

SOCIAL RESPONSIBILITY REPORT 2017

Prepared in accordance with the Global Reporting Initiative Standard

ŠIAULIŲ  BANKAS



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ABOUT REPORT



Since 2008, Šiaulių Bankas is a member of Global Compact initiated by the United Nations. Preparing social responsibility report, the bank follows principles of the Compact, and this

year, for the first time, presents a report based on the recommendations of the Global Reporting Initiative (GRI).

Since 2010, the Bank provides comprehensive annual social responsibility reports publicly available on the Bank's website under the Social Responsibility section and on the Global Compact website. This part of the Bank's Consolidated Annual Report, entitled "Social Responsibility", provides the concise Bank's Social Responsibility Report for January-December 2017.

The report on socially responsible activities of Šiaulių Bankas reveals the Bank's progress in its relations with employees, customers and the community as well as its engagement in environmental protection.

Any questions and comments with regard to the socially responsible activities could be submitted via e-mail kommunikacija@sb.lt

CEO'S WORD



Being a Lithuanian bank and operating in Lithuania, we have tight links to the environment in which we operate. The economic environment in the regions, the actuality of the labour market, and the prosperity of small and medium-sized businesses - all of which have a direct impact on the activities of the bank.

This law works in the other direction as well: by our actions, both related with direct activities and the extra ones we take, we can contribute to the country's economic growth, the promotion of entrepreneurship or stronger communities.

That is why we consider socially responsible activities to be an integral part of our business. Its main idea lies in our vision. "The Best Financing Solutions for Business Ambitions and People's Ideas" sounds the idea that guides us in our everyday work. By our activities we aim to stimulate growth: our country's, business', or each of us.

From employee relationships to customer service quality, from small business development stimulation to community building - we have many opportunities for growth. In this report on socially responsible activities, we review the opportunities that we have used in 2017.

Chief Executive Officer of Šiaulių Bankas Vytautas
Sinius.

STRATEGY AND ANALYSIS



Main impact, risks and opportunities

The main areas of impact of the organization are determined taking into account the nature of the activities of the group companies and the long-term strategy.

Economics

The banks contributes to the country's economic growth directly and indirectly. By offering a wide range of financing instruments to small and medium-sized business , the Bank seeks to promote the development and growth of such companies. As the main partner of apartment renovation in the country, the Bank contributes to energy efficiency projects.

Social area

In order to promote the entrepreneurship of the population, the Bank's employees regularly read reports on business development opportunities.

In order to strengthen communities, the Bank supports social or cultural projects and initiatives in the regions.

Environment

The Bank seeks to consistently reduce the amount of resources used and to preserve the environment which it operates in.

ORGANIZATIONAL PROFILE



Founded in 1992, the Bank is a rapidly and steadily growing financial institution with the diversified shareholder base consisting of Lithuanian and foreign shareholders including the European Bank for Reconstruction and Development (EBRD) that owns 18 per cent of the bank's shares.

Providing financial services to private and corporate clients the Bank aims to be a reliable, flexible and attentive financial partner focusing on the country's potential and financial welfare of the population and business in Lithuania.

Activities, brands, products, and services

The bank's priority areas:

- Lending to small and medium-sized business
- Consumer financing
- Saving and Investments
- Daily banking services

The following services are provided to the private and corporate customers:

- banking service plans for a fixed monthly fee (to private customers);
- opening and handling of bank accounts euros and foreign currency to Lithuanian and foreign clients;
- transfer of funds in euro and foreign currency to the accounts with the banks operating in Lithuania and abroad;
- collection utility bills and other settlements;
- e-invoice service, standing and conditional orders;
- account management on the on-line banking system;
- mobile banking services;
- issue and administration of payment cards;
- granting of various short-term and long-term credits;
- trading in foreign currencies;
- conclusion of various types deposit agreements;
- Investment services:
- intermediation in entering transactions on the Stock Exchanges;
- Securities transactions concluded over-the-counter;
- consulting regarding issue, acquisition and transfer of securities;
- handling of accounting of shares issued by the entities;
- issue of debt securities;
- preparation of share issue prospectus;
- other investment services;
- distribution of commemorative coins and numismatic sets, etc.

Location of headquarters

The Bank's head office is located in Šiauliai.

Location of operations

The Bank's units operate in all major cities and financial active regional centres of Lithuania. The Bank's services are provided throughout Lithuania.

Ownership and legal form

Šiaulių Bankas is a limited liability public company.

