



**REPORT ON RISK AND CAPITAL MANAGEMENT
PILLAR3 OF THE BASEL
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

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This report was approved by the Management Board of the Bank on 28 March 2023.

INTRODUCTION

This document provides additional unaudited information in accordance with Commission Implementing Regulation (EU) 2021/637; Guideline EBA / GL / 2020/12 of the European Banking Authority (EBA) amending Guideline EBA / GL / 2018/01 on uniform disclosure in accordance with Regulation (EU) No 1095/2010 Article 473a of Regulation (EU) No 575/2013, taking into account the transitional provisions aimed at mitigating the impact of the adoption of IFRS 9 on own funds in order to ensure a rapid implementation of the CRR in response to the COVID-19 pandemic; Guideline EBA / GL / 2020/07 of the European Banking Authority (EBA) on the notification and disclosure of exposures in response to the COVID-19 crisis.

The annual report of Šiaulių Bankas AB discloses information related to risk, its management and capital. This document provides additional information, which is published together with the Independent Auditor's Report, Financial Statements and Annual Report. This document discloses only such information that is relevant, non-confidential and not considered as commercial secret.

This document presents the own funds of Šiaulių Bankas Financial Group, its internal capital indicators, the main features of capital instruments, justifies the appropriateness of risk management and describes the overall risk profile of an organization, taking into account the business strategy.

The document discloses consolidated information as of 31 December 2022.

REPRESENTATION REGARDING SUITABILITY OF RISK MANAGEMENT MEASURES

The risk management systems applicable by Šiaulių Bankas AB are appropriate taking into account the size, nature of activities and strategy of the Bank and its subsidiaries (the Group - together with the Bank).

DISCLOSURE OF KEY PARAMETERS

Template EU OV1 - Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		31-12-2022	30-09-2022	31-12-2022
1	Credit risk (excluding CCR)	2,097,928	2,072,656	167,834
2	Of which the standardised approach	2,097,928	2,072,656	167,834
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	24,218	47,966	1,937
7	Of which the standardised approach	14,580	41,701	1,166
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	125	588	10

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

9	Of which other CCR	9,513	5,677	761
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)	47,521	44,227	3,802
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	47,521	44,227	3,802
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	30,230	36,065	2,418
21	Of which the standardised approach	30,230	36,065	2,418
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	221,464	198,456	17,717
EU 23a	Of which basic indicator approach	221,464	198,456	17,717
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	2,421,361	2,399,370	193,709

Template EU KM1 - Key metrics template

		a	b	c	d	e
		31-12-2022	30-09-2022	30-06-2022	31-03-2022	31-12-2021
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	439,170	376,371	381,713	389,346	409,984
2	Tier 1 capital	439,170	376,371	381,713	389,346	409,984
3	Total capital	459,170	396,371	401,713	409,346	429,984
Risk-weighted exposure amounts						
4	Total risk exposure amount	2,421,361	2,399,370	2,236,205	2,031,862	2,105,529
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	18.14%	15.69%	17.07%	19.16%	19.47%
6	Tier 1 ratio (%)	18.14%	15.69%	17.07%	19.16%	19.47%
7	Total capital ratio (%)	18.96%	16.52%	17.96%	20.15%	20.42%
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 (%)	15.03%	15.01%	14.85%	14.85%	13.10%

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

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 (%)	0.01%	0.01%	0.00%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0.17%	0.16%	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%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	3.68%	3.66%	3.50%	3.50%	3.50%
EU 11a	Overall capital requirements (%)	13.28%	13.26%	13.10%	13.10%	13.10%
12	CET1 available after meeting the total SREP own funds requirements (%)	9.36%	6.92%	8.36%	10.26%	10.57%
Leverage ratio						
13	Total exposure measure	4,673,509	4,520,601	4,392,278	4,453,022	4,387,232
14	Leverage ratio (%)	9.40%	8.33%	8.69%	8.74%	9.34%
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 (%)	0.00%	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 (%)	3.00%	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 ¹						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	680,586	826,516	925,690	967,582	959,203
EU 16a	Cash outflows - Total weighted value	524,760	525,281	508,617	470,139	431,007
EU 16b	Cash inflows - Total weighted value	145,591	106,280	72,455	68,664	60,034
16	Total net cash outflows (adjusted value)	379,170	419,002	436,162	401,475	370,973
17	Liquidity coverage ratio (%)	177.71%	197.02%	216.28%	242.61%	260.13%
Net Stable Funding Ratio						
18	Total available stable funding	3,664,932	3,452,741	3,379,611	3,374,054	3,457,995
19	Total required stable funding	2,663,430	2,684,789	2,506,383	2,437,565	2,384,297
20	NSFR ratio (%)	137.60%	128.60%	134.84%	138.42%	147.39%

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

		31-12-2022	30-09-2022	30-06-2022	31-03-2022	31-12-2021
Available capital (amounts)						
1	Common Equity Tier 1 (CET1) capital	439,170	376,371	381,713	389,346	409,984
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	420,243	357,263	362,183	369,660	382,443
3	Tier 1 capital	439,170	376,371	381,713	389,346	409,984
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	420,243	357,263	362,183	369,660	382,443
5	Total capital	459,170	396,371	401,713	409,346	429,984
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	440,243	377,263	382,183	389,660	402,443
Risk-weighted assets (amounts)						

¹ Update date 10-10-2023. Updated data HQLA and Liquidity coverage ratio of 31-12-2022

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

7	Total risk-weighted assets	2,421,361	2,399,370	2,236,205	2,031,862	2,105,529
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,402,434	2,380,261	2,216,676	2,012,176	2,077,988
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	18.14%	15.69%	17.07%	19.16%	19.47%
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	17.49%	15.01%	16.34%	18.37%	18.40%
11	Tier 1 (as a percentage of risk exposure amount)	18.14%	15.69%	17.07%	19.16%	19.47%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.49%	15.01%	16.34%	18.37%	18.40%
13	Total capital (as a percentage of risk exposure amount)	18.96%	16.52%	17.96%	20.15%	20.42%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.32%	15.85%	17.24%	19.37%	19.37%
Leverage ratio						
15	Leverage ratio total exposure measure	4,673,509	4,520,601	4,392,278	4,453,022	4,387,232
16	Leverage ratio	9.40%	8.33%	8.69%	8.74%	9.34%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.03%	7.94%	8.28%	8.34%	8.77%

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 ABSA referred to in point (a) of the second subparagraph of Article 473a (1) of Regulation 2020/873.

Template EU INS1 - Insurance participations

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	11,732	29,330

Table EU OVC - ICAAP information

One of the main buffers against potential losses is a strong capital base, so the aim is to maintain a sufficient capital buffer to cover the increased level of risk. A sound, effective and comprehensive Internal Capital Adequacy Assessment Process (ICAAP) contributes to a clear assessment of the risk capital and goes hand in hand with risk management and management communication processes, based on a thorough risk strategy that produces an effective prudential framework.

The purpose of the Bank's ICAAP is to carry out processes to ensure that the Bank Group's capital requirements are sufficient to cover the risks of the appropriate nature and level arising or likely to arise from the banking activities and to ensure the continuity of the business, and that the Bank's capital base is adequately developed.

The Board of the Bank, based on the results of the ICAAP and all other relevant information, approves the Bank's capital adequacy assessment in the form of a Capital Adequacy Statement.

The ICAAP includes the Bank's self-assessment, testing and determination of internal capital requirements. The internal self-assessment identifies the risks inherent in the Group's activities and assesses them using selected

assessment methods. The risk level is determined by assessing the impact of the risk on the Group's earnings and capital. Once the Bank's self-assessment has identified the risk structure and levels of individual risks, testing is performed to assess the potential impact on the Group's financial position, economic and regulatory capital and liquidity in the event of an adverse event and/or changes in the financial or economic environment. The main objective of the stress test is to determine whether the Group's capital is sufficient to cover potential losses arising from adverse macroeconomic and financial conditions.

For ICAAP purposes, the Group carries out stress tests to determine whether the level of capital is sufficient for this scenario. The scenarios for the stress testing of the Bank Group as at end-2022 have been selected taking into account external factors that may affect the Bank's activities: macroeconomic factors: the negative influence of inflation, the energy crisis, the growth of interest rates; geopolitical situation: OFAC and EU sanctions, military actions.

The internal capital requirement is defined as the results of the baseline scenario. The results are assessed from both a normative and an economic perspective. The internal capital requirement is calculated for those risks for which the normative and economic capital requirement calculated in the testing was higher than the regulatory requirement.

The results of the 2022 ICAAP show that the Bank Group has a capital buffer that ensures that the mandatory total capital requirement is met, both in a baseline and in an adverse scenario with severe economic stress.

DISCLOSURE OF RISK MANAGEMENT OBJECTIVES

Table EU OVA - Institution risk management approach

OPERATIONAL RISK MANAGEMENT

A full disclosure of all material risks faced by the Bank Group is provided in the Explanatory Notes to the 2022 Financial Statements under "Financial Risk Management" (page 23).

The Group analyses, assesses, assumes and manages the risks or groups of risks it faces in its operations. The purpose of risk management is to ensure a sufficient return on equity by managing risks conservatively. In implementing its risk management strategy, the Bank Group aims not only to minimise potential risks, but also to ensure an optimal risk-return ratio and efficient allocation of capital.

Risk assessment is a continuous, ongoing process, involving both the ongoing analysis of existing risks and the identification of new or emerging risks in the process of introducing new products and in the event of external or intra-group changes. The ICAAP includes, at least annually, an overall assessment of the risks specific to the Bank Group.

The main risks of the Bank Group are credit and liquidity risks. Other risks to which the Group is exposed include market, concentration, operational, IT, model, compliance, interest rates on the banking book and ESG (environmental, social and governance) risks. Market risk includes foreign exchange rate, interest rate and security price risks. The Bank Group improves a framework for qualitative assessment parameters for ESG risks (which include the risks of climate change), which is integrated into processes and the Group's governance system. Other risks are considered to be insignificant and are therefore not assessed.

Risk management is a structured, coordinated and continuous process at all levels of the Group, with the following objectives: to align business strategy and risk tolerance; to find solutions in response to risk; to reduce operating

losses; to increase business opportunities and competitiveness; to identify multiple overlapping risks, either separately or in an integrated way; and to improve the capital allocation.

The Bank Group manages operational risk using a multi-tier management system that enables informed decision-making. Risk is assessed from the bottom up and from the top down throughout the management chain, as well as across all business lines, using consistent terminology and methodologies across the Group.

To avoid conflicts of interest, the units performing risk control functions are separated from the units whose direct activities are related to the exposure to the various risks of banking activities:

- the first line of defence, which includes the Group's business units directly serving customers or indirectly involved in the provision of services to the Group's customers, is responsible for the ongoing and active management of risk in its business unit through the establishment and monitoring of risk limits and compliance with these limits, and through the implementation of controls and processes to establish, monitor and report the established risk limits and/or thresholds;
- internal risk control functions are performed by the second line of defence units of the Risk Management Division and Compliance, which are responsible for controlling the Bank Group's operational risks;
- The third line of defence is the Internal Audit Division, which provides a comprehensive, independent and objective assessment of risk management and the effectiveness and adequacy of the Bank's internal control system.

GENERAL DESCRIPTION OF THE RISK MANAGEMENT SYSTEM

The Bank's Board has approved the Group's Risk Strategy, which covers the main principles of risk management and the allocation of roles and responsibilities in the risk management process. The risk management system includes processes to ensure that the Group identifies, assesses (and, where possible, measures), manages, monitors risks and reports on them. These processes cover all identified material risks. The Group's risk management system includes:

- risk appetite and risk management strategy;
- remuneration policy that is consistent with and encourages effective risk management;
- internal capital and liquidity adequacy assessment processes (ICAAP, ILAAP);
- identifying significant risks and developing measures to manage them;
- internal control over risk management, the main principles of which are set out in the Regulations for the Organisation of Internal Control;
- internal audit, which regularly assesses the effectiveness of risk management processes.

To ensure that the Bank Group operates in an acceptable risk environment in its current and future activities, the Board of the Bank has established an overall risk appetite. Risk appetite is defined as the nature and level of risk that the Group is willing to accept in the conduct of its business. Based on risk appetite, individual risk limits have been set for risks, which are a means of monitoring and controlling the magnitude and concentration of the risks assumed. Risk limits and indicators provide early warning of changes in risk and are closely monitored to ensure that risks are kept within the risk appetite.

DISCLOSURE OF A CONCISE RISK REPORT APPROVED BY THE MANAGEMENT BODY

The Group seeks to manage its business so as to avoid excessive losses and depletion of capital in the normal course of business and accepts risk in a conscious and controlled manner.

The Bank Group maintains a capital buffer in excess of the required minimum capital adequacy, ensuring the smooth operation of the Group and increasing the Group's ability to neutralise unfavourable business scenarios and shocks. The risk appetite for capital is determined taking into account the internal assessment of capital requirements and the Group's current and future capital requirements and regulatory capital buffers. At the end of 2022, the CET1 capital ratio was 18.14 % and the total capital ratio – 18.96 %. Capital ratios are well above both regulatory requirements and target capital. A leverage ratio of 9.40 % indicates a healthy buffer up to the minimum leverage ratio requirement of 3 %.

To ensure sufficient level of protection for the Group's creditors, the Bank seeks to ensure compliance with the established intermediate levels of the minimum requirement for own funds and eligible liabilities (MREL).

The Group aims to have a high-quality credit portfolio by implementing a credit risk culture based on long-term customer relationships, focusing on knowing the customer, understanding the economic feasibility of the financing transaction and the customer's ability to meet its obligations.

Liquidity risk appetite of the Bank Group is formed in such a way that the Group is able to fulfil its obligations to customers and legal obligations to partners under both normal and disrupted financial market conditions during the given survival period. Risk appetite is constrained by regulatory Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

The Bank Group maintains a high-quality liquidity buffer to ensure that the Group can operate and continue its core business in the face of unexpected shocks. Maintaining a liquidity buffer, together with funding planning and risk identification, are key tools to ensure that liquidity risk does not exceed appetite and supports the Group's strategic objectives. In 2022, the Bank Group's liquidity ratios exceed regulatory requirements.

