

INTERIM INFORMATION

for the six months period ended 30 June 2024

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Independent Auditors' Report on Review of Condensed Separate and Consolidated Interim Financial Information

To the Shareholders of Šiaulių Bankas AB

■ Introduction

We have reviewed the accompanying 30 June 2024 condensed separate interim financial information of Šiaulių Bankas AB ("the Bank") and accompanying condensed consolidated interim financial information of the Bank and its subsidiaries ("the Group") on pages 5– 35, which comprises:

- the condensed separate and consolidated statement of financial position as at 30 June 2024;
- the condensed separate and consolidated income statements for the three-month and six-month periods ended 30 June 2024;
- the condensed separate and consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed separate and consolidated statements of changes in equity for the six-month period ended 30 June 2024;
- the condensed separate and consolidated statements of cash flows for the six-month period ended 30 June 2024; and
- notes to the interim financial information.

Management is responsible for the preparation and presentation of this condensed separate and consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed separate and consolidated interim financial information based on our review.

■ Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed separate and consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



■ Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2024 condensed separate and consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

On behalf of KPMG Baltics, UAB

A handwritten signature in blue ink, appearing to read 'Domantas Dabulis', written over a light blue rectangular background.

Domantas Dabulis

Partner pp

Certified Auditor

Vilnius, the Republic of Lithuania

27 August 2024

CONDENSED INTERIM FINANCIAL STATEMENTS

for the six months period ended 30 June 2024

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

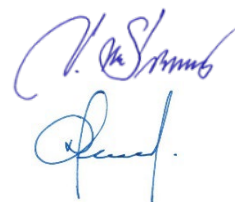
| | Notes | 30 June 2024 | | 31 December 2023 | |
|---|-------|------------------|------------------|------------------|------------------|
| | | Group | Bank | Group | Bank |
| ASSETS | | | | | |
| Cash and cash equivalents | | 675,846 | 667,095 | 751,499 | 742,969 |
| Securities in the trading book | 2 | 218,793 | 14,745 | 207,677 | 20,402 |
| Due from other banks | 1 | 3,354 | 3,354 | 3,013 | 3,013 |
| Derivative financial instruments | 1 | 856 | 856 | 251 | 241 |
| Loans to customers | 1 | 2,874,480 | 2,864,084 | 2,645,104 | 2,633,482 |
| Finance lease receivables | 1 | 313,542 | 313,542 | 286,533 | 286,451 |
| Investment securities at fair value | 2 | 59,455 | 55,770 | 74,500 | 74,382 |
| Investment securities at amortized cost | 2 | 797,902 | 786,996 | 751,227 | 739,869 |
| Investments in subsidiaries | 2 | 200 | 80,056 | 100 | 76,672 |
| Intangible assets | | 44,846 | 8,489 | 45,138 | 8,149 |
| Property, plant and equipment | | 15,389 | 14,633 | 15,781 | 14,702 |
| Investment property | | 976 | - | 993 | - |
| Current income tax prepayment | | 224 | - | 35 | - |
| Deferred income tax asset | | 6,805 | 3,003 | 7,577 | 3,658 |
| Other assets | 3 | 23,314 | 20,808 | 19,743 | 18,970 |
| Assets held for sale | 3 | 150 | 150 | 150 | 150 |
| Total assets | | 5,036,132 | 4,833,581 | 4,809,321 | 4,623,110 |
| LIABILITIES | | | | | |
| Due to other banks and financial institutions | 5 | 576,629 | 578,618 | 569,994 | 576,316 |
| Derivative financial instruments | | 213 | 213 | 1,041 | 1,041 |
| Due to customers | 4 | 3,322,711 | 3,326,691 | 3,162,657 | 3,166,908 |
| Special and lending funds | 5 | 17,518 | 17,518 | 15,718 | 15,718 |
| Debt securities in issue | | 305,169 | 305,169 | 276,480 | 276,480 |
| Current income tax liabilities | | 2,702 | 2,702 | 6,412 | 6,412 |
| Deferred income tax liabilities | | 6,149 | - | 6,125 | - |
| Liabilities related to insurance activities | 5 | 189,053 | - | 179,318 | - |
| Other liabilities | | 60,516 | 45,530 | 48,448 | 35,794 |
| Total liabilities | | 4,480,660 | 4,276,441 | 4,266,193 | 4,078,669 |
| EQUITY | | | | | |
| Share capital | 6 | 192,269 | 192,269 | 192,269 | 192,269 |
| Share premium | | 25,534 | 25,534 | 25,534 | 25,534 |
| Treasury shares (-) | 6 | (900) | (900) | (1,500) | (1,500) |
| Reserve capital | | 756 | 756 | 756 | 756 |
| Statutory reserve | 6 | 61,027 | 60,805 | 47,803 | 47,605 |
| Reserve for acquisition of own shares | 6 | 20,000 | 20,000 | 20,000 | 20,000 |
| Financial instruments revaluation reserve | | (4,368) | (4,368) | (5,426) | (5,426) |
| Other equity | 6 | 1,480 | 1,019 | 1,697 | 1,209 |
| Retained earnings | | 259,674 | 262,025 | 261,995 | 263,994 |
| Non-controlling interest | | - | - | - | - |
| Total equity | | 555,472 | 557,140 | 543,128 | 544,441 |
| Total liabilities and equity | | 5,036,132 | 4,833,581 | 4,809,321 | 4,623,110 |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

27 August 2024



Vytautas Sinius

Donatas Savickas

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

| | Notes | 30 June 2024 | | 30 June 2023 | |
|---|-------|---------------|---------------|---------------|---------------|
| | | Group | Bank | Group | Bank |
| <i>Interest revenue calculated using the effective interest method</i> | 7 | 120,647 | 112,800 | 87,053 | 80,171 |
| <i>Other similar income</i> | 7 | 13,027 | 12,104 | 9,526 | 9,438 |
| <i>Interest expense and similar charges</i> | 7 | (53,044) | (53,113) | (21,112) | (21,121) |
| Net interest income | | 80,630 | 71,791 | 75,467 | 68,488 |
| <i>Fee and commission income</i> | 8 | 18,140 | 15,560 | 13,311 | 13,822 |
| <i>Fee and commission expense</i> | 8 | (4,403) | (3,981) | (3,706) | (3,645) |
| Net fee and commission income | | 13,737 | 11,579 | 9,605 | 10,177 |
| <i>Net gain from trading activities</i> | 11 | 10,893 | 3,209 | 6,422 | 3,952 |
| <i>Net gain (loss) from derecognition of financial assets</i> | | (91) | 5 | 319 | 36 |
| <i>Net gain (loss) from disposal of tangible assets</i> | | 23 | 9 | 721 | 37 |
| <i>Revenue related to insurance activities</i> | | 6,975 | - | 2,347 | - |
| <i>Other operating income</i> | | 305 | 606 | 256 | 314 |
| <i>Salaries and related expenses</i> | 15 | (23,174) | (20,428) | (16,838) | (15,478) |
| <i>Depreciation and amortization expenses</i> | | (3,676) | (2,870) | (2,612) | (2,505) |
| <i>Expenses related to insurance activities</i> | 11 | (11,436) | - | (4,046) | - |
| <i>Other operating expenses</i> | 9 | (17,130) | (14,316) | (11,526) | (9,225) |
| Operating profit before impairment losses | | 57,056 | 49,585 | 60,135 | 55,796 |
| <i>Allowance for impairment losses on loans and other assets</i> | 10 | (3,916) | 24 | (5,339) | (3,831) |
| <i>Allowance for impairment losses on investments in subsidiaries</i> | | - | - | - | - |
| <i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i> | 12 | - | 3,284 | - | 2,370 |
| Profit before income tax | | 53,140 | 52,893 | 54,796 | 54,335 |
| <i>Income tax expense</i> | | (10,148) | (9,567) | (13,338) | (12,739) |
| Net profit for the period | | 42,992 | 43,326 | 41,458 | 41,596 |
| <i>Profit (loss) from discontinued operations, net of tax</i> | | - | - | - | - |
| Net profit for the period | | 42,992 | 43,326 | 41,458 | 41,596 |
| Net profit attributable to: | | | | | |
| <i>Owners of the Bank</i> | | 42,992 | 43,326 | 41,458 | 41,596 |
| <i>From continuing operations</i> | | 42,992 | 43,326 | 41,458 | 41,596 |
| <i>From discontinued operations</i> | | - | - | - | - |
| <i>Non-controlling interest</i> | | - | - | - | - |
| <i>Basic earnings per share (in EUR per share) attributable to owners of the Bank</i> | | 0,07 | | 0,07 | |
| <i>Diluted earnings per share (in EUR per share) attributable to owners of the Bank</i> | | 0,07 | | 0,07 | |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

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

| | for the three months period | | | | |
|---|-----------------------------|---------------|------------------------|---------------|---------------|
| | 1 April - 30 June 2024 | | 1 April - 30 June 2023 | | |
| | Notes | Group | Bank | Group | Bank |
| <i>Interest revenue calculated using the effective interest method</i> | | 61,106 | 57,400 | 47,112 | 43,676 |
| <i>Other similar income</i> | | 7,087 | 6,201 | 5,263 | 5,219 |
| <i>Interest expense and similar charges</i> | | (27,143) | (27,176) | (12,343) | (12,355) |
| Net interest income | | 41,050 | 36,425 | 40,032 | 36,540 |
| <i>Fee and commission income</i> | | 9,430 | 8,187 | 6,980 | 7,270 |
| <i>Fee and commission expense</i> | | (2,176) | (1,949) | (1,922) | (1,892) |
| Net fee and commission income | | 7,254 | 6,238 | 5,058 | 5,378 |
| <i>Net gain from trading activities</i> | | 3,706 | 1,585 | 3,516 | 2,231 |
| <i>Net gain (loss) from derecognition of financial assets</i> | | (76) | 1 | 53 | - |
| <i>Net gain (loss) from disposal of tangible assets</i> | | (9) | (9) | 83 | 39 |
| <i>Revenue related to insurance activities</i> | | 2,977 | - | (231) | - |
| <i>Other operating income</i> | | 142 | 284 | 110 | 154 |
| <i>Salaries and related expenses</i> | | (11,885) | (10,410) | (8,034) | (7,550) |
| <i>Depreciation and amortization expenses</i> | | (1,874) | (1,471) | (1,266) | (1,263) |
| <i>Expenses related to insurance activities</i> | | (3,865) | - | (774) | - |
| <i>Other operating expenses</i> | | (10,376) | (8,852) | (5,748) | (4,693) |
| Operating profit before impairment losses | | 27,044 | 23,791 | 32,799 | 30,836 |
| <i>Allowance for impairment losses on loans and other assets</i> | | (1,723) | (18) | (2,577) | (1,946) |
| <i>Allowance for impairment losses on investments in subsidiaries</i> | | - | - | - | - |
| <i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i> | | - | 949 | - | 978 |
| Profit before income tax | | 25,321 | 24,722 | 30,222 | 29,868 |
| <i>Income tax expense</i> | | (4,795) | (4,554) | (7,917) | (7,696) |
| Net profit for the period | | 20,526 | 20,168 | 22,305 | 22,172 |
| <i>Profit (loss) from discontinued operations, net of tax</i> | | - | - | - | - |
| Net profit for the year | | 20,526 | 20,168 | 22,305 | 22,172 |
| Net profit attributable to: | | | | | |
| <i>Owners of the Bank</i> | | 20,526 | 20,168 | 22,305 | 22,172 |
| <i>From continuing operations</i> | | 20,526 | 20,168 | 22,305 | 22,172 |
| <i>From discontinued operations</i> | | - | - | - | - |
| <i>Non-controlling interest</i> | | - | - | - | - |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

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

| | for the six months period ended | | | |
|---|---------------------------------|---------------|---------------|---------------|
| | 30 June 2024 | | 30 June 2023 | |
| | Group | Bank | Group | Bank |
| Net profit for the period | 42,992 | 43,326 | 41,458 | 41,596 |
| Other comprehensive income | | | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | | | | |
| Gain from revaluation of financial assets | 1,322 | 1,322 | 390 | 406 |
| Deferred income tax on gain from revaluation of financial assets | (264) | (264) | (79) | (81) |
| <i>Items that may not be subsequently reclassified to profit or loss:</i> | | | | |
| Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk | - | - | - | - |
| Other comprehensive income, net of deferred tax | 1,058 | 1,058 | 311 | 325 |
| Total comprehensive income for the period | 44,050 | 44,384 | 41,769 | 41,921 |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Bank | 44,050 | 44,384 | 41,769 | 41,921 |
| Non-controlling interest | - | - | - | - |
| | 44,050 | 44,384 | 41,769 | 41,921 |

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

| | for the three months period | | | |
|---|-----------------------------|---------------|------------------------|---------------|
| | 1 April - 30 June 2024 | | 1 April - 30 June 2023 | |
| | Group | Bank | Group | Bank |
| Net profit for the period | 20,526 | 20,168 | 22,305 | 22,172 |
| Other comprehensive income (loss) | | | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | | | | |
| Gain (loss) from revaluation of financial assets | 495 | 498 | (327) | (310) |
| Deferred income tax on gain (loss) from revaluation of financial assets | (96) | (99) | 64 | 62 |
| <i>Items that may not be subsequently reclassified to profit or loss:</i> | | | | |
| Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk | - | - | - | - |
| Other comprehensive income (loss), net of deferred tax | 399 | 399 | (263) | (248) |
| Total comprehensive income for the period | 20,925 | 20,567 | 22,042 | 21,924 |
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Bank | 20,925 | 20,567 | 22,042 | 21,924 |
| Non-controlling interest | - | - | - | - |
| | 20,925 | 20,567 | 22,042 | 21,924 |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

THE GROUP'S CONDENSED STATEMENT OF CHANGES IN EQUITY

| | Notes | Share capital | Share premium | Treasury shares (-) | Reserve capital | Financial instruments revaluation | Statutory reserve | Reserve for acquisition of own shares | Other equity | Retained earnings | Total | Non-controlling interest | Total equity |
|-----------------------------------|-------|----------------|---------------|---------------------|-----------------|-----------------------------------|-------------------|---------------------------------------|--------------|-------------------|----------------|--------------------------|----------------|
| Attributable to Bank shareholders | | | | | | | | | | | | | |
| 1 January 2023 | | 174,211 | 3,428 | - | 756 | (8,097) | 37,113 | 20,000 | 2,355 | 214,496 | 444,262 | - | 444,262 |
| Transfer to statutory reserve | | - | - | - | - | - | 10,690 | - | - | (10,690) | - | - | - |
| Acquisition of own shares | 6 | - | - | (1,868) | - | - | - | - | - | - | (1,868) | - | (1,868) |
| Share-based payment | 6 | - | - | 1,868 | - | - | - | - | (655) | (16) | 1,197 | - | 1,197 |
| Payment of dividends | 6 | - | - | - | - | - | - | - | - | (15,919) | (15,919) | - | (15,919) |
| Total comprehensive income | | - | - | - | - | 311 | - | - | - | 41,458 | 41,769 | - | 41,769 |
| 30 June 2023 | | 174,211 | 3,428 | - | 756 | (7,786) | 47,803 | 20,000 | 1,700 | 229,329 | 469,441 | - | 469,441 |
| Increase of share capital | 6 | 18,058 | 22,106 | - | - | - | - | - | - | - | 40,164 | - | 40,164 |
| Acquisition of own shares | 6 | - | - | (1,500) | - | - | - | - | - | - | (1,500) | - | (1,500) |
| Share-based payment | 6 | - | - | - | - | - | - | - | (3) | 91 | 88 | - | 88 |
| Total comprehensive income | | - | - | - | - | 2,360 | - | - | - | 32,575 | 34,935 | - | 34,935 |
| 31 December 2023 | | 192,269 | 25,534 | (1,500) | 756 | (5,426) | 47,803 | 20,000 | 1,697 | 261,995 | 543,128 | - | 543,128 |
| Transfer to statutory reserve | | - | - | - | - | - | 13,222 | - | - | (13,222) | - | - | - |
| Acquisition of own shares | 6 | - | - | (900) | - | - | - | - | - | - | (900) | - | (900) |
| Share-based payment | 6 | - | - | 1,500 | - | - | 2 | - | (217) | 4 | 1,289 | - | 1,289 |
| Payment of dividends | 6 | - | - | - | - | - | - | - | - | (32,095) | (32,095) | - | (32,095) |
| Total comprehensive income | | - | - | - | - | 1,058 | - | - | - | 42,992 | 44,050 | - | 44,050 |
| 30 June 2024 | | 192,269 | 25,534 | (900) | 756 | (4,368) | 61,027 | 20,000 | 1,480 | 259,674 | 555,472 | - | 555,472 |