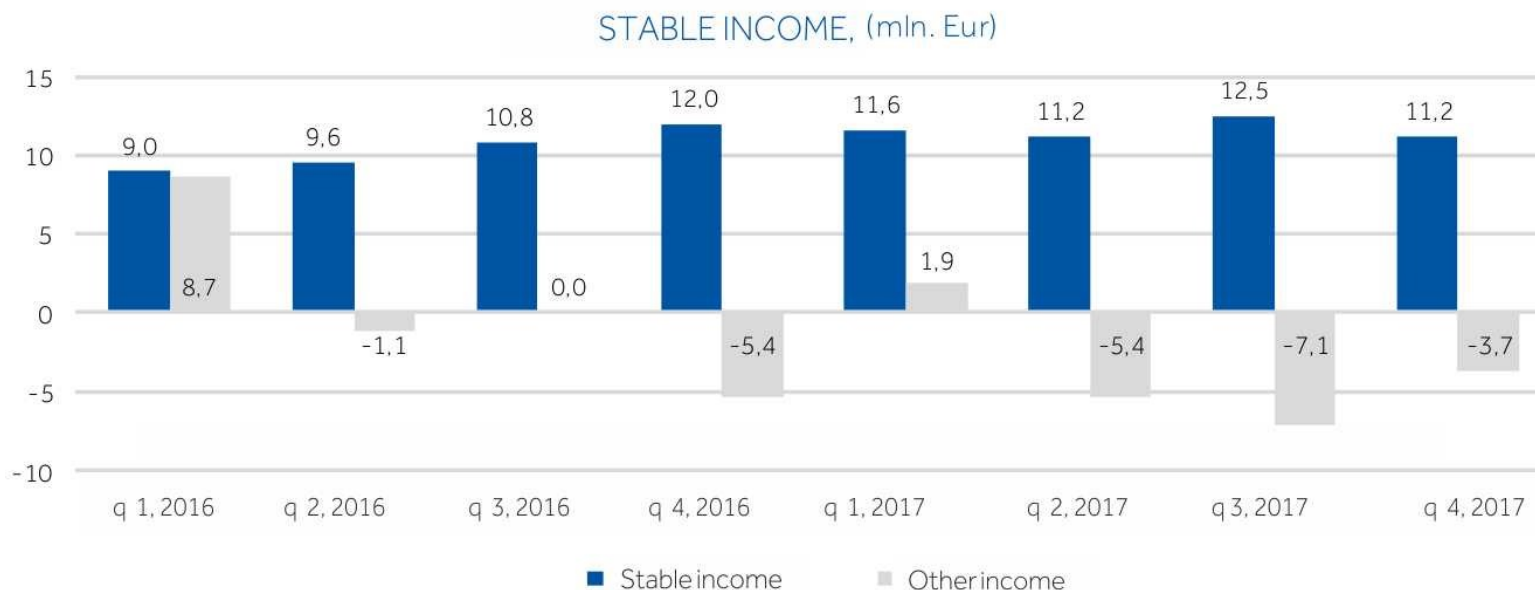
The shares issued by the Bank are included in the Nasdaq indexes. The number of the Bank's shareholder was 4,496 as of 31 December 2017.

Markets served

The Bank's services are rendered in the Republic of Lithuania

Scale of the organization

In 2017, the Group earned 32.1 million euro, the bank - 30.9 million euro of unaudited net profit. Compared to 2016, last year the Group's stable income from typical activities during grew by 12%.



On the basis of performance, each year the General Meeting of Shareholders decides whether to pay dividends to shareholders.

Information on the dividends paid:

The year of dividend assignment and payment	2013	2014	2015	2016	2017
Percentage from nominal value	0.50	0.00	0.25	0.69	1.72
Dividend amount per share, Eur	0.00145	0.00	0.000725	0.002	0.005
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Dividends to net profit, %	7.89	0.00	1.84	2.97	4.53

Information on employees and other workers

As of 31 December 2017, the Bank employed 702 employees and together with the Group's companies they amounted to 805.

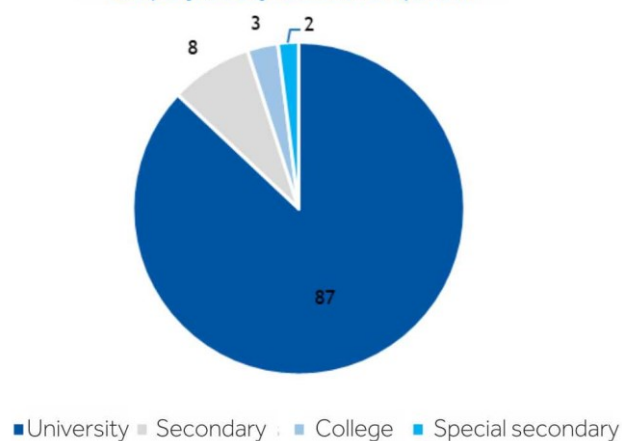
As of 31 December 2017 the Group employed 80 per cent of women and 20 per cent of men.

Precautionary Principle or approach See report disclosure 102-30

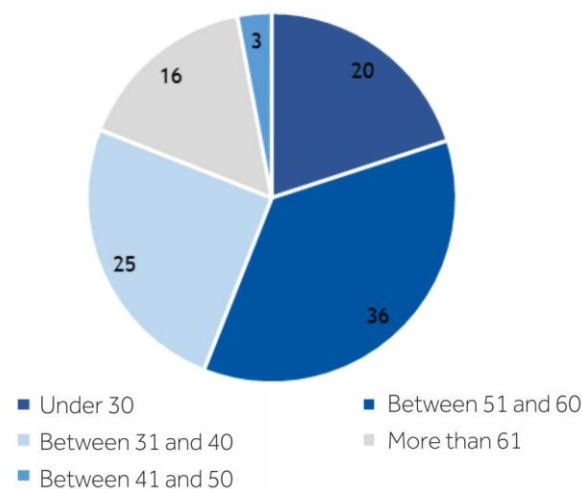
For more see:

[The Financial Risk Management](#) disclosure in notes to the financial statements for the year 2017.

Employees by education (perc.):



Employees by age (perc.):



External initiatives

Šiaulių Bankas is a member of an international initiative Global Compact since 2010.

