

CONFIRMATION FROM THE RESPONSIBLE PERSONS

We, Chief Executive Officer of Šiaulių bankas AB Vytautas Sinius and Chief Accountant Vita Adomaitytė, confirm hereby that the provided financial statements for 12 month of the year 2014 are compiled in compliance with applicable accounting standards, correspond to the reality and correctly reveal the total consolidated assets, liabilities, financial status, activity result and cash flows of Šiaulių bankas AB and its Group.

Chief Executive Officer



Vytautas Sinius

Chief Accountant



Vita Adomaitytė

26/02/2015



CONDENSED INTERIM FINANCIAL STATEMENTS

for the twelve month period ended 31 December 2014

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


| | Notes | 31-12-2014 | | 31-12-2013 | |
|---|-------|------------------|------------------|------------------------|-----------------------|
| | | Group | Bank | Group (represented) | Bank (represented) |
| ASSETS | | | | | |
| Cash and cash equivalents | | 681,707 | 678,410 | 490,435 | 480,999 |
| Due from other banks | | 19,561 | 18,178 | 8,528 | 5,995 |
| Trading securities | 2 | 179,885 | 193,590 | 145,097 | 193,648 |
| Derivative financial instruments | | 24,505 | 22,960 | 22,347 | 21,008 |
| Loans to customers | 1 | 2,486,676 | 2,730,323 | 2,513,584 | 2,723,662 |
| Finance lease receivables | 1 | 185,313 | 10,592 | 218,109 | 20,779 |
| Investment securities: | | - | - | - | - |
| - available-for-sale | 2 | 76,368 | 75,422 | 188,203 | 186,432 |
| - held-to-maturity | 2 | 1,567,971 | 1,546,017 | 1,309,375 | 1,300,833 |
| Investments in subsidiaries and associates | 2 | - | 102,501 | - | 111,162 |
| Intangible assets | | 11,482 | 1,423 | 10,709 | 887 |
| Property, plant and equipment | | 38,751 | 34,815 | 46,210 | 35,914 |
| Investment property | 3 | 69,628 | 11,404 | 90,207 | 47,565 |
| Current income tax prepayment | | 288 | - | 33 | - |
| Deferred income tax asset | | 2,146 | - | 6,220 | 4,723 |
| Other assets | 3 | 188,665 | 38,373 | 152,446 | 21,525 |
| Assets classified as held for sale | 2 | 129,676 | 95,366 | 132,431 | 95,696 |
| Total assets | | 5,662,622 | 5,559,374 | 5,333,934 | 5,250,828 |
| LIABILITIES | | | | | |
| Due to other banks and financial institutions | | 192,800 | 214,001 | 264,234 | 301,206 |
| Liabilities at fair value through profit or loss | 12 | 66,623 | 66,623 | 68,855 | 68,855 |
| Due to customers | 4 | 4,886,793 | 4,888,184 | 4,529,237 | 4,530,021 |
| Special and lending funds | | 8,629 | 8,629 | 7,354 | 7,354 |
| Current income tax liabilities | | 3,173 | 1,846 | 1,704 | - |
| Deferred income tax liabilities | | 4,697 | 372 | 5,465 | - |
| Provisions | 5 | 69,511 | - | 59,881 | - |
| Other liabilities | | 48,825 | 18,111 | 51,567 | 22,167 |
| Liabilities related to assets classified as held for sale | 2 | 13,459 | - | 21,450 | - |
| Total liabilities | | 5,294,510 | 5,197,766 | 5,009,747 | 4,929,603 |
| EQUITY | | | | | |
| Share capital | 6 | 270,000 | 270,000 | 250,000 | 250,000 |
| Share premium | 6 | 12,719 | 12,719 | 32,719 | 32,719 |
| Reserve capital | | 2,611 | 2,611 | 2,611 | 2,611 |
| Statutory reserve | | 5,005 | 4,403 | 3,243 | 2,641 |
| Financial assets revaluation reserve | | 1,780 | 1,780 | (1,990) | (1,990) |
| Retained earnings | | 75,997 | 70,095 | 37,104 | 35,244 |
| Non-controlling interest | | - | - | 500 | - |
| Total equity | | 368,112 | 361,608 | 324,187 | 321,225 |
| Total liabilities and equity | | 5,662,622 | 5,559,374 | 5,333,934 | 5,250,828 |


The notes on pages 12-45 constitute an integral part of these financial statements.

Chief Executive Officer

Chief Accountant

26 February 2015





Vytautas Sinius

Vita Adomaitytė

THE GROUP'S AND THE BANK'S INCOME STATEMENTS

| | | for the twelve month period ended | | | |
|-------|--|-----------------------------------|----------------|-----------------------|---------------|
| | | 31-12-2014 | | 31-12-2013 | |
| Notes | | Group | Bank | Bank (represented) | Bank |
| | Interest and similar income | 222,862 | 194,899 | 204,090 | 177,665 |
| | Interest expense and similar charges | (80,879) | (80,920) | (94,567) | (94,626) |
| | Net interest income | 141,983 | 113,979 | 109,523 | 83,039 |
| | Fee and commission income | 32,544 | 32,402 | 26,895 | 26,817 |
| | Fee and commission expense | (14,689) | (12,551) | (12,384) | (10,257) |
| | Net fee and commission income | 17,855 | 19,851 | 14,511 | 16,560 |
| | Net loss from embedded derivatives | (9,772) | (10,078) | (5,014) | (4,482) |
| | Net loss from financial liabilities at fair value through profit or loss | 1,141 | 1,141 | 536 | 536 |
| | Net gain from operations with securities | 11,475 | 9,334 | 8,862 | 6,684 |
| | Net foreign exchange gain | 12,628 | 10,920 | 6,792 | 7,213 |
| | Net gain from derecognition of financial assets | 25,744 | 25,744 | 12,172 | 12,172 |
| | Net gain from disposal of assets | 2,957 | 1,182 | 303 | 41 |
| | Other operating income | 51,017 | 3,532 | 52,738 | 2,410 |
| | Salaries and related expenses | (51,303) | (39,326) | (47,033) | (37,537) |
| | Depreciation and amortization expenses | (5,419) | (3,926) | (5,351) | (4,064) |
| | Other expenses | (72,281) | (24,779) | (71,984) | (23,814) |
| | Operating profit before impairment losses | 126,025 | 107,574 | 76,055 | 58,758 |
| | Impairment losses on loans and other assets | (77,127) | (59,186) | (48,782) | (44,976) |
| | Impairment losses on investments in subsidiaries | - | (25,553) | - | (3,582) |
| | Dividends from investments in subsidiaries | - | 21,053 | - | 2,400 |
| | Profit from continuing operations before income tax | 48,898 | 43,888 | 27,273 | 12,600 |
| | Profit from discontinued operations | (1,302) | (1,010) | (4,944) | - |
| | Income tax (expense) | (6,941) | (6,265) | (3,812) | (1,873) |
| | Net profit for the period | 40,655 | 36,613 | 18,517 | 10,727 |
| | Net profit attributable to: | | | | |
| | Owners of the Bank | 40,655 | 36,613 | 18,424 | 10,727 |
| | from continuing operations | 41,957 | 37,623 | 23,368 | 10,727 |
| | from discontinued operations | (1,302) | (1,010) | (4,944) | - |
| | Non-controlling interest (from continuing operations) | - | - | 93 | - |
| | Basic earnings per share (in LTL per share) attributable to owners of the Bank | 0.16 | | 0.08 | |
| | from continuing operations | 0.16 | | 0.10 | |
| | from discontinued operations | (0.00) | | (0.02) | |
| | Diluted earnings per share (in LTL per share) attributable to owners of the Bank | 0.13 | | 0.07 | |
| | from continuing operations | 0.13 | | 0.09 | |
| | from discontinued operations | (0.00) | | (0.02) | |

The notes on pages 12-45 constitute an integral part of these financial statements.

Chief Executive Officer

Chief Accountant

26 February 2015



Vytautas Sinius

Vita Adomaitytė



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

| | for the twelve month period ended | | | |
|---|-----------------------------------|---------------|------------------------|----------------|
| | 31-12-2014 | | 31-12-2013 | |
| | Group | Bank | Group (represented) | Bank |
| Net profit | 40,655 | 36,613 | 18,517 | 10,727 |
| Other comprehensive income (loss): | | | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | | | | |
| Gain (loss) from revaluation of financial assets | 4,446 | 4,446 | (8,227) | (8,227) |
| Deferred income tax on gain (loss) from revaluation of financial assets | (676) | (676) | 1,043 | 1,043 |
| Other comprehensive income (loss), net of deferred tax | 3,770 | 3,770 | (7,184) | (7,184) |
| Total comprehensive income | 44,425 | 40,383 | 11,333 | 3,543 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Bank | 44,425 | 40,383 | 11,240 | 3,543 |
| from continuing operations | 45,727 | 40,383 | 16,184 | 3,543 |
| from discontinued operations | (1,302) | (1,010) | (4,944) | - |
| Non-controlling interest | - | - | 93 | - |

The notes on pages 12-45 constitute an integral part of these financial statements.

Chief Executive Officer

Chief Accountant

26 February 2015



Vytautas Sinius

Vita Adomaitytė



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

| | 01-10-2014 - 31-12-2014 | | 01-10-2013 - 31-12-2013 | |
|--|-------------------------|---------------|-------------------------|---------------|
| | Group (represented) | Bank | Group (represented) | Bank |
| Interest and similar income | 56,609 | 49,912 | 61,484 | 51,106 |
| Interest expense and similar charges | (18,767) | (18,771) | (15,716) | (16,490) |
| Net interest income | 37,842 | 31,141 | 45,768 | 34,616 |
| Fee and commission income | 9,389 | 9,310 | 4,020 | 7,213 |
| Fee and commission expense | (4,148) | (3,656) | (3,568) | (2,904) |
| Net fee and commission income | 5,241 | 5,654 | 452 | 4,309 |
| Net loss from embedded derivatives | (1,297) | (1,603) | (1,155) | (623) |
| Net gain from financial liabilities at fair value through profit or loss | 1,255 | 1,255 | 536 | 536 |
| Net gain from operations with securities | (204) | 1,198 | 2,163 | 425 |
| Net foreign exchange gain | 3,684 | 3,084 | 1,662 | 2,079 |
| Gain from derecognition of financial assets | 2,563 | 2,563 | 12,172 | 12,172 |
| Net gain from disposal of assets | 1,755 | 378 | (234) | 12 |
| Other operating income | 17,612 | 1,288 | 18,658 | 1,105 |
| Salaries and related expenses | (12,569) | (8,941) | (14,935) | (12,407) |
| Depreciation and amortization expenses | (1,588) | (922) | (1,557) | (1,289) |
| Other expenses | (23,177) | (5,985) | (27,143) | (7,808) |
| Operating profit before impairment losses | 31,117 | 29,110 | 36,387 | 33,127 |
| Impairment losses on loans and other assets | (25,575) | (23,762) | (31,363) | (26,079) |
| Impairment losses on investments in subsidiaries | - | (1,000) | - | (3,582) |
| Dividends from investments in subsidiaries | - | - | - | - |
| Profit from continuing operations before income tax | 5,542 | 4,348 | 5,024 | 3,466 |
| Profit from discontinued operations | (222) | (1,010) | (6) | - |
| Income tax (expense) | 136 | 378 | (855) | (741) |
| Net profit for the period | 5,456 | 3,716 | 4,163 | 2,725 |
| Net profit attributable to: | | | | |
| Owners of the Bank | 5,456 | 3,716 | 4,109 | 2,725 |
| from continuing operations | 5,678 | 4,726 | 4,115 | 2,725 |
| from discontinued operations | (222) | (1,010) | (6) | - |
| Non-controlling interest (from continuing operations) | - | - | 54 | - |

THE GROUP'S STATEMENT OF CHANGES IN EQUITY

Attributable to the owners of the Bank

| | Notes | Share capital | Share premium | Reserve capital | Financial assets revaluation reserve | Statutory reserve | Retained earnings | Total | Noncontrolling interest | Total equity |
|-------------------------------|-------|----------------|---------------|-----------------|---|-------------------|-------------------|----------------|-------------------------|----------------|
| 31 December 2012 | | 234,858 | 47,861 | 2,611 | 5,194 | 1,891 | 21,206 | 313,621 | 835 | 314,456 |
| Increase in share capital | 6 | 15,142 | (15,142) | - | - | - | - | - | - | - |
| Payment of dividends | 6 | - | - | - | - | - | (1,174) | (1,174) | - | (1,174) |
| Transfer to statutory reserve | | - | - | - | - | 1,352 | (1,352) | - | - | - |
| Acquisition of subsidiary | 2 | - | - | - | - | - | - | - | (428) | (428) |
| Total comprehensive income | | - | - | - | (7,184) | - | 18,424 | 11,240 | 93 | 11,333 |
| 31 December 2013 | | 250,000 | 32,719 | 2,611 | (1,990) | 3,243 | 37,104 | 323,687 | 500 | 324,187 |
| Increase in share capital | 6 | 20,000 | (20,000) | - | - | - | - | - | - | - |
| Acquisition of subsidiary | 2 | - | - | - | - | - | - | - | (500) | (500) |
| Transfer to statutory reserve | | - | - | - | - | 1,762 | (1,762) | - | - | - |
| Total comprehensive income | | - | - | - | 3,770 | - | 40,655 | 44,425 | - | 44,425 |
| 31 December 2014 | | 270,000 | 12,719 | 2,611 | 1,780 | 5,005 | 75,997 | 368,112 | - | 368,112 |

THE BANK'S STATEMENT OF CHANGES IN EQUITY

| | Notes | Share capital | Share premium | Reserve capital | Financial assets revaluation reserve | Statutory reserve | Retained earnings | Total |
|-----------------------------------|-------|----------------|---------------|-----------------|---|-------------------|-------------------|----------------|
| 31 December 2012 | | 234,858 | 47,861 | 2,611 | 5,194 | 1,289 | 27,043 | 318,856 |
| Increase in share capital | 6 | 15,142 | (15,142) | - | - | - | - | - |
| Payment of dividends | 6 | - | - | - | - | - | (1,174) | (1,174) |
| Transfer to statutory reserve | | - | - | - | - | 1,352 | (1,352) | - |
| Total comprehensive income (loss) | | - | - | - | (7,184) | - | 10,727 | 3,543 |
| 31 December 2013 | | 250,000 | 32,719 | 2,611 | (1,990) | 2,641 | 35,244 | 321,225 |
| Increase in share capital | 6 | 20,000 | (20,000) | - | - | - | - | - |
| Transfer to statutory reserve | | - | - | - | - | 1,762 | (1,762) | - |
| Total comprehensive income | | - | - | - | 3,770 | - | 36,613 | 40,383 |
| 31 December 2014 | | 270,000 | 12,719 | 2,611 | 1,780 | 4,403 | 70,095 | 361,608 |

