



CONFIRMATION FROM THE AUTHORIZED PERSONS

We, Deputy Chairman of the Board of Šiaulių bankas AB Donatas Savickas and Chief Financial Officer Vita Adomaitytė, confirm that provided financial statements of Šiaulių bankas AB for 1st half a year of 2009 are formed in compliance with the applicable accounting standards, correspond the reality and correctly reflect the assets, liabilities, financial status and activity result of Šiaulių bankas AB and the Group. As far as we know the interim report contains the correct review of the business development and activities.

Deputy Chairman of the Board

A handwritten signature in blue ink, appearing to read 'Donatas Savickas', written over a faint blue grid.

Donatas Savickas

Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'Vita Adomaitytė', written over a faint blue grid.

Vita Adomaitytė

28-08-2009



FINANCIAL STATEMENTS
30 JUNE 2009

TILŽĖS ST. 149, LT-76348 ŠIAULIAI
TEL.(41) 595607, FAX (41) 430774
e-mail info@sb.lt
www.sb.lt

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INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

THE GROUP'S AND BANK'S BALANCE SHEET

	Notes	30 June 2009		31 December 2008	
		Group	Bank	Group	Bank
Assets					
Cash and cash equivalents	2	192 096	191 975	142 939	142 927
Due from other banks	3	2 722	2 722	1 220	1 220
Trading securities	6	3 447	341	3 689	714
Loans to customers	4	1 453 159	1 641 355	1 490 014	1 674 541
Finance lease receivables	5	117 832	-	128 836	-
Investment securities:					
- available-for-sale	6	39 688	24 164	36 860	21 336
- held-to-maturity	6	145 339	142 233	150 012	147 038
Investments in subsidiaries	6	-	11 157	-	2 135
Intangible assets		641	634	791	780
Tangible fixed assets		60 601	46 229	56 359	46 290
Prepaid income tax		928	605	1 002	-
Deferred income tax assets		20	-	-	-
Other assets	7	69 734	7 747	67 852	12 704
Total assets		2 086 207	2 069 162	2 079 574	2 049 685
Liabilities					
Due to other banks and financial institutions	8	322 182	313 185	445 835	445 945
Due to customers	9	1 434 006	1 434 078	1 259 750	1 259 755
Special and lending funds	10	29 122	29 122	30 699	30 699
Debt securities in issue	11	7 539	7 539	24 997	24 997
Current income tax liabilities		20	-	543	526
Deferred income tax liabilities		153	153	98	98
Other liabilities	12	10 701	4 504	14 028	4 784
Total liabilities		1 803 723	1 788 581	1 784 950	1 766 804
Equity					
Capital and reserves attributable to equity holders of the parent					
Share capital	13	180 358	180 358	180 358	180 358
Share premium		45 681	45 681	45 681	45 681
Reserve capital		2 611	2 611	2 611	2 611
Statutory reserve		6 376	5 981	3 683	3 405
General reserve to cover possible losses in assets		10 000	10 000	-	-
Financial assets revaluation reserve		(560)	(560)	(680)	(680)
Retained earnings		38 018	36 510	58 004	51 506
Minority interest	14	-	-	4 967	-
Total equity		282 484	280 581	294 624	282 881
Total liabilities and equity		2 086 207	2 069 162	2 079 574	2 049 685

The notes on pages 10-30 constitute an integral part of these financial statements

Deputy Chairman of the Board



Donatas Savickas

Chief Financial Officer



Vita Adomaitytė

28 August 2009

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

THE GROUP'S AND BANK'S INCOME STATEMENT

	Notes	30 June 2009		30 June 2008	
		Group	Bank	Group	Bank
Interest and similar income	15	72 997	71 719	68 014	64 916
Interest expense and similar charges	15	(56 674)	(56 349)	(43 241)	(42 982)
Net interest income		16 323	15 370	24 773	21 934
Fee and commission income	16	6 106	6 275	6 846	7 003
Fee and commission expense	16	(2 160)	(2 121)	(2 532)	(2 480)
Net fee and commission income		3 946	4 154	4 314	4 523
Impairment charge for credit losses		(15 342)	(13 726)	(3 012)	(2 599)
Net gain on operations with securities		4 928	304	7 864	(89)
Net foreign exchange gain		1 131	1 131	1 238	1 241
Gain on disposal of assets		(129)	4	81	2
Other income		560	295	524	248
Administrative and other operating expenses	17	(18 906)	(16 329)	(21 305)	(18 438)
Operating profit		(7 489)	(8 797)	14 477	6 822
Dividends from investments in subsidiaries		-	6 377	-	8 797
Profit before income tax		(7 489)	(2 420)	14 477	15 619
Income tax expense	17	-	-	(639)	(600)
Profit for the year		(7 472)	(2 420)	13 838	15 019
Profit is attributable to:					
Equity holders of the Bank		(7 472)	(2 420)	10 880	15 019
Minority interest	14	-	-	2 958	-
Profit for the year		(7 472)	(2 420)	13 838	15 019
Basic and diluted earnings per share, net (in LTL per share)	13	-0,04	-0,01	0,06	0,08

The notes on pages 10 – 30 constitute an integral part of these financial statements

Deputy Chairman of the Board



Donatas Savickas

Chief Financial Officer



Vita Adomaitytė

28 August 2009

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

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

	From 4 to 6 month 2009		From 4 to 6 month 2008	
	Group	Bank	Group	Bank
Interest and similar income	35 593	35 864	35 203	33 668
Interest expense and similar charges	(28 060)	(28 748)	(22 469)	(22 328)
Net interest income	7 533	7 116	12 734	11 340
Fee and commission income	3 038	3 113	3 603	3 677
Fee and commission expense	(1 092)	(1 070)	(1 314)	(1 288)
Net fee and commission income	1 946	2 043	2 289	2 389
Impairment charge for credit losses	(6 447)	(5 579)	(1 588)	(1 354)
Net gain on operations with securities	97	97	1 478	408
Net foreign exchange gain	517	517	713	713
Gain on disposal of assets	(121)	3	58	-
Other income	324	178	226	121
Administrative and other operating expenses	(9 193)	(7 924)	(10 414)	(9 110)
Operating profit	(5 344)	(3 549)	5 496	4 507
Dividends from investments in subsidiaries	-	-	-	-
Profit before income tax	(5 344)	(3 549)	5 496	4 507
Income tax expense	17	-	(694)	(600)
Profit for the period	(5 327)	(3 549)	4 802	3 907
Profit is attributable to:				
Equity holders of the Bank	(5 327)	(3 549)	4 490	3 907
Minority interest	-	-	312	-
Profit for the period	(5 327)	(3 549)	4 802	3 907

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

THE GROUP'S AND BANK'S CASH FLOW STATEMENT

Notes	30 June 2009		30 June 2008	
	Group	Bank	Group	Bank
Operating activities				
Interest received	70 319	69 041	67 746	64 648
Interest paid	(55 432)	(55 107)	(43 492)	(42 233)
Cash received from previously written-off loans	93	8	95	43
Net cash received from operations in foreign currency	1 402	1 402	1 181	1 181
Net cash received from operations in securities	(196)	(196)	576	548
Net cash received from service and commission fees	3 946	4 154	4 314	4 523
Salaries and related payments to and on behalf of employees	(10 232)	(8 897)	(13 231)	(11 476)
Other receipts	431	299	605	507
Other payments	(10 620)	(9 221)	(10 394)	(6 275)
Net cash flow from operating activities before change in short-term assets and liabilities	(289)	1 483	8 400	11 466
(Increase) decrease in assets:				
(Increase) in loans to credit and financial institutions	8 909	21 519	(6 080)	(10 833)
(Increase) in loans to customers	31 655	5 348	(76 648)	(76 305)
Decrease in trading securities	538	669	(983)	640
(Increase) decrease in other assets	(5 335)	1 581	4 527	(2 956)
Change in assets	35 767	29 117	(79 184)	(89 454)
Increase in liabilities				
Increase in liabilities to credit and financial institutions	(89 075)	(89 075)	(46 340)	(46 401)
Increase in deposits, special and leanding funds	127 859	133 726	135 783	136 193
Increase in other liabilities	(2 657)	(6 162)	(1 623)	(60)
Change in liabilities	36 127	38 489	87 820	89 732
Net cash flow from/(used in) operating activities before tax	71 605	69 089	17 036	11 744
Income tax paid	(1 131)	(1 131)	(552)	(507)
Net cash flow from operating activities	70 474	67 958	16 484	11 237
Investing activities				
Purchase of tangible and intangible fixed assets	(6 770)	(1 992)	(3 752)	(2 476)
Disposal of tangible and intangible fixed assets	1 035	834	222	141
Acquisition of available-for-sale securities	(16 858)	(16 858)	(19 651)	(19 651)
Disposal of available-for-sale securities	14 201	14 201	2 738	2 738
Acquisition of held to maturity securities	(6 948)	(6 816)	(3 986)	(3 986)
Proceeds from redemption of held to maturity securities	11 621	11 621	12 929	12 929
Acquisition of subsidiary	-	(9 022)	-	-
Dividends received	4 828	6 581	8 041	8 913
Net cash used in investing activities	1 109	(1 451)	(3 459)	(1 392)
Financing activities				
Increase in share capital	-	-	-	-
Dividends paid	(1)	(1)	(3 214)	(3 214)
Payment to minority shareholders	(4 967)	-	(3 145)	-
Debt securities issued	15 436	15 436	41 193	41 193
Debt securities repurchased and redeemed	(32 894)	(32 894)	(39 295)	(39 295)
Net cash flow from financing activities	(22 426)	(17 459)	(4 461)	(1 316)
Net increase in cash and cash equivalents	49 157	49 048	8 564	8 529
Cash and cash equivalents at 1 January	142 939	142 927	230 540	230 528
Cash and cash equivalents at 30 June	2	192 096	239 104	239 057

The notes on pages 10 – 30 constitute an integral part of these financial statements

Deputy Chairman of the Board



Donatas Savickas

Chief Financial Officer



Vita Adomaitytė

28 August 2009

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

THE GROUP'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Bank							Total equity
	Share capital	Share premium	Reserve capital	Statutory reserve and other reserve	Retained earnings	Total:	Minority interest	
31 December 2007	161 033	65 006	2 611	2 103	49 824	280 577	8 629	289 206
Dividends	-	-	-	-	(3 221)	(3 221)	-	(3 221)
Dividends to minority	-	-	-	-	-	-	(6 103)	(6 103)
Formation of statutory reserve	-	-	-	1 940	(1 940)	-	-	-
Bonus issue of share capital	19 325	(19 325)	-	-	-	-	-	-
Financial assets revaluation reserve	-	-	-	(227)	-	(227)	-	(227)
Recognition of deferred income tax	-	-	-	16	-	16	-	16
Profit for the year	-	-	-	-	10 880	10 880	2 958	13 838
30 June 2008	180 358	45 681	2 611	3 832	55 543	288 025	5 484	293 509
Financial assets revaluation reserve	-	-	-	(891)	-	(891)	-	(891)
Recognition of deferred income tax	-	-	-	62	-	62	-	62
Profit for the year	-	-	-	-	2 461	2 461	(517)	1 944
31 December 2008	180 358	45 681	2 611	3 003	58 004	289 657	4 967	294 624
Dividends	-	-	-	-	-	-	-	-
Dividends to minority	-	-	-	-	-	-	(3 923)	(3 923)
Financial assets revaluation reserve	-	-	-	175	-	175	-	175
Recognition of deferred income tax	-	-	-	(55)	-	(55)	-	(55)
Formation of reserve	-	-	-	12 514	(12 514)	-	-	-
Decrease in share capital of minority shareholders in subsidiaries	-	-	-	179	-	179	(1 044)	(865)
Profit for the year	-	-	-	-	(7 472)	(7 472)	-	(7 472)
30 June 2009	180 358	45 681	2 611	15 816	38 018	282 484	-	282 484

Deputy Chairman of the Board

Chief Financial Officer

28 August 2009



Donatas Savickas



Vita Adomaitytė

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

THE BANK'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve and other reserve	Retained earnings	Total
31 December 2007	161 033	65 006	2 611	360	1 445	39 162	269 617
Dividends	-	-	-	-	-	(3 221)	(3 221)
Financial assets revaluation reserve	-	-	-	(227)	-	-	(227)
Recognition of deferred income tax	-	-	-	16	-	-	16
Formation of statutory reserve	-	-	-	-	1 960	(1 960)	-
Bonus issue of share capital	19 325	(19 325)	-	-	-	-	-
Profit for the year	-	-	-	-	-	15 019	15 019
30 June 2008	180 358	45 681	2 611	149	3 405	49 000	281 204
Financial assets revaluation reserve	-	-	-	(891)	-	-	(891)
Recognition of deferred income tax	-	-	-	62	-	-	62
Profit for the year	-	-	-	-	-	2 506	2 506
31 December 2008	180 358	45 681	2 611	(680)	3 405	51 506	282 881
Formation of statutory reserve	-	-	-	-	2 576	(2 576)	-
Formation of general reserve	-	-	-	-	10 000	(10 000)	-
Financial assets revaluation reserve	-	-	-	175	-	-	175
Recognition of deferred income tax	-	-	-	(55)	-	-	(55)
Profit for the year	-	-	-	-	-	(2 420)	(2 420)
30 June 2009	180 358	45 681	2 611	(560)	15 981	36 510	280 581

Deputy Chairman of the Board



Donatas Savickas

Chief Financial Officer

Vita Adomaitytė

28 August 2009

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

GENERAL INFORMATION

Šiaulių Bankas AB was registered as a public company in the Enterprise Register of the Republic of Lithuania on 4 February 1992. The Bank is licensed by the Bank of Lithuania to perform all banking operations provided for in the Law on Commercial Banks of the Republic of Lithuania and the Statute of the Bank, except for operations with precious metals.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. As of June 30st 2009 the Bank had 503 employees (31 December 2008: 522). As of June 30st 2009 the Group had 557 employees (31 December 2008: 578 employees).

