

**REPORT ON RISK AND CAPITAL MANAGEMENT
PILLAR3 OF THE BASEL
FOR THE FIRST HALF OF THE YEAR 2018
DISCLOSURE OF INFORMATION UNDER PART EIGHT OF REGULATION (EU) No 575/2013**

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OWNS FUNDS

Table 1. Own funds information

Common Equity Tier 1 (CET1) capital: Instruments and reserves		Amount at disclosure date, EUR thousands	Regulation (EU) Nr.575/2013. Article references
		Financial group	
1	Capital instruments and the related share premium accounts	157,639	26 (1), 27, 28, 29,
	of which: Instrument type 1		EBA list 26 (3)
	of which: Instrument type 2		EBA list 26 (3)
	of which: Instrument type 3		EBA list 26 (3)
2	Retained earnings	35,085	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	185	26 (1)
3a	Provisions for general banking risk	10,241	26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)
5	Minority interests (amount allowed in consolidated CET1)		84
5a	Independently verified interim profit minus any foreseeable taxes or dividends		26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	203,150	Sum of rows 1-5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(58)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(1,711)	36 (1) (b), 37
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(78)	36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges		33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	(1,506)	36 (1) (d), 40, 159
13	Any increase in equity that results from securitized assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (b)
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		37 (1) (g), 44
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Empty set in the EU		
20a	Exposure amount of the following items which qualify for a RW of 1250 %, where the institution opts for the deduction alternative		36 (1) (k)
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91

20c	of which: securitization positions (negative amount)		36 (1) (k) (ii); 243 (1) (b); 244 (1) (b); 258
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10 % threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15 % threshold (negative amount)		48 (1)
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b)
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)		36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(3,353)	Sum of rows 7-20a, 21, 22 and 25a-27
29	Common equity tier 1 capital (CET1)	199,797	Row 6 minus row 28
Additional Tier 1 (AT1) capital: Instruments			
30	Capital instruments and the related share premium accounts		51, 52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments		Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		Sum of rows 37 to 42

44	Additional Tier 1 (AT1) capital		Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)	199,797	Sum of row 29 and row 44
Tier 2 (T2) capital: Instruments and provisions			
46	Capital instruments and the related share premium accounts	18,609	62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments		62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments	18,609	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66 (a), 67
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount)		66 (c), 69, 70, 79
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		66 (d), 69, 79
56	Empty set in the EU		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52 to 56
58	Tier 2 capital (T2)	18,609	Row 51 minus row 57
59	Total capital (TC = T1 + T2)	218,406	Sum of row 45 and row 58
60	Total risk weighted assets	1,349,868	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	14.80%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	14.80%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	16.18%	92 (2) (c)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	9.40%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement		
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.50%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	5.40%	CRD 128
69	[non relevant in EU regulation]		

70	[non relevant in EU regulation]		
71	[non relevant in EU regulation]		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		36 (1) (i), 45, 48
74	Empty set in the EU		
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	2,088	36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions In Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach		62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		484 (3), 486 (2) & (5)
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484 (3), 486 (2) & (5)
82	Current cap on AT1 instruments subject to phase out arrangements		484 (4), 486 (3) & (5)
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484 (4), 486 (3) & (5)
84	Current cap on T2 instruments subject to phase out arrangements		484 (5), 486 (4) & (5)
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484 (5), 486 (4) & (5)

CAPITAL REQUIREMENTS

Table 2. Overview of RWAs

		RWAs		Minimum capital requirements
		2018.06.30	2018.03.31	2018.06.30
1	Credit risk (excluding CCR)	1,201,098	1,118,178	96,088
2	Of which the standardised approach	1,201,098	1,118,178	96,088
3	Of which the foundation IRB (FIRB) approach	-	-	-
4	Of which the advanced IRB (AIRB) approach	-	-	-
5	Of which equity IRB under the simple risk-weighted approach or the IMA	-	-	-
6	CCR	438	175	35
7	Of which mark to market	-	-	-
8	Of which original exposure	-	-	-
9	Of which the standardised approach	438	175	35
10	Of which internal model method (IMM)	-	-	-
11	Of which risk exposure amount for contributions to the default fund of a CCP	-	-	-
12	Of which CVA	-	-	-
13	Settlement risk	-	-	-
14	Securitisation exposures in the banking book (after the cap)	-	-	-
15	Of which IRB approach	-	-	-
16	Of which IRB supervisory formula approach (SFA)	-	-	-
17	Of which internal assessment approach (IAA)	-	-	-
18	Of which standardised approach	-	-	-
19	Market risk	24,258	23,679	1,941
20	Of which the standardised approach	24,258	23,679	1,941
21	Of which IMA	-	-	-
22	Large exposures	-	-	-
23	Operational risk	124,073	124,073	9,926
24	Of which basic indicator approach	124,073	124,073	9,926
25	Of which standardised approach	-	-	-
26	Of which advanced measurement approach	-	-	-
27	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
28	Floor adjustment	-	-	-
29	Total	1,349,868	1,266,105	107,989