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

| | for the twelve month period ended | | | |
|--|-----------------------------------|-----------------|------------------------|------------------|
| | 31-12-2014 | | 31-12-2013 | |
| | Group | Bank | Group (represented) | Bank |
| Operating activities | | | | |
| Interest received | 172,999 | 140,926 | 147,648 | 119,628 |
| Interest paid | (80,879) | (80,920) | (94,562) | (94,626) |
| Net cash received from service and commission fees | 17,855 | 19,851 | 14,511 | 16,560 |
| Cash inflows from trade in trading securities | 8,777 | 6,396 | 11,628 | 9,450 |
| Net inflows from foreign exchange operations | 14,183 | 12,475 | 6,522 | 6,943 |
| Recoveries on loans previously written off | 3,691 | 128 | 2,330 | 159 |
| Salaries and related payments to and on behalf of employees | (50,688) | (38,512) | (43,156) | (36,974) |
| Other net cash receipts (payments) | 4,695 | 1,991 | (13,508) | (13,380) |
| Income tax paid | (3,448) | - | (905) | - |
| Net cash flow from operating activities before change in operating assets and liabilities | 87,185 | 62,335 | 30,508 | 7,760 |
| Change in operating assets and liabilities: | | | | |
| (Increase) in trading securities | (29,980) | 12,263 | 218,464 | 169,913 |
| (Increase) in loans to credit and financial institutions | (11,033) | (12,183) | (4,391) | (1,858) |
| (Increase) in loans to customers | (20,319) | (69,839) | (217,552) | (84,614) |
| (Increase) in other assets | (51,360) | (17,354) | (15,424) | (18,966) |
| (Decrease) in liabilities to credit and financial institutions | (72,525) | (88,296) | (72,645) | (37,971) |
| Increase in deposits, special and leanding funds | 358,831 | 359,438 | (364,317) | (363,694) |
| Decrease (increase) in other liabilities | (1,947) | (4,855) | 43,415 | 13,595 |
| Change | 171,667 | 179,174 | (412,450) | (323,595) |
| Net cash flow from from operating activities | 258,852 | 241,509 | (381,942) | (315,835) |
| Investing activities | | | | |
| (Acquisition) of tangible and intangible assets | (28,476) | (3,279) | (21,397) | (5,855) |
| Disposal of tangible and intangible assets | 54,258 | 37,267 | 7,120 | 1,821 |
| (Acquisition) of held-to-maturity securities | (573,146) | (562,023) | (176,954) | (168,412) |
| Proceeds from redemption of held-to-maturity securities | 358,059 | 357,569 | 253,672 | 253,672 |
| (Acquisition) of available-for-sale securities | (128,779) | (128,693) | (336,995) | (336,790) |
| Disposal of available-for-sale securities | 248,402 | 248,364 | 354,792 | 354,713 |
| Disposal of subsidiaries held for sale | 2,300 | 2,300 | - | - |
| (Acquisition) of subsidiaries | - | (16,892) | (353) | (353) |
| Cash from the transaction of transfer of assets, rights, transactions and liabilities of Ūkio Bankas | - | 595,059 | 497,827 | 497,827 |
| Dividends received | 317 | 21,304 | 67 | 2,467 |
| Net cash from (used in) investing activities | (67,065) | (44,083) | 675,011 | 599,090 |
| Financing activities | | | | |
| Payment of dividends | (15) | (15) | (1,149) | (1,149) |
| Payment to minority shareholders | (500) | - | (428) | - |
| Redemption of debt securities in issue | - | - | (22,912) | (22,912) |
| Net cash flow from financing activities | (515) | (15) | (24,489) | (24,061) |
| Net increase in cash and cash equivalents | 191,272 | 197,411 | 268,580 | 259,194 |
| Cash and cash equivalents at 1 January | 490,435 | 480,999 | 221,855 | 221,805 |
| Cash and cash equivalents at 31 December | 681,707 | 678,410 | 490,435 | 480,999 |

GENERAL INFORMATION

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

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 60 client service units. As of 31 December 2014 the Bank had 677 employees (31 December 2013: 680). As of 31 December 2014 the Group (except subsidiaries held for sale) had 829 employees (31 December 2013 (represented): 895 employees).

The Bank's shares are listed on the Official List of the Vilnius Stock Exchange - NASDAQ OMX Vilnius AB.

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

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

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

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

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

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

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

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

As of 31 December 2013 the Bank owned the following directly controlled subsidiaries:

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

As of 31 December 2013 the Bank owned the following indirectly controlled subsidiaries:

9. Kėdainių Oda UAB** (leather processing, production activities).

As of 31 December 2013 the Bank owned directly controlled subsidiaries held for sale:

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

As of 31 December 2013 the Bank had the indirectly controlled subsidiaries held for sale:

19. Žalgirio Sporto Arena UAB (real estate management activities),
20. Nacionalinis Futbolo Stadionas UAB (development of the football stadium).

* In October 2014, the Bank changed its plans regarding two entities (Ūkio Banko Lizingas UAB and Bonum Publicum GD UAB) that were included in subsidiaries held for sale and decided to classify these entities as consolidated subsidiaries. This reclassification caused representations in the comparative financial information of the Group for the twelve month period ended 31 December 2013, which was represented to include the activity results of Ūkio Banko Lizingas UAB and Bonum Publicum GD UAB in Continuing operations (total activity result of the Group was not affected by this representation, amounts were represented between the results of Continuing and Discontinued operations) and to present assets and liabilities of these entities as assets and liabilities of fully consolidated subsidiaries instead of assets held for sale and liabilities attributable to assets held for sale.

** In the financial statements for the twelve month period ended 31 December 2014, Kėdainių Oda UAB was reclassified from consolidated subsidiaries to subsidiaries held for sale. This reclassification caused restatements in the comparative financial information of the Group for the twelve month period ended 31 December 2013, which was represented to include the activity results of Kėdainių Oda UAB in Discontinued operations, i.e. the same accounting treatment as in financial statements for the twelve month period ended 31 December 2014 (total activity result of the Group was not affected by this representation, amounts were represented between the results of Continuing and Discontinued operations).

The tables in the financial statement, which have been impacted the representations described above, are marked with the word "represented" in the header.

This condensed interim financial information for the twelve month period ended 31 December 2014 has been prepared in compliance with the applicable accounting standards. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by EU. The accounting policies applied by the Group and the Bank in these condensed interim financial statements are the same as those applied by the Group and the Bank in their financial statements as at and for the year ended 31 December 2013, which were prepared in accordance with IFRS as adopted by the EU.

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 2013.

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

Amounts shown in these financial statements are presented in the local currency, Litas (LTL). Since 2 February 2002 the exchange rate of the litas was pegged to the euro at a rate of LTL 3.4528 = EUR 1.

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

| | Group | 31-12-2014 Bank | Group (represented) | 31-12-2013 Bank |
|--|------------------|--------------------|------------------------|--------------------|
| Loans and advances to banks | 19 561 | 18 178 | 8 528 | 5 995 |
| Loans and advances to customers: | 2 486 676 | 2 730 323 | 2 513 584 | 2 723 662 |
| - Loans and advances to financial institutions | 33 | 202 335 | - | 215 734 |
| - Loans to individuals (Retail) | 356 033 | 194 162 | 365 145 | 195 246 |
| - Loans to business customers | 2 130 610 | 2 333 826 | 2 148 439 | 2 312 682 |
| Finance lease receivables | 185 313 | 10 592 | 218 109 | 20 779 |
| Trading assets: | | | | |
| - Debt securities | 133 864 | 193 205 | 103 844 | 193 146 |
| Derivative financial instruments | 24 505 | 22 960 | 22 347 | 21 008 |
| Securities available for sale: | | | | |
| - Debt securities | 73 599 | 73 599 | 184 663 | 184 663 |
| Investment securities held to maturity: | | | | |
| - Debt securities | 1 567 971 | 1 546 017 | 1 309 375 | 1 300 833 |
| Other financial assets | 2 304 | 465 | 10 465 | 423 |
| Credit risk exposures relating to off –balance sheet items are as follows: | | | | |
| - Financial guarantees | 100 829 | 100 886 | 103 683 | 104 473 |
| - Letters of credit | 1 087 | 1 087 | 7 039 | 7 039 |
| - Loan commitments and other credit related liabilities | 350 266 | 358 070 | 248 104 | 252 847 |
| Total | 4 945 975 | 5 055 382 | 4 729 741 | 4 814 868 |

Loans to customers

| | 31-12-2014 | | 31-12-2013 | |
|--|------------------|------------------|------------------------|------------------|
| | Group | Bank | Group (represented) | Bank |
| Loans to individuals | 2 625 483 | 3 026 828 | 2 739 598 | 3 120 652 |
| Loans to business customers | 383 720 | 205 401 | 407 675 | 219 695 |
| Subtract: Fair value revaluation on acquisition* | (358 048) | (358 048) | (473 782) | (473 782) |
| Gross | 2 651 155 | 2 874 181 | 2 673 491 | 2 866 565 |
| Subtract: Allowance for impairment | (164 479) | (143 858) | (159 907) | (142 903) |
| <i>of which: for individually assessed loans</i> | <i>(163 184)</i> | <i>(143 858)</i> | <i>(158 853)</i> | <i>(142 903)</i> |
| <i>of which: for collectively assessed loans</i> | <i>(1 295)</i> | - | <i>(1 054)</i> | - |
| Net | 2 486 676 | 2 730 323 | 2 513 584 | 2 723 662 |

| | 31-12-2014 | | 31-12-2013 | |
|--|------------------|------------------|------------------------|------------------|
| | Group | Bank | Group (represented) | Bank |
| Neither past due not impaired | 2 105 148 | 2 372 384 | 2 075 604 | 2 305 869 |
| Past due but not impaired | 291 150 | 276 965 | 353 758 | 342 075 |
| Impaired | 254 857 | 224 832 | 244 129 | 218 621 |
| Gross | 2 651 155 | 2 874 181 | 2 673 491 | 2 866 565 |
| Subtract: Allowance for impairment | (164 479) | (143 858) | (159 907) | (142 903) |
| <i>of which: for individually assessed loans</i> | <i>(163 184)</i> | <i>(143 858)</i> | <i>(158 853)</i> | <i>(142 903)</i> |
| <i>of which: for collectively assessed loans</i> | <i>(1 295)</i> | - | <i>(1 054)</i> | - |
| Net | 2 486 676 | 2 730 323 | 2 513 584 | 2 723 662 |

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

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

Past due but not impaired loans are loans for which principal or interest is past due but no allowance for impairment is recognized. Impaired loan is a loan to which a loss event is recognized and allowance for impairment is made.

The list of loss events:

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

Loans and advances past due but not impaired

| | 31-12-2014 | | 31-12-2013 | |
|---|----------------|----------------|------------------------|----------------|
| | Group | Bank | Group (represented) | Bank |
| Past due up to 7 days | 101 271 | 96 497 | 84 379 | 78 595 |
| Past due 8 to 30 days | 39 238 | 34 271 | 49 192 | 43 418 |
| Past due 31-60 days | 48 706 | 48 683 | 11 821 | 11 740 |
| Past due 61-90 days | 9 281 | 5 108 | 31 227 | 31 196 |
| Past due more than 90 days | 92 654 | 92 406 | 177 139 | 177 126 |
| Total: | 291 150 | 276 965 | 353 758 | 342 075 |
| Allowance for impairment of collectively assessed loans | (316) | - | (302) | - |
| Fair value of collateral | 221 045 | 216 945 | 302 636 | 302 636 |

Loans and advances individually impaired

| | 31-12-2014 | | 31-12-2013 | |
|---|----------------|----------------|------------------------|----------------|
| | Group | Bank | Group (represented) | Bank |
| Impaired loans | 254 857 | 224 832 | 244 129 | 218 621 |
| Allowance for impairment of individually assessed loans | (163 184) | (143 858) | (158 853) | (142 903) |
| Fair value of collateral | 126 743 | 130 564 | 98 283 | 102 410 |

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

Finance lease receivables

Segment information

| | 31-12-2014 | | 31-12-2013 | |
|--|----------------|----------------|------------------------|----------------|
| | Group | Bank | Group (represented) | Bank |
| By type of customer: | | | | |
| Business customers | 227,604 | 65,641 | 278,450 | 87,632 |
| Individuals | 19,255 | - | 15,655 | - |
| Subtract: Fair value revaluation on acquisition* | (54,837) | (54,837) | (66,853) | (66,853) |
| Gross | 192,022 | 10,804 | 227,252 | 20,779 |
| Neither past due not impaired | 132,705 | 9,487 | 170,599 | 11,028 |
| Past due but not impaired | 50,225 | 935 | 37,950 | 9,751 |
| Impaired | 9,092 | 382 | 18,703 | - |
| Gross | 192,022 | 10,804 | 227,252 | 20,779 |
| Subtract: Allowance for impairment | (6,709) | (212) | (9,143) | - |
| <i>of which: for individually assessed finance lease receivables</i> | <i>(6 694)</i> | <i>(6 694)</i> | - | <i>(9 120)</i> |
| <i>of which: for collectively assessed finance lease receivables</i> | <i>(15)</i> | <i>(15)</i> | - | <i>(23)</i> |
| Net | 185,313 | 10,592 | 218,109 | 20,779 |

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

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

| Group | 31-12-2014 | | | 31-12-2013 (represented) | | |
|---------------------------------------|---------------|--------------------|----------------|-----------------------------|--------------------|----------------|
| | Individuals | Business customers | Total | Individuals | Business customers | Total |
| Unsecured finance lease receivables | 65 | 1,116 | 1,181 | 148 | 1,464 | 1,612 |
| Finance lease receivables secured by: | 19,190 | 171,651 | 190,841 | 15,507 | 210,133 | 225,640 |
| - transport vehicles | 13,084 | 53,309 | 66,393 | 7,814 | 54,409 | 62,223 |
| - real estate | 3,495 | 85,926 | 89,421 | 2,720 | 109,426 | 112,146 |
| - airplanes | - | 4,738 | 4,738 | - | - | - |
| - railway equipment | - | - | - | - | 6,114 | 6,114 |
| - production equipment | 10 | 8,972 | 8,982 | 9 | 16,281 | 16,290 |
| - other equipment | 900 | 16,293 | 17,193 | 2,339 | 5,185 | 7,524 |
| - other assets | 1,701 | 2,413 | 4,114 | 2,625 | 18,718 | 21,343 |
| Total | 19,255 | 172,767 | 192,022 | 15,655 | 211,597 | 227,252 |

| Bank | 31-12-2014 | | | 31-12-2013 | | |
|---------------------------------------|-------------|--------------------|---------------|-------------|--------------------|---------------|
| | Individuals | Business customers | Total | Individuals | Business customers | Total |
| Unsecured finance lease receivables | - | 312 | 312 | - | - | - |
| Finance lease receivables secured by: | - | 10,492 | 10,492 | - | 20,779 | 20,779 |
| - transport vehicles | - | 100 | 100 | - | 267 | 267 |
| - real estate | - | 9,733 | 9,733 | - | 20,450 | 20,450 |
| - airplanes | - | - | - | - | - | - |
| - railway equipment | - | - | - | - | - | - |
| - production equipment | - | 617 | 617 | - | 12 | 12 |
| - other equipment | - | 42 | 42 | - | 50 | 50 |
| - other assets | - | - | - | - | - | - |
| Total | - | 10,804 | 10,804 | - | 20,779 | 20,779 |

