

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

Profit allocation

No	Retained earnings statement	Amount, kEUR
1	Beginning of period retained earnings (01/01/2020)	107 387
2	Transfers from reserves to cover losses	0
3	Net profit for the current financial year	43 095
4	Contributions from shareholders to cover losses	0
5	Distributable retained earnings (1+2+3+4)	150 482
6	Allocation of earnings to statutory reserve or capital reserve	7 524
7	Allocation of earnings to contingency reserve	0
8	Allocation of earnings to reserve for acquisition of own shares	0
9	Allocation of earnings to dividends	3 304
10	Retained earnings (5-6-7-8-9)	139 654

Information on dividends

Dividend payout ratio for 2020 is 7.67%. It is proposed to pay a dividend of EUR 0.0055 per ordinary registered share with a nominal value of EUR 0.29.

The Bank's Dividend Policy states that, taking into account the assumptions ensuring sustainable fulfilment of capital and liquidity requirements, the Bank will distribute at least 25 per cent of the earned annual group profit to dividends.

The deviation from the dividend policy in the profit allocation draft proposed by the Board was determined by the recommendations of the European Central Bank (ECB), which Šiaulių Bankas, as a bank directly supervised by the ECB, must follow, regardless of its solid capital reserve. The recommendations of 15 December 2020, given the continuing uncertainty about the economic impact of the coronavirus pandemic, state that the ECB expects the amount to be paid for dividends and share buybacks not to exceed 15% of accumulated 2019-20 profits and not to be higher than 20 basis points of CET1 ratio, whichever is lower. The amount of dividends provided for in Šiaulių Bankas profit allocation draft is the maximum possible according to this recommendation.

The ECB's recommendations:

<https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr201215~4742ea7c8a.en.html>

Information on the ECB's recommendations available on the Bank of Lithuania's website:

<https://www.lb.lt/lt/naujienos/bankai-raginami-atsakingai-pasverti-galimybes-issimoketi-dividendus#ex-2-1>