)	25
<i>Allowance for impairment losses on investments in subsidiaries</i>	-	-

As of 31 March 2024 the balance of individual allowance for impairment losses on loans to subsidiaries amounted to EUR 1,308 thousand (31 December 2023: EUR 653 thousand). Increase in allowance for impairment losses is related to establishment of new subsidiary (see Note 2 for more details).

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 assets and liabilities by maturity as at 31 March 2024 was as follows:

	Less than 1 month	Less than 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
<i>Total assets</i>	676,634	277,760	119,661	181,858	347,317	1,355,634	1,727,585	236,508	4,922,957
<i>Total liabilities and shareholders' equity</i>	1,682,708	316,440	371,443	819,247	838,176	249,042	112,565	533,336	4,922,957
<i>Net liquidity gap</i>	(1,006,074)	(38,680)	(251,782)	(637,389)	(490,859)	1,106,592	1,615,020	(296,828)	-

The structure of the Group's assets and liabilities by maturity as 31 December 2023 was as follows:

	Less than 1 month	Less than 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
<i>Total assets (restated)</i>	182,584	718,798	143,559	332,814	347,088	1,271,834	1,586,170	226,474	4,809,321
<i>Total liabilities and shareholders' equity (restated)</i>	1,783,550	119,671	223,317	452,168	1,261,637	233,444	192,415	543,119	4,809,321
<i>Net liquidity gap</i>	(1,600,966)	599,127	(79,758)	(119,354)	(914,549)	1,038,390	1,393,755	(316,645)	-

The structure of the Bank's assets and liabilities by maturity as at 31 March 2024 was as follows:

	Less than 1 month	Less than 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
<i>Total assets</i>	669,393	268,215	102,992	158,068	560,969	1,244,558	1,611,234	111,916	4,727,345
<i>Total liabilities and shareholders' equity</i>	1,686,730	127,057	374,691	819,176	831,456	247,315	105,657	535,263	4,727,345
<i>Net liquidity gap</i>	(1,017,337)	141,158	(271,699)	(661,108)	(270,487)	997,243	1,505,577	(423,347)	-

NOTE 13

LIQUIDITY, MARKET AND OPERATIONAL RISKS (CONTINUED)

The structure of the Bank's assets and liabilities by maturity as at 31 December 2023 was as follows:

	Less than 1 month	Less than 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
<i>Total assets (restated)</i>	174,054	711,067	368,211	309,951	313,680	1,163,511	1,472,432	110,204	4,623,110
<i>Total liabilities and shareholders' equity (restated)</i>	1,697,259	108,893	223,678	455,836	1,255,860	228,600	108,543	544,441	4,623,110
<i>Net liquidity gap</i>	(1,523,205)	602,174	144,533	(145,885)	(942,180)	934,911	1,363,889	(434,237)	-

Operational risk

Operational risk is the risk of experiencing losses due to improper or unimplemented internal control processes, employee errors and/or illegal actions, disruptions in information system operations, or the influence of external events. Operational risk, unlike other types of risks (credit, market, liquidity), is not intentionally assumed with the expectation of gaining benefits; it arises naturally in the course of the Bank's activities.

In the year 2023, the Bank continued to enhance the operational and reputational risk management systems, as well as incident recording systems for the Bank and its Group companies. Starting from 1 December 1 2023, operational risk incidents are recorded in the Service Bank. The decision to migrate to the Service bank was made for the convenience of JIRA functionalities and a unified registration location. From now on, operational risk incidents in the Service bank can be recorded by all employees of the Bank, SB lizingas UAB, Life Insurance SB Draudimas UAB and SB Asset Management UAB. E-learning modules on Operational Risk were prepared at the beginning of 2023.

On October 25-26, 2023, a Comprehensive Testing was conducted in the Bank, showing that the Business Continuity Plans and processes in place are suitable, with no significant deficiencies identified in ensuring business continuity.

Throughout this year, significant attention will continue to be given to Business Continuity Management, Risk Management, and monitoring of Critical Outsourced Services, as well as strengthening the operational and reputational risk culture across the entire Bank Group.

NOTE 14

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Types of inputs used in valuation techniques determine the following fair value hierarchy:

- Level I – Quoted prices (unadjusted) or public price quotations in active markets for identical assets or liabilities;
- Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level III – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During three months period ended 31 March 2024 the process of fair value measurement did not change significantly as compared to the process described in annual financial statements for the year 2023. For the valuation of financial assets and liabilities purposes, estimates, valuation techniques and inputs used to develop those measurements have not changed significantly if compared to those described in annual financial statements for the year 2023.

NOTE 14

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

Measurement of financial assets and liabilities according to the fair value hierarchy

	31 March 2024		31 December 2023	
	Group	Bank	Group	Bank
LEVEL I				
Trading book securities	152,037	5,542	140,317	5,413
Investment securities at fair value	70,917	70,917	70,054	70,054
Total Level I financial assets	222,954	76,459	210,371	75,467
LEVEL II				
Derivative financial instruments - assets	660	660	251	241
Derivative financial instruments - liabilities	(167)	(167)	(1,041)	(1,041)
Trading book securities	40,657	-	-	-
LEVEL III				
Trading book securities	29,234	16,208	67,360	14,989
Investment securities at fair value	4,517	4,396	4,446	4,328
Total Level III financial assets	33,751	20,604	71,806	19,317

There were no significant transfers between fair value hierarchy levels during 2024 and 2023.