The Bank's shares are listed on the Official List of the National Stock Exchange of Lithuania (NSEL).

The Bank had the following subsidiaries:

1. Šiaulių Banko Lizingas UAB (hereinafter – SB Lizingas, finance and operating lease activities),
2. Šiaulių Banko Investicijų Valdymas UAB (hereinafter SB Investicijų Valdymas, investment management activities),
3. Šiaulių Banko Turto Fondas UAB (hereinafter – SB Turto Fondas, real estate management activities),

Basis of preparation

The financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared under the historical cost convention as modified for the revaluation of available-for-sale investment securities, financial assets and financial liabilities held for trading and all derivative financial instruments.

The preparation of financial statements in conformity with International Financial Reporting Standards require 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.

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

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

Financial risk management

The Group analyses, evaluates, accepts and manages the risk or combination of risks it is exposed to. Risk management at the Group aims at ensuring a sufficient return on equity following the conservative risk management policy. While implementing an advanced risk management policy the Group focuses not only on minimising potential risk but also on improving pricing and achieving efficient capital allocation.

The Risk Management Policy approved by the Bank Board as well as by the procedures to manage different types of risks prepared on its basis ensures the integrity of the risk management process in the Group.

The most important types of risk the Group is exposed to are credit risk, market risk, liquidity risk and operational risk. Concentration risk is treated as part of credit risk. Market risk includes currency risk, interest rate and equity price risk. Other types of risk are considered immaterial by the Group and, therefore, are not assessed.

In order to avoid a conflict of interest the Bank's subdivisions that implement risk management functions are separated from those subdivisions the direct activities of which are connected with the up rise of various types of banking risks.

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

NOTE 1 CREDIT INSTITUTION ACTIVITIES

The bank's Head Office is located in Šiauliai. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 44 client service centres.

As of June 30st 2009 the number of the bank's clients included 247 municipal companies and governmental companies, 56 state companies, 45 agricultural companies, 30 economic partnerships, 4 175 limited liability public companies, 1 633 private companies, 474 non-profit making and public sector companies and 970 other organizations as well as 119 048 individuals.

As of June 30st 2009 and December 31st 2008 the bank controlled 3 subsidiaries: "Šiaulių banko lizingas" UAB (financial and operational leasing), "Šiaulių banko investicijų valdymas" UAB (investment management), "Šiaulių banko turto fondas" UAB (real estate management). The bank owns 100% of "Šiaulių banko lizingas" UAB (acquisition value – 30st June 2009 – LTL 2 000 thou 31st December 2008 LTL 1,000 thou), 100 % (31st December 2008 - 60.4%) of "Šiaulių banko investicijų valdymas" UAB (acquisition value – 30st June 2009 - LTL 4 040 thou, 31st December 2008 LTL 604 thou), 100 % (31st December 2008 - 53.1%) of "Šiaulių banko turto fondas" UAB (acquisition value – 30st June 2009 -LTL 5 117 thou, 31st December 2008 – LTL 531 thou).

The consolidated statements of the Group include financial statements of the bank and its subsidiaries.

NOTE 2 CASH AND CASH EQUIVALENTS

	Group 30 June 2009	Bank 30 June 2009	Group 31 December 2008	Bank 31 December 2008
Cash and other valuables	38 314	38 312	41 116	41 114
Mandatory reserves in national currency	58 611	58 611	46 822	46 822
Correspondent bank accounts	50 190	50 190	19 866	19 866
Banks time deposits	15 127	15 008	35 125	35 125
Correspondent account with central bank	29 854	29 854	-	-
Total:	192 096	191 975	142 939	142 927

Mandatory reserves comprise the funds calculated on a monthly basis as a 4 % share of the average balance of deposits of the previous month. The mandatory reserves are held with the Bank of Lithuania in the form of deposits. The compensation for deposits held is calculated according to the Regulations of the Bank of Lithuania.

NOTE 3 DUE FROM OTHER BANKS

	Group 30 June 2009	Bank 30 June 2009	Group 31 December 2008	Bank 31 December 2008
Due from other banks	2 722	2 722	1 220	1 220
Total:	2 722	2 722	1 220	1 220

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

NOTE 4 LOANS TO CUSTOMERS

Maximum exposure to credit risk before collateral held or other credit enhancements

Credit risk exposures relating to on-balance sheet assets are as follows:	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Cash and balances with central banks	153 782	153 663	101 823	101 813
Loans and advances to banks	2 722	2 722	1 220	1 220
Loans and advances to customers:	1 453 159	1 641 355	1 618 850	1 674 541
Loans and advances to financial institutions	16 079	146 093	24 988	165 065
Loans to individuals (Retail)	258 587	243 961	283 697	267 560
Loans to business customers	1 178 493	1 251 301	1 181 329	1 241 916
Finance lease receivables	117 832	-	128 836	-
Trading assets:				
- Debt securities	3 106	-	2 975	-
- Equity securities	341	341	714	714
Derivative financial instruments	-	-	-	-
Securities available for sale				
- Debt securities	23 425	23 425	20 608	20 608
- Equity securities	16 263	739	16 252	728
Investment securities held to maturity				
- Debt securities	145 339	142 233	150 012	147 038
Other financial assets	30 217	3 990	28 918	7 810
Credit risk exposures relating to off –balance sheet items are as follows:				
Financial guarantees	51 977	51 561	68 115	68 115
Letters of credit	13 270	13 270	9 282	9 282
Loan commitments and other credit related liabilities	63 915	55 825	71 156	64 425
/30 June /31 December	2 075 348	2 089 124	2 089 925	2 096 294

The table above represents a worst case scenario of credit risk exposure at 31 December 2008 and at 30 June 2009, without taking into account any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above on net carrying amount as reported in the balance sheet

Loans and advances are summarised as follows:

	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Business customers	1 207 421	1 410 001	1 214 456	1 415 117
Individuals	265 376	250 117	287 048	270 692
Gross	1 472 797	1 660 118	1 501 504	1 685 809
Less: allowance for impairment	19 638	18 763	11 490	11 268
Net	1 453 159	1 641 355	1 490 014	1 674 541

	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Neither past due nor impaired	1 276 487	1 470 586	1 359 123	1 547 564
Past due but not impaired	146 248	141 701	97 659	94 209
Impaired	50 062	47 831	44 722	44 036
Gross	1 472 797	1 660 118	1 501 504	1 685 809
Less: allowance for impairment	19 638	18 763	11 490	11 268
Net	1 453 159	1 641 355	1 490 014	1 674 541

Loans and advances neither past due nor impaired are loans which are not impaired and payments of which are not past due. Past due but not impaired loans are loans for which principal or interest is past due but no allowance for impairment is recognized.

Impaired loan - is a loan to which a loss event is recognized and allowance for impairment is made.

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

The list of loss events:

- 1) The borrower's financial status is evaluated as poor or bad;
- 2) A borrower is past due with the loan payments (on a principal or interest) for more than 90 days or loan agreement is terminated;
- 3) Proceeds granted to the borrower are used not according to the loan purpose and the implementation terms of investment project are violated;
- 4) Decrease in collateral value, when the repayment terms of the evaluated loans directly depend on the value of the object of security measure;
- 5) Third parties related to the borrower do not fulfil their obligations, which impacts the borrower's ability to fulfil its financial obligations;

The borrower's financial status is evaluated as sufficient and the borrower is past due with the loan payments (on a principal or interest) between 31 day and 90 days.

Loans and advances past due but not impaired

	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Past due up to 30 days	81 823	79 149	63 347	61 096
Past due 31-60 days	34 117	32 969	19 684	18 907
Past due 61-90 days	15 537	14 886	5 824	5 402
Past due more than 90 days	14 771	14 697	8 804	8 804
Total	146 248	141 701	97 659	94 209
Fair value of collateral	230 131	230 131	165,438	165,438

Loans and advances impaired

	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Impaired loans	50 062	47 831	44 722	44 036
Fair value of collateral	34 127	34 127	44 473	44 473

NOTE 5 FINANCE LEASE RECEIVABLES

“Šiaulių banko lizingas” UAB was established on 16th August 1999. The main business of the company is financial lease. Leasing activities mainly depend on the attracted financial resources. The funds allocated to provide funding to leasing operations are formed from two following sources: own funds and bank's loans. The leasing company pays interest to the bank for the borrowed funds.

Finance lease receivables are summarised as follows:

	30 June	31 December
	2009	2008
Business customers	79 744	86 667
Individuals	40 070	43 828
Gross	119 814	130 495
Neither past due not impaired	65 366	103 343
Past due but not impaired	49 931	18 213
Impaired	4 517	8 939
Gross	119 814	130 495
Less: allowance for impairment	(1 982)	(1 659)
Net	117 832	128 836

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

	30 June 2009			31 December 2008		
	Individuals	Business customers	Total	Individuals	Business customers	Total
Finance lease receivables by sector:						
- transport vehicles	2 275	15 596	17 871	2 499	21 880	24 379
- residential real estate	79	22 213	22 292	87	22 047	22 134
- airplanes	-	11 311	11 311	-	11 668	11 668
- production equipment	182	15 837	16 019	233	15 807	16 040
- other equipment	4 385	6 212	10 597	8 155	8 968	17 123
- other assets	33 149	8 575	41 724	32 854	6 297	39 151
Total:	40 070	79 744	119 814	43 828	86 667	130 495

NOTE 6 SECURITIES

Trading securities	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Debt securities:				
Private enterprise bonds			3 106	-
Government bonds			-	-
Equity securities:				
Listed	145	145	551	551
Unlisted	40	40	42	42
Units of funds	156	156	121	121
Total:	3 447	341	3 689	714

BREAKDOWN OF THE BANK'S TRADING SECURITIES AS OF JUNE 30st 2009 AND DECEMBER 31st 2008:

Rating	Treasury bills		Corporate debt securities		Corporate equity securities		Investment fund units	
	2009	2008	2009	2008	2009	2008	2009	2008
AAA	-	-	-	-	-	-	-	-
FROM AA- TO AA+	-	-	-	-	-	-	-	-
FROM A- TO A+	-	-	-	-	-	-	-	-
BELOW A-	-	-	-	-	-	-	-	-
NO RATING	-	-	-	-	185	593	156	121
TOTAL:	-	-	-	-	185	593	156	121

BREAKDOWN OF THE GROUP'S TRADING SECURITIES AS OF JUNE 30st 2009 AND DECEMBER 31st 2008:

Rating	Treasury bills		Corporate debt securities		Corporate equity securities		Investment fund units	
	2009	2008	2009	2008	2009	2008	2009	2008
AAA	-	-	-	-	-	-	-	-
FROM AA- TO AA+	-	-	-	-	-	-	-	-
FROM A- TO A+	-	-	-	-	-	-	-	-
BELOW A-	-	-	-	-	-	-	-	-
NO RATING	-	-	3 106	2 975	185	593	156	121
Total:	-	-	3 106	2 975	185	593	156	121

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Investment securities	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
Bonds:				
Government bonds of the Republic of Lithuania	9 299	9 299	4 273	4 273
Private enterprise bonds the Republic of Lithuania	14 126	14 126	16 335	16 335
Government bonds of foreign states	-	-	-	-
Securities available-for-sale:				
Unlisted equity securities	16 039	515	16 039	515
Units of funds	224	224	213	213
Total :	39 688	24 164	36 860	21 336

Securities held-to-maturity

	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
Bonds of non-residents	6 483	6 483	6 477	6 477
Government bonds of foreign states	21 675	21 675	23 482	23 482
Government bonds of the Republic of Lithuania	112 385	112 385	115 424	115 424
Private enterprise bonds the Republic of Lithuania	4 796	1 690	4 629	1 655
Total investment securities:	145 339	142 233	150 012	147 038

Bank: Rating	Treasury bills		Municipality debt securities		Corporate debt securities	
	2009	2008	2009	2008	2009	2008
AAA	-	-	-	-	-	-
FROM AA- TO AA+	-	-	-	-	-	-
FROM A- TO A+	10 416	12 378	-	-	1 690	1 655
BELOW A-	122 895	125 795	749	733	6 483	6 477
NO RATING	-	-	-	-	-	-
Total:	133 311	138 173	749	733	8 173	8 132

