

**REPORT ON RISK AND CAPITAL MANAGEMENT
PILLAR3 OF THE BASEL
FOR THE FIRST HALF OF THE YEAR 2019
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	177,639	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	53,950	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	12,317	26 (1)
3a	Provisions for general banking risk	14,296	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	258,202	Sum of rows 1-5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(40)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(2,047)	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)	(62)	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	(3,729)	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)	(5,878)	Sum of rows 7-20a, 21, 22 and 25a-27
29	Common equity tier 1 capital (CET1)	252,324	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)	252,324	Sum of row 29 and row 44
Tier 2 (T2) capital: Instruments and provisions			
46	Capital instruments and the related share premium accounts		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	-	
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)	-	Row 51 minus row 57
59	Total capital (TC = T1 + T2)	252,324	Sum of row 45 and row 58
60	Total risk weighted assets	1,551,577	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.26%	92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)	16.26%	92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)	16.26%	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)	8.89%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical buffer requirement	0.48%	
67	of which: systemic risk buffer requirement	0.01%	
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)	7.38%	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)	813	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
		30.06.2019	31.03.2019	30.06.2019
1	Credit risk (excluding CCR)	1,391,549	1,328,452	111,324
2	Of which the standardised approach	1,391,549	1,328,452	111,324
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	375	628	30
7	Of which mark to market	-	-	-
8	Of which original exposure	-	-	-
9	Of which the standardised approach	375	628	30
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	19,234	12,731	1,539
20	Of which the standardised approach	19,234	12,731	1,539
21	Of which IMA	-	-	-
22	Large exposures	-	-	-
23	Operational risk	140,419	140,419	11,234
24	Of which basic indicator approach	140,419	140,419	11,234
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	1,551,577	1,482,240	124,126

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

		30.06.2019	31.03.2019	31.12.2018	30.09.2018
Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	252,324	252,165	219,617	196,792
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	232,785	235,331	191,383	171,172
3	Tier 1 capital	252,324	252,165	219,617	196,792
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	232,785	235,331	191,383	171,172
5	Total capital	252,324	252,165	219,617	214,394
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	232,785	235,331	191,383	188,774
Risk-weighted assets (amounts)					
7	Total risk-weighted assets	1,551,577	1,482,240	1,453,905	1,385,151
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	1,540,092	1,472,592	1,438,102	1,370,486
Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	16.26%	17.01%	15.11%	14.21%
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	15.12%	15.98%	13.31%	12.49%
11	Tier 1 (as a percentage of risk exposure amount)	16.26%	17.01%	15.11%	14.21%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.12%	15.98%	13.31%	12.49%
13	Total capital (as a percentage of risk exposure amount)	16.26%	17.01%	15.11%	15.48%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	15.12%	15.98%	13.31%	13.37%
Leverage ratio					
15	Leverage ratio total exposure measure	2,664,894	2,584,446	2,314,860	2,268,642
16	Leverage ratio	9.47%	9.76%	9.49%	8.67%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	8.74%	9.11%	8.27%	7.55%

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)	9,230
Total RWAs	23,075

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
		Defaulted exposures	Non-defaulted exposures					
16	Central governments or central banks	-	504 295	106	-	-	(16)	504 189
17	Regional governments or local authorities	-	111 505	73	-	-	(286)	111 432
18	Public sector entities	-	7 062	8	-	-	(19)	7 054
19	Multilateral development banks	-	1 072	-	-	-	-	1 072
20	International organisations	-	-	-	-	-	-	-
21	Institutions	-	92 486	34	-	-	-	92 452
22	Corporates	-	525 059	2 487	-	-	(48)	522 572
23	<i>Of which: SMEs</i>	-	8 559	-	-	-	-	8 559
24	Retail	-	506 969	5 100	-	-	1 524	501 869
25	<i>Of which: SMEs</i>	-	167 411	864	-	-	(100)	166 547
26	Secured by mortgages on immovable property	-	724 804	3 582	-	-	-	721 222
27	<i>Of which: SMEs</i>	-	76 125	561	-	-	-	75 564
28	Exposures in default	44 876	-	19 369	-	-	-	25 507
29	Items associated with particularly high risk	-	89 445	3 979	-	2 025	-	85 466
30	Covered bonds	-	-	-	-	-	-	-
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
32	Collective investments undertakings	-	8 786	49	-	-	-	8 737
33	Equity exposures	-	14 297	-	-	-	-	14 297
34	Other exposures	-	90 686	3 436	-	-	1 871	87 250
35	Total standardised approach	44 876	2 676 466	38 223	-	2 025	3 026	2 683 119
36	Total	44 876	2 676 466	38 223	-	2 025	3 026	2 683 119
37	Of which: Loans	44 876	1 706 821	-	-	-	-	1 751 697
38	Of which: Debt securities	-	642 173	-	-	-	-	642 173
39	Of which: Off-balance-sheet exposures	-	327 472	-	-	-	-	327 472