Analysis of changes in Level III instruments fair value:

Group	Trading book securities		Investment securities at fair value	
	1 Jan - 31 Mar 2024	1 Jan - 31 Mar 2023	1 Jan - 31 Mar 2024	1 Jan - 31 Mar 2023
As at 31 December	67,360	17,906	4,446	6,602
Impact of change in accounting principles	-	-	-	-
As at 1 January	67,360	17,906	4,446	6,602
Additions	2,773	3,143	-	-
Disposals / redemption / derecognition	(1,334)	(3,633)	-	(793)
Reclassifications	(39,732)	-	-	-
Changes due to interest accrued/paid	575	145	56	33
Changes in fair value	(408)	3	15	(202)
As at 31 March	29,234	17,564	4,517	5,640

Bank	Trading book securities		Investment securities at fair value	
	1 Jan - 31 Mar 2024	1 Jan - 31 Mar 2023	1 Jan - 31 Mar 2024	1 Jan - 31 Mar 2023
As at 31 December	14,989	17,906	4,328	6,602
Impact of change in accounting principles	-	-	-	-
As at 1 January	14,989	17,906	4,328	6,602
Additions	2,442	3,143	-	-
Disposals / redemption / derecognition	(1,324)	(3,633)	-	(793)
Changes due to interest accrued/paid	571	145	56	33
Changes in fair value	(470)	3	12	(202)
As at 31 March	16,208	17,564	4,396	5,640

	1 Jan - 31 Mar 2024		1 Jan - 31 Mar 2023	
	Group	Bank	Group	Bank
Total result from revaluation of Level III instruments included in the income statement	(393)	(458)	(199)	(199)

Fair value of investment securities held to collect cash flows:

The fair value for Group's investment securities at amortized cost is based on market prices or broker/dealer price quotations – i.e. it is estimated using valuation technique attributable to Level 1 in the fair value hierarchy.

	31 March 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Investment securities at amortized cost	809,977	784,032	751,227	712,594

NOTE 15
SEGMENT INFORMATION

Business segments

In relation to adjusted strategy of the Bank, business model and strategic decisions are divided into three business lines – corporate, private and investment. Due to such reasons Group's segment information is provided in different form if compared to previous periods starting from 1 January 2024. Comparable segmentation information for 2023 is also provided using new form.

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 31 March 2024 and in the Statement of comprehensive income for three months period then ended is presented in the table below.

	2024-03-31			
	Segmentation by profit centres			Total
	Corporate	Private	Investment	
<i>Net interest income</i>	21,833	11,680	6,066	39,580
<i>Net fee and commission income</i>	3,095	2,083	1,305	6,483
<i>Net gain from insurance activities</i>	-	170	1,879	2,049
<i>Other income</i>	669	284	793	1,746
<i>Salaries and related expenses</i>	(5,081)	(4,565)	(1,643)	(11,289)
<i>Other expenses</i>	(3,036)	(4,466)	(1,054)	(8,556)
<i>Impairment expenses</i>	(107)	(2,086)	-	(2,193)
<i>Income tax</i>	(3,358)	(811)	(1,184)	(5,353)
Net profit centre result	14,014	2,289	6,163	22,466
<i>Total segment assets</i>	1,864,795	1,161,256	1,896,906	4,922,957

A summary of major indicators (restated) for the main business segments of the Group included in the Statement of financial position as at 31 March 2023 and in the Statement of comprehensive income for the twelve months period then ended is presented in the table below.

	2023-03-31			
	Segmentation by profit centres			Total
	Corporate	Private	Investment	
<i>Net interest income</i>	13,983	7,789	13,625	35,397
<i>Net fee and commission income</i>	2,813	1,782	44	4,639
<i>Net gain from insurance activities</i>	-	-	474	474
<i>Other income</i>	608	1,210	948	2,766
<i>Salaries and related expenses</i>	(3,940)	(3,702)	(1,163)	(8,805)
<i>Other expenses</i>	(2,420)	(3,795)	(920)	(7,134)
<i>Impairment expenses</i>	(1,520)	(1,242)	-	(2,762)
<i>Income tax</i>	(2,080)	(492)	(2,849)	(5,421)
Net profit centre result	7,444	1,550	10,159	19,153
<i>Total segment assets</i>	1,672,884	954,521	1,603,394	4,230,799

NOTE 16

SELECTED INFORMATION OF FINANCIAL GROUP

According to local legislation the Bank is required to disclose certain information for the Financial group. As of 31 March 2024 the Bank owned the following subsidiaries included in the prudential scope of consolidation (the Bank and four subsidiaries comprised the Financial group, all of the entities attributable to Financial Group operate in Lithuania):

1. SB Turto Fondas UAB (real estate management activities),
2. SB Lizingas UAB (consumer financing activities),
3. SB Asset Management UAB (investment management activities).

As of 31 December 2023 the Bank owned the following subsidiaries included in the prudential scope of consolidation (the Bank and four subsidiaries comprised the Financial group, all of the entities attributable to Financial Group operate in Lithuania):

1. Šiaulių Banko Lizingas UAB (finance and operating lease activities),
2. SB Turto Fondas UAB (real estate management activities),
3. SB Lizingas UAB (consumer financing activities),
4. SB Asset Management UAB (investment management activities).

In the Financial Group financial statements, the subsidiaries of the Bank that are not included in the Financial Group are not consolidated in full as would be required by IFRS 10 but presented on the consolidated balance sheet of the Financial Group as investments in subsidiaries at cost less impairment, in the same way as presented on the balance sheet of the Bank. This presentation is consistent with the regulatory reporting made by the Bank according to the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR).