Group Rating	Treasury bills		Municipality debt securities		Corporate debt securities	
	2009	2008	2009	2008	2009	2008
AAA	-	-	-	-	-	-
FROM AA- TO AA+	-	-	-	-	-	-
FROM A- TO A+	10 416	12 378	-	-	1 690	1 655
BELOW A-	122 895	125 795	749	733	6 483	6 477
NO RATING	-	-	-	-	3 106	2 974
Total:	133 311	138 173	749	733	11 279	11 106

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Investments in subsidiaries	30		31			
	June 2009		December 2008			
Bank	Share in equity	Acquisition cost	Carrying value	Share in equity	Acquisition cost	Carrying value
Investments in consolidated subsidiaries:						
ŠB Lizingas UAB	100,0%	2 000	2 000	100,0%	1 000	1 000
ŠB Investicijų Valdymas UAB	100,0%	4 040	4 000	60,4%	604	604
ŠB Turto Fondas UAB	100,0%	5 117	5 000	53,1%	531	531
Total :		11 157	11 000		2 135	2 135

NOTE 7 OTHER ASSETS

	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
Assets held for sale and real estate projects under development	28 666	-	24 797	-
Amounts receivable	30 217	3 990	28 918	7 810
Deferred expenses	2 753	2 591	3 509	3 401
Accrued dividend and other income	472	251	-	-
Prepayments	3 584	348	8 644	809
Foreclosed assets	1 644	36	742	45
Other	2 398	531	1 242	639
Total:	69 734	7 747	67 852	12 704

NOTE 8 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
Correspondent accounts and deposits of other banks and financial institutions:				
Correspondent accounts and demand deposits	13 276	13 279	17 771	17 881
Time deposits	31 337	31 337	96 802	96 802
Total correspondent accounts and deposits of other banks and financial institutions	44 613	44 616	114 573	114 683
Loans received:				
Loans from other banks	177 075	168 075	257 532	257 532
Loans from international organisations	65 296	65 296	73 730	73 730
Loans from financial institutions*	35 198	35 198	-	-
Total loans received	277 569	268 569	331 262	331 262
Total:	322 182	313 185	445 835	445 945

*Šiaulių bankas won the tender arranged by the Ministry of Economy of the Republic of Lithuania and "Investicijų ir verslo garantijos" UAB (INVEGA; Investment and Business Guarantees) for the portion of the budget assignments intended to credit small and medium-sized business.

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

NOTE 9 DUE TO CUSTOMERS

	30		31	
	June 2009		December 2008	
	Group	Bankas	Group	Bankas
Demand deposits:				
National government institutions	1 840	1 840	3 039	3 039
Local government institutions	36 599	36 599	26 039	26 039
Governmental and municipal companies	13 457	13 457	2 154	2 154
Corporate entities	84 278	84 350	88 397	88 416
Non-profit organisations	5 987	5 987	6 379	6 379
Individuals	92 374	92 374	98 914	98 914
Unallocated amounts due to customers	8 673	8 673	5 907	5 907
Total demand deposits:	243 208	243 280	230 829	230 848
Time deposits:				
National government institutions	366	366	646	646
Local government institutions	9 338	9 338	5 003	5 003
Governmental and municipality companies	106 323	106 323	85 951	85 951
Corporate entities	150 643	150 643	126 577	126 563
Non-profit organisations	5 935	5 935	4 738	4 738
Individuals	918 193	918 193	806 006	806 006
Total time deposits:	1 190 798	1 190 798	1 028 921	1 028 907
Total:	1 434 006	1 434 078	1 259 750	1 259 755

NOTE 10 SPECIAL AND LENDING FUNDS

	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
Special funds	514	514	386	386
Lending funds	28 608	28 608	30 313	30 313
Total:	29 122	29 122	30 699	30 699

Special funds consist of compulsory social security and health insurance funds. Special funds have to be available to their contributors on their first demand. Lending funds consist of loans from banks and financial institutions for granting of special purpose credits.

NOTE 11 DEBT SECURITIES IN ISSUE

	30		31	
	June 2009		December 2008	
	Group	Bank	Group	Bank
373 days bonds denominated in EUR with coupon rate of 7,5 per cent, maturity 27-05-2009	-	-	24 997	24 997
184 days bonds denominated in EUR with discount rate of 9,0 per cent, maturity 27-11-2009	7 539	7 539	-	-
Total :	7 539	7 539	24 997	24 997

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

NOTE 12 OTHER LIABILITIES

	30		31	
	June		December	
	2009		2008	
	Group	Bank	Group	Bank
Accrued charges	3 925	3 495	4 113	3 696
Deferred income	1 618	502	1 646	485
Advances received from the buyers of assets	1 763	-	2 016	-
Amounts payable for finance lease agreements	1 631	-	3 845	-
Payable dividends	69	69	73	73
Other	1 695	438	2 335	530
Total:	10 701	4 504	14 028	4 784

NOTE 13 SHARE CAPITAL

As of June 30st 2009, the Bank's share capital comprised 180 357 533 ordinary registered shares with par value of LTL 1 each.

A resolution to increase the bank's authorized capital by LTL 19.324.021 and to issue the same number of ordinary registered shares with the par value of LTL1 each was made during the General Shareholders' Meeting of Šiaulių bankas AB held on March 27th 2008. On 14 May 2008, the Bank has registered the increase of the Bank's authorised share capital.

Seven shareholders of the Bank – European Bank for Reconstruction and Development, Prekybos Namai Aiva UAB, Mintaka UAB, Alita AB, Algirdas Butkus, Gintaras Kateiva and Arvydas Salda – acting jointly in accordance with the Agreement of Shareholders, together with related persons at the end of the year held 39,87 per cent of the Bank's shares and voting rights. Based on its Resolution No. 103 dated 23 June 2005, the Bank of Lithuania gave its consent for this group of shareholders to acquire a qualified share of the authorised share capital and voting rights.

As of 30 June 2009, the Bank had 3 533 shareholder (31 December 2008- 3 549).

Share premium

The share premium represents the difference between the issue price and nominal value of the shares issued by the Bank. Share premium can be used to increase the Bank's authorised share capital.

Reserve capital

The reserve capital is formed from the Bank's profit and its purpose is to ensure the financial stability of the Bank. The shareholders may decide to use the reserve capital to cover losses incurred.

Statutory reserve

According to the Law of the Republic of Lithuania on Banks, allocations to the statutory reserve shall be compulsory and may not be less than 1/20 of the profit available for appropriation. The statutory reserve may, by a decision of the annual or extraordinary general meeting of the shareholders, be used only to cover losses of the activities.

Dividends

In 2008, the annual general meeting of shareholders decided to pay 2 % dividends to the holders of ordinary shares. In 2009, the annual general meeting of shareholders decided to not to pay dividends.

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. The Group and the Bank have no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share.

Bank	30 June 2009	30 June 2008
Profit for the year attributable to equity holders of the Bank (in LTL thousand)	(2 420)	15 019
Weighted average number of issued shares (thousand of shares)	180 358	180 358
Earnings per share (in LTL per share)	(0,01)	0,08

Group	30 June 2009	30 June 2008
Profit (loss) for the year attributable to equity holders of the Bank (in LTL thousand)	(7 472)	10 880
Weighted average number of issued shares (thousand of shares)	180 358	180 358
Earnings per share (in LTL per share)	(0,04)	0,06

NOTE 14 MINORITY INTEREST

	30 June 2009	31 December 2008
	Group	Group
Balance at 1 January	4 967	8 629
Profit for the accounting period	-	2 441
Effect of dividends paid	(3 923)	(6 103)
Increase (decrease) in minority interest	(1 044)	-
Balance at 30 June /31 December	-	4 967

NOTE 15 NET INTEREST INCOME

	30 June 2009		30 June 2008	
	Group	Bank	Group	Bank
Interest income:				
on loans to other banks and financial institutions and placements with credit institutions	1 361	6 757	3 254	6 841
on loans to customers	60 336	61 066	53 921	53 751
on debt securities	4 158	3 896	4 559	4 324
on finance leases	7 142	-	6 280	-
Total interest income	72 997	71 719	68 014	64 916
Interest expense:				
on liabilities to other banks and financial institutions and amounts due to credit institutions	(8 152)	(7 827)	(10 525)	(10 266)
on customer deposits and other repayable funds	(44 766)	(44 766)	(28 968)	(28 968)
on debt securities issued	(744)	(744)	(760)	(760)
compulsory insurance of deposits	(3 012)	(3 012)	(2 988)	(2 988)
Total interest expense	(56 674)	(56 349)	(43 241)	(42 982)
Net interest income	16 323	15 370	24 773	21 934

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

NOTE 16 NET FEE AND COMMISSION INCOME

	30		30	
	June		June	
	2009		2008	
	Group	Bank	Group	Bank
Fee and commission income:				
for money transfer operations	3 018	3 095	3 709	3 787
for payment card services	1 028	1 028	1 205	1 205
for base currency exchange	988	988	726	726
for operations with securities	53	53	165	165
other fee and commission income	1 019	1 111	1 041	1 120
Total fee and commission income	6 106	6 275	6 846	7 003
Fee and commission expense:				
for payment card services	(1 585)	(1 585)	(1 676)	(1 676)
for money transfer operations	(532)	(498)	(658)	(635)
for operations with securities	(28)	(28)	(154)	(154)
for base currency exchange	(1)	(1)	(7)	(7)
other fee and commission expenses	(14)	(9)	(37)	(8)
Total fee and commission expense	(2 160)	(2 121)	(2 532)	(2 480)
Net fee and commission income	3 946	4 154	4 314	4 523

NOTE 17 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	30		30	
	June		June	
	2009		2008	
	Group	Bank	Group	Bank
Salaries, social security and other related expenses	(10 242)	(8 873)	(12 395)	(10 715)
Rent and maintenance of premises	(2 062)	(2 028)	(2 346)	(2 080)
Office equipment maintenance	(465)	(459)	(462)	(462)
Depreciation of fixed tangible assets	(2 115)	(1 710)	(1 925)	(1 505)
Amortisation of intangible assets	(222)	(218)	(328)	(318)
Transportation, post and communications expenses	(1 147)	(962)	(1 160)	(1 020)
Real estate tax and other taxes	(150)	(118)	(470)	(429)
Advertising and marketing expenses	(266)	(247)	(346)	(294)
Training and business trip expenses	(77)	(57)	(101)	(84)
Charity	(83)	(78)	(155)	(131)
Service organisation expenses	(324)	(319)	(220)	(208)
Other operating expenses	(1 753)	(1 260)	(1 397)	(1 192)
Total	(18 906)	(16 329)	(21 305)	(18 438)

NOTE 18 RELATED-PARTY TRANSACTIONS

Related parties with the Bank include the members of the Bank's Supervisory Council and Board, shareholders acting jointly in accordance with the Agreement of Shareholders, the close family members of these related parties, legal entities that are controlled, jointly controlled or can be significantly influenced by, or for which significant voting power in such entities resides with the above mentioned related parties and subsidiary companies of the Bank.

In the ordinary course of business the Bank performs banking transactions with major shareholders, members of the Council and the Board, as well as with the subsidiaries.

During 2008, 2009 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.

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

The year-end balances of loans granted to and deposits accepted from the Bank's related parties, except for subsidiaries, and their average annual interest rates (calculated as weighted average) were as follows:

	Balances of deposits		Balances of loans	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Members of the Council and the Board	5 615	4 503	3 429	2 892
Other related parties (excluding subsidiaries of the Bank)	11 122	5 276	253 322	207 340

Transactions with EBRD:

The balance of the Bank's loans received from the EBRD comprised LTL 64 222 thou (EUR 18,6 million) as of June 30st 2009 including the syndicated loan of EUR 12 million (LTL 41,4 million, the EBRD's share – 33 per cent). As of June 30st 2009 the total value of the EBRD loan was LTL 65 296 thou (in 2008 – LTL 73 730 thou). The interest related with the loan as well as other expenses comprised LTL 1 694 thou on 30 June 2009 (LTL 2 597 thou on 30 June 2008).

Balances of transactions with the subsidiaries are given below:

	Balances of deposits		Balances of loans	
	30 June 2009	31 December 2008	30 June 2009	31 December 2008
Non-financial institutions	65	19	77 586	64 569
Financial institutions	3	110	130 014	140 077

Transactions with subsidiaries: Šiaulių Banko Turto Fondas UAB (as of June 30st 2009 the Bank's holding is 100 % LTL 5 117 thousand, in 2008 - 53.10 %, LTL 531 thousand), Šiaulių Banko Investicijų Valdymas UAB (as of June 30st 2009 the Bank's holding is 100 % LTL 4 040 thousand, in 2008 - 60.4%, LTL 604 thousand), Šiaulių Banko Lizingas UAB (as of June 30st 2009 the Bank's holding is 100 % LTL 2 000 thousand, in 2008 - is 100%, LTL 1,000 thousand).