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
	Defaulted exposures	Non-defaulted exposures					

1	Agriculture, forestry and fishing	4 607	149 070	2 393	-	17	524	151 284
2	Mining and quarrying	1 777	30 135	487	-	-	2	31 425
3	Manufacturing	11 209	275 443	9 328	-	336	245	277 324
4	Electricity, gas, steam and air conditioning supply	232	65 950	112	-	-	(5)	66 070
5	Water supply	-	26 125	73	-	-	66	26 052
6	Construction	3 455	162 591	4 766	-	-	105	161 280
7	Wholesale and retail trade	12 994	202 849	4 768	-	231	157	211 075
8	Transport and storage	181	70 216	278	-	-	100	70 119
9	Accommodation and food service activities	1 834	78 585	1 826	-	328	(190)	78 593
10	Information and communication	47	34 085	20	-	-	6	34 112
11	Real estate activities	371	253 842	1 795	-	-	(129)	252 417
12	Professional, scientific and technical activities	43	34 394	198	-	-	(67)	34 239
13	Administrative and support service activities	52	190 705	336	-	-	144	190 421
14	Public administration and defence, compulsory social security	-	555 656	45	-	-	(283)	555 611
15	Education	-	1 390	1	-	-	(13)	1 389
16	Human health services and social work activities	154	40 258	573	-	-	208	39 839
17	Arts, entertainment and recreation	166	11 040	117	-	-	(153)	11 089
18	Other services	7 754	494 133	11 108	-	1 113	2 309	490 780
19	Total	44 876	2 676 466	38 223	-	2 025	3 026	2 683 119

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					(a+b-c-d-e)
1	Lithuania	44 876	2 313 295	38 223	-	2 025	3 026	2 319 948
2	Poland	28 216	-	-	-	-	-	28 216
3	France	23 407	-	-	-	-	-	23 407
4	Romania	16 550	-	-	-	-	-	16 550
5	The Netherlands	31 870	-	-	-	-	-	31 870
6	Italy	20 490	-	-	-	-	-	20 490
7	Ireland	20 861	-	-	-	-	-	20 861
8	Other country	147 179	-	-	-	-	-	147 179
9	America	66 906	-	-	-	-	-	66 906

10	Asia, Oceania and Australia	7 692	-	-	-	-	-	7 692
11	Africa	-	-	-	-	-	-	-
12	Total	408 047	2 313 295	38 223	-	2 025	3 026	2 683 119

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	116 776	12 985	5 714	8 618	11 365	33 488
2	Debt securities	-	-	-	-	-	-
3	Total exposures	116 776	12 985	5 714	8 618	11 365	33 488

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	1 656 035	15 277	-	95 337	93 907	93 907	13 203
2	Debt securities	642 173	-	-	-	-	-	-
3	Total exposures	2 298 208	15 277	-	95 337	93 907	93 907	13 203

		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	11 459	-	35 431	5 738	48 583	-
2	Debt securities	-	-	-	-	-	-
3	Total exposures	11 459	-	35 431	5 738	48 583	-

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	67,942	-
2	Increases due to amounts set aside for estimated loan losses during the period	14,690	-
3	Decreases due to amounts reversed for estimated loan losses during the period	(11,664)	-

4	Decreases due to amounts taken against accumulated credit risk adjustments	(2,074)	-
5	Transfers between credit risk adjustments	-	-
6	Impact of exchange rate differences	-	-
7	Business combinations, including acquisitions and disposals of subsidiaries	-	-
8	Other adjustments	(16,012)	-
9	Closing balance	52,882	-
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-	-
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 +16,012 thousand.