Financial Group's condensed statement of financial position

	31 March 2024	31 December 2023
ASSETS		
<i>Cash and cash equivalents</i>	669,527	743,733
<i>Securities in the trading book</i>	21,870	20,522
<i>Due from other banks</i>	2,629	3,013
<i>Derivative financial instruments</i>	660	241
<i>Loans to customers</i>	2,759,453	2,645,104
<i>Finance lease receivables</i>	285,407	286,533
<i>Investment securities at fair value</i>	75,434	74,500
<i>Investment securities at amortized cost</i>	798,603	739,869
<i>Investments in subsidiaries and associates</i>	35,106	32,628
<i>Intangible assets</i>	41,749	41,919
<i>Property, plant and equipment</i>	14,925	15,116
<i>Investment property</i>	985	993
<i>Current income tax prepayment</i>	3,511	9
<i>Deferred income tax asset</i>	7,107	7,575
<i>Other assets</i>	19,446	20,014
Total assets	4,736,412	4,631,769
LIABILITIES		
<i>Due to other banks and financial institutions</i>	561,536	571,750
<i>Derivative financial instruments</i>	167	1,041
<i>Due to customers</i>	3,250,051	3,163,157
<i>Special and lending funds</i>	10,731	15,718
<i>Debt securities in issue</i>	280,910	276,480
<i>Current income tax liabilities</i>	11,461	6,412
<i>Deferred income tax liabilities</i>	6,113	6,125
<i>Other liabilities</i>	80,741	46,603
Total liabilities	4,201,710	4,087,286
EQUITY		
<i>Share capital</i>	192,269	192,269
<i>Share premium</i>	25,534	25,534
<i>Treasury shares (-)</i>	(2,400)	(1,500)
<i>Reserve capital</i>	756	756
<i>Statutory reserve</i>	60,882	47,682
<i>Reserve for acquisition of own shares</i>	20,000	20,000
<i>Financial instruments revaluation reserve</i>	(4,767)	(5,426)
<i>Other equity</i>	1,603	1,603
<i>Retained earnings</i>	240,825	263,565
<i>Non-controlling interest</i>	-	-
Total equity	534,702	544,483
Total liabilities and equity	4,736,412	4,631,769

SELECTED INFORMATION OF FINANCIAL GROUP (CONTINUED)

Financial Group's condensed income statement

	for the three months period ended	
	31 March 2024	31 March 2023
<i>Interest revenue calculated using the effective interest method</i>	59,243	39,983
<i>Other similar income</i>	5,762	4,117
<i>Interest expense and similar charges</i>	(25,901)	(8,767)
Net interest income	39,104	35,333
<i>Fee and commission income</i>	8,775	6,354
<i>Fee and commission expense</i>	(2,216)	(1,686)
Net fee and commission income	6,559	4,668
<i>Net gain from trading activities</i>	1,628	1,620
<i>Net gain (loss) from derecognition of financial assets</i>	(15)	266
<i>Net gain (loss) from disposal of tangible assets</i>	32	638
<i>Revenue related to insurance activities</i>	-	-
<i>Other operating income</i>	206	146
<i>Salaries and related expenses</i>	(11,150)	(8,476)
<i>Depreciation and amortization expenses</i>	(1,773)	(1,284)
<i>Expenses related to insurance activities</i>	-	-
<i>Other operating expenses</i>	(6,749)	(5,547)
Operating profit before impairment losses	27,842	27,364
<i>Allowance for impairment losses on loans and other assets</i>	(2,193)	(2,750)
<i>Allowance for impairment losses on investments in subsidiaries</i>	-	-
<i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i>	2,425	(17)
Profit before income tax	28,074	24,597
<i>Income tax expense</i>	(5,353)	(5,421)
Net profit for the period	22,721	19,176
<i>Profit (loss) from discontinued operations, net of tax</i>	-	-
Net profit for the year	22,721	19,176
Net profit attributable to:		
<i>Owners of the Bank</i>	22,721	19,176
<i>From continuing operations</i>	22,721	19,176
<i>From discontinued operations</i>	-	-
<i>Non-controlling interest</i>	-	-

Financial Group's condensed statement of comprehensive income

	for the three months period ended	
	31 March 2024	31 March 2023
Net profit for the period	22,721	19,176
Other comprehensive income		
<i>Items that may be subsequently reclassified to profit or loss:</i>		
<i>Gain from revaluation of financial assets</i>	824	716
<i>Deferred income tax on gain from revaluation of financial assets</i>	(165)	(143)
Other comprehensive income, net of deferred tax	659	573
Total comprehensive income for the period	23,380	19,749
Total comprehensive income (loss) attributable to:		
<i>Owners of the Bank</i>	23,380	19,749
<i>Non-controlling interest</i>	-	-
	23,380	19,749

NOTE 17 LIABILITIES RELATED TO INSURANCE ACTIVITIES

Insurance contract liabilities

Bank's subsidiary SB draudimas UAB GD is engaged in life insurance business. For the periods ended 31 March 2024 and 31 December 2023 the liabilities from insurance contracts and their changes were as follows:

	<i>Estimate of present value of future cash flows</i>	<i>Risk adjustment for non-financial risks</i>	<i>Contractual service margin</i>	<i>Investment units</i>	<i>Total</i>
Gross:					
<i>At 1 January 2023</i>	23,025	2,571	4,360	6,229	36,185
<i>Change during period</i>	16,697	14,443	25,899	86,092	143,132
<i>At 31 December 2023</i>	39,722	17,014	30,259	92,322	179,317
<i>Change during period</i>	5,266	501	(619)	707	5,855
<i>At 31 March 2024</i>	44,989	17,515	29,640	93,028	185,172
Reinsurance share:					
<i>At 1 January 2023</i>	-	-	-	-	-
<i>Change during period</i>	1	-	-	-	1
<i>At 31 December 2023</i>	1	-	-	-	1
<i>Change during period</i>	(1)	-	-	-	(1)
<i>At 31 March 2024</i>	-	-	-	-	-
Net value					
<i>At 31 December 2023</i>	39,724	17,014	30,259	92,322	179,318
<i>At 31 March 2024</i>	44,989	17,515	29,640	93,028	185,172

Insurance contract liabilities value as at 31 December 2023 if compared to previous periods increased significantly due to business acquired by SB draudimas UAB GD as described in more detail in Note 2.

NOTE 18 SUBSEQUENT EVENTS

On 11 April 2024 the Bank submitted a request to the European Central Bank (ECB) to buy back shares in order to increase shareholder value and to exercise options for the Bank's employees. Šiaulių bankas seeks for permission to buy back its own ordinary shares:

- up to 12,000,000 shares for no more than EUR 10.0 million in value within one year from the receipt of permission, in order to reduce the Bank's capital by cancelling the shares acquired by the Bank;
- up to 1,745,114 shares for no more than EUR 1.5 million in value, in order to grant shares to Šiaulių bankas group employees as part of the deferred variable remuneration in 2025.