Assets	30	31
	June 2009	December 2008
Demand deposits	-	-
Loans	207 600	204 646
Debt securities	-	-
Equity securities	-	-
Dividends receivable	-	-
Other assets	34	44
Liabilities and shareholders' equity		
Demand deposits	68	129
Loans	-	-
Debt securities	-	-
Other liabilities	-	-
Bank's investment	11 157	2 135

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Income and expenses arising from transactions with subsidiaries:

Income	30 June 2009	20 June 2008
Interest	7 681	5 058
Commission income	191	214
Income from foreign exchange operations	1	2
Dividends	6 377	8 797
Other income	114	117
Expenses		
Interest	-	-
Commission charges	-	-
Operating expenses	14	6

NOTE 19 CAPITAL MANAGEMENT

The capital of the Group is calculated and allocated for the risk coverage following the General Regulations for the Calculation of Capital Adequacy approved by the Bank of Lithuania Board. The Group's objectives when managing capital are as follows:

- 1) to comply with the capital requirements set by the Bank of Lithuania as well as the higher target capital requirements set by the major shareholder,
- 2) to safeguard the Bank's and the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders,
- 3) to support the development of the Group's business with the help of the strong capital base.

Capital adequacy and the use of the regulatory capital are monitored on a daily basis and information regarding capital adequacy is submitted to the supervising authority quarterly in accordance with the Bank of Lithuania requirements.

The Bank of Lithuania has set the following minimum capital requirements:

- 1) minimum level of capital held must be no less than 5 mill EUR,
- 2) Minimum capital adequacy ratio, calculated as the regulatory capital to the risk-weighted assets, must be no less than 8%.

Additional capital need for credit, operational, market and liquidity risk is subject to the regular stress-testing and Internal Capital Adequacy Assessment processing.

The Group's regulatory capital is divided into two tiers:

- 1) Tier 1 capital consists of the share capital, share premium, reserve capital, retained earnings of the previous financial year and less the intangible assets,
- 2) Tier 2 capital consists of the revaluation reserves of the fixed and financial assets, other reserves.

The regulatory capital is calculated as the sum of the previously mentioned tier 1 and tier 2 capital less the investments in other credit or financial institution.

The risk-weighted assets are measured by means of nine risk weights classified according to the nature of each assets and counterpart, taking into account collaterals and guarantees eligible for risk mitigation. A similar treatment with some adjustments is adopted for the off-balance sheet exposures. Capital requirements for operational risk are calculated using the Basic Indicator Approach.

The table below summarizes the composition of regulatory capital and the ratios of the Bank and Group as of June 30st 2009 and December 31st 2008. During those two years, the Group complied with capital requirements to which it is subject.

	30 June 2009		31 December 2008	
	Group	Bank	Group	Bank
Tier 1 capital				
Ordinary shares	180 358	180 358	180 358	180 358
Share premium	45 681	45 681	45 681	45 681
Reserve capital	2 611	2 611	2 611	2 611
Previous year's retained earnings	45 490	38 930	44 648	33 981
Other reserves	16 376	15 981	3 698	3 405
Not audited result	(7 472)	(2 420)	-	-
Less: Financial assets revaluation reserve	(560)	(560)	(680)	(680)
Less: Intangible assets	(641)	(634)	(791)	(780)
Total Tier 1 capital	281 843	279 947	275 525	264 576

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

Tier 2 capital				
Financial assets revaluation reserve	-	-	-	-
Total Tier 2 capital	-	-	-	-
Less Investments in other credit or financial institutions	-	(1 800)	-	(900)
Total capital	281 843	278 147	275 525	263 676
Capital requirement:				
Standardised approach credit risk	125 761	127 390	128 359	129 177
Traded debt instruments	535	264	499	240
Equities	1 990	129	2 025	170
Foreign exchange risk exposure	2 987	3 035	3 084	2 045
Operational risk by Basic indicator's method	10 971	8 217	10 971	8 217
Total capital requirement:	142 244	139 035	144 938	139 849
Capital ratio, %	15,85	16,00	15,21	15,08

NOTE 20 LIQUIDITY

Liquidity risk means the risk that the Bank is unable to meet its financial obligations in time or that it will not manage to receive financial resources during a short time by borrowing or selling the assets.

The liquidity risk management depends on the Bank's ability to cover the cash shortage by borrowing from the market; and the liquidity of the market itself. While managing the liquidity risk the relatively small size of the Bank has both positive and negative features. On the one part, in case of liquidity problems, the demand for total funds is rather small in terms of banking system, therefore, they are solved easily. On the other part, in case of liquidity problems the Bank's ability to borrow from the market may decrease significantly. Due to that fact the Bank possesses a significant Debt Securities Portfolio, which is of high liquidity.

Liquidity risk management is regulated by the Procedures for Liquidity Risk Management approved by the Bank's Board where strategic and current liquidity risk management measures are distinguished. Strategic (up to 3 months) liquidity risk is evaluated by analyzing the dynamics of various liquidity ratios. A list of these ratios as well as recommended limits to their change are defined in the above-mentioned procedures. Decisions regarding liquidity management issues are made by the Bank's Risk Management Committee with reference to the information submitted by the Bank's Planning and Financial Risks Department or by the Bank's Board with reference to the information submitted by the Risk Management Committee. Current liquidity (up to 10 days) risk management is based on current cash flow analysis and projections. The Treasury Department is responsible for this.

As of June 30st 2009 the above Group's ratio was 33,94 per cent (31-12-2008 -32,14 per cent), and the Bank's – 40,56 per cent (31-12-2008 – 38,75 per cent.).

The tables below disclose the assets and liabilities as of June 30st 2009 according to their remaining maturity defined in the agreements. However, the real 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.

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

The structure of the Group's liabilities by maturity as of June 30st 2009 was as follows.:

	Demand	Up to 1 month	1 to 3 month	3 to 6 month.	6 to 12 month	1 to 3 years	More than 3 years	Maturity undefined	Total:
Total assets	198 668	84 947	102 068	163 799	307 528	596 166	522 099	110 932	2 086 207
Total liabilities and shareholders' equity	252 852	357 939	364 417	262 852	364 305	73 903	125 623	284 316	2 086 207
Net liquidity gap	(54 184)	(272 992)	(262 349)	(99 053)	(56 777)	522 263	396 476	(173 384)	-

The structure of the Group's liabilities by maturity as of December 31st 2008 was as follows.:

	Demand	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	1 to 3 years	More than 3 years	Maturity undefined	Total:
Total assets	137 111	182 957	108 821	176 359	245 398	559 248	572 099	97 581	2 079 574
Total liabilities and shareholders' equity	266 546	359 188	304 536	315 563	270 198	165 939	101 024	296 580	2 079 574
Net liquidity gap	(129 435)	(176 231)	(195 715)	(139 204)	(24 800)	393 309	471 075	(198 999)	-

The structure of the Bank's liabilities by maturity as of June 30st 2009 was as follows.:

	Demand	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	1 to 3 years	More than 3 years	Maturity undefined	Total:
Total assets	196 622	221 682	145 972	139 247	283 134	536 181	484 710	61 614	2 069 162
Total liabilities and shareholders' equity	251 100	354 777	355 099	262 502	363 894	73 757	125 623	282 410	2 069 162
Net liquidity gap	(54 478)	(133 095)	(209 127)	(123 255)	(80 760)	462 424	359 087	(220 796)	-

The structure of the Bank's liabilities by maturity as of December 31st 2008 was as follows.:

	Demand	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	1 to 3 years	More than 3 years	Maturity undefined	Total:
Total assets	135 750	323 226	150 922	157 709	197 889	492 991	535 836	55 362	2 049 685
Total liabilities and shareholders' equity	264 599	353 252	295 227	315 270	269 714	165 786	101 020	284 817	2 049 685
Net liquidity gap	(128 849)	(30 026)	(144 305)	(157 561)	(71 825)	327 205	434 816	(229 455)	-

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

Non-derivative cash flow

Undiscounted cash flows in the table below describe presumable liability side outflows which are represented by nominal contract amounts together with accrued interest till the end of the contract.

Group

30 June 2009

Liabilities	Maturity undefined	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total:
Due to banks	-	22 275	20 325	132 299	91 007	69 583	335 489
Due to customers	-	564 850	357 176	492 803	29 471	589	1 444 889
Debt securities in issue	-	-	-	7 518	269	-	7 787
Special and lending fund	-	1 614	160	3 368	23 469	2 648	31 259
Total liabilities (contractual maturity dates)	-	588 739	377 661	635 988	144 216	72 820	1 819 424

Group

31 December 2008

Liabilities	Maturity undefined	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total:
Due to banks	-	101 662	32 219	123 178	186 236	51 327	494 622
Due to customers	-	516 507	282 684	454 295	30 923	391	1 284 800
Debt securities in issue	-	-	-	25 752	-	-	25 752
Special and lending fund	-	1 720	228	2 703	27 121	3 447	35 219
Total liabilities (contractual maturity dates)	-	619 889	315 131	605 928	244 280	55 165	1 840 393

Bank

30 June 2009

Liabilities	Maturity undefined	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total:
Due to banks	-	22 286	11 241	132 299	91 007	69 583	326 416
Due to customers	-	564 818	357 176	492 803	29 471	589	1 444 857
Debt securities in issue	-	-	-	7 518	269	-	7 787
Special and lending fund	-	1 614	160	3 368	23 469	2 648	31 259
Total liabilities (contractual maturity dates)	-	588 718	368 577	635 988	144 216	72 820	1 810 319

Bank

31 December 2008

Liabilities	Maturity undefined	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total:
Due to banks	-	101 772	23 152	123 178	186 236	51 327	485 665
Due to customers	-	516 512	282 684	454 295	30 923	391	1 284 805
Debt securities in issue	-	-	-	25 752	-	-	25 752
Special and lending fund	-	1 720	228	2 703	27 121	3 447	35 219
Total liabilities (contractual maturity dates)	-	620 004	306 064	605 928	244 280	55 165	1 831 441

NOTE 21 MARKET RISK

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

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

Foreign exchange risk

The foreign exchange risk management is regulated by the Procedures for Foreign Exchange Risk Management. They include the list of types of sale and purchase transactions executed by the Group. Also they establish principles which help the Group to minimize the exposure to foreign exchange risk. The Group does not implement any operations which could cause open currency positions expecting to earn due to the currency rate shift. The Bank's Board approves and reviews on a regular basis the maximum limits for open currency positions for the Bank's branches, subsidiaries and the Bank itself. The established limits are lower than those allowed by the Bank of Lithuania. The Bank's Treasury Department is responsible for the Group's compliance with the Procedures for Foreign Exchange Risk Management.

The Group and the Bank monitors the foreign currency risk by calculating open currency position. Open currency position (OCP) is equal to assets in the balance sheet and off-balance sheet less balance sheet and off-balance sheet liabilities in a single currency. There are two types of OCP, i.e. long and short. The Bank also calculates Total open position (TOP), which is the higher of the separately added short and long positions. As of June 30st 2009 the TOP to capital ratio was: Group's – 1,65 % (31-12-2008: 1,26 %), Bank's – 0,58 % (31-12-2008: 0,41 %).

Sensitivity of foreign exchange risk

Foreign exchange (FX) risk is limited by amounts of open FX positions. For calculation of sensitivity to FX risk all exposures shall be converted into possible loss, i.e. open FX position is multiplied by possible FX rate change. The FX risk parameters for the Group (Bank) have been established in view of the impact of economic slowdown and financial crisis on exchange rates in 2008 and forecasts that currency weakening tendencies will remain in 2009.

Currency	Annual reasonable shift,	Annual reasonable shift,
	2010	2009
LVL	10%	10%
GBP	10%	10%
DKK	1%	1%
USD	10%	10%
SEK	5%	5%
Other currencies	3%	3%

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

Group	30 June 2009		31 December 2008	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
USD	322	322	238	238
GBP	35	35	20	20
DKK	2	2	4	4
SEK	12	12	7	7
LVL	15	15	13	13
Other strengthening by 3%	16	16	7	7
Total :	402	402	289	289

Bank	30 June 2009		31 December 2008	
	Impact on profit or loss	Impact on equity	Impact on profit or loss	Impact on equity
USD	18	18	65	65
GBP	35	35	20	20
DKK	2	2	4	4
SEK	12	12	7	7
LVL	15	15	13	13
Other strengthening by 3%	16	16	7	7
Total :	98	98	116	116

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

The presumable FX rate change creates acceptable impact on the Bank's profit and makes LTL 98 thousand in 2009 (2008: LTL 116 thousand) and the Group's annual profit and makes LTL 402 thousand in 2009 (2008: LTL 289 thousand) higher/lower impact on profit.