NOTE 2 SECURITIES

Trading securities

| | Group | 31-12-2014 Bank | Group (represented) | 31-12-2013 Bank |
|------------------------------------|----------------|--------------------|------------------------|--------------------|
| Debt securities: | | | | |
| Government bonds | 86 187 | 61 585 | 40 165 | 18 884 |
| Bonds of private entities | 31 716 | 119 285 | 54 961 | 167 405 |
| Bonds of state controlled entities | 15 961 | 12 335 | 8 718 | 6 857 |
| Equities: | | | | |
| Listed | 385 | 385 | 397 | 397 |
| Unlisted | - | - | - | - |
| Investment fund units | 45 636 | - | 40 856 | 105 |
| Total | 179 885 | 193 590 | 145 097 | 193 648 |

| | Government debt securities | Corporate debt securities | Corporate equity securities | Investment fund units |
|-------------------------|-------------------------------|------------------------------|--------------------------------|--------------------------|
| Group 31-12-2014 | | | | |
| From AA- to AAA | 1 380 | 10 821 | - | - |
| From A- to A+ | 66 778 | 28 369 | - | - |
| From BBB- to BBB+ | 16 256 | 8 487 | - | - |
| From BB- to BB+ | 1 380 | - | - | - |
| Lower than BB- | 393 | - | - | - |
| No rating | - | - | 385 | 45 636 |
| Total | 86 187 | 47 677 | 385 | 45 636 |

| | Government debt securities | Corporate debt securities | Corporate equity securities | Investment fund units |
|---------------------------------------|-------------------------------|------------------------------|--------------------------------|--------------------------|
| Group 31-12-2013 (represented) | | | | |
| From AA- to AAA | 10 104 | 19 190 | - | - |
| From A- to A+ | 2 899 | 7 390 | - | - |
| From BBB- to BBB+ | 25 398 | 32 869 | - | - |
| From BB- to BB+ | 1 764 | 4 230 | - | - |
| Lower than BB- | - | - | - | - |
| No rating | - | - | 397 | 40 856 |
| Total | 40 165 | 63 679 | 397 | 40 856 |

| | Government debt securities | Corporate debt securities | Corporate equity securities | Investment fund units |
|------------------------|-------------------------------|------------------------------|--------------------------------|--------------------------|
| Bank 31-12-2014 | | | | |
| From AA- to AAA | - | 8 374 | - | - |
| From A- to A+ | 56 907 | 15 444 | - | - |
| From BBB- to BBB+ | 4 678 | 7 802 | - | - |
| From BB- to BB+ | - | - | - | - |
| Lower than BB- | - | - | - | - |
| No rating | - | 100 000 | 385 | - |
| Total | 61 585 | 131 620 | 385 | - |

| | Government debt securities | Corporate debt securities | Corporate equity securities | Investment fund units |
|------------------------|-------------------------------|------------------------------|--------------------------------|--------------------------|
| Bank 31-12-2013 | | | | |
| From AA- to AAA | 7 344 | 19 190 | - | - |
| From A- to A+ | - | 5 677 | - | - |
| From BBB- to BBB+ | 11 540 | 22 963 | - | - |
| From BB- to BB+ | - | 3 432 | - | - |
| Lower than BB- | - | - | - | - |
| No rating | - | 123 000 | 397 | 105 |
| Total | 18 884 | 174 262 | 397 | 105 |

Investment securities

| Securities available-for-sale | 31-12-2014 | | 31-12-2013 | |
|-------------------------------|---------------|---------------|----------------|----------------|
| | Group | Bank | Group | Bank |
| Debt securities: | | | | |
| Lithuanian government bonds | 12 961 | 12 961 | 31 574 | 31 574 |
| Foreign government bonds | 8 897 | 8 897 | 30 332 | 30 332 |
| Foreign corporate bonds | 51 741 | 51 741 | 122 757 | 122 757 |
| Equity securities: | | | | |
| Listed | - | - | - | - |
| Unlisted | 2 337 | 1 391 | 3 162 | 1 391 |
| Investment fund units | 432 | 432 | 378 | 378 |
| Total | 76 368 | 75 422 | 188 203 | 186 432 |

| Securities held-to-maturity | 31-12-2014 | | 31-12-2013 | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | Group | Bank | Group | Bank |
| Debt securities: | | | | |
| Lithuanian corporate bonds | 20 928 | - | 8 542 | - |
| Lithuanian government bonds | 1 077 458 | 1 077 458 | 995 595 | 995 595 |
| Foreign government bonds | 82 210 | 82 210 | 45 019 | 45 019 |
| Foreign corporate bonds | 387 375 | 386 349 | 260 219 | 260 219 |
| Total | 1 567 971 | 1 546 017 | 1 309 375 | 1 300 833 |

| Group 31-12-2014 | Securities available-for-sale | | | | Securities held-to-maturity | |
|-------------------|-------------------------------|---------------------------|-----------------------------|-----------------------|-----------------------------|---------------------------|
| | Government bonds | Corporate debt securities | Corporate equity securities | Investment fund units | Government bonds | Corporate debt securities |
| From AA- to AAA | - | 4,291 | - | - | 20,393 | 42,149 |
| From A- to A+ | 15,797 | 19,509 | - | - | 1,029,656 | 168,556 |
| From BBB- to BBB+ | 6,061 | 27,941 | - | - | 102,162 | 166,513 |
| From BB- to BB+ | - | - | - | - | 7,457 | 9,131 |
| Lower than BB- | - | - | - | - | - | - |
| No rating | - | - | 2,337 | 432 | - | 21,954 |
| Total | 21,858 | 51,741 | 2,337 | 432 | 1,159,668 | 408,303 |

| Group 31-12-2013 | Securities available-for-sale | | | | Securities held-to-maturity | |
|-------------------|-------------------------------|---------------------------|-----------------------------|-----------------------|-----------------------------|---------------------------|
| | Government bonds | Corporate debt securities | Corporate equity securities | Investment fund units | Government bonds | Corporate debt securities |
| From AA- to AAA | 22,195 | 27,319 | - | - | 18,480 | 59,428 |
| From A- to A+ | - | 49,703 | - | - | 17,752 | 128,191 |
| From BBB- to BBB+ | 36,070 | 41,958 | - | - | 998,982 | 61,765 |
| From BB- to BB+ | 1,875 | 3,777 | - | - | 5,400 | 10,835 |
| Lower than BB- | 1,766 | - | - | - | - | - |
| No rating | - | - | 3,162 | 378 | - | 8,542 |
| Total | 61,906 | 122,757 | 3,162 | 378 | 1,040,614 | 268,761 |

| Bank 31-12-2014 | Securities available-for-sale | | | | Securities held-to-maturity | |
|-------------------|-------------------------------|---------------------------|-----------------------------|-----------------------|-----------------------------|---------------------------|
| | Government bonds | Corporate debt securities | Corporate equity securities | Investment fund units | Government bonds | Corporate debt securities |
| From AA- to AAA | - | 4,291 | - | - | 20,393 | 42,149 |
| From A- to A+ | 15,797 | 19,509 | - | - | 1,029,656 | 168,556 |
| From BBB- to BBB+ | 6,061 | 27,941 | - | - | 102,162 | 166,513 |
| From BB- to BB+ | - | - | - | - | 7,457 | 9,131 |
| Lower than BB- | - | - | - | - | - | - |
| No rating | - | - | 1,391 | 432 | - | - |
| Total | 21,858 | 51,741 | 1,391 | 432 | 1,159,668 | 386,349 |

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

| | Securities available-for-sale | | | | Securities held-to-maturity | |
|------------------------|-------------------------------|---------------------------|-----------------------------|-----------------------|-----------------------------|---------------------------|
| | Government bonds | Corporate debt securities | Corporate equity securities | Investment fund units | Government bonds | Corporate debt securities |
| Bank 31-12-2013 | | | | | | |
| From AA- to AAA | 22,195 | 27,319 | - | - | 18,480 | 59,428 |
| From A- to A+ | - | 49,703 | - | - | 17,752 | 128,191 |
| From BBB- to BBB+ | 36,070 | 41,958 | - | - | 998,982 | 61,765 |
| From BB- to BB+ | 1,875 | 3,777 | - | - | 5,400 | 10,835 |
| Lower than BB- | 1,766 | - | - | - | - | - |
| No rating | - | - | 1,391 | 378 | - | - |
| Total | 61,906 | 122,757 | 1,391 | 378 | 1,040,614 | 260,219 |

During the twelve month period ended 31 December 2014, no reclassifications between portfolios of securities were performed. During the twelve month period ended 31 December 2013, debt securities with a value of LTL 69.6 million were reclassified from Available-for-sale to Held-to-maturity portfolio. Management of the Bank assessed it has an intention to hold these reclassified securities to maturity.

Investments in consolidated directly controlled subsidiaries

| | 31-12-2014 | | | 31-12-2013 | | |
|--|--------------------|------------------|-----------------|--------------------|------------------|-----------------|
| | Share in equity, % | Acquisition cost | Carrying amount | Share in equity, % | Acquisition cost | Carrying amount |
| Šiaulių Banko Lizingas UAB | 100 | 13,500 | 3,000 | 100 | 5,000 | 3,000 |
| Šiaulių Banko Investicijų Valdymas UAB | 100 | 14,040 | 1,076 | 100 | 7,040 | 1,076 |
| Šiaulių Banko Turto Fondas UAB | 100 | 5,117 | 4,271 | 100 | 5,117 | 4,271 |
| Minera UAB | 100 | 6,505 | 5,505 | 100 | 5,505 | 5,505 |
| SBTF UAB | 100 | 2,000 | 2,000 | 100 | 2,000 | 2,000 |
| Ūkio Banko Lizingas UAB | 100 | 30,600 | 30,600 | 100 | 30,600 | 30,600 |
| Bonum Publicum GD UAB | 100 | 29,000 | 29,000 | 100 | 29,000 | 29,000 |
| Pavasaris UAB | 100 | 36,102 | 27,049 | 99 | 35,710 | 35,710 |
| Total | | 136,864 | 102,501 | | 119,972 | 111,162 |

Investments in consolidated indirectly controlled subsidiaries

| | 31-12-2014 | | |
|---------------|--------------------|------------------|-----------------|
| | Share in equity, % | Acquisition cost | Carrying amount |
| Semelitas UAB | 100 | 10 | 10 |
| Sandworks UAB | 100 | 9 | 9 |

| | 31-12-2013 | | |
|------------------|--------------------|------------------|-----------------|
| | Share in equity, % | Acquisition cost | Carrying amount |
| Kėdainių Oda UAB | 100 | 12 000 | 9 180 |

During the twelve month period ended 31 December 2014 the Bank acquired 1.09% shares of Pavasaris UAB thus increased its holding from 98.91% to 100.00% and became the sole shareholder of the company. This acquisition resulted in a gain of LTL 114 thousand, which is included in the income statement line "Other operating income".

In 2014, Semelitas UAB and Sandworks UAB, companies controlled by the subsidiary of the Bank, Šiaulių banko Investicijų Valdymas UAB, have become material to the Group and therefore are consolidated in these financial statements. The entities are special purpose vehicles for management of certain finite real estate projects. Such form of these projects is chosen in order to have wider possibilities to realise them.

During the twelve month period ended 31 December 2014 the Bank recognized impairment losses to the following investments in subsidiaries: LTL 9 053 thousand investment in Pavasaris UAB (value of the investment reduced by the amount of dividends paid by Pavasaris UAB and recognized in the income statement of the Bank); LTL 8 500 thousand investment in Šiaulių Banko Lizingas UAB (Bank covered losses of the subsidiary); LTL 7 000 thousand investment in Šiaulių Banko Investicijų Valdymas UAB (Bank covered losses of the subsidiary); LTL 1 000 thousand investment in Minera UAB (Bank covered losses of the subsidiary).

In 2013, the Bank recognised an impairment loss of LTL 3,582 thousand on an investment in Šiaulių Banko Investicijų Valdymas UAB (the Bank covered subsidiary's losses in amount of LTL 3,000 thousand and recognized additional impairment of LTL 582 thousand).

In the financial statements for the twelve month period ended 31 December 2014, Kėdainių Oda UAB was reclassified from consolidated subsidiaries to subsidiaries held for sale.

In October 2014, the Bank changed its plans regarding two entities (Ūkio Banko Lizingas UAB and Bonum Publicum GD UAB) that were included in subsidiaries held for sale and decided to classify these entities as consolidated subsidiaries. This reclassification caused representations in the comparative financial information of the Group for the twelve month period ended 31 December 2013, which was represented to include the activity results of Ūkio Banko Lizingas UAB and Bonum Publicum GD UAB in Continuing operations (total activity result of the Group was not affected by this representation, amounts were represented between the results of Continuing and Discontinued operations) and to present assets and liabilities of these entities as assets and liabilities of fully consolidated subsidiaries instead of assets held for sale and liabilities attributable to assets held for sale.

Assets classified as held for sale
Subsidiaries held for sale

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

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

In 2014, the Bank sold 100% shares of Eastern Europe Development Fund UAB. This disposal contributed a net loss of LTL 937 thousand to the result of Discontinued operations of the Group.

In 2015, the Bank intends to sell its indirectly owned subsidiary Kėdainių Oda UAB, therefore it was reclassified from consolidated subsidiaries to subsidiaries held for sale.

| | 31-12-2014 | | |
|--|--|-----------------------------|---------------|
| | Entities acquired under the agreement on the transfer of assets, rights, transactions and liabilities of Ūkio | | |
| | Bankas | Kėdainių Oda UAB | Total: |
| Assets held for sale attributable to the group of entities | 122 302 | 3 198 | 125 500 |
| Liabilities attributable to assets held for sale attributable to the group of entities | 12 229 | 1 230 | 13 459 |
| Profit (loss) of the current year | (391) | (911) | (1,302) |

| | 31-12-2013 | | |
|--|--|-----------------------------|---------------|
| | Entities acquired under the agreement on the transfer of assets, rights, transactions and liabilities of Ūkio | | |
| | Bankas | Kėdainių Oda UAB | Total: |
| Assets held for sale attributable to the group of entities | 131,235 | - | 131,235 |
| Liabilities attributable to assets held for sale attributable to the group of entities | 21,450 | - | 21,450 |
| Profit (loss) of the current year | (973) | (3,971) | (4,944) |

In October 2014, the Bank changed its plans regarding two entities (Ūkio Banko Lizingas UAB and Bonum Publicum GD UAB) that were included in subsidiaries held for sale and decided to classify these entities as consolidated subsidiaries.

During the twelve month period ended 31 December 2014, the Group incurred a LTL 5 433 thousand loss related to the measurement to fair value less costs to sell or on the disposal of the subsidiaries held for sale. The whole amount is attributable to the repricing of Kėdainių Oda UAB to fair value. It is included in Income statement line "Impairment losses on loans and other assets". During the twelve month period ended 31 December 2013, an impairment of an investment in Kėdainių Oda UAB of LTL 2 820 thousand was recognized. In Group's financial statements, it is included in the result of Discontinued operations.

Property, plant and equipment held for sale

In addition to the subsidiaries held for sale, real estate properties, which are expected by the Bank to be sold during the year from the inclusion in this item are also included in assets held for sale. The fair value of real estate properties included in assets held for sale was LTL 4 176 thousand as of 31 December 2014 (31 December 2013: LTL 1 196 thousand).

NOTE 3
SIGNIFICANT INFORMATION ON CHANGES IN OTHER ASSET LINE ITEMS
Investment property

During the twelve month period ended 31 December 2014, the carrying amount of the Group's investment property reduced by LTL 20 579 thousand, from LTL 90 207 thousand at the beginning of the period to LTL 69 628 thousand at the end of the period. The sale of the investment property is the main cause of this change (properties acquired under the transaction transfer of assets, rights, transactions and liabilities of Ūkio Bankas comprise the major share of the properties sold).