Credit risk accounts for 87.6% of RWA, i.e., the most significant risk exposure. During 2022, the Group's gross loans to customers increased by 25% and the finance lease receivables portfolio increased by 24%. The Group's total impairment of loans to customers amounts to EUR 34 million or 1.41% of the corresponding portfolio (1.84% in 2021). The Group's loan portfolio is of medium risk and well diversified. 97 % of the gross value of the loans are classified as standard and non-high-risk loans. Stage 3 loans represent 2.8 % of the total value of loans. The customer base of the loan portfolio consists mainly of small and medium-sized enterprises and private individuals operating in Lithuania, with large enterprises accounting for 4% of total loans and receivables. The concentration of the loan portfolio in terms of borrowers is low and the number of customers in the portfolio is high. In 2022, the growth of the housing loan portfolio was driven by medium-sized housing loans.

Market risk represents 1.25% of the total risk exposure amount (RWA). The Bank works with relatively low trading volumes, i.e., is engaged in relatively small trading book business; therefore, it assumes limited market risk.

In the interest rate banking book, risk appetite is expressed as the negative impact on economic value and net interest income from adverse interest rate risk scenarios.

Operational risk losses in 2022 amounted to EUR 262 thousand. The Bank Group may be exposed to various operational risks inherent to its business: performance or process errors, internal and external fraud, loss of human resources, commercial disputes, non-compliance with the established processes and procedures. The Group seeks to ensure proper business continuity in crisis situations. The Group aims to ensure that continuity plans are up-to-date and identify potential material threats.

STATEMENT ON THE ADEQUACY OF RISK MANAGEMENT MEASURES APPROVED BY THE MANAGEMENT BODY

Risks arising from the Group's activities are managed through appropriate risk mitigation measures, taking into account the Group's business strategy and the complexity of its products. The improvement of risk management measures is an ongoing process performed in line with the requirements of the European Union and supervisory authorities and in accordance with the Bank's operational risk management strategy. Establishing an appropriate risk management system, continuously improving it and applying its measures in day-to-day operations are some of the most important prerequisites for the Group's success in the long term.

The Group, operating in an environment of uncertainty arising from the Russian-Ukrainian war that started in early 2022, carefully monitors and assesses the potential impact of potential risks on the Group's operations and takes preventive actions to manage the risks.

Table EU OVB - Disclosure on governance arrangements

Organizational management structure, management bodies, structure and functions of the committees, etc. are disclosed in the Consolidated Annual Report for 2022:

- The composition of the management bodies and the principles for the appointment of their members, as well as information on the competencies of each member of the management body and the positions of directors in charge, are disclosed in the chapter "Management of the Bank" of the consolidated annual report 2022 (page 138) and in the Report on the Bank's corporate governance for 2022 (page 155);
- Information on the diversity policy applied in the selection of the members of the management body is disclosed in the section "Management of the Bank" of the consolidated annual report 2022 (page 138) and in the Report on the Bank's corporate governance for 2022 (page 155);
- The structure, functions and composition of the committees are disclosed in the section "Committees formed in the Bank, their areas of activity" (page 140) and in the Report on the Bank's corporate governance for 2022 (page 155).

DISCLOSURE OF THE SCOPE OF APPLICATION

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	Carrying values of items					g
			c	d	e	f	Not subject to own funds requirements or subject to deduction from own funds	
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework		
Breakdown by asset classes according to the balance sheet in the published financial statements								
1	Cash and cash equivalents	384,758	383,834	383,834	-	-	-	-
2	Securities in the trading book	58,301	27,287	-	-	-	27,287	-
3	Due from other banks	2,733	2,733	2,733	-	-	-	-
4	Derivative financial instruments	897	897	1	896	-	-	-
5	Loans to customers	2,391,629	2,391,629	2,370,713	18,858	2,058	-	-

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

6	Finance lease receivables	242,448	242,448	242,448	-	-	-	-
7	Investment securities at fair value	90,225	90,225	90,225	-	-	-	-
8	Investment securities held to collect cash flows	969,033	956,332	956,332	-	-	-	-
9	Investments in subsidiaries and associates	100	11,832	11,832	-	-	-	-
10	Intangible assets	8,283	6,450	-	-	-	-	6,450
11	Property, plant and equipment	16,151	15,777	15,777	-	-	-	-
12	Investment property	1,827	1,827	1,827	-	-	-	-
13	Current income tax prepayment	6	6	6	-	-	-	-
14	Deferred income tax asset	5,659	5,657	5,442	-	-	-	215
15	Other non-financial assets	12,331	9,555	9,555	-	-	-	-
16	Assets classified as held for sale	150	150	150	-	-	-	-
17	Total assets	4,184,531	4,146,639	4,090,876	19,753	2,058	27,287	6,665
Breakdown by liability classes according to the balance sheet in the published financial statements								
1	Due to other banks and financial institutions	685,075	685,480	-	-	-	-	685,480
2	Derivative financial instruments	7,152	7,152	-	7,152	-	-	-
3	Due to customers	2,784,968	2,785,489	4,321	-	-	-	2,781,168
4	Debt securities in issue	171,231	171,231	-	-	-	-	171,231
5	Special and lending funds	14,184	14,184	-	-	-	-	14,184
6	Current income tax liabilities	4,374	4,336	-	-	-	-	4,336
7	Deferred income tax liabilities	1,463	1,463	-	-	-	-	1,463
8	Liabilities related to insurance activities	39,313	-	-	-	-	-	-
9	Other non-financial liabilities	35,075	34,266	-	-	-	-	34,266
10	Total liabilities	3,742,835	3,703,601	4,321	7,152	-	-	3,692,128

Template EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	4,139,974	4,090,876	2,058	19,753	27,287
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	3,703,601	4,321	-	7,152	-
3	Total net amount under the scope of prudential consolidation	436,373	4,086,555	2,058	12,602	27,287
4	Off-balance-sheet amounts	506,751	506,751	-	-	
5	<i>Differences in valuations</i>	(100)	-	-	-	
6	<i>Differences due to different netting rules, other than those already included in row 2</i>	-	-	-	-	
7	<i>Differences due to consideration of provisions</i>	41,181	41,181	-	-	

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

8	<i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>	27,381	27,381	-	-
9	<i>Differences due to credit conversion factors</i>	282,437	(282,437)	-	-
10	<i>Differences due to Securitisation with risk transfer</i>	-	-	-	-
11	<i>Other differences</i>	18,927	18,927	-	-
12	Exposure amounts considered for regulatory purposes	4,673,637	4,616,560	-	57,077
					27,287

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c					d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity				
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted					
Šiaulių bankas AB	Full consolidation	X								Credit institution	
Šiaulių banko lizingas UAB	Full consolidation	X								Finance leases (leasing) and operating lease services	
Šiaulių banko investicijų valdymas UAB	Full consolidation	X								Investment management	
SB Turto Fondas UAB	Full consolidation	X								Real estate management	
SB lizingas UAB	Full consolidation	X								Consumer credits	
SB Draudimas UAB	Full consolidation			X						Life insurance	
SB Modernizavimo fondas UAB	not consolidated in accordance with IFRS 10						X			multi-apartment renovation financing	

Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts

Any differences between the amounts in columns (a) and (b) of the EU LI1 form are due to the different scope of consolidation. The Bank's consolidated financial statements consolidate all of the Bank's subsidiaries (except for the SB Modernisation Fund UAB, which is accounted for at fair value through profit or loss in accordance with the provisions of IFRS 9 applicable to linked financial instruments) with all of their respective balances of assets and liabilities, including transactions with the Bank and other Bank subsidiaries. Within the scope of prudential consolidation, the Bank does not consolidate its subsidiaries SB Draudimas UAB, but it is accounted for using the equity method.

Table EU LIB - Other qualitative information on the scope of application

The Bank Group has not identified any impediments to the prompt transfer of own funds or the settlement of the Group's liabilities. The actual own funds of all non-consolidated subsidiaries are not less than the required amount. The derogation provided for in Article 7 of the CRR or the individual consolidation method provided for in Article 9 of the CRR have not been applied.

DISCLOSURE OF OWN FUNDS

Template EU CC1 - Composition of regulatory own funds

		a)	b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	177,639	{EU CC2, r29, b)} + {EU CC2, r30, b)}
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	149,862	{EU CC1, r36, b)}
3	Accumulated other comprehensive income (and other reserves)	14,932	{EU CC1, r31, b)} + {EU CC1, r33, b)}+{EU CC1, r34, b)}+{EU CC1, r35, b)}
EU-3a	Funds for general banking risk	47,673	{EU CC1, r32, b)}
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	37,013	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	427,119	The sum of rows 1-5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(128)	
8	Intangible assets (net of related tax liability) (negative amount)	(6,450)	{EU CC1, r10, b)}
9	Not applicable	-	
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) CRR are met) (negative amount)	(215)	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
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)	-	
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)	-	
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)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	

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

EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: 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	-	
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	18,844	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	12,051	Sum of rows 7-20a, 21, 22 and 25a-27a
29	Common Equity Tier 1 (CET1) capital	439,170	The sum of rows 6 and 28
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
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) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
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		
35	of which: instruments issued by subsidiaries subject to phase out		
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, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
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)		
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)		
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)		
41	Not applicable		

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

42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital		max(0, [row 36 minus row 43])
45	Tier 1 capital (T1 = CET1 + AT1)	439,170	Sum of rows 29 and r44
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	20,000	From {EU CC1, r22, b)} minus {EU CC1, r22a, b)}
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
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		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	20,000	Sum of rows 46, 47, 47a, 47b 48 and 50
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic 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)		
54	Direct, indirect and synthetic 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)		
54a	Not applicable		
55	Direct, indirect and synthetic 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)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52-56b
58	Tier 2 (T2) capital	20,000	max(0, [51 row minus 57 row])
59	Total capital (TC = T1 + T2)	459,170	Sum of rows 45 and 58
60	Total Risk exposure amount	2,421,361	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	18.14%	
62	Tier 1 capital	18.14%	
63	Total capita	18.96%	
64	Institution CET1 overall capital requirements	9.08%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.01%	
67	of which: systemic risk buffer requirement	0.17%	

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

EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.90%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9.36%	{C 03.00, r0220, c0010} / {C 02.00, r0010, c0010}
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities 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)		
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 17.65% thresholds and net of eligible short positions)		
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
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		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	31-12-2022	31-12-2022	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash and cash equivalents	384,758	383,834
2	Securities in the trading book	58,301	27,287
3	Due from other banks	2,733	2,733

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

4	Derivative financial instruments	897	897	
5	Loans to customers	2,391,629	2,391,629	
6	Finance lease receivables	242,448	242,448	
7	Investment securities at fair value	90,225	90,225	
8	Investment securities held to collect cash flows	969,033	956,332	
9	Investments in subsidiaries and associates	100	11,832	
10	Intangible assets	8,283	6,450	{EU CC1, r8, a)}
11	Property, plant and equipment	16,151	15,777	
12	Investment property	1,827	1,827	
13	Current income tax prepayment	6	6	
14	Deferred income tax asset	5,659	5,657	
15	Assets classified as held for sale	12,331	9,555	
16	Other assets	150	150	
17	Total assets	4,184,531	4,146,639	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
18	Due to other banks and financial institutions	685,075	685,480	
19	Derivative financial instruments	7,152	7,152	
20	Due to customers	2,784,968	2,785,489	
21	Special and lending funds	14,184	14,184	
22	Debt securities in issue	171,231	171,231	
22a	of which: accrued interest on issued debt securities	20,000	20,000	{EU CC1, r46, a)}
23	Current income tax liabilities	4,374	4,336	
24	Deferred income tax liabilities	1,463	1,463	
25	Liabilities related to insurance activities	39,313	-	
26	Liabilities related to assets classified as held for sale	-	-	
27	Other liabilities	35,075	34,266	
28	Total liabilities	3,742,835	3,703,601	
Shareholders' Equity				
29	Share capital	174,211	174,211	{EU CC1, r1, a)}
30	Share premium	3,428	3,428	{EU CC1, r1, a)}
31	Treasury shares (-)	-	-	{EU CC1, r16, a)}
32	Reserve capital	756	756	{EU CC1, r3, a)}
33	Statutory reserve	37,113	36,990	{EU CC1, rEU-3a, a)}
34	Reserve for acquisition of own shares	20,000	20,000	{EU CC1, r3, a)}
35	Accumulated other comprehensive income	(8,097)	(8,111)	{EU CC1, r3, a)}
36	Other equity	2,355	2,287	{EU CC1, r3, a)}
37	Previous years retained earnings	148,315	149,873	{EU CC1, r2, a)}
38	Profit for the current year	63,615	63,604	
39	Total shareholders' equity	441,696	443,038	

Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

		a		
		Qualitative or quantitative information - Free format		
1	Issuer	Šiaulių bankas AB	Šiaulių bankas AB	Šiaulių bankas AB
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	LT0000102253	LT0000404287	LT0000405771
2a	Public or private placement	Public	Public	Public
3	Governing law(s) of the instrument	The Republic of Lithuania	The Republic of Lithuania	The Republic of Lithuania

