

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


RESPONSIBLE PERSONS' CONFIRMATION

We, Chairman of the Board Algirdas Butkus and Chief Financial Officer Vita Adomaitytė, confirm that this interim financial statement is formed in compliance with applicable accounting standards, corresponds to the facts and properly indicates the assets of Šiaulių bankas AB and total assets of the consolidated enterprises as well as liabilities, financial status and profit.

Chairman of the Board

Chief Financial Officer




Algirdas Butkus


Vita Adomaitytė

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

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

THE GROUP'S AND BANK'S BALANCE SHEET

	Notes	30 June 2007		31 December 2006	
		Group	Bank	Group	Bank
Assets					
Cash and balances with central banks	2	122.439	122.438	94.144	94.132
Due from other banks and financial institutions	3	54.921	148.940	59.181	133.255
Trading securities	6	25.931	12.681	12.574	12.574
Derivative financial instruments	18	-	-	82	82
Loans to customers	4	1.130.279	1.155.849	884.816	898.618
Finance lease receivables	5	93.210	-	77.867	-
Investment securities:					
- available-for-sale	6	6.482	6.482	515	515
- held-to-maturity	6	160.384	160.384	162.470	162.470
Investments in subsidiaries	6	-	2.135	-	6.654
Intangible assets		1.301	1.267	1.600	1.539
Tangible fixed assets		44.422	38.783	48.454	36.357
Other assets	7	55.395	5.489	45.600	4.108
Total assets		1.694.764	1.654.448	1.387.303	1.350.304
Liabilities					
Due to other banks and financial institutions	8	327.717	318.723	172.954	167.956
Due to customers	9	1.068.723	1.068.908	921.279	921.499
Special and lending funds	10	39.281	38.655	42.805	42.007
Debt securities in issue	12	31.147	31.147	27.778	45.561
Derivative financial instruments	18	15	15	-	-
Other liabilities	11	38.660	26.453	35.118	21.091
Total liabilities		1.505.543	1.483.901	1.199.934	1.198.114
Equity					
Capital and reserves attributable to equity holders of the parent					
Share capital	13	121.033	121.033	109.039	109.039
Share premium		13.006	13.006	25.000	25.000
Reserve capital		2.611	2.611	2.611	2.611
Statutory reserve		1.740	1.445	927	700
Financial assets revaluation reserve		(3)	(3)	-	-
Retained earnings		42.147	32.455	28.419	14.840
		180.534	170.547	165.996	152.190
Minority interest		8.687	-	21.373	-
Total equity		189.221	170.547	187.369	152.190
Total liabilities and equity		1.694.764	1.654.448	1.387.303	1.350.304

The notes on pages 9 – 20 constitute an integral part of these financial statements

Chairman of the Board

Chief Financial Officer

26 July 2007



Algirdas Butkus

Vita Adomaityte

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

THE GROUP'S AND BANK'S INCOME STATEMENT


	Notes	30 June 2007		30 June 2006	
		Group	Bank	Group	Bank
Interest and similar income		42.250	39.230	28.776	26.981
Interest expense and similar charges		(20.968)	(20.999)	(12.835)	(12.824)
Net interest income		21.282	18.231	15.941	14.157
Fee and commission income		6.779	6.979	5.593	5.767
Fee and commission expense		(2.641)	(2.594)	(1.702)	(1.632)
Net fee and commission income		4.138	4.385	3.891	4.135
Impairment charge for credit losses		(916)	(433)	(28)	33
Net gain on operations with securities		10.927	8.565	(579)	(793)
Net foreign exchange gain		1.609	1.606	1.418	1.422
Other income		4.587	250	8.765	272
Administrative and other operating expenses		(20.662)	(18.097)	(17.241)	(14.538)
Operating profit		20.965	14.507	12.167	4.688
Dividends from investments in subsidiaries		-	7.114	-	3.832
Profit before income tax		20.965	21.621	12.167	8.520
Income tax expense		(2.120)	(1.080)	(1.235)	(85)
Profit for the year		18.845	20.541	10.932	8.435
Profit is attributable to:					
Equity holders of the Bank		16.722	20.541	8.324	6.003
Minority interest		2.123	-	2.608	-
Profit for the year		18.845	20.541	10.932	6.003
Basic and diluted earnings per share, net (in LTL, per share)	13	0,14	0,17	0,09	0,10