Table 3. Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		2018.03.31	2018.03.31
Available capital (amounts)			
1	Common Equity Tier 1 (CET1) capital	199 797	196 952
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	174 458	197 410
3	Tier 1 capital	199 797	196 952
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	174 458	197 410
5	Total capital	218 406	216 558
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	193 067	217 016
Risk-weighted assets (amounts)			
7	Total risk-weighted assets	1 349 868	1 266 105
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1 335 626	1 263 699
Capital ratios			
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	14.80%	15.56%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.06%	15.62%
11	Tier 1 (as a percentage of risk exposure amount)	14.80%	15.56%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.06%	15.62%
13	Total capital (as a percentage of risk exposure amount)	16.18%	17.10%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	14.46%	17.17%
Leverage ratio			
15	Leverage ratio total exposure measure	2 207 294	2 154 091
16	Leverage ratio	9.05%	9.14%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.90%	9.16%

Table 4. Non-deducted participations in insurance undertakings

	Value
Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk-weighting)	8,399
Total RWAs	20,998

CREDIT RISK AND GENERAL INFORMATION ON CRM

Table 5. Credit quality of exposures by exposure class and instrument

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
16	Central governments or central banks	-	507,318	81	-	-	-	507,237
17	Regional governments or local authorities	-	104,752	162	-	-	36	104,590
18	Public sector entities	-	9,244	15	-	-	(29)	9,229
19	Multilateral development banks	-	912	-	-	-	-	912
20	International organisations	-	-	-	-	-	-	-
21	Institutions	-	86,020	22	-	-	(158)	85,998
22	Corporates	-	388,550	1,637	-	-	(1,715)	386,913
23	<i>Of which: SMEs</i>	-	15,715	-	-	-	-	15,715
24	Retail	-	411,347	3,104	-	-	(136)	408,243
25	<i>Of which: SMEs</i>	-	177,652	678	-	-	-	176,974
26	Secured by mortgages on immovable property	-	637,307	2,350	-	-	(1,658)	634,957
27	<i>Of which: SMEs</i>	-	84,920	668	-	-	(301)	84,252
28	Exposures in default	40,270	-	17,861	-	2,930	1,433	22,409
29	Items associated with particularly high risk	-	75,008	3,059	-	-	-	71,949
30	Covered bonds	-	-	-	-	-	-	-
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
32	Collective investments undertakings	-	7,614	1	-	-	-	7,613
33	Equity exposures	-	13,881	-	-	-	-	13,881
34	Other exposures	-	81,410	3,144	-	-	3,214	78,266
35	Total standardised approach	40,270	2,323,363	31,436	-	2,930	987	2,332,197
36	Total	40,270	2,323,363	31,436	-	2,930	987	2,332,197
37	Of which: Loans	40,270	1,476,407	-	-	-	-	1,516,677
38	Of which: Debt securities	-	645,567	-	-	-	-	645,567
39	Of which: Off-balance-sheet exposures	-	201,389	-	-	-	-	201,389

Table 6. Credit quality of exposures by industry or counterparty types

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values (a+b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Agriculture, forestry and fishing	5,386	123,406	1,429	-	70	15	127,364
2	Mining and quarrying	-	25,476	47	-	-	(12)	25,429