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

3a	Contractual recognition of write down and conversion powers of resolution authorities	No	Yes	Yes
	<i>Regulatory treatment</i>			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common equity tier 1 capital	Tier 2 capital	N/A
5	Post-transitional CRR rules	Common equity tier 1 capital	Tier 2 capital	Eligible liabilities
6	Eligible at solo/(sub-)consolidated/ solo&(sub-) consolidated	solo & (sub-) consolidated	solo & (sub-) consolidated	solo & (sub-) consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary registered shares	Subordinated debt securities (CRR Article 62 (a))	Restricted senior bonds (CRR Article 72a (1) (a))
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 174.21	EUR 20.00	EUR 151.20
9	Nominal amount of instrument	EUR 174,210,616	EUR 20,000,000.00	EUR 160,000,000.00
EU-9a	Issue price	EUR 0.29	EUR 10,000.00	EUR 945.02
EU-9b	Redemption price	N/A	EUR 10,000.00	EUR 1,000.00
10	Accounting classification	Equity	Liability - amortized cost	Liability - amortized cost
11	Original date of issuance	29-11-1994	23-12-2019	07-10-2021
12	Perpetual or dated	Perpetua	Fixed term	Fixed term
13	Original maturity date	No maturity	23-12-2019	07-10-2021
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	From 23/12/2024 at nominal value	2024-10-07
16	Subsequent call dates, if applicable	N/A	From 23/12/2024 at nominal value with 30 days' notice	N/A
	<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed, which will be replaced floating format
18	Coupon rate and any related index	N/A	6.15%	1.047%; po 07/10/2024 Bloomberg EUSA1 + 140 bps
19	Existence of a dividend stopper	No	Ne	Ne
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing))	Partially discretionary	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	N/A	N/A	N/A
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible	Convertible	Convertible
24	If convertible, conversion trigger(s)	N/A	Deterioration of the bank's financial condition in order to maintain the stability of the financial sector. May be initiated by the supervisory authority. A contractual approach	Deterioration of the bank's financial condition in order to maintain the stability of the financial sector. May be initiated by the supervisory authority. A statutory approach and a contractual approach
25	If convertible, fully or partially	N/A	Fully or partially	Fully or partially
26	If convertible, conversion rate	N/A	Not specified in emission conditions	Not specified in emission conditions
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A

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

28	If convertible, specify instrument type convertible into	N/A	Common Equity Tier 1	Common Equity Tier 1; Additional Tier 1; Tier 2
29	If convertible, specify issuer of instrument it converts into	N/A	Šiaulių bankas AB	Šiaulių bankas AB
30	Write-down features	No	Yes	Yes
31	If write-down, write-down trigger(s)	N/A	Deterioration of the bank's financial condition in order to maintain the stability of the financial sector. May be initiated by the supervisory authority. A contractual approach	Deterioration of the bank's financial condition in order to maintain the stability of the financial sector. May be initiated by the supervisory authority. A statutory approach and a contractual approach
32	If write-down, full or partial	N/A	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	N/A	Permanent	Permanent
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	[Statutory] if the instrument meets the requirements set out in point (d)(ii) of Article 72b(2) CRR	[Contractual] if the instrument meets the requirements set out in point (d)(i) of Article 72b(2) CRR	[Contractual] if the instrument meets the requirements set out in point (d)(i) of Article 72b(2) CRR
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	3	5
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated	Other	Dep-ISME
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	https://nasdaqbaltic.com/statistics/lt/instrument/LT0000102253/company?date=2022-02-03	https://sb.lt/lt/investuotojams/finansine-info/vp-prospektai	https://sb.lt/lt/investuotojams/finansine-info/vp-prospektai
(1) Insert 'N/A' if the question is not applicable.				

COUNTERCYCLICAL CAPITAL BUFFERS

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f
		General credit exposures		Relevant credit exposures – Market risk		Securitisati on exposures Exposure value for non-trading book	Total exposure value
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models		
010	Lithuania	2,171,754	-	21,479	-	47,521	2,240,754
011	USA	18,932	-	-	-	-	18,932
012	France	13,616	-	-	-	-	13,616
013	Germany	8,585	-	17	-	-	8,602
014	Sweden	7,175	-	-	-	-	7,175
015	Luxembourg	4,993	-	-	-	-	4,993
016	Great Britain	4,919	-	-	-	-	4,919
017	Finland	3,822	-	-	-	-	3,822
018	Italy	3,182	-	-	-	-	3,182

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

019	Ireland	3,011	-	-	-	-	3,011
020	Other	10,017	-	1,970	-	-	11,987
021	Total	2,250,006	-	23,466	-	47,521	2,320,993

(continued)

		g	h	i	j	k	l	m
		Own fund requirements			Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Relevant credit risk exposures - Credit risk	Relevant credit exposures - Market risk	Relevant credit exposures - Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
010	Lithuania	173,739	1,839	3,802	179,380	280,094	96.50%	0.00%
011	USA	1,515	-	-	1,515	2,367	0.81%	0.00%
012	France	1,089	0	-	1,089	1,702	0.59%	0.00%
013	Germany	687	17	-	704	1,075	0.38%	0.00%
014	Sweden	574	-	-	574	897	0.31%	1.00%
015	Luxembourg	399	-	-	399	624	0.21%	0.50%
016	Great Britain	394	-	-	394	615	0.21%	1.00%
017	Finland	306	-	-	306	478	0.16%	0.00%
018	Italy	255	-	-	255	398	0.14%	0.00%
019	Ireland	241	-	-	241	376	0.13%	0.00%
021	Other	802	234	-	1,037	1,498	0.56%	0.00%
022	Total	180,000	2,090	3,802	185,892	290,124	100%	

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		a
010	Total risk exposure amount	2,421,361
020	Institution specific countercyclical capital buffer rate	0.0089%
030	Institution specific countercyclical capital buffer requirement	216

LEVERAGE RATIO

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	4,184,531
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-

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

6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	46,303
9	Adjustment for securities financing transactions (SFTs)	(8,980)
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	506,751
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	(128)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(54,968)
13	Total exposure measure	4,673,509

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31-12-2022	30-06-2022
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,116,474	3,889,547
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(6,793)	(4,192)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	4,109,681	3,885,355
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	47,199	15,193
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	47,199	15,193
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	18,858	12,168
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(8,980)	(6,226)
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-

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

EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	9,878	5,942
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	506,751	485,836
20	(Adjustments for conversion to credit equivalent amounts)	-	-
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	Off-balance sheet exposures	506,751	485,836
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	493,170	381,713
24	Total exposure measure	4,673,509	4,392,326
Leverage ratio			
25	Leverage ratio (%)	9.40%	8.69%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.40%	8.69%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	9.40%	8.69%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	-	-
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	18,764	13,252
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	9,878	5,942
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,682,395	4,399,588
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,682,395	4,399,588
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.38%	8.68%

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

31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.38%	8.68%
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Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4,097,547
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	4,097,547
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1,093,262
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	-
EU-7	Institutions	232,407
EU-8	Secured by mortgages of immovable properties	1,513,422
EU-9	Retail exposures	593,031
EU-10	Corporates	476,376
EU-11	Exposures in default	53,347
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	135,702

Table EU LRA: Disclosure of LR qualitative information

In 2022 there were no significant factors that influenced the leverage ratio.

DISCLOSURE OF LIQUIDITY REQUIREMENTS

Table EU LIQA - Liquidity risk management

One of the Bank Group's priority objectives is to maintain acceptable liquidity adequacy. Liquidity adequacy ensures that the Group meets its payment obligations at all times, under both normal and stressed conditions. The main strategy for managing liquidity risk is to maintain a conservative liquidity risk profile and an adequate liquidity buffer. The financing strategy is to ensure sufficient and stable funding for core activities through external financing.

ILAAP is an integral part of the overall governance system, ensuring sound processes and systems for identifying, assessing, managing and monitoring liquidity risk over appropriate time periods, including intraday, thereby ensuring that the Group has an adequate liquidity buffer. ILAAP is integrated into the Group's risk management system. Liquidity risk management is divided into long-term (over one year), short-term (up to one year) and daily liquidity management. Liquidity risk is managed through three lines of defence. The first line of defence consists of the treasury and the business. The Risk Department acts as the second line of defence and is responsible for monitoring liquidity risk. The third line of defence includes Internal Audit, which is responsible for independent monitoring of the first and second lines of defence.

The Group is not dependent on market sources of funding. One of the Group's strengths is its stable retail deposit base, which forms the basis of the Group's funding. In addition, the Group has the potential to finance itself by raising subordinated loans or issuing debt securities. Diversification of funding across investor types, products and instruments is important to ensure stable liquidity. The Bank Group aims to attract minimum requirement for own funds and eligible liabilities (MREL) eligible liabilities to achieve partial diversification of funding sources.

The Risk Department is responsible for ILAAP and the design and effective functioning of the liquidity risk management system at the Group level, and on the basis of the results of ILAAP and all other relevant information,

the Risk Department annually provides an assessment of the Group's liquidity adequacy in the liquidity adequacy statement. The Supervisory Board approves the liquidity risk strategy and the liquidity risk appetite set out in the Risk Appetite Statement and the Risk Strategy. The Bank's Board is responsible for approving the overall ILAAP and the following components: the liquidity management system; the liquidity adequacy statement; the methodology used to assess liquidity adequacy (including the stress testing system and the clearly articulated definition of liquidity adequacy); the ILAAP report. The Risk Management Committee is responsible for developing methodologies for the quantification of liquidity risk, including the key assumptions and parameters (e.g., time horizon, confidence levels and maturity structure) for the calculation of the risk, based on reliable data and sound data systems. The Asset Liability Management Committee (ALMC) monitors the effectiveness of liquidity management and makes recommendations to the Bank's business units on its effectiveness.

The Bank is the main influencer and manager of the Group's liquidity profile and the subsidiaries do not have a significant impact on the Group's overall liquidity. The monitoring system in place ensures that when liquidity-relevant factors arise in subsidiaries, they are taken into account in liquidity management decisions.

Liquidity risk management is based on:

- monitoring and controlling liquidity risk using liquidity adequacy ratios;
- balancing cash inflows and outflows;
- ensuring compliance with liquidity risk limits;
- stress testing.

The Group actively manages liquidity risk by monitoring liquidity adequacy ratios at various points in time, including intraday, in order to identify and assess potential threats in a timely manner, to draw practical conclusions and to take preventive action to ensure that the Bank Group's internal liquidity buffer is sufficient. The Group uses a system of liquidity indicators and limits to assess liquidity risk. Indicators are defined in terms of target (green), warning (yellow) and danger (red) zones. The limits of the limit zones are set in accordance with the Bank's overall strategy, the liquidity risk appetite and actual trends, and the results of the testing, which allows for an effective limitation of risks and losses and the maintenance of a liquidity adequacy acceptable to the Group. A clearly regulated system for setting, monitoring and controlling limits and other restrictions ensures that liquidity risk is appropriately managed in line with the level of liquidity risk borne by the Group and taking into account current and expected future activities.

CRO is responsible for the timely reporting of ILAAP results to supervisory authorities in accordance with the regulator's procedures.

In line with the strategic plan, the Bank Group will continue to maintain a conservative liquidity risk profile and a sufficient liquidity buffer consisting of high-quality assets. In line with its strategic direction, the Group sees diversification of funding sources and avoidance of concentration as the main focus of liquidity management.

Liquidity risk management includes contingency liquidity measures (i.e., a liquidity plan) that can be taken, including the amount of contingency liquidity that could be collected in the event of adverse conditions; the time frame over which the measures would be implemented; the potential negative impact (on the profit and loss account, reputation, etc.); and the likelihood of the measures being fully implemented in the event of adverse conditions. The mechanism for resolving liquidity problems in the event of stress is regulated by the Business Continuity Plan in the Event of a Liquidity Crisis (Liquidity Plan) of Šiaulių Bankas, which is an integral part of the Bank's Business Continuity Plan. The Liquidity Plan defines the liquidity ratios and details the conditions for possible activation of the plan. The monitoring and analysis of these ratios and the constant provision of information to the Risk Management Committee allow the identification of a potential adverse liquidity event before it becomes a liquidity crisis.

Regular stress testing must ensure the adequacy of liquidity in the event of adverse circumstances. Liquidity testing provides insight into the impact of adverse events on liquidity adequacy, the quantitative and qualitative adequacy of available liquid assets, and the adequacy of liquidity buffers to cover the risks that may arise under various types of stress scenarios.

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

Liquidity risk testing assesses:

- Financing risk – the actual or foreseeable risk arising from the inability of the Group to meet its obligations to depositors without incurring unacceptable losses;
- Market risk – the risk that the Group will not be able to easily offset or sell an existing position without affecting the market price and will incur significant losses due to market imbalances.

Liquidity risk may be assessed under the following three scenarios: a Bank Group-exclusive scenario, a market-wide scenario, and a combination of the two, and may be subject to reverse testing with a significant negative result. The extent and frequency of stress testing depends on the Group's current level of liquidity risk and the economic environment.

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation (consolidated)

		Total unweighted value (average)			
EU 1a	Quarter ending on (31 December 2022)	31-12-2022	30-09-2022	30-06-2022	31-03-2022
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:	2,129,852	2,118,384	2,107,871	2,121,268
3	Stable deposits	1,122,780	1,108,942	1,077,756	1,040,767
4	Less stable deposits	727,859	710,950	681,568	676,382
5	Unsecured wholesale funding	551,538	543,702	528,129	500,363
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	551,538	543,702	526,182	492,775
8	Unsecured debt	-	-	1,947	7,589
9	Secured wholesale funding				
10	Additional requirements	384,524	370,215	347,793	328,065
11	Outflows related to derivative exposures and other collateral requirements	1,441	555	573	519
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	383,084	369,660	347,220	327,546
14	Other contractual funding obligations	65,625	70,544	63,671	34,617
15	Other contingent funding obligations	74,472	58,411	47,945	45,947
16	TOTAL CASH OUTFLOWS				
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	2,632	1,492	1,740	1,721
18	Inflows from fully performing exposures	153,988	111,963	76,442	72,834
19	Other cash inflows	17,791	19,611	20,245	18,709
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	174,411	133,066	98,428	93,264
ES-20a	Fully exempt inflows	-	-	-	-
ES-20b	Inflows subject to 90% cap	-	-	-	-
ES-20c	Inflows subject to 75% cap	174,411	133,066	98,428	93,264
TOTAL ADJUSTED VALUE					

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

21	LIQUIDITY BUFFER	
22	TOTAL NET CASH OUTFLOWS	
23	LIQUIDITY COVERAGE RATIO (%)	

(continued)

		Total weighted value (average)			
EU 1a	Quarter ending on (31 December 2022)	31-12-2022 ²	30-09-2022	30-06-2022	31-03-2022
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)	680,586	826,516	925,690	967,582
CASH – OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	180,163	180,293	176,142	175,096
3	<i>Stable deposits</i>	56,139	55,447	53,888	52,038
4	<i>Less stable deposits</i>	93,638	91,213	87,213	86,932
5	Unsecured wholesale funding	238,453	237,127	234,374	228,267
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	238,453	237,127	232,427	220,679
8	<i>Unsecured debt</i>	-	-	1,947	7,589
9	Secured wholesale funding	-	-	-	-
10	Additional requirements	36,797	34,396	32,033	29,861
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	1,441	555	573	519
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	35,356	33,841	31,460	29,342
14	Other contractual funding obligations	65,625	70,544	63,671	34,617
15	Other contingent funding obligations	3,724	2,921	2,397	2,297
16	TOTAL CASH OUTFLOWS	524,760	525,281	508,617	470,139
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	2,631	1,490	1,738	1,718
18	Inflows from fully performing exposures	125,169	85,178	50,471	48,237
19	Other cash inflows	17,791	19,611	20,245	18,709
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	145,591	106,280	72,455	68,664
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>	145,591	106,280	72,455	68,664
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER	680,586	826,516	925,690	967,582
22	TOTAL NET CASH OUTFLOWS	379,170	419,002	436,162	401,475
23	LIQUIDITY COVERAGE RATIO (%)	177.71%	197.02%	216.28%	242.61%

² Update date 10-10-2023. Updated data HQLA, Liquidity buffer and Liquidity coverage ratio of 31-12-2022

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.

