



**REPORT ON RISK AND CAPITAL MANAGEMENT
PILLAR3 OF THE BASEL
FOR THE FIRST QUARTER OF THE YEAR 2022**

DISCLOSURE OF INFORMATION UNDER PART EIGHT OF REGULATION (EU) No 575/2013

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DISCLOSURE OF KEY METRICS

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		31.03.2022	31.12.2021	31.03.2022
1	Credit risk (excluding CCR)	1,782,190	1,876,622	142,575
2	Of which the standardised approach	1,782,190	1,876,622	142,575
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	33,753	10,628	2,700
7	Of which the standardised approach	28,464	6,620	2,277
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	200	238	16
9	Of which other CCR	5,089	3,770	407
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	17,463	19,823	1,397
21	Of which the standardised approach	17,463	19,823	1,397
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	198,456	198,456	15,877
EU 23a	Of which basic indicator approach	198,456	198,456	15,877
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	Total	2,031,862	2,105,529	162,549



Template EU KM1 - Key metrics template

		a	b	c	d	e
		31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	389,346	409,984	359,952	363,544	365,590
2	Tier 1 capital	389,346	409,984	359,952	363,544	365,590
3	Total capital	409,346	429,984	379,952	383,544	385,590
Risk-weighted exposure amounts						
4	Total risk exposure amount	2,031,862	2,105,529	2,049,737	2,059,463	1,961,798
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	19.16%	19.47%	17.56%	17.65%	18.64%
6	Tier 1 ratio (%)	19.16%	19.47%	17.56%	17.65%	18.64%
7	Total capital ratio (%)	20.15%	20.42%	18.54%	18.62%	19.65%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.60%	1.60%	1.60%	1.60%	1.60%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.009	0.009	0.009	0.009	0.009
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.012	0.012	0.012	0.012	0.012
EU 7d	Total SREP own funds requirements (%)	14.85%	13.10%	12.60%	12.60%	12.60%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.00%	1.00%	0.50%	0.50%	0.50%
11	Combined buffer requirement (%)	3.50%	3.50%	3.00%	3.00%	3.00%
EU 11a	Overall capital requirements (%)	13.10%	13.10%	12.60%	12.60%	12.60%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.26%	10.57%	9.16%	9.25%	10.24%
Leverage ratio						
13	Total exposure measure	4,453,022	4,387,232	4,132,240	3,623,492	3,522,721
14	Leverage ratio (%)	8.74%	9.34%	8.71%	10.03%	10.38%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0000	0.0000	0.0000	0.0000	0.0000
EU 14c	Total SREP leverage ratio requirements (%)	3%	3.00%	3.00%	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirement (%)	3%	3%	3%	3%	3%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	879,607	998,174	884,536	919,380	998,633
EU 16a	Cash outflows - Total weighted value	507,494	477,165	441,119	444,150	390,427
EU 16b	Cash inflows - Total weighted value	76,373	72,680	54,434	51,064	50,963
16	Total net cash outflows (adjusted value)	431,121	404,486	386,685	393,086	339,464
17	Liquidity coverage ratio (%)	204.03%	246.78%	228.75%	233.89%	294.18%
Net Stable Funding Ratio						
18	Total available stable funding	3,374,054	3,457,995	3,263,226	2,586,641	2,625,564
19	Total required stable funding	2,437,565	2,384,297	2,345,982	1,810,617	1,740,062
20	NSFR ratio (%)	138.42%	147.39%	139.10%	142.86%	150.89%



Template TFAS 9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
Available capital (amounts)						
1	Common Equity Tier 1 (CET1) capital	389,346	409,984	359,952	363,544	365,590
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	369,660	382,443	333,686	337,588	339,874
3	Tier 1 capital	389,346	409,984	359,952	363,544	365,590
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	369,660	382,443	333,686	337,588	339,874
5	Total capital	409,346	429,984	379,952	383,544	385,590
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	389,660	402,443	353,686	357,588	359,874
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	2,031,862	2,105,529	2,049,737	2,059,463	1,961,801
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,012,176	2,077,988	2,023,472	2,033,507	1,936,085
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	0.1916	19.47%	17.56%	17.65%	18.64%
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	0.1837	18.40%	16.49%	16.60%	17.55%
11	Tier 1 (as a percentage of risk exposure amount)	0.1916	19.47%	17.56%	17.65%	18.64%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	0.1837	18.40%	16.49%	16.60%	17.55%
13	Total capital (as a percentage of risk exposure amount)	0.2015	20.42%	18.54%	18.62%	19.65%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	0.1937	19.37%	17.48%	17.58%	18.59%
Leverage ratio						
15	Leverage ratio total exposure measure	4,453,022	4,387,232	4,132,240	3,623,492	3,522,721
16	Leverage ratio	0.0874	9.34%	8.71%	10.03%	10.38%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	0.0834	8.77%	8.13%	9.38%	9.65%

As of 1 January 2018, Šiaulių Bankas AB transitioned to the application of IFRS 9 and exercised the option provided for in Article 473a (1) of CRR to apply transitional measures to institutions to mitigate the impact of the introduction of IFRS 9 on own funds and chose to apply Article 473a (4) of CRR, it is a dynamic component. The bank did not change its initial decision made in 2018. The bank shall assign a 100% risk weight to the amount of AB_{SA} referred to in point (a) of the second subparagraph of Article 473a (1) of Regulation 2020/873.