Other assets

| | 31-12-2014 | | 31-12-2013 | |
|--|----------------|---------------|------------------------|---------------|
| | Group | Bank | Group (represented) | Bank |
| Assets held for sale | 122 718 | - | 111 629 | - |
| Amounts receivable | 2 304 | 465 | 10 465 | 423 |
| Deferred expenses | 2 932 | 1 817 | 4 409 | 3 261 |
| Assets under reinsurance and insurance contracts | 1 674 | - | 1 743 | - |
| Prepayments | 13 145 | 11 394 | 16 042 | 13 884 |
| Foreclosed assets | 37 619 | 19 615 | 2 755 | 2 045 |
| Other assets | 8 273 | 5 082 | 5 403 | 1 912 |
| Total | 188 665 | 38 373 | 152 446 | 21 525 |

NOTE 4
DUE TO CUSTOMERS

| | 31-12-2014 | | 31-12-2013 | |
|--------------------------------------|------------------|------------------|------------------|------------------|
| | Group | Bank | Group | Bank |
| Demand deposits: | | | | |
| National government institutions | 30 672 | 30 672 | 30 636 | 30 636 |
| Local government institutions | 87 318 | 87 318 | 67 136 | 67 136 |
| Governmental and municipal companies | 13 820 | 13 820 | 16 175 | 16 175 |
| Corporate entities | 456 832 | 458 223 | 307 676 | 308 460 |
| Non-profit organisations | 27 445 | 27 445 | 23 507 | 23 507 |
| Individuals | 647 650 | 647 650 | 443 191 | 443 191 |
| Unallocated amounts due to customers | 17 132 | 17 132 | 15 419 | 15 419 |
| Total demand deposits: | 1 280 869 | 1 282 260 | 903 740 | 904 524 |
| Time deposits: | | | | |
| National government institutions | 1 294 | 1 294 | 1 939 | 1 939 |
| Local government institutions | 1 864 | 1 864 | 2 331 | 2 331 |
| Governmental and municipal companies | 2 464 | 2 464 | 10 540 | 10 540 |
| Corporate entities | 177 976 | 177 976 | 174 242 | 174 242 |
| Non-profit organisations | 12 949 | 12 949 | 14 321 | 14 321 |
| Individuals | 3 409 377 | 3 409 377 | 3 422 124 | 3 422 124 |
| Total time deposits: | 3 605 924 | 3 605 924 | 3 625 497 | 3 625 497 |
| Total: | 4 886 793 | 4 888 184 | 4 529 237 | 4 530 021 |

NOTE 5
SIGNIFICANT INFORMATION ON CHANGES IN OTHER LIABILITY LINE ITEMS
Debt securities in issue

During the twelve month period ended 31 December 2014 the Bank did not issue debt securities. As of 31 December 2014 and as of 31 December 2013, the Bank did not have any liabilities related to holders of its debt securities.

Provisions

Technical insurance provisions (carrying value: 31 December 2014: LTL 68 866 thousand; 31 December 2013: LTL 59 881 thousand) attributable to the activities of Bonum Publicum GD UAB comprise the major part of the provisions in the Group.

NOTE 6 CAPITAL

As of 31 December 2014 the Bank's share capital comprised 270 000 000 ordinary registered shares with par value of LTL 1 each. The amended Charter of the Bank with an increased authorised capital was registered in the Register of Legal Entities on 3 June 2014, after a new share issue of 20 000 000 ordinary shares was issued using Bank's own resources (share premium). The shares were distributed to Bank's shareholders using the proportion of their stakes at the accounting date of the rights (11 April 2014) of the ordinary meeting of shareholders of Šiaulių Bankas, that took place on 28 March 2014.

As at 31 December 2014, the Bank had 3 585 shareholders. A share of capital and votes held by Bank's shareholders by the place of residence: residents 65.21%, non-residents 34.79% (as at 31 December 2013: 3 592 shareholders, of which residents 66.36%, non-residents 33.64%).

As of 31 December 2014, the shareholders holding over 5% of the Bank's shares and votes are listed in the table below:

| Shareholder | Share of votes held, % |
|--|------------------------|
| The European Bank for Reconstruction and Development (EBRD); Gintaras Kateiva | 19.57 6.24 |
| Total | 25.81 |

Another 18 shareholders had less than 5 % but more than 1% of the Bank's share capital.

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

Dividends

In 2014 the annual general meeting of shareholders decided to not to pay dividends. On 28 March 2013 the ordinary general meeting of shareholders made a decision to pay LTL 0.005 dividends per one ordinary registered share with LTL 1 nominal value each.

NOTE 7 NET INTEREST INCOME

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | Group | Bank | Group (represented) | Bank |
| Interest income: | | | | |
| on loans to other banks and financial institutions and placements with credit institutions | 6 500 | 13 045 | 1 938 | 8 532 |
| on loans to customers | 156 712 | 125 422 | 144 709 | 117 298 |
| on debt securities | 49 765 | 53 663 | 44 155 | 49 295 |
| on finance leases | 9 885 | 2 769 | 13 288 | 2 540 |
| Total interest income | 222 862 | 194 899 | 204 090 | 177 665 |
| Interest expense: | | | | |
| on liabilities to other banks and financial institutions and amounts due to credit institutions | (9 330) | (9 371) | (10 519) | (10 572) |
| on customer deposits and other repayable funds | (50 714) | (50 714) | (65 330) | (65 336) |
| on debt securities issued | - | - | (122) | (122) |
| compulsory insurance of deposits | (20 835) | (20 835) | (18 596) | (18 596) |
| Total interest expense | (80 879) | (80 920) | (94 567) | (94 626) |
| Net interest income | 141 983 | 113 979 | 109 523 | 83 039 |

NOTE 8 NET FEE AND COMMISSION INCOME

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|---|-------------------------|-----------------|-------------------------|-----------------|
| | Group | Bank | Group (represented) | Bank |
| Fee and commission income: | | | | |
| for money transfer operations | 17 675 | 17 895 | 15 453 | 15 658 |
| for payment card services | 3 999 | 3 988 | 2 949 | 2 947 |
| for base currency exchange | 5 563 | 5 569 | 3 338 | 3 343 |
| for operations with securities | 432 | 801 | 338 | 532 |
| other fee and commission income | 4 875 | 4 149 | 4 817 | 4 337 |
| Total fee and commission income | 32 544 | 32 402 | 26 895 | 26 817 |
| Fee and commission expense: | | | | |
| for payment card services | (7 534) | (7 534) | (7 244) | (7 244) |
| for money transfer operations | (5 533) | (4 844) | (3 490) | (2 863) |
| for operations with securities | (217) | (160) | (143) | (143) |
| for base currency exchange | (1) | (1) | (5) | (5) |
| other fee and commission expenses | (1 404) | (12) | (1 502) | (2) |
| Total fee and commission expense | (14 689) | (12 551) | (12 384) | (10 257) |
| Net fee and commission income | 17 855 | 19 851 | 14 511 | 16 560 |

NOTE 9 OTHER EXPENSES

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|--|-------------------------|-----------------|-------------------------|-----------------|
| | Group | Bank | Group (represented) | Bank |
| Rent of buildings and premises | (4 117) | (3 604) | (3 944) | (3 193) |
| Utility services for buildings and premises | (3 066) | (2 740) | (3 076) | (2 883) |
| Other expenses related to buildings and premises | (1 266) | (1 199) | (1 268) | (1 227) |
| Transportation expenses | (1 780) | (2 023) | (2 147) | (1 899) |
| Legal costs | (272) | (272) | (1 614) | (1 579) |
| Personnel and training expenses | (801) | (435) | (361) | (248) |
| IT and communication expenses | (6 160) | (5 351) | (4 952) | (4 757) |
| Marketing and charity expenses | (2 694) | (900) | (3 013) | (1 059) |
| Service organisation expenses | (3 146) | (3 720) | (3 854) | (4 459) |
| Non-income taxes, fines | (2 598) | (672) | (3 657) | (514) |
| Costs incurred due to debt recovery | (2 893) | (2 236) | (658) | (604) |
| Construction works | (22 142) | - | (26 595) | - |
| Expenses related to insurance activities | (18 294) | - | (13 558) | - |
| Other expenses | (3 052) | (1 627) | (3 287) | (1 392) |
| Total other expenses | (72 281) | (24 779) | (71 984) | (23 814) |

NOTE 10 IMPAIRMENT LOSSES

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|--|-------------------------|-----------------|-------------------------|-----------------|
| | Group | Bank | Group (represented) | Bank |
| Impairment losses on loans | (60 040) | (59 075) | (43 886) | (41 827) |
| Recoveries of loans previously written-off | 3 406 | 128 | 2 199 | 207 |
| Impairment losses on finance lease receivables | (394) | (212) | (1 576) | - |
| Recovered previously written-off finance lease receivables | 260 | - | 179 | - |
| Impairment losses on investment in subsidiaries | - | (25 553) | - | (3 582) |
| Impairment losses on other assets | (20 359) | (27) | (5 698) | (3 356) |
| Recoveries of other assets previously written-off | - | - | - | - |
| Total | (77 127) | (84 739) | (48 782) | (48 558) |

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|---|-------------------------|----------------|-------------------------|----------------|
| | Group | Bank | Group (represented) | Bank |
| Allowance for impairment of loans | | | | |
| As at 1 January | 159,907 | 142,903 | 111,599 | 110,431 |
| Change in allowance for loan impairment | 60,040 | 59,075 | 43,886 | 41,827 |
| Loans written off during the period | (64,030) | (59,675) | (14,106) | (9,085) |
| Allowance for impairment in acquired subsidiaries | - | - | 19,104 | - |
| Other factors (reclassification, FX rate shift, etc.) | 8 562 | 8,562 | 1,555 | (576) |
| As at 31 December | 164,479 | 143,858 | 159,907 | 142,903 |

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|--|-------------------------|------------|-------------------------|----------|
| | Group | Bank | Group (represented) | Bank |
| Allowance for impairment of finance lease receivables | | | | |
| As at 1 January | 9,143 | - | 1,749 | - |
| Change in allowance for loan impairment | 394 | 394 | 212 | 1,578 |
| Loans written off during the period | (2 828) | (2,828) | - | (528) |
| Allowance for impairment in acquired subsidiaries | - | - | 6,344 | - |
| Other factors (reclassification, FX rate shift, etc.) | - | - | - | - |
| As at 31 December | 6,709 | 212 | 9,143 | - |

NOTE 11 SIGNIFICANT INFORMATION ON OTHER INCOME STATEMENT LINE ITEMS

Net loss from embedded derivatives

Net loss from embedded derivatives increased from LTL 5 014 thousand for the twelve month period ended 31 December 2013 to LTL 9 772 thousand for the twelve month period ended 31 December 2014. Net loss from embedded derivatives is related to revaluation and derecognition of embedded derivatives separated from variable rate loans to customers, which have a floor for interest rate set in the agreements.

Net gain from derecognition of financial assets

Net gain from derecognition of financial assets of LTL 25 744 thousand during the twelve month period ended 31 December 2014 is attributable to the derecognition of the acquisition value adjustment (i.e. the difference between acquisition value and the gross value) for the fully or partially repaid/refinanced or sold loans that were acquired under the transaction of transfer of assets, rights, transactions and liabilities of Ūkio Bankas.

Other operating income

| | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | |
|--|-------------------------|--------------|-------------------------|--------------|
| | Group | Bank | Group (represented) | Bank |
| Revenue from sale of apartments | 23 868 | - | 32 097 | - |
| Income related to insurance activities | 19 253 | - | 14 865 | - |
| Income from lease of assets | 5 112 | 2 304 | 3 833 | 1 798 |
| Other income | 2 784 | 1 228 | 1 943 | 612 |
| Total | 51 017 | 3 532 | 52 738 | 2 410 |

NOTE 12 RELATED-PARTY TRANSACTIONS

Related parties with the Bank are classified as follows:

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

During 2013, 2014 a certain number of banking transactions were entered into with related parties in the ordinary course of business. These transactions include settlements, loans, deposits and foreign currency transactions.

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

| | 31-12-2014 | | 31-12-2013 (represented) | |
|--|----------------------|---|--------------------------|---|
| | Balances of deposits | Balances of loans (incl.off-balance sheet credit commitments) | Balances of deposits | Balances of loans (incl.off-balance sheet credit commitments) |
| Members of the Council and the Board | 2 339 | 4 593 | 1 303 | 6 896 |
| Other related parties (excluding subsidiaries of the Bank) | 7 560 | 122 723 | 6 418 | 146 180 |
| Total | 9 899 | 127 316 | 7 721 | 153 076 |

Transactions with EBRD:

"The Group/Bank has a subordinated loan received from European Bank for Reconstruction and Development (hereinafter – EBRD), book value of which was LTL 66 623 thousand as of 31 December 2014 (31 December 2013: LTL 68 855 thousand). The agreement for the loan was signed at the end of February 2013. Loan amount is EUR 20 million, term – 10 years. Loan agreement provides a conversion option to EBRD, under which EBRD has a right to convert a part of or the whole loan to ordinary shares of the Bank at a price, which at certain scenarios could be more favourable than the market price (but in any case, not less than the nominal value of the share). Because of this option, which is an embedded derivative, the Bank chose to account the whole instrument for as Financial liabilities at fair value through profit or loss. Subordinated loan related interest expenses amounted to LTL 4 574 thousand, a gain of LTL 1 141 thousand related to revaluation of the liability to fair value was recorded in profit (loss) statement in 2013 (2013: interest expenses LTL 3 729 thousand, revaluation gain LTL 536 thousand).

As of 31 December 2012, LTL 78 109 thousand loan from EBRD was outstanding. It was repaid in 2013. Interest and other expenses related to this loan amounted to LTL 1 045 thousand during the twelve month period ended 31 December 2013."

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

| | 31-12-2014 | | 31-12-2013 (represented) | |
|----------------------------|----------------------|--|--------------------------|--|
| | Balances of deposits | Balances of loans, debt securities (incl.off-balance sheet credit commitments) | Balances of deposits | Balances of loans, debt securities (incl.off-balance sheet credit commitments) |
| Non-financial institutions | 840 | 209 017 | 783 | 192 754 |
| Financial institutions | 22 637 | 311 692 | 36 973 | 341 536 |
| Total | 23 477 | 520 709 | 37 756 | 534 290 |

Transactions with subsidiaries:

| | 31-12-2014 | 31-12-2013 (represented) |
|--|---------------------|---|
| Assets | | |
| Loans | 421 219 | 400 019 |
| Debt securities | 100 000 | 123 000 |
| Bank's investment in subsidiaries | 102 501 | 111 162 |
| Bank's investment in subsidiaries classified as assets held for sale | 91 190 | 94 500 |
| Other assets | 87 | 102 |
| Liabilities and shareholders' equity | | |
| Deposits | 22 592 | 37 754 |
| Other liabilities | 468 | 330 |
| Income | | |
| | 01-01-2014 – | 01-01-2013 – |
| | 31-12-2014 | 31-12-2013 |
| Interest | 19 713 | 19 061 |
| Commission income | 736 | 476 |
| Income from foreign exchange operations | 7 | - |
| Dividends | 21 053 | 2 400 |
| Other income | 555 | 301 |
| Expenses | | |
| Interest | (42) | (127) |
| Commission expense | - | - |
| Expenses from foreign exchange operations | - | - |
| Operating expenses | (1 836) | (1 609) |
| Impairment of loans | (1 833) | (1 492) |
| Impairment of an investment to subsidiaries | (25 553) | (3 582) |

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.

As of 31 December 2014 the Group's liquidity ratio was 55.68 (31-12-2013 - 54.07), and the Bank's – 55.51 (31-12-2013 – 53.94).