Lending volumes increased significantly in 2022. All available funds were used to finance the lending, which led to a decrease in the Liquidity Buffer and, in turn, to a decrease in the LCR.

The Financial Group uses Retail deposits as the main source of financing. More detailed information on the concentration of funding sources in notes 20 to 23 to the Financial Statements for the year ended 31 December 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 0.86%.

The Financial Group's 99% of assets are accounted for in euro and 97 % of liabilities. Therefore it not gives rise to an inherent risk of currency mismatch in the LCR.

Template EU LIQ2: Net Stable Funding Ratio³

Scope of consolidation consolidated Quarter ending on 31 December 2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to <	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	439,170	-	-	-	459,170
2	Own funds	439,170	-	-	20,000	459,170
3	Other capital instruments		-	-	-	-
4	Retail deposits		2,027,192	141,770	105,067	2,124,784
5	Stable deposits		1,255,534	97,480	80,531	1,365,894
6	Less stable deposits		771,658	44,290	24,536	758,889
7	Wholesale funding:		526,568	155,905	493,730	817,750
8	Operational deposits		-	-	-	-
9	Other wholesale funding		526,568	155,905	493,730	817,750
10	Interdependent liabilities	-	-	-	-	-
11	Other liabilities:	7,152	30,783	10,071	258,193	263,229
12	NSFR derivative liabilities	7,152				
13	All other liabilities and capital instruments not included in the above categories		30,783	10,071	258,193	263,229
14	Total available stable funding (ASF)					3,664,932
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					448,915
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-

³ Update date 10-10-2023. Updated data Own funds, ASF and Net Stable Funding Ratio of 31-12-2022

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

17	Performing loans and securities:		339,459	171,594	2,451,171	2,159,034
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		183,450	-	5,839	23,765
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		138,613	150,302	1,661,692	1,556,896
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		-	-	-	-
22	<i>Performing residential mortgages, of which:</i>		210	104	664,361	448,209
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		129	68	583,274	379,227
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		17,186	21,188	119,279	130,164
25	Interdependent assets		-	-	-	-
26	Other assets:	-	6,998	832	31,590	35,550
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>				-	-
29	<i>NSFR derivative assets</i>				-	-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>				897	45
31	<i>All other assets not included in the above categories</i>		6,998	832	31,590	35,505
32	Off-balance sheet items		68,150	83,873	243,581	19,932
33	Total RSF					2,663,430
34	Net Stable Funding Ratio (%)					137.60%

Scope of consolidation consolidated Quarter ending on 30 September 2022		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	376,371	-	-	-	396,371
2	<i>Own funds</i>	376,371	-	-	20,000	396,371
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		1,961,234	89,667	97,312	2,006,902
5	<i>Stable deposits</i>		1,217,784	57,791	73,286	1,285,082
6	<i>Less stable deposits</i>		743,450	31,876	24,026	721,819
7	Wholesale funding:		542,518	5,818	642,058	898,992
8	<i>Operational deposits</i>		-	-	-	-
9	<i>Other wholesale funding</i>		542,518	5,818	642,058	898,992
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	892	80,400	2,864	149,044	150,476
12	<i>NSFR derivative liabilities</i>	892				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		80,400	2,864	149,044	150,476

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

14	Total available stable funding (ASF)					3,452,741
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					543,993
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					-
16	Deposits held at other financial institutions for operational purposes					-
17	Performing loans and securities:	312,945	163,253	2,369,602		2,084,422
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>	-	-	-		-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>	177,015	6,509	5,862		26,802
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>	127,626	129,289	1,624,521		1,509,300
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>	-	-	-		-
22	<i>Performing residential mortgages, of which:</i>	132	211	613,352		414,116
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>	41	190	537,026		349,182
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>	8,172	27,244	125,867		134,204
25	Interdependent assets	-	-	-		-
26	Other assets:	-	8,832	726	31,289	36,381
27	<i>Physical traded commodities</i>					-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>					-
29	<i>NSFR derivative assets</i>					-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>				6,266	313
31	<i>All other assets not included in the above categories</i>	8,832	726	31,289		36,068
32	Off-balance sheet items	93,695	77,745	224,795		19,993
33	Total RSF					2,684,789
34	Net Stable Funding Ratio (%)					128.60%

Scope of consolidation consolidated
Quarter ending on 30 June 2022

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	381,713	-	-	-	401,713
2	<i>Own funds</i>	381,713	-	-	20,000	401,713
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		1,888,410	88,993	97,491	1,940,576
5	<i>Stable deposits</i>		1,204,623	63,822	77,864	1,282,887
6	<i>Less stable deposits</i>		683,787	25,171	19,627	657,689
7	Wholesale funding:		564,794	7,462	638,298	890,934
8	<i>Operational deposits</i>		-	-	-	-
9	<i>Other wholesale funding</i>		564,794	7,462	638,298	890,934

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

10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	346	81,139	6,385	143,196	146,389
12	<i>NSFR derivative liabilities</i>	346				
13	<i>All other liabilities and capital instruments not included in the above categories</i>		81,139	6,385	143,196	146,389
14	Total available stable funding (ASF)					3,379,611
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					500,015
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		165,568	154,283	2,214,843	1,948,687
18	<i>Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut</i>		-	-	-	-
19	<i>Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions</i>		26,805	6,611	9,587	15,556
20	<i>Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:</i>		126,398	127,825	1,523,598	1,422,170
21	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>					
22	<i>Performing residential mortgages, of which:</i>		210	196	553,445	374,845
23	<i>With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk</i>		63	176	478,933	311,426
24	<i>Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products</i>		12,155	19,651	128,213	136,117
25	Interdependent assets		-	-	-	-
26	Other assets:	-	12,542	373	31,458	38,030
27	<i>Physical traded commodities</i>				-	-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>				-	-
29	<i>NSFR derivative assets</i>				-	-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>				2,299	115
31	<i>All other assets not included in the above categories</i>		12,542	373	31,458	37,916
32	Off-balance sheet items		70,318	84,762	233,449	19,650
33	Total RSF					2,506,383
34	Net Stable Funding Ratio (%)					134.84%

Scope of consolidation consolidated
Quarter ending on 31 March 2022

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	389,346	-	-	-	409,346
2	<i>Own funds</i>	389,346	-	-	20,000	409,346
3	<i>Other capital instruments</i>		-	-	-	-
4	Retail deposits		1,877,181	111,750	103,646	1,957,723

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

5	Stable deposits		1,196,999	83,783	85,720	1,302,463
6	Less stable deposits		680,182	27,967	17,926	655,260
7	Wholesale funding:		542,544	9,696	636,685	878,925
8	Operational deposits		-	-	-	-
9	Other wholesale funding		542,544	9,696	636,685	878,925
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	834	90,402	8,800	123,660	128,060
12	NSFR derivative liabilities	834				
13	All other liabilities and capital instruments not included in the above categories		90,402	8,800	123,660	128,060
14	Total available stable funding (ASF)					3,374,054
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					570,404
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		161,921	161,044	2,037,696	1,809,170
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		-	-	-	-
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		23,973	0	4,544	6,627
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		132,016	148,194	1,410,651	1,339,158
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
22	Performing residential mortgages, of which:		349	133	499,494	338,343
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		93	61	432,339	281,097
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		5,583	12,717	123,007	125,041
25	Interdependent assets		-	-	-	-
26	Other assets:	-	21,299	487	27,923	38,912
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				-	-
29	NSFR derivative assets				-	-
30	NSFR derivative liabilities before deduction of variation margin posted				1,918	96
31	All other assets not included in the above categories		21,299	487	27,923	38,816
32	Off-balance sheet items		67,585	79,620	230,563	19,079
33	Total RSF					2,437,565
34	Net Stable Funding Ratio (%)					138.42%

CREDIT RISK AND CREDIT QUALITY

Table EU CRA: General qualitative information about credit risk

For general qualitative information on credit risk, see Note 1 “Financial Risk Management” in the Explanatory Notes to the Financial Statements, section 1 “Credit Risk” (page 24).

As mentioned in financial disclosure part – “Financial risk management” “The Risk Management Policy approved by the Council of the Bank as well as by the procedures to manage different types of risks prepared on its basis ensures the integrity of the risk management process in the Group.

As it stated financial disclosure part – “Credit risk” The Bank’s Board has approved the credit risk management policies and procedures which lay down the principles for credit risk management and control, establish an acceptable level of credit risk and credit risk’s structure and determine credit risk mitigation measures and their interaction. This ensures a uniform understanding of the principles for taking on exposure to credit risk and allows achieving consistency with the nature and complexity of the Bank’s lending policy and the prudential requirements.

Risk appetite and risk tolerance are set by Bank Risk Appetite Statements and related documents defining the minimum level of the risk expressed in key ratios and qualitative statements the organization could accept to maintain risk profile associated with business strategy. The Risk Appetite Statement is approved by the Supervisory Council of the Bank and cascaded further through the risk management procedures.

The Bank takes risks only in the fields, which are well known to it and where it has long-term experience, trying to avoid excessive risk in transactions that can have negative influence to the big portion of shareholders’ equity but seeks the sufficient profitability which, in terms of increasing competition, would ensure the stable Bank’s position in the market and would increase the Bank’s value. In assessing exposure to credit risk, the Bank adheres to the principle of prudence.

The Bank’s lending policy is focused on small and medium-size business clients, seeking to provide them with the better funding terms and long-term support, at the same time paying attention to Bank’s potential to grow.

The aim of the Bank’s credit risk management policy is to ensure that the conflict between interests of staff or structural units is avoided. With respect to provision of credits to clients, the principle stating that profit should not be earned at the expense of excessive credit risk is observed.

The Bank’s credit risk management policy is based on regulatory requirements to adequate risk management policy and the best practice in risk management of other banks. Therefore, the Bank’s employees continuously enhance their knowledge of credit risk management systems of Lithuanian and foreign banks and the results of their application.

The Bank applies credit risk management measures, which could be divided into two types:

- Measures that help to avoid decisions to grant loans with higher risk potential;
- Measures ensuring the effective monitoring system of the Bank’s asset quality

Measures that help to avoid decisions to grant loans with higher risk potential:

- Multi-stage decision-making and its approval system;

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

- Defined credit risk appetite, credit risk indicators and risk allocation among structural levels – limit establishment;
- Customer risk assessment requirements set by internal procedures;
- Regulation of acceptable risk criteria for separate products;
- Security measures for credit repayment (collateral).

Besides above-mentioned credit risk management measures applied, the Bank regularly performs credit risk control activities, including monitoring of the effectiveness of hedges and mitigants and assessment of risk mitigation processes.

The credit risk management and control function is the part of independent risk management function in the second line of defense. It is independent from credit granting function. The credit risk control responsibilities lay within risk management division and insures independent control of credit risk management practices and processes.

Table EU CRB: Additional disclosure related to the credit quality of assets

For accounting and regulatory purposes, the recording of delinquency based on deviation from the contractual payment schedule, the identification of impaired positions and the methods for determining general and specific credit risk adjustments are described in the Explanatory Notes to the 2022 Financial Statements, see Note “Accounting Principles”, section “Impairment of Financial Assets” (page 17), and Note “Financial Risk Management”, section 1.3 “Impairments and Provisioning Principles” (page 27). The definition of default is in line with the EBA Guidelines on the definition of credit defaults.