The Bank had already bought back 1,250 thousand of its own shares for EUR 0.9 million earlier this year and also applied to the ECB for permission to cancel them.

On 23 April 2024 Bank of Lithuania approved base prospectus of 100,000,000 Euro Tier 2 Subordinated Note Programme of the Bank regarding the public offering of Tier 2 Subordinated Notes issued under the Programme and introduction to trading on debt list of the regulated market of AB Nasdaq Vilnius.

After end of reporting period there were no other significant events which would have impact to these financial statements.

ADDITIONAL INFORMATION

for three months period ended 31 March 2024

The present additional information of Šiaulių Bankas AB (hereinafter — the Bank) covers the period 01 January 2024 to 31 March 2024.

The description of alternative performance indicators is available on the Bank's website at:

[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Alternative Performance Measures](#)

ACTIVITY RESULTS

- **Profit.** Šiaulių Bankas earned a net profit of €22.5 million
- **Return on equity.** Achieved a return on equity (RoE) of 17.6%, reflecting effective capital management and the continued shareholder value creation
- **Asset quality.** Asset quality remains good and stable, cost of risk (CoR) of the loan portfolio was 0.36%
- **Share buyback.** Application submitted to the ECB for the new buyback program of up to €11.5 million
- **Core banking platform.** Core banking platform upgrade begins, which will lay the basis for better customer experience and long-term growth
- **Governance.** The Board of Directors and Management Board were elected for a new four-year term (2024 – 2028)

„We concluded the first quarter with a new strategy and the successful integration of INVL's asset management and life insurance business, significantly contributing to the growth of net fee and commission income and the bank's overall operating results. As part of our strategy, we have initiated a new core banking platform upgrade project that will enhance the customer experience in the future.

At the beginning of the year, the Board of Directors and Management Board were elected for a new term, with the addition of professionals from the retail banking business and investment services, who will contribute to the implementation of the bank's ambitious strategy“, - says Vytautas Sinius, CEO.

Overview of Key Performance Indicators

Šiaulių Bankas earned a net profit of €22.5 million in Q1 2024, which is 17% more compared to the corresponding period of 2023. Operating profit before impairment and income tax amounted to €30.0 million, a 10% increase compared to Q1 2023.

Net interest income grew by 12% to €39.6 million, while net fee and commission income grew by 40% to €6.5 million.

The first quarter was marked by growth in all key loan book segments, with the total loan portfolio increasing by 4% (up by €113 million) to €3.1 billion. During the quarter, new credit agreements worth €373 million were signed, 5% more than in Q1 2023.

The quality of the loan portfolio remains good, with provisions of €2.2 million in Q1 (€2.8 million in Q1 2023) due to the revision of the parameters in line with updated macroeconomic forecasts. The cost of risk (CoR) of the loan portfolio for Q1 was 0.36% (0.38% in Q1 2023).

The customer deposit portfolio grew by 3% over the quarter (up by €83 million) and exceeded €3.26 billion at the end of March. The share of term deposits in the total portfolio continued to increase, exceeding 50% at the end of March.

The bank plans to place two bond issues in 2024 to raise funds in the capital markets. One of them, a new subordinated bond issue of €25 million, will be issued in the near future.

Šiaulių Bankas maintains a high level of operational efficiency - the cost-to-income ratio was 42.1%¹ (Q1 2023 – 39.6%¹), and RoE was 17.6% (Q1 2023 – 17.8%). The capital and liquidity positions remain strong and regulatory requirements are being met by a wide margin. The capital adequacy ratio (CAR) at 21.1%² and the liquidity coverage ratio (LCR) stood at 212%².

The bank's strong and sustainable capital base has enabled it not only to pay a record dividend for 2023 (43% of 2023 net profit, i.e. a dividend of €0.0485 per share), but also to apply for a new buyback program with ECB (up to €11.5 million).

¹ After eliminating the impact of the client portfolio of SB Draudimas

² Preliminary data

Overview of Business Segments

Corporate Client Segment

Demand for business finance is showing positive trends, with new contract volumes rising by 33% to €208 million in Q1, almost on a par with the same period last year. The business loan portfolio grew by 5% (up by €80 million) to over €1.6 billion.

The €200 million SB Modernisation Fund 2, set up to finance the renovation of multi-apartment buildings, has been launched. The multi-apartment renovation fund will finance the modernization of up to 300 multi-apartment buildings in Lithuania. Around 10,000 households will benefit from the changes. The first such fund, the €275 million SB Modernisation Fund, was established in 2022, has been successfully disbursed, and has already financed the renovation of 394 multi-apartment buildings.

Private Client Segment

In order to increase its competitiveness, Šiaulių Bankas is initiating an operational transformation process, during which the branch network will transition into a sales-oriented organisation. This transformation will encompass not only the development of sales staff competencies and motivation but also the reduction of administrative burden by centralising administrative functions, thereby freeing up valuable branch staff time for sales expansion. Streamlined operations will drive future growth, elevating sales per FTE and better serving our customers.

Šiaulių Bankas has successfully launched Apple Pay, which has been enthusiastically received by customers. This initiative continues to contribute successfully to the bank's digitalisation, increasing customer satisfaction, engagement, and loyalty.

Investment Client Segment

The main priority for Q1 of this year was the development of the bond issuance and distribution service for both investing clients and issuers. We have started working with a new segment, institutional investors, which will further consolidate the bank's leadership in capital markets. All customers who wish to receive up-to-date information on the bonds distributed by the bank can now subscribe to the Bond Newsletter. During the period under review, customers have invested more than €60 million in 13 corporate bond placements organised by the bank. The assets under custody held by the bank at the end of March amounted to €1.8 billion.