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

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

| | Demand | Up to 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|------------------------------|-----------|------------------|------------------|------------------|-------------------|-----------------|----------------------|-----------------------|-----------|
| Total assets | 510,029 | 291,886 | 325,816 | 329,836 | 577,219 | 1,260,897 | 1,853,679 | 513,260 | 5,662,622 |
| Total liabilities and equity | 1,299,573 | 539,721 | 659,543 | 838,201 | 1,376,757 | 356,719 | 198,514 | 393,594 | 5,662,622 |
| Net liquidity gap | (789,544) | (247,835) | (333,727) | (508,365) | (799,538) | 904,178 | 1,655,165 | 119,666 | - |

The structure of the Group's liabilities by maturity as of 31 December 2013 (represented) was as follows:

| | Demand | Up to 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|------------------------------|-----------|------------------|------------------|------------------|-------------------|-----------------|----------------------|-----------------------|-----------|
| Total assets | 480,611 | 83,045 | 188,567 | 286,003 | 464,586 | 1,191,210 | 2,057,228 | 582,684 | 5,333,934 |
| Total liabilities and equity | 923,056 | 509,322 | 584,294 | 856,121 | 1,450,927 | 427,373 | 220,551 | 362,290 | 5,333,934 |
| Net liquidity gap | (451,019) | (430,345) | (420,906) | (602,257) | (1,027,371) | 729,270 | 1,863,302 | 339,326 | - |

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

| | Demand | Up to 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|------------------------------|-----------|------------------|------------------|------------------|-------------------|-----------------|----------------------|-----------------------|-----------|
| Total assets | 506,469 | 295,497 | 405,892 | 346,481 | 650,630 | 1,162,937 | 1,792,231 | 399,237 | 5,559,374 |
| Total liabilities and equity | 1,318,845 | 525,978 | 656,472 | 835,179 | 1,374,531 | 344,232 | 136,090 | 368,047 | 5,559,374 |
| Net liquidity gap | (812,376) | (230,481) | (250,580) | (488,698) | (723,901) | 818,705 | 1,656,141 | 31,190 | - |

The structure of the Bank's liabilities by maturity as of 31 December 2013 was as follows:

| | Demand | Up to 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|------------------------------|-----------|------------------|------------------|------------------|-------------------|-----------------|----------------------|-----------------------|-----------|
| Total assets | 471,044 | 97,466 | 295,435 | 302,855 | 528,541 | 1,122,109 | 1,933,737 | 499,641 | 5,250,828 |
| Total liabilities and equity | 957,335 | 495,542 | 582,653 | 853,950 | 1,448,301 | 416,159 | 166,256 | 330,632 | 5,250,828 |
| Net liquidity gap | (486,291) | (398,076) | (287,218) | (551,095) | (919,760) | 705,950 | 1,767,481 | 169,009 | - |

Market risk

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

Foreign exchange risk

The management of the currency exchange risk is regulated by the Currency Exchange Risk Management Procedures, which specify the principles allowing the Group to reduce the incurred foreign currency fluctuation risk to minimum. The Group is not engaged in any speculative transactions through which it could expect to earn profit from the open currency positions after changes in currency rate. Based on proposal from Risk Committee of the Bank, the Board of the Bank approves maximal limits set to the open currency positions for the Bank and for other subsidiary companies of the Group. The Treasury Department of the Bank bears responsibility for the Group's compliance with the Currency Exchange Risk Management Procedures.

Sensitivity of foreign exchange risk

Foreign exchange (FX) risk is limited by amounts of open FX positions. For calculation of sensitivity to FX risk all exposures shall be converted into possible loss, i.e. open FX position is multiplied by possible FX rate change. The FX risk parameters for the Group (Bank) have been established in view of the maximum fluctuations of currency exchange rate in 2014 and forecast that exchange rate fluctuations will have the same trends in 2015. The Group does not evaluate FX risk on open EUR position as LTL is pegged to EUR at a fixed rate (see General information).

| Currency | Annual reasonable shift, 2015 | Annual reasonable shift, 2014 |
|--------------------------|-------------------------------|-------------------------------|
| CHF | 10% | 2% |
| DKK | 0,5% | 0,5% |
| GBP | 4% | 4% |
| SEK | 5% | 5% |
| USD | 7% | 4% |
| Other currencies | 4,5% | 7% |
| CIS countries currencies | 20% | 7% |

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

| | 31-12-2014 | | 31-12-2013 | |
|--------------------------|-------------------------------------|------------|-------------------------------------|------------|
| | Impact on profit or loss, on equity | | Impact on profit or loss, on equity | |
| | Group | Bank | Group | Bank |
| USD | 38 | 38 | 80 | 80 |
| GBP | 18 | 18 | 0 | 0 |
| CHF | 1 | 1 | 1 | 1 |
| DKK | 5 | 5 | 5 | 5 |
| SEK | 25 | 25 | 19 | 19 |
| Other currencies | 59 | 13 | 61 | 61 |
| CIS countries currencies | 18 | 18 | 1 | 1 |
| Total | 164 | 118 | 167 | 167 |

The presumable FX rate change makes an impact on the Group's / Bank's profit LTL 164 thousand for the Group, LTL 118 thousand for the Bank in 2014 (2013: LTL 167 thousand for the Group and the Bank).

The Group's open positions of prevailing currencies as of 31 December 2014 were as follows:

| | USD | Others currencies | Total currencies: | EUR | LTL | Total: |
|----------------------------|--------------|----------------------|----------------------|---------------|-----------------|-----------|
| Assets | 242,932 | 40,373 | 283,305 | 1,405,738 | 3,973,579 | 5,662,622 |
| Liabilities and equity | 240,350 | 37,100 | 277,450 | 1,342,231 | 4,042,941 | 5,662,622 |
| Net balance sheet position | 2,582 | 3,273 | 5,855 | 63,507 | (69,362) | - |
| Currency swaps | (3,123) | - | (3,123) | 3,126 | - | 3 |
| Net open position | (541) | 3,273 | 2,732 | 66,633 | (69,362) | 3 |

The Group's open positions of prevailing currencies as of 31 December 2013 (represented) were as follows:

| | USD | Others currencies | Total currencies: | EUR | LTL | Total: |
|----------------------------|--------------|----------------------|----------------------|---------------|-----------------|-----------|
| Assets | 196,442 | 46,805 | 243,247 | 1,283,749 | 3,806,938 | 5,333,934 |
| Liabilities and equity | 188,162 | 37,006 | 225,168 | 1,264,984 | 3,843,782 | 5,333,934 |
| Net balance sheet position | 8,280 | 9,799 | 18,079 | 18,765 | (36,844) | - |
| Currency swaps | (6,275) | (4,241) | (10,516) | 10,524 | - | 8 |
| Net open position | 2,005 | 5,558 | 7,563 | 29,289 | (36,844) | 8 |

The Bank's open positions of prevailing currencies as of 31 December 2014 were as follows:

| | USD | Others currencies | Total currencies: | EUR | LTL | Total: |
|----------------------------|--------------|----------------------|----------------------|---------------|-----------------|-----------|
| Assets | 222,804 | 38,789 | 261,593 | 1,331,732 | 3,966,049 | 5,559,374 |
| Liabilities and equity | 220,224 | 36,542 | 256,766 | 1,308,685 | 3,993,923 | 5,559,374 |
| Net balance sheet position | 2,580 | 2,247 | 4,827 | 23,047 | (27,874) | - |
| Currency swaps | (3,123) | - | (3,123) | 3,126 | - | 3 |
| Net open position | (543) | 2,247 | 1,704 | 26,173 | (27,874) | 3 |

The Bank's open positions of prevailing currencies as of 31 December 2013 were as follows:

| | USD | Others currencies | Total currencies: | EUR | LTL | Total: |
|----------------------------|--------------|----------------------|----------------------|----------------|--------------|-----------|
| Assets | 182,649 | 46,526 | 229,175 | 1,215,601 | 3,806,052 | 5,250,828 |
| Liabilities and equity | 174,375 | 36,727 | 211,102 | 1,233,320 | 3,806,406 | 5,250,828 |
| Net balance sheet position | 8,274 | 9,799 | 18,073 | (17,719) | (354) | - |
| Currency swaps | (6,275) | (4,241) | (10,516) | 10,524 | - | 8 |
| Net open position | 1,999 | 5,558 | 7,557 | (7,195) | (354) | 8 |

Interest rate risk

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

Sensitivity of interest rate risk

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

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

Group 31 December 2014:

| | Demand and less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year | Non monetary | Total |
|---|------------------------------|---------------|---------------|----------------|------------------|--------------|-----------|
| Assets | 700,186 | 898,613 | 1,005,512 | 291,943 | 1,534,230 | 1,232,138 | 5,662,622 |
| Liabilities and equity | 602,271 | 726,695 | 811,132 | 1,300,116 | 388,936 | 1,833,472 | 5,662,622 |
| Net interest sensitivity gap | 97,915 | 171,918 | 194,380 | (1,008,173) | 1,145,294 | (601,334) | - |
| Higher/lower impact on profit from balance sheet assets and liabilities | 938 | 938 | 1,433 | 1,215 | (2,520) | - | - |

Group 31 December 2013 (represented):

| | Demand and less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year | Non monetary | Total |
|---|------------------------------|---------------|---------------|----------------|------------------|--------------|-----------|
| Assets | 498,113 | 670,642 | 972,661 | 249,772 | 1,674,056 | 1,268,690 | 5,333,934 |
| Liabilities and equity | 633,785 | 676,017 | 837,323 | 1,394,435 | 377,159 | 1,415,215 | 5,333,934 |
| Net interest sensitivity gap | (135,672) | (5,375) | 135,338 | (1,144,663) | 1,296,897 | (146,525) | - |
| Higher/lower impact on profit from balance sheet assets and liabilities | (1,300) | (45) | 846 | (2,862) | - | - | (3,361) |

Bank 31 December 2014:

| | Demand and less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year | Non monetary | Total |
|---|------------------------------------|------------------|------------------|-------------------|---------------------|-----------------|-----------|
| Assets | 692,317 | 920,918 | 961,314 | 401,677 | 1,568,588 | 1,014,560 | 5,559,374 |
| Liabilities and equity | 621,969 | 726,403 | 810,875 | 1,299,241 | 322,287 | 1,778,599 | 5,559,374 |
| Net interest sensitivity gap | 70,348 | 194,515 | 150,439 | (897,564) | 1,246,301 | (764,039) | - |
| Higher/lower impact on profit from balance sheet assets and liabilities | 674 | 1,621 | 940 | (2,244) | - | - | 991 |

Bank 31 December 2013:

| | Demand and less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | More than 1 year | Non monetary | Total |
|---|------------------------------------|------------------|------------------|-------------------|---------------------|-----------------|-----------|
| Assets | 511,293 | 746,580 | 925,030 | 339,219 | 1,644,069 | 1,084,637 | 5,250,828 |
| Liabilities and equity | 633,238 | 675,772 | 837,096 | 1,394,540 | 320,092 | 1,390,090 | 5,250,828 |
| Net interest sensitivity gap | (121,945) | 70,808 | 87,934 | (1,055,321) | 1,323,977 | (305,453) | - |
| Higher/lower impact on profit from balance sheet assets and liabilities | (1,169) | 590 | 550 | (2,638) | - | - | (2,667) |

Operational risk

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

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

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

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

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

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

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

NOTE 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 the twelve month period ended 31 December 2014, the process of fair value measurement did not change significantly as compared to the process described in the annual financial statements for the year 2013. For the valuation of financial assets and liabilities purposes, estimates, valuation techniques and inputs used to develop those measurements have not changed significantly during the twelve month period ended 31 December 2014, no new circumstances that could have a significant impact on the fair values of financial assets and liabilities were identified during the period.

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

| | 31-12-2014 | | 31-12-2013 (represented) | |
|--|----------------|----------------|--------------------------|----------------|
| | Group | Bank | Group | Bank |
| LEVEL I | | | | |
| Financial assets at fair value through profit or loss | 179 885 | 93 590 | 145 097 | 70 648 |
| Available for sale financial assets | 74 031 | 74 031 | 185 041 | 185 041 |
| Total Level I Financial assets | 253 916 | 167 621 | 330 138 | 255 689 |
| LEVEL III | | | | |
| Financial assets at fair value through profit or loss | 24 505 | 122 960 | 22 347 | 144 008 |
| Available for sale financial assets | 2 337 | 1 391 | 3 162 | 1 391 |
| Total Level III Financial assets | 26 842 | 124 351 | 25 509 | 145 399 |
| Financial liabilities at fair value through profit or loss | 66 623 | 66 623 | 68 855 | 68 855 |
| Total Level III Financial liabilities | 66 623 | 66 623 | 68 855 | 68 855 |

There were no transfers between fair value hierarchy levels during 2014 and 2013.

The changes in Level III instruments during the twelve month period ended 31 December:

| Group | Financial assets at fair value through profit or loss | | Available for sale financial assets | | Financial liabilities at fair value through profit or loss | | | | | | | | | | | | | | |
|--|---|-------------------------|-------------------------------------|-------------------------|--|-------------------------|-------------------------|--|-------------------------|--|-------|------|-------|------|--|---------|---------|---------|---------|
| | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | | | | | | | | | | | | | |
| | (pertvarkyta) | | | | | | | | | | | | | | | | | | |
| Value as of 1 January | 22 347 | 13 693 | 3 162 | 3 617 | 68 855 | - | | | | | | | | | | | | | |
| Additions | 11 930 | 13 671 | 86 | 217 | - | 69 056 | | | | | | | | | | | | | |
| Disposals | - | (3) | (38) | (90) | - | - | | | | | | | | | | | | | |
| Changes due to interest accrued/paid | - | - | - | - | (1 091) | 335 | | | | | | | | | | | | | |
| Revaluations through profit or loss | (9 772) | (5 014) | (873) | (582) | (1 141) | (536) | | | | | | | | | | | | | |
| Value as of 31 December | 24 505 | 22 347 | 2 337 | 3 162 | 66 623 | 68 855 | | | | | | | | | | | | | |
| Bank | | | | | | | | | | | | | | | | | | | |
| Bank | Financial assets at fair value through profit or loss | | Available for sale financial assets | | Financial liabilities at fair value through profit or loss | | | | | | | | | | | | | | |
| | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | 01-01-2014 – 31-12-2014 | 01-01-2013 – 31-12-2013 | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| Value as of 1 January | 144 008 | 13 693 | 1 391 | 1 391 | 68 855 | - | | | | | | | | | | | | | |
| Additions | 12 030 | 164 869 | - | - | - | 69 056 | | | | | | | | | | | | | |
| Disposals | (23 000) | (30 003) | - | - | - | - | | | | | | | | | | | | | |
| Changes due to interest accrued/paid | - | (69) | - | - | (1 091) | 335 | | | | | | | | | | | | | |
| Revaluations through profit or loss | (10 078) | (4 482) | - | - | (1 141) | (536) | | | | | | | | | | | | | |
| Value as of 31 December | 122 960 | 144 008 | 1 391 | 1 391 | 66 623 | 68 855 | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">01-01-2014 - 31-12-2014</th> <th colspan="2">01-01-2013 - 31-12-2013</th> </tr> <tr> <th>Group</th> <th>Bank</th> <th>Group</th> <th>Bank</th> </tr> </thead> <tbody> <tr> <td>Bendras rezultatas iš finansinių priemonių, vertinamų III lygiu, įtrauktas į pelno (nuostolių) ataskaitą</td> <td>(9 504)</td> <td>(8 937)</td> <td>(5 060)</td> <td>(3 946)</td> </tr> </tbody> </table> | | | | | | | 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | | Group | Bank | Group | Bank | Bendras rezultatas iš finansinių priemonių, vertinamų III lygiu, įtrauktas į pelno (nuostolių) ataskaitą | (9 504) | (8 937) | (5 060) | (3 946) |
| 01-01-2014 - 31-12-2014 | | 01-01-2013 - 31-12-2013 | | | | | | | | | | | | | | | | | |
| Group | Bank | Group | Bank | | | | | | | | | | | | | | | | |
| Bendras rezultatas iš finansinių priemonių, vertinamų III lygiu, įtrauktas į pelno (nuostolių) ataskaitą | (9 504) | (8 937) | (5 060) | (3 946) | | | | | | | | | | | | | | | |