Template EU CR1: Performing and non-performing exposures and related provisions

	a	b	c	d	e	f	g	h	
Gross carrying amount/nominal amount									
	Performing exposures				Non-performing exposures				
		Of which stage 1	Of which stage 2	of which: purchased or originated credit-impaired financial assets		Of which stage 2	Of which stage 3	of which: purchased or originated credit-impaired financial assets	
005	Cash balances at central banks and other demand deposits	306,557	306,557	-	-	-	-	-	
010	Loans and advances	2,607,922	2,419,432	187,034	1,456	74,738	21	74,580	137
020	Central banks	-	-	-	-	-	-	-	-
030	General governments	63,631	61,782	1,849	-	-	-	-	-
040	Credit institutions	5,657	5,657	-	-	-	-	-	-
050	Other financial corporations	35,860	35,835	25	-	-	-	-	-
060	Non-financial corporations	1,433,416	1,271,437	160,602	1,377	54,139	21	54,003	115
070	Of which SMEs	1,266,106	1,134,476	130,253	1,377	50,890	-	50,775	115
080	Households	1,069,358	1,044,721	24,558	79	20,598	-	20,576	22
090	Debt securities	1,042,202	1,039,212	2,990	-	-	-	-	-
100	Central banks	-	-	-	-	-	-	-	-

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

110	General governments	874,602	874,602	-	-	-	-	-	-
120	Credit institutions	7,273	7,273	-	-	-	-	-	-
130	Other financial corporations	44,067	44,067	-	-	-	-	-	-
140	Non-financial corporations	116,260	113,270	2,990	-	-	-	-	-
150	Off-balance-sheet exposures	546,095	533,606	12,489	-	3,281	-	3,281	-
160	Central banks	-	-	-	-	-	-	-	-
170	General governments	9,406	9,371	35	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-	-	-
190	Other financial corporations	53,713	53,713	-	-	-	-	-	-
200	Non-financial corporations	419,325	406,917	12,408	-	3,263	-	3,263	-
210	Households	63 651	63 605	46	-	18	-	18	-
220	Total	4,502,776	4,298,807	202,513	1,456	78,019	21	77,861	137

(continued)

		i	j	k	l	m	n	o	p	q	r		s
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions								Accumulated partial write-off	Collateral and financial guarantees received		
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						On performing exposures	On non-performing exposures	
		Of which stage 1	Of which stage 2	of which: purchased or originated credit-impaired financial assets	Of which stage 2	Of which stage 3	of which: purchased or originated credit-impaired financial assets						
005	Cash balances at central banks and other demand deposits	(38)	(38)	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	(18,609)	(15,893)	(2,715)	(1)	(21,425)	-	(21,335)	(90)	(1,654)	1,991,299	45,306	
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	
030	General governments	(88)	(78)	(10)	-	-	-	-	-	-	4,822	-	
040	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	
050	Other financial corporations	(305)	(303)	(2)	-	-	-	-	-	-	29,932	-	
060	Non-financial corporations	(10,949)	(9,092)	(1,856)	(1)	(14,229)	-	(14,148)	(81)	(1,654)	1,237,900	37,793	
070	Of which SMEs	(10,237)	(8,660)	(1,576)	(1)	(11,591)	-	(11,510)	(81)	(1,654)	1,092,804	37,230	
080	Households	(7,267)	(6,420)	(847)	-	(7,196)	-	(7,187)	(9)	-	718,645	7,513	
090	Debt securities	(599)	(397)	(202)	-	-	-	-	-	-	-	-	
100	Central banks	-	-	-	-	-	-	-	-	-	-	-	
110	General governments	(251)	(251)	-	-	-	-	-	-	-	-	-	
120	Credit institutions	(6)	(6)	-	-	-	-	-	-	-	-	-	
130	Other financial corporations	(32)	(32)	-	-	-	-	-	-	-	-	-	

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

140	Non-financial corporations	(310)	(108)	(202)	-	-	-	-	-	-	-	-
150	Off-balance-sheet exposures	469	469	-	-	-	-	-	-	-	-	-
160	Central banks	-	-	-	-	-	-	-	-	-	-	-
170	General governments	-	-	-	-	-	-	-	-	-	-	-
180	Credit institutions	-	-	-	-	-	-	-	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-
200	Non-financial corporations	469	469	-	-	-	-	-	-	-	-	-
210	Households	-	-	-	-	-	-	-	-	-	-	-
220	Total	(18,777)	(15,859)	(2,917)	(1)	(21,425)	-	(21,335)	(90)	(1,654)	1,991,299	45,306

Template EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	No stated maturity
1	Loans and advances	-	576,911	1,224,689	1,146,470	1,074	2,949,144
2	Debt securities	-	280,951	738,560	22,092	-	1,041,603
3	Total	-	857,862	1,963,248	1,168,562	1,074	3,990,747

Template EU CR2: Changes in the stock of non-performing loans and advances

		a
		Gross carrying amount
010	Initial stock of non-performing loans and advances	73,874
020	Inflows to non-performing portfolios	29,265
030	Outflows from non-performing portfolios	(28,402)
040	Outflows due to write-offs	(941)
050	Outflow due to other situations	(27,461)
060	Final stock of non-performing loans and advances	74,737

Template EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries

		a	b
		Gross carrying amount	Related net accumulated recoveries
010	Initial stock of non-performing loans and advances	73,874	
020	Inflows to non-performing portfolios	29,265	
030	Outflows from non-performing portfolios	(28,402)	
040	Outflow to performing portfolio	(5,327)	
050	Outflow due to loan repayment, partial or total	(10,071)	
060	Outflow due to collateral liquidations	(5,587)	5,587
070	Outflow due to taking possession of collateral	(40)	40
080	Outflow due to sale of instruments	(1,167)	1,167
090	Outflow due to risk transfers	-	-
100	Outflows due to write-offs	(941)	

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

110	Outflow due to other situations	(5,269)	
120	Outflow due to reclassification as held for sale	-	
130	Final stock of non-performing loans and advances	74,737	

Template EU CQ1: Credit quality of forborne exposures

		a		b		c		d		e		f		g		h	
		Gross carrying amount/nominal amount of exposures with forbearance measures								Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral received and financial guarantees received on forborne exposures			
		Performing forborne		Non-performing forborne						On performing forborne exposures		On performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures			
				Of which defaulted		Of which impaired											
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	64,338	45,412	45,412	45,412	(786)	(12,206)	88,179	29,587								
020	Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	General governments	556	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
040	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
060	Non-financial corporations	59,640	37,696	37,696	37,696	(775)	(9,524)	83,357	26,821								
070	Households	4,142	7,716	7,716	7,716	(11)	(2,682)	4,821	2,766								
080	Debt Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
090	Loan commitments given	879	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total	65,217	45,412	45,412	45,412	(786)	(12,206)	88,179	29,587								

Template EU CQ2: Quality of forbearance

	a
	Gross carrying amount of forborne exposures
Loans and advances that have been forborne more than twice	564
Non-performing forborne loans and advances that failed to meet the non-performing exit criteria	40,140

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

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

	a	b	c	d	e	f	g
Gross carrying amount/nominal amount							
	Performing exposures			Non-performing exposures			
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year
005	Cash balances at central banks and other demand deposits	306,557	306,557	-	-	-	-
010	Loans and advances	2,605,864	2,588,552	17,312	74,737	51,421	7,508
020	Central banks	-	-	-	-	-	-
030	General governments	63,631	63,631	-	-	-	-
040	Credit institutions	5,657	5,657	-	-	-	-
050	Other financial corporations	33,802	33,802	-	-	-	-
060	Non-financial corporations	1,433,416	1,425,420	7,996	54,139	42,357	3,958
070	Of which SMEs	1,266,106	1,258,400	7,706	50,890	39,228	3,908
080	Households	1,069,358	1,060,042	9,316	20,598	9,064	3,550
090	Debt securities	1,042,202	1,042,202	-	-	-	-
100	Central banks	-	-	-	-	-	-
110	General governments	874,602	874,602	-	-	-	-
120	Credit institutions	7,273	7,273	-	-	-	-
130	Other financial corporations	44,067	44,067	-	-	-	-
140	Non-financial corporations	116,260	116,260	-	-	-	-
150	Off-balance-sheet exposures	546,095			3,281		
160	Central banks	-			-		
170	General governments	9,406			-		
180	Credit institutions	-			-		
190	Other financial corporations	53,713			-		
200	Non-financial corporations	419,325			3,263		
210	Households	63,651			18		
220	Total	4,194,161	3,630,754	17,312	78,018	51,421	7,508

(continued)

	h	i	j	k	l
	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	-	-	-	-
010	Loans and advances	4,936	3,214	716	2,409
020	Central banks	-	-	-	-
030	General governments	-	-	-	-
040	Credit institutions	-	-	-	-

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

050	Other financial corporations	-	-	-	-	-
060	Non-financial corporations	941	2,306	262	2,010	54,003
070	Of which SMEs	890	2,306	262	2,010	50,775
080	Households	3,995	908	454	399	20,576
090	Debt securities	-	-	-	-	-
100	Central banks	-	-	-	-	-
110	General governments	-	-	-	-	-
120	Credit institutions	-	-	-	-	-
130	Other financial corporations	-	-	-	-	-
140	Non-financial corporations	-	-	-	-	-
150	Off-balance-sheet exposures					3,281
160	Central banks					-
170	General governments					-
180	Credit institutions					-
190	Other financial corporations					-
200	Non-financial corporations					3,263
210	Households					18
220	Total	4,936	3,214	716	2,409	77,860

Template EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment				
		Of which defaulted						
010	On-balance-sheet exposures	3,724,861	74,737	74,579	3,720,587	(40,633)		-
020	Lithuania	3,434,353	74,723	74,565	3,432,295	(40,449)		-
030	Latvia	110,613	7	7	110,613	(46)		-
040	Other countries	179,895	7	7	177,679	(138)		-
050	Off-balance-sheet exposures	549,376	3,281	3,281			469	
060	Lithuania	549,375	3,281	3,281			469	
070	Other countries	1	-	-			-	
080	Total	4 274 237	78,018	77,860	3,720,587	(40,633)	469	-

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

Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which loans and advances subject to impairment			
			Of which defaulted				
010	Agriculture, forestry and fishing	45,441	4,190	4,190	45,441	(1,415)	0
020	Mining and quarrying	5,617	0	0	5,617	(14)	0
030	Manufacturing	179,292	4,139	4,139	179,292	(3,868)	0
040	Electricity, gas, steam and air conditioning supply	77,175	595	595	77,175	(940)	0
050	Water supply	22,711	178	178	22,711	(153)	0
060	Construction	123,479	3,813	3,813	123,479	(4,017)	0
070	Wholesale and retail trade	172,934	6,584	6,584	172,934	(2,574)	0
080	Transport and storage	112,835	4,966	4,966	112,835	(1,102)	0
090	Accommodation and food service activities	37,609	10,120	10,120	37,609	(1,622)	0
100	Information and communication	7,662	1	1	7,662	(27)	0
110	Financial and insurance activities	25,031	136	136	25,031	(475)	0
120	Real estate activities	422,602	15,858	15,858	422,602	(5,583)	0
130	Professional, scientific and technical activities	67,532	23	23	67,532	(389)	0
140	Administrative and support service activities	136,660	1,736	1,736	136,660	(1,789)	0
150	Public administration and defence, compulsory social security	0	0	0	0	0	0
160	Education	2,389	0	0	2,389	(5)	0
170	Human health services and social work activities	30,603	1,770	1,656	30,603	(1,139)	0
180	Arts, entertainment and recreation	10,533	0	0	10,533	(28)	0
190	Other services	7,450	30	8	7,450	(38)	0
200	Total	1,487,555	54,139	54,003	1,487,555	(25,178)	0

Template EU CQ6: Collateral valuation - loans and advances

		a	b	c	d	e	f	g	h	i	j	k	l
Loans and advances													
		Performing			Non-performing								
					Unlikely to pay that are not past due or are past due ≤ 90 days			Past due > 90 days					
					Of which past due > 30 days ≤ 90 days			Of which past due > 90 days ≤ 180 days	Of which: past due > 180 days ≤ 1 year	Of which: past due > 1 years ≤ 2 years	Of which: past due > 2 years ≤ 5 years	Of which: past due > 5 years ≤ 7 years	Of which: past due > 7 years
010	Gross carrying amount	2,682,659	2,607,922	17,312	74,737	51,421	23,316	7,508	4,533	4,936	3,214	716	2,409
020	Of which secured	2,140,909	2,073,324	14,652	67,585	47,730	23,265	6,061	3,612	4,748	3,110	716	1,608
030	Of which secured with immovable property	1,816,691	1,758,258	6,029	58,433	44,426	14,007	3,496	2,294	4,097	2,530	475	1,115

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

040	Of which instruments with LTV higher than 60% and lower or equal to 80%	459,592	455,400		4,192	3,600	592						
050	Of which instruments with LTV higher than 80% and lower or equal to 100%	181,505	179,509		1,996	1,149	847						
060	Of which instruments with LTV higher than 100%	49,692	46,618		3,074	1,705	1,369						
070	Accumulated impairment for secured assets	(30,868)	(12,198)	(390)	(18,670)	(9,382)	(9,288)	(1,931)	(928)	(1,889)	(1,927)	(507)	(2,105)
080	Collateral												
090	Of which value capped at the value of exposure	1,873,916	1,832,074	6,741	41,842	34,990	6,852	2,520	1,695	1,166	1,012	195	264
100	Of which immovable property	1,583,634	1,544,830	5,025	38,804	32,900	5,904	2,260	1,597	923	700	195	229
110	Of which value above the cap	5,917,911	5,328,839	16,445	589,072	455,144	133,958	-	-	-	-	-	-
120	Of which immovable property	2,756,840	2,512,065	10,727	244,775	203,440	41,335	-	-	-	-	-	-
130	Financial guarantees received	162,689	159,225	4,994	3,464	671	2,793	1,531	978	260	14	6	4
140	Accumulated partial write-off	(1,654)	-	-	(1,654)	-	(1,654)	-	-	-	-	(1,654)	-

Template EU CQ7: Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Accumulated negative changes	-	-
020	Other than PP&E	20	-
030	<i>Residential immovable property</i>	-	-
040	<i>Commercial Immovable property</i>	-	-
050	<i>Movable property (auto, shipping, etc.)</i>	20	-
060	<i>Equity and debt instruments</i>	-	-
070	<i>Other collateral</i>	-	-
080	Total	20	-

Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown

		a	b	c	d	e	f	g	h	i	j	k	l
		Debt balance reduction		Total collateral obtained by taking possession									
		Gross carrying amount	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes	Value at initial recognition	Accumulated negative changes
010	Collateral obtained by taking possession classified as PP&E	-	-	-	-								
020	Collateral obtained by taking possession other than that classified as PP&E	36	(8)	36	(8)	36	(8)	-	-	-	-	-	-
030	<i>Residential immovable property</i>	-	-	-	-	-	-	-	-	-	-	-	-
040	<i>Commercial immovable property</i>	-	-	-	-	-	-	-	-	-	-	-	-
050	<i>Movable property (auto, shipping, etc.)</i>	36	(8)	36	(8)	36	(8)	-	-	-	-	-	-
060	<i>Equity and debt instruments</i>	-	-	-	-	-	-	-	-	-	-	-	-
070	<i>Other collateral</i>	-	-	-	-	-	-	-	-	-	-	-	-
080	Total	36	(8)	36	(8)	36	(8)	-	-	-	-	-	-