Membership in associations

The Bank participates in the activities of the following organizations, associations, and associated structures:

- Society for Worldwide Interbank Financial Telecommunication (SWIFT)
- Visa Inc. Europe International Payment Card Association
- MasterCard Worldwide International Payment Card Organization
- International initiative under the UN – Global Compact
- Association of Lithuanian Banks
- Stock Exchange Nasdaq Vilnius AB;
- Association of Lithuanian Financial Brokers
- Lithuanian Employers' Confederation
- Association of Human Resources Professionals

- Lithuanian Association of Accountants and Auditors
- Vilnius Chamber of Commerce, Industry and Crafts
- Kaunas Chamber of Commerce, Industry and Crafts
- Klaipėda Chamber of Commerce, Industry and Crafts
- Šiauliai Chamber of Commerce, Industry and Crafts
- Panevėžys Chamber of Commerce, Industry and Crafts
- Klaipėda Association of Industrialists
- Šiauliai Association of Industrialists
- Akmenė Association of of Entrepreneurs
- Kelmė region Association of of Entrepreneurs
- Mazeikiai Association of of Entrepreneurs
- Tauragė Association of of Entrepreneurs
- Kelmė Association of of Entrepreneurs
- Šilalė region Association of of Entrepreneurs
- ISACA
- BNI recommended marketing services

ETHICS AND INTEGRITY



Values, principles, standards, and norms of behaviour

In daily activities, the Bank's staff follows the three sets of core principles: Bank Values, Code of Ethics, and Customer Service Standards.

Four values of the Bank (trust, professionalism, respect, responsibility) were sorted out by all Bank's employees together at the general Bank's conference held in 2014.

From 2015 onwards, the value game has been played in order to simplify understanding and acceptance of Bank's values and descriptive behaviour for each employee. Its purpose is to identify the most appropriate behaviour in everyday situations which would mostly correspond to the Bank's values. The value game encourages employees to collaborate, exchange their opinions and make a common decision. Every new employee plays such a game during New Employees' Day arranged quarterly.

The Bank follows the Code of Ethics. No inequality, violence, manifestations of psychological or similar pressure as well as any forms of discrimination at work are tolerated.

The Bank has a general channel for anonymous reporting to Compliance Officer through which any employee can anonymously report any breach of a regulatory requirement in the bank. The report is investigated and, in case it is confirmed, prompt actions are taken to remove the violation.

The Customer Service Standard defines employee behaviour while servicing customers.

Consultation mechanisms and ethics issues

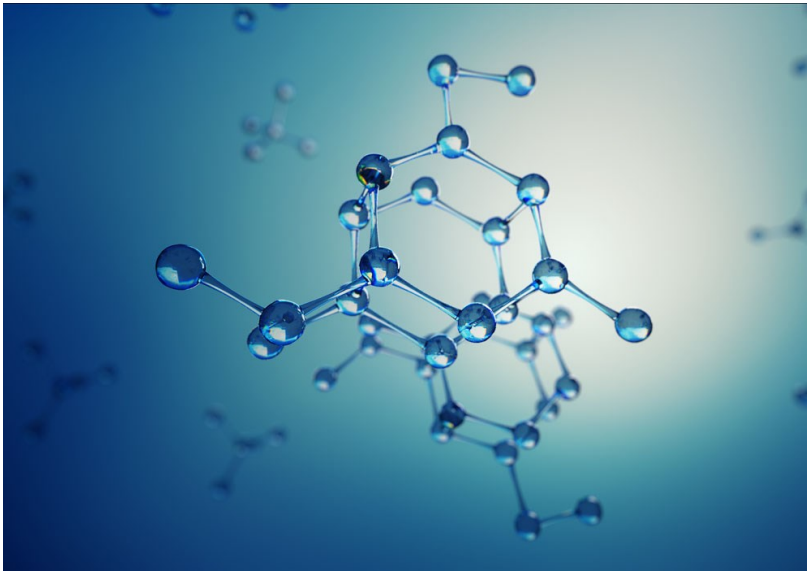
The Bank applies the mechanisms of the anonymous report to the compliance officer and the chairman of the bank's appointment committee. Anonymous notifications at any time of the day can be submitted on the bank intranet site. The reporting to compliance officers mechanism is intended to alert any allegedly unlawful actions committed by the Bank group employees (including executives): theft of the property of the Bank, its clients, partners, employees, misuse of office, conflicts of interest, suspicions of violations of the Bank's code of ethics provisions or other requirements of the Bank's internal legal acts, etc. The Bank's compliance and prevention department is responsible for this mechanism.

The measure of report to the chairman of the bank's appointment committee grants the possibility to report confidentially (anonymously if so desired) of any breach committed or alleged suspicion of breach of a separate Bank body member or small group of members which may harm the interests of the Bank.

All messages are confidential and anonymous at the request of the notifier. New channels of reporting to all new employees are introduced during the newcomer training.

Information about ethical and unethical behaviour is provided in the Bank's Code of Ethics

COMPANY'S GOVERNANCE



Governance structure

- General Meeting of the Shareholders
- Supervisory Council - a collegial supervising body
- Management Board - a collegial management body
- Chief Executive Officer - a single person management body

For more see the chapter "Bank's Management" in the annual report

Composition of the supreme managing body and its committees

Members of the Bank's Management Board:

- Algirdas Butkus – Chairman of the Board
- Vytautas Sinius
- Donatas Savickas
- Daiva Šorienė
- Vita Urbonienė
- Jonas Bartkus
- Ilona Baranauskienė

The Risk, Internal Audit, Nomination, Remuneration, Loan and Risk Management Committees operate within the Bank.

For more see chapters "Bank's Management" and "Members of the Committees formed within the Bank" in the annual report

Chairman of the supreme managing body

Chairman of the Bank's Management Board - Algirdas Butkus.

Nomination and selection of the supreme managing body

The Board members are elected, recalled and supervised by the Bank's Supervisory Council. The Board of the Bank is elected by the Council for a term of 4 years - the number of tenures is not limited. If individual Board members are elected, they are elected till the end of the active Board's term.