The notes on pages 9 – 20 constitute an integral part of these financial statements


Chairman of the Board

Chief Financial Officer

26 July 2007



Algirdas Butkus



Vita Adomaitytė

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

THE GROUP'S AND BANK'S CASH FLOW STATEMENT

	Notes	30 June 2007		30 June 2006	
		Group	Bank	Group	Bank
Operating activities					
Interest received		40,759	37,739	28,776	26,981
Interest paid		(21,822)	(21,836)	(12,835)	(12,824)
Cash received from previously written-off loans		388	354	174	159
Net cash received from operations in foreign currency		1,484	1,492	2,004	2,008
Net cash received from operations in securities		8,897	8,222	(846)	(901)
Net cash received from service and commission fees		4,138	4,385	3,891	4,135
Salaries and related payments to and on behalf of employees		(10,738)	(9,290)	(8,601)	(7,208)
Other receipts		4,587	235	8,765	272
Other payments		(12,331)	(7,194)	(7,473)	(6,381)
Net cash flow from operating activities before change in short-term assets and liabilities		15,362	14,103	13,855	6,241
(Increase) decrease in assets:					
(Increase) in loans to credit and financial institutions		(9,040)	(28,985)	14,356	7,069
(Increase) in loans to customers		(260,320)	(256,425)	(155,121)	(148,772)
Decrease in trading securities		(13,259)	(6)	1,108	1,066
(Increase) decrease in other assets		(10,113)	(1,305)	(2,480)	1,232
Change in assets		(292,732)	(286,721)	(142,137)	(139,405)
Increase in liabilities:					
Increase in liabilities to credit and financial institutions		155,752	151,662	55,579	26,835
Increase in deposits		143,785	144,019	99,463	128,208
Increase in other liabilities		3,030	4,546	(9,531)	(1,429)
Change in liabilities		302,567	300,227	145,511	153,614
Net cash flow from/(used in) operating activities before tax		25,197	27,609	17,229	20,450
Income tax paid		(1,024)	(600)	(368)	-
Net cash flow from operating activities		24,173	27,009	16,861	20,450
Investing activities					
Purchase of tangible and intangible fixed assets		(6,006)	(4,235)	(6,036)	(5,760)
Disposal of tangible and intangible fixed assets		11,391	826	10,358	936
Acquisition of held to maturity securities		-	4,518	-	-
Proceeds from redemption of held to maturity securities		(5,967)	(5,967)	-	-
Dividends received		(12,006)	(12,006)	(35,326)	(35,284)
Net cash used in investing activities		14,092	14,092	11,937	11,895
Financing activities					
Increase in share capital		-	-	1,806	1,806
Dividends paid		(2,175)	(2,175)	(1,682)	(1,682)
Payment to minority shareholders		(14,229)	-	(1,888)	-
Debt securities issued		6,106	6,106	41,231	41,231
Debt securities repurchased and redeemed		(2,737)	(20,520)	(25,782)	(25,782)
Net cash flow from financing activities		(13,035)	(16,589)	13,685	15,573
Net increase in cash and cash equivalents		14,993	15,004	11,772	11,776
Cash and cash equivalents at 1 January		121,558	121,546	117,273	117,262
Cash and cash equivalents at 31 March	19	136,551	136,550	129,045	129,038

The notes on pages 9 – 20 constitute an integral part of these financial statements

Chairman of the Board

Chief Financial Officer

26 July 2007



Algirdas Butkus

Vita Adomaitytė

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

THE GROUP'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Bank					Total	Minority interest	Total equity
	Share capital	Share premium	Reserve capital	Statutory reserve and other reserve	Retained earnings			
31 December 2005	74,720	8,400	2,611	357	8,773	94,861	8,015	102,876
Dividends	-	-	-	-	(1,694)	(1,694)	-	(1,694)
Dividends to minority	-	-	-	-	-	-	(1,888)	(1,888)
Formation of statutory reserve	-	-	-	570	(570)	-	-	-
Bonus issue of share capital	9,319	(8,400)	-	-	(919)	-	-	-
Issue of share capital	25,000	25,000	-	-	-	50,000	-	50,000
Increase in share capital of minority shareholders in subsidiaries	-	-	-	-	-	-	(4,256)	(4,256)
Profit for the year	-	-	-	-	22,829	22,829	19,502	42,331
31 December 2006	109,039	25,000	2,611	927	28,419	165,996	21,373	187,369
Dividends	-	-	-	-	(2,181)	(2,181)	-	(2,181)
Dividends to minority	-	-	-	-	-	-	(14,229)	(14,229)
Financial assets revaluation reserve	-	-	-	(3)	-	(3)	-	(3)
Issue of share capital from share premium	11,994	(11,994)	-	-	-	-	-	-
Formation of statutory reserve	-	-	-	813	(813)	-	-	-
Increase in share capital of minority shareholders in subsidiaries	-	-	-	-	-	-	(580)	(580)
Profit for the year	-	-	-	-	16,722	16,722	2,123	18,845
30 June 2007	121,033	13,006	2,611	1,737	42,147	180,534	8,687	189,221