3	Manufacturing	3,786	242,264	5,387	-	30	1,464	240,663
4	Electricity, gas, steam and air conditioning supply	2	65,624	25	-	-	(15)	65,602
5	Water supply	20	24,813	31	-	-	(22)	24,802
6	Construction	921	156,111	3,037	-	11	383	153,995
7	Wholesale and retail trade	4,158	196,335	3,030	-	1,221	(935)	197,463
8	Transport and storage	1,306	49,316	335	-	174	(748)	50,287
9	Accommodation and food service activities	365	59,023	1,435	-	50	(167)	57,954
10	Information and communication	9	26,296	24	-	-	33	26,281
11	Real estate activities	1,092	206,077	1,684	-	1,018	(914)	205,485
12	Professional, scientific and technical activities	154	8,377	62	-	-	(53)	8,470
13	Administrative and support service activities	69	128,779	189	-	90	(250)	128,659
14	Public administration and defence, compulsory social security	-	590,921	143	-	-	35	590,778
15	Education	15	1,586	24	-	-	(2)	1,576
16	Human health services and social work activities	37	39,359	312	-	-	(270)	39,085
17	Arts, entertainment and recreation	1,212	7,258	219	-	-	(15)	8,250
18	Other services	21,738	372,342	14,026	-	266	2,457	380,054
19	Total	40,270	2,323,363	31,436	-	2,930	987	2,332,197

Table7. Credit quality of exposures by geography

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Defaulted exposures					
1	Lithuania	40,270	1,972,904	31,436	-	2,930	987	1,981,738
2	Poland	-	32,550	-	-	-	-	32,550
3	France	-	24,705	-	-	-	-	24,705
4	Romania	-	20,760	-	-	-	-	20,760
5	The Netherlands	-	19,322	-	-	-	-	19,322
6	Italy	-	24,040	-	-	-	-	24,040
7	Ireland	-	20,316	-	-	-	-	20,316
8	Other country	-	144,770	-	-	-	-	144,770
9	America	-	54,699	-	-	-	-	54,699
10	Asia, Oceania and Australia	-	9,297	-	-	-	-	9,297
11	Africa	-	-	-	-	-	-	-
12	Total	40,270	2,323,363	31,436	-	2,930	987	2,332,197

Table 8. Ageing of past-due exposures

		a	b	c	d	e	f
		Gross carrying values					
		≤30 days	>30 days ≤60 days	>60 days ≤ 90 days	>90 days ≤180 days	>180 days ≤1 year	>1 year
1	Loans	107,087	15,848	6,543	13,257	1,617	28,983
2	Debt securities	-	-	-	-	-	-
3	Total exposures	107,087	15,848	6,543	13,257	1,617	28,983

Table 9. Non-performing and forborne exposures

		a	b	c	d	e	f	g
		Gross carrying amount of performing and non-performing exposures						
		Of which performing but past due > 30 days and ≤ 90 days		Of which performing forborne	Of which non-performing			
					Of which defaulted	Of which impaired	Of which forborne	
1	Loans	1,355,251	23,728	9,268	80,313	36,364	60,729	55,376
2	Debt securities	628,248	-	-	-	-	-	-
3	Total exposures	1,983,499	23,728	9,268	80,313	36,364	60,729	55,376

		h	i	j	k	l	m
		Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
		On performing exposures		On non-performing exposures		On non-performing exposures	Of which forborne exposures
		Of which forborne		Of which forborne			
1	Loans	12,999	-	30,275	22,440	36,615	32,361
2	Debt securities	-	-	-	-	-	-
3	Total exposures	12,999	-	30,275	22,440	36,615	32,361

Table10. Changes in the stock of general and specific credit risk adjustments

		a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	Opening balance	53,361	1,419
2	Increases due to amounts set aside for estimated loan losses during the period	7,760	95
3	Decreases due to amounts reversed for estimated loan losses during the period	(5,505)	(307)
4	Decreases due to amounts taken against accumulated credit risk adjustments	(4,494)	-
5	Transfers between credit risk adjustments	-	-
6	Impact of exchange rate differences	-	-

7	Business combinations, including acquisitions and disposals of subsidiaries	-	-
8	Other adjustments	(114)	(1)
9	Closing balance	51,008	1,206
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	1,245	-
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	-	-

Other adjustments presented in line 8 consist of: Accumulated specific credit risk adjustment - initial balance adjustment due to change in accounting principles EUR +11491 thousand, other adjustments EUR -15 thousand; Accumulated general credit risk adjustment - initial balance adjustment due to change in accounting principles EUR -1206 thousand.