At the end of Q1 2024, assets under management by SB Asset Management, the asset management company of Šiaulių Bankas Group, exceeded €1.26 billion, growing by €90 million in the first three months of the year. Most of this increase was driven by the return on investments of the assets under management, generating profits for clients of over €76 million. Pillar II pension funds alone returned 6.9% in Q1 of the year and have maintained a very high average annual return of 9.8% since the pension reform in 2019.

The documents for the establishment of the third Alternative Investment Fund are being finalised, with the aim of making the fund available to clients later this quarter. This fund will differ from the first two alternative investment funds by offering the possibility to both increase and decrease investments during the life of the fund.

REGARDING EXTERNAL ENVIRONMENT FACTORS

The Bank monitors the tense geopolitical situation in order to properly and timely assess and identify the potential impact of Russia's invasion of Ukraine on the Bank's operations and the quality of its portfolio due to the risks it poses to clients. The Bank has no operations in Russia, Belarus or Ukraine and does not have significant direct exposures in these countries. The Bank considers the secondary risk of direct insolvency of clients operating in Lithuania due to the geopolitical situation to be low: the Bank's largest clients are aware of the threats, the number of clients dependent on business relations with Ukraine and Russia is low, and clients with business relations in the countries mentioned above are reducing their dependence of their income on business transactions. To identify in a timely manner a potential increase in the risk of its clients, the Bank applies the procedures set out in the Bank's internal regulations, records Early Warning Indicators (EWI) for the impact of the geopolitical situation on the clients that have a moderate or greater dependence on the aforementioned countries through their supply or sales chains, or through their shareholding structure, and, in the event of a potentially significant risk, puts the client on the Watch List and implements enhanced monitoring for these clients, and approves action plans for the mitigation of risk. The greatest uncertainties and potential negative impacts arise from tertiary effects, i.e., the impact of Russia's invasion of Ukraine on the overall state of the economy. The Bank uses scenario assessments and stress testing to assess these impacts. These assessments indicate that the Bank's capital position is strong and that the Bank would be able to withstand significant shocks related to economic downturns.

The increased monitoring is not limited to credit risk, but also includes a stronger monitoring of the bank's liquidity position (except for the increased cash withdrawals a few days after the start of the invasion, there were no negative trends related to the invasion), increased focus on business continuity and IT security (business continuity plans have been updated with a number of additional scenarios, cybersecurity status is constantly being monitored, additional cyber-protection measures have been implemented, and testing of measures and plans is ongoing). Also, due to the rapidly changing situation and the introduction of new sanction packages, the processes and procedures for complying with the sanctions for clients and payments are under considerable scrutiny, which may in some cases lead to longer process time.

The Russian invasion of Ukraine may further contribute to increased market volatility. The Bank has no direct investments (securities or other financial instruments) in Russia, Belarus or Ukraine. The Bank has no or close to zero open currency exposure in these countries.

The Bank is closely monitoring the situation regarding problems of some US and Swiss banks. The Bank has no direct positions in these credit institutions and does not notice any material second or third order effects to Bank's activities. Events unfolding in the Middle East also do not have a material direct impact on Bank's activities.

RATINGS

On June 7 2023 the international rating agency Moody's Investor Service has upgraded Šiaulių Bankas long-term deposit ratings from Baa2 to Baa1. The outlook on the long-term deposit ratings is affirmed as stable. This is the highest rating in the bank's history. Moody's has also upgraded the long-term Counterparty Risk Ratings from Baa1 to A3. The long-term Counterparty Risk Assessments (CR Assessments) were upgraded from Baa1(cr) to A3(cr). Moody's has affirmed short-term deposit ratings of Šiaulių Bankas at P-2 and the short-term CR Assessments at P-2(cr). The Baseline Credit Assessment has also been upgraded from Ba1 to Baa3.

COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

Šiaulių Bankas maintained high operational efficiency. Capital and liquidity position remain robust - prudential requirements are implemented with adequate reserve. According to the data as of 31 March 2024 the Bank complied with all the prudential requirements set out by the supervisory authority.

The main financial indicators of the Group:

	31/12/2021	31/12/2022	31/03/2023	31/12/2023	31/03/2024
ROAA, %	1.6	1.7	1.9	1.7	2.0
ROAE, %	14.3	16.1	17.8	15.5	17.6
Cost to income ratio, %	44.1	41.7	41.2	43.5	47.7
Cost to income ratio (adjusted due to the impact of the SB draudimas clients' portfolio), %	42.8	43.4	39.6	41.2	42.1
Loan to deposit ratio, %	78.6	94.6	96.0	92.7	93.7

At the end of Q1 2024 MREL requirement at Financial group level approved in February, 2023 were effective and have been met from 1 January 2024. Updated the MREL requirements which will be effective from May,2024 was approved in March,2024 including the following MREL requirements:

- The minimum requirement for own funds and eligible liabilities of the resolution entity with which the Financial group shall comply is 22.67% of total risk exposure (MREL-TREA) and 7.09% of leverage ratio exposure (MREL-LRE);
- Subordinated instruments shall comprise 13.50% of total risk exposure (MREL-TREA, subordinated) and 5.95% of leverage ratio exposures (MREL-LRE, subordinated).

The levels of MREL requirements are revised by the supervisory authorities of the bank each year. The MREL targets for Financial group can be summarised as follows:

	01/01/2024	05/2024
	(requirement)	(requirement)
MREL-TREA	21.49%	22.67%
MREL-LRE	7.16%	7.09%
MREL-TREA, subordinated	13.50%	13.50%
MREL-LRE, subordinated	5.99%	5.95%

In November 2023, in the international financial markets, Šiaulių Bankas AB successfully supplemented the 4-year issue made in 2021 with an additional nominal value of EUR 50 million. Before this addition, this issue amounted to EUR 160 million, now it is EUR 210 million. The bond issue was aimed at meeting future MREL requirements set by the supervisory authorities of the bank. In June 2023, the Bank successfully placed a 10-year subordinated bond issue of EUR 50 million in the international financial markets, which attracted more investor attention than expected. The funds raised will help the Bank to maintain its lending volumes to Lithuanian businesses, to achieve an efficient capital structure, to meet the requirements of the supervisory authority and to maintain the continuity of its dividend policy.