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

		a
		Gross carrying value defaulted exposures
1	Opening balance	43 958
2	Loans and debt securities that have defaulted or impaired since the last reporting period	9 014
3	Returned to non-defaulted status	(8 194)
4	Amounts written off	(2 025)
5	Other changes	2 123
6	Closing balance	44 876

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	821,530	717,988	647,577	70,411	-
2	Total debt securities	641,986	-	-	-	-
3	Total exposures	1,463,516	717,988	647,577	70,411	-
4	Of which defaulted	21,145	4,360	-	4,360	-

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	504,189	-	504,189	-	14,340	3%
2	Regional government or local authorities	100,527	10,905	100,527	4,202	16	0%
3	Public sector entities	6,053	1,001	76,464	321	5,227	7%
4	Multilateral development banks	1,072	-	1,072	-	-	0%
5	International organisations	-	-	-	-	-	-
6	Institutions	90,588	1,063	90,588	532	35,020	38%
7	Corporates	350,250	155,228	316,719	66,716	359,799	94%
8	Retail	403,894	97,767	384,973	45,058	304,618	71%
9	Secured by mortgages on immovable property	659,714	61,508	647,577	29,401	441,718	65%
10	Exposures in default	25,507	-	21,145	-	24,525	116%
11	Higher-risk categories	85,466	-	84,006	-	126,009	150%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	3,890	-	3,890	-	3,890	100%
15	Equity	14,297	-	14,297	-	28,142	197%
16	Other items	87,250	-	87,250	-	44,025	50%
17	Total	2,332,697	327,472	2,332,697	146,228	1,387,330	56%

Table 14. Standardised approach

	Exposure classes	Risk weight								
		0%	2%	4%	10%	20%	35%	50%	70%	75%
1	Central governments or central banks	436,967	-	-	28,820	4,542	-	8,339	-	-
2	Regional government or local authorities	104,696	-	-	-	-	-	33	-	-
3	Public sector entities	70,411	-	-	-	-	-	2,292	-	-
4	Multilateral development banks	1,072	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	36,453	-	53,877	-	-

7	Corporates	-	-	-	-	885	-	45,856	-	-
8	Retail	-	-	-	-	-	-	-	-	430,030
9	Secured by mortgages on immovable property	-	-	-	-	-	57,758	395,435	-	-
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	44,445	-	-	-	-	-	-	-	-
17	Total	657,591	-	-	28,820	41,881	57,758	505,832	-	430,030

	Exposure classes	Risk weight							Total	Of which unrated
		100%	150%	250%	370%	1250%	Others	Deducted		
1	Central governments or central banks	-	-	-	-	-	25,520	-	504,189	48,333
2	Regional government or local authorities	-	-	-	-	-	-	-	104,729	104,729
3	Public sector entities	4,081	-	-	-	-	-	-	76,785	72,703
4	Multilateral development banks	-	-	-	-	-	-	-	1,072	1,656
5	International organisations	-	-	-	-	-	-	-	-	-
6	Institutions	785	4	-	-	-	-	-	91,120	4,250
7	Corporates	336,694	-	-	-	-	-	-	383,435	262,521
8	Retail	-	-	-	-	-	-	-	430,030	430,030
9	Secured by mortgages on immovable property	223,786	-	-	-	-	-	-	676,978	676,978
10	Exposures in default	14,385	6,760	-	-	-	-	-	21,145	21,145
11	Higher-risk categories	-	84,006	-	-	-	-	-	84,006	84,006
12	Covered bonds	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	3,890	-	-	-	-	-	-	3,890	3,890
15	Equity	5,067	-	9,230	-	-	-	-	14,297	14,297
16	Other items	41,992	-	813	-	-	-	-	87,250	87,250
17	Total	630,680	90,770	10,043	-	-	25,520	-	2,478,925	1,811,789

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	1,462					1,462	855
3	Standardised approach		781			0.038	30	375
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)						3,365	3,365
9	Financial collateral comprehensive method (for SFTs)						-	-
10	VaR for SFTs						-	-
11	Total							4,595

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	781	375
EU4	Based on the original exposure method	-	-
5	Total subject to the CVA capital charge	781	375

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)		4,220
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	4,827	4,220
13	(i) OTC derivatives	-	-

14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	1,462	855
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	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	660	141	-
7	Corporates	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-
11	Total	-	-	-	-	660	141	-

	Exposure classes	Risk weight				Total	Of which unrated
		75%	100%	150%	Others		
1	Central governments or central banks	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	-	-	-	-	801	461
7	Corporates	-	1,390	-	-	1,390	1,390
8	Retail	36	-	-	-	36	36
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
10	Other items	-	2,600	-	-	2,600	2,600
11	Total	36	3,990	-	-	4,827	4,487