Table 11. Changes in the stock of defaulted and impaired loans and debt securities

		a
		Gross carrying value defaulted exposures
1	Opening balance	53,752
2	Loans and debt securities that have defaulted or impaired since the last reporting period	(23,029)
3	Returned to non-defaulted status	14,521
4	Amounts written off	(2,930)
5	Other changes	(2,044)
6	Closing balance	40,270

Table 12. CRM techniques. Overview

		a	b	C	d	e
		Exposures unsecured - Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	730 922	627 504	574 836	52 668	-
2	Total debt securities	645 425	-	-	-	-
3	Total exposures	1 376 347	627 504	574 836	52 668	-
4	Of which defaulted	17 946	4 463	-	4 463	-

CREDIT RISK AND CRM IN THE STANDARDISED APPROACH

Assessing exposures subject to external credit rating, the Bank uses the following well-known external credit assessment institutions (ECAI):

- Standarts&Poor's
- Moody's Investors Service
- Fitch Ratings

Table 13. Standardised approach - Credit risk exposure and CRM effects

	Exposure classes	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
		On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	507,237	-	507,237	-	10,580	2%
2	Regional government or local authorities	95,568	9,002	95,568	3,650	33	0%
3	Public sector entities	4,749	4,480	57,417	2,152	5,493	9%
4	Multilateral development banks	912	-	912	-	-	0%
5	International organisations	-	-	-	-	-	-
6	Institutions	81,630	3,610	81,630	3,082	33,659	40%
7	Corporates	324,056	61,883	300,975	27,499	307,818	94%
8	Retail	334,438	71,416	320,932	31,062	244,728	70%
9	Secured by mortgages on immovable property	583,959	50,998	574,836	22,494	395,153	66%
10	Exposures in default	22,409	-	17,946	-	22,339	124%
11	Higher-risk categories	71,949	-	69,454	-	104,181	150%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	4,205	-	4,205	-	4,205	100%
15	Equity	13,881	-	13,881	-	26,480	191%
16	Other items	78,266	-	78,266	-	41,974	54%
17	Total	2,123,259	201,389	2,123,259	89,939	1,196,641	54%

Table 14. Standardised approach

	Exposure classes	Risk weight								
		0%	2%	4%	10%	20%	35%	50%	70%	75%
1	Central governments or central banks	429,313	-	33,362	29,731	5,548	-	8,241	-	-
2	Regional government or local authorities	99,173	-	-	-	-	-	45	-	-
3	Public sector entities	52,668	-	-	-	-	-	2,815	-	-
4	Multilateral development banks	912	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	30,162	-	53,849	-	-
7	Corporates	-	-	-	-	864	-	39,971	-	-
8	Retail	-	-	-	-	-	-	-	-	351,994
9	Secured by mortgages on immovable property	-	-	-	-	-	44,058	347,078	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-
11	Higher-risk categories	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-

13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-
16	Other items	39,349	-	-	-	-	-	-	-	-
17	Total	621,415	-	33,362	29,731	36,574	44,058	451,998	-	351,994

	Exposure classes	Risk weight							Total	Of which unrated
		100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	1,042	-	-	-	-	-	-	507,237	22,744
2	Regional government or local authorities	-	-	-	-	-	-	-	99,218	99,218
3	Public sector entities	4,086	-	-	-	-	-	-	59,569	55,483
4	Multilateral development banks	-	-	-	-	-	-	-	912	1,656
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	698	3	-	-	-	-	-	84,712	5,868
7	Corporates	287,639	-	-	-	-	-	-	328,474	223,469
8	Retail	-	-	-	-	-	-	-	351,994	351,994
9	Secured by mortgages on immovable property	206,194	-	-	-	-	-	-	597,329	597,329
10	Exposures in default	9,161	8,785	-	-	-	-	-	17,946	17,946
11	Higher-risk categories	-	69,454	-	-	-	-	-	69,454	69,454
12	Covered bonds	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	4,205	-	-	-	-	-	-	4,205	4,205
15	Equity	5,482	-	8,399	-	-	-	-	13,881	13,881
16	Other items	36,879	-	2,038	-	-	-	-	78,266	78,266
17	Total	555,386	78,242	10,437	-	-	-	-	2,213,197	1,541,514

CRR

Table 15. Analysis of CCR exposure by approach

		a	b	C	d	e	f	g
		Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
1	Mark to market		-	-			-	-
2	Original exposure	5,768					5,768	4,487
3	Standardised approach		740			0.047	35	438
4	IMM (for derivatives and SFTs)				-	-	-	-

5	<i>Of which securities financing transactions</i>					-	-	-	-
6	<i>Of which derivatives and long settlement transactions</i>					-	-	-	-
7	<i>Of which from contractual cross-product netting</i>					-	-	-	-
8	Financial collateral simple method (for SFTs)							-	-
9	Financial collateral comprehensive method (for SFTs)							-	-
10	VaR for SFTs							-	-
11	Total								4,925