NOTE 15 SEGMENT INFORMATION

Business segments

A summary of major indicators for the main business segments of the Group included in the statement of financial position as at 31 December 2014 and in the income statement for the twelve month period ended 31 December 2014 is presented below:

| | Banking | Leasing | Investment management | Other activity | Eliminations | Total |
|---|------------------|----------------|--------------------------|----------------|------------------|------------------|
| Internal | 19 671 | (15 221) | 338 | (2 604) | (2 184) | - |
| External | 94 308 | 42 778 | 296 | 4 601 | - | 141 983 |
| Net interest income | 113 979 | 27 557 | 634 | 1 997 | (2 184) | 141 983 |
| Internal | 20 407 | (15 560) | 338 | (2 617) | (2 568) | - |
| External | 113 423 | 41 702 | 296 | 4 417 | - | 159 838 |
| Net interest, fee and commission income | 133 830 | 26 142 | 634 | 1 800 | (2 568) | 159 838 |
| Internal | (1 836) | (402) | (24) | (99) | 2 361 | - |
| External | (62 269) | (11 642) | (526) | (49 147) | - | (123 584) |
| Operating expenses | (64 105) | (12 044) | (550) | (49 246) | 2 361 | (123 584) |
| Amortisation charges | (400) | (64) | (4) | (73) | - | (541) |
| Depreciation charges | (3 526) | (564) | (17) | (771) | - | (4 878) |
| Internal | (27 386) | - | - | - | 27 386 | - |
| External | (57 353) | (12 092) | (6 756) | (926) | - | (77 127) |
| Impairment expenses | (84 739) | (12 092) | (6 756) | (926) | 27 386 | (77 127) |
| Internal | 21 615 | (1) | 262 | 349 | (22 225) | - |
| External | 41 213 | 1 414 | 5 | 52 558 | - | 95 190 |
| Net other income | 62 828 | 1 413 | 267 | 52 907 | (22 225) | 95 190 |
| Profit before tax | 43 888 | 2 791 | (6 426) | 3 691 | 4 954 | 48 898 |
| Profit from discontinued operations | (1 010) | - | - | - | (292) | (1 302) |
| Income tax | (6 265) | (564) | - | (112) | - | (6 941) |
| Profit per segment after tax | 36 613 | 2 227 | (6 426) | 3 579 | 4 662 | 40 655 |
| Profit for the period attributable to owners of the Bank | | | | | | 40 655 |
| Profit for the period attributable to non-controlling interest | | | | | | - |
| Total segment assets | 5 559 374 | 390 296 | 24 588 | 349 194 | (660 830) | 5 662 622 |
| Total segment liabilities | 5 197 766 | 348 374 | 21 674 | 283 182 | (556 486) | 5 294 510 |
| Net segment assets (shareholders' equity) | 361 608 | 41 922 | 2 914 | 66 012 | (104 344) | 368 112 |

A summary of major indicators for the main business segments of the Group (represented) included in the statement of financial position as at 31 December 2013 and in the income statement for the twelve month period ended 31 December 2013 is presented below:

| | Banking | Leasing | Investment management | Other activity | Eliminations | Total |
|---|------------------|-----------------|----------------------------------|-----------------------|---------------------|------------------|
| Internal | 18 934 | (14 604) | (84) | (3 314) | (932) | - |
| External | 64 105 | 40 969 | 166 | 4 283 | - | 109 523 |
| Net interest income | 83 039 | 26 365 | 82 | 969 | (932) | 109 523 |
| Internal | 19 410 | (14 859) | 83 | (3 177) | (1 457) | - |
| External | 80 189 | 39 583 | 172 | 4 090 | - | 124 034 |
| Net interest, fee and commission income | 99 599 | 24 724 | 255 | 913 | (1 457) | 124 034 |
| Internal | (1 609) | (206) | (16) | (61) | 1 892 | - |
| External | (59 742) | (10 133) | (492) | (48 650) | - | (119 017) |
| Operating expenses | (61 351) | (10 339) | (508) | (48 711) | 1 892 | (119 017) |
| Amortisation charges | (314) | (26) | - | (95) | - | (435) |
| Depreciation charges | (3 750) | (850) | (14) | (302) | - | (4 916) |
| Internal | (5 074) | - | (2 820) | 2 820 | 7 894 | 2 820 |
| External | (43 484) | (3 719) | (628) | (3 771) | - | (51 602) |
| Net other income | (48 558) | (3 719) | (3 448) | (951) | 7 894 | (48 782) |
| Internal | 2 701 | - | 33 | 316 | (3 050) | - |
| External | 24 273 | (8) | 144 | 51 980 | - | 76 389 |
| Kitos grynosios pajamos | 26 974 | (8) | 177 | 52 296 | (3 050) | 76 389 |
| Pelnas prieš apmokestinimą | 12 600 | 9 782 | (3 538) | 3 150 | 5 279 | 27 273 |
| Pelnas iš nutraukiamos veiklos | - | - | - | - | (4 944) | (4 944) |
| Pelno mokesčio (sąnaudos) | (1 873) | (1 691) | - | (248) | - | (3 812) |
| Profit per segment after tax | 10 727 | 8 091 | (3 538) | 2 902 | 335 | 18 517 |
| Profit for the period attributable to owners of the Bank | | | | | | 18 424 |
| Profit for the period attributable to non-controlling interest | | | | | | 93 |
| Total segment assets | 5 250 828 | 425 583 | 22 888 | 284 296 | (649 661) | 5 333 934 |
| Total segment liabilities | 4 929 603 | 384 388 | 20 548 | 222 627 | (547 419) | 5 009 747 |
| Net segment assets (shareholders' equity) | 321 225 | 41 195 | 2 340 | 61 669 | (102 242) | 324 187 |

ADDITIONAL INFORMATION

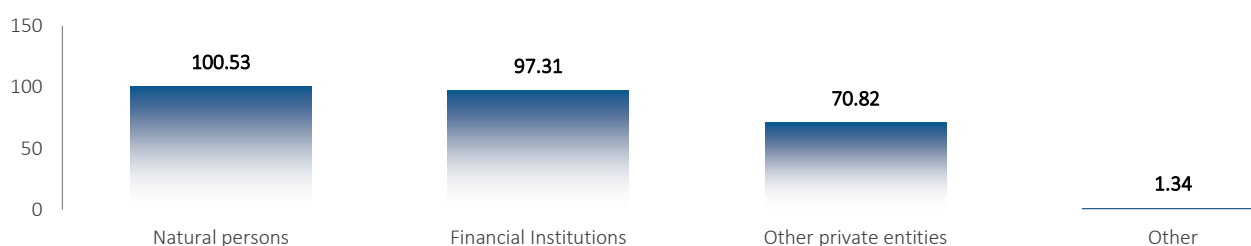
1. BANKO ĮSTATINIS KAPITALAS, AKCININKAI

The authorized capital of the Bank is LTL 270,000,000. The amendments of the Charter related to the capital increase were registered at the Register of Legal Entities on 03 June 2014.

The Bank's authorized capital increased by LTL 89.64 million over the five recent years: LTL 54.5 million was raised from the additional shareholders' contributions and LTL 35.14 million from the Bank's own funds.

| | 14/05/2008 | 2010-06-22 | 04/08/2011 | 31/05/2013 | 03/06/2014 |
|--------------|-------------|-------------|-------------|-------------|-------------|
| Capital, LTL | 180,357,533 | 204,857,533 | 234,857,533 | 250,000,000 | 270,000,000 |

Authorized capital by types of shareholders as of 31 December 2014 (LTL mln):

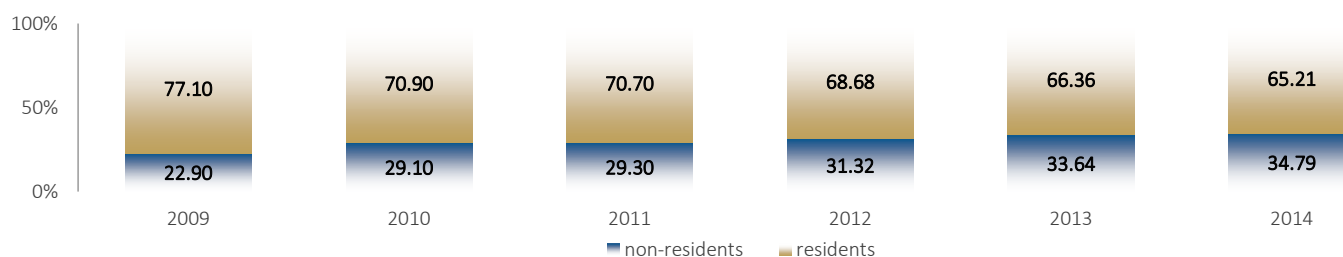


Structure of the Bank's authorized capital:

| Type of shares | Number of shares | Total nominal value, LTL | Total nominal value, LTL |
|---|------------------|--------------------------|--------------------------|
| Ordinary registered shares, ISIN LT0000102253 | 270,000,000 | 1 | 270,000,000 |

All issued shares grant the shareholders equal rights under the Law on Companies of the Republic of Lithuania and the Charter of the Bank.

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



The Bank's shareholders are entitled to the following property rights:

- to receive a share of the Bank's profit (dividend);
- to receive the Bank's funds when the authorized capital of the Bank is reduced seeking to pay the Bank's funds to Shareholders;
- to receive the shares free of charge in case the authorized capital is increased from the Bank's funds, except the cases, provided in the laws;
- in case the shareholder is a natural person - to bequeath all or a part of the shares to one or several persons;
- following the procedure and according to the conditions stipulated by the laws, to sell or otherwise transfer all or a part of the shares to the ownership of other persons;
- the pre-emptive right to acquire the shares issued or converted bonds of the Bank, except the case when the Meeting decides to cancel this right to all the shareholders;
- to lend to the Bank in the ways, prescribed in the laws. However, the Bank, borrowing from its shareholders, is not entitled to mortgage its assets for the shareholders. In the case the Bank borrows from its shareholder, interest rate cannot exceed the average interest rate of the commercial banks, located in the living or business place of the lender, valid on the moment the loan agreement was concluded. In such case the Bank and the shareholders are prohibited from making an agreement regarding higher interest rate;
- other property rights, provided in the laws.

Persons who are the shareholders of the Bank at the end of the tenth business day following the date of the General meeting of Shareholders having adopted respective resolution, i.e. at the end of the day of accounting of rights, have the rights to dividends, free shares and pre-emptive right to gain the shares issued by the Bank.

The Shareholders of the Bank have the following non-property rights:

- to participate in the General meeting of shareholders;
- to vote in the Meetings according to the rights, granted by the shares;
- to submit the questions to the Bank related to the agenda issues of the General meeting of shareholders in advance;
- to receive information on the Bank, as provided for in the Law on Companies;
- to apply to court with the claim, asking to compensate the loss, made to the Bank, that has occurred because of failure to execute obligations, provided for in the laws and present Charter, duly or their omission by the Head or Board members of the Bank, as well as in other cases, provided for in the laws;
- to authorize a natural or legal entity to represent him in relationship with the Bank or other persons;
- Other non-property rights, provided in the laws.

The person shall obtain all the rights and obligations granted to this person by the share of the authorized capital and (or) voting rights of the Bank: in case of the raise of the authorized capital of the Bank – from the date of registration of the changes related to the raise of the authorized capital and (or) voting rights of the Bank; in other cases – from the emergence of the property right to the share of the authorized capital and (or) voting rights of the Bank.

The shareholders of the Bank who owned more than 5 per cent of the authorized capital of the Bank as of 31 December 2014 are as follows:

| Shareholder | Number of shares under the right of ownership, units | Share of authorized capital under the right of ownership, % | Share of votes under the right of ownership, % | Share of votes together with the related persons, % |
|---|--|---|--|---|
| European Bank for Reconstruction and Development (United Kingdom) | 52,843,282 | 19.57 | 19.57 | 42.26 |
| Gintaras Kateiva (Lithuania) | 16,853,868 | 6.24 | 6.24 | 42.26 |

There no restrictions set to transfer of the securities. The shareholders are entitled to property and non-property rights and have the duties defined in the Law on Companies of the Republic of Lithuania and the Charter of the Bank.

The shareholders entitled to exclusive control rights and descriptions of those rights. The shareholders control the Bank through the elected Supervisory Council. Its functions are stipulated by the Law on Companies.

Restrictions to Exercise the Voting Right. All the issued shares of the Bank are ordinary registered shares of LTL 1 nominal value. Each share grants one voting right at the Bank's General Meeting of Shareholders. Restrictions to the voting rights can be applied in the cases foreseen by the laws.

The shareholders shall not have the right to vote when adopting a decision on the pre-emption right to acquire the shares of the Bank being issued or withdrawal of convertible bonds if it is stipulated in the agenda of the General Meeting of Shareholders that the right to acquire these securities is granted to him, his close relative, spouse or common-law spouse when partnership is registered in the procedure stipulated by the laws, and to a close relative of the spouse when the shareholder is a natural person as well as to the company patronizing the shareholder when the shareholder is a legal entity.

The person or persons acting jointly, having decided to acquire a qualified share of the authorized capital and (or) voting rights of the Bank or to raise it to such extent that the available share of the authorized capital and (or) voting rights of the Bank would be equal to or exceed 20 per cent, 30 per cent or 50 per cent or as much as the Bank would become controllable, shall be obliged to report this in writing to the Bank of Lithuania, which implements the supervisory function, specifying the qualified share of the authorized capital and (or) voting rights of the Bank intended to be purchased as well as to provide documents and data specified in the list given in Paragraph 2 of Article 25 of the Banks' Law. Failure to observe the requirement to receive a decision of the Bank of Lithuania not to be in conflict with surpassing the aforementioned limits does not cause the transaction to become ineffective; however, due to the failure to observe this requirement the whole share of the Bank's authorized capital and (or) voting rights owned by the person acquiring it shall lose the voting right in the Bank's General Meeting of Shareholders.

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

In the official trading list of AB NASDAQ OMX Vilnius, only the shares of the Bank are quoted. ISIN code LT0000102253; the number of shares: 270,000,000. Shares of the Bank's subsidiary companies are issued for non-public circulation.