Chairman of the Board



Algirdas Butkus

Chief Financial Officer



Vita Adomaityte

26 July 2007

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

THE BANK'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve	Retained earnings	Total
31 December 2005	74.720	8.400	2.611	-	328	4.174	90.233
Dividends	-	-	-	-	-	(1.694)	(1.694)
Formation of statutory reserve	-	-	-	-	372	(372)	-
Bonus issue of share capital	9.319	(8.400)	-	-	-	(919)	-
Issue of share capital	25.000	25.000	-	-	-	-	50.000
Profit for the year	-	-	-	-	-	13.651	13.651
31 December 2006	109.039	25.000	2.611	-	700	14.840	152.190
Dividends	-	-	-	-	-	(2.181)	(2.181)
Issue of share capital from share premium	11.994	(11.994)	-	-	-	-	-
Formation of statutory reserve	-	-	-	-	745	(745)	-
Financial assets revaluation reserve	-	-	-	(3)	-	-	(3)
Profit for the year	-	-	-	-	-	20.541	20.541
30 June 2007	121.033	13.006	2.611	(3)	1.445	32.455	170.547

Chairman of the Board



Algirdas Butkus

Chief Financial Officer



Vita Adomaitytė

26 July 2007

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

Consolidation of financial statements, amendments in accounting policy

These financial statements include consolidated statements of the bank and its subsidiaries.

Asset and liabilities of the subsidiaries are consolidated according to every entry eliminating inter balances. The investments into associated companies are accounted applying at cost method.

Subsidiaries are considered to be those companies where the Group has either direct or indirect control, i.e. opportunity to manage financial and operational decisions. Subsidiaries are consolidated commencing the day when the control is assigned to the Group and cease to be consolidated on the day when this control is over. Subsidiaries are accounted applying acquisition method. The costs of acquisition are considered to be a fair value of the assigned assets and taken liabilities while acquiring company by adding expenditures directly connected to this acquisition. The amount of acquisition costs which exceeds the fair value of the acquired company's net assets is accounted as prestige. In case of necessity the accounting principals applied to subsidiary are amended in order to meet the accounting principals applied to the Group.

The most significant amendment in the accounting policy during the first quarter of 2007 has been made regarding figuring the reappraisal of financial assets held to trade in the bank's financial statements. The result of this reappraisal is accounted in the financial assets reappraisal reserve directly in the shareholders' equity entry.

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

NOTE 1 CREDIT INSTITUTION ACTIVITIES

The bank's Head Office is located in Šiauliai. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 35 client service centres.

As of 31st June 2007 the number of the bank's clients included 240 municipal companies, 20 state companies, 42 agricultural company, 36 economic partnership, 3,538 limited liability public companies, 1,650 private companies, 384 non-profit making and public sector companies and 846 other organizations as well as 99,307 natural entities.

As of 31st December 2006 and 30th June 2007 the bank controlled 3 subsidiaries: "Šiaulių banko lizingas" UAB (financial and operational leasing), "Šiaulių banko investicijų valdymas" UAB (investment management), "Šiaulių banko turto fondas" UAB (real estate management). The bank owns 100% of "Šiaulių banko lizingas" UAB (nominal share value – LTL 1,000 thou), 60.4% of "Šiaulių banko investicijų valdymas" UAB (nominal share value – LTL 604 thou), 53.1% of "Šiaulių banko turto fondas" UAB (nominal share value – LTL 531 thou).

The consolidated statements of the Group include financial statements of the bank and its subsidiaries. "Šiaulių banko faktoringas" UAB ceased its activities on 30-03-2007. Pajūrio alka UAB sold in May 2007.