Table16. CVA capital charge

		a	b
		Exposure value	RWAs
1	Total portfolios subject to the advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) SVaR component (including the 3× multiplier)		-
4	All portfolios subject to the standardised method	740	438
EU4	Based on the original exposure method	-	-
5	Total subject to the CVA capital charge	740	438

Table 17. Exposures to CCPs

		a	b
		EAD post CRM	RWAs
1	Exposures to QCCPs (total)		-
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which		-
3	(i) OTC derivatives	-	-
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Alternative calculation of own funds requirements for exposures		-
11	Exposures to non-QCCPs (total)		4,487
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		4,487
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	5,768	4,487
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-

19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Table 18. Standardised approach - CCR exposures by regulatory portfolio and risk

	Exposure classes	Risk weight						
		0%	2%	4%	10%	20%	50%	70%
1	Central governments or central banks	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	20	-
3	Public sector entities	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	240	518	-
7	Corporates	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-
11	Total	-	-	-	-	240	538	-

	Exposure classes	Risk weight				Total	Of which unrated
		75%	100%	150%	Others		
1	Central governments or central banks	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	20	20
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	-	-	-	758	615
7	Corporates	-	20	-	-	20	20
8	Retail	2,127	-	-	-	2,127	2,127
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	2,843	-	-	2,843	2,843
11	Total	2,127	2,863	-	-	5,768	5,625

Table 19. Impact of netting and collateral held on exposure values

	a	b	c	d	e	
	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure	
1	Derivatives	5,768	-	5,768	-	5,768
2	SFTs	1,781	1,781	-	-	-
3	Cross-product netting	-	-	-	-	-
4	Total	7,549	1,781	5,768	-	5,768

UNENCUMBERED ASSETS

Table 20. Assets

		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
010	Assets of the reporting institution	24,971		2,122,768	
030	Equity instruments	-	-	5,443	5,443
040	Debt securities	20,322	20,936	654,883	674,553
120	Other assets	-		92,120	

Table 21. Collateral received

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	Collateral received by the reporting institution	-	-
150	Equity instruments	-	-
160	Debt securities	-	-
230	Other collateral received	-	-
240	Own debt securities issued other than own covered bonds or asset-backed securities	-	-

Table 22. Encumbered assets ir (or) collateral received and associated liabilities

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	Carrying amount of selected financial liabilities	3,229	30,816

Encumbrance is not important to Financial group of Šiaulių Bankas because its volumes are relatively low.

MARKET RISK

Table 23. Market risk under the standardised approach

		a	b
		RWAs	Capital requirements
	Outright products		
1	Interest rate risk (general and specific)	22,868	1,829
2	Equity risk (general and specific)	1,390	111
3	Foreign exchange risk	-	-
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation (specific risk)	-	-
9	Total	24,258	1,941

LEVERAGE RATIO

TABLE LRSUM. SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

		Applicable Amount
1	Total assets as per published financial statements	2,147,739
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
3	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	-
4	Adjustments for derivative financial instruments	1,297
5	Adjustment for securities financing transactions (SFTs)	(1,781)
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	201,389
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	-
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	-
7	Other adjustments	(1,789)
8	Leverage ratio total exposure measure	2,346,855

TABLE LRCOM. LEVERAGE RATIO COMMON DISCLOSURE

		CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	2,140,641
2	(Asset amounts deducted in determining Tier 1 capital)	(1,789)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,138,852

Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	5,317
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	1,297
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-
11	Total derivatives exposures (sum of lines 4 to 10)	6,614
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,781
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(1,781)
14	Counterparty credit risk exposure for SFT assets	-
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	-
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	201,389
18	(Adjustments for conversion to credit equivalent amounts)	(139,561)
19	Other off-balance sheet exposures (sum of lines 17 and 18)	61,828
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	-
Capital and total exposure measure		
20	Tier 1 capital	199,797
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,207,294
Leverage ratio		
22	Leverage ratio	9.05%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	-

TABLE LRSPL. SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTs AND EXEMPTED EXPOSURES)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	2,153,939
EU-2	Trading book exposures	30,680
EU-3	Banking book exposures, of which:	2,123,259
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	608,466
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
EU-7	Institutions	81,630
EU-8	Secured by mortgages of immovable properties	655,908
EU-9	Retail exposures	334,438
EU-10	Corporates	324,056
EU-11	Exposures in default	22,409
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	96,352