THE BANK'S CONDENSED STATEMENT OF CHANGES IN EQUITY

| | Notes | Share capital | Share premium | Treasury shares (-) | Reserve capital | Financial instruments revaluation reserve | Statutory reserve | Reserve for acquisition of own shares | Other equity | Retained earnings | Total equity |
|-------------------------------|-------|----------------|---------------|---------------------|-----------------|---|-------------------|---------------------------------------|--------------|-------------------|----------------|
| 1 January 2023 | | 174,211 | 3,428 | - | 756 | (8,111) | 36,922 | 20,000 | 1,917 | 216,227 | 445,350 |
| Transfer to statutory reserve | | - | - | - | - | - | 10,683 | - | - | (10,683) | - |
| Acquisition of own shares | 6 | - | - | (1,868) | - | - | - | - | - | - | (1,868) |
| Share-based payment | 6 | - | - | 1,868 | - | - | - | - | (708) | - | 1,160 |
| Payment of dividends | 6 | - | - | - | - | - | - | - | - | (15,919) | (15,919) |
| Total comprehensive income | | - | - | - | - | 325 | - | - | - | 41,596 | 41,921 |
| 30 June 2023 | | 174,211 | 3,428 | - | 756 | (7,786) | 47,605 | 20,000 | 1,209 | 231,221 | 470,644 |
| Increase of share capital | 6 | 18,058 | 22,106 | - | - | - | - | - | - | - | 40,164 |
| Acquisition of own shares | 6 | - | - | (1,500) | - | - | - | - | - | - | (1,500) |
| Total comprehensive income | | - | - | - | - | 2,360 | - | - | - | 32,773 | 35,133 |
| 31 December 2023 | | 192,269 | 25,534 | (1,500) | 756 | (5,426) | 47,605 | 20,000 | 1,209 | 263,994 | 544,441 |
| Transfer to statutory reserve | | - | - | - | - | - | 13,200 | - | - | (13,200) | - |
| Acquisition of own shares | 6 | - | - | (900) | - | - | - | - | - | - | (900) |
| Share-based payment | 6 | - | - | 1,500 | - | - | - | - | (190) | - | 1,310 |
| Payment of dividends | 6 | - | - | - | - | - | - | - | - | (32,095) | (32,095) |
| Total comprehensive income | | - | - | - | - | 1,058 | - | - | - | 43,326 | 44,384 |
| 30 June 2024 | | 192,269 | 25,534 | (900) | 756 | (4,368) | 60,805 | 20,000 | 1,019 | 262,025 | 557,140 |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

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

| | Notes | for the six months period ended | | | |
|--|-------|---------------------------------|-----------------|------------------|------------------|
| | | 30 June 2024 | | 30 June 2023 | |
| | | Group | Bank | Group | Bank |
| Operating activities | | | | | |
| Interest received on loans and advances | | 120,893 | 112,631 | 86,247 | 79,785 |
| Interest received on securities in the trading book | | 748 | 667 | 979 | 907 |
| Interest paid | | (48,801) | (48,984) | (15,256) | (15,258) |
| Fees and commissions received | | 18,140 | 15,560 | 13,311 | 13,822 |
| Fees and commissions paid | | (4,403) | (3,981) | (3,706) | (3,645) |
| Net cash inflows from trade in securities in the trading book | | 3,296 | 5,410 | (5,079) | (5,982) |
| Net inflows from foreign exchange operations | | 2,607 | 2,606 | 3,059 | 3,059 |
| Net inflows from derecognition of financial assets | | (91) | 5 | 319 | 36 |
| Net inflows from derecognition of non-financial assets | | 23 | 9 | 721 | 37 |
| Cash inflows related to other activities of Group companies | | 7,280 | 606 | 2,603 | 314 |
| Cash outflows related to other activities of Group companies | | (11,436) | - | (4,046) | - |
| Recoveries on loans previously written off | | 153 | 78 | 134 | 91 |
| Salaries and related payments to and on behalf of employees | | (22,599) | (19,853) | (17,215) | (15,855) |
| Payments related to operating and other expenses | | (17,130) | (14,316) | (11,526) | (9,225) |
| Income tax paid | | (12,859) | (12,730) | (5,337) | (4,991) |
| Net cash flow from operating activities before change in operating assets and liabilities | | 35,821 | 37,708 | 45,208 | 43,095 |
| Change in operating assets and liabilities: | | | | | |
| Decrease (increase) in due from other banks | | (341) | (341) | (8) | (8) |
| (Increase) in loans to customers and finance lease receivables | | (229,359) | (229,259) | (121,437) | (131,512) |
| (Increase)/decrease in finance lease receivables | | (28,570) | (28,652) | (31,387) | (31,398) |
| Decrease (increase) in other assets | | 6,841 | 12,196 | (5,698) | (6,430) |
| Decrease (increase) in due to banks and financial institutions | | 1,796 | (2,537) | (134,348) | (135,079) |
| Increase (decrease) increase in due to customers | | 160,781 | 160,510 | 67,777 | 67,733 |
| Increase in special and lending funds | | 1,800 | 1,800 | 3,276 | 3,276 |
| Increase (decrease) in other liabilities | | 15,835 | 9,339 | (2,337) | 1,791 |
| Change | | (71,217) | (76,944) | (224,162) | (231,627) |
| Net cash flow from (used in) from operating activities | | (35,396) | (39,236) | (178,954) | (188,532) |
| Investing activities | | | | | |
| Acquisition of property, plant and equipment, investment property and intangible assets | | (3,155) | (2,957) | (1,264) | (1,046) |
| Disposal of property, plant and equipment, investment property and intangible assets | | (254) | 20 | 2,016 | 523 |
| Acquisition of debt securities at amortized cost | | (327,546) | (291,281) | (45,987) | (44,032) |
| Proceeds from redemption of debt securities at amortized cost | | 278,325 | 246,071 | 208,025 | 207,254 |
| Interest received on debt securities at amortized cost | | 4,908 | 4,108 | 5,115 | 4,899 |
| Dividends received | | 110 | 12 | 11 | 10,011 |
| Acquisition of investment securities at fair value | | - | - | - | - |
| Sale or redemption of investment securities at fair value | | 20,000 | 20,000 | 15,221 | 15,221 |
| Interest received on investment securities at fair value | | 252 | 252 | 251 | 251 |
| Acquisition of shares in subsidiaries | | (100) | (100) | (400) | (400) |
| Net cash flow (used in) from investing activities | | (27,460) | (23,875) | 182,988 | 192,681 |
| Financing activities | | | | | |
| Payment of dividends | | (32,030) | (32,030) | (15,883) | (15,883) |
| Interest payment for issued of debt securities | | (4,038) | (4,038) | - | - |
| Issue of debt securities | | 25,000 | 25,000 | 50,000 | 50,000 |
| Acquisition of own shares | | (900) | (900) | (1,868) | (1,868) |
| Principal elements of lease payments | | (829) | (795) | (434) | (447) |
| Net cash flow (used in) financing activities | | (12,797) | (12,763) | 31,815 | 31,802 |
| Net increase (decrease) in cash and cash equivalents | | (75,653) | (75,874) | 35,849 | 35,951 |
| Cash and cash equivalents at 1 January | | (751,499) | 742,969 | 384,758 | 383,518 |
| Cash and cash equivalents at 30 June | | 675,846 | 667,095 | 420,607 | 419,469 |

The notes on pages 12 - 35 constitute an integral part of these financial statements.

GENERAL INFORMATION

Šiaulių Bankas AB was registered as a public company in the Enterprise Register of the Republic of Lithuania on 4 February 1992. The Bank is licensed by the Bank of Lithuania to perform all banking operations provided for in the Law on Banks of the Republic of Lithuania and the Charter of the Bank. In this document, Šiaulių Bankas AB is referred to as the Bank, Šiaulių Bankas AB and its subsidiaries (described in more detail in Note 2) - the Group.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. At the end of the reporting period the Bank had 54 customer service outlets (31 December 2023: 54 outlets). As at 30 June 2024 the Bank had 1 039 employees (31 December 2023: 981). As at 30 June 2024 the Group had 1 194 employees (31 December 2023: 1 137 employees).

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

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

This condensed interim financial information for the six months period ended 30 June 2024 has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as adopted by EU. Except for the points described below, all the accounting policies applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements of the Bank and the Group for the year ended 31 December 2023.

New and amended standards, and interpretations

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

Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates. In preparing these condensed interim financial statements, the significant judgements made in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2023, except for judgements and estimations used for calculation of impairment, which were revised to reflect the most recent economic forecasts. These judgements and estimates are described in more detail in Notes 1 and 10. These interim financial statements also include specific estimates and judgements applied for calculation of temporary solidarity contribution which calculation and payment order were set in provisions of Law on temporary solidarity contribution of Republic of Lithuania adopted in 2nd quarter of 2023. UAB Modernization Fund 2, a subsidiary of the Bank established in 2024, is not consolidated into the Group's financial statements because according to the agreements with investors and the provisions of IFRS 10, the Bank does not have control over UAB SB modernization fund 2. The accounting principles and estimates applied to the accounting of this company remains same as for UAB Modernization Fund (entity established earlier).

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

No significant amounts of the Group's and the Bank's income or expenses are of a substantial seasonal nature.

Segment information

Operating segments are reported in accordance with the information analysed by the Executive Board (the chief operating decision-maker) of the Group, which is responsible for allocating resources to the reportable segments and assesses its performance.

In relation to adjusted strategy of the Bank, business model and strategic decisions are divided into three business lines – corporate, private and investment:

- Private segment – includes retail banking operations such as issuing loans and providing banking services to the customers and finance, lease and consumer financing services provided to private customers of the Group (includes financial information of the the subsidiaries);

- Corporate segment – includes corporate banking operations such as issuing loans and providing banking services provided to corporate customers of the Group (includes financial information of the the subsidiaries);
- Investment segment – includes banking treasury operations such as managing securities and liquidity portfolio, currency exchange etc. (includes financial information of the Bank and subsidiaries allocated to this segment).

As the Group's segment operations, except for real estate development are all financial with a majority of revenues deriving from interest and the Group Executive Board relies primarily on net interest revenue to assess the performance of the segment, the total interest income and expense for all reportable segments is presented on a net basis. Also all other main items of the income statement are analysed by the management of the Group on segment basis therefore they are presented in the segment reporting.

Transactions between the business segments are carried out at arm's length. The revenue from external parties reported to the Group Executive Board is measured in a manner consistent with that in the consolidated income statement.

As the Group focuses on domestic activities, no geographical concentration is observed in Group's decision making. Due to the nature of Group's activities (financial services), capital expenditures are not important in the decision making process therefore not used in the segment reporting and total assets is more relevant indicator than the fixed asset amount.

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:

| | 30 June 2024 | | 31 December 2023 | |
|--|------------------|------------------|------------------|------------------|
| | Group | Bank | Group | Bank |
| <i>Cash equivalents</i> | 601,745 | 593,071 | 679,810 | 671,390 |
| <i>Loans and advances to banks</i> | 3,354 | 3,354 | 3,013 | 3,013 |
| <i>Loans and advances to customers:</i> | 2,874,480 | 2,864,084 | 2,645,104 | 2,633,482 |
| <i>Loans and advances to financial institutions</i> | - | 315,173 | 26,413 | 273,966 |
| <i>Loans to individuals (Retail)</i> | 1,364,845 | 1,069,635 | 1,258,203 | 999,029 |
| <i>Loans to business customers</i> | 1,509,635 | 1,479,276 | 1,360,488 | 1,360,488 |
| <i>Finance lease receivables</i> | 313,542 | 313,542 | 286,533 | 286,451 |
| <i>Debt securities at fair value through profit or loss</i> | 61,181 | 14,620 | 65,761 | 20,240 |
| <i>Derivative financial instruments</i> | 856 | 856 | 251 | 241 |
| <i>Debt securities at fair value through other comprehensive income</i> | 56,527 | 53,085 | 71,740 | 71,740 |
| <i>Debt securities at amortized cost</i> | 797,902 | 786,996 | 751,227 | 739,869 |
| <i>Other assets subject to credit risk</i> | 6,880 | 6,263 | 7,351 | 8,289 |
| <i>Credit risk exposures relating to off-balance sheet items are as follows:</i> | | | | |
| <i>Financial guarantees</i> | 53,042 | 53,042 | 59,216 | 59,256 |
| <i>Letters of credit</i> | 2,549 | 2,549 | 538 | 538 |
| <i>Loan commitments and other credit related liabilities</i> | 532,958 | 569,077 | 482,027 | 489,655 |
| Total | 5,305,016 | 5,260,539 | 5,052,571 | 4,984,164 |

Loans to customers

Loans and advances are summarized as follows:

| | 30 June 2024 | | 31 December 2023 | |
|---|------------------|------------------|------------------|------------------|
| | Group | Bank | Group | Bank |
| <i>Gross loans at amortized cost</i> | 2,913,144 | 2,887,256 | 2,685,454 | 2,661,035 |
| <i>Less: allowance for impairment</i> | (44,480) | (28,988) | (43,558) | (30,761) |
| <i>Net loans at amortized cost</i> | 2,868,664 | 2,858,268 | 2,641,896 | 2,630,274 |
| <i>Gross loans at fair value</i> | 5,816 | 5,816 | 3,208 | 3,208 |
| Total loans | 2,874,480 | 2,864,084 | 2,645,104 | 2,633,482 |

The Bank has provided loans as investment to securitization vehicle through Banks's subsidiary SB Modernization Fund UAB and SB Modernization Fund 2 UAB for financing multiapartment buildings renovation projects. Bank's investments in securitization are provided in several tranches to different investment layers bearing different risk levels.

Part of investments were made into layer bearing highest level of risk, therefore according to clauses in IFRS 9 applicable to contractually linked instruments, loans to SB Moederization Fund UAB and SB Modernization Fund 2 UAB are accounted at fair value through profit and loss and are disclosed in statement of financial position within line "Loans to customers". At initial recognition it was considered that fair value of these loans is equal to its acquisition value. As at 30 June 2024 net value of these loans was EUR 5.8 million. EUR 37 thousand change in fair value of such loans of was recognized during six months period ended 30 June 2024.

Another part of loans granted to SB Modernization Fund UAB and SB Modernization Fund 2 UAB are measured at amortized cost and net value of these loans as at 30 June 2024 was EUR 39.6 million.