The Group's open positions of prevailing currencies as of June 30st 2009 were as follow:

	USD	Other currencies	Total currencies	EUR	LTL	Total:
Assets	51 611	2 070	53 681	735 145	1 297 381	2 086 207
Liabilities and shareholder's equity	46 420	634	47 054	704 430	1 334 723	2 086 207
Net balance sheet position	5 191	1 436	6 627	30 715	(37 342)	-
Currency swaps	(1 971)	-	(1 971)	1 966	-	(5)
Net open position	3 220	1 436	4 656	32 681	(37 342)	(5)

The Group's open positions of prevailing currencies as of December 31st 2008 were as follow:

	USD	Other currencies	Total currencies	EUR	LTL	Total:
Assets	49 186	1 802	50 988	604 499	1 424 087	2 079 574
Liabilities and shareholder's equity	46 802	715	47 517	653 399	1 378 658	2 079 574
Net balance sheet position	2 384	1 087	3 471	(48 900)	45 429	-
Currency swaps	-	-	-	10 358	(10 358)	-
Net open position	2 384	1 087	3 471	(38 542)	35 071	-

The Bank's open positions of prevailing currencies as of June 30st 2009 were as follow:

	USD	Other currencies	Total currencies	EUR	LTL	Total:
Assets	48 572	2 070	50 642	738 828	1 279 692	2 069 162
Liabilities and shareholder's equity	46 420	634	47 054	704 483	1 317 625	2 069 162
Net balance sheet position	2 152	1 436	3 588	34 345	(37 933)	-
Currency swaps	(1 971)	-	(1 971)	1 966	-	(5)
Net open position	181	1 436	1 617	36 311	(37 933)	(5)

The Bank's open positions of prevailing currencies as of December 31st 2008 were as follow:

	USD	Other currencies	Total currencies	EUR	LTL	Total:
Assets	46 148	1 802	47 950	618 130	1 383 605	2 049 685
Liabilities and shareholder's equity	46 802	715	47 517	653 399	1 348 769	2 049 685
Net balance sheet position	(654)	1,087	433	(35,269)	34,836	-
Currency swaps	-	-	-	10 358	(10 358)	-
Net open position	(654)	1 087	433	(24 911)	24 478	-

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Interest rate risk

An interest rate risk is a risk to incur losses because of the mismatch of re-evaluation possibility between the Bank's assets and liabilities. The risk management is regulated by the Procedures for Interest Rate Risk Management which establish methods of risk measurement and set up measures for risk management. These procedures define that:

- the Bank observes the principle to avoid the speculation with future interest rates;
- the risk size is evaluated applying a pattern of interest rate gap (GAP);
- Planning and Financial Risk Department provides the information on regular basis to Risk Management Committee about compliance with relative gap limits and submits proposals to the Bank's Board regarding the establishment of interest rates for credits and deposits.

Sensitivity of interest rate risk

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

Group

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total:
Total assets	252 234	446 040	688 701	116 252	224 519	358 461	2 086 207
Total liabilities and shareholder's equity	448 671	520 201	262 564	264 125	30 832	559 814	2 086 207
Net interest sensitivity gap at 30 June 2009	(196 437)	(74 161)	426 137	(147 873)	193 687	(201 353)	-

**Higher/lower impact on
profit from balance sheet
assets and liabilities**

(3 765)	(1 236)	5 327	(739)	-	-	(414)
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Group

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total:
Total assets	317 917	432 844	654 394	145 790	255 852	272 777	2 079 574
Total liabilities and shareholder's equity	434 488	536 749	259 082	242 791	35 210	571 254	2 079 574
Net interest sensitivity gap at 31 December 2008	(116 571)	(103905)	395 312	(97 001)	220 642	(298 477)	-

**Higher/lower impact on
profit from balance sheet
assets and liabilities**

(1 117)	(866)	2 471	(243)	-	-	245
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INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Bank

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total:
Total assets	391 055	460 497	649 787	86 016	210 133	271 674	2 069 162
Total liabilities and shareholder's equity	448 743	511 201	262 564	264 125	30 832	551 697	2 069 162
Net interest sensitivity gap at 30 June 2009	(57 688)	(50 704)	387 223	(178 109)	179 301	(280 023)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(553)	(423)	2 420	(445)	-	-	999

Bank

	Demand and less than 1 month	From 1 to 3 months	From 3 to 6 months	From 6 to 12 months	More than 1 year	Non- monetary	Total:
Total assets	460 524	440 344	613 839	105 780	241 320	187 878	2 049 685
Total liabilities and shareholder's equity	434 617	527 749	259 082	242 791	35 210	550 236	2 049 685
Net interest sensitivity gap at 31 December 2008	25 907	(87 405)	354 757	(137 011)	206 110	(362 358)	-
Higher/lower impact on profit from balance sheet assets and liabilities	248	(728)	2 217	(343)	-	-	1 395

Operational risk

The aim of the Bank's operational risk management is to clearly define the operational risk, reduce the operational risk at the Bank to an acceptable level and use the results of the operational risk analysis as the base for the implementation of the risk reduction processes and their assessment, i.e. to refuse the inefficient measures, implement new ones and maintain the existing means of operational risk management.

The operational risk management system at the Bank includes all the significant fields of the banking operations: work with cash, lending, establishment and application of fees, payments and settlements, IT, accounting, public trading intermediary, etc.

Taking into consideration the nature and scope of the banking activities, the following operational risk sources may be distinguished: information systems, human impact and loss of tangible assets.

The operational risk management and control system focuses on the identification of the most problematic places at the Bank in terms of the operational risk. The good functioning within the Bank's internal control system is the main factor mitigating the operational risk at the Bank.

Since 2005 the Bank has created the registration system to follow the operational risk events. The registration of the operational risk events is a foundation used for disclosing the major sources of the operational risks with the bank.

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

The Bank's operational risk management system is complimented by the Information Security and Emergency Management System created and installed by the IT agency "Blue Bridge", which increased the reliability of e-banking services and reduced the risks that the Bank's activities might be disturbed using the IT. New regulations regarding the secure work with the IT have been established and started to be applied in all the outlets of the Bank and for separate bank officers, which allows significantly mitigate the risks of crisis related to information security.

Taking into consideration the scope of its activities and opportunity to use the historic data related to the operational risk, the Bank has decided to use a basic indicator method to calculate the additional capital requirements.

Stress tests

Besides the regular assessment of the risks and the capital requirement calculation the Group also performs stress tests for the credit, liquidity, market (interest rate and currency), and operational risks. During this process it is determined if the Bank's capital is sufficient to cover the possible losses which may occur because of the financial status impairment. The stress testing is performed once a year in accordance with the requirements set by the Bank of Lithuania.

22 NOTE SEGMENT INFORMATION

Business segments

Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as at 30 June 2009 and in the income statement for the year then ended:

	Banking	Investment Leasing management	Real estate development	Elimina tions	Total Group
Internal	7 681	(5 396)	(1 248)	(1 037)	-
External	7 689	7 810	322	502	-
Net interest income	15 370	2 414	(926)	(535)	-
Internal	7 872	(5 587)	(1 248)	(1 037)	-
External	11 652	7 776	334	507	-
Net interest, fee and commissions income	19 524	2 189	(914)	(530)	-
Provision expenses	(13 726)	(1 372)	(240)	(4)	-
Internal	14	(101)	(13)	(14)	114
External	(14 415)	(1 132)	(331)	(691)	-
Operating expenses	(14 401)	(1 233)	(344)	(705)	114
Amortisation charges	(218)	(2)	-	(2)	-
Depreciation charges	(1 710)	(364)	(9)	(32)	-
Internal	6 492	-	-	(1)	(6 491)
External	1 619	198	2 358	2 315	-
Net other income	8 111	198	2 358	2 314	(6 491)
Profit before tax	(2 420)	(584)	851	1 041	(6 377)
Income tax	-	17	-	-	-
Profit per segment after tax	(2 420)	(567)	851	1 041	(6 377)
Minority interest	-	-	-	-	-
Profit for the year attributable to equity holders of the Bank	(2 420)	(567)	851	1 041	(6 377)
Total segment assets	2 069 162	145 564	44 414	45 933	(218 866)
Total segment liabilities	1 788 581	143 939	39 410	39 502	(207 709)
Net segment assets (shareholders' equity)	280 581	1 625	5 004	6 431	(11 157)

INTERIM FINANCIAL STATEMENTS OF ŠIAULIŲ BANKAS AB FOR 6 MONTHS 2009

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

Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as of June 30st 2008 and in the income statement for the year then ended:

	Banking	Investment Leasing management	Real estate development	Elimina tions	Total Group
Internal	5 058	(3 587)	(715)	(756)	-
External	16 876	6 720	311	866	-
Net interest income	21 934	3 133	(404)	110	-
Internal	5 272	(3 801)	(715)	(756)	-
External	21 185	6 675	332	895	-
Net interest, fee and commissions income	26 457	2 874	(383)	139	-
Provision expenses	(2 599)	(413)	-	-	(3 012)
Internal	6	(97)	(13)	(13)	117
External	(16 621)	(1 376)	(360)	(695)	-
Operating expenses	(16 615)	(1 473)	(373)	(708)	117
Amortisation charges	(318)	(8)	-	(2)	-
Depreciation charges	(1 505)	(376)	(12)	(32)	-
Internal	8 916	(2)	-	-	(8 914)
External	1 283	382	4 071	3 971	-
Net other income	10 199	380	4 071	3 971	(8 914)
Profit before tax	15 619	984	3 303	3 368	(8 797)
Income tax	(600)	(190)	-	151	-
Profit per segment after tax	15 019	794	3 303	3 519	(8 797)
Minority interest	-	-	(1 308)	(1 650)	-
Profit for the year attributable to equity holders of the Bank	15 019	794	1 995	1 869	(8 797)
Total segment assets	2 116 375	144 805	27 009	32 716	(174 401)
Total segment liabilities	1 835 171	142 779	22 295	25 016	(172 266)
Net segment assets (shareholders' equity)	281 204	2 026	4 714	7 700	(2 135)



**INTERIM CONSOLIDATED REPORT
OF ŠIAULIŲ BANKAS AB
FOR 6 MONTHS 2009**

1. Accounting period covered in the Consolidated Semi -Annual Report

The Consolidated Semi-Annual Report of Šiaulių bankas AB is prepared for 1st half a year of 2009.

2. Contacts of Šiaulių bankas AB

Name – Šiaulių bankas AB
Legal form – public limited company
Date of registration – February 4th 1992
Manager of register – State enterprise Centre of Registers
Company’s code – 112025254
Domicile address – Tilžės st. 149, LT-76348 Šiauliai
Telephone: + 370 41 522 117, 595 602, 595 653
Authorized capital – LTL 109 039 200
Fax + 370 41 430 774
E-mail info@sb.lt
Internet website www.sb.lt

3. Contacts of Šiaulių bankas’ Group

Šiaulių bankas AB has three subsidiaries: “Šiaulių banko lizingas” UAB, “Šiaulių banko turto fondas” UAB and “Šiaulių banko investicijų valdymas” UAB.

Name – “Šiaulių banko lizingas” UAB
Legal form – private limited company
Date of registration – August 16th 1999
Manager of register – State enterprise Centre of Registers
Company’s code – 145569548
Domicile address – Vilniaus str.167, LT-76352 Šiauliai
Telephone: + 370 41 420 855, 502 990
Fax + 370 41 423 437
E-mail lizingas@sb.lt
Internet website www.sblizingas.lt

Name – “Šiaulių banko turto fondas” UAB
Legal form – private limited company
Date of registration – August 13th 2002
Manager of register – State enterprise Centre of Registers
Company’s code – 1455855439
Domicile address – Vilniaus str.167, LT-76352 Šiauliai
Telephone + 370 41 525 322
Fax + 370 41 525 321
E-mail turtofondas@sb.lt
Internet website www.sbturtofondas.lt

Name – “Šiaulių banko investicijų valdymas” UAB
Legal form – private limited company
Date of registration – August 31st 2000
Manager of register – State enterprise Centre of Registers
Company’s code – 1455855439
Domicile address – Vilniaus str.167, LT-76352 Šiauliai
Telephone + 370 41 429 227
Fax + 370 41 525 285
E-mail valdymas@sb.lt

Internet website www.sbiv.lt

4. Nature of Šiaulių bankas' main business

Šiaulių bankas is a universal bank rendering all banking services and operating on national scale. The clients of Šiaulių bankas are both – private and corporate customers using the banking services rendered by the bank and performing relevant financial operations.

In terms of economic difficulties in 2009 Šiaulių bankas remained consistent and faithful to its mission as funding of small and medium-sized business. This is still one of underlying trends in the bank's activities. During the accounting year the bank operated in compliance with its major business principles – attention to clients, expedition of decisions, flexibility of services, adjustment to changing markets – and coherently pursued the set goals.

The Bank performs the following operations in compliance with the law and legal acts of the Republic of Lithuania and the Charter:

- accepts deposits and other returnable funds into accounts opened by the customers and manages them;
- grants and takes loans;
- issues monetary warranties, guarantees and other warranty liabilities;
- issues and performs operations with payable documents (cheques, letters of credits, bills of exchange, etc.);
- performs operations with securities (shares, bonds, etc.);
- performs operations in foreign currency;
- takes customers' valuables for safeguarding and rents safes located at the bank's vault to safeguard valuables and documents;
- provides services and consultations regarding banking activities, finance and customers' investment management issues;
- issues and manages monetary instruments of credit;
- performs other operations in compliance with nature of business of credit institutions defined in the legal acts of the Bank of Lithuania.

5. Group of Šiaulių bankas' subsidiaries

As of June 30th 2009 Šiaulių bankas AB Group consisted of Šiaulių bankas AB and three subsidiary companies:

“Šiaulių banko lizingas” UAB:

- assets – LTL 145.56 million;
- share of the capital managed by the bank – 100 per cent;
- nature of business – financial and operational lease.

“Šiaulių banko turto fondas” UAB:

- assets – LTL 45.93 million;
- share of the capital managed by the bank – 100 per cent;
- nature of business – long-term investments into land, change of its purpose and way of usage, preparation of infrastructure, investments into other real estate, purchase of constructions and buildings, reconstruction, change of their purpose, organization of construction of the own objects, rent of buildings, premises and land, consultations regarding the implementation of the long-term investment projects and monitoring issues.