NOTE 2 CASH AND BALANCES WITH CENTRAL BANK

	Bank 30 June 2007	Group 30 June 2007	Bank 31 Decembe r 2006	Group 31 Decembe r 2006
Cash and other valuables	36.986	36.987	30.608	30.620
Mandatory reserves in national currency	65.545	65.545	57.255	57.255
Correspondent account with central bank	19.907	19.907	6.269	6.269
Total:	122.438	122.439	94.132	94.144

Mandatory reserves comprise the funds calculated on a monthly basis as a 6% share of the average balance of deposits of the previous month. The mandatory reserves are held with the Bank of Lithuania in the form of deposits. The compensation for deposits held is calculated according to the Regulations of the Bank of Lithuania.

NOTE 3 DUE FROM OTHER BANKS AND FINANCIAL INSTITUCIONS

	Bank 30 June 2007	Group 30 June 2007	Bank 31 Decembe r 2006	Group 31 Decembe r 2006
Correspondent bank accounts	14,112	14,112	27,414	27,414
Time deposits	12,892	12,892	11,249	11,249
Repurchase contracts	18,434	18,434	11,082	11,082
Loans granted	103,502	9,414	83,510	9,343
Demand deposits	-	69	-	93
Total:	148.940	54.921	133.255	59.181

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

NOTE 4 LOANS

	30 June 2007		31 December 2006	
	Bank	Group	Bank	Group
Loans to corporate entities	955.333	921.683	744.729	724.784
Loans to individuals	202.976	211.388	155.663	162.085
Gross total loans granted	1.158.309	1.133.071	900.392	886.869
Less: allowance for impairment	(2.460)	(2.792)	(1.774)	(2.053)
Net	1.155.849	1.130.279	898.618	884.816

Special provisions to Loan portfolio %	0,21	0,25	0,20	0,23
Past due loans (more 90 than days past due)	12.334	12.604	2.979	3.023
Past due loans to Loan portfolio %	1,06	1,11	0,33	0,34

Only "Šiaulių banko lizingas" UAB has granted loans without the bank.

	Bank 30 June 2007	Bank 30 June 2007
Maximum loan amount per borrower	20,06 %	29.660

Maximum loan amount per borrower is a total value of the loans, guarantees, warranties granted by the bank and liabilities in litas and foreign currency (not more than 25% of the bank's capital). This amount comprised LTL 29.660 thou or 20,06 % of the bank's capital as of 30st June 2007.

As of 30st June 2007 the large exposure standard was 273.15 %. According to the requirements of the Bank of Lithuania the total amount of large exposures may not exceed 800% of the bank's capital.

	30 June 2007		31 December 2006	
	Bank	Group	Bank	Group
Capital	136.100	141.522	147.839	154.961
20 top loans	307.878	307.878	361.460	361.460
20 top loans to Loan portfolio %	226	218	244	233

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

	30 June 2007		31 December 2006	
	Bank	Group	Bank	Group
Total loans granted by industry sectors:				
Trading	249.900	249.900	191.241	191.241
Manufacturing	147.544	147.586	117.165	117.175
Construction	149.182	149.182	145.161	145.161
Real estate, rent	169.383	135.691	99.795	92.211
Agriculture, hunting and forestry	71.422	71.422	63.775	63.775
Transportation	39.894	39.894	25.690	25.690
Hotels and restaurants	49.124	49.124	42.927	40.920
Utilities	28.972	28.972	18.666	18.666
Other industry sectors	49.377	49.378	51.900	41.536
Loans not assigned to industry sectors	203.511	211.922	144.072	150.494
Total	1.158.309	1.133.071	900.392	886.869

NOTE 5 FINANCE LEASE RECEIVABLES

“Šiaulių banko lizingas” UAB was established on 16th August 1999. The main business of the company is financial lease.

Leasing activities mainly depend on the attracted financial resources. The funds allocated to provide funding to leasing operations are formed from two following sources: own funds and bank's loans. The leasing company pays interest to the bank for the borrowed funds.

SEGMENT INFORMATION

	30 June 2007	31 December 2006
By type of lessees:		
Legal entities	62.443	46.319
Individuals	31.711	32.207
Net investments before provisions	84.154	78.526
By type of assets leased:		
Computers and computer hardware	4.392	5.594
Commercial facilities	19.816	14.870
Equipment	13.838	31.799
Cars	9.413	6.542
Plastic windows and window-cases	3.098	3.379
Heavy transport means	9.586	12.467
Other	34.012	3.875
Net investments before provisions	94.154	78.526
Provisions	(925)	(659)
Net investments after provisions	93.229	77.867

All lessees operate in Lithuania.