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

The distribution of loans by stages and days past due:

| | 30 June 2024 | | | | | 31 December 2023 | | | | |
|--------------------------|------------------|---------------------|---------------------|-------------------|------------------|------------------|---------------------|---------------------|-------------------|------------------|
| | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total |
| Stage 1: | | | | | | | | | | |
| Gross amount | 2,610,043 | 34,305 | - | - | 2,644,348 | 2,364,707 | 45,340 | 135 | 4 | 2,410,186 |
| Allowance for impairment | (21,992) | (65) | - | - | (22,057) | (20,982) | (278) | (3) | - | (21,263) |
| Net amount | 2,588,051 | 34,240 | - | - | 2,622,291 | 2,343,725 | 45,062 | 132 | 4 | 2,388,923 |
| Stage 2: | | | | | | | | | | |
| Gross amount | 131,904 | 46,989 | 13,936 | - | 192,829 | 165,303 | 20,976 | 14,397 | 64 | 200,740 |
| Allowance for impairment | (835) | (3,949) | (1,274) | - | (6,058) | (2,107) | (2,827) | (1,333) | (18) | (6,285) |
| Net amount | 131,069 | 43,040 | 12,662 | - | 186,771 | 163,196 | 18,149 | 13,064 | 46 | 194,455 |
| Stage 3: | | | | | | | | | | |
| Gross amount | 17,466 | 8,975 | 5,721 | 49,621 | 81,783 | 36,773 | 5,455 | 5,263 | 30,247 | 77,738 |
| Allowance for impairment | (3,765) | (1,270) | (870) | (10,460) | (16,365) | (3,937) | (1,345) | (1,896) | (8,834) | (16,012) |
| Net amount | 13,701 | 7,705 | 4,851 | 39,161 | 65,418 | 32,836 | 4,110 | 3,367 | 21,413 | 61,726 |
| Total: | | | | | | | | | | |
| Gross amount | 2,759,413 | 90,269 | 19,657 | 49,621 | 2,918,960 | 2,566,783 | 71,771 | 19,795 | 30,315 | 2,688,664 |
| Allowance for impairment | (26,592) | (5,284) | (2,144) | (10,460) | (44,480) | (27,026) | (4,450) | (3,232) | (8,852) | (43,560) |
| Net amount | 2,732,821 | 84,985 | 17,513 | 39,161 | 2,874,480 | 2,539,757 | 67,321 | 16,563 | 21,463 | 2,645,104 |

| | 30 June 2024 | | | | | 31 December 2023 | | | | |
|--------------------------|------------------|---------------------|---------------------|-------------------|------------------|------------------|---------------------|---------------------|-------------------|------------------|
| | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total |
| Stage 1: | | | | | | | | | | |
| Gross amount | 2,332,374 | 34,303 | - | - | 2,366,677 | 2,130,579 | 35,340 | - | 4 | 2,165,923 |
| Allowance for impairment | (15,603) | (65) | - | - | (15,668) | (15,888) | (67) | - | - | (15,955) |
| Net amount | 2,316,771 | 34,238 | - | - | 2,351,009 | 2,114,691 | 35,273 | - | 4 | 2,149,968 |
| Stage 2: | | | | | | | | | | |
| Gross amount | 416,211 | 27,650 | 9,607 | - | 453,468 | 412,310 | 6,877 | 8,965 | 4 | 428,156 |
| Allowance for impairment | (795) | (175) | (69) | - | (1,039) | (2,060) | (147) | (71) | (1) | (2,279) |
| Net amount | 415,416 | 27,475 | 9,538 | - | 452,429 | 410,250 | 6,730 | 8,894 | 3 | 425,877 |
| Stage 3: | | | | | | | | | | |
| Gross amount | 15,233 | 7,762 | 4,952 | 44,980 | 72,927 | 35,118 | 4,065 | 1,930 | 29,052 | 70,165 |
| Allowance for impairment | (2,728) | (715) | (518) | (8,320) | (12,281) | (3,157) | (710) | (374) | (8,287) | (12,528) |
| Net amount | 12,505 | 7,047 | 4,434 | 36,660 | 60,646 | 31,961 | 3,355 | 1,556 | 20,765 | 57,637 |
| Total: | | | | | | | | | | |
| Gross amount | 2,763,818 | 69,715 | 14,559 | 44,980 | 2,893,072 | 2,578,007 | 46,282 | 10,895 | 29,060 | 2,664,244 |
| Allowance for impairment | (19,126) | (955) | (587) | (8,320) | (28,988) | (21,105) | (924) | (445) | (8,288) | (30,762) |
| Net amount | 2,744,692 | 68,760 | 13,972 | 36,660 | 2,864,084 | 2,556,902 | 45,358 | 10,450 | 20,772 | 2,633,482 |

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

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

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

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

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

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

Finance lease receivables

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

| | 30 June 2024 | | 31 December 2023 | |
|---------------------------------------|----------------|----------------|------------------|----------------|
| | Group | Bank | Group | Bank |
| <i>Business customers</i> | 277,095 | 276,293 | 260,303 | 259,415 |
| <i>Individuals</i> | 45,604 | 45,604 | 33,804 | 33,804 |
| Gross | 322,699 | 321,897 | 294,107 | 293,219 |
| <i>Less: Allowance for impairment</i> | (9,157) | (8,355) | (7,574) | (6,768) |
| Net | 313,542 | 313,542 | 286,533 | 286,451 |

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

| | 30 June 2024 | | | | | 31 December 2023 | | | | |
|---------------------------------|----------------|---------------------|---------------------|-------------------|----------------|------------------|---------------------|---------------------|-------------------|----------------|
| | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total |
| Stage 1: | | | | | | | | | | |
| <i>Gross amount</i> | 250,511 | 44,889 | - | - | 295,400 | 240,528 | 26,934 | - | - | 267,462 |
| <i>Allowance for impairment</i> | (3,323) | (755) | - | - | (4,078) | (2,562) | (379) | - | - | (2,941) |
| Net amount | 247,188 | 44,134 | - | - | 291,322 | 237,966 | 26,555 | - | - | 264,521 |
| Stage 2: | | | | | | | | | | |
| <i>Gross amount</i> | 13,277 | 1,663 | 2,138 | - | 17,078 | 17,133 | 895 | 1,065 | - | 19,093 |
| <i>Allowance for impairment</i> | (613) | (68) | (33) | - | (714) | (1,024) | (25) | (28) | - | (1,077) |
| Net amount | 12,664 | 1,595 | 2,105 | - | 16,364 | 16,109 | 870 | 1,037 | - | 18,016 |
| Stage 3: | | | | | | | | | | |
| <i>Gross amount</i> | 1,082 | 6,164 | 203 | 2,772 | 10,221 | 4,089 | 212 | 1,143 | 2,108 | 7,552 |
| <i>Allowance for impairment</i> | (372) | (2,653) | (37) | (1,303) | (4,365) | (2,102) | (34) | (150) | (1,270) | (3,556) |
| Net amount | 710 | 3,511 | 166 | 1,469 | 5,856 | 1,987 | 178 | 993 | 838 | 3,996 |
| Total: | | | | | | | | | | |
| <i>Gross amount</i> | 264,870 | 52,716 | 2,341 | 2,772 | 322,699 | 261,750 | 28,041 | 2,208 | 2,108 | 294,107 |
| <i>Allowance for impairment</i> | (4,308) | (3,476) | (70) | (1,303) | (9,157) | (5,688) | (438) | (178) | (1,270) | (7,574) |
| Net amount | 260,562 | 49,240 | 2,271 | 1,469 | 313,542 | 256,062 | 27,603 | 2,030 | 838 | 286,533 |

NOTE 1

LOANS TO CUSTOMERS AND FINANCE LEASE RECEIVABLES (CONTINUED)

| | 30 June 2024 | | | | | 31 December 2023 | | | | | Bank |
|---------------------------------|----------------|---------------------|---------------------|-------------------|----------------|------------------|---------------------|---------------------|-------------------|----------------|-------|
| | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total | Not past due | Past due <= 30 days | Past due 31-90 days | Past due >90 days | Total | Total |
| Stage 1: | | | | | | | | | | | |
| <i>Gross amount</i> | 250,510 | 44,890 | - | - | 295,400 | 240,528 | 26,934 | - | - | 267,462 | |
| <i>Allowance for impairment</i> | (3,323) | (755) | - | - | (4,078) | (2,562) | (379) | - | - | (2,941) | |
| Net amount | 247,187 | 44,135 | - | - | 291,322 | 237,966 | 26,555 | - | - | 264,521 | |
| Stage 2: | | | | | | | | | | | |
| <i>Gross amount</i> | 13,277 | 1,663 | 2,138 | - | 17,078 | 17,056 | 895 | 1,057 | - | 19,008 | |
| <i>Allowance for impairment</i> | (613) | (68) | (33) | - | (714) | (1,021) | (26) | (27) | - | (1,074) | |
| Net amount | 12,664 | 1,595 | 2,105 | - | 16,364 | 16,035 | 869 | 1,030 | - | 17,934 | |
| Stage 3: | | | | | | | | | | | |
| <i>Gross amount</i> | 1,082 | 6,164 | 203 | 1,970 | 9,419 | 4,089 | 212 | 1,143 | 1,306 | 6,750 | |
| <i>Allowance for impairment</i> | (372) | (2,653) | (37) | (501) | (3,563) | (2,101) | (34) | (150) | (469) | (2,754) | |
| Net amount | 710 | 3,511 | 166 | 1,469 | 5,856 | 1,988 | 178 | 993 | 837 | 3,996 | |
| Total: | | | | | | | | | | | |
| <i>Gross amount</i> | 264,869 | 52,717 | 2,341 | 1,970 | 321,897 | 261,673 | 28,041 | 2,200 | 1,306 | 293,220 | |
| <i>Allowance for impairment</i> | (4,308) | (3,476) | (70) | (501) | (8,355) | (5,684) | (439) | (177) | (469) | (6,769) | |
| Net amount | 260,561 | 49,241 | 2,271 | 1,469 | 313,542 | 255,989 | 27,602 | 2,023 | 837 | 286,451 | |

**NOTE 2
SECURITIES**

Securities in the trading book

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

| | 30 June 2024 | | 31 December 2023 | |
|--------------------------|----------------|---------------|------------------|---------------|
| | Group | Bank | Group | Bank |
| Debt securities: | 61,181 | 14,620 | 65,761 | 20,240 |
| Government bonds | 24,707 | - | 27,572 | 2,637 |
| Corporate bonds | 36,474 | 14,620 | 38,189 | 17,603 |
| Equity securities | 157,612 | 125 | 141,916 | 162 |
| Total | 218,793 | 14,745 | 207,677 | 20,402 |

| | 30 June 2024 | | 31 December 2023 | |
|--|----------------|---------------|------------------|---------------|
| | Group | Bank | Group | Bank |
| Trading securities: | | | | |
| Debt securities | 25,384 | 14,620 | 27,663 | 20,240 |
| from AA- to AAA | 5,027 | - | 1,588 | - |
| from A- to A+ | 5,483 | - | 8,016 | 2,637 |
| from BBB- to BBB+ | - | - | 204 | - |
| from BB- to BB+ | 95 | 95 | - | - |
| lower than BB- | - | - | - | - |
| no rating | 14,779 | 14,525 | 17,855 | 17,603 |
| Equity securities | 125 | 125 | 162 | 162 |
| listed | 125 | 125 | 162 | 162 |
| unlisted | - | - | - | - |
| units of investment funds | - | - | - | - |
| Total trading securities | 25,509 | 14,745 | 27,825 | 20,402 |
| Other trading book securities: | | | | |
| Debt securities | 36,246 | - | 38,098 | - |
| from AA- to AAA | - | - | 106 | - |
| from A- to A+ | 3,763 | - | 12,296 | - |
| from BBB- to BBB+ | 10,480 | - | 17,826 | - |
| from BB- to BB+ | 5,103 | - | 7,804 | - |
| lower than BB- | - | - | - | - |
| no rating | 16,900 | - | 66 | - |
| Equity securities | 157,038 | - | 141,754 | - |
| listed | 3,305 | - | 2,843 | - |
| unlisted | 121 | - | 121 | - |
| units of investment funds | 153,612 | - | 138,790 | - |
| Total other trading book securities | 193,284 | - | 179,852 | - |
| TOTAL | 218,793 | 14,745 | 207,677 | 20,402 |

NOTE 2
SECURITIES (CONTINUED)

Investment securities

| | 30 June 2024 | | 31 December 2023 | |
|--------------------------------------|----------------|----------------|------------------|----------------|
| | Group | Bank | Group | Bank |
| Securities at fair value: | | | | |
| Debt securities: | 56,527 | 53,085 | 71,740 | 71,740 |
| Government bonds | 36,985 | 36,985 | 53,949 | 53,949 |
| Corporate bonds | 19,542 | 16,100 | 17,791 | 17,791 |
| Equity securities | 2,928 | 2,685 | 2,760 | 2,642 |
| Total | 59,455 | 55,770 | 74,500 | 74,382 |
| Securities at amortized cost: | | | | |
| Debt securities: | 797,902 | 786,996 | 751,227 | 739,869 |
| Government bonds | 741,993 | 736,251 | 663,211 | 657,445 |
| Corporate bonds | 55,909 | 50,745 | 88,016 | 82,424 |
| Total | 797,902 | 786,996 | 751,227 | 739,869 |

| | 30 June 2024 | | 31 December 2023 | |
|--------------------------------------|----------------|----------------|------------------|----------------|
| | Group | Bank | Group | Bank |
| Securities at fair value: | | | | |
| Debt securities | 56,527 | 53,085 | 71,740 | 71,740 |
| from AA- to AA+ | 3,442 | - | - | - |
| from A- to A+ | 42,052 | 42,052 | 58,981 | 58,981 |
| from BBB- to BBB+ | 5,674 | 5,674 | 5,591 | 5,591 |
| from BB- to BB+ | 4,487 | 4,487 | 4,345 | 4,345 |
| lower than BB- | - | - | - | - |
| no rating | 872 | 872 | 2,823 | 2,823 |
| Equities | 2,928 | 2,685 | 2,760 | 2,642 |
| listed | 229 | 229 | 241 | 241 |
| unlisted | 526 | 406 | 501 | 383 |
| units of investment funds | 2,173 | 2,050 | 2,018 | 2,018 |
| Total | 59,455 | 55,770 | 74,500 | 74,382 |
| Securities at amortized cost: | | | | |
| Debt securities | 797,902 | 786,996 | 751,227 | 739,869 |
| from AA- to AA+ | 205 | - | 2,271 | 2,067 |
| from A- to A+ | 747,824 | 742,763 | 670,920 | 664,946 |
| from BBB- to BBB+ | 48,766 | 44,233 | 76,919 | 72,856 |
| from BB- to BB+ | 1,107 | - | 1,117 | - |
| lower than BB- | - | - | - | - |
| no rating | - | - | - | - |
| Total | 797,902 | 786,996 | 751,227 | 739,869 |

Credit stages of investment debt securities at amortized cost:

| | 30 June 2024 | | 31 December 2023 | |
|--------------------------|----------------|----------------|------------------|----------------|
| | Group | Bank | Group | Bank |
| Stage 1: | | | | |
| Gross amount | 797,942 | 787,029 | 751,293 | 739,926 |
| Allowance for impairment | (40) | (33) | (66) | (57) |
| Net amount | 797,902 | 786,996 | 751,227 | 739,869 |
| Stage 2: | | | | |
| Gross amount | - | - | - | - |
| Allowance for impairment | - | - | - | - |
| Net amount | - | - | - | - |
| Stage 3: | | | | |
| Gross amount | - | - | - | - |
| Allowance for impairment | - | - | - | - |
| Net amount | - | - | - | - |

During six months period ended 30 June 2024 no material reclassifications between portfolios of securities were performed.

NOTE 2
SECURITIES (CONTINUED)

Investments in subsidiaries

As of 30 June 2024 the Bank owned the following directly controlled subsidiaries:

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

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

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

On March 21, 2024 the Bank established a special purpose entity - SB Modernization Fund 2 UAB which signed financing agreements with the European Investment Bank (EIB), which administers Lithuanian state funds, Swedbank, the European Bank for Reconstruction and Development (EBRD), Bank, and Šiaulių Bankas Group's asset management company, SB Asset Management. The Bank's investment in the authorised capital of UAB SB Modernization Fund 2 is EUR 100 thousand.

In accordance with the agreements with investors and the provisions of IFRS 10, the Bank does not have control over SB Modernization Fund UAB and SB Modernization Fund 2 UAB, and therefore these companies are not consolidated in the Group's consolidated financial statements. In accordance with the provisions of IFRS 9 applicable to contractually linked instruments, the investments in SB Modernization Fund UAB and SB Modernization Fund 2 UAB are carried at fair value through profit (loss) and disclosed in the statement of financial position under the caption 'Investments in subsidiaries'. The fair value of these investments were determined at initial recognition to be the same as their cost. Since initial recognition, there have been no circumstances that would have resulted in a material change in the fair value of the investments in SB Modernisation Fund UAB and SB Modernisation Fund 2 UAB.

By implementing its strategic plan, the Bank optimizes the structure of its subsidiaries. During first quarter of 2024 Bank's directly controlled subsidiary Šiaulių Banko Lizingas UAB was liquidated.

As at 30 June 2024, the net assets of pension funds managed by the Group company SB Asset Management UAB amount to EUR 1 248.3 millions and investment funds – EUR 81 millions.

