

Šiaulių Bankas AB  
Company code 112025254  
Tilžės str. 149, LT-76348 Šiauliai, Lithuania  
**PROFIT ALLOCATION**

**IMPORTANT. PLEASE NOTE THAT THIS PROFIT ALLOCATION DRAFT MAY NOT BE USED AS A BASIS FOR INVESTMENT DECISIONS ON THE BANK'S SHARES, AS THERE IS A POSSIBILITY THAT WHILE MONITORING THE GEOPOLITICAL SITUATION AND ASSESSING ITS POTENTIAL IMPACT ON THE BANK'S SUSTAINABLE FULFILMENT OF ITS CAPITAL AND LIQUIDITY REQUIREMENTS MAY RESULT IN A DECISION OF THE BANK'S MANAGEMENT BOARD, TAKEN NO LATER THAN 22 MARCH 2022, BY WHICH THIS PROFIT ALLOCATION DRAFT, AS REGARDS THE ALLOCATION OF PROFIT TO THE DIVIDEND, MAY BE AMENDED.**

No	Item	Amount, EUR thousand
1	Retained earnings at the beginning of the financial year 2021-01-01	139 654
2	Transfers from reserves to cover losses	0
3	Net profit for the current financial year	56 005
4	Contributions from shareholders to cover losses	0
5	Distributable retained earnings (1+2+3+4)	195 659
6	Allocation of earnings to statutory reserve or capital reserve	15 152
7	Allocation of earnings to contingency reserve	0
8	Allocation of earnings to reserve for acquisition of own shares	10 000
9	Allocation of earnings to dividends	20 425
10	Retained earnings (5-6-7-8-9)	150 082

**Statutory reserve**

As the Ordinary General Meeting of Shareholders of the Bank held on 31 March 2020 did not make a decision on the profit allocation, when it was planned to allocate EUR 5 369 thousand, this amount is added to the mandatory allocation of 5% from the amount of the distributable result for 2021.

**Reserve for acquisition of own shares**

It is proposed to allocate an additional EUR 10 million to the existing reserve for the acquisition of own shares, which was formed by the decision of the Ordinary General Meeting of Shareholders of the Bank held in 2019 - it would allow the Bank with the permission of the supervisory authority to acquire its own shares in the amount of up to EUR 20 million.

**Dividends**

The amount of EUR 20.4 million is offered for dividends. In accordance with the Bank's dividend policy - to allocate not less than 25 percent of the Group's earned annual profit to dividends, this amount compensates shareholders for unpaid dividends for the financial years 2019 and 2020. One ordinary registered share with a nominal value of EUR 0.29 would receive a dividend of EUR 0.034 (11.7% of the nominal value). Considering the current difficult geopolitical situation and the resulting uncertainties, the Management Board of the Bank proposes not to allocate dividends for the financial year 2021 and, if possible, to compensate them in accordance with the dividend policy during allocation of the Bank's profit in subsequent years.

While constantly assessing and monitoring the situation, the Management Board of the Bank may revise this profit allocation draft regarding the amount of dividends until the record date of the shareholders' meeting (until 22 March 2022 inclusive). In this case, a new profit distribution draft would be submitted for approval to the Ordinary General Meeting of Shareholders.