Conflicts of interests

The members of the Bank's Supervisory Council and the Management Board work for the benefit of the shareholders avoiding the conflicts of interest. All transactions with the Bank's senior management are entered under the market conditions. The regulation stipulating the work of the Board provides that a member of the Board must avoid any conduct that could cause a conflict of interest. Prior to starting the term of office as the member of the Board, the candidate must reveal to the Bank all the information that could potentially cause a conflict of interest and keep the relevant information constantly updated. Board members abstain from voting and participating in the Board meeting that addresses a question pertaining to his/her activity in the Board or his/her responsibility as well as issues that could be related to the Board member's interest or cases where the absence of the Board member's impartiality could pose any risk.

For more see the chapter chapter of the annual report "Transactions with related parties"

The role of the supreme managing body in defining a goal, values and strategy

The Board analyses and evaluates the material provided by the Head of the Bank on the implementation of the Bank's operational strategy, organization of the Bank's activities.

Collective knowledge of the supreme managing body

The members of the Board regularly attend the key national economic conferences. Once a year, a strategic summit is

held, where members of the board and supervisory council listen to reports on various topics from the global economic trends to social or demographic environment, innovation, strategic management, etc.

Evaluation of performance of the supreme managing body

The Bank's nomination committee once a year evaluates the structure, size, composition and performance of the Bank's managing bodies, and, if necessary, makes recommendations for changes. The assessment of management bodies is presented in the nomination committee's annual report. One of the functions of the appointment committee is also to regularly evaluate the skills, knowledge and experience of individual directors and report this to the collegial body.

Identifying and managing economic, environmental, and social impacts

Highest governance body plays the major role in identifying and managing economic, environmental, and social topics and their impacts.

Effectiveness of risk management processes

The Bank analyses, evaluates, assumes and manages the risks arising from its activities.

The risk management policy approved by the Bank's Supervisory Council and the procedures for managing different risks based on it help to ensure the integrity of the risk management process in the Group.

The purpose of risk management policy define the risks and the principles of their management in the Group's activities. As the various risks faced by the Group are interconnected, their management is centralized - for this purpose the Risk Management Committee operates in the Bank. Organization and coordination of the experienced risk management system is one of the main goals of the Bank's Risk Management Committee.

The Group revises its risk management policies and systems regularly, at least once a year, with regard to market changes, new products, and newly applied principles best practices.

The Bank's Group performs the annual self-assessment. This process analyses the risks that may arise from banking activities and have a significant impact on the Bank Group. The most important types of risks encountered by the Group include credit, market, liquidity, concentration and operational risks.

For more see Risk Management disclosure in notes to the financial statements for the year 2017.

Highest governance body's role in sustainability reporting

The report is reviewed by the Chief Executive Officer.

EMPLOYEES



Remuneration setting policy

The remuneration of the employees in the Bank is determined by the remuneration policy, the procedure for the allocation of supplements, the procedure for assigning, calculating and paying the variable remuneration, the rules for calculating and paying remuneration and related payments, the rules of work procedure and other internal legislation.

For more see the chapter of the annual report "The Remuneration policy"

Remuneration setting procedure

From 2017, the bank uses the methodology of Korn Ferry Hay Group, where in setting the remuneration, particular job levels are taken into account. The levels are determined by assessing the entire country's market, also taking into account the regional differences(except the leading positions). This allows us to ensure the internal and external justice of the remuneration.

STAKEHOLDERS ENGAGED

List of stakeholder groups

Stakeholders	Methods of inclusion
Employees	Social initiatives Suggestion provision and realization opportunities Report to compliance officer opportunity Annual discussion of the activity
Shareholders	Regular reports Performance result presentation to investors
Clients	Client servicing quality research Communication in social networks Bank website
Suppliers and partners	-
Regulation authorities	Regular reports Meeting attendance
Communities, society	Support and sponsorship Educational activities
Associated structures	Social responsibility report
Mas media	Notifications Events

Determination and selection of stakeholders

Stakeholders have been selected based on the nature of the organization's activities and on what the organization can have impact, directly or indirectly, and what has an impact on the organization.

Attitudes towards stakeholder involvement

Customer feedback is sought through the analysis of the secret buyer and the customer recommendation index (NPS Index).

Once a year, a secret buyer survey is conducted that assesses the quality of customer service in the Bank's departments. The survey evaluates the areas in which customer service employees still have to pull up and which work perfectly well. The research data is based upon during preparation for the annual training of customer service managers.

The objective of the NPS indicator survey is to find out how private and business customers value Šiaulių Bankas.

Other ways of stakeholder engagement are specified in disclosure 102-40.