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

The change of the share price over 2012-2014 (a share price is provided in Euro as trading in shares is carried out in Euro since 22 November 2010):



Source: NASDAQ OMX Vilnius AB website

Turnover and price of the Bank's shares over the period of 2012 -2014:

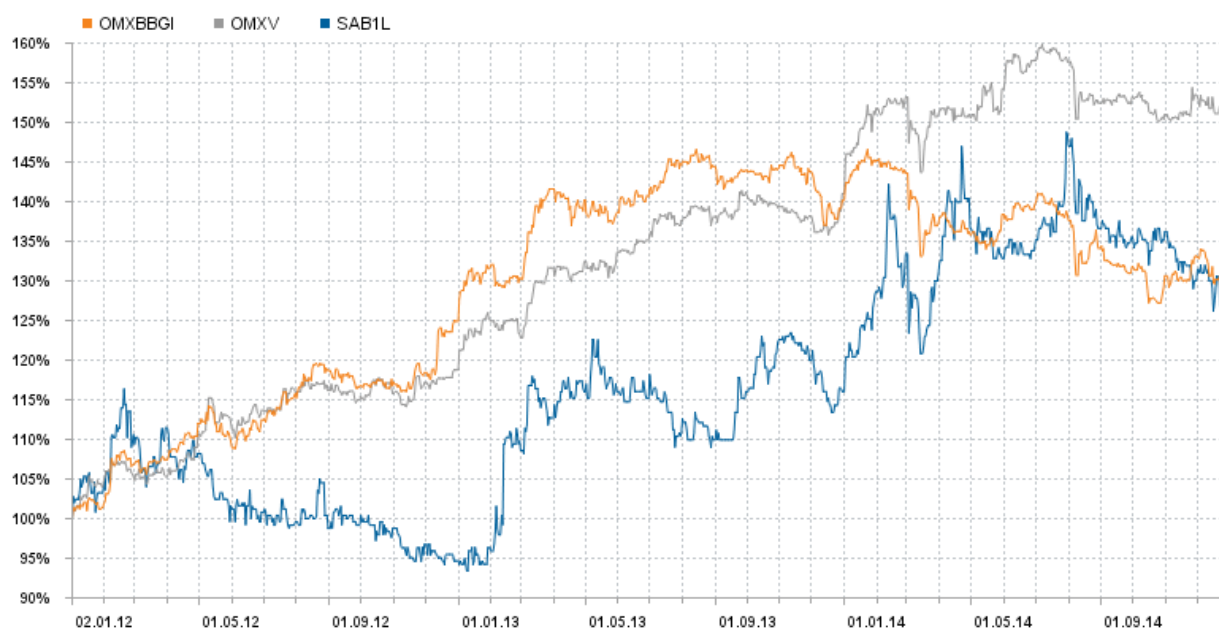
| Year | Last trading session price, EUR | Max. price, EUR | Min. price, EUR | Average price, EUR | Number of shares, units | Turnover, EUR mln |
|------|---------------------------------|-----------------|-----------------|--------------------|-------------------------|-------------------|
| 2012 | 0.231 | 0.285 | 0.230 | 0.256 | 11,106,241 | 2.48 |
| 2013 | 0.266 | 0.310 | 0.227 | 0.266 | 20,496,506 | 5.45 |
| 2014 | 0.266 | 0.331 | 0.266 | 0.290 | 28,107,139 | 8.15 |

Turnover and price of the Bank's shares over the accounting year (EUR):

Source: NASDAQ OMX Vilnius AB website



The charts of the share price changes of OMX Vilnius index, OMX Baltic Benchmark and Bank's shares during the period of 2012-2014 are provided below:



The Chart's data:

| Index/Shares | 01/01/2012 | 31/12/2014 | +/-, % |
|-------------------------|------------|------------|--------|
| OMX Baltic Benchmark GI | 431.94 | 566.56 | 31.17 |
| OMX Vilnius | 298.78 | 452.42 | 51.42 |
| SAB1L | EUR 0.213 | EUR 0.266 | 24.82 |

Source: NASDAQ OMX Vilnius AB website

As of 31 December 2014 the Bank's capitalization was LTL 247.98 million (EUR 71.82 million) and as of 31 December 2013 it comprised LTL 229.61 million (EUR 66.50 million).

The capitalization the Bank and the total capitalization of shares quoted on the NASDAQ OMX Vilnius AB as of the last trading day of 2013 and 2014 is provided below:

| The list of the Baltic shares | 31/12/2013 | 31/12/2014 | Change |
|--------------------------------------|----------------------|-------------------|--------|
| Šiaulių bankas – SAB1L | EUR 66,500,000 | EUR 71,820,000 | 8.00 % |
| The Baltic regulated market in total | EUR 5,731,270,188.87 | EUR 5,853,752,058 | 2.14 % |

Source: NASDAQ OMX Vilnius AB website

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

| Indicator | 31/12/2010 | 31/12/2011 | 31/12/2012 | 31/12/2013 | 31/12/2014 |
|-----------|------------|------------|------------|------------|------------|
| P/E | negative | 14.10 | 13.29 | 11.48 | 5.74 |

3. ACQUISITION OF OWN SHARES

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

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

During the reporting period the Bank complied with all the prudential requirements stipulated by the Bank of Lithuania. Detailed information is provided in Note 13 to the Condensed Interim Financial Statements. Comprehensive information on compliance with other prudential requirements is available on the Bank's website at <http://www.sb.lt/en/about-bank/investors/prospectus-and-reports/>.

5. RATINGS ASSIGNED BY THE INTERNATIONAL AGENCIES

The credit rating agencies are registered and certified in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. The credit rating of the Bank is determined by the international rating agency Moody's Investors Service LTD*, the licence of which was updated on 31 October 2011.

The international rating agency Moody's Investors Service updated the rating of Šiaulių Bankas on 20 March 2013 as follows:

| | |
|---------------------------|------------|
| Long-term credit rating | B1 |
| Short-term credit rating | NP |
| Financial strength rating | E+ |
| Rating outlook | developing |

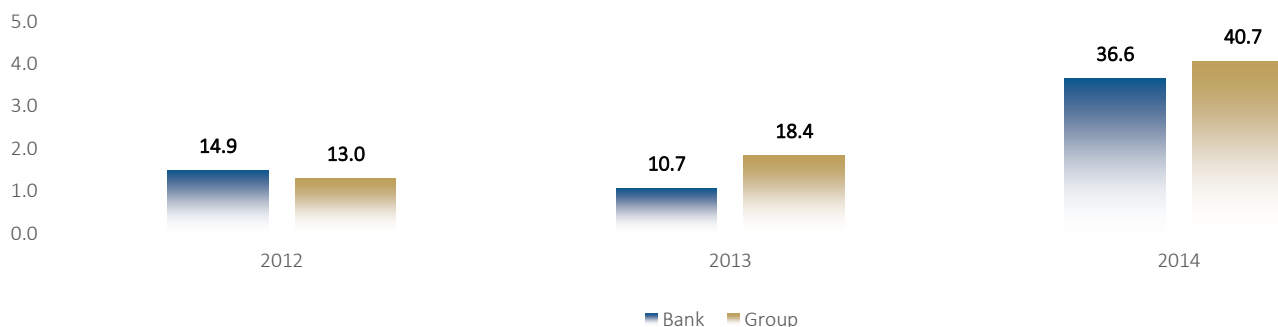
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6. INFORMATION ON THE RESULTS OF PERFORMANCE

In October 2014 the Bank refused its intention to sell the Ūkio banko lizingas UAB and life insurance company Bonum Publicum UAB, which previously had been acquired from the failed Ūkio bankas and so far listed as held for sale, and decided to classify them as consolidated subsidiary companies. The remaining companies acquired from Ūkio bankas are still included in the list of subsidiaries held for sale.

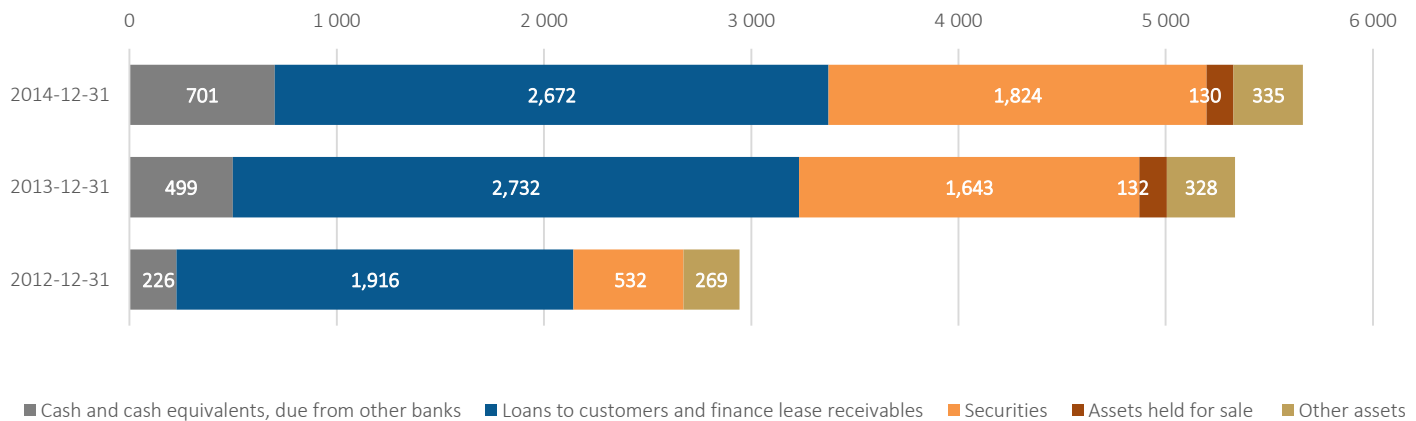
Both the Group and the Bank had been continuously growing and doubled their performance results. In 2014 the Group generated pre-audited net profit of LTL 40.7 million, which 2.2 times exceeded the result achieved in 2013 when the net profit amounted to LTL 18.4 million. The pre-audited net profit of the Bank amounted to LTL 36.6 million in 2014, i.e. 3.4 times more than in 2013 when the profit reached LTL 10.7 million. Operating profit before impairment losses of the Group increased by 66 per cent while the operating profit before impairment losses of the Bank increased by 83 per cent in comparison with 2013.

Dynamics of the Bank and the Group's net profit in 2012-2014, LTL mln

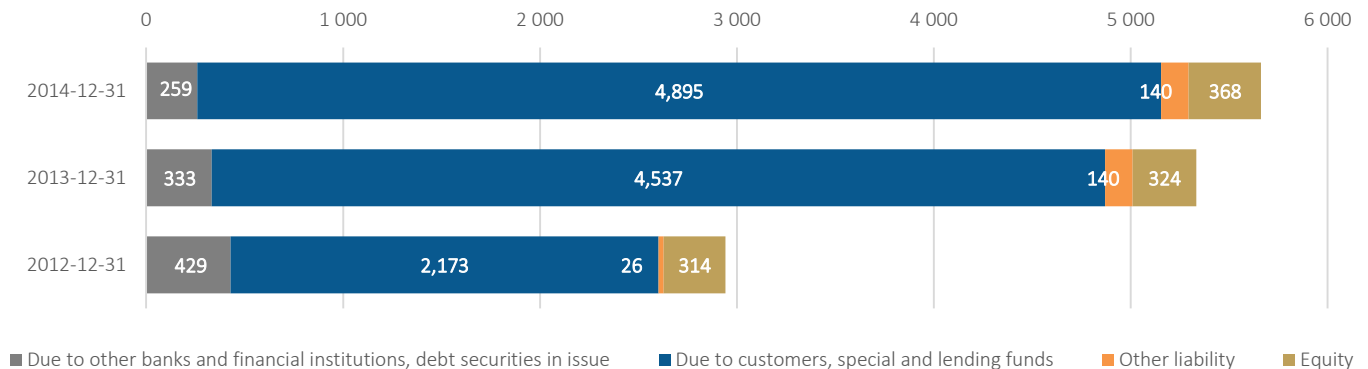


The Group's assets grew by more than 6 per cent up to LTL 5.7 billion over the year. On-going tension caused by the conflict between Russia and Ukraine as well as further uncertainty led to decline in lending volumes. The loan portfolio of the Group decreased by 1 per cent in 2014 and comprised almost LTL 2.5 billion at the end of 2014.

Free funds invested into securities increased the securities portfolio by 11 per cent, which exceeded LTL 1.8 billion at the end of 2014. More detailed information on the securities portfolio is provided in the Note 2 to the *Condensed Interim Financial Statements*.

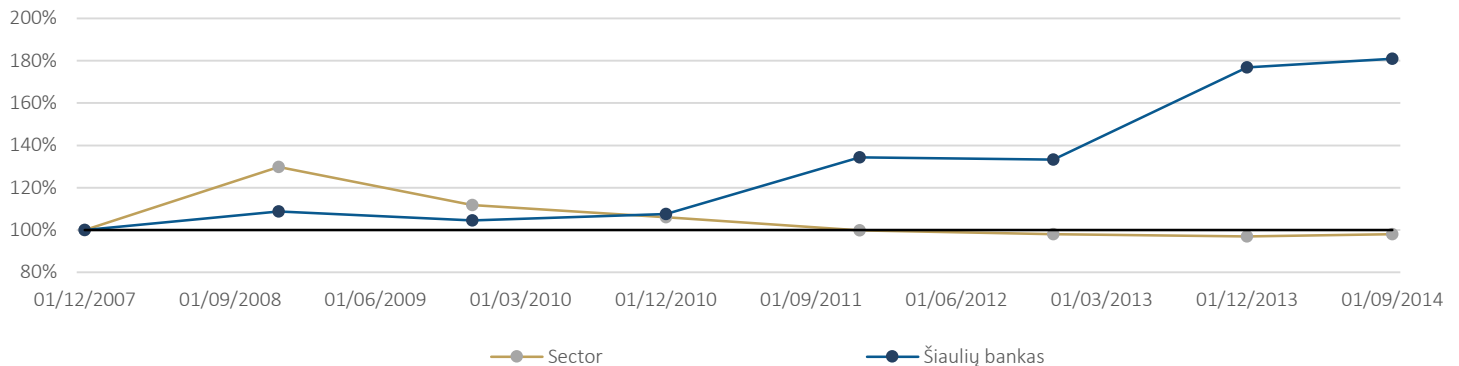
Dynamics of the Bank Group's asset structure in 2012-2014, LTL mln


The amount of funds trusted by the clients to the Bank before the euro adoption increased the deposit portfolio by LTL 358 million or by 8 per cent during the reporting year and reached LTL 4.9 billion late in the year. The deposit placed by private customers grew by 5 per cent while the growth of corporate clients' funds comprised 25 per cent. More detailed information on the deposit portfolio is provided in the Note 4 to the *Condensed Interim Financial Statements*.

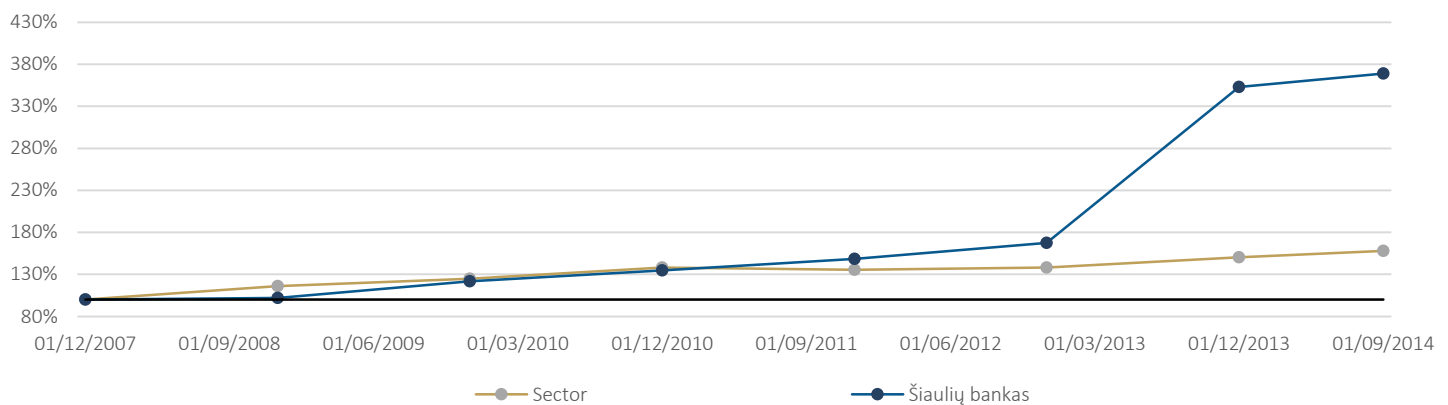
Dynamics of the Bank Group's liability structure in 2012-2014, LTL mln


Loan to deposit ratio decreased and comprised 55 per cent at the end of 2014 (it comprised 60 per cent in the end of 2013). Among other banks operating in Lithuania, the Bank steadily holds the fourth place both in the loan and deposit markets.