DISCLOSURE OF EXPOSURES SUBJECT TO MEASURES APPLIED TO THE COVID-19 CRISIS

Information on loans and advances subject to legislative and non-legislative moratoria

		a	b	c	d	e	f	g
		Gross carrying amount						
		Performing			Non-performing			
			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)			Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days
1	Loans and advances subject to moratorium	-	-	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-
3	of which: Collateralised by residential immovable property	-	-	-	-	-	-	-
4	of which: Non-financial corporations	-	-	-	-	-	-	-

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

5	<i>of which: Small and Medium-sized Enterprises</i>	-	-	-	-	-	-	-
6	<i>of which: Collateralised by commercial immovable property</i>	-	-	-	-	-	-	-

(continued)

		h	i	j	k	l	m	n	o
Accumulated impairment, accumulated negative changes in fair value due to credit risk									Gross carrying amount
Performing				Non-performing					Inflows to non-performing exposures
	Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days				
1	Loans and advances subject to moratorium	-	-	-	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-	-
3	<i>of which: Collateralised by residential immovable property</i>	-	-	-	-	-	-	-	-
4	of which: Non-financial corporations	-	-	-	-	-	-	-	-
5	<i>of which: Small and Medium-sized Enterprises</i>	-	-	-	-	-	-	-	-
6	<i>of which: Collateralised by commercial immovable property</i>	-	-	-	-	-	-	-	-

Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

	a	b	c	d	e	f	g	h	i
	Number of obligors	Gross carrying amount	Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
2	Loans and advances subject to moratorium (granted)	524	39,446	-	39,446	-	-	-	-
3	of which: Households		5,542	-	5,542	-	-	-	-

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

4	of which: Collateralised by residential immovable property		3,830	-	3,830	-	-	-	-	-
5	of which: Non-financial corporations		33,905	-	33,905	-	-	-	-	-
6	of which: Small and Medium-sized Enterprises		32,734	-	32,734	-	-	-	-	-
7	of which: Collateralised by commercial immovable property		30,546	-	30,546	-	-	-	-	-

Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	Newly originated loans and advances subject to public guarantee schemes	2,972	-	476	-
2	of which: Households	-			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	2,972	-	476	-
5	of which: Small and Medium-sized Enterprises	2,271			-
6	of which: Collateralised by commercial immovable property	701			-

INFORMATION ON CREDIT RISK MITIGATION MEASURES

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

OBS netting products are not provided by the Group.

All collaterals must be evaluated in line with prudential requirements and valuation standards. The regular review of the values of collateral is performed by the Bank, the regularity is dependent on the type of pledged assets in compliance with prudential requirements. The prudent attitude towards the management of collateral is expressed in internal procedures for proper collateral management and collateral insurance policy.

The Group mitigates credit risk by taking security for loans granted. The types of collateral considered by the Group as the most acceptable for loans and advances are the following:

- Real estate (mainly residential properties, commercial and industrial real estate);
- Business assets (equipment, inventory, transport vehicles);
- Property rights over financial instruments (debt securities, equities);
- Third party guarantees.

The guarantees issued by the state institutions are accepted by the Group as the main type of guarantee reducing capital requirements. No credit derivatives are used as credit protection.

Qualitative information on credit risk mitigation is provided in the Explanatory Notes to the 2022 Financial Statements under “Financial Risk Management”, section 1.2 “Risk Limit Controls and Risk Mitigation Policies” (page 26), and section 1.5 “Loans to Customers” paragraph (d) “Information about loan collateral” (page 37).

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	912,539	2,036,605	1,873,916	162,689	-
2	Debt securities	1,041,603	-	-	-	-
3	Total	1,954,142	2,036,605	1,873,916	162,689	-
4	<i>Of which non-performing exposures</i>	8,006	45,306	41,842	3,464	-
EU-5	<i>Of which defaulted</i>	8,006	45,306			

DISCLOSURE OF THE USE OF THE STANDARDISED APPROACH

Table EU CRD – Qualitative disclosure requirements related to standardised approach

For the assessment of exposures that have an external credit rating, the Group uses credit rating agencies that are registered or certified in accordance with Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. Such External Credit Assessment Institutions (ECAI) are used:

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

Exposures of debt securities and institutions are subject to the external credit rating which, assessing the credit risk under the standardized method, are classified according to the issuer, issue or rating held by the institution itself. If an individual exposure has been rated by two assessment institutions then less the favourable assessment shall apply, in case three ratings are provided - two most favourable shall apply, in case two most favourable ratings do not coincide - then less favourable shall apply.

The Bank Group does not have a process for transferring issuer and issue credit ratings for similar assets that are not included in the trading book.

The association of the external rating of each nominated ECAI or ECA (referred to in paragraph one above) with the risk weights is consistent with the standard association published by EBA.

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

Template EU CR4 – standardised approach – Credit risk exposure and CRM effects

Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	a	b	c	d	e	f
1 Central governments or central banks	1,002,559	-	1,002,559	-	5,170	0.52%
2 Regional government or local authorities	76,935	5,362	76,935	2,346	21	0.03%
3 Public sector entities	12,837	1,500	40,218	750	11,871	28.98%
4 Multilateral development banks	931	-	931	-	-	0.00%
5 International organisations	-	-	-	-	-	-
6 Institutions	273,045	-	232,407	-	62,189	26.76%
7 Corporates	485,352	191,541	461,399	88,525	474,062	86.20%
8 Retail	593,468	71,746	590,092	33,568	431,485	69.19%
9 Secured by mortgages on immovable property	1,438,709	171,919	1,432,788	70,810	768,708	51.12%
10 Exposures in default	53,347	3,312	51,191	1,575	55,190	104.59%
11 Exposures associated with particularly high risk	74,713	61,371	73,325	26,741	150,098	150.00%
12 Covered bonds	-	-	-	-	-	-
13 Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14 Collective investment undertakings	11,164	-	4,425	-	55,313	1250.00%
15 Equity	12,361	-	12,361	-	29,959	242.37%
16 Other items	131,465	-	131,178	-	53,863	41.06%
17 Total	4,166,886	506,751	4,109,809	224,314	2,097,928	48.40%

Template EU CR5 – standardised approach

Exposure classes	Risk weight								
	0%	2%	4%	10%	20%	35%	50%	70%	75%
	a	b	c	d	e	f	g	h	i
1 Central governments or central banks	987,144	-	-	-	9,477	-	5,326	-	-
2 Regional government or local authorities	79,240	-	-	-	-	-	41	-	-
3 Public sector entities	27,381	-	-	-	-	-	3,432	-	-
4 Multilateral development banks	931	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-
6 Institutions	-	-	-	-	180,593	-	51,488	-	-
7 Corporates	-	-	-	-	-	-	24,851	-	-
8 Retail	-	-	-	-	-	-	-	-	623,660
9 Secured by mortgages on immovable property	-	-	-	-	-	588,656	473,922	-	-
10 Exposures in default	-	-	-	-	-	-	-	-	-
11 Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-
12 Covered bonds	-	-	-	-	-	-	-	-	-

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

13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-	-	-	-
16	Other items	77,315	-	-	-	-	-	-	-	-
17	Total	1,172,011	-	-	-	190,070	588,656	559,060	-	623,660

(continued)

	Exposure classes	Risk weight						Total	Of which unrated
		100%	150%	250%	370%	1250%	Others		
		j	k	l	m	n	o	p	q
1	Central governments or central banks	612	-	-	-	-	-	1,002,559	128,208
2	Regional government or local authorities	-	-	-	-	-	-	79,281	79,281
3	Public sector entities	10,155	-	-	-	-	-	40,968	30,813
4	Multilateral development banks	-	-	-	-	-	-	931	-
5	International organisations	-	-	-	-	-	-	-	-
6	Institutions	326	-	-	-	-	-	232,407	7,070
7	Corporates	525,073	-	-	-	-	-	549,924	444,128
8	Retail	-	-	-	-	-	-	623,660	623,660
9	Secured by mortgages on immovable property	441,020	-	-	-	-	-	1,503,598	1,503,598
10	Exposures in default	47,918	4,848	-	-	-	-	52,766	52,766
11	Exposures associated with particularly high risk	-	100,066	-	-	-	-	100,066	100,066
12	Covered bonds	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	4,425	-	4,425	4,425
15	Equity	629	-	11,732	-	-	-	12,361	12,361
16	Other items	53,863	-	-	-	-	-	131,178	131,178
17	Total	1,079,596	104,914	11,732	-	4,425	-	4,334,122	3,117,552

COUNTERPARTY CREDIT RISK

Table EU CCRA – Qualitative disclosure related to CCR

The Bank Group has short-term counterparty credit risk exposures arising from forward foreign exchange contracts. Given the size of the exposures, the Group is considered not to be exposed to significant counterparty risk and it is managed through credit risk with appropriate limits to restrict the maximum exposure amount. The collateral requirement is assessed on an individual basis. Due to insignificant counterparty exposures, a change in the Group's credit rating would not have a material impact on the amounts of collateral to be posted.

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

Template EU CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)				1.4				
EU-2	EU - Simplified SA-CCR (for derivatives)	110	33,604		1.4	47,200	47,200	47,200	14,580
1	SA-CCR (for derivatives)				1.4				
2	IMM (for derivatives and SFTs)								
2a	<i>Of which securities financing transactions netting sets</i>								
2b	<i>Of which derivatives and long settlement transactions netting sets</i>								
2c	<i>Of which from contractual cross-product netting sets</i>								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					18,858	9,890	9,878	9,514
5	VaR for SFTs								
6	Total					66,057	57,090	57,078	24,094

Template EU CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method		
2	i) VaR component (including the 3x multiplier)		
3	ii) stressed VaR component (including the 3x multiplier)		
4	Transactions subject to the Standardised method	937	125
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)		
5	Total transactions subject to own funds requirements for CVA risk	937	125

Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

Exposure classes	Risk weight											Total exposure value
	a	b	c	d	e	f	g	h	i	j	k	
	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-

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

5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	40,638	-	-	-	-	-	-	40,638
7	Corporates	-	-	-	-	-	-	-	-	8,976	-	-	8,976
8	Retail	-	-	-	-	-	-	-	437	-	-	-	437
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	7,026	-	-	7,026
11	Total exposure value	-	-	-	-	40,638	-	-	437	16,002	-	-	57,077

Template EU CCR5 – Composition of collateral for CCR exposures

Collateral type		a		b		c		d		e		f		g		h	
		Collateral used in derivative transactions								Collateral used in SFTs							
		Fair value of collateral received				Fair value of posted collateral				Fair value of collateral received				Fair value of posted collateral			
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporate bonds	1,738,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Equity securities	43,259	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Total	1,781,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Šiaulių bankas AB has no credit derivatives and no positions in the main counterparties.

SECURITISATION

Table EU-SECA - Qualitative disclosure requirements related to securitisation exposures

Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or a pool of exposures is tranching, having all of the following characteristics:

- payments in the transaction or scheme are dependent upon the performance of the exposure or of the pool of exposures;
- the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme.

In traditional securitisations, risk is dependent on the seniority of the retained interest and the performance of the underlying asset pool.

The bank has long-term experience in financing renovation of multi-apartment buildings and considers these loans as product necessary for country economy (included in the critical function assessment by SRB), that reduces climate impact (~50 thousand tons of CO2 to be saved each year) and profitable for the bank. The structure of the traditional non-STS securitisation transaction was created to leverage received European Structural and Investment Funds (ESIF) resources. These funds were entrusted to the EIB, as a fund manager, who set up a scheme in which these funds were structured as investment to first loss layer in order to absorb expected losses and increase the

structure's attractiveness to investors and minimize the cost of borrowing resources. Administration fee income and interest on investments to securitization meet the bank's target return.

UAB "SB modernizavimo fondas" is SSPE which acquire exposures originated by the institution is sponsored by the institution and for which the institution provides securitisation-related services, such as asset servicing and management services.

Financial Intermediary complies with risk retention rule by keeping 5% of the First-Loss Piece Layer (Equity tranche), 50% of the Junior (Mezzanine) layer and 5% of the Senior Layer, so that total retention in the whole scheme would be not less than 5%. AB Šiaulių Bankas applies Standardised Approach (SEC-SA) for capital requirements calculation of its non-STS Securitisation transaction. Bank has excluded underlying exposures from its calculation of risk-weighted exposure amounts as significant credit risk (SRT) associated with the underlying exposures has been transferred to third parties.

AB Šiaulių Bankas accounts its investment to securitisation at FVTPL (First-Loss tranche) and amortised cost (Mezzanine and Senior tranches). According to IFRS 9 if the entity transfers substantially all the risks and rewards of ownership of the financial asset, the entity shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer. De-recognition criteria for loans granted under the housing modernisation program in Bank's accounts are met due to the contractual arrangements with EIB and other investors. So the underlying exposures will not be disclosed in Bank's loan portfolio.

The European Structural and Investment Funds have reduced the risk of a securitization structure, the target investors were known in advance and there was no expressed need for external ratings.

The same principles of risk management and monitoring are applied to securitisation positions. There were no losses, impaired or past due items in relation to securitisation positions in the Banking Book exposures as at 31 December 2022.