“Šiaulių banko investicijų valdymas” UAB:

- assets – LTL 44.41 million;
- share of the capital managed by the bank – 100 per cent;

- nature of business – privatization of companies, restructuring and funding of reorganization projects, investments into debt and equity securities as well as into small and medium-sized business, rendering of financial management experience.

During the accounting period the servicing network of Šiaulių bankas AB consisted of 58 territorial outlets.

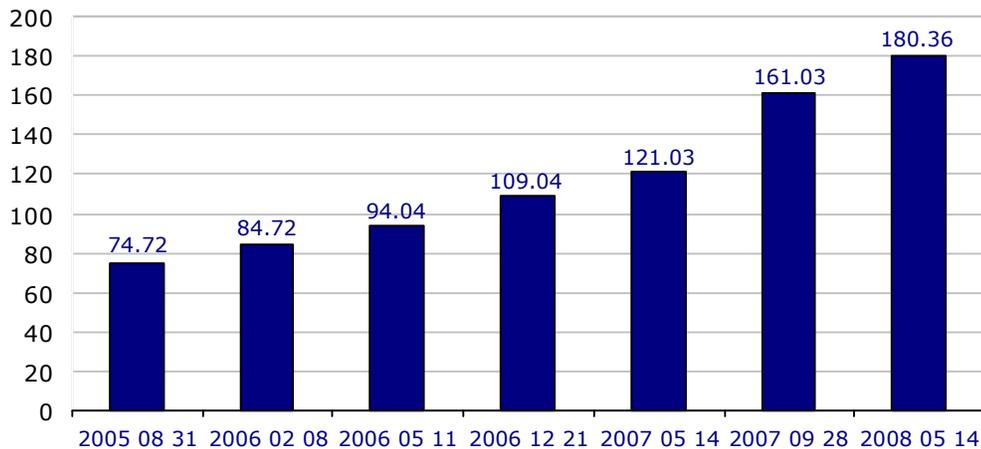
6. Bank's authorized capital

The authorized capital of Šiaulių bankas is LTL 180,357,533. As of June 30th 76.85 per cent of the authorized capital of Šiaulių bankas are owned by the enterprises and private entities registered in Lithuania. The biggest shareholder of the Bank is the European Bank for Reconstruction and Development (EBRD), which owns 16.06 per cent of shares.

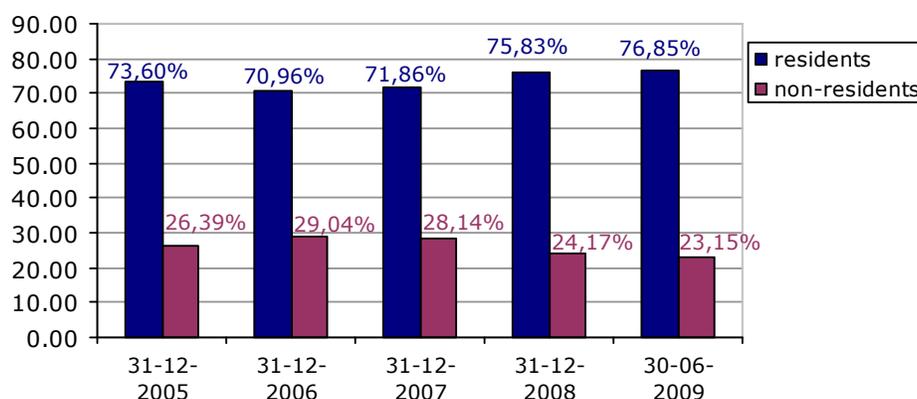
Structure of the Bank's authorized capital:

Type of shares	Number of shares, unt.	Par value, LTL	Total par value, LTL
Ordinary registered shares ISIN LT0000102253	180,357,533	1	180,357,533

Growth of the bank's authorized capital since 2005 (in LTL million):



The shareholders by the place of residence:



The bank's shareholders are entitled to the following rights:

- to receive the share of the bank's profit (dividend);
- to receive the share of assets of the liquidated bank;
- to receive the bank's shares free of charge in case the bank's authorized capital is increased from the bank's own funds except the cases defined in the laws;
- when the shareholder is a natural entity – to bequeath the entire shares or a portion of them to one or several people;
- to sell or otherwise transfer the entire shares or the portion of them to the ownership of other people in compliance with the applicable law;
- to acquire the shares and converted bonds issued by the bank exercising the pre-emptive right except the cases when the Meeting makes a resolution to revoke this right from all the shareholders in compliance with the applicable law;
- to credit the bank in compliance with the applicable law, however, the bank borrowing from its shareholders has no right to pledge its assets to the shareholders. When the bank is borrowing from its shareholder the interest cannot exceed the average interest rate applied in the commercial banks located in the lender's residential place or business place at the moment of the conclusion of agreement. In such case the bank and the shareholders are not allowed to agree about the higher rate of interest;
- other rights in compliance with the applicable law.

The bank's shareholders are entitled to the following non-property rights:

- to participate in meetings;
- to vote in meeting according to the rights granted by the owned shares;
- to receive information about the bank defined in the Law on Public Limited Liability Companies;
- to address the court with the claim requiring to compensate the damage done to the bank because of the Bank's Chief Executive Officer's or the member of the Bank's Board failure to fulfill the duties or inappropriate fulfillment of duties in accordance with the applicable law or the Bank's Charter as well as in other cases defined in the law;
- other non-property rights in compliance with the applicable law.

A person acquires all the rights and commitments granted by the portion of the owned bank's authorized capital and (or) voting rights: in case of capital increase – from the day of registration of the Charter, the amendments of which are related to the increase of the authorized capital and (or) voting rights; in other cases – from the origin of the ownership rights to the bank's authorized capital and (or) voting rights.

7. Information about trading in shares of the subsidiaries belonging to the Group in regulated markets

Only the shares of Šiaulių bankas AB are quoted on the Main List of Vilnius Stock Exchange (AN NASDAQ OMX Vilnius). ISIN code LT0000102253, number of shares – 180,357,533. The shares of the bank’s subsidiaries are issued for non-public trading.

The shares issued by Šiaulių bankas AB during the accounting period are enrolled into comparative index OMX Baltic Benchmark of the securities market of OMX Baltics, which consists of the shares of the most liquid companies with the biggest capitalization, and into the trading index OMX Baltics 10, which consists of the shares of the 10 most liquid companies of the Baltic states in the stock exchanges of the Baltic states. Besides, the shares issued by the bank are included into Dow Jones STOXX Eastern Europe TMI, Dow Jones STOXX Eastern Europe TMI Small and Dow Jones STOXX EU Enlarged TMI indexes.

In the course of six month of 2009 the biggest trading in bank’s shares was registered during the trading session on June 30th 2009, when 1,292,468 units of shares had been purchased/sold for the amount of LTL 928 thou. The highest price per share was registered on January 19th 2009, i.e. LTL 0.95, while the lowest – in March 2009, i.e. LTL 0.63.

Below we provide the graphs indicating the bank’s share price and trading which are placed on the website of AN NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?start_d=1&start_m=1&start_y=2009&end_d=30&end_m=6&end_y=2009&instrument=LT0000102253&list=2&pg=details&tab=historical¤cy=0&date=&lang=en



The graphs below show changes in share price of OMX Vilnius index and Šiaulių bankas AB during 6 months of 2009. The information is taken from the website of the AN NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?pg=charts&idx_main%5B%5D=OMXV&add_index=OMXBBPI&add_equity=LT0000102253&idx_equity%5B%5D=LT0000102253&period=other&start_d=1&start_m=1&start_y=2009&end_d=30&end_m=6&end_y=2009&lang=en



Graph data:

<u>Index/Shares</u>	<u>01.01.2009</u>	<u>30.06.2009</u>	<u>+/-%</u>
OMX Vilnius	179,25	180,42	0,65
SABIL	0,93 LTL	0,67 LTL	-27,96

As of June 30th 2009 capitalization of the bank's shares was LTL 120.84 million (EUR 35.00 million) while on December 30th 2008 it was LTL 167.73 million (EUR 48.58 million).

Below we provide the capitalization of Šiaulių bankas' shares and total capitalization of AN NASDAQ OMX Vilnius trading on the last trading day of the 1st quarter of 2009 and 2008. The information is taken from the website of the AN NASDAQ OMX Vilnius:

http://www.nasdaqomxbaltic.com/market/?pg=capital¤cy=0&market=XVSE&stocktype%5B%5D=main&period=other&start_d=1&start_m=1&start_y=2009&end_d=30&end_m=6&end_y=2009

List of Baltic shares	30.12.2008	30.06.2009	Change
<u>SABIL</u>	48 578 691,65 EUR	34 997 552,05 EUR	-27,96%
Vilnius market, total	2 607 846 138,47 EUR	2 486 500 531,53 EUR	-4,65%

During 1st half a year of 2009 the following bonds issued by the bank were listed on Debt securities list of Vilnius Stock Exchange:

- ISIN LT1000401059, amount of issue EUR 8 million, interest – 7.5 per cent; issued redeemed on 27-05-2009. Two transactions were made over the accounting period, during which 4.731 bond was bought/sold for EUR 498 thou (LTL1.719 thou);
- ISIN LT1000406017, amount of issue EUR 2.19, interest - 9 per cent; redemption date - November 27th 2009.

There were no transactions with the mentioned bonds made over 1st half a year of 2009.

8. Information about agreements entered with public trading intermediaries

Šiaulių bankas has entered into agreements with the following intermediaries engaged in public trading of securities regarding securities accounting (custody) and acceptance and performance of transfers:

- AB FMĮ "Finasta";
- Danske bank A/S Lithuanian branch;
- DnB NORD bank;
- AB bankas "Snoras";

- “Swedbank” AB;
- AB SEB bankas.

The defense agreements of owners of bonds issued by the bank are entered with Ūkio bankas AB.

9. Acquisition of own shares

During the accounting period there were no shares of the bank belonging to the bank itself, its subsidiaries or entities acting on behalf of subsidiaries. The bank has not acquired its own shares and has not transferred them to others.

10. Shareholders

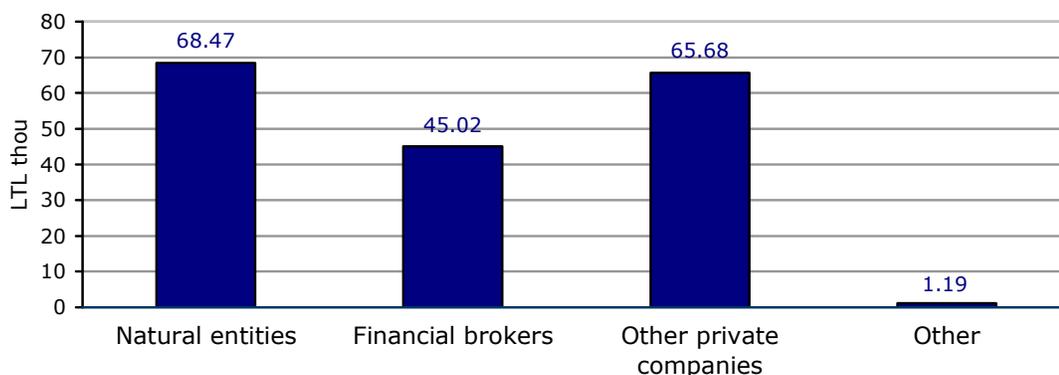
As of June 30th 2009 the total number of shareholders comprised 3533 while on December 31st it was 3549. The holders of all issued shares are entitled to equal rights in compliance with the Law on Public Limited Liability Companies of the Republic of Lithuania and the Charter of the Bank.

Shareholders, who owned more than 5 per cent of the bank’s capital under right of ownership as of June 30th 2009:

No	Shareholder	Number of shares under the right of ownership	Share of the authorized capital under right of ownership, %	Share of votes under right of ownership, %	Share of votes together with related persons, %
1.	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (EBRD) addr. One Exchange Square, London EC2A 2JN, Great Britain	28 965 834	16,06	16,06	39,87
2.	„SLEZVB“ UAB addr. Vilniaus str. 167, Šiauliai	12 977 873	7,20	4,25	4,25
3.	„Šiaulių komercija“ AB addr. Vytauto str. 149, Šiauliai	12 221 269	6,78	3,90	4,00
4.	Gintaras Kateiva	10 561 509	5,86	5,86	39,87

The Bank’s shareholders such as the European Bank for Reconstruction and Development, Trade House “Aiva” UAB, “Mintaka” UAB, “Alita” AB, Algirdas Butkus, Gintaras Kateiva and Arvydas Salda operating together form the Group. As of June 30th 2009 this Group owned 39.87 per cent of the Bank’s authorized capital and votes.

Allocation of the authorized capital by the type of shareholders:



There are no restrictions to securities transfer. The shareholders are entitled to property and non-property rights and have their duties foreseen by the Law on Public Limited Liability Companies of the Republic of Lithuania.

Shareholders, having special control rights and description of these rights. The shareholders control the bank through the elected Supervisory Council. Its functions are defined by the Law on Public Limited Liability Companies of the Republic of Lithuania.