Group's inter transactions comprised LTL 19 thou

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

NOTE 6 SECURITIES**Trading securities**

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Debt securities:				
Government bonds	6.304	6.304	8.487	8.487
Equity securities:				
Listed	2.584	2.584	2.060	2.060
Unlisted	13.330	80	40	40
Units of funds	3.713	3.713	1.987	1.987
Total equity securities	19.627	6.377	4.087	4.087
Total:	25.931	12.681	12.574	12.574

Investment securities

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Securities available-for-sale:				
Units of domestic investment funds	239	239	-	-
Units of foreign investment funds	583	583	-	-
Treasury bonds of foreign states	5.145	5.145	-	-
Unlisted equity securities	1.325	1.325	515	515
Total securities available-for-sale:	6.482	6.482	515	515
Securities held-to-maturity				
Bonds of non-residents	8.269	8.269	7.287	7.287
Government bonds of foreign states	23.293	23.293	22.623	22.623
Government bonds of the Republic of Lithuania	120.920	120.920	125.963	125.963
Bonds of residents	7.902	7.902	6.597	6.597
Total securities held to maturity:	160.384	160.384	162.470	162.470
Total investment securities:	166.866	166.866	162.985	162.985

Investments in subsidiaries

Bank	30 June 2007			31 December 2006		
	Share in equity	Acquisitio n cost	Carrying value	Share in equity	Acquisitio n cost	Carrying value
Investments in consolidated subsidiaries:						
ŠB Lizingas UAB	100,0%	1.000	1.000	100,0%	1.000	1.000
ŠB Investicijų Valdymas UAB	60,4%	604	604	60,4%	604	604
ŠB Turto Fondas UAB	53,1%	531	531	53,10%	531	531
Pajūrio Alka UAB	-	-	-	99,85%	4.519	4.519
Total :			2.135			6.654

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

ŠB Faktoringas UAB was under liquidation as at 31 December 2006. Uncovered part of the loan to the Bank of LTL 21 thousand and investment of LTL 10 thousand were written-off in the Bank's accounts in the year 2006.

A portion of equity securities portfolio, which is actively traded by the bank, consist of shares included the Main List and Current List of Vilnius Stock Exchange. The equity securities held for trading also include those shares that are not actively traded at the moment; however, they have been bought with the purpose to earn profit selling them later. The shares that have been bought by the bank not only with the purpose to earn profit later selling them but also because of the opportunity to participate in the issuer's management or in pursue to represent other bank's or its clients' or business partners' interest are allocated to the category of securities held for sales.

NOTE 7 OTHER ASSETS

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Assets held for sale and real estate projects under development	12.010	-	17.244	-
Amounts receivable	26.211	183	17.559	391
Deferred expenses	3.447	3.406	2.045	1.992
Transit accounts	947	947	1.170	1.170
Prepayments	11.451	490	5.967	162
Foreclosed assets	45	45	45	45
Prepaid income tax	95	-	80	-
Other	1.189	418	1.490	348
Total:	55.395	5.489	45.600	4.108

NOTE 8 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Correspondent accounts and deposits of other banks and financial institutions:				
Correspondent accounts and demand deposits	19.677	19.683	17 951	17 953
Time deposits	59.018	59.018	57 473	57 473
Total correspondent accounts and deposits of other banks and financial institutions	78.695	78.701	75 424	75 426
Loans received:				
Loans from other banks	147.435	138.435	32 798	27 798
Loans from international organisations	101.587	101.587	64 732	64 732
Total loans received	249.022	240.022	97 530	92 530
Total:	327.717	318.723	172 954	167 956