Pension funds and investment funds managed by SB Asset Management UAB:

| PENSION FUNDS | Net assets amount, thousand EUR |
|--------------------------------------|--|
| INVL Pension 1954-1960 | 16,336 |
| INVL Pension 1961-1967 | 131,423 |
| INVL Pension 1968-1974 | 213,326 |
| INVL Pension 1975-1981 | 266,685 |
| INVL Pension 1982-1988 | 267,086 |
| INVL Pension 1989-1995 | 155,222 |
| INVL Pension 1996-2002 | 42,638 |
| INVL Pension Asset Preservation Fund | 10,756 |
| INVL Drąsus Pension fund | 14,840 |
| INVL STABILO III 58+ Pension fund | 12,671 |
| INVL MEDIO III 47+ Pension fund | 25,557 |
| INVL EXTREMO III 16+ Pension fund | 87,649 |
| INVL Apdairius Pension fund | 4,159 |

| INVESTMENT FUNDS | Net assets amount, thousand EUR |
|---|--|
| INVL Baltic Fund | 10,225 |
| INVL Global Emerging Markets Bond Subfund | 10,378 |
| INVL Emerging Europe Bond Subfund | 8,278 |
| INVL Alternative Investment Fund | 5,812 |
| INVL Alternative Investment Fund II | 5,215 |
| SB Alternative Investment Fund III | 87 |
| INVL Emerging Europe Bond Fund | 40,998 |

NOTE 2
SECURITIES (CONTINUED)

Bank's investments in subsidiaries consisted of:

| | Share in equity | 30 June 2024 | 31 December 2023 |
|--|-----------------|---------------|------------------|
| <i>SB draudimas GD UAB</i> | 100% | 35,905 | 32,528 |
| <i>SB lizingas UAB</i> | 100% | 2,136 | 2,964 |
| <i>Šiaulių Banko Lizingas UAB</i> | 100% | - | - |
| <i>SB Turto Fondas UAB</i> | 100% | 5,195 | 5,083 |
| <i>SB Asset Management UAB</i> | 100% | 36,620 | 35,997 |
| Total investments in subsidiaries using equity method | | 79,856 | 76,572 |
| <i>SB Modernization Fund UAB</i> | 100% | 100 | 100 |
| <i>SB Modernization Fund 2 UAB</i> | 100% | 100 | - |
| Total investments in subsidiaries at fair value | | 200 | 100 |

NOTE 3
SIGNIFICANT INFORMATION ON CHANGES IN OTHER ASSET ITEMS

Other assets

| | 30 June 2024 | | 31 December 2023 | |
|---|---------------|---------------|------------------|---------------|
| | Group | Bank | Group | Bank |
| <i>Amounts receivable</i> | 6,880 | 6,263 | 7,351 | 8,289 |
| <i>Inventories</i> | 113 | - | 114 | - |
| <i>Deferred charges</i> | 3,709 | 3,512 | 3,529 | 3,424 |
| <i>Assets under reinsurance and insurance contracts</i> | 811 | - | 153 | - |
| <i>Prepayments</i> | 1,693 | 952 | 2,225 | 1,000 |
| <i>Foreclosed assets</i> | 129 | 125 | 168 | 164 |
| <i>Other</i> | 9,979 | 9,956 | 6,203 | 6,093 |
| Total | 23,314 | 20,808 | 19,743 | 18,970 |

Assets held for sale

Assets held for sale consist of:

| | 30 June 2024 | | 31 December 2023 | |
|---|--------------|------------|------------------|------------|
| | Group | Bank | Group | Bank |
| <i>Real estate classified as held for sale</i> | 150 | 150 | 150 | 150 |
| Total assets classified as held for sale | 150 | 150 | 150 | 150 |

NOTE 4
DUE TO CUSTOMERS

| | 30 June 2024 | | 31 December 2023 | |
|--|------------------|------------------|------------------|------------------|
| | Group | Bank | Group | Bank |
| <i>Demand deposits:</i> | | | | |
| <i>National government institutions</i> | 49,836 | 49,836 | 56,135 | 56,135 |
| <i>Local government institutions</i> | 190,800 | 190,800 | 121,886 | 121,886 |
| <i>Governmental and municipal companies</i> | 26,007 | 26,007 | 38,209 | 38,209 |
| <i>Corporate entities</i> | 599,260 | 603,240 | 628,408 | 632,159 |
| <i>Non-profit organizations</i> | 33,949 | 33,949 | 35,780 | 35,780 |
| <i>Individuals</i> | 667,344 | 667,344 | 711,184 | 711,184 |
| <i>Unallocated amounts due to customers</i> | 15,853 | 15,853 | 16,214 | 16,714 |
| Total demand deposits | 1,583,049 | 1,587,029 | 1,607,816 | 1,612,067 |
| <i>Term deposits:</i> | | | | |
| <i>National government institutions</i> | 6,991 | 6,991 | 2,519 | 2,519 |
| <i>Local government institutions</i> | 4,451 | 4,451 | 2,316 | 2,316 |
| <i>Governmental and municipality companies</i> | 5,946 | 5,946 | 3,831 | 3,831 |
| <i>Corporate entities</i> | 361,539 | 361,539 | 336,944 | 336,944 |
| <i>Non-profit organizations</i> | 16,211 | 16,211 | 8,278 | 8,278 |
| <i>Individuals</i> | 1,344,524 | 1,344,524 | 1,200,953 | 1,200,953 |
| Total term deposits | 1,739,662 | 1,739,662 | 1,554,841 | 1,554,841 |
| Total | 3,322,711 | 3,326,691 | 3,162,657 | 3,166,908 |

NOTE 5

SIGNIFICANT INFORMATION ON CHANGES IN OTHER LIABILITIES ITEMS

Due to other banks and financial institutions

As of 30 June 2024 the most significant part of due to other banks and financial institutions consisted of liabilities under third series of the targeted longer-term refinancing operations (TLTRO-III) program of the European Central Bank. As of 30 June 2024, carrying value of the loan was EUR 501,376 thousand and Securities with a carrying value of EUR 519,333 thousand were placed as a collateral for these borrowings. Loan maturity date is on 25 September 2024.

Special and lending funds

The special funds consist of the funds from the mandatory social and health insurance funds. The special funds should be returned to the institutions which have placed them upon the first requirement of the latter. The increase in special and lending funds from EUR 15,718 thousand in the beginning of the year to EUR 17,518 thousand in the end of the reporting period is attributable to routine fluctuations in these funds.

Insurance contract liabilities

Bank's subsidiary SB draudimas UAB is engaged in life insurance business. For the periods ended 30 June 2024 and 31 December 2023 the liabilities from insurance contracts and their changes were as follows:

| | Best estimate of liabilities | Risk adjustment for non-financial risks | Contractual service margin | Investment units | Total |
|---------------------------|-------------------------------------|--|-----------------------------------|-------------------------|--------------|
| Gross: | | | | | |
| At 1 January 2023 | 23,025 | 2,571 | 4,360 | 6,229 | 36,185 |
| Change during period | 701 | (105) | 561 | 1,268 | 2,425 |
| At 30 June 2023 | 23,726 | 2,466 | 4,921 | 7,497 | 38,610 |
| Change during period | 15,996 | 14,548 | 25,338 | 84,825 | 140,707 |
| At 31 December 2023 | 39,722 | 17,014 | 30,259 | 92,322 | 179,317 |
| Change during period | 8,212 | 698 | (686) | 1,512 | 9,736 |
| At 30 June 2024 | 47,934 | 17,712 | 29,573 | 93,834 | 189,053 |
| Reinsurance share: | | | | | |
| At 1 January 2023 | - | - | - | - | - |
| Change during period | 102 | - | (2) | - | 100 |
| At 30 June 2023 | 102 | - | (2) | - | 100 |
| Change during period | (101) | - | 2 | - | (99) |
| At 31 December 2023 | 1 | - | - | - | 1 |
| Change during period | (1) | - | - | - | (1) |
| At 30 June 2024 | - | - | - | - | - |
| Net value | | | | | |
| At 30 June 2023 | 23,828 | 2,466 | 4,919 | 7,497 | 38,710 |
| At 31 December 2023 | 39,723 | 17,014 | 30,259 | 92,322 | 179,318 |
| At 30 June 2024 | 47,934 | 17,712 | 29,573 | 93,834 | 189,053 |

**NOTE 6
CAPITAL**

As of 1 January 2023 the Banks's share capital amounted to EUR 174,210,616.27, it comprised 600,726,263 ordinary registered shares with par value of EUR 0.29 each.

On 22 November 2022 the Bank and Invalda INVL signed an agreement according which segments of their retail businesses were merged on 1 December 2023. After closing the transaction, 62,270,383 newly issued shares of the Bank which represents 9,39% of the Bank shareholding were transferred to Invalda INVL on 15 December 2023. After this issue of shares as of 31 December 2023 share capital of the Bank amounted to EUR 192,269,027.34, it comprised 662,996,646 ordinary registered shares with par value of EUR 0.29 each. Following completion of these transactions, the Invalda INVL Group held 18,45% of shares of the Bank.

At 31 May 2024 The European Bank for Reconstruction and Development (EBRD), together with asset management group Invalda INVL, Tesonet Global, a member of the Tesonet group of companies, and Willgrow, the holding company that manages Girtėka Logistics, have finalised a series of planned transactions, which together dispose of a total of 16.33% of the shares of Šiaulių bankas. 31 December 2020 The European Bank for Reconstruction and Development (EBRD) held 26.02% of the Bank's share capital and votes. On 22 December 2021, the EBRD announced its decision to sell its 18% stake in the Bank. The EBRD has signed 3 separate agreements for the sale of the Bank's shares: with the asset management group Invalda INVL, Tesonet Global belonging to the Tesonet group of companies, and Willgrow, a holding company managed by Girtėka Logistics. The respective shareholdings to be sold are 5,87 %, 5,87 % and 6,29 %. The acquisition process was carried out through a series of transactions which lasted until June 2024. 29 December 2021. "Willgrow announced the acquisition of a 5.71% stake in the Bank. On 30 June 2024, following the completion of the transaction milestones, Invalda INVL's shareholding in Šiaulių Bankas increased to 19.63%, Willgrow's to 8.97% and Tesonet Global's to 5.32%. As a result of these transactions, the EBRD held 7.25% of the Bank's share capital and voting rights as at 30 June 2024.

NOTE 6
CAPITAL (CONTINUED)

Dividends:

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

Reserve for acquisition of own shares:

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

On 11 April 2024, Šiaulių bankas submitted a request to the European Central Bank (ECB) for permission to acquire its own shares in order to increase shareholder value and to exercise options for the bank's employees. At the beginning of this year, Šiaulių bankas has already bought back 1,250,000 treasury shares for EUR 0.9 million and has also requested the ECB's permission to cancel them in the above request. Employee options granted for 2020 performance were exercised on 12 April 2024. 2 273 thousand units of own shares were transferred to thirty-five employees of the Group when exercising these share options.

As of 30 June 2024 the Bank held 1,250 thousand own shares with carrying value of EUR 900 thousand

Other equity:

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

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

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

- For the option granted 31 March 2024: grant date (31 March 2023), expiry days (14 April 2028 and 29 April 2029), share price 0.709 on grant day, exercise price 0.577422, expected price volatility of the bank's shares 25%, risk free interest rates – 3.5% and 2.3%;
- For the option granted 31 March 2023: grant date (31 March 2023), expiry days (9 April 2027 and 14 April 2028), share price 0.747 on grant day, exercise price 0.65, expected price volatility of the bank's shares 26%, risk free interest rates - 5% and 2.3%;
- For the option granted 30 March 2022: grant date (30 March 2022), expiry day (11 April 2025), share price 0.656 on grant day, exercise price 0.588, expected price volatility of the bank's shares 28%, risk free interest rate - 0.1%;
- For the option granted 31 March 2021: grant date (31 March 2021), expiry day (12 April 2024), share price 0.538 on grant day, exercise price 0.498, expected price volatility of the bank's shares 25%, risk free interest rate - 0.1%;

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

| | 30 June 2024 | | 31 December 2023 | |
|--|--------------|--------------|------------------|--------------|
| | Group | Bank | Group | Bank |
| <i>Options</i> | 1,480 | 1,019 | 1,697 | 1,209 |
| <i>Shares distributable to employees</i> | - | - | - | - |
| Total | 1,480 | 1,019 | 1,697 | 1,209 |

No options were forfeited or expired during periods ended 30 June 2024 and 31 December 2023. During six months period ended 30 June 2024 2,273 thousand units of share options were exercised for benefit of Group's defined employees (for benefit of Bank's defined employees – 1,991 thousand units) on exercise date at weighted average share price of 0.67 EUR. Weighted average option exercise price was 0 EUR.

NOTE 6
CAPITAL (CONTINUED)

Basic earnings per share:

Basic earnings per share are calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. There were no potential ordinary shares at 30 June 2024 and 30 June 2023, therefore the Group had no dilutive potential ordinary shares and diluted earnings per share are equal to basic earnings per share.

The number of shares in issue ended 30 June 2024 was 662,997 thousand. Weighted average number of shares in issue for the period ended 30 June 2024 was 643,091 thousand (30 June 2023: 600,194 thousand).

| Group | 30 June 2024 | 30 June 2023 |
|--|---------------|---------------|
| <i>Net profit from continuing operations attributable to equity holders</i> | 42,992 | 41,458 |
| <i>Net profit (loss) from discontinued operations attributable to equity holders</i> | - | - |
| Net profit attributable to equity holders | 42,992 | 41,458 |
| <i>Weighted average number of shares in issue during the period (thousand units)</i> | 643,091 | 600,194 |
| Basic earnings per share (EUR) | 0,07 | 0,07 |
| <i>Basic earnings per share (EUR) from continuing operations</i> | 0,07 | 0,07 |
| <i>Basic earnings per share (EUR) from discontinued operations</i> | - | - |

NOTE 7
NET INTEREST INCOME

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|-----------------|--------------------------|-----------------|
| | Group | Bank | Group | Bank |
| Interest revenue calculated using the effective interest method (on financial assets at amortized cost and fair value through other comprehensive income): | 120,647 | 112,800 | 87,053 | 80,171 |
| <i>on loans to other banks and financial institutions and placements with credit institutions</i> | 12,927 | 19,249 | 4,313 | 8,265 |
| <i>on loans to customers</i> | 101,453 | 87,370 | 78,574 | 67,839 |
| <i>on debt securities at amortized cost</i> | 6,068 | 5,982 | 3,810 | 3,713 |
| <i>on debt securities at fair value through other comprehensive income</i> | 199 | 199 | 356 | 354 |
| Other similar income: | 13,027 | 12,104 | 9,526 | 9,438 |
| <i>on debt securities at fair value through profit or loss</i> | 1,588 | 667 | 979 | 907 |
| <i>on loans at fair value through profit or loss</i> | 359 | 359 | 321 | 321 |
| <i>on finance leases</i> | 11,080 | 11,078 | 8,226 | 8,210 |
| <i>other interest income</i> | - | - | - | - |
| Total interest income | 133,674 | 124,904 | 96,579 | 89,609 |
| <i>Interest expense:</i> | | | | |
| <i>on financial liabilities designated at fair value through profit or loss</i> | - | - | - | - |
| <i>on financial liabilities measured at amortized cost</i> | (53,036) | (53,111) | (21,100) | (21,116) |
| <i>on other liabilities</i> | (8) | (2) | (12) | (5) |
| Total interest expense | (53,044) | (53,113) | (21,112) | (21,121) |
| Net interest income | 80,630 | 71,791 | 75,467 | 68,488 |

NOTE 8
NET FEE AND COMMISSION INCOME

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|--|--------------------------|----------------|--------------------------|----------------|
| | Group | Bank | Group | Bank |
| <i>Fee and commission income:</i> | | | | |
| <i>for administration of loans of third parties</i> | 3,398 | 3,398 | 2,329 | 2,329 |
| <i>for settlement services</i> | 2,474 | 2,479 | 2,718 | 2,726 |
| <i>for cash operations</i> | 2,034 | 2,034 | 2,454 | 2,454 |
| <i>for account administration</i> | 3,333 | 3,334 | 3,151 | 3,151 |
| <i>for guarantees, letters of credit, documentary collection</i> | 481 | 481 | 412 | 412 |
| <i>for collection of utility and similar payments</i> | 112 | 112 | 113 | 113 |
| <i>for services related to securities</i> | 2,307 | 2,339 | 1,682 | 1,722 |
| <i>Pension and investment fund management</i> | 3,797 | - | - | - |
| <i>other fee and commission income</i> | 204 | 1,383 | 452 | 915 |
| Total fee and commission income | 18,140 | 15,560 | 13,311 | 13,822 |
| <i>Fee and commission expense:</i> | | | | |
| <i>for payment cards</i> | (2,678) | (2,676) | (2,289) | (2,289) |
| <i>for cash operations</i> | (355) | (355) | (371) | (371) |
| <i>for correspondent bank and payment system fees</i> | (285) | (221) | (243) | (186) |
| <i>for services of financial data vendors</i> | - | - | (167) | (167) |
| <i>for services related to securities</i> | (497) | (498) | (423) | (423) |
| <i>Pension and investment fund management</i> | (30) | - | - | - |
| <i>other fee and commission expenses</i> | (558) | (231) | (213) | (209) |
| Total fee and commission expense | (4,403) | (3,981) | (3,706) | (3,645) |
| Net fee and commission income | 13,737 | 11,579 | 9,605 | 10,177 |

NOTE 9
OTHER OPERATING EXPENSES

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|-----------------|--------------------------|----------------|
| | Group | Bank | Group | Bank |
| <i>Rent of buildings and premises</i> | (195) | (190) | (143) | (145) |
| <i>Utility services for buildings and premises</i> | (659) | (647) | (724) | (711) |
| <i>Other expenses related to buildings and premises</i> | (401) | (399) | (386) | (386) |
| <i>Transportation expenses</i> | (229) | (187) | (194) | (158) |
| <i>Legal costs</i> | (97) | (97) | (474) | (474) |
| <i>Personnel and training expenses</i> | (733) | (725) | (473) | (444) |
| <i>IT and communication expenses</i> | (6,772) | (6,047) | (4,773) | (4,425) |
| <i>Marketing and charity expenses</i> | (2,231) | (1,068) | (1,847) | (600) |
| <i>Service organization expenses</i> | (1,860) | (1,617) | (1,465) | (1,389) |
| <i>Non-income taxes, fines</i> | (2,559) | (2,264) | (303) | (32) |
| <i>Costs incurred due to debt recovery</i> | (605) | (472) | (223) | (100) |
| <i>Other expenses</i> | (790) | (604) | (521) | (361) |
| Total | (17,130) | (14,316) | (11,526) | (9,225) |

Amount of temporary solidarity contribution calculated for the six months period ended 30 June 2024 by the Bank is equal to 0 Eur, but an adjustment of 2.2 Eur million has been booked in Q2 2024 Operating Expenses (line "Non-income taxes, fines") related to the recalculation of the annual solidarity contribution for 2023. Accordingly, the income tax expense for Q2 2024 included a reversal of the income tax charge for 2023 (EUR 0.4 million) due to the correction of the temporary solidarity contribution for 2023.