Dynamics of loan market growth

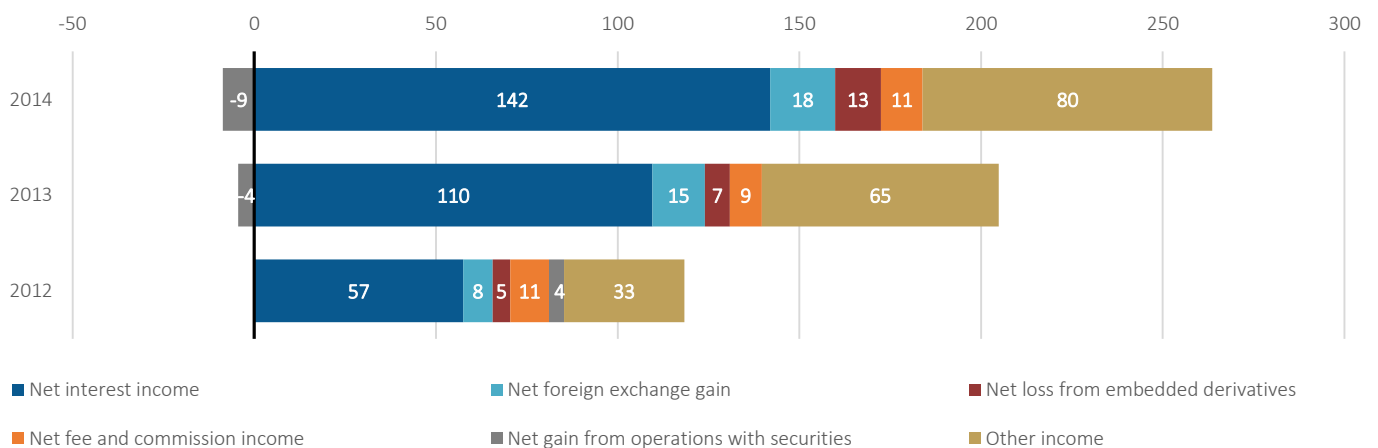


Dynamics of deposit market growth



Interest income generated by the Group grew by 9 per cent per annum while constantly decreasing costs of the main funding source - term deposits led to 15 per cent reduced interest expenses as compared to 2013. Net interest income increased by 30 per cent comparing to 2013 and amounted to almost LTL 142 million. Growing number of customers and their increasing activity as well as significantly increased number of financial operations resulted in growth of the net fee and commission income - LTL 17.9 million was earned in 2014 which is by 23 per cent more than in 2013. The annual profit from the transactions in foreign currency grew by 86 per cent and comprised LTL 12.6 million.

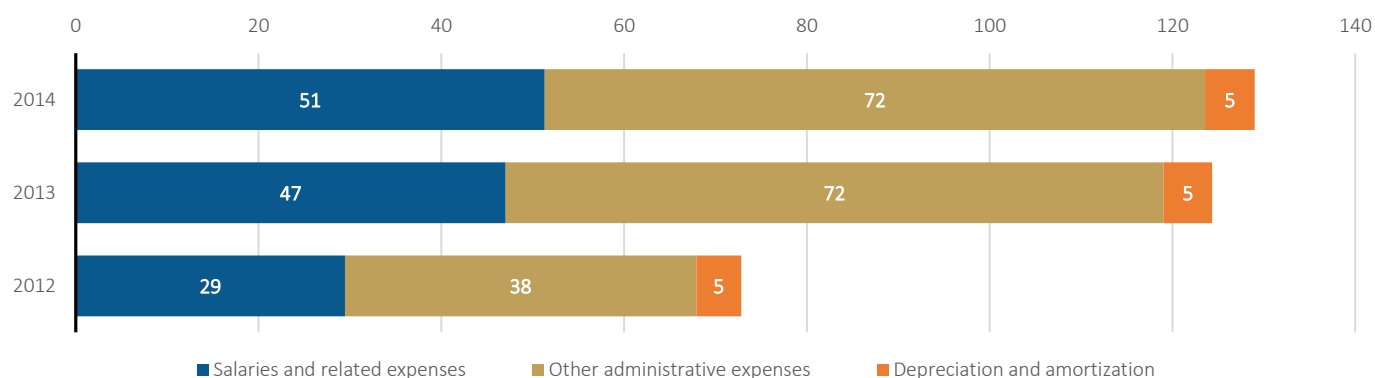
Dynamics of the Bank Group's operating income structure in 2012-2014, LTL mln



The impairment of assets had a negative impact on the result of the Bank Group's performance. The change in value of the assets of Bank Group as well as of the impairment of loans taken over from Ūkio bankas accounted for LTL 77.1 million of impairment loss over the year (more detailed information on impairment is provided in the Note 10 to the *Condensed Interim Financial Statements*). This was partially compensated by the positive impact of the recoveries of the loans from former Ūkio Bankas customers, which was included in other income of the Group. Including the impact mentioned above, actual impairment loss amounts to LTL 51.4 million over the year.

During the reporting period the Bank Group's expenses grew by 4 per cent - operating expenses amounted to LTL 129 million in total. Almost 40 per cent of operating expenses consisted of salaries expenses, i.e. LTL 51.3 million (38 per cent in 2013). Amortization and depreciation expenses grew only by 1 per cent and comprised LTL 5.4 million. Other operating expenses increased slightly and amounted to LTL 72.3 million over 2014. More detailed information on operating expenses is provided in the Note 9 to the *Condensed Interim Financial Statements*.

Dynamics of the Group's operating expenses structure in 2012-2014, LTL mln

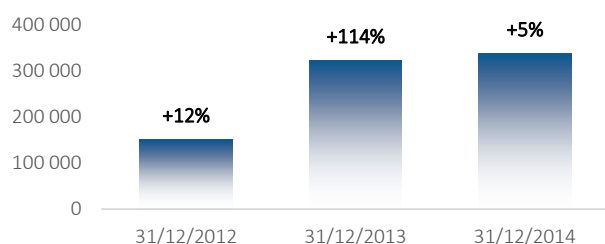


In 2014 increased operating expenses made an impact on the performance ratios of the Group as well. The cost to income ratio decreased by 11.5 percentage points over the year to 50.6 per cent while annual ratios of the return on equity and return on assets had doubled and comprised 11.4 per cent and 0.7 per cent respectively.

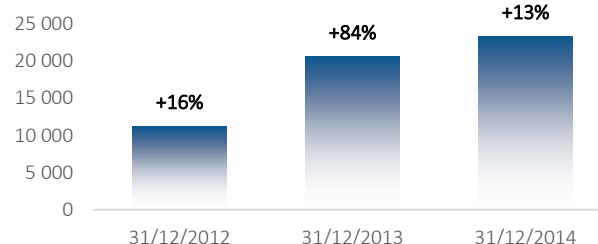
| Profitability ratios, % | | 2012 | 2013 | 2014 |
|-------------------------|---------------|-------|-------|-------|
| Bank | Cost / income | 47.13 | 52.68 | 38.74 |
| | ROAA, % | 0.52 | 0.20 | 0.68 |
| | ROAE, % | 4.79 | 3.36 | 10.38 |
| Financial group | Cost / income | 47.64 | 52.70 | 39.65 |
| | ROAA, % | 0.54 | 0.16 | 0.70 |
| | ROAE, % | 4.90 | 2.65 | 10.69 |
| Group | Cost / income | 61.52 | 62.05 | 50.58 |
| | ROAA, % | 0.46 | 0.34 | 0.74 |
| | ROAE, % | 4.24 | 5.79 | 11.45 |

At the end of 2014 the customer service network of the Bank consisted of 74 units operating in 39 towns throughout Lithuania. The number of corporate customers increased by 13 per cent to 23 thousand while the number of private clients grew by 5 per cent to 337 thousand

Number of private clients



Number of corporate clients



The Bank's clients could use 230 ATMs belonging to bank's joint network operating in 56 cities and towns throughout Lithuania. At the end of 2014 the Bank's clients could withdraw cash or place their funds to the payment card accounts through more than 2,000 terminals of Perlo paslaugos UAB all over Lithuania.

7. MANAGEMENT BODIES OF THE BANK

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

Exclusive rights and functions of the Bank's management bodies are regulated by the Charter of the Bank which is available on the Bank's website at *Important information and documents*.

General Meeting of Shareholders takes place annually, within three months after the end of fiscal year. The shareholders, having no less than 1/10 of all the votes, as well as the Board and Council have an initiative right of convening the meeting. The Law on Companies specifies the cases when a general meeting can be convened by other persons. General Meeting of Shareholders is organized, voting is carried out and resolutions passed in compliance with the Law on Companies. If the meeting cannot take place due to lack of a quorum (more than ½ of the total votes), the re-convened meeting of shareholders with the valid agenda of the previous meeting shall be summoned.

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

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

Chief Executive Officer arranges everyday activities of the Bank and performs other actions necessary to perform his functions, to implement the decisions of the Bank's bodies and to ensure the Bank's activities.

Information about the composition of the Supervisory Council and the Management Board are available on the Bank's website in the section *Bank, Structure, Management*.

8. TRANSACTIONS WITH RELATED PARTIES

Implementing its usual activities the Bank concludes the banking transactions with the members of the Council and Board, other related parties and subsidiary companies.

Members of the Supervisory Council and the Board act in the interest of the Bank and its shareholders and avoid any conflict of interest. The Bank follows a conflict of interest policy that establishes the requirements for internal procedures and measures that help identify and manage any circumstances that may give rise to a conflict of interest related to the provision of the banking services and specifies the ways and actions to be followed in case such conflicts arise. Any transactions with the executives of the Bank are concluded in accordance with market conditions.

More detailed information is provided in the Note 12 to the *Condensed Interim Financial Statements*.

9. THE MOST IMPORTANT EVENTS OVER THE REPORTING PERIOD

- On 30 January the companies that achieved the best results cooperating with the investors as well as the most active market participants were announced and honoured during the Baltic Market Awards arranged by NASDAQ OMX in Vilnius, Tallinn and Riga. Šiaulių bankas received a nomination of The Challenge of the Year.
- On 19 March a scholarship of the Bank for academic achievements and constant striving for improvement in the field of studies was granted to the first year master student of the Marketing and International Commerce studies at the VMU Faculty of Economics and Management.
- A resolution to increase the bank's authorized capital by LTL 20 million from the bank's own funds and to distribute the newly issued shares among the shareholders free of charge was passed during the General meeting of shareholders of the Bank held on 28 March.
- On March 31 provision of the mobile e-signature service was started.
- On 14 April a new Bank's customer service point opened in already 39th town of Lithuania - in Šilalė.
- On 23 June nominal scholarship of the Bank was granted to one more student of the Vytautas Magnus University, future master in Economics and Management, for his academic achievements.
- On 30 June the Bank and Lithuanian Agricultural Advisory Service signed two collaboration agreements.
- On 17 July the Bank signed a Memorandum of Understanding on Good Practice during the Preparation for the Adoption of the Euro.
- In July the donations boxes have been placed in 66 units of the Bank in cooperation with the public undertaking Projects of Goodwill.
- On 18 August the Bank joined a Memorandum of Good Business Practice during the the Adoption of the Euro by which it confirmed its obligation to act in compliance with the memorandum principles during the adoption of euro in Lithuania.
- In August the German bank Commerzbank has awarded the Bank with Straight-Through Processing Award 2013 for a fully automated and top quality performance of international transactions for the third year in turn.
- On 28 August the Bank completed the integration process of two banks' IT systems after the transaction of takeover of part of Ūkio bankas' assets and liabilities in 2013 - all accounting processes related to the taken over assets and liabilities were transferred to the Bank' s system.
- In September the international business and finance magazine Global Finance announced the Bank as the safest bank in Lithuania'2014 in the country-by-country category.
- In September in cooperation with the Bank of Lithuania, the Bank arranged seminars on preparation for the euro adoption in Lithuania since 01 January 2015 for business people from Vilnius, Kaunas, and Klaipėda.
- On 30 October the Bank refused its intention to sell the Ūkio banko lizingas UAB and life insurance company Bonum Publicum UAB which previously had taken over from the failed Ūkio bankas and up to now have been listed as held for sale and decided to classify them as consolidated subsidiary companies.
- On 12 November the Bank joined the educational social campaign initiated by the Bank of Lithuania during which the residents were introduced to the basic principles of how to check whether the euro banknotes are original.
- On 10 December in cooperation with the life insurance company PZU Lietuva UAB all the private customers who acquired payment cards from the Bank were insured against accidents worldwide including Lithuania 24 hours per day free of charge.
- On 17 December the Bank introduced a mobile apps designed for intelligent devices which allows managing funds in the bank's accounts, getting familiar with customer service network and bank's news as well as taking advantage of other relevant services.
- On December 23 being the first partner of the European Investment Bank in the country in granting preferential loans for renovation the Bank announced that it contributed EUR 20 million of own funds which would be distributed through the JESSICA holding fund.

10. DATA ON PUBLICLY DISCLOSED INFORMATION

The following information was publicly disclosed in 2014:

- 06/01/2014 - the calendar of the Bank's information was announced to the investors;
- 04/02/2014 - notification regarding the expiry of the call options rights with regard to the assets taken over from Ūkio bankas.
- 12/02/2014 - information regarding amendments in the Bank's Council and Management Board;
- 12/02/2014 - the calendar of the Bank's information was announced to the investors;
- 17/02/2014 - a pre-audited activity result of the Bank and the Group for 2013;
- 24/02/2014 - interim financial information of the Bank for 12 months of 2013;
- 07/03/2014 - convocation of the Ordinary General Meeting of Shareholders;
- 07/03/2014 - the draft resolutions prepared by the Board for the Ordinary General Meeting of Shareholders held on 28-03-2012;
- 10/03/2014 - notification regarding sales transactions of real estate.
- 28/03/2014 - resolutions of the Ordinary General Meeting of Shareholders held on 28/03/2014;
- 28/03/2014 - annual information;
- 20/04/2014 - a pre-audited activity result of the Bank and the Group for IQ of 2014;
- 19/05/2014 - interim information for 3 months of 2014;

- 21/05/2014 - report regarding concluded transactions, related to payment of the variable remuneration in the Bank's shares;
- 03/06/2014 - notification regarding the amendments of the Bank's Charter after registering the increased authorized capital.
- 19/07/2014 - a pre-audited activity result of the Bank and the Group for 1H of 2014;
- 20/08/2014 - interim information for 6 months;
- 28/08/2014 - notification regarding acquisition of the voting rights;
- 20/10/2014 - a pre-audited activity result of the Bank and the Bank Group for 9 months of 2014;
- 30/10/2014 - notification regarding the passed resolution with respect reclassification to investments into taken-over companies;
- 20/11/2014 - interim information for 9 months;
- 10/12/2014 - notification regarding loss of the voting rights;
- 23/12/2014 - notification regarding the signed agreement under which the Bank will invest its own funds into the renovation programme;
- 30/12/2014 - the calendar of the Bank's information to be announced to the investors for the year 2015;
- reports regarding the transactions with the Banks shares entered by the Bank's senior managers.

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

Chief Executive Officer

26 February 2015



Vytautas Sinius