NOTE 9 DUE TO CUSTOMERS

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

	30 June 2007		31 December 2006	
	Group	Bankas	Group	Bankas
Demand deposits:				
National government institutions	3.802	3.802	8.949	8.949
Local government institutions	42.987	42.987	34.791	34.791
Governmental and municipal companies	6.666	6.666	14.880	14.880
Corporate entities	111.720	111.814	123.504	123.564
Non-profit organisations	7.147	7.147	5.647	5.647
Individuals	113.941	113.941	92.797	92.797
Total demand deposits	286.263	286.357	280.568	280.628
Time deposits:				
National government institutions	13.598	13.598	13.730	13.730
Local government institutions	11.319	11.319	1.479	1.479
Governmental and municipality companies	80.376	80.376	72.214	72.214
Corporate entities	81.227	81.318	68.006	68.166
Non-profit organisations	3.376	3.376	2.921	2.921
Individuals	592.564	592.564	482.361	482.361
Total time deposits	782.460	782.551	640.711	640.871
Total:	1.068.723	1.068.908	921.279	921.499

NOTE 10 SPECIAL AND LENDING FUNDS

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Special funds	398	398	326	326
Lending funds	38.883	38.257	42.479	41.681
Total:	39.281	38.655	42.805	42.007

Special funds consist of compulsory social security and health insurance funds. Special funds have to be available to their contributors on their first demand.

Lending funds consist of loans from banks and financial institutions for granting of special purpose credits.

NOTE 11 OTHER LIABILITIES

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Transit accounts	17.415	17.379	14.250	14.250
Accrued charges	4.775	3.995	3.601	3.183
Deferred income	4.024	3.222	3.305	2.624
Advances received from the buyers of assets	2.181	-	3.594	-
Current and deferred income tax liabilities	6.770	1.181	5.878	717
Other	3.495	691	4.490	317
Total:	38.660	26.468	35.118	21.091

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

NOTE 12 DEBT SECURITIES IN ISSUE

	30 June 2007		31 December 2006	
	Group	Bank	Group	Bank
Short term debenture bonds denominated in LTL with discount rate of 4.1 per cent, maturity 2007	12.411	12.411	12.168	12.168
Two year bonds denominated in EUR with coupon rate of 4.6 per cent, maturity 2008	18.736	18.736	15.610	33.393
Total :	31.147	31.147	27.778	45.561

NOTE 13 SHARE CAPITAL

As at 31 June 2007, the Bank's share capital comprised 121,033,512 ordinary registered shares with par value of LTL 1 each.

As of 31 March 2007, the shareholders holding over 5% of the Bank's shares with voting rights are listed in the table below:

Shareholders	Percentage of shares with voting rights, %
European Bank for Reconstruction and Development	16,06
Prekybos Namai Aiva UAB	5,99
Gintaras Kateiva	5,81
Total:	27,86

Another 16 shareholders had less than 5% but more than 1% of the Bank's share capital. The remaining shareholders on an individual basis had less than 1% of the Bank's shares and voting rights.

Seven shareholders of the Bank – European Bank for Reconstruction and Development, Prekybos Namai Aiva UAB, Mintaka UAB, Alita AB, Algirdas Butkus, Gintaras Kateiva and Arvydas Salda – acting jointly in accordance with the Agreement of Shareholders, together with related persons at the end of the year held 39.62 per cent of the Bank's shares and voting rights. Based on its Resolution No. 103 dated 23 June 2005, the Bank of Lithuania gave its consent for this group of shareholders to acquire a qualified share of the authorised share capital and voting rights.

As at 31 June 2007, the Bank had 3,101 shareholders (31 December 2006: 2,539).

Share premium

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

Reserve capital

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

Statutory reserve

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

Dividends

Dividends are declared during the annual general meeting of shareholders when appropriation of profit for the reporting period is performed. In 2007, the annual general meeting of shareholders decided to pay 2 % dividends (2006: 2%) to the holders of ordinary shares.

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

Earnings per share

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

Bank	30 June 2007	30 June 2006
Profit for the year attributable to equity holders of the Bank (in LTL thousand)	20.541	8.435
Weighted average number of issued shares (thousand of shares)	121.033	84.039
Earnings per share (in LTL per share)	0,17	0,10
Group	30 June 2007	30 June 2006
Profit for the year attributable to equity holders of the Bank (in LTL thousand)	16.722	8.324
Weighted average number of issued shares (thousand of shares)	121.033	84.039
Earnings per share (in LTL per share)	0,14	0,09

NOTE 14 CAPITAL ADEQUACY

	30 June 2007	31 December 2006
Bank		
Capital	147.839	136.100
Tier 1 ratio	148.564	137.839
Risk weighted assets and off balance sheet items	1.321.128	991.456
Capital adequacy ratio, %	11,19	13,73

	30 June 2007	31 December 2006
Group		
Capital	155.397	141.567
Tier 1 ratio	154.961	141.522
Risk weighted assets and off balance sheet items	1.367.084	1.025.742
Capital adequacy ratio, %	11,37	13,80

Since June 2006 the capital base has been calculated not including the pre-audited profit of the current year, and the dividends to be paid are deducted from the last year retained earnings.