LIQUIDITY RISK

LCR disclosure template, on quantitative information of LCR which complements Article 435(1)(f) of Regulation (EU) No 575/2013

Scope of consolidation (consolidated) Currency and units (EUR thousand) Quarter ending on (DD Month YYYY) Number of data points used in the calculation of averages		Total unweight value (average)			
		2017.09.30	2017.12.31	2018.03.31	2018.06.30
3		3	3	3	3
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	-			
CASH - OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	1,359,302	1,407,402	1,454,323	1,487,387
3	<i>Stable deposits</i>	1,035,186	1,040,655	1,052,336	1,060,119
4	<i>Less stable deposits</i>	304,428	338,199	377,683	397,666
5	Unsecured wholesale funding	251,396	251,790	279,574	319,453
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	225,913	232,006	260,699	301,550
8	<i>Unsecured debt</i>	25,483	19,784	18,875	17,904
9	Secured wholesale funding	-			
10	Additional requirements	192,916	191,542	169,321	153,741
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,361	782	638	550
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-

13	<i>Credit and liquidity facilities</i>	191,555	190,760	168,682	153,190
14	Other contractual funding obligations	7,023	8,170	5,180	7,512
15	Other contingent funding obligations	-	-	-	-
16	TOTAL CASH OUTFLOWS				
CASH - INFLOWS					
17	Secured lending (e . g . reverse repos)	188	357	197	508
18	Inflows from fully performing exposures	84,212	101,065	83,921	71,169
19	Other cash inflows	19,284	9,127	13,692	12,426
ES-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non -convertible currencies)				
ES-19b	(Excess inflows from a related specialised credit institution)				
20	TOTAL CASH INFLOWS	103,684	110,549	97,810	84,103
ES-20a	<i>Fully exempt inflows</i>	-	-	-	-
ES-20b	<i>Inflows subject to 90% cap</i>	-	-	-	-
ES-20c	<i>Inflows subject to 75% cap</i>	103,684	110,549	97,810	84,103
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER				
22	TOTAL NET CASH OUTFLOWS				
23	LIQUIDITY COVERAGE RATIO (%)				

Scope of consolidation (consolidated)
Currency and units EUR thousand)
Quarter ending on (DD Month YYY)
Number of data points used in the calculation of averages

Total weighted value (average)			
2017.09.30	2017.12.31	2018.03.31	2018.06.30
3	3	3	3

HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	534,649	523,113	608,182	613,494
CASH - OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	108,600	122,300	124,535	132,668
3	<i>Stable deposits</i>	51,759	52,033	52,617	53,006
4	<i>Less stable deposits</i>	37,153	41,719	47,615	50,062
5	Unsecured wholesale funding	122,863	124,941	135,655	150,175
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non -operational deposits (all counterparties)</i>	97,380	105,157	116,780	132,271
8	<i>Unsecured debt</i>	25,483	19,784	18,875	17,904
9	Secured wholesale funding	-	-	-	-
10	Additional requirements	20,314	19,557	17,307	15,672
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,361	782	638	550
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	18,953	18,775	16,669	15,122
14	Other contractual funding obligations	7,023	8,170	5,180	7,512
15	Other contingent funding obligations	-	-	-	-
16	TOTAL CASH OUTFLOWS	258,799	274,968	282,678	306,027

17	Secured lending (e . g . reverse repos)	187	357	197	508
18	Inflows from fully performing exposures	69,802	86,190	67,081	54,646
19	Other cash inflows	19,284	9,127	13,692	12,426
ES-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non -convertible currencies)	-	-	-	-
ES-19b	(Excess inflows from a related specialised credit institution)	-	-	-	-
20	TOTAL CASH INFLOWS	89,274	95,675	80,970	67,580
ES-20a	<i>Fully exempt inflows</i>	-	-	-	-
ES-20b	<i>Inflows subject to 90% cap</i>	-	-	-	-
ES-20c	<i>Inflows subject to 75% cap</i>	89,274	95,675	80,970	67,580
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER	534,649	523,113	608,182	613,494
22	TOTAL NET CASH OUTFLOWS	169,526	179,293	201,708	238,447
23	LIQUIDITY COVERAGE RATIO (%)	318.25%	295.93%	302.80%	258.15%