NOTE 10
IMPAIRMENT LOSSES

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|-----------|--------------------------|----------------|
| | Group | Bank | Group | Bank |
| (Impairment losses) / reversal of impairment losses on loans | (2,804) | 1,217 | (4,543) | (3,009) |
| Recoveries of loans previously written-off | 85 | 78 | 93 | 91 |
| Reversal of impairment losses / (impairment losses) on finance lease receivables | (1,587) | (1,591) | (490) | (484) |
| Recovered previously written-off finance lease receivables | - | - | - | - |
| (Impairment losses) on debt securities | 102 | 100 | 71 | 82 |
| Reversal of impairment losses on due from banks | 12 | 12 | - | - |
| Reversal of impairment losses / (impairment losses) on other financial assets | 208 | 208 | (511) | (511) |
| (Impairment losses) on subsidiaries | - | - | - | - |
| (Impairment losses) / reversal of impairment losses on other non-financial assets | - | - | - | - |
| Recoveries of other non-financial assets previously written-off | - | - | - | - |
| Provisions for other liabilities | 68 | - | 41 | - |
| Total | (3,916) | 24 | (5,339) | (3,831) |

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|---------------|--------------------------|---------------|
| | Group | Bank | Group | Bank |
| Allowance for impairment of loans | | | | |
| As at 1 January | 43,558 | 30,761 | 34,229 | 26,705 |
| Change in allowance for loan impairment | 2,804 | (1,217) | 4,543 | 3,009 |
| Loans written off during the period | (1,881) | (555) | (1,316) | (411) |
| Other factors (reclassification, FX rate shift, etc.) | (1) | (1) | - | 1 |
| As at 30 June | 44,480 | 28,988 | 37,456 | 29,304 |
| Allowance for impairment of finance lease receivables | | | | |
| As at 1 January | 7,574 | 6,768 | 5,300 | 4,494 |
| Change in allowance for impairment of finance lease receivables | 1,587 | 1,591 | 490 | 484 |
| Finance lease receivables written off during the period | - | - | - | - |
| Other factors (reclassification, FX rate shift, etc.) | (4) | (4) | - | - |
| As at 30 June | 9,157 | 8,355 | 5,790 | 4,978 |
| Allowance for impairment of debt securities | | | | |
| As at 1 January | 1,249 | 220 | 1,632 | 598 |
| Change in allowance for impairment of debt securities | (102) | (100) | (71) | (82) |
| Debt securities written off during the period | - | - | - | - |
| Other factors (reclassification, FX rate shift, etc.) | 1 | 1 | (14) | - |
| As at 30 June | 1,148 | 121 | 1,547 | 516 |
| Allowance for impairment of due from banks | | | | |
| As at 1 January | 46 | 46 | 39 | 39 |
| Change in allowance for impairment of due from banks | (12) | (12) | - | - |
| Due from banks written off during the period | - | - | - | - |
| Other factors (reclassification, FX rate shift, etc.) | 1 | 1 | - | - |
| As at 30 June | 35 | 35 | 39 | 39 |
| Allowance for impairment of other financial assets | | | | |
| As at 1 January | 1,118 | 1,101 | 506 | 490 |
| Change in allowance for impairment of other financial assets | (208) | (208) | 511 | 511 |
| Other financial assets written off during the period | (16) | - | (3) | (3) |
| Other factors (reclassification, FX rate shift, etc.) | - | - | (1) | (2) |
| As at 30 June | 894 | 893 | 1,013 | 996 |

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

NOTE 10
IMPAIRMENT LOSSES (CONTINUED)

Scenario probabilities and weighted average GDP growth:

| | 2024 | | 2025 | | 2026 | | 2027 | | 2028 | |
|------------------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
| At 30 June 2024: | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> |
| <i>Base scenario</i> | 1.90 % | 60 % | 3.10 % | 60 % | 3.30 % | 60 % | 2.23 % | 60 % | 2.20 % | 60 % |
| <i>Optimistic scenario</i> | 2.90 % | 15 % | 3.80 % | 15 % | 4.00 % | 15 % | 3.50 % | 15 % | 3.10 % | 15 % |
| <i>Pessimistic scenario</i> | 1.00 % | 25 % | 1.90 % | 25 % | 2.00 % | 25 % | 1.50 % | 25 % | 1.50 % | 25 % |
| <i>Weighted average GDP growth</i> | 1.34% | | 2.91% | | 3.08% | | 2.23% | | 2.13% | |

| | 2024 | | 2025 | | 2026 | | 2027 | | 2028 | |
|------------------------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
| At 31 December 2023: | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> | <i>GDP</i> | <i>Probability</i> |
| <i>Base scenario</i> | 1.80% | 60 % | 3.10% | 60 % | 3.30% | 60 % | 2.21% | 60 % | 2.15% | 60 % |
| <i>Optimistic scenario</i> | 2.50% | 15 % | 3.80% | 15 % | 4.00% | 15 % | 3.50% | 15 % | 3.10% | 15 % |
| <i>Pessimistic scenario</i> | 0.20% | 25 % | 1.90% | 25 % | 2.00% | 25 % | 1.50% | 25 % | 1.50% | 25 % |
| <i>Weighted average GDP growth</i> | 1,51% | | 2,91% | | 3,08% | | 2,23% | | 2,13% | |

Recovery rates used to derive LGD parameters were also revised to take into account latest available collateral sales data. Group's impairment expenses due to changes in accounting estimates amounted to: for the six months period ended 30 June 2024 – impairment loss of EUR 813 thousand (all attributable to change in calculation parameters), for the six months period ended 30 June 2023 – a reversal of impairment loss of EUR 286 thousand (all attributable to change in calculation parameters).

The Bank and the Group do not have any significant direct lending exposures in Russia, Belarus and Ukraine. As a result of the Russian war in Ukraine, EUR 16,391 thousand (gross) of loans as at 30 June 2022 have been placed on the Watch List. Of these, EUR 181 thousand (1 customer) remained on the list at 30 June 2024, for which an impairment charge of EUR 378 was recognised. Of the EUR 9 629 thousand (gross) added to the NPE List, no such positions remained at 30 June 2024 due to the removal of the Customer's non-performing status or the repayment of loans.

NOTE 11
SIGNIFICANT INFORMATION ON OTHER INCOME STATEMENT ITEMS

Net gain from trading activities

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|--------------|--------------------------|--------------|
| | Group | Bank | Group | Bank |
| <i>Net gain from operations with securities</i> | 7,839 | 156 | 2,614 | 124 |
| <i>Net gain from foreign exchange and related derivatives</i> | (324) | (325) | 4,973 | 4,973 |
| <i>Net gain (loss) from other derivatives</i> | 3,378 | 3,378 | (1,145) | (1,145) |
| Total | 10,893 | 3,209 | 6,442 | 3,952 |

Net gain from trading activities includes investment result of the insurance company assets under unit-linked contracts (see below): a net profit of EUR 7 911 thousand for the six months period ended 30 June 2024; a net profit of EUR 2,487 thousand for the six months period ended 30 June 2023.

Expenses related to insurance activities

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|---|--------------------------|----------|--------------------------|----------|
| | Group | Bank | Group | Bank |
| <i>Part of the change of insurance contract liabilities that covers the result of investment of assets under unit-linked contracts*</i> | (7,911) | - | (2,487) | - |
| <i>Other changes of insurance contract liabilities and other expenses related to insurance activities</i> | (3,525) | - | (1,559) | - |
| Total expenses related to insurance activities | (11,436) | - | (4,046) | - |

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

| | 1 January - 30 June 2024 | | 1 January - 30 June 2023 | |
|--|--------------------------|----------|--------------------------|----------|
| | Group | Bank | Group | Bank |
| <i>Interest and similar income</i> | 840 | - | 2 | - |
| <i>Net gain (loss) from operations with securities</i> | 7,071 | - | 2,485 | - |
| <i>Net gain (loss) from foreign exchange</i> | - | - | - | - |
| Total | 7,911 | - | 2,487 | - |

NOTE 12
RELATED-PARTY TRANSACTIONS

Related parties with the Bank are classified as follows:

- a) members of the Bank's Supervisory Council and Board (which also are the main decision makers of the Group), their close family members and companies that are controlled, jointly controlled over by these related parties;
- b) subsidiaries of the Bank;
- c) the shareholders holding over 20% of the Bank's share capital or being a part of a voting group acting in concert that holds over 20% of voting rights therefore presumed to have a significant influence over the Group.

During 2024 and 2023, a certain number of banking transactions were entered into with related parties in the ordinary course of business. These transactions include settlements, loans, deposits and foreign currency transactions. According to the local legislation, the information on executed material transactions with related parties is published on Bank's website (www.sb.lt) > About bank > Information > Reports regarding the transactions with related parties).

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

| | 30 June 2024 | | 31 December 2023 | |
|---|----------------------|--|----------------------|--|
| | Balances of deposits | Balances of loans (incl. off-balance sheet credit commitments) | Balances of deposits | Balances of loans and debt securities (incl. off-balance sheet credit commitments) |
| <i>Members of the Council and the Board</i> | 682 | 707 | 483 | 302 |
| <i>Other related parties (excluding subsidiaries of the Bank)</i> | 679 | 8,948 | 999 | 9,384 |
| Total | 1,361 | 9,655 | 1,482 | 9,686 |

As of 30 June 2024, the balance of individual allowance for impairment losses on loans to related parties, except subsidiaries, amounted to EUR 12 thousand (31 December 2023: EUR 10 thousand).

Remuneration of the management of the Bank:

According to the Bank's Remuneration Policy, the members of the management bodies are paid a fixed and annual variable remuneration. The annual variable remuneration fund is formed based on the Bank's performance, taking into account current and future risks. During 6 months period ended 30 June 2024 the total amount of fixed and annual variable remuneration (total of payments in cash and in shares of the Bank) to the Bank's Board members amounted to EUR 1,254 thousand (2023: EUR 1,350 thousand).

Transactions with subsidiaries:

Balances of transactions with the subsidiaries are presented below:

| | 30 June 2024 | | 31 December 2023 | |
|--|----------------------|--|----------------------|--|
| | Balances of deposits | Balances of loans (incl. off-balance sheet credit commitments) | Balances of deposits | Balances of loans (incl. off-balance sheet credit commitments) |
| <i>Non-financial institutions</i> | 59,536 | 75,441 | 35,155 | 43,820 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 53,599 | 75,441 | 24,634 | 43,820 |
| <i>Financial institutions</i> | 33 | 298,681 | 52 | 263,192 |
| | 59,569 | 374,122 | 35,207 | 307,012 |

Bank's total balances with subsidiaries:

| | 30 June 2024 | 31 December 2023 |
|--|--------------|------------------|
| Assets | | |
| Loans | 330,255 | 277,623 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 45,441 | 30,070 |
| Other assets | - | - |
| Bank's investment in subsidiaries | 80,056 | 76,672 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 200 | 100 |
| Liabilities and shareholders' equity | | |
| Deposits | 59,569 | 35,207 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 53,599 | 24,634 |
| Other liabilities | - | - |

NOTE 12
RELATED-PARTY TRANSACTIONS (CONTINUED)

Income and expenses arising from transactions with subsidiaries:

| | 1 January – 30 June 2024 | 1 January – 30 June 2023 |
|---|-----------------------------|-----------------------------|
| Income | | |
| <i>Interest</i> | 7,583 | 4,401 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 1,101 | 337 |
| <i>Commission income</i> | 2,710 | 1,040 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 1,745 | 527 |
| <i>FX gain (loss)</i> | - | - |
| <i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i> | 3,284 | 2,370 |
| <i>Other income</i> | 413 | 189 |
| Expenses | | |
| <i>Interest</i> | (75) | (16) |
| <i>Operating expenses</i> | 492 | 17 |
| <i>(Impairment losses)/ reversal of impairment losses on loans</i> | 427 | 15 |
| <i>Incl. SB Modernization Fund UAB and SB Modernization Fund 2 UAB</i> | 427 | 15 |
| <i>Allowance for impairment losses on investments in subsidiaries</i> | - | - |

As of 30 June 2024, the balance of individual allowance for impairment losses on loans to subsidiaries i. e. SB Modernization Fund UAB and SB Modernization Fund 2 UAB amounted to EUR 1 081 thousand (31 December 2023: EUR 653 thousand).

NOTE 13
LIQUIDITY, MARKET AND OPERATIONAL RISKS

Liquidity risk

Liquidity risk means the risk that the Bank and/or the Group 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 and/or the Group's ability to cover the cash shortage by borrowing from the market and the liquidity of the market itself. Liquidity risk management is regulated by the Procedures for Liquidity Risk Management approved by the Board of the Bank. The management of the current and non-current liquidity risk is distinguished in the mentioned procedures. The current liquidity is based on the control of the incoming and outgoing cash flow. The non-current liquidity is managed on the limit system basis.

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

The structure of the Group's assets and liabilities by maturity as at 30 June 2024 was as follows:

| | Less than 1 month | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|---|----------------------|----------------------|---------------|---------------|----------------|--------------|----------------------|-----------------------|-----------|
| <i>Total assets</i> | 154,683 | 641,025 | 139,398 | 193,556 | 311,861 | 1,524,883 | 1,820,759 | 249,967 | 5,036,132 |
| <i>Total liabilities and shareholders' equity</i> | 1,674,428 | 138,605 | 858,244 | 596,730 | 754,619 | 240,745 | 217,455 | 555,306 | 5,036,132 |
| <i>Net liquidity gap</i> | (1,519,745) | 502,420 | (718,846) | (403,174) | (442,758) | 1,284,138 | 1,603,304 | (305,339) | - |

NOTE 13

LIQUIDITY, MARKET AND OPERATIONAL RISKS (CONTINUED)

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

| | Less than 1 month | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|---|-------------------|-------------------|---------------|---------------|----------------|--------------|-------------------|--------------------|-----------|
| <i>Total assets</i> | 751,744 | 149,609 | 143,559 | 332,813 | 347,087 | 1,268,334 | 1,586,171 | 229,974 | 4,809,321 |
| <i>Total liabilities and shareholders' equity</i> | 1,783,540 | 119,671 | 223,317 | 542,169 | 1,261,637 | 233,444 | 192,415 | 543,128 | 4,809,321 |
| <i>Net liquidity gap</i> | (1,031,766) | 29,938 | (79,758) | (119,356) | (914,550) | 1,034,890 | 1,393,756 | (313,154) | - |

The structure of the Bank's assets and liabilities by maturity as at 30 June 2024 was as follows:

| | Less than 1 month | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|---|-------------------|-------------------|---------------|---------------|----------------|--------------|-------------------|--------------------|-----------|
| <i>Total assets</i> | 145,932 | 627,195 | 121,430 | 169,626 | 548,995 | 1,398,895 | 1,699,824 | 121,684 | 4,833,581 |
| <i>Total liabilities and shareholders' equity</i> | 1,676,468 | 123,197 | 764,241 | 595,968 | 752,694 | 235,877 | 127,996 | 557,140 | 4,833,581 |
| <i>Net liquidity gap</i> | (1,530,536) | 503,998 | (642,811) | (426,342) | (203,699) | 1,163,018 | 1,571,828 | (435,456) | - |

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

| | Less than 1 month | Less than 1 month | 1 to 3 months | 3 to 6 months | 6 to 12 months | 1 to 3 years | More than 3 years | Maturity undefined | Total |
|---|-------------------|-------------------|---------------|---------------|----------------|--------------|-------------------|--------------------|-----------|
| <i>Total assets</i> | 743,244 | 141,878 | 368,211 | 309,950 | 313,679 | 1,163,512 | 1,472,432 | 110,204 | 4,623,110 |
| <i>Total liabilities and shareholders' equity</i> | 1,697,258 | 108,893 | 223,678 | 455,837 | 1,255,860 | 228,600 | 108,543 | 544,441 | 4,623,110 |
| <i>Net liquidity gap</i> | (954,014) | 32,985 | 144,533 | (145,887) | (942,181) | 934,912 | 1,363,889 | (434,237) | - |

Operational risk

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

In the year 2024, the Bank continued to enhance the operational and reputational risk management systems, as well as incident recording systems for the Bank and its Group. Starting from December 1, 2023, operational risk incidents are recorded in the Service Bank. The decision to migrate to the Service Bank was made for the convenience of JIRA functionalities and a unified registration location. From now on, operational risk incidents in the Service Bank can be recorded by all employees of the Bank, SB Leasing UAB, Life Insurance SB Draudimas, and SB Asset Management UAB. The Operational Risk and Reputational Risk Management Procedures have also been updated to regulate the management of operational and reputational risks on a Group-wide basis, and new instructions have been drafted for the recording of Operational Risk events in the OR Register. At the beginning of 2024, e-learning modules on Operational Risk were updated for the entire Group.