DISCLOSURE OF LIQUIDITY REQUIREMENTS

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation (consolidated)

		Total unweighted value (average)			
EU 1a	Quarter ending on (31 March 2022)	31.03.2022	31.12.2021	30.09.2021	30.06.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)				
CASH – OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	2,121,268	2,117,627	2,088,747	2,050,476
3	<i>Stable deposits</i>	1,040,767	996,924	946,463	901,687
4	<i>Less stable deposits</i>	676,382	662,094	634,639	606,222
5	Unsecured wholesale funding	500,363	443,927	411,394	371,665
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	492,775	430,940	381,193	333,150
8	<i>Unsecured debt</i>	7,589	12,987	30,201	38,515
9	Secured wholesale funding				
10	Additional requirements	328,065	300,322	271,076	239,482
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	519	575	791	994
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	327,546	299,747	270,285	238,488
14	Other contractual funding obligations	34,617	19,737	11,236	6,483
15	Other contingent funding obligations	45,947	42,864	40,571	37,099
16	TOTAL CASH OUTFLOWS				
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	1,721	1,375	1,236	959
18	Inflows from fully performing exposures	72,834	68,384	65,728	63,331
19	Other cash inflows	18,709	13,645	13,759	15,263
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	93,264	83,404	80,723	79,553
ES-20a	Fully exempt inflows	-	-	-	-
ES-20b	Inflows subject to 90% cap	-	-	-	-
ES-20c	Inflows subject to 75% cap	93,264	83,404	80,723	79,553
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER				
22	TOTAL NET CASH OUTFLOWS				
23	LIQUIDITY COVERAGE RATIO (%)				



(continued)

		Total weighted value (average)			
EU 1a	Quarter ending on (31 March 2022)	31.03.2022	31.12.2021	30.09.2021	30.06.2021
EU 1b	Number of data points used in the calculation of averages	12	12	12	12
HIGH-QUALITY LIQUID ASSETS					
1	Total high-quality liquid assets (HQLA)	967,582	959,203	934,115	889,429
CASH – OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	175,096	172,556	166,560	160,152
3	<i>Stable deposits</i>	52,038	49,846	47,323	45,084
4	<i>Less stable deposits</i>	86,932	85,246	81,729	78,107
5	Unsecured wholesale funding	228,267	209,356	205,891	191,910
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	220,679	196,368	175,690	153,395
8	<i>Unsecured debt</i>	7,589	12,987	30,201	38,515
9	Secured wholesale funding	-	-	-	-
10	Additional requirements	29,861	27,216	24,474	21,638
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	519	575	791	994
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	29,342	26,641	23,683	20,644
14	Other contractual funding obligations	34,617	19,737	11,236	6,483
15	Other contingent funding obligations	2,297	2,143	2,029	1,855
16	TOTAL CASH OUTFLOWS	470,139	431,007	410,190	382,038
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	1,718	1,365	1,228	951
18	Inflows from fully performing exposures	48,237	45,024	42,888	41,666
19	Other cash inflows	18,709	13,645	13,759	15,263
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	68,664	60,034	57,875	57,880
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>	68,664	60,034	57,875	57,880
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER	967,582	959,203	934,115	889,429
22	TOTAL NET CASH OUTFLOWS	401,475	370,973	352,314	324,158
23	LIQUIDITY COVERAGE RATIO (%)	242.61%	260.13%	266.56%	275.77%

Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1

The main factors influencing the Group's LCR are changes in the liquidity buffer, which is largely made up of highly liquid government securities and funds held with the central bank, and cash outflows, primarily related to unsecured wholesale funding.

The Financial Group uses Retail deposits as the main source of financing. More detailed information on the concentration of funding sources in note 4 to Interim financial report Šiaulių Bankas AB and the bank's Group for 1 quarter 2022.



Liquidity buffer is formed of high-quality assets that can easily be converted into cash without any restrictions and with minimal losses. Due to that fact the Financial Group possesses a significant debt securities portfolio, which is highly liquid.

The Group has insignificant derivative positions consisting of forward foreign exchange contracts and derivatives linked to the prices of financial instruments. Their share of total assets is 0.51%.

The Financial Group's 99% of assets are accounted for in euro and 96 % of liabilities. Therefore it not gives rise to an inherent risk of currency mismatch in the LCR.