Data on indicators are also available on the website of Šiaulių Bankas:

- on operating profitability indicators:
[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Profitability Ratios](#)
- prudential requirements:
[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Prudential Standards](#)
- the description of alternative performance indicators:
[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Alternative Performance Measures](#)

AUTHORIZED CAPITAL, SHAREHOLDERS

As of 31 March 2024, the authorized capital of the Bank totalled to EUR 192,269,027.34 and is divided into 662,996,646 units of ordinary registered shares with a nominal value of EUR 0.29 each (ISIN LT0000102253 Nasdaq CSD Lithuanian branch). The Charter of the Bank were registered in the Register of Legal Entities on 15 December 2023 after the last increase of the authorized capital by additional contributions.

The rights granted by the Bank's shares are specified in the Bank's Charter, which is available on the Bank's website at:

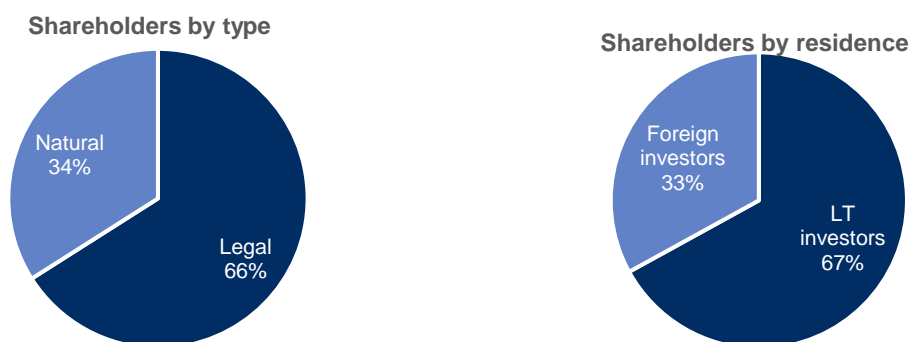
[Homepage](#) › [About Us](#) › [Important Documents](#)

Authorized capital:

	26/05/2015	14/09/2015	26/05/2016	06/06/2017	01/06/2018	13/12/2018	15/12/2023
Capital, EUR	85,033,800	91,226,381.99	109,471,658.33	131,365,989.88	157,639,187.74	174,210,616.27	192,269,027.34

As of 31 March 2024 the number if the Bank's shareholders was 19,106 (as of 31 March 2023 – 19,360). All issued shares grant the shareholders equal rights foreseen by the Law on Companies of the The Republic of Lithuania of Lithuania and the Charter of the Bank:

[Homepage](#) › [About Us](#) › [Important Documents](#)



Shareholders owning more than 5% of the Bank's shares and votes as of 31 March 2024:

	Share of shares and votes, %
Invalda INVL AB, c.c. 121304349	18.24*
EBRD, LEI code 549300HTGDOVDU60GK19	12.69
Willgrow UAB, c.c. 302489393	7.07
Algirdas Butkus	5.02**

* Pursuant to the Law on Securities of the Republic of Lithuania, the shareholder's votes are counted together with the controlled company: INVL Asset Management UAB, c.c. 126263073 - 0.39% of the votes

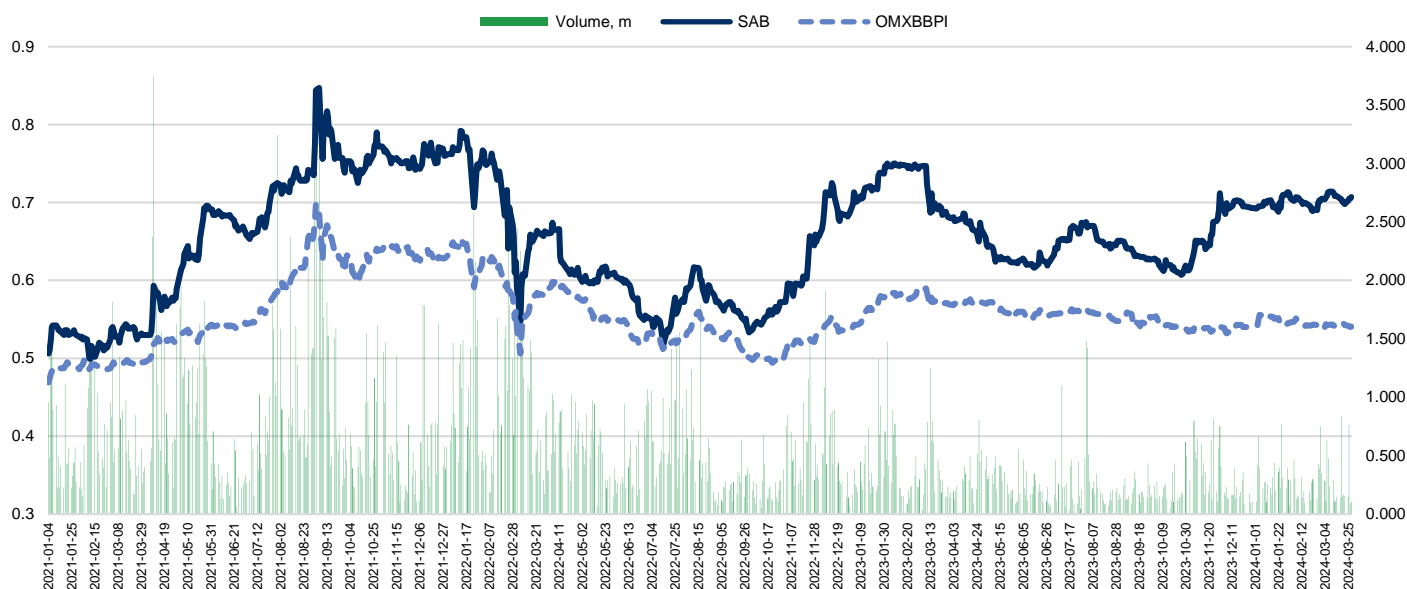
** Votes are counted together with controlled companies: Prekybos namai AIVA UAB, c.c. 144031190 – 1.81%, Mintaka UAB, c.c. 144725916 - 0.79%