During the six month period ended 30 June 2024, significant attention will continue to be given to Business Continuity Management, with Comprehensive Testing planned. Significant attention will also be paid to Risk Management and monitoring of Critical Outsourced Services, as well as strengthening the operational and reputational risk culture across the entire Bank Group.

NOTE 14

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

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

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

During the six months period ended 30 June 2023, the process of fair value measurement did not change significantly as compared to the process described in the annual financial statements for the year 2023. For the valuation of financial assets and liabilities purposes, estimates, valuation techniques and inputs used to develop those measurements have not changed significantly during the six months period ended 30 June 2024.

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

| | 30 June 2024 | | 31 December 2023 | |
|--|----------------|---------------|------------------|---------------|
| | Group | Bank | Group | Bank |
| LEVEL I | | | | |
| Trading book securities | 158,586 | 8,394 | 140,318 | 5,414 |
| Investment securities at fair value | 56,756 | 53,315 | 70,054 | 70,054 |
| Total Level I financial assets | 215,343 | 61,709 | 210,372 | 75,468 |
| LEVEL II | | | | |
| Derivative financial instruments - assets | 856 | 856 | 251 | 241 |
| Derivative financial instruments - liabilities | (213) | (213) | (1,041) | (1,041) |
| Trading book securities | 41,028 | - | - | - |
| LEVEL III | | | | |
| Trading book securities | 19,179 | 6,351 | 67,359 | 14,988 |
| Investment securities at fair value | 2,698 | 2,455 | 4,446 | 4,328 |
| Securitisation related financial assets | | | | |
| Unlisted equity securities | 200 | 200 | 100 | 100 |
| Loans agreements | 5,816 | 5,816 | 3,208 | 3,208 |
| Total Level III financial assets | 27,893 | 14,822 | 75,113 | 22,624 |

Changes in Level III instruments during the six months period ended 30 June:

| Group | Trading book securities | | Investment securities at fair value | |
|---|-------------------------|---------------------|-------------------------------------|---------------------|
| | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 |
| As at 31 December | 67,359 | 46,335 | 4,446 | 6,602 |
| Impact of change in accounting principles | - | - | - | - |
| As at 1 January | 67,359 | 46,335 | 4,446 | 6,602 |
| Additions | 3,746 | 15,810 | - | - |
| Disposals / redemption / derecognition | (11,706) | (10,194) | (2,000) | (837) |
| Reclassifications | (39,852) | - | 120 | - |
| Changes due to interest accrued/paid | 203 | 43 | 73 | 23 |
| Changes in fair value | (571) | (219) | 59 | (211) |
| As at 30 June | 19,179 | 51,775 | 2,698 | 5,577 |

In order to unify the assignment of trading book securities to fair value hierarchy levels in Group enterprises, Trading book securities in amount of EUR 39,732 thousand were reclassified from third to first and second levels of hierarchy and EUR 120 thousand of trading book securities were reclassified into portfolio of Investment securities.

| Bank | Trading book securities | | Investment securities at fair value | |
|---|-------------------------|---------------------|-------------------------------------|---------------------|
| | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 | 1 Jan - 30 Jun 2024 | 1 Jan - 30 Jun 2023 |
| As at 31 December | 14,989 | 17,906 | 4,328 | 6,602 |
| Impact of change in accounting principles | - | - | - | - |
| As at 1 January | 14,989 | 17,906 | 4,328 | 6,602 |
| Additions | 3,197 | 10,655 | - | - |
| Disposals / redemption / derecognition | (11,696) | (9,423) | (2,000) | (837) |
| Changes due to interest accrued/paid | 203 | 259 | 73 | 23 |
| Changes in fair value | (342) | (223) | 54 | (211) |
| As at 30 June | 6,351 | 19,174 | 2,455 | 5,577 |

NOTE 14

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE (CONTINUED)

| | 1 January – 30 June 2024 | | 1 January – 30 June 2023 | |
|--|--------------------------|-------|--------------------------|-------|
| | Group | Bank | Group | Bank |
| <i>Total result from revaluation of Level III instruments included in the income statement</i> | (513) | (288) | (430) | (434) |

Fair value of investment securities held to collect cash flows:

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

| | 30 June 2024 | | 31 December 2023 | |
|--|----------------|------------|------------------|------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| <i>Investment securities at amortized cost</i> | 797,902 | 780,368 | 751,227 | 712,594 |

NOTE 15

SEGMENT INFORMATION

Business segments

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

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 30 June 2024 and in the Statement of comprehensive income for six months period then ended is presented in the table below.

| | 2024-06-30 | | | |
|---|--------------------------------|--------------|---------------|---------------|
| | Segmentation by profit centres | | | |
| | Corporate | Private | Investment | Total |
| <i>Net interest income</i> | 42,900 | 23,576 | 14,155 | 80,630 |
| <i>Net fee and commission income</i> | 6,388 | 3,825 | 3,524 | 13,737 |
| <i>Net gain from insurance activities</i> | - | 371 | 3,073 | 3,443 |
| <i>Other income</i> | 1,143 | 327 | 1,748 | 3,217 |
| <i>Salaries and related expenses</i> | (10,092) | (9,487) | (3,595) | (23,174) |
| <i>Other expenses</i> | (7,233) | (10,097) | (3,468) | (20,798) |
| <i>Impairment expenses</i> | 125 | (4,162) | 122 | (3,916) |
| <i>Income tax</i> | (6,386) | (1,291) | (2,471) | (10,147) |
| <i>Net profit centre result</i> | 26,845 | 3,061 | 13,087 | 42,992 |
| <i>Total segment assets</i> | 1,943,636 | 1,235,957 | 1,856,539 | 5,036,132 |

A summary of major indicators (restated) for the main business segments of the Group included in the Statement of financial position as at 30 June 2023 and in the Statement of comprehensive income for six months period then ended is presented in the table below.

| | 2023-06-30 | | | |
|---|--------------------------------|--------------|---------------|---------------|
| | Segmentation by profit centres | | | |
| | Corporate | Private | Investment | Total |
| <i>Net interest income</i> | 31,512 | 17,049 | 26,805 | 75,367 |
| <i>Net fee and commission income</i> | 5,594 | 2,729 | 1,428 | 9,752 |
| <i>Net gain from insurance activities</i> | - | 1,291 | (463) | 828 |
| <i>Other income</i> | 969 | 1,255 | 2,862 | 5,086 |
| <i>Salaries and related expenses</i> | (7,597) | (7,419) | (1,822) | (16,838) |
| <i>Other expenses</i> | (5,086) | (7,448) | (1,525) | (14,059) |
| <i>Impairment expenses</i> | (3,104) | (2,224) | (11) | (5,339) |
| <i>Income tax</i> | (5,460) | (997) | (6,881) | (13,338) |
| <i>Net profit centre result</i> | 16,828 | 4,237 | 20,393 | 41,458 |
| <i>Total segment assets</i> | 1,720,398 | 1,016,192 | 1,473,907 | 4,210,497 |

SELECTED INFORMATION OF FINANCIAL GROUP

According to local legislation the Bank is required to disclose certain information for the Financial group. As of 30 June 2024 the Bank owned the following subsidiaries included in the prudential scope of consolidation (the Bank and three subsidiaries comprised the Financial group, all of the entities attributable to Financial Group operate in Lithuania):

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

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

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

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

Financial Group's condensed statement of financial position

| | 30 June 2024 | 31 December 2023 |
|--|------------------|------------------|
| ASSETS | | |
| <i>Cash and cash equivalents</i> | 667,987 | 743,733 |
| <i>Securities in the trading book</i> | 14,745 | 20,522 |
| <i>Due from other banks</i> | 3,354 | 3,013 |
| <i>Derivative financial instruments</i> | 856 | 241 |
| <i>Loans to customers</i> | 2,874,480 | 2,645,104 |
| <i>Finance lease receivables</i> | 313,542 | 286,533 |
| <i>Investment securities at fair value</i> | 59,455 | 74,500 |
| <i>Investment securities at amortized cost</i> | 786,996 | 739,869 |
| <i>Investments in subsidiaries and associates</i> | 36,105 | 32,628 |
| <i>Intangible assets</i> | 41,790 | 41,919 |
| <i>Property, plant and equipment</i> | 14,943 | 15,116 |
| <i>Investment property</i> | 976 | 993 |
| <i>Current income tax prepayment</i> | 180 | 9 |
| <i>Deferred income tax asset</i> | 6,803 | 7,575 |
| <i>Other assets</i> | 22,628 | 20,014 |
| Total assets | 4,844,840 | 4,631,769 |
| LIABILITIES | | |
| <i>Due to other banks and financial institutions</i> | 578,276 | 571,750 |
| <i>Derivative financial instruments</i> | 213 | 1,041 |
| <i>Due to customers</i> | 3,322,711 | 3,163,157 |
| <i>Special and lending funds</i> | 17,518 | 15,718 |
| <i>Debt securities in issue</i> | 305,169 | 276,480 |
| <i>Current income tax liabilities</i> | 2,702 | 6,412 |
| <i>Deferred income tax liabilities</i> | 6,149 | 6,125 |
| <i>Other liabilities</i> | 55,275 | 46,603 |
| Total liabilities | 4,288,013 | 4,087,286 |
| EQUITY | | |
| <i>Share capital</i> | 192,269 | 192,269 |
| <i>Share premium</i> | 25,534 | 25,534 |
| <i>Treasury shares (-)</i> | (900) | (1,500) |
| <i>Reserve capital</i> | 756 | 756 |
| <i>Statutory reserve</i> | 60,904 | 47,681 |
| <i>Reserve for acquisition of own shares</i> | 20,000 | 20,000 |
| <i>Financial instruments revaluation reserve</i> | (4,368) | (5,426) |
| <i>Other equity</i> | 1,404 | 1,603 |
| <i>Retained earnings</i> | 261,228 | 263,566 |
| <i>Non-controlling interest</i> | - | - |
| Total equity | 556,827 | 544,483 |
| Total liabilities and equity | 4,844,840 | 4,631,769 |

SELECTED INFORMATION OF FINANCIAL GROUP (CONTINUED)

Financial Group's condensed income statement

| | for the six months period ended | |
|---|---------------------------------|---------------|
| | 30 June 2024 | 30 June 2023 |
| | | |
| <i>Interest revenue calculated using the effective interest method</i> | 120,905 | 87,001 |
| <i>Other similar income</i> | 11,747 | 9,454 |
| <i>Interest expense and similar charges</i> | (53,043) | (21,111) |
| Net interest income | 79,609 | 75,344 |
| <i>Fee and commission income</i> | 18,324 | 13,364 |
| <i>Fee and commission expense</i> | (4,375) | (3,693) |
| Net fee and commission income | 13,949 | 9,671 |
| <i>Net gain from trading activities</i> | 3,219 | 3,952 |
| <i>Net gain (loss) from derecognition of financial assets</i> | (91) | 319 |
| <i>Net gain (loss) from disposal of tangible assets</i> | 23 | 721 |
| <i>Revenue related to insurance activities</i> | - | - |
| <i>Other operating income</i> | 405 | 256 |
| <i>Salaries and related expenses</i> | (22,862) | (16,639) |
| <i>Depreciation and amortization expenses</i> | (3,620) | (2,583) |
| <i>Expenses related to insurance activities</i> | - | - |
| <i>Other operating expenses</i> | (17,015) | (11,346) |
| Operating profit before impairment losses | 53,617 | 59,695 |
| <i>Allowance for impairment losses on loans and other assets</i> | (3,918) | (5,328) |
| <i>Allowance for impairment losses on investments in subsidiaries</i> | - | - |
| <i>Share of the profit or loss of investments in subsidiaries accounted for using the equity method</i> | 3,424 | 427 |
| Profit before income tax | 53,123 | 54,794 |
| <i>Income tax expense</i> | (10,147) | (13,338) |
| Net profit for the period | 42,976 | 41,456 |
| <i>Profit (loss) from discontinued operations, net of tax</i> | - | - |
| Net profit for the year | 42,976 | 41,456 |
| Net profit attributable to: | | |
| <i>Owners of the Bank</i> | 42,976 | 41,456 |
| <i>From continuing operations</i> | 42,976 | 41,456 |
| <i>From discontinued operations</i> | - | - |
| <i>Non-controlling interest</i> | - | - |

Financial Group's condensed statement of comprehensive income

| | for the six months period ended | |
|---|---------------------------------|---------------|
| | 30 June 2024 | 30 June 2023 |
| Net profit for the period | 42,976 | 41,456 |
| Other comprehensive income | | |
| <i>Items that may be subsequently reclassified to profit or loss:</i> | | |
| <i>Gain from revaluation of financial assets</i> | 1,322 | 406 |
| <i>Deferred income tax on gain from revaluation of financial assets</i> | (264) | (81) |
| Other comprehensive income, net of deferred tax | 1,058 | 325 |
| Total comprehensive income for the period | 44,034 | 41,781 |
| Total comprehensive income (loss) attributable to: | | |
| <i>Owners of the Bank</i> | 44,034 | 41,781 |
| <i>Non-controlling interest</i> | - | - |
| | 44,034 | 41,781 |

NOTE 17
SUBSEQUENT EVENTS

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

ADDITIONAL INFORMATION

for the six month period ended 30 June 2024

The present additional information of Šiaulių Bankas AB (hereinafter — the Bank) covers the period 01 January 2024 to 30 June 2024.

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

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

ACTIVITY RESULTS

- **Profit.** Šiaulių Bankas earned a net profit of €43.0 million
- **Return on capital.** Achieved a return on equity (RoE) of 16.2%
- **Loan portfolio.** New loan financing contract volumes grew rapidly, with the loan portfolio exceeding €3 billion
- **Asset quality.** The cost of risk (CoR) of the loan portfolio was 0.29%
- **Net fee and commission income.** Net fee and commission income amounted to €13.7 million, an increase of 41% compared to the same period last year

„Following the ambitious strategy outlined earlier this year, we've gained a significant momentum. We achieved robust growth across all business segments, from increased lending to both corporate and private clients to expanded investment opportunities. Customers appreciate our efforts, as evidenced by our highest customer satisfaction and reputation scores in five years,“ says Vytautas Sinius, CEO.

Šiaulių Bankas Group earned an unaudited net profit of €43.0 million in the first half of 2024, which is 4% more than in the corresponding period of 2023. Operating profit before impairment and income tax amounted to €57.1 million, a 5% decrease compared to operating profit of €60.1 million in the first half of 2023.

Net interest income grew by 7% compared to the first half of 2023 to €80.6 million, while net fee and commission income grew by 41% to €13.7 million.

All loan book segments grew in the first half of the year, with the total loan portfolio increasing by 9% (€256 million) to €3.19 billion (growth of 5% or €143 million in Q2). New credit agreements worth €791 million were signed during the half-year, 7% more than in the corresponding period of 2023 (€740 million).