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Restrictions to voting rights. All the bank's shares granting a voting right are of the equal par value and each share gives one vote in the general shareholders' meeting.

A shareholder has no right to vote in making decisions regarding the pre-emptive right to acquire the shares issued by the bank or regarding the recall of the converted bonds, in case the agenda of the general shareholders' meeting foresees that such a right to acquire these securities is to be granted to him, his close relative, shareholder's spouse or to cohabitant, when the partnership is registered under the applicable law, and to the spouse's close relative, in case the shareholders is a natural entity, as well as to the shareholder's parent company or shareholder's subsidiary, in case the shareholders is a legal entity.

An entity wishing to acquire $\frac{1}{10}$ of the bank's authorized capital and (or) such a share of the voting rights or to increase it to the extent when the share of the possessed authorized capital and (or) of voting rights would comprise $\frac{1}{5}$, $\frac{1}{3}$, $\frac{1}{2}$ or to the extent the bank would become controlled by him, should receive the consent from the Bank of Lithuania in advance. In case the entity acquires $\frac{1}{10}$ of the bank's authorized capital and (or) such a share of the voting rights without a supervisory consent from the Bank of Lithuania when such a consent is necessary or when the supervisory institution comes to the resolution to cancel the right to use voting rights, then all the possessed share of the authorized capital and (or) such a share of the voting rights lose the voting right in the general shareholders' meeting.

11. Information regarding compliance with the prudential requirements set to the bank

During 2008 Siaulių bankas operated in compliance with all prudential requirements set by the Bank of Lithuania.

12. Risk management

The Group of Šiaulių bankas analyses, evaluates, accepts and manages the risk or combination of risks it is exposed to. Risk management at the Group aims at ensuring a sufficient return on equity following the conservative risk management policy. While implementing an advanced risk management policy the Group focuses not only on minimising potential risk but also on improving pricing and achieving efficient capital allocation.

The Risk Management Policy approved by the Bank Board as well as by the procedures to manage different types of risks prepared on its basis ensures the integrity of the risk management process in the Group. The goal of the risk management policy is to identify the risks as well as their management principles in the bank's activities. Due to the fact that various risks experienced by the Group are interdependent their management is centralized. Arrangement and coordination of the experienced risk management system is one of the main goals of the Bank's Risk Management Committee.

The Group reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice on regular basis, at least annually.

The most important types of risk the Group is exposed to are credit risk, market risk, liquidity risk and operational risk. Concentration risk is treated as part of credit risk. Market risk includes currency risk, interest rate and equity securities (share) price risk. Other types of concentration are considered immaterial by the Group and, therefore, are not assessed.

In order to avoid a conflict of interest the Bank's subdivisions that implement risk management functions are separated from those subdivisions the direct activities of which are connected with the uprise of various types of banking risks.

13. Ratings provided by the international rating agencies and their amendments

On June 26th 2009 the international rating agency "Moody's Investors Service" set the reviewed ratings of Šiaulių bankas:

- long-term deposit rating – Ba3;
- financial strength rating – D-;
- short-term deposit rating – NP;
- long-term rating outlook – negative.

The change of the ratings and financial strength rating outlook the rating agency has based on the impact of the recession on the bank's profitability and quality of assets.

14. Information about the activity results

In terms of the enduring complicated economic situation in the country Šiaulių bankas AB adjusted its activities to amending realities of economy and business needs over 1st half a year in 2009, thus, remaining the active participator of the credit market.

According to the data as of June 30th 2009 Šiaulių bankas incurred LTL 2,420 million in net loss, i.e. earned LTL 17,44 million less than at the end of the first half a year in 2008, when the bank's net profit reached LTL 15,019 million. Such a financial result for 1st half a year of 2009 was mainly influenced special provisions to cover the loan value impairment., the amount of which increased fivefold comparing it with the same period last year – only over two quarters of this year the bank formed LTL 13,726 million of special provisions. At the end of 2008 the growing decline in the country's economy led to increasing prices of monetary resources, decreasing net interest income and continuing conservative policy of clients' credit risk assessment.

The same tendencies have made an impact on the half-a year result of Šiaulių bankas AB Group this year, i.e. the loss in the amount of LTL 7,472 million (over the first half a year of 2009 special provisions to cover the loan value impairment comprised LTL 15,342 million). During January – June in 2009 "Šiaulių banko investicijų valdymas" UAB earned LTL 0,851 million in net profit and in comparison to the end of June in 2008 (when the net profit was LTL 3,303 million) the profit of this subsidiary decreased by 74.23 per cent. The net profit of "Šiaulių banko turto fondas" reached LTL1,041 million (at the same period in 2008 it was LTL 3,519 million), the net loss of "Šiaulių banko lizingas" UAB was LTL 0,567 million and in comparison to the fist half a year in 2008 the profit decreased by 1,7 times.

Profitability ratios:

		30-06-2009	31-12-2008	31-12-2007
Bank	ROAA, %	-0,24	0,86	1,62
	ROAE, %	-1,72	6,34	12,92
	Cost/income, %	57,41	55,59	47,11
Financial group	ROAA, %	-0,43	0,84	1,64
	ROAE, %	-3,18	6,22	13,08
	Cost/income, %	60,86	56,73	47,99
Entire group	ROAA, %	-0,72	0,65	1,42
	ROAE, %	-5,18	4,64	10,93
	Cost/income, %	68,81	59,27	49,94

Šiaulių bankas AB maintained strong capital and liquidity positions. During the first half a year in 2009 the bank's capital adequacy ratio further remained one of the biggest in the Lithuanian banking sector and reached 16 percent thus even twice exceeding the prudential requirement of 8 per cent set by the Bank of Lithuania. In the middle of the year the liquidity ratio of Šiaulių bankas was 40,56 per cent (the requirement set by the Bank of Lithuania is 30 per cent).

Prudential requirements limiting the activity risks:

		30-06-2009	31-12-2008	31-12-2007
Bank	Capital adequacy, % (>8%)	16,00	15,08	15,07
	Liquidity, % (>30%)	40,56	38,75	44,03
	Maximum loan per borrower, % (< 25%)	24,67	21,30	13,29
	Big exposure standard, % (< 800%)	176,11	166,20	156,99
	General open position in foreign currency, % (< 25%)	0,58	0,41	1,40
Financial group	Capital adequacy, % (>8%)	16,06	15,19	14,33
	Maximum loan per borrower, % (< 25%)	24,56	21,12	13,88
	Big exposure standard, % (< 800%)	128,34	111,86	115,98
	General open position in foreign currency, % (< 25%)	1,67	1,30	1,39
Entire group	Capital adequacy, %	15,85	15,21	14,62
	Maximum loan per borrower, %	24,34	20,43	13,2
	General open position in foreign currency, %	1,65	1,26	1,32

At the end of May this year Šiaulių bankas distributed 21 898 units of discounted bonds with the nominal value of EUR 100 each, the total nominal value of which was EUR 2190 million. After a month the bank started distributing one more issue of discounted bonds of 370 days, total nominal value of which was EUR 10 million (the dissemination of issue was over in July).

The same as in the entire banking sector the assets of Šiaulių bankas kept declining over the first half a year 2 in 009 – in comparison to the data of the same period in 2008 they decreased by 2.23 per cent, i.e. by LTL 47,213 and comprised more than LTL 2069 million. The assets managed by Šiaulių bankas Group also decreased comparing them to the first half a year last year, however, not significantly, i.e. by 2.81 per cent. At the end of the first half a year 2008, the assets of the bank's Group reached LTL 2 147 million, while on June 30th 2009 they comprised LTL 2086 million.

Financing of small and medium-sized business further remains the underlying trend of Šiaulių bankas' activities. The bank has been actively working in the credit market and contributed to new business stimulation models granting the state supported small credits to small and medium-sized business under the Economy stimulation plan prepared by the Government of the Republic of Lithuania. At the end of the accounting period the loan portfolio of Šiaulių bankas reached LTL 1 641 million when at the same time last year it comprised LTL 1 625 million. The nominal value of the balance of the loans granted by Šiaulių bankas increased by 1 per cent, while the fair value of loans granted by the Group's decreased by almost 1 per cent and comprised more than LTL 1 453 million.

After the end of the second quarter of 2009, the deposit amount with Šiaulių bankas exceeded LTL 1 434 million – in comparison with the first half a year of 2008 when the deposits comprised LTL 1 358 million the growth accounted for 5,6 per cent.

Over the first half a year in 2009 Šiaulių bankas' Group earned LTL 20 269 million from net interest, service and commission income, i.e. the Group's income decreased by 30.3 per cent in comparison to the relevant period in 2008. According to the data as of June 30th the bank's Group's net interest income comprised LTL 16,323 million or 65.89 per cent of the net interest income level of the same period last year. Over the period between the end of the first half a year in 2009 and the end of the first half a year in 2008 the net interest and commission income decreased by 8.53 per cent. Paying more attention to cost management the Group's administrative and other activity expenses decreased by 11.3 per cent to LTL 18,906 million comparing the results of the first two quarters in 2009 and 2008.

15. Activity plans and prognosis

Despite the economic difficulties and the credit risk, which significantly grew in the first part of 2009, Šiaulių bankas will further perform its main business – it will grant loans in terms of conservative lending policy. In the future the bank also expects maintaining the high level of a capital adequacy ratio, reducing factors generating unprofitable activities, developing possibilities and services of the electronic banking. Taking into consideration the clients' needs Šiaulių bankas will seek strengthening collaboration with small and medium-sized companies, making expedient decisions, clever using the possessed resources for client servicing and remaining competitive participant of the financial market. All the mentioned factors allow improving expectations of business people and residents.

16. The most important events during the accounting period

Over the period starting from the end of the second quarter of 2008 to June 30th 2009 the total number of active customers of Šiaulių bankas increased by 5.4 per cent or by 6,5 thou – up to 126,7 thou: the number of natural entities increased by 5.3 per cent while corporate customers – by 7.4 per cent. During the same period the bank expanded its ATM network from 24 to 31 ATM.

Searching for the better conditions to the clients Šiaulių bankas had been expanding its servicing network. During the first half a year in 2009 Šiaulių bankas AB opened its new outlet in the trading and entertainment center “Akropolis” opened in Šiauliai. That was the fourth outlet of the bank established in the supermarket and tenth one operating in Šiauliai. All in all at the end of June in 2009 Šiaulių bankas has been rendering its services to the clients in 58 outlets of the bank located in 33 towns of Lithuania.

In 2009 Šiaulių bankas AB and its subsidiaries have been continuing their social initiatives, sponsoring cultural and sport events, supporting organization of holidays in various towns and implementing active educational projects to business people. The bank together with the Ministry of Economy of the Republic of Lithuania and “Investment and Business Guarantees” UAB (INVEGA) arranged the cycle of free seminars to business people called “Possibilities for Business Fostering”. In May Šiaulių bankas took part in Information days to Business arranged by the Ministry of Economy and made presentations on business funding possibilities taking advantage of the state supported small credits as well as other special bank's offers and discounts to corporate customers.

Fostering young people to create enterprising ideas Šiaulių bankas became the general sponsor of the contest “The best project for Šiauliai city and business” arranged by the Municipality of Šiauliai city, Association of Šiauliai Industrialists and Šiauliai Chamber of Commerce, Industry and Crafts for the fourth year already. This year Šiaulių bankas has given a prize to the graduate of Tourism Administration of Šiauliai College for the project of the best idea to the town.

In 2009 Šiaulių bankas has traditionally joined the annual charity campaign “Kindness Day” arranged by LNK, i.e. the bank’s customers had an opportunity to support the idea of that noble campaign donating funds through the bank’s Internet service system “SB linija”. Seeking to attract the societies attention to smoking problems this year for the first time the bank joined the campaign “The European Smoke-free” organized by the European Network of Quitlines in 19 European countries. Wishing to attract attention to women’s contribution in the fields of science, culture, sports, education, social activities and etc. in Šiauliai Šiaulių bankas became the general sponsor of the contest selecting the most venerable woman in Šiauliai, which was arranged by Šiauliai women activities and innovation center together with “Šiauliai region television” UAB for the first time in 2009.

17. Paid dividends

	2005	2006	2007	2008
PER CENT FROM THE NOMINAL VALUE	2,00	2,00	2,00	0,00
Amount of dividends per share, in LTL	0,02	0,02	0,02	0,00
Amount of dividends, in LTL	1 694 400	2 180 784	3 220 670	0

The Bank does not have an established procedure for allocation of dividends. The general shareholders’ meeting decides either to pay dividends or not while allocating the Bank’s profit.

18. Principles of the Internal audit performance

The goal of the Internal Audits is to inspect the activities independently and impartially and provide consultations, to assess the bank’s risk management systematically and comprehensively, to evaluate the bank’s internal control processes and foster its improvements, to assist the bank in achieving its aims insuring that the internal control goals are achieved at the lowest possible costs and the functions of the internal control are implement successfully as it is defined in the General Bank’s Internal Control Organization Provisions approved by the Bank of Lithuania. The Internal Audit Division performs the finance audit, equivalence audit, activity audit, audit of information systems and projects.