NOTE 15 LIQUIDITY RISK

Liquidity is defined as the ability to satisfy all the needs of cash flow outgoing from the Bank at any time by converting assets into cash with the minimal loss in value. Liquidity risk is the risk that the Bank will not have the sufficient financial resources to meet its obligations when they come due and will not be able to obtain them in short time by borrowing or selling its assets.

The process of liquidity risk management is an important element insuring the stability of the Bank's business.

The structure of the Bank's assets and liabilities by maturity as at 30 June 2007 was as follows.:

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

	On demand	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More 3 than years	Maturity undefined	Total
Assets	136.973	150.943	150.948	87.281	221.916	384.851	461.086	60.450	1.654.448
Liabilities and shareholders' equity	332.764	259.690	181.963	163.846	232.137	223.304	88.509	172.235	1.654.448
Net liquidity gap	(195.791)	(108.747)	(31.015)	(76.565)	(10.221)	161.547	372.577	(111.785)	-

The structure of the Bank's assets and liabilities by maturity as at 31 December 2007 was as follows.:

	On demand	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More 3 than years	Maturity undefined	Total
Assets	122.051	105.944	138.772	101.841	131.797	334.103	367.033	48.763	1.350.304
Liabilities and shareholders' equity	300.845	171.356	161.802	153.465	211.345	143.052	54.910	153.529	1.350.304
Net liquidity gap	(178.794)	(65.412)	(23.030)	(51.624)	(79.548)	191.051	312.123	(104.766)	-

The structure of the Group's assets and liabilities by maturity as at 30 June 2007 was as follows.:

	On demand	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More 3 than years	Maturity undefined	Total
Assets	137.043	94.927	126.403	79.572	251.802	414.989	484.998	105.030	1.694.764
Liabilities and shareholders' equity	332.664	264.307	187.548	164.388	241.437	224.523	88.599	191.298	1.694.764
Net liquidity gap	(195.621)	(169.380)	(61.145)	(84.816)	10.365	190.466	396.399	(86.268)	-

The structure of the Group's assets and liabilities by maturity as at 31 December 2007 was as follows.:

	On demand	Less than 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	More 3 than years	Maturity undefined	Total
Assets	122.156	75.192	117.977	103.437	153.653	369.038	383.521	62.329	1.387.303
Liabilities and shareholders' equity	300.783	183.057	162.007	154.250	217.038	126.486	54.974	188.708	1.387.303
Net liquidity gap	(178.627)	(107.865)	(44.030)	(50.813)	(63.385)	242.552	328.547	(126.379)	-

NOTE 16 INTEREST RATE RISK

Interest rate risk incurs because of the change in assets and liability price - interest rate - at different time. The bank faces interest rate risk related to lent funds and advance payments to the clients and other banks at fixed interest rate, the volume of which as well as repayment terms differ from analogues volumes and repayment terms of time deposits with fixed interest rate.

The data regarding the Bank's and Financial Group's interest rate risk as of 30th June 2006 is provided in the table below. Assets and liabilities are shown at their balance value and are allocated according to the interest rate reappraisal term or assets and liabilities maturity depending on what comes first.

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

30 June 2007

Bank	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	More than 1 year	Non interest bearing	Total:
Total assets	222.587	377.421	511.155	112.052	228.084	203.149	1.654.448
Liabilities and shareholders' equity	210.892	351.090	174.308	229.161	60.101	528.896	1.654.448
Interest rate sensitivity gap	(88.305)	26.331	336.847	(117.109)	167.983	(325.747)	

31 December 2006

Bank	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	More than 1 year	Non interest bearing	Total:
Total assets	145.180	296.455	431.574	64.291	224.870	187.934	1.350.304
Liabilities and shareholders' equity	168.956	221.514	175.500	197.017	93.518	493.799	1.350.304
Interest rate sensitivity gap	(23.776)	74.941	256.074	(132.726)	131.352	(305.865)	