The quality of the loan portfolio remains strong with provisions of €3.9 million made in the first half of the year due to the revision of the parameters in line with updated macroeconomic forecasts, compared to provisions of €5.3 million in the first half of 2023. The Cost of Risk (CoR) of the loan portfolio for H1 2024 was 0.29% (0.36% in H1 2023).

The deposit portfolio grew by 5% (€160 million) over the half-year period and exceeded €3.32 billion at the end of June (growth of 2% or €80 million in Q2). The share of time deposits continued to increase. At the end of June, term deposits exceeded 53% of the total portfolio.

The capital structure of the bank was strengthened by the issue of subordinated bonds of €25 million in the second quarter of this year with oversubscription of almost 4 times. Investor confidence is reinforced by the Bank's Baa1 credit rating, the highest in its history, and its stable outlook, as confirmed by Moody's.

Šiaulių Bankas maintained a high level of operational efficiency in line with the target level. The Group's cost-to-income ratio reaching 45.4%¹ (35.0%¹ in the first half of 2023). Cost-to-income ratio was affected by the €2.2 million one-off adjustment of windfall tax for 2023, which was added to other operating expenses in the second quarter of the year.

Return on equity of 16.2% achieved (18.6% in the first half of 2023) and the capital and liquidity position remained strong and prudential ratios were met by a wide margin. The capital adequacy ratio (CAR) stood at 20.0%² and the liquidity coverage ratio (LCR) at 198.9%².

¹ eliminating the impact of the client portfolio if SB draudimas

² preliminary data

Overview of Business Segments

This year Šiaulių Bankas recorded the highest reputational growth among major banks operating in Lithuania. The bank's reputation index has reached its highest level in the last five years, according to Civitta consultancy which provide nationwide business reputation survey together with its partners. Šiaulių Bankas enjoys strong support from both decision-makers and the general public, according to the survey The bank is perceived as an organized business with a strong management team and significant contribution to the prosperity of Lithuania.

Corporate Client Segment

The volume of new business financing contracts increased by 5% to €461 million in the first half of this year. A record €253 million of new business financing contracts were concluded in the second quarter alone, 12% more than in the same period in 2023. The total corporate lending portfolio grew by 10% (€145 million) over the half-year to reach €1.7 billion.

The €200 million SB Modernization Fund 2, set up to finance the renovation of apartment buildings, which started its operations this year, concluded new modernization contracts worth €123 million in the second quarter of this year.

Private Client Segment

Demand for mortgages is showing a positive trend in the market, with new contract volumes increasing by 15% to €111 million in the first half of this year. The bank's total housing loan portfolio grew by 9% (€69 million) to over €0.8 billion.

Consumer finance is also active, with the volume of new contracts increasing by 12% to €126 million in the first half of the year. The total consumer loan portfolio grew by 15% (€43 million) to over €0.3 billion.

Investment Client Segment

Population in Lithuania is increasingly focusing on investing: the value of investments held in the bank amounted to €1.9 billion at the end of June, 10% higher than at the end of the first half of 2023. Debt capital markets (DCM) services surged, with the bank organizing €92 million in corporate bond issues for 14 clients in Q2.

Assets under management by SB Asset Management exceeded EUR 1.32 billion at the end of the second quarter of 2024 and grew by EUR 57 million in the Q2 of this year alone. Most of the gain was driven by the return on investments of the funds under management, which generated a profit of €35 million for clients. Tier II pension funds generated 2.8% return in the second quarter of this year and have maintained a very high average annual return rate of 10.1% in the last five years since the start of the pension reform of 2019.

SB Asset Management launched the third alternative investment fund in its series, SB Alternative Investment Fund III, with initial investments made in June. Unlike previous funds, this open-ended fund allows investors to both contribute and withdraw capital throughout its lifecycle.

Šiaulių Bankas has started offering its clients convenient access to SB Asset Management funds through its securities trading platform. Clients can now buy and sell fund units without additional fees or minimum investment amounts, streamlining the investment process.

REGARDING EXTERNAL ENVIRONMENT FACTORS

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

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

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

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

On June 7 2023 the international rating agency Moody's Investor Service has upgraded Šiaulių Bankas long-term deposit ratings from Baa2 to Baa1. The outlook on the long-term deposit ratings is affirmed as stable. This is the highest rating in the bank's history. Moody's has also upgraded the long-term Counterparty Risk Ratings from Baa1 to A3. The long-term Counterparty Risk Assessments (CR Assessments) were upgraded from Baa1(cr) to A3(cr). Moody's has affirmed short-term deposit ratings of Šiaulių Bankas at P-2 and the short-term CR Assessments at P-2(cr). The Baseline Credit Assessment has also been upgraded from Ba1 to Baa3. On May 22 2024 the international rating agency Moody's Investor Service has affirmed Šiaulių Bankas long-term deposit ratings of Baa1. The outlook on the long-term deposit ratings remains stable.

COMPLIANCE WITH PRUDENTIAL REQUIREMENTS

Šiaulių Bankas maintained high operational efficiency. Capital and liquidity position remain robust - prudential requirements are implemented with adequate reserve. According to the data as of 30 June 2024 the Bank complied with all the prudential requirements set out by the supervisory authority.

The main financial indicators of the Group:

| | 31/12/2020 | 31/12/2021 | 31/12/2022 | 30/06/2023 | 31/12/2023 | 30/06/2024 |
|---|------------|------------|------------|------------|------------|------------|
| ROAA, % | 1.5 | 1.6 | 1.7 | 2.0 | 1.7 | 1.8 |
| ROAE, % | 12.7 | 14.3 | 16.1 | 18.6 | 15.5 | 16.2 |
| Cost to income ratio, % | 42.7 | 44.1 | 41.7 | 36.8 | 43.5 | 49.3 |
| Cost to income ratio (adjusted due to the impact of the SB draudimas clients' portfolio), % | 42.9 | 42.8 | 43.4 | 35.1 | 41.2 | 45.4 |
| Loan to deposit ratio, % | 75.0 | 78.6 | 94.6 | 97.7 | 92.7 | 95.9 |
| Cost of risk, % | 0.61 | 0.22 | 0.20 | 0.37 | 0.54 | 0.29 |

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

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

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

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

In November 2023, in the international financial markets, Šiaulių Bankas AB successfully supplemented the 4-year issue made in 2021 with an additional nominal value of EUR 50 million. Before this addition, this issue amounted to EUR 160 million, now it is EUR 210 million. The bond issue was aimed at meeting future MREL requirements set by the supervisory authorities of the bank. In June 2023, the Bank successfully placed a 10-year subordinated bond issue of EUR 50 million in the international financial markets, which attracted more investor attention than expected. In May 2024, the Bank successfully placed a 10-year subordinated bond issue of EUR 25 million in the international financial markets. The funds raised will help the Bank to maintain its lending volumes to Lithuanian businesses, to achieve an efficient capital structure, to meet the requirements of the supervisory authority and to maintain the continuity of its dividend policy.

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

- on operating profitability indicators:

[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Profitability Ratios](#)

- prudential requirements:

[Homepage](#) › [Bank Investors](#) › [Financial Information](#) › [Prudential Standards](#)

- the description of alternative performance indicators:

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

AUTHORIZED CAPITAL, SHAREHOLDERS

As of 30 June 2024, the authorized capital of the Bank totalled to EUR 192,269,027.34 and is divided into 662,996,646 units of ordinary registered shares with a nominal value of EUR 0.29 each (ISIN LT0000102253 Nasdaq CSD Lithuanian branch). The Charter of the Bank were registered in the Register of Legal Entities on 15 December 2023 after the last increase of the authorized capital by additional contributions.

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

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

Authorized capital:

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

As of 30 June 2024 the number if the Bank's shareholders was 19,154 (as of 30 June 2023 – 19,737). All issued shares grant the shareholders equal rights foreseen by the Law on Companies of the The Republic of Lithuania of Lithuania and the Charter of the Bank:

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Shareholders owning more than 5% of the Bank's shares and votes as of 30 June 2024:

| | Share of shares and votes, % |
|-------------------------------------|------------------------------|
| Invalda INVL AB, c.c. 121304349 | 19.93* |
| Willgrow UAB, c.c. 302489393 | 8.97 |
| EBRD, LEI code 549300HTGDOVDU60GK19 | 7.25 |
| Tesonet Global UAB, c.c. 305475420 | 5.32 |
| Algirdas Butkus | 5.05** |

* Pursuant to the Law on Securities of the Republic of Lithuania, the shareholder's votes are counted together with the controlled company: INVL Asset Management UAB, c.c. 126263073 - 0.30% of the votes

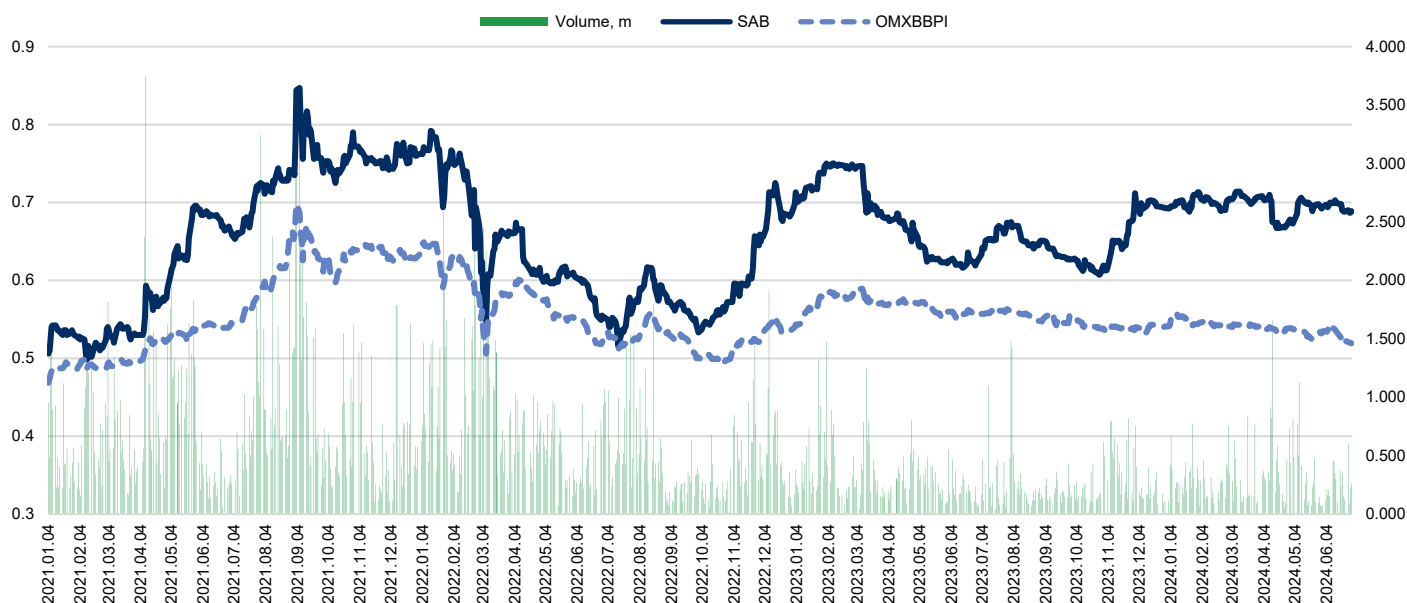
** Votes are counted together with controlled companies: Prekybos namai AIVA UAB, c.c. 144031190 – 1.81%, Mintaka UAB, c.c. 144725916 - 0.79%

Information on shares

| | 31/12/2020 | 31/12/2021 | 31/12/2022 | 30/06/2023 | 31/12/2023 | 30/06/2024 |
|---|------------|------------|------------|------------|------------|------------|
| Capitalization, m EUR | 299.2 | 457.2 | 412.1 | 376.7 | 459.5 | 456.8 |
| Turnover, mln. Eur | 84.5 | 134.8 | 101.9 | 29.6 | 52.1 | 26.7 |
| Share price on the last trading session day | 0.498 | 0.761 | 0.686 | 0.627 | 0.693 | 0.689 |
| Lowest share price during the reporting period | 0.320 | 0.493 | 0.511 | 0.614 | 0.606 | 0.658 |
| Highest share price during the reporting period | 0.558 | 0.890 | 0.794 | 0.754 | 0.754 | 0.714 |
| Average share price during the reporting period | 0.442 | 0.663 | 0.624 | 0.683 | 0.667 | 0.690 |
| Share book value | 0.592 | 0.678 | 0.737 | 0.783 | 0.822 | 0.840 |
| P/BV | 0.8 | 1.1 | 0.9 | 0.80 | 0.84 | 0.82 |
| P/E | 7.0 | 8.3 | 6.11 | 4.54 | 6.10 | 5.31 |
| Capital increase from retained earnings, % | - | - | - | - | - | - |

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

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



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

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

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

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

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

ACQUISITION OF OWN SHARES

Employee options granted for 2020 performance were exercised on 12 April 2024. Thirty-five employees of the Bank Group were granted 2 272 571 Bank shares upon exercise of these options. On 30 June 2024 Bank has 1,250,000 units of its own shares.

AGREEMENTS WITH INTERMEDIARIES IN PUBLIC CIRCULATION

Agreements with public circulation intermediaries regarding the accounting of securities issued by the Bank are, not concluded, this accounting is managed by the Bank's Securities Accounting Department. The Bank has not entered into market-making agreements with respect to securities issued by the Bank.

According to data as of 30 June 2024 the Bank itself, as an intermediary of public trading, under agreements with the companies issuing securities conducted accounting of 750 companies which totalled to 1100 securities issues (including shares of public and private companies, debt securities, investment fund units). The Bank also conducts market making on the Nasdaq Baltic under a market making programme and under agreements with issuers. As of 30 June 2024, the Bank was the market maker of 10 securities issues.

INFORMATION ON DETRIMENTAL TRANSACTIONS

During the reporting period no detrimental transactions inconsistent with the Bank's objectives, normal market conditions, violating the interests of shareholders or other groups of persons and which had or could have a negative impact on the Bank's activities or performance results were concluded. Moreover, there were no transactions entered in terms of conflict of interest among the senior managers of the Bank, controlling shareholders or other related parties' positions to the Bank and their private interests and (or) positions.

DIVIDENDS

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

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

Information on the dividends paid:

| The year for which the dividends are allocated and paid | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|------|-----------|------------|------------|------------|
| Per cent from nominal value | - | 1.90 | 11.72 | 9.14 | 16.72 |
| Dividend amount per share, Eur | - | 0.0055 | 0.0340 | 0.0265 | 0.0485 |
| Dividend amount, Eur | - | 3,303,994 | 20,424,693 | 15,919,246 | 32,094,723 |
| Yields from dividends, % | - | 1.1 | 4.5 | 3.9 | 7.0 |
| Dividends to Group net profit, per cent | - | 7.7 | 37.0 | 23.6 | 42.6 |

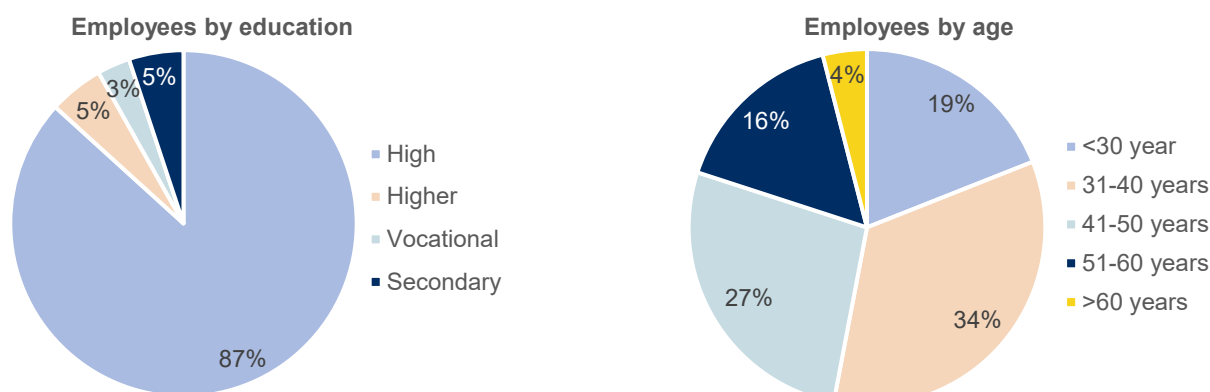
The description of alternative performance indicators is available on the Bank's website at:

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

EMPLOYEES

As on 30 June 2024, the Bank had 1,039 employees and the Group had 1,194 employees (compared to 30 June 2023 the Bank had 857 employees and the Group had 950 employees).