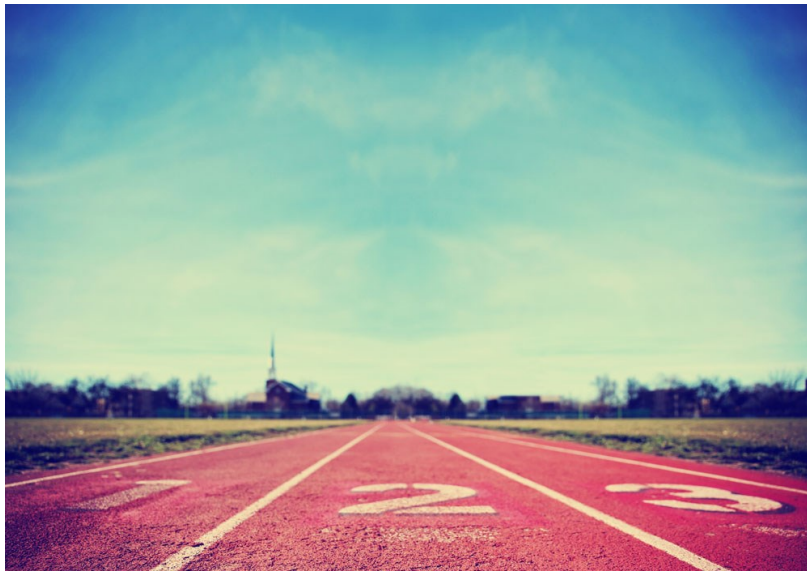
Main topics and issues raised

In the 2017 secret buyer survey Šiaulių bankas customer service quality was estimated at 98.1%. Compared to 2016, the Bank's customer service quality grew by 2.4%.

The research revealed strengths and weaknesses of customer service, the units which achieved the best result were boosted with awards.

According to a NPS indicator survey, many customers were satisfied with the Bank's services, and electronic banking was the areas needing the most improvement. NPS indicator in 2017 amounted to 57.4 (NPS indicator for private customers 62.7, corporate clients 51.4).

REPORT PARAMETERS



Subjects included in the consolidated financial accountability

Bank's subsidiaries

The Bank directly controls the following subsidiaries:

SB Lizingas UAB (finance lease, consumer credits)

Šiaulių banko lizingas UAB (finance leases (leasing) and operating leases)

Šiaulių banko turto fondas UAB (real estate management)

SBTF UAB (management and administration of real estate and movables)

Minera UAB (real estate management)

Pavasaris UAB (development of residential apartment area)

Life insurance Bonum Publicum UAB (life insurance)

Šiaulių banko investicijų valdymas UAB (investment management)

ŽSA 5 UAB (headquarters' activities)

The Bank indirectly controls the following subsidiaries:

Sandworks UAB (real estate management)

Apželdinimas UB (afforestation, landscaping)

For more see in chapter of the annual report "Group of the Bank's Companies"

Report contents and topic limit definition

Taking into account the fact that Šiaulių Bankas provides the socially responsible activity report for GRI criteria for the first time, the topics and criteria were chosen for which the Bank has accumulated data and which can be accurately assessed. At the same time, it was assessed what data could be accumulate and present in the future by the organization.

List of important topics

Socially responsible activities sought by the Bank to improve the quality of life in Lithuania, to promote sustainable economic development and environment, is focused on the areas in which the Bank may seek to have a positive impact, i.e.:

- Employees;
- Bank's customers;
- Environmental protection;
- Community and the general public.

This report covers topics related to all of these areas.

Reporting period

The report for 2017 was submitted.

Date of the latest report

The report on socially responsible activities for 2016 was presented in Šiaulių bankas group 2016 consolidated annual report.

This report is the first to be presented under the Global Reporting Initiative.

Report preparation cycle

The report on socially responsible activities is produced annually.

Contact point for issues related to the report

Any questions and comments with regard to the socially responsible activities could be submitted via e-mail komunikacija@sb.lt

Reporting about report submission according to GRI standards

This report is based on the GRI Standards Baseline.

External assurance

This report has been audited.

GRI
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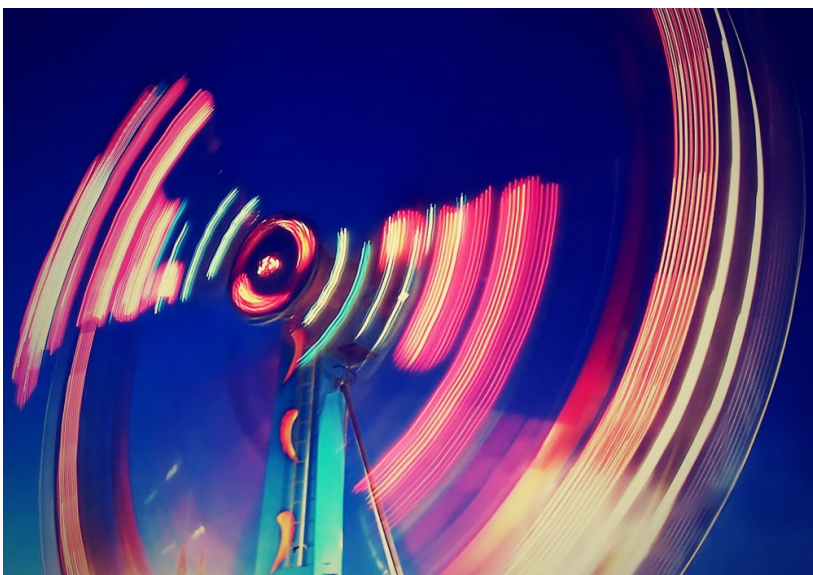
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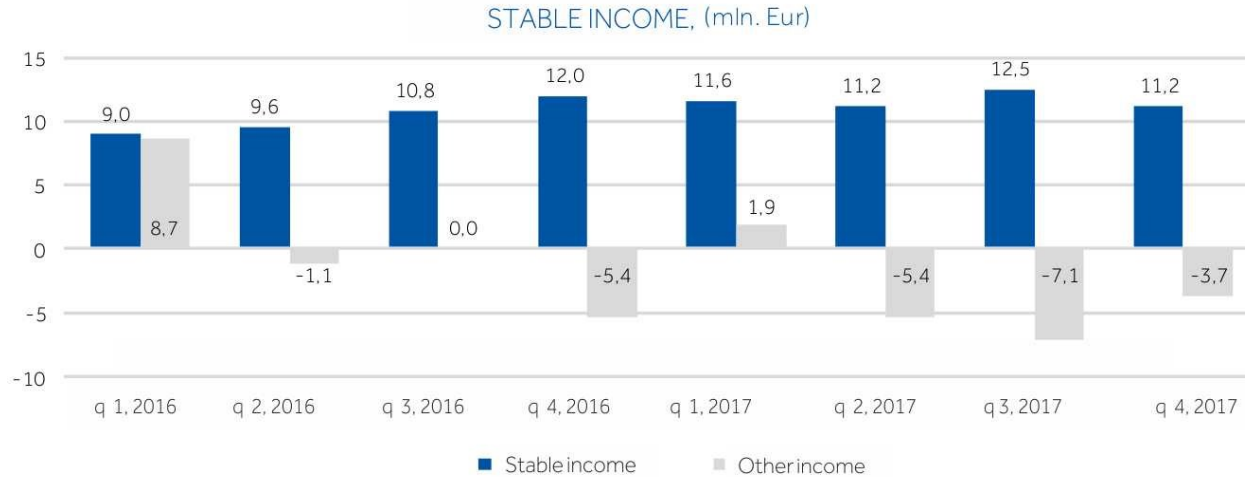
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ECONOMIC EFFICIENCY