30 June 2007

Group	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	More than 1 year	Non interest bearing	Total:
Total assets	160.229	350.440	498.426	132.155	281.116	272.398	1.694.764
Liabilities and shareholders' equity	310.829	350.877	174.392	238.229	60.491	559.946	1.694.764
Interest rate sensitivity gap	(150.600)	(437)	324.034	(106.074)	220.625	(287.548)	

31 December 2006

Group	Up to 1 month	1 to 3 month.	3 to 6 month.	6 to 12 month	More than 1 year	Non interest bearing	Total:
Total assets	111.170	264.495	426.713	83.725	264.452	236.748	1.387.303
Liabilities and shareholders' equity	168.822	226.570	175.584	197.185	76.197	542.945	1.387.303
Interest rate sensitivity gap	(57.652)	37.925	251.129	(113.460)	188.255	(306.197)	

NOTE 17 FOREIGN EXCHANGE TRANSACTIONS AND OPEN CURRENCY POSITIONS

The Bank's open positions of prevailing currencies as at 30 June 2007 were as follows:

	USD	Other currencies	Total currencies*	EUR	LTL	Total	
Total assets	35.485	3.535	39.020	218.402	1.397.026	1.654.448	
Liabilities and shareholders' equity	47.975	2.336	50.311	409.085	1.195.052	1.654.448	
Net balance sheet position	(12.490)	1.199	(11.291)	(190.683)	201.974	-	
Currency exchange swaps		12.565	(496)	12.069	2.034	(14.127)	(24)
Net open position		75	703	778	(188.649)	187.847	(24)

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

The Bank's open positions of prevailing currencies as at 31 December 2007 were as follows:

	USD	Other currencies	Total currencies*	EUR	LTL	Total
Total assets	28.803	2.703	31.506	222.521	1.096.277	1.350.304
Liabilities and shareholders' equity	43.357	809	44.166	253.879	1.052.259	1.350.304
Net balance sheet position	(14.554)	1.894	(12.660)	(31.358)	44.018	-
Currency exchange swaps	14.467	-	14.467	-	(14.374)	93
Net open position	(87)	1.894	1.807	(31.358)	29.644	93

The Group's open positions of prevailing currencies as at 30 June 2007 were as follows:

	USD	Other currencies	Total currencies*	EUR	LTL	Total
Total assets	35.486	3.535	39.021	230.381	1.425.362	1.694.764
Liabilities and shareholders' equity	47.975	2.336	50.311	409.081	1.235.372	1.694.764
Net balance sheet position	(12.489)	1.199	(11.290)	(178.700)	189.990	-
Currency exchange swaps	12.565	(496)	12.069	2.034	(14.127)	(24)
Net open position	76	703	779	(176.666)	175.863	(24)

The Group's open positions of prevailing currencies as at 31 December 2007 were as follows:

	USD	Other currencies	Total currencies*	EUR	LTL	Total
Total assets	28.804	2.703	31.507	225.743	1.130.053	1.387.303
Liabilities and shareholders' equity	43.357	809	44.166	236.096	1.107.041	1.387.303
Net balance sheet position	14.467	-	14.467	-	(14.374)	93
Currency exchange swaps	(86)	1.894	1.808	(10.353)	8.638	93
Net open position	28.804	2.703	31.507	225.743	1.130.053	1.387.303
	43.357	809	44.166	236.096	1.107.041	1.387.303

NOTE 18 DERIVATIVE FINANCIAL INSTRUMENTS

The Group utilises the following derivative financial instrument:

Currency swaps, which are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies.

The nominal amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The swap contract held as at 30 June 2007 is set out in the following table:

	30 June 2007	31 December 2006
Group (Bank)		
Contractual amount		
Purchase	14.103	14.467
Sale	14.127	14.374
Fair values:		
Assets /(liabilities)	(15)	82

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

NOTE 19 CASH AND CASH EQUIVALENTS

	30 June 2007		30 June 2006	
	Group	Bank	Group	Bank
Cash	36.985	36.984	28.182	28.175
Other valuables	2	2	2	2
Correspondent accounts with other banks	14.112	14.112	17.848	17.848
Correspondent accounts with the Bank of Lithuania	19.907	19.907	16.640	16.640
Compulsory reserves with the Bank of Lithuania	65.545	65.545	47.924	47.924
Due from other banks and financial institutions (up to 3 months)	-	-	18.449	18.449
Total :	136.551	136.550	129.045	129.038