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	1,462	-	1,462	-	1,462

2	SFTs	21,488	18,123	3,365	-	3,365
3	Cross-product netting	-	-	-	-	-
4	Total	22,950	18,123	4,827	-	4,827

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	10,552		2,354,245	
030	Equity instruments	-	-	5,724	5,724
040	Debt securities	5,719	5,872	653,953	687,301
120	Other assets	-		90,256	

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	21,835	53,225

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)	17,096	1,368
2	Equity risk (general and specific)	2,138	171
3	Foreign exchange risk	-	-
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisation (specific risk)	-	-
9	Total	19,234	1,539

LEVERAGE RATIO

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

		Applicable Amount
1	Total assets as per published financial statements	2,364,797
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	984
5	Adjustment for securities financing transactions (SFTs)	(18,123)
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	327,472
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	(14,232)
8	Leverage ratio total exposure measure	2,660,898

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)	2,334,806
2	(Asset amounts deducted in determining Tier 1 capital)	(2,149)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,332,657

Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	478
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	984
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)	1,462
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	21,488
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(18,123)
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)	3,365
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	327,472
18	(Adjustments for conversion to credit equivalent amounts)	-
19	Other off-balance sheet exposures (sum of lines 17 and 18)	327,472
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	252,324
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,664,956
Leverage ratio		
22	Leverage ratio	9.47%
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:	2,353,076
EU-2	Trading book exposures	20,379
EU-3	Banking book exposures, of which:	2,332,697
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	611,841
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
EU-7	Institutions	90,588
EU-8	Secured by mortgages of immovable properties	745,180
EU-9	Retail exposures	403,894
EU-10	Corporates	350,250
EU-11	Exposures in default	25,507
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	105,437

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)			
		30.09.2018	31.12.2018	31.03.2019	30.06.2019
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	-			
CASH - OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	1,473,974	1,456,816	1,390,098	1,318,408
3	<i>Stable deposits</i>	1,057,730	1,016,897	943,260	870,040
4	<i>Less stable deposits</i>	388,202	408,457	413,132	413,740
5	Unsecured wholesale funding	288,452	293,859	293,494	292,703
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	269,456	273,076	270,881	265,869
8	<i>Unsecured debt</i>	18,997	20,782	22,613	26,834
9	Secured wholesale funding	-			
10	Additional requirements	167,775	148,045	105,725	67,330
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	588	468	318	220
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	167,187	147,577	105,407	67,109

14	Other contractual funding obligations	6,682	6,450	6,576	6,083
15	Other contingent funding obligations	-	22,161	91,207	167,694
16	TOTAL CASH OUTFLOWS				
CASH - INFLOWS					
17	Secured lending (e . g . reverse repos)	433	3,879	3,926	4,678
18	Inflows from fully performing exposures	80,581	73,414	69,743	68,922
19	Other cash inflows	12,075	13,702	16,730	17,509
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	93,089	90,995	90,398	91,108
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>	93,089	90,995	90,398	91,108
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)			
30.09.2018	31.12.2018	31.03.2019	30.06.2019
12	12	12	12

HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	590,566	606,245	602,867	604,284
CASH - OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	129,682	133,942	133,316	130,854
3	<i>Stable deposits</i>	52,887	50,845	47,163	43,502
4	<i>Less stable deposits</i>	48,753	51,636	52,447	52,724
5	Unsecured wholesale funding	139,057	142,176	144,315	147,639
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non -operational deposits (all counterparties)</i>	120,060	121,394	121,702	120,806
8	<i>Unsecured debt</i>	18,997	20,782	22,613	26,834
9	Secured wholesale funding	-	-	-	-
10	Additional requirements	17,075	15,030	10,712	6,835
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	588	468	318	220
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	16,488	14,562	10,395	6,614
14	Other contractual funding obligations	6,682	6,450	6,576	6,083
15	Other contingent funding obligations	-	1,108	4,560	8,281
16	TOTAL CASH OUTFLOWS	292,496	298,707	299,480	299,692
CASH - INFLOWS					
17	Secured lending (e . g . reverse repos)	433	2,462	2,509	3,261

18	Inflows from fully performing exposures	64,252	55,709	51,367	49,867
19	Other cash inflows	12,075	13,702	16,730	17,509
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	76,760	71,874	70,605	70,637
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>	76,760	71,874	70,605	70,637
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER	590,566	606,245	602,867	604,284
22	TOTAL NET CASH OUTFLOWS	215,736	226,833	228,875	229,056
23	LIQUIDITY COVERAGE RATIO (%)	273.75%	267.27%	263.41%	263.82%