As on 30 June 2024, the Group had 78.4 percent female and 21.6 percent male employees (compared to 30 June 2023 – 79.7 percent female and 20.3 percent male employees)



Average monthly salary of the employees, before taxes:

| | Bank | | | | Group | | | |
|---------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Leading Employees | | Other Employees | | Leading Employees | | Other Employees | |
| | Average number of employees | Average salary per month, EUR | Average number of employees | Average salary per month, EUR | Average number of employees | Average salary per month, EUR | Average number of employees | Average salary per month, EUR |
| 2024 H1 | 81 | 10,854 | 883 | 2,799 | 112 | 10,147 | 983 | 2,783 |

Information on the annual variable remuneration, before taxes, of the Bank's and some of the Group's companies' nominated employees whose professional activities have a significant impact on the Bank's and the Group's risk profile:

| | Bank | Group |
|--|-------|-------|
| 31/12/2023 outstanding deferred annual variable remuneration: | | |
| - in cash, thou EUR | - | - |
| - in shares, thou units | 4,888 | 5,719 |
| Annual variable remuneration allocated in 2024 for 2023: | | |
| - in cash, thou EUR | 570 | 732 |
| - in shares, thou units | 1,925 | 2,128 |
| Annual variable remuneration paid in the first half of 2024: | | |
| - in cash, thou EUR | 570 | 732 |
| - in shares, thou units | 1,991 | 2,273 |
| 30/06/2024 outstanding deferred annual variable remuneration: | | |
| - in cash, thou EUR | - | - |
| - in shares, thou units | 4,822 | 5,574 |

THE COMMITTEES FORMED WITHIN THE BANK, AREAS OF THEIR ACTIVITIES

Functions, procedures of formation and the policy of activities of the bank's committees are defined by the legal acts of the Republic of Lithuania, legal acts of the Bank of Lithuania as well as provisions of the certain committees approved by the Management Board or Supervisory Council of the Bank.

COMMITTEES UNDER AUTHORITY OF THE BANK'S SUPERVISORY COUNCIL

For the effective exercise of the functions and duties of the Supervisory Council, the Bank shall establish standing committees of the Supervisory Council: (i) the Risk Committee; (ii) the Audit Committee; (iii) the Nomination Committee; (iv) the Remuneration Committee; (v) Corporate Affairs Committee, which is established as of 1 January 2024. The members of the committees of the Bank's Supervisory Council shall be appointed by decision of the Supervisory Council.

The Bank's Supervisory Council, elected for a new four-year term (2024 - 2028), approved the new composition of the Bank's Supervisory Council Committees at the Supervisory Council meeting held on 29 March 2024.

Information on the committee members as of 30 June 2024 (the composition of the Committees were unchanged from their approval on 29 March 2024 to 30 June 2024):

The Risk Committee advises the management bodies of the Bank on the overall current and future risk acceptable to the Bank and strategy and assist in overseeing the implementation of the strategy at the Bank, verifies whether prices of liabilities and assets offered to clients take fully into account the Bank's business model and risk strategy and shall also carries out other functions provided for in its provisions.

| | Name, surname | |
|-----------------|-------------------|---|
| <i>Chairman</i> | Susan Gail Buyske | Independent member of the Supervisory Council |
| <i>Members:</i> | Valdas Vitkauskas | Independent member of the Supervisory Council |
| | Darius Šulinis | Member of the Supervisory Council |

The Internal Audit Committee shall address the matters related with improving of the internal control system of the Bank and work improvement of the internal audit subdivision, shall ensure independence of performance of the internal audit subdivision, organize the selection of an external audit firm, co-ordinate allocation of the auditable fields between the internal and external auditors, consider other matters provided for in the legal acts of supervision authorities and regulations of the audit committee. In compliance with the legal acts of supervisory authorities, the audit committee shall be formed, its competence and performance shall be defined, regulations approved and performance supervised by the Council.

| | Name, surname | |
|-------------------|-------------------|---|
| <i>Chairwoman</i> | Monika Nachyla | Independent member of the Supervisory Council |
| <i>Members:</i> | Valdas Vitkauskas | Independent member of the Supervisory Council |
| | Susan Gail Buyske | Independent member of the Supervisory Council |

The Nomination Committee shall nominate and recommend, for the approval of the bodies of the Bank or for the approval of the General Meeting of Shareholders, candidates to fill the vacancies in the Bank's bodies, shall evaluate the balance of the skills, evaluate the target number of the underrepresented gender within the Bank's bodies, knowledge and experience of the members of the bodies of the Bank and suitability for the position, shall submit respective comments and findings, shall assess the structure, size, composition, performance results and shall carry out other functions provided for in its regulations.

| | Name, surname | |
|-----------------|-------------------|---|
| <i>Chairman</i> | Valdas Vitkauskas | Independent member of the Supervisory Council |
| <i>Members:</i> | Darius Šulnis | Member of the Supervisory Council |
| | Monika Nachyla | Independent member of the Supervisory Council |

The Remuneration Committee shall assess the variable remuneration policy, practices and incentives established for the management of the Bank's risks, capital and liquidity, supervise the independent control functions including remuneration to managers in charge of risk management and compliance function, draft resolutions on variable remuneration, advise the Council on the gender neutrality of remuneration policies and perform other functions provided for in its regulations.

| | Name, surname | |
|-----------------|-------------------|---|
| <i>Chairman</i> | Valdas Vitkauskas | Independent member of the Supervisory Council |
| <i>Members:</i> | Gintaras Kateiva | Member of the Supervisory Council |
| | Tomas Okmanas | Independent member of the Supervisory Council |

The Corporate Affairs Committee The main responsibilities of the Corporate Affairs Committee are to participate in the development/review of the annual objectives of the Group, of the annual budget (condensed form) of the Group, also participate in the preparation/review of the strategy of the Group and provide comments and proposals to the Council and to perform other functions set forth in its regulations.

| | Name, surname | |
|-----------------|-------------------|---|
| <i>Chairman</i> | Darius Šulnis | Member of the Supervisory Council |
| <i>Members:</i> | Valdas Vitkauskas | Independent member of the Supervisory Council |
| | Tomas Okmanas | Independent member of the Supervisory Council |
| | Mindaugas Raila | Member of the Supervisory Council |

COMMITTEES UNDER AUTHORITY OF THE BANK'S MANAGEMENT BOARD

Information on the committee members as of 30 June 2024:

The Loan Committee evaluates loan granting material / documents and loan risk, approves / rejects lending decisions and / or amendments to terms and conditions, suggests regarding loan granting, loan interest rates, improvement of loan administration procedures and performs other functions foreseen by its provisions.

| | Name, surname | Position |
|-----------------|----------------------|---|
| <i>Chairman</i> | Edas Mirijauskas | Director of Credit Department |
| <i>Deputy</i> | Diana Leonavičienė | Director of Regional Lending Unit |
| <i>Members:</i> | Dominykas Gesevičius | Director of Corporate Clients management Department |
| | Denis Zubovas | Director of Credit Risk Management and Control Department |
| | Ramūnas Dešukas | Director of the Special Assets Department |
| | Aurelija Geležūnė | Director of the Legal Department |

The Risk Management Committee performs functions related to the organization, coordination and control of the Bank's risk management system, determines and controls risk measurement indicators corresponding to the risk appetite acceptable to the Bank, as well as performs other functions provided for in its regulations.

| | Name, surname | Position |
|-----------------|-------------------|---|
| <i>Chairman</i> | Algimantas Gaulia | Head of Risk Management Division |
| <i>Deputy</i> | Dalia Udrienė | Director of Risk Department |
| <i>Members:</i> | Tomas Dautoras | Director of Non-Financial Risk Department |
| | Agnė Dukšienė | Head of Legal, Compliance and Prevention Division |
| | Edas Mirijauskas | Director of Credit Department |
| | Donatas Savickas | Head of Finance Division |
| | Daiva Šorienė | Head of Corporate Clients Division |
| | Denis Zubovas | Director of Credit Risk Management & Control Department |

NPE (angl. Non-Performing Exposures) Committee's main purpose is to address issues related to NPE restructuring, additional funding, recovery, etc., to ensure the proper implementation of the NPE strategy, to actively reduce the Bank's NPE portfolio, and to carry out other functions set out in its regulations.

| | Name, surname | Position |
|-----------------|----------------------|---|
| <i>Chairman</i> | Ramūnas Dešukas | Director of the Special Assets Department |
| <i>Deputy</i> | Aušra Laurinavičienė | Head of Debt Recovery Unit |
| <i>Members:</i> | Daiva Šorienė | Head of Corporate Clients Division |
| | Denis Zubovas | Director of Credit Risk Management and Control Department |
| | Edas Mirijauskas | Director of Credit Department |
| | Justina Stuknienė | Head of Asset Restructuring & Realization Unit |
| | Asta Rasiulienė | Deputy Director of the Special Assets Department |

The Asset and Liability Management Committee's main purpose is to ensure sustainable management of the Bank's and its subsidiaries assets, liabilities, and capital, implementing the Bank's Group strategic business plan.

| | Name, surname | Position |
|-----------------|----------------------|--|
| <i>Chairman</i> | Donatas Savickas | Head of Finance Division |
| <i>Deputy</i> | Tomas Varenbergas | Head of Investments Management Division |
| <i>Members:</i> | Dalia Udrienė | Director of Risk Department |
| | Algimantas Gaulia | Head of Risk Management Division |
| | Mantas Valukonis | Head of Financial Risk Management Unit |
| | Kristina Lazdauskė | Director of Management Reporting & Planning Department |
| | Mantas Lapinskas | Group Head of Financial Markets Department |

MANAGEMENT OF THE BANK

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

29 March 2024 The General Meeting of Shareholders of Šiaulių Bankas AB elected the Supervisory Council of the Bank for a new four-year term of office (2024-2028). Valdas Vitkauskas, Susan Gail Buyske, Tomas Okmanas, Mindaugas Raila, Darius Šulnis, Gintaras Kateiva were re-elected to the Supervisory Council of Šiaulių Bankas and a new independent member of the Supervisory Council, Monika Nachyla was elected, and took up her duties on 26 June 2024, after obtaining the permission of the Bank's supervisory authority. Valdas Vitkauskas was elected Chairman of the newly elected Supervisory Council. The selection of the eighth member of the Supervisory Council continues.

The Bank's Supervisory Council, whose term of office expires on the day of the Ordinary General Meeting of Shareholders of the Bank in 2028, composition for 30/06/2024 date was:

| Name, Surname | Duties at the Supervisory Council | Share of capital under the right of ownership, % (30/06/2024) | Share of votes together with the related persons, % (30/06/2024) |
|--------------------------|--|--|---|
| <i>Valdas Vitkauskas</i> | Independent member since 01/06/2022 Chairman since 05/08/2022 | - | - |
| <i>Gintaras Kateiva</i> | Member since 2008 | 4.89 | 4.91* |
| <i>Darius Šulnis</i> | Member since 2016 | - | 19.93** |
| <i>Susan Gail Buyske</i> | Independent member since 2020 | - | - |
| <i>Mindaugas Raila</i> | Member since 18/01/2023 | - | 8.97*** |
| <i>Tomas Okmanas</i> | Independent member since 02/02/2023 | - | 5.32**** |
| <i>Monika Nachyla</i> | Independent member since 2024-06-26 | - | - |

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

** Mr. Šulnis is the CEO and indirect shareholder of Invalda INVL AB. Under the right of ownership Invalda INVL AB holds 19.63% of the shares of Šiaulių Bankas AB, together with the controlled company INVL Asset Management UAB it holds 19.93% of the shares and voting rights of Šiaulių Bankas AB.

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

**** Mr. Okmanas is member of the Management Board, CEO and indirect shareholder of Tesonet Global UAB, which owns 5.32% of Šiaulių bankas AB shares and voting rights

At the first meeting of the newly elected Supervisory Council on 29 March 2024, a new Management Board was also elected for a new four-year term of office (2024-2028). The General Meeting of Shareholders approved amendments to the Bank's Articles of Association according to which the Bank's Management Board will consist of 8 members instead of 7, as before. Vytautas Sinius, Mindaugas Rudys, Donatas Savickas, Daiva Šorienė, Algimantas Gaulia and Agnė Dukšienė were re-elected to the Šiaulių bankas Management Board. Two new members have also been elected to the Management Board - Tomas Varenbergas, Head of the Bank's Investment Management Division, who took up his duties on 4 June 2024, after obtaining permission from the Bank's Supervisory Authority, and Laura Kržižinauskienė, Head of the Private Clients' Division, who took up her duties on 7 June 2024, after obtaining permission from the Supervisory Authority.

Vytautas Sinius was elected Chairman of the newly elected Management Board.

The Bank's Board, whose term of office expires on the day of the Ordinary General Meeting of Shareholders of the Bank in 2028, composition for 30/06/2024 date was:

| <i>Name, Surname</i> | <i>Duties at the Board</i> | <i>Other current leading positions at the Bank</i> | <i>Share of capital under the right of ownership, % (30/06/2024)</i> | <i>Share of votes together with the related persons, % (30/06/2024)</i> |
|-----------------------------|----------------------------|--|--|---|
| <i>Vytautas Sinius</i> | Chairman since 19/08/2022 | Chief Executive Officer | 0.29 | 0.29 |
| <i>Donatas Savickas</i> | Deputy Chairman since 1995 | Deputy Chief Executive Officer, Head of Finance Division | 0.14 | 0.14 |
| <i>Daiva Šorienė</i> | Member since 2005 | Deputy Chief Executive Officer, Head of Corporate Clients Division | 0.05 | 0.05 |
| <i>Mindaugas Rudys</i> | Member since 2020 | Head of Service Development Division | 0.07 | 0.07 |
| <i>Algimantas Gaulia</i> | Member since 30/07/2021 | Head of Risk Management Division | 0.01 | 0.01 |
| <i>Agnė Duksienė</i> | Member since 08/05/2023 | Head of Legal, Compliance and Prevention Division | - | - |
| <i>Tomas Varenbergas</i> | Member since 04/06/2024 | Head of Investment Management Division | 0.01 | 0.01 |
| <i>Laura Križinauskienė</i> | Member since 07/06/2024 | Head of Private Clients Division | - | - |

BANK'S COMPANY GROUP

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

The Bank directly controls the following subsidiaries

| | | | | | | |
|--|--------------------------------------|------------|-----------|--------------------------------------|-----------------|--|
| <i>SB Lizingas UAB</i> | finance lease, consumer credits. | 14/07/1997 | 234995490 | Laisvės al. 80, LT-44249 Kaunas | +370 37 407 200 | info@sbl.lt , www.sblizingas.lt |
| <i>SB Turto Fondas UAB</i> | real estate management | 13/08/2002 | 145855439 | Vilniaus str. 167, LT-76352 Šiauliai | +370 41 525 322 | turtofondas@sb.lt , www.sbp.lt |
| <i>Life insurance SB draudimas UAB</i> | life insurance | 31/08/2000 | 110081788 | Laisvės pr. 3, LT-04215 Vilnius | +370 5 236 2723 | info@sbdraudimas.lt , www.sbdraudimas.lt |
| <i>SB modernizavimo fondas UAB*</i> | multi-apartment renovation financing | 05/04/2022 | 306057616 | Tilžės g. 149, LT-76348 Šiauliai | +370 41 595 607 | sbfondas@sb.lt |
| <i>SB Asset Management UAB</i> | fund management | 07/02/2023 | 306241274 | Gynėjų g. 14, LT-01109 Vilnius | +370 41 595 607 | https://info@sbam.lt |
| <i>SB modernizavimo fondas 2 UAB*</i> | multi-apartment renovation financing | 21/02/2024 | 306682354 | Tilžės g. 149, LT-76348 Šiauliai | +370 41 595 607 | sbfondas@sb.lt |

*not consolidated under IFRS 10 requirements

OTHER INFORMATION, PUBLISHED INFORMATION AND MAJOR EVENTS

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

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

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

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

Chief Executive Officer



Vytautas Sinius

Chief Financial Officer



Donatas Savickas

27 August 2024

CONFIRMATION FROM THE RESPONSIBLE PERSONS

We, Chief Executive Officer of Šiaulių bankas AB Vytautas Sinius and Chief Financial Officer Donatas Savickas, confirm that as far as we know, the financial statements for six months of 2024 are formed in compliance with the applicable accounting standards, correspond the reality and correctly reflect the total assets, liabilities, financial status, activity result and cash flow of Šiaulių bankas AB and consolidated companies.

Chief Executive Officer



Vytautas Sinius

Chief Financial Officer



Donatas Savickas

27 August 2024