Template EU-SEC1 - Securitisation exposures in the non-trading book

	a	b	c		d		e	f	g	h - k	l - o		
			Institution acts as originator									Institution acts as sponsor	Institution acts as investor
			Traditional		Synthetic								
STS	Non-STS	of which SRT	of which SRT	of which SRT									
1	Total exposures	-	-	44,492	44,492	-	-	44,492	-	-			
2	Retail (total)	-	-	44,492	44,492	-	-	44,492	-	-			
3	residential mortgage	-	-	-	-	-	-	-	-	-			
4	credit card	-	-	-	-	-	-	-	-	-			
5	other retail exposures	-	-	44,492	44,492			44,492	-	-			
6	re-securitisation	-	-	-	-	-	-	-	-	-			
7	Wholesale (total)	-	-	-	-	-	-	-	-	-			
8	loans to corporates	-	-	-	-	-	-	-	-	-			
9	commercial mortgage	-	-	-	-	-	-	-	-	-			
10	lease and receivables	-	-	-	-	-	-	-	-	-			
11	other wholesale	-	-	-	-	-	-	-	-	-			
12	re-securitisation	-	-	-	-	-	-	-	-	-			

Template EU-SEC2 - Securitisation exposures in the trading book

Not relevant

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

Template EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

		a	b	c	d	e	f	g	h	i	
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				
		≤ 20 % RW	> 20 – 50% RW	> 50– 100% RW	> 100– 1 250 % RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW / deductions	
1	Total exposures	-	-	-	44,492	-	-	-	44,492	-	
2	Traditional) transactions	-	-	-	44,492	-	-	-	44,492	-	
3	Securitisation	-	-	-	44,492	-	-	-	44,492	-	
4	Retail	-	-	-	44,492	-	-	-	44,492	-	
5	Of which STS	-	-	-	-	-	-	-	-	-	
6	Wholesale	-	-	-	-	-	-	-	-	-	
7	Of which STS	-	-	-	-	-	-	-	-	-	
8	Re-securitisation	-	-	-	-	-	-	-	-	-	
9	Synthetic transactions	-	-	-	-	-	-	-	-	-	
10	Securitisation	-	-	-	-	-	-	-	-	-	
11	Retail underlying	-	-	-	-	-	-	-	-	-	
12	Wholesale	-	-	-	-	-	-	-	-	-	
13	Re-securitisation	-	-	-	-	-	-	-	-	-	

(continued)

		j	k	l	m	n	o	EU-p	EU-q	
		RWEA (by regulatory approach)				Capital charge after cap				
		SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1 250 % RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1 250 % RW	
1	Total exposures	-	-	44,492	-	-	-	44,492	-	
2	Traditional) transactions	-	-	44,492	-	-	-	44,492	-	
3	Securitisation	-	-	44,492	-	-	-	44,492	-	
4	Retail	-	-	44,492	-	-	-	44,492	-	
5	Of which STS	-	-	-	-	-	-	-	-	
6	Wholesale	-	-	-	-	-	-	-	-	
7	Of which STS	-	-	-	-	-	-	-	-	
8	Re-securitisation	-	-	-	-	-	-	-	-	
9	Synthetic transactions	-	-	-	-	-	-	-	-	
10	Securitisation	-	-	-	-	-	-	-	-	
11	Retail underlying	-	-	-	-	-	-	-	-	
12	Wholesale	-	-	-	-	-	-	-	-	
13	Re-securitisation	-	-	-	-	-	-	-	-	

Template EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

Not relevant

Template EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount	Of which exposures in default	Total amount of specific credit risk adjustments made during the period
1	Total exposures	41,081	-	-
2	Retail (total)	41,081	-	-
3	residential mortgage	-	-	-
4	credit card	-	-	-
5	other retail exposures	41,081	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	-	-	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	-	-	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

MARKET RISK

Table EU MRA: Qualitative disclosure requirements related to market risk

The strategic focus of the Bank Group's activities – the provision of banking services to small and medium-sized businesses and private individuals, as well as project financing in cooperation with international organisations, state and local governments – makes the impact of the Group's trading activities on the Group's overall business activities not significant.

Qualitative information on market risk management is provided in the Explanatory Notes to the 2022 Financial Statements under "Financial Risk Management", section 2 "Market Risk" (page 52).

Template EU MR1 - Market risk under the standardised approach

		a
		RWEAs
Outright products		
1	Interest rate risk (general and specific)	27,768
2	Equity risk (general and specific)	462
3	Foreign exchange risk	-
4	Commodity risk	-
Options		
5	Simplified approach	-

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

6	Delta-plus approach	-
7	Scenario approach	-
8	Securitisation (specific risk)	-
9	Total	30,230

Table EU ORA - Qualitative information on operational risk

Qualitative information on operational risk is provided in the Explanatory Notes to the 2022 Financial Statements under “Financial Risk Management”, section 6 “Operational Risk” (p. 71).

The Group uses the Basic Indicator Approach to assess minimum own funds requirements.

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	100,617	114,881	138,844	17,717	221,464
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	<u>Subject to TSA:</u>					
4	<u>Subject to ASA:</u>					
5	Banking activities subject to advanced measurement approaches AMA					

REMUNERATION

Information on remuneration policies is provided in the Consolidated Annual Report 2022, section “Remuneration Policy” (page 147). The unit of measurement used to disclose the remuneration component is the euro.

Template EU REM1 - Remuneration awarded for the financial year

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff	7	9	2	17
	Total fixed remuneration	575,893.91	2,221,237.50	188,187.94	1,383,564.20
	Of which: cash-based	575,893.91	2,175,382.80	178,965.06	1,315,324.17
	(Not applicable in the EU)				
	Of which: shares or equivalent ownership interests	-	-	-	-
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: other instruments	-	-	-	-
	(Not applicable in the EU)				
	Of which: other forms	-	45,944.70	9,222.88	68,240.03
(Not applicable in the EU)					

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

Variable remuneration	Number of identified staff	-	9	2	-
	Total variable remuneration	-	1,294,062.98	126,400.00	1,087,950.00
	Of which: cash-based	-	715,275.00	63,200.00	543,975.00
	Of which: deferred	-	-	-	-
	Of which: shares or equivalent ownership interests	-	715,275.00	63,200.00	543,975.00
	Of which: deferred	-	715,275.00	63,200.00	543,975.00
	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other instruments	-	-	-	-
	Of which: deferred	-	-	-	-
	Of which: other forms	-	-	-	-
	Of which: deferred	-	-	-	-
	Total remuneration (2 + 10)	575,893.91	3,515,390.48	314,587.94	2,471,514.20

The number of the Nominated employees had been identified based on the Nominated posts they hold as at 31 December 2022.

The amounts of total fixed and variable remuneration are shown with the benefits paid to the Nominated employees who were in post for a certain period of time/discontinued their employment during the course of the year 2022 or their employment had been terminated.

The amounts of the total fixed and variable remuneration of the members of the Management Body's management function are shown with the severance payment of the members who terminate their employment in 2022, part of which is attributed to fixed remuneration and part of which is attributed to variable remuneration.

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff	-	2	-	-
7	Severance payments awarded during the financial year - Total amount	-	1,004,788.00	-	-
8	Of which paid during the financial year	-	1,004,788.00	-	-
9	Of which deferred	-	-	-	-

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

10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
11	Of which highest payment that has been awarded to a single person	-	717,000.00	-	-

Template EU REM3 - Deferred remuneration

	a	b	c	d	e	f	EU-g	EU-h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function	-	-	-	-	-	-	-	-
2 Cash-based	-	-	-	-	-	-	-	-
3 Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5 Other instruments	-	-	-	-	-	-	-	-
6 Other forms	-	-	-	-	-	-	-	-
7 MB Management function	715,275.00	-	715,275.00	-	-	-	639,452.00	-
8 Cash-based	-	-	-	-	-	-	-	-
9 Shares or equivalent ownership interests	715,275.00	-	715,275.00	-	-	-	639,452.00	-
10 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11 Other instruments	-	-	-	-	-	-	-	-
12 Other forms	-	-	-	-	-	-	-	-
13 Other senior management	63,200.00	-	63,200.00	-	-	-	60,205.99	-
14 Cash-based	-	-	-	-	-	-	-	-
15 Shares or equivalent ownership interests	63,200.00	-	63,200.00	-	-	-	60,205.99	-
16 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17 Other instruments	-	-	-	-	-	-	-	-
18 Other forms	-	-	-	-	-	-	-	-
19 Other identified staff	543,975.00	-	543,975.00	-	-	-	385,855.76	-
20 Cash-based	-	-	-	-	-	-	-	-

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

21	Shares or equivalent ownership interests	543,975.00	-	543,975.00	-	-	-	385,855.76	-
22	Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23	Other instruments	-	-	-	-	-	-	-	-
24	Other forms	-	-	-	-	-	-	-	-
25	Total amount	1,322,450.00	-	1,322,450.00	-	-	-	1,085,513.75	-

The total amounts of deferred remuneration actually paid during the financial year are shown with the payments made to employees who ceased to be Nominated employees or terminated their employment the course of the year 2022.

Template EU REM4 - Remuneration of 1 million EUR or more per year

The Bank Group does not have staff that are high earners as set out in Article 450(i) CRR.

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
Total number of identified staff										
Of which: members of the MB	7	9	16							
Of which: other senior management							1	1		
Of which: other identified staff				1	8		4	4		
Total remuneration of identified staff	575, 893.91	4,444,715.51	5,020,609.42	159,949.22	1,561,868.70	-	595,044.88	445,607.86	-	
Of which: variable remuneration	-	2,223,388.02	2,223,388.02	78,612.17	743,433.88	-	202,704.08	78,698.41	-	
Of which: fixed remuneration	575, 893.91	2,221,327.49	2,797,221.40	81,337.05	818,434.82	-	392,340.80	366,909.45	-	

The number of the Nominated employees had been identified based on the Nominated posts they hold as at 31 December 2022.

The amounts of total fixed and variable remuneration are shown with the benefits paid to the Nominated employees who were in post for a certain period of time/discontinued their employment during the course of the year 2022 or their employment had been terminated.

The amounts of the total fixed and variable remuneration of the members of the Management Body's management function are shown with the severance payment of the members who terminated their employment in 2022, part of which is attributed to fixed remuneration and part of which is attributed to variable remuneration.

INFORMATION ABOUT ASSET ENCUMBRANCE

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the disclosing institution	662,955	662,855			3,281,997	561,502		
030	Equity instruments	-	-	-	-	5,245	-	5,245	-
040	Debt securities	657,285	657,285	641,049	641,049	390,921	318,753	376,381	305,322
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	589,817	589,817	573,455	573,455	262,560	258,688	250,944	247,338
080	of which: issued by financial corporations	25,837	25,837	25,057	25,057	28,115	23,393	27,184	22,902
090	of which: issued by non-financial corporations	41,173	41,173	40,434	40,434	100,247	37,670	98,254	35,889
120	Other assets	5,671	5,571			2,970,353	242,749		

Template EU AE2 - Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
			of which notionally eligible EHQLA and HQLA	Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the disclosing institution	42,922	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	36,046	-	-	-
160	Debt securities	6,876	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	3,104	-	-	-
210	of which: issued by non-financial corporations	3,773	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and securitisations issued and not yet pledged			-	-
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	710,540	662,855		

Template EU AE3 - Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	637,885	710,441

Table EU AE4 - Accompanying narrative information

The median exposure values are obtained by calculating the median of the sums of the ending values of the four quarterly periods of the preceding 12-month period.

The majority of the Bank Group's encumbered assets (about 99%) are pledged to the central bank. This constraint is due to the TLTRO loan from the Central Bank.

Apart from the Bank, the assets of other entities in the financial group are not encumbered.

Around 2% of the items included in column 060 "Carrying amount of unencumbered assets" and row 120 "Other assets" of the EU AE1 form consist of items that in the ordinary course of business are not considered to be assets that can be encumbered (derivatives of EUR 2 million, investments in subsidiaries and associates of EUR 12 million, tangible fixed assets of EUR 16 million, intangible assets of EUR 4 million, deferred tax assets of EUR 7 million, other assets of EUR 7 million, assets held for sale of EUR 0.2 million).

The bulk of the encumbrance (around 93%) in line 010 of the EU AE3 form "Carrying amount of certain financial liabilities" relates to the liability to the central bank under the TLTRO.

DISCLOSURE OF INTEREST RATE RISK FOR POSITIONS NOT INCLUDED IN THE TRADING BOOK

Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

Bank identifies the following sources of interest rate risk: GAP (repricing) risk; option risk, basis risk. Bank calculate changes in net interest income (over 1 year period) and changes in economic value of equity. Bank manages IRRBB risk using asset and liability management – debt securities portfolio formation principles and deposit pricing according to its term.

Bank is calculating net interest income and economic value of equity measures on the monthly basis.

Bank measures changes in earnings using 200 bp up/down interest rate scenario. The impact of interest rates shocks on EVE is assessed based on scenarios 1-6 set out in annex III in guidelines EBA/GL/2018/02.

Stress testing baseline scenario is build using interest rate 10 year period historical data and market interest rate forecast for the upcoming year. Adverse scenarios is calculated from interest rate historical data covering the 2008 financial crisis.

IRRBB hedging is not applicable.

Cash flows are modelled according to their repricing or maturity dates which are either contractually fixed or based on behavioural (prepayments for fixed interest rate loans, core part for non-maturing deposits. term deposit early termination) assumptions. Cash flows are modelled dependent on interest rate scenarios and including behaviour

and automatic optionality. Euribor forward rates are used for cash flow repricing in the future. In EVE calculation embedded option valuation is included.

EVE and NII measures are significant, because Bank has defined IRRBB risk appetite and set risk limits (EVE and NII) based on risk appetite.

No variations since previous disclosures because Group discloses IRRBB information first time. Average repricing maturity of non-maturity deposits 0.81 years, longest repricing maturity of non-maturity deposits 2 years.

Template EU IRRBB1 - Interest rate risks of non-trading book activities

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(19,613)	-	18,876	-
2	Parallel down	31,482	-	(18,894)	-
3	Steeper	(11,539)	-		
4	Flattener	8,793	-		
5	Short rates up	1,823	-		
6	Short rates down	(1,959)	-		

DISCLOSURE OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG RISKS)

Qualitative and quantitative information on ESG risk and its management supplements quantitative information provided according to Pillar3 of the Basel disclosure requirements on ESG risks

BUSINESS MODEL

For both transition and physical risks, the corporate loan portfolio and the investment portfolio were found to have the highest materiality in the short-term (<1 year) and medium-term (1–5 years) periods. There were identified these economic sectors where part of sub-sectors in each are exposed to high transition risk: mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, sewerage, waste management and remediation activities; construction and transportation. In the future the Bank is planning to expand its disclosure by incorporating investment portfolio analysis.