Direct economic value generated and distributed

In 2017, the Group earned 32.1 million euro, the bank - 30.9 million euro of unaudited net profit . Compared to 2016, last year the Group's stable income from typical activities during grew by 12%.



On the basis of performance, each year the General Meeting of Shareholders decides whether to pay dividends to shareholders.

Information on the dividends paid:

The year of dividend assignment and payment	2013	2014	2015	2016	2017
Percentage from nominal value	0.50	0.00	0.25	0.69	1.72
Dividend amount per share, Eur	0.00145	0.00	0.000725	0.002	0.005
Dividend Amount, Eur	340 097	0.00	195 750	629 147	1 887 442
Dividends to net profit, %	7.89	0.00	1.84	2.97	4.53

Significant indirect economic impacts

Lending to small and medium-sized business

In order to promote development of small and medium-sized business (SME) the Bank offers a wide range of financial instruments. Among other banks operating in Lithuania, Šiaulių Bankas has the largest number of

products related with European Union facilities. It allows finding the right financing solution even for companies that would not be able to get regular credit and, thus, contributing to their growth.

In August 2017, Šiaulių Bankas signed a new cooperation agreement with Invega on the provision of sharing risk loans for SMEs. Under this facility Šiaulių Bankas will be able to provide 106.8 mln. euro in risk sharing loans during 2017 - 2020. Cooperating with Invega the Bank

also provides loans and leasing with the Invega portfolio guarantees under the cooperation agreement signed in May 2017.

Issued loans with the financial facilities till 31/12/2017*

	Loans with portfolio guarantee (2011-2017)	Loans with portfolio guarantee (2017-2020)	Leasing with portfolio guarantee	Risk-sharing loans	Loans with individual Invega guarantee	Loans with individual ŽŪPGF guarantee (till 01/12/2017)
Amount (EUR)	8 229 466	29 202 876	1 888 853	1 236 000	7 243 851	2 210 000

* Indicates the initial amount of loans, excluding repayments.

Multi-apartment renovation and regional development

The Bank seeks to promote the country's regional economic development and to reduce differences existing between them.

One of the measures is financing of multi-apartment house refurbishment (modernisation). A large number of multi-apartment renovation projects take place not in major cities. These projects engage the administrative

enterprises and contribution contractors, thus, creating working places in local regions.

Šiaulių Bankas is the leader in the financing of multi-apartment renovation - 2 out of 3 apartment buildings renovated in Lithuania are financed by Šiaulių Bankas. In 2017, the Bank signed 280 apartment building renovation agreements and 300 decisions to issue a credit were accepted.

TRANSPARENCY AND ANTI-CORRUPTION



Assessment of corruption-related risks

Money laundering prevention

The Bank responsible carries out prevention of money laundering and terrorist financing, consistently and purposefully implementing the existing ones and developing new measures for preventing money laundering and terrorist financing, and applying them in its activities:

- identification of clients, customer representatives and beneficiaries

- collection and verification of information on the purpose and nature of business relations (application of the "Know your customer" rule)
- monitoring of business relations and monetary operations
- identifying suspicious monetary transactions and communicating information to the Financial Crime Investigation Service, etc.

Current and new money laundering prevention measures are prepared taking into account: the legislation regulating the prevention of money laundering and terrorist financing in the Republic of Lithuania, the requirements of the FATF (Financial Action Task Force), EU, UN, US legislation.

Prevention of Corruption and Conflict of Interest

Actions that can be defined as intolerable corruption cases are defined in the Šiaulių bankas Code of Ethics.

In order to avoid potential conflicts of interest, the Bank's employees make declarations of economic interests each year.

The Bank pays all taxes to the State of Lithuania responsibly, complies with applicable legal acts, transparently prepares and participates in tenders. The Bank implements the requirements of the Foreign Accounts Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS).

Communication and training on anti-corruption policies and procedures

The Bank's employees are committed to complying with the Šiaulių Bankas Code of Ethics, which distinguishes the following principles as the most important:

- Honesty
- Responsibility and accountability
- Respect for the law, for the person and his rights
- Impartiality, objectivity and justice
- Exemplary behaviour.

The Code of Ethics regulates what acts can be considered as intolerable cases of corruption. The Code of Ethics is introduced to all new Bank employees.