Information on shares

	31/12/2021	31/12/2022	31/03/2023	31/12/2023	31/03/2024
Capitalization, m EUR	457.2	412.1	408.5	459.5	468.7
Turnover, mln. Eur	134.8	101.9	18.8	52.0	12.3
Share price on the last trading session day	0.761	0.686	0.680	0.693	0.707
Lowest share price during the reporting period	0.493	0.511	0.677	0.606	0.606
Highest share price during the reporting period	0.890	0.794	0.754	0.754	0.754
Average share price during the reporting period	0.663	0.624	0.723	0.667	0.701
Share book value	0.678	0.730	0.741	0.822	0.807
P/BV	1.1	0.9	0.9	0.8	0.9
P/E	8.3	6.5	5.3	6.1	5.2
Capital increase from retained earnings, %	-	-	-	-	-

*description of indicators is provided on the Bank's website: [Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Alternative Performance Measures](#)

Turnover and price of the Bank's shares 2021-2024



The shares of the Bank are traded on the regulated market. They are traded on the Nasdaq Baltic Market and admitted to official listing. All 662,996,646 registered ordinary shares of the Bank with a nominal value of EUR 0.29 per share and total nominal value of EUR 192,269,027.34 are admitted to the listing.

The shares issued by the Bank are included in the Nasdaq indexes:

- *OMX Baltic Benchmark (OMXBGGI, OMXBBPI, OMXBBCAPGI, OMXBBCAPPI)* - the Baltic benchmark index consists of the largest and most traded stocks on the Nasdaq Baltic Market representing all sectors;
- *OMX Baltic 10 (OMXB10, OMXB10EXP)* - is a tradable index of the Baltic states consisting of the 10 most actively traded stocks on the Baltic exchanges;
- *OMX Baltic (OMXBGI, OMXBPI)* – is an all-share index consisting of all the shares listed on the Main and Secondary lists of the Baltic exchanges with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares;
- *OMX Vilnius (OMXVGI)* – is an all-share index which includes all the shares listed on the Main and Secondary lists on the Nasdaq Vilnius with exception of the shares of the companies where a single shareholder controls at least 90% of the outstanding shares;
- *OMX Baltic Financials (B8000GI, B8000PI, B40PI)* – an index of the Baltic financial institutions;
- *OMX Baltic Banks (B300GI, B8300PI)* - an index of the Baltic banks.

Return indices (RIs) represent the total return on the shares included in the index and reflect not only stock price movements but also the dividends paid, making these indices a more complete measure of market performance than price indices. Price indices (PIs) only reflect changes in the price of shares included in the index, regardless of dividends. There is a cap on the weight of the shares (CAP) forming indices of a limited number of shares above which the number of shares included in the index is reduced to a cap.

Besides, the Bank's shares are included into such indices as *STOXX All Europe Total Market, STOXX EU Enlarged TMI, STOXX Eastern Europe 300, STOXX Eastern Europe 300 Banks, STOXX Eastern Europe Mid 100, STOXX Eastern Europe TMI, STOXX Eastern Europe TMI Small, STOXX Global Total Market, STOXX Lithuania Total Market, Bloomberg ESG Data Index, Bloomberg ESG Coverage Index, S&P Frontier BMI Index, MSCI Frontier and Emerging Markets Select Index, FCI EMU MIDSMLLCP MKTCAP-CONSTRAINED (FREE-FLOAT UNADJUSTED) 400 (NET) Index* and in some FTSE Russell Frontier indices.

ACQUISITION OF OWN SHARES

On 25-29 January 2024 Bank purchased own shares on the Tender Offer Market of Nasdaq Vilnius AB. Total number of shares acquired 1 250 000 and total amount of share acquisition transactions EUR 900,000.00. On 31 March 2024 Bank has 3,522,571 units of its own shares.

In 2018, the Supervisory Council approved the dividend policy. Carrying out its activities and planning the capital the Bank seeks to ensure a competitive return on investment through dividends and increasing stock value. The Bank shall pay dividends on two assumptions - when external and internal capital and liquidity requirements will be sustained, and the level of capital after dividends will remain sufficient to carry out all approved investment and development plans and other capital-intensive activities. Taking into account the above-mentioned principles and assumptions, the Bank shall seek to allocate at least 25 per cent of the earned annual profit to dividends.

The Ordinary general meeting of shareholders held on 29 March 2024 approved allocation of the profit of Šiaulių Bankas AB which included a pay-out of dividends - 0.0485 euro shall be paid for each ordinary registered share with a nominal value of 0.29 euro.

Information on the dividends paid:

<i>The year for which the dividends are allocated and paid</i>	2019	2020	2021	2022	2023
<i>Per cent from nominal value</i>	-	1.90	11.72	9.14	16.72
<i>Dividend amount per share, Eur</i>	-	0.0055	0.0340	0.0265	0.0485
<i>Dividend amount, Eur</i>	-	3,303,994	20,424,693	15,919,246	32,094,723
<i>Yields from dividends, %</i>	-	1.1	4.5	3.9	7.0
<i>Dividends to Group net profit, per cent</i>	-	7.7	37.0	25.0	42.4

The description of alternative performance indicators is available on the Bank's website at:

[Homepage](#) > [Bank Investors](#) > [Financial Information](#) > [Alternative Performance Measures](#)

MANAGEMENT OF THE BANK

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

29 March 2024 The General Meeting of Shareholders of Šiaulių Bankas AB elected the Supervisory Council of the Bank for a new four-year term of office (2024-2028). Valdas Vitkauskas, Susan Gail Buyske, Tomas Okmanas, Mindaugas Raila, Darius Šulnis, Gintaras Kateiva were re-elected to the Supervisory Council of Šiaulių Bankas and a new independent member of the Supervisory Council, Monika Nachyla was elected, and she will take up her duties only after the permission of the Supervisory Authority of the Bank is received. Valdas Vitkauskas was elected Chairman of the newly elected Supervisory Council. The selection of the eighth member of the Supervisory Council continues.