The Internal Audit Division performs its functions in accordance with the annual activity plan approved by the Internal Audit Committee. The officers of the Internal Audit Division prior to performance of each audit prepare the audit program. If during the audit the internal auditors find particular violations they immediately inform the Head of the Internal Audit Division. Taking into consideration defects detected in the process of audit and recommendations made by the Internal Audit Division, the heads of the bank’s divisions approve the plan of implementation of recommendations listed in the Internal Audit report. The heads of divisions taking into consideration the significance of the provided conclusions and recommendations assign the internal auditors to perform the control of the implemented recommendations (progress monitoring).

The post-audit activities (progress monitoring) also include inspections on elimination of defects detected by the external auditors and the Bank of Lithuania and implementation of their recommendations. The internal auditors regularly meet the heads of the bank’s divisions and employees in order to identify and discuss the important issues and to use the gained information for further planning of the Internal Audit’s activities.

19. Employees

As of June 30th 2009, Šiaulių bankas employed 503 staff members, 71 per cent of whom had the university education, 17 per cent had college , 7 per cent secondary education (31 per cent of them are recently studying), 2 per cent had special secondary education and 3 per cent had vocational education. In comparison with the end of 2008, the number of employees decreased by 4 per cent and such a change was y caused by the closure of ineffective bank's outlets and other structural changes. As of June 30th 2009, Šiaulių bankas' Group employed 557 employees in total.

Implementing the Human Resource policy the bank seeks creating and developing the long-tem collaboration with its employees. The bank's employees form the professional and tuneful team, which pays the special attention to the clients, partnership, and efficient and flexible decisions. The employees are provided with the opportunities to improve their competencies and skills in the internal and external seminars. The competent and talented employees have career development possibilities. Organization of internal contest helps combining the employees' satisfaction and their commitments and thus insuring the good quality of the performed tasks. The employees are motivated by the privileges to use some of the banking services. The Bank has a name of the attractive employer insuring the social guarantees.

Average monthly salary of the relevant employee group before taxes:

Employee group	30-06-2009		31-12-2008		30-06-2008	
	Officers	Average monthly salary, LTL	Number of employees	Average monthly salary, LTL	Number of employees	Average monthly salary, LTL
Management	8	17 743	8	23 039	8	21 937
Officers	466	2 075	484	2 410	488	2 363

The Bank does not have agreements with the employees foreseeing compensations in case of retirement or dismissal without the reasonable ground or in case their capacities would be canceled because of changes in the bank's control.

There are no collective bargaining agreements at the bank.

The Bank also is not the party of material agreements, which would become effective, change or would be canceled because of changes in the bank's control.

20. The Bank's bodies

The Bank's Bodies are as follows: General Meeting of the Shareholders of the Bank, Supervisory Council of the Bank, Board of the Bank and Chief Executive Officer of the Bank (Head of the Bank). The Board and Head of the Bank are managing bodies of the Bank.

The Supervisory Council is a collegial body supervising the activities of the Bank. It is directed by its Chairman. The General Meeting of the Shareholders elects the Supervisory Council, consisting of 7 members. In accordance with the Bank's Charter the number of tenures of the Council member is not limited.

The Board is a collegial Bank management body consisting of 5 members. It manages the bank, handles its matters and answers under the laws foe execution of the bank's financial services. Order of the board's work is set by the Board work regulations. The Board is elected by the Council for a term of 4 years.

The Head of the Bank arranges everyday activities of the bank and performs other actions necessary to

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perform his functions, to implement decisions of the Bank's bodies and to secure the bank's activities.

Managing bodies of the bank observe laws and other legal acts of the Republic of Lithuania and follow the requirements of the Charter of the Bank. The bank's bodies are elected, assigned and dismissed from the capacities in accordance with the provisions of the mentioned documents.

21. Members of the Collegial bodies

The Bank's Supervisory Council

▪ **Arvydas Salda** – Chairman of the Bank's Supervisory Council. A consultant of „Šiaulių banko turto fondas“ UAB, member of the Board of „Klaipėdos LEZ valdymo bendrovė“ UAB, member of the Board of „Pavasaris“ UAB, member of the Supervisory Council of Šiaulių bankas AB since 1991 (the Chairman since 1999).

Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: the Chairman of the Board of „SLEZVB“ UAB until 2007; member of the Board of „Pavasaris“ UAB since 2005; member of the Board of „LEZ vystymo centras“ UAB until 2005; Director of „Šiaulių banko turto fondas“ UAB from August 2002 to March.; member of the Council of Šiauliai University since 2000; member of the Board of „Klaipėdos LEZ valdymo bendrovė“ UAB since 1998.

Members of the Council:

▪ **Sigitas Baguckas** – Procurist of "Namų statyba" .Deputy Chairman of Council of Šiaulių bankas AB since 2000, member of Council since 1991.

Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: procurist of "Namų statyba" UAB since 2007; director of "Namų statyba" UAB from 1992 to 2007; member of the Board of "Šiaulių dujotiekio statyba" UAB from 2000 to 2005.

▪ **Gintaras Kateiva** – Director of "Litagros prekyba" UAB; Chairman of the Board of "Litagros chemija" UAB; advisor of the director of "Litagros mažmena" UAB, member of the Supervisory Council of Šiaulių bankas AB since 2008.

Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: General Director of "Litagros prekyba" UAB from July 1993 to February 2008; advisor of the director of "Litagros chemija" UAB from February 1996 to January 2005; Deputy Director of "Litagros mažmena" UAB from September 2003 to January 2005; Director of "Litagros mažmena" UAB from March 1999 to August 2003.

▪ **Kastytis-Jonas Vyšniauskas** – General Director of "Sulinkiai" UAB; member of the Board of "Agrofertā" UAB, member of the Supervisory Council of Šiaulių bankas AB since 1996.

Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: General Director of "Sulinkiai" UAB since April 2000; member of the Board of "Agrofertā" UAB since 2000.

▪ **Vigintas Butkus** – Director of "Mintaka" UAB; Director of trade house „Aiva“ UAB (secondary capacity), member of the Supervisory Council of Šiaulių bankas AB since 2004.

Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: Director of "Mintaka" UAB since February 2000; Director of trade house "Aiva" UAB (secondary capacity) since May 2002.

▪ **Vytautas Junevičius** – the Chairman of the Board, General Director of "Alita" AB; Chairman of the Board "Anykščių vynu" AB. A member of the Supervisory Council of Šiaulių bankas AB since 2006.

Companies and partnerships, the member or partner of the management or supervisory bodies the entity

used to be over the last five years: the Chairman of the Board "Anykščių vynos" AB since July 2004, Chairman of the Board, General Director of "Alita" AB since February 1994; General Director of "Invinus" UAB from May 2003 to April 2004.

- **Matti Hyrynen** – Head of the European Bank for Reconstruction and Development's

Resident Office in Vilnius. A member of the Supervisory Council of Šiaulių bankas AB since 2008. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: Head of the EBRD's Resident Office in Vilnius since May 2001.

The Bank's Board

- **Algirdas Butkus** – the Chairman of the Board, Chief Executive Officer. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: Chairman of the Board of Šiaulių bankas, Chief Executive Officer since April 1999.

- **Donatas Savickas** – Deputy Chairman of the Board, Deputy Chief Executive Officer, Head of Finance and Credit Division. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: Deputy Chairman of the Board of Šiaulių bankas AB, Deputy Chief Executive Officer, Head of Finance and Credit Division since October 2005, Deputy Chairman of the Board of Šiaulių bankas AB since 1995.

- **Vita Adomaitytė** – member of the Board, Chief Financial Officer, Head of Accounting and Reporting Division. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: member of the Board, Chief Financial Officer, Head of Accounting and Reporting Division since October 2005, member of the Board, Chief Financial Officer since July 2002.

- **Daiva Kiburienė** – member of the Board, Deputy Chief Executive Officer, Head of Corporate and Retail Banking Division. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: a member of the Board of "Grimeda" UAB from December 2007 to February 2008, member of the Board of Šiaulių bankas AB, Deputy Chief Executive Officer, Head of Corporate and Retail Banking since October 2005, Deputy Chief Executive Officer, Head of Corporate and Retail Banking Division of Šiaulių bankas AB since May 2005, Deputy Chairman of the Board, Regional Manager since May 2001.

- **Jonas Bartkus** – member of the Board, Deputy Chief Executive Officer, Head of Business Development Division since December. Companies and partnerships, the member or partner of the management or supervisory bodies the entity used to be over the last five years: a member of the Board of Šiaulių bankas AB, Deputy Chief Executive Officer, Head of Business Development Division of Šiaulių bankas AB from December 2005, member of the Board since October 2005, Director of IT department of Šiaulių bankas AB since January 2001.

Name, surname	Beginning/end of tenure	Share of capital under the right of ownership, %	Share of votes together with the related entities, %
Arvydas Salda	Beginning 27-03-2008 End 2012	2.63	39.87
Sigitas Baguckas	Beginning 27-03-2008 End 2012	0.58	39.87
Kastytis Jonas Vyšniauskas	Beginning 27-03-2008 End 2012	1.00	39.87
Vigintas Butkus	Beginning 27-03-2008 End 2012	0.31	39.87
Vytautas Junevičius	Beginning 27-03-2008 End 2012	0.03	39.87
Matti Hyyrynen	Beginning 27-03-2008 End 2012	-	-
Gintaras Kateiva	Beginning 27-03-2008 End 2012	5.86	39.87
Algirdas Butkus	Beginning 27-03-2008 End 2012	4.49	39.87
Donatas Savickas	Beginning 27-03-2008 End 2012	<0.01	39.87
Vita Adomaitytė	Beginning 27-03-2008 End 2012	0.02	39.87
Daiva Kiburienė	Beginning 27-03-2008 End 2012	<0.01	39.87
Jonas Bartkus	Beginning 27-03-2008 End 2012	<0.01	39.87

Amounts of funds in total and average amounts per members of the collegial body calculated during 1st half year of 2009:

Members of management bodies	Number of people	total amounts, LTL	Average amounts, LTL
Members of the Bank's Council	7	0	0
Members of the Bank's Board	5	0	0
CEO and CFO	2	503 124	251 562

Loans granted to the members of the Council and Board as of June 30th 2009:

Members of management bodies	Granted loans, LTL
Members of the Bank's Council	3 391 460
Members of the Bank's Board	37 595
TOTAL	3 429 055

22. Transactions with related parties

There were quite many banking transactions entered with related parties in the course of general activities over 1st half a year in 2009. The related parties of the bank are as follows: the members of the Bank's Supervisory Council and the Bank's Board, shareholders acting together under the Shareholders' Agreement, close family members of the mentioned related parties as well the bank's subsidiaries and the companies which are controlled by the related parties, jointly controlled companies or companies, in which these related parties have a significant influence. All the

transactions have been entered into on usual market terms. The comprehensive description of the transactions is provided in the explanatory note of the financial statement of Šiaulių bankas for 1st half a year in 2009.

23. Data on the publicly disclosed information

Publicly disclosed information during the 1st half a year of 2009:

- 15-01-2009 report regarding the loss of share block;
- 12-02-2009 announcement regarding approved base prospectus of non-equity securities in the amount of LTL 100 million;
- 19-02-2009 preliminary result of activities in 2008;
- 19-02-2009 summoning of general shareholders' meeting;
- 27-02-2009 interim financial information of Šiaulių bankas AAB for 12 months of 2008;
- 17-03-2009 draft resolutions for the general shareholders' meeting to be held on 27-03-2009;
- 27-03-2009 resolutions of the general shareholders' meeting;
- 30-03-2009 acquisition of share blocks;
- 30-03-2009 audited annual information for 2008;
- 10-04-2009 bank's activity results for the 1st quarter of 2009;
- 29-04-2009 summoning of extraordinary general shareholders' meeting;
- 30-04-2009 issue of the bond issue;
- 21-05-2009 cancellation of extraordinary general shareholders' meeting;
- 28-05-2009 it was decided to submit an application regarding enrolment of the bond issue into trading in regulated market;
- 29-05-2009 report regarding the subordinated loan;
- 29-05-2009 pre-audited activity result of Šiaulių bankas' Group for the 1st quarter of 2009;
- 29-05-2009 financial statement of Šiaulių bankas AB for 1st quarter 2009;
- 16-06-2009 issue of the bond issue;
- 26-06-2009 "Moody's Investors Service" changed ratings of Šiaulių bankas AB.

Šiaulių bankas AB has informed the Securities Commission and Vilnius Stock Exchange (AB NASDAQ OMX Vilnius) about all the stock events in accordance with the procedures set by the Charter and the legal acts of the Republic of Lithuania, the reports were announced in the central regulated data base and on the Šiaulių bankas' website www.sb.lt. The notifications regarding shareholders' meeting were additionally published in the daily newspapers "Lietuvos rytas" and "Šiaulių kraštas".

24. Procedures of Charter amendments

The Bank's Charter can be amended only by the resolution of the General Shareholders' Meeting at 2/3 majority of votes, except exclusive cases defined in the law.

25. Information regarding compliance with the Governance Code

The Bank operates in compliance with the many standards set in the Governance Code. Information about how the bank complies with the particular articles of the Governance Code did not change over 1st half a year of 2009. The entire information is provided together with the annual report of 2008. The entire information is also available on the website of Šiaulių bankas www.sb.lt.

Deputy Chairman of the Board



Donatas Savickas