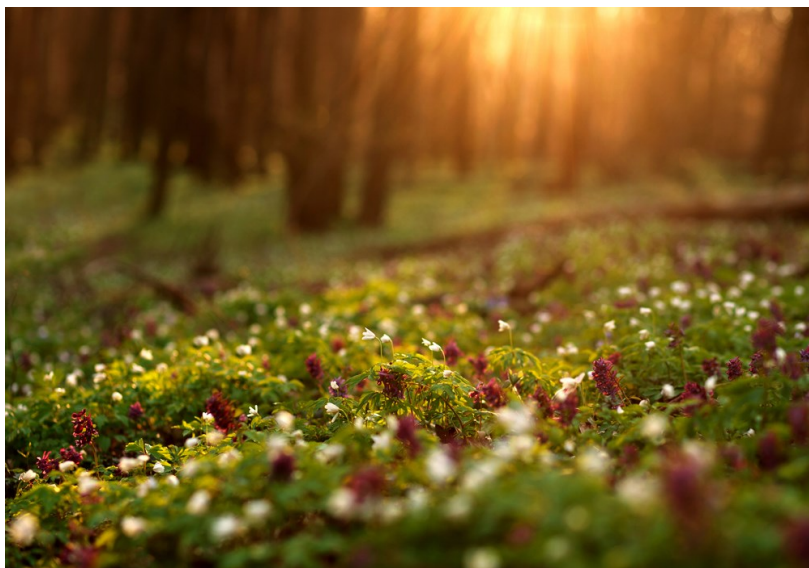
Confirmed cases of corruption

In 2017, no corruption-related incidents were found.

Legal action on anti-competitive behaviour and antitrust practices

During the reporting period, no such actions were found.

ENVIRONMENTAL PROTECTION



Power consumption in the organization

Fuel consumption in 2017

Fuel type	Quantities used
Petrol	96.72 t
Diesel	67.70 t

Electricity consumption

In 2017 the total of 2549,443 MWh of electricity was consumed. Of this, about 1127,046 MWh were made from renewable energy sources. Electricity generated from renewable energy sources was about 44 % of all electricity purchased in 2017.

Gas consumption for heating

During the reporting period 109306 kWh of gas was consumed.

n.b. The organization uses two types of heating: central and gas. It is currently not possible to estimate the energy used for central heating.

Reduction of energy consumption

In order to lower fuel consumption and reduce exhaust atmospheric pollution:

- The Bank uses an electronic ordering system for operational cars that allows you to plan business trips by groups and travel on as few cars as possible;
- Encourages to organize the meetings involving employees and partners working in different cities, in modern teleconference halls installed in Vilnius, Kaunas, Klaipėda and Šiauliai.

In order to reduce the amount of paper used, in 2017, internal document management system was actively developed that reduces the need for printed documents, electronic signature for signing contracts was implemented.

Direct (application area 1) GHG emissions

Not calculated.

Indirect (application area 2) GHG emissions

Not calculated.

Non-compliance with environmental laws and regulations

During the reporting period, no non-observance of environmental laws and/or regulations were observed.

RELATIONS WITH THE EMPLOYEES



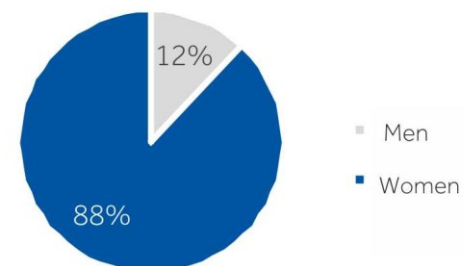
New employees hiring and staff turnover

The Bank fosters long-term relationships with its employees. As of 31 December 2017 nearly 33 per cent of the Bank's employees have been working for more than 10 years. The staff turnover in 2017 comprised 14.5 per cent (in 2016 the total turnover of employees was 13.8 per cent).

As of 31 December 2017, the Bank employed 702 people in total, whereas the Group had 805 employees.

Comparing to 31 December 2016 the number of employees decreased by 2.8 per cent while together with the Group's companies the number decreased by 2.9 per cent. The total staff turnover in 2017 - 14.5 per cent.

In 2017, the Bank hired 83 new employees, i.e.e 73 women and 10 men.



New employees by gender, in 2017

Region	Number of new employees
Kauno reg.	22
Klaipėdos reg.	16
Šiaulių reg.	24
Vilniaus reg.	21
In total	83

Number of new employees by region in 2017

On parental leave

All employees, regardless of gender, are entitled to parental leave.

*Employees taking parental leave in 2017**

Gender	Number of employees
Female	71
Male	2
In total	73

* This number includes both extended and prolonged parental leave in 2017.

Parental leave granted in 2017

Gender	Number of empl.
Male	4

Number of employees who returned to work after taking parental leave in 2017 by gender

Gender	Number of empl.
Female	22
Male	1
In total	23

Average number of training per employee per year

The average number of training days per year for the Bank's network staff is 1.5 days. The staff of the central and regional units received an average of 9.06 hours of external training per year.

Employee qualification raising and transitional period assistance programs

The workforce development system includes the process of adaptation of newcomers, vocational, specific (mandatory training, regulated by the legislation of the Republic of

Lithuania), training of general competences.

The Newbie Days for the Newbie Adaptation Program are a two-day event where internal lecturers introduce new employees to the company and its ongoing processes, functions and responsibilities of departments. In 2017, about 70 new employees took part in the Newbie Days.

Every year, the Bank's network of employees - customer service managers, group managers are organized banking product update training and customer service skills refreshing training. The purpose of these trainings is to provide, consolidate and develop customer service, active sales skills, change employee attitudes, introduce employees to existing or new Bank products and services. In 2017, 12 such training projects took place.