Ramunė Vilija Zabulienė and Miha Košak have completed their service on the Supervisory Council of Šiaulių Bankas.

The Bank's Supervisory Council, whose term of office expires on the day of the Ordinary General Meeting of Shareholders of the Bank in 2028, composition and other information for 31/03/2024 date was:

Name, Surname	Duties at the Supervisory Council	Share of capital under the right of ownership, %	Share of votes together with the related persons, %
<i>Valdas Vitkauskas</i>	Independent member since 01/06/2022 Chairman since 05/08/2022	-	-
<i>Gintaras Kateiva</i>	Member since 2008	4.89	4.91*
<i>Darius Šulnis</i>	Member since 2016	-	-
<i>Susan Gail Buyske</i>	Independent member since 2020	-	-
<i>Mindaugas Raila</i>	Member since 18/01/2023	-	7.07**
<i>Tomas Okmanas</i>	Independent member since 02/02/2023	-	-

* Pursuant to the Law on Securities of the Republic of Lithuania, votes are counted together with the votes held by the spouse

** Pursuant to the Law on Securities of the Republic of Lithuania, votes are counted together with the votes held by the controlled company Willgrow UAB

At the first meeting of the newly elected Supervisory Council on 29 March 2024, a new Management Board was also elected for a new four-year term of office (2024-2028). The General Meeting of Shareholders approved amendments to the Bank's Articles of Association according to which the Bank's Management Board will consist of 8 members instead of 7, as before. Vytautas Sinius, Mindaugas Rudys, Donatas Savickas, Daiva Šorienė, Algimantas Gaulia and Agnė Duksienė were re-elected to the Šiaulių bankas Management Board. Tomas Varenbergas, Head of Investment Management Division of Šiaulių Bankas, and Laura Križinauskienė, Head of Private Clients Division, have also been elected to the Management Board. The newly elected members to the Management Board of the Bank will take up their duties only after the permission of the Supervisory Authority of the Bank is received. Vytautas Sinius was elected Chairman of the newly elected Management Board.

The Bank's Management Board, whose term of office expires on the day of the Ordinary General Meeting of Shareholders of the Bank in 2028, composition for 31/03/2024 date was:

Name, Surname	Duties at the Board	Other current leading positions at the Bank	Share of capital under the right of ownership, %	Share of votes together with the related persons, %
Vytautas Sinius	Chairman since 19/08/2022	Chief Executive Officer	0.27	0.27
Donatas Savickas	Deputy Chairman since 1995	Deputy Chief Executive Officer, Head of Finance Division	0.13	0.13
Daiva Šorienė	Member since 2005	Deputy Chief Executive Officer, Head of Corporate Clients Division	0.05	0.05
Mindaugas Rudys	Member since 2020	Head of Service Development Division	0.06	0.06
Algimantas Gaulia	Member since 30/07/2021	Head of Risk Management Division	0.01	0.01
Agnė Dukšienė	Member since 08/05/2023	Head of Legal, Compliance and Prevention Division	-	-

BANK'S COMPANY GROUP

	Nature of activities	Registration date	Company code	Address	Tel.	e-mail, website
Šiaulių Bankas AB	commercial banking	04/02/1992	112025254	Tilžės str. 149 LT-76348 Šiauliai	+370 41 595 607	info@sb.lt , www.sb.lt

The Bank directly controls the following subsidiaries

SB Lizingas UAB	finance lease, consumer credits.	14/07/1997	234995490	Laisvės al. 80, LT-44249 Kaunas	+370 37 407 200	info@sbl.lt , www.sblizingas.lt
SB Turto Fondas UAB	real estate management	13/08/2002	145855439	Vilniaus str. 167, LT-76352 Šiauliai	+370 41 525 322	turtofondas@sb.lt , www.sbp.lt
Life insurance SB draudimas UAB	life insurance	31/08/2000	110081788	Laisvės pr. 3, LT-04215 Vilnius	+370 5 236 2723	info@sbdraudimas.lt , www.sbdraudimas.lt
SB modernizavimo fondas UAB*	multi-apartment renovation financing	05/04/2022	306057616	Tilžės g. 149, LT-76348 Šiauliai	+370 41 595 607	sbfondas@sb.lt
SB Asset Management UAB	fund management	07/02/2023	306241274	Gynėjų g. 14, LT-01109 Vilnius	+370 41 595 607	https://info@sbam.lt
SB modernizavimo fondas2 UAB*	multi-apartment renovation financing	21/02/2024	306682354	Tilžės g. 149, LT-76348 Šiauliai	+370 41 595 607	sbfondas@sb.lt

*not consolidated under IFRS 10 requirements

OTHER INFORMATION, PUBLISHED INFORMATION AND MAJOR EVENTS

In accordance with the procedures set by the Charter of the Bank and the legal acts of the Republic of Lithuania reports on material events are announced in the Central regulated information base and on the Bank's website at:

[Homepage](#) › [Bank Investors](#) › [Reports on Stock Events](#).

Other important events are available on the Bank's website at:

[Homepage](#) › [About Us](#) › [News](#).

Chief Executive Officer

29 April 2024



Vytautas Sinius

CONFIRMATION FROM THE RESPONSIBLE PERSONS

We, Chief Executive Officer of Šiaulių bankas AB Vytautas Sinius and Chief Financial Officer Donatas Savickas, confirm that as far as we know, the financial statements for three months of 2024 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



Vytautas Sinius

Chief Financial Officer



Donatas Savickas

29 April 2024