In 2017, a training program for credit managers, credit project managers Financing Solutions Forum was launched, in which about 115 Bank Credits employees participated.

76 employees of the central departments participated in external training, where they increased their competence in the professional fields.

In 2017, the leaders preparation program - Leadership Academy - was launched. 94 top and middle managers of the Bank during the program improve the skills of leadership, emotional intelligence, teamwork. The duration of the program is 64 hours per employee. The duration of the program is 64 hours per employee.

COMMUNITIES AND THE GENERAL PUBLIC



Activities with local community involvement, impact assessments and development programs

Entrepreneurship promotion

The Bank actively participates in, organizes and supports conferences, seminars, trainings in which local SMEs or those who are planning to start a business are introduced to business financing opportunities, for example:

- A free cycle of workshops organized by VIPA about financial instruments in Šilalė, Varėna, Šilutė, Raseiniai;
- Report in the Lithuanian-Ukrainian Business Forum
- Presentation of agricultural financing opportunities at the exhibition for farmers AgroVision
- Report in the conference Young Business: from Idea to Success
- At the beginning of 2017, the Bank organized meetings with business clients in the regions Business Espresso, during which consultants shared insights on the issues relevant to customers.

Cooperation with educational institutions

In 2017 the Bank:

- Established a scholarship of 300 Euros for a student of Vytautas Magnus University
- Participated in high school career days
- Reviewed the works of Vilnius College students
- Assessed the study program of Utena College's Accounting Course
- Organized tours and presentations for schoolchildren and students

Community building

Being a Lithuanian capital bank, the Bank pays great attention to fostering the traditions of the towns and villages of the country and promoting cultural life in the regions of Lithuania. In 2017, the Bank allocated EUR 43.7 thou for support, larger part for the communities, cultural and sports projects:

- Ukmergė, Šiauliai, Plungė, Varėna, Anykščiai town holidays
- Rokiškis Theater Festival;
- Jazz Days in Tauragė
- Pažaislis Music Festival
- Sea Festival in Klaipėda
- International Race Competition Amber Nautical Mile
- Basketball club Šiauliai
- And other projects.

Reducing social exclusion

From 2013, in cooperation with Public Enterprise Goodwill Projects, the Bank provides clients with the opportunities:

- To allocate the amount of money you want for aukok.lt social projects through the online banking system;
- To donate cash in donation boxes in the Bank's departments.

In 2017, the donation boxes collected nearly 1,700 euros, which were donated to Public Enterprise Goodwill Projects.

COMPLIANCE



Inconsistencies related to information and labelling of products and services

The Bank's Contact Centre registers customer complaints or claims regarding the provision of information about services or products.

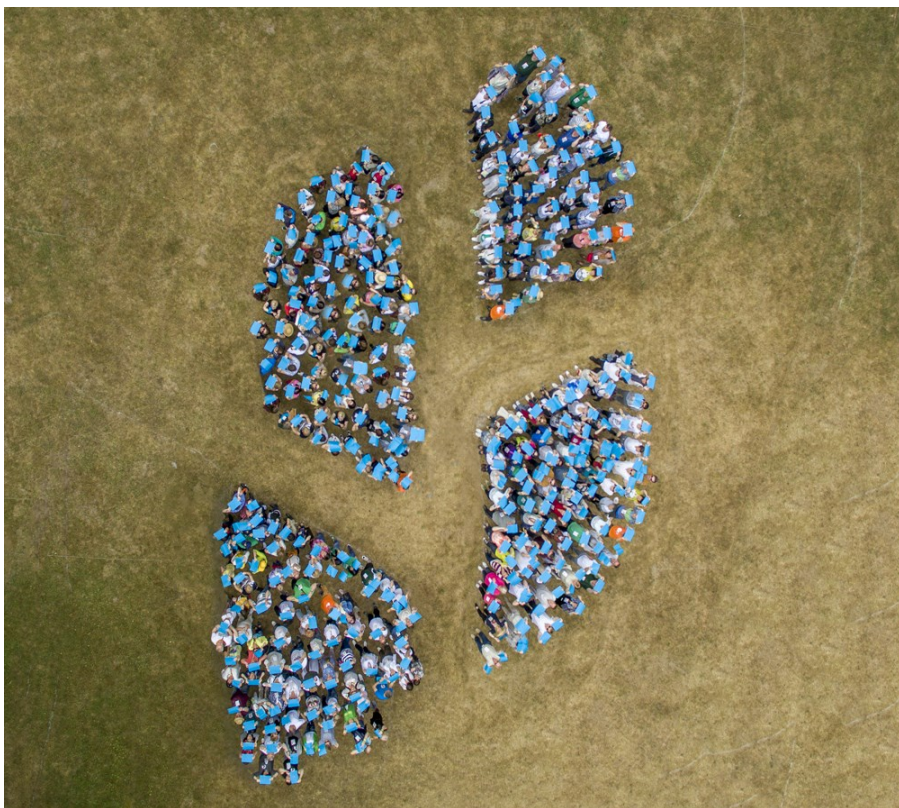
In 2017, there were no cases of non-compliance when a fine or a warning was issued to the Bank or the Group Company due to improper information about the services.

Reasonable complaints about customer privacy violations and loss of customer data

The Bank did not receive reasoned complaints regarding violation of customer privacy.

Failure to comply with laws and regulations in the field of social and economic affairs

The Bank has not established any cases of non-compliance with laws or regulations in the social or economic field.



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