Sector (according to NACE)	Sector	Bank's loans to business customers, MEUR	Share of total, %
B (05.10; 05.20; 06.10; 06.20)	Mining and quarrying	0.0	0.0%
C (10.10-10.92; 11.02-11.07; 17.10-17.29; 20.10-20.17; 20.20-21.20; 22.11-22.29; 23.10-23.19; 23.50-23.52; 24.10-24.54; 25.10-25.30; 25.50-25.99; 26.10-26.80; 27.10-27.90; 28.10-28.99; 29.10-29.32; 30.11-30.30; 30.90-30.99)	Manufacturing	94.3	4.9%

D (35.10-35.13; 35.20-35.22)	Electricity, gas, steam and air conditioning supply	34.4	1.8%
E (38.12; 38.22)	Water supply; sewerage, waste management and remediation activities	0.8	0.0%
F (41.20; 42.10-42.99; 43.10-43.13)	Construction	51.9	2.7%
H (49.30; 49.31; 49.32; 49.39-49.42; 49.50; 50.10-50.40; 51.10; 51.21; 51.22)	Transportation and storage	56.7	3.0%
Other sectors		1,671.5	87.5%
Total		1,909.8	100%

It should also be noted that in the case of physical risks, the assessment of materiality is not sufficiently detailed due to the currently limited possibilities for practical assessment of physical risks in Lithuania, i.e., there are no detailed physical risk maps that would allow assessing the different physical risks and their impacts. Nevertheless, the Bank will make every effort in the future to refine and broaden the assessment to include the private client loan portfolio in the assessment.

GOVERNANCE

ESG strategy incorporates ESG risk management area and is integral part of the Bank's strategy. The Bank's strategy is formed for 3 years, reviewed every year and updated as needed. Based on the Bank's strategy, the Bank's strategic business plan (including ESG area) is being formed and includes not only priority areas of activity, set goals but also financial planning. The Bank's strategy is submitted for consideration by the Bank's Management Board, approved by the Bank's Supervisory Council.

The implementation of the Bank's annual goals every month is being monitored by the Bank's management. ESG risk indicators (including climate-related and environmental risk) and their implementation are part of Bank's annual goals.

Also, in 2022, the Bank integrated ESG risk management area in the compliance function and in the internal audit plan, and at the end of the year performed an ESG risk management audit.

Other detailed qualitative and quantitative information related to ESG risk and its management is presented in Šiaulių Bankas Social Responsibility Report 2022.

Table 1 - Qualitative information on Environmental risk, on Social risk and on Governance risk

Šiaulių Bankas ESG strategy sets out structured vision, objectives and priorities to achieve this, and is integral part of the Bank's strategy.

More information on environmental risks can be found in the Šiaulių Bankas Social Responsibility Report 2022 (available online at <https://www.sb.lt/en/investors/social-responsibility>) in the section Overview Management of the Company; in the Methodology section; in the section Responsible business and transparency - ESG risk management; Šiaulių Bankas Suppliers Code of Conduct; Šiaulių Bankas Remuneration Policy and in the sections Governance and the Business Model, above.

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

The alignment of the remuneration policy with the institution's objectives related to environmental risk is disclosed in the Remuneration Policy, which is presented in the Remuneration Policy section of the 2022 Consolidated Annual Report (p. 147).

Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity⁴

Sector/subsector	a	b	c	d	e
	Gross carrying amount (M EUR)				
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
1 Exposures towards sectors that highly contribute to climate change*	1,262.88	40.76		141.34	50.45
2 A - Agriculture, forestry and fishing	45.44	0		12.07	4.19
3 B - Mining and quarrying	8.62	13.37		0.42	0
4 B.05 - Mining of coal and lignite	0	0		0	0
5 B.06 - Extraction of crude petroleum and natural gas	3	7.75		0	0
6 B.07 - Mining of metal ores	0	0		0	0
7 B.08 - Other mining and quarrying	5.62	5.62		0.42	0
8 B.09 - Mining support service activities	0	0		0	0
9 C - Manufacturing	214.23	0		43.18	4.14
10 C.10 - Manufacture of food products	34.95	0		19.01	1.72
11 C.11 - Manufacture of beverages	0.43	0		0.2	0
12 C.12 - Manufacture of tobacco products	0	0		0	0
13 C.13 - Manufacture of textiles	4.19	0		2.05	0
14 C.14 - Manufacture of wearing apparel	6.72	0		4.58	0
15 C.15 - Manufacture of leather and related products	0.09	0		0.01	0.04
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	37.81	0		4.61	0.07
17 C.17 - Manufacture of pulp, paper and paperboard	12.37	0		0.01	0
18 C.18 - Printing and service activities related to printing	4.5	0		0	0
19 C.19 - Manufacture of coke oven products	0	0		0	0
20 C.20 - Production of chemicals	6.04	0		0	0
21 C.21 - Manufacture of pharmaceutical preparations	0	0		0	0
22 C.22 - Manufacture of rubber products	6.97	0		1.82	1.15
23 C.23 - Manufacture of other non-metallic mineral products	5.6	0		0.05	0.12

⁴ Updated 26-06-2023

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

24	<i>C.24 - Manufacture of basic metals</i>	0	0	0	0
25	<i>C.25 - Manufacture of fabricated metal products, except machinery and equipment</i>	25.82	0	0.73	0
26	<i>C.26 - Manufacture of computer, electronic and optical products</i>	1	0	0	0
27	<i>C.27 - Manufacture of electrical equipment</i>	8.62	0	0.14	0.01
28	<i>C.28 - Manufacture of machinery and equipment n.e.c.</i>	7.35	0	0.61	0.81
29	<i>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</i>	6.09	0	0	0
30	<i>C.30 - Manufacture of other transport equipment</i>	17.55	0	0.1	0
31	<i>C.31 - Manufacture of furniture</i>	5.26	0	1.14	0.22
32	<i>C.32 - Other manufacturing</i>	7.95	0	0.09	0
33	<i>C.33 - Repair and installation of machinery and equipment</i>	14.92	0	8.03	0
34	<i>D - Electricity, gas, steam and air conditioning supply</i>	97.39	2.59	6.7	0.6
35	<i>D35.1 - Electric power generation, transmission and distribution</i>	53.61	0	1.81	0.03
36	<i>D35.11 - Production of electricity</i>	32.22	0	1.81	0
37	<i>D35.2 - Manufacture of gas; distribution of gaseous fuels through mains</i>	2.59	2.59	0	0.17
38	<i>D35.3 - Steam and air conditioning supply</i>	41.19	0	4.89	0.4
39	<i>E - Water supply; sewerage, waste management and remediation activities</i>	22.71	0	3.66	0.18
40	<i>F - Construction</i>	123.48	0	12.36	3.81
41	<i>F.41 - Construction of buildings</i>	88.71	0	11.48	0.39
42	<i>F.42 - Civil engineering</i>	17.71	0	0.59	2.66
43	<i>F.43 - Specialised construction activities</i>	17.06	0	0.29	0.76
44	<i>G - Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	173.94	24.8	10.35	6.58
45	<i>H - Transportation and storage</i>	115.85	0	13.14	4.97
46	<i>H.49 - Land transport and transport via pipelines</i>	64.15	0	3.18	0.23
47	<i>H.50 - Water transport</i>	0.2	0	0	0
48	<i>H.51 - Air transport</i>	3.21	0	0	0
49	<i>H.52 - Warehousing and support activities for transportation</i>	48.29	0	9.96	4.74
50	<i>H.53 - Postal and courier activities</i>	0	0	0	0
51	<i>I - Accommodation and food service activities</i>	38.62	0	10.74	10.12
52	<i>L - Real estate activities</i>	422.6	0	28.72	15.86
53	Exposures towards sectors other than those that highly contribute to climate change*	316.94	0	19.28	3.69
54	<i>K - Financial and insurance activities</i>	25.03	0	0.17	0.14
55	Exposures to other sectors (NACE codes J, M - U)	291.91	0	19.11	3.55
56	TOTAL	1,579.82	40.76	160.62	54.14

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

(continued)

Sector/subsector	f	g	h
	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (M EUR)		
		Of which Stage 2 exposures	Of which non-performing exposures
1 Exposures towards sectors that highly contribute to climate change*	-21.31	-1.74	-12.41
2 A - Agriculture, forestry and fishing	-1.41	-0.37	-0.88
3 B - Mining and quarrying	-0.02	-0.01	0
4 B.05 - Mining of coal and lignite	0	0	0
5 B.06 - Extraction of crude petroleum and natural gas	0	0	0
6 B.07 - Mining of metal ores	0	0	0
7 B.08 - Other mining and quarrying	-0.02	-0.01	0
8 B.09 - Mining support service activities	0	0	0
9 C - Manufacturing	-3.9	-0.45	-2.7
10 C.10 - Manufacture of food products	-1.49	-0.18	-1.27
11 C.11 - Manufacture of beverages	-0.01	-0.01	0
12 C.12 - Manufacture of tobacco products	0	0	0
13 C.13 - Manufacture of textiles	-0.03	-0.01	0
14 C.14 - Manufacture of wearing apparel	-0.09	-0.08	0
15 C.15 - Manufacture of leather and related products	-0.04	0	-0.04
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	-0.18	-0.08	-0.02
17 C.17 - Manufacture of pulp, paper and paperboard	-0.07	0	0
18 C.18 - Printing and service activities related to printing	-0.05	0	0
19 C.19 - Manufacture of coke oven products	0	0	0
20 C.20 - Production of chemicals	-0.01	0	0
21 C.21 - Manufacture of pharmaceutical preparations	0	0	0
22 C.22 - Manufacture of rubber products	-0.52	-0.05	-0.45
23 C.23 - Manufacture of other non-metallic mineral products	-0.09	0	-0.08
24 C.24 - Manufacture of basic metals	0	0	0
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	-0.19	-0.01	0
26 C.26 - Manufacture of computer, electronic and optical products	-0.01	0	0
27 C.27 - Manufacture of electrical equipment	-0.01	0	0
28 C.28 - Manufacture of machinery and equipment n.e.c.	-0.82	-0.01	-0.81
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	0	0	0
30 C.30 - Manufacture of other transport equipment	-0.01	0	0
31 C.31 - Manufacture of furniture	-0.05	-0.01	-0.03
32 C.32 - Other manufacturing	-0.03	0	0
33 C.33 - Repair and installation of machinery and equipment	-0.2	-0.01	0
34 D - Electricity, gas, steam and air conditioning supply	-0.95	-0.04	-0.09
35 D35.1 - Electric power generation, transmission and distribution	-0.62	0	-0.01
36 D35.11 - Production of electricity	-0.59	0	0
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	-0.03	0	-0.02
38 D35.3 - Steam and air conditioning supply	-0.3	-0.04	-0.06
39 E - Water supply; sewerage, waste management and remediation activities	-0.15	-0.02	0

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

40	F - Construction	-4.01	-0.3	-2.19
41	<i>F.41 - Construction of buildings</i>	-1.89	-0.28	-0.31
42	<i>F.42 - Civil engineering</i>	-1.93	-0.01	-1.81
43	<i>F.43 - Specialised construction activities</i>	-0.19	-0.01	-0.07
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-2.57	-0.13	-1.63
45	H - Transportation and storage	-1.1	-0.2	-0.17
46	<i>H.49 - Land transport and transport via pipelines</i>	-0.33	-0.03	-0.07
47	<i>H.50 - Water transport</i>	0	0	0
48	<i>H.51 - Air transport</i>	0	0	0
49	<i>H.52 - Warehousing and support activities for transportation</i>	-0.77	-0.17	-0.1
50	<i>H.53 - Postal and courier activities</i>	0	0	0
51	I - Accommodation and food service activities	-1.62	-0.05	-1.53
52	L - Real estate activities	-5.58	-0.17	-3.22
53	Exposures towards sectors other than those that highly contribute to climate change*	-3.94	-0.12	-1.82
54	K - Financial and insurance activities	-0.47	-0.01	-0.05
55	Exposures to other sectors (NACE codes J, M - U)	-3.47	-0.11	-1.77
56	TOTAL	-25.25	-1.86	-14.23

(continued)

Sector/subsector	i	j	k	l	m	n	o	p	
									GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)
1	Exposures towards sectors that highly contribute to climate change*	124,327.83		3.57	1,075.8	84.66	100.41	2.01	4.1
2	A - Agriculture, forestry and fishing	26,893.96		0	32.57	10.99	1.88	0	4.01
3	B - Mining and quarrying	3,196.78		34.80	8.62	0	0	0	1.82
4	<i>B.05 - Mining of coal and lignite</i>				0	0	0	0	0
5	<i>B.06 - Extraction of crude petroleum and natural gas</i>	1,236.41		100	3	0	0	0	0.46
6	<i>B.07 - Mining of metal ores</i>				0	0	0	0	0
7	<i>B.08 - Other mining and quarrying</i>	1,960.37		0	5.62	0	0	0	2.55
8	<i>B.09 - Mining support service activities</i>				0	0	0	0	0
9	C - Manufacturing	29,744.42		2.11	208.93	5.3	0	0	2.07
10	<i>C.10 - Manufacture of food products</i>	3,596.34		12.92	34.95	0	0	0	1.24
11	<i>C.11 - Manufacture of beverages</i>	121.26		0	0.43	0	0	0	3.17
12	<i>C.12 - Manufacture of tobacco products</i>				0	0	0	0	0
13	<i>C.13 - Manufacture of textiles</i>	432.65		0	4.19	0	0	0	3.03
14	<i>C.14 - Manufacture of wearing apparel</i>	595.88		0	6.72	0	0	0	1.53
15	<i>C.15 - Manufacture of leather and related products</i>	5.53		0	0.09	0	0	0	0.57
16	<i>C.16 - Manufacture of wood and of products of wood and cork, except furniture;</i>	9,179.2		5.31	36.93	0.88	0	0	2.86

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

	<i>manufacture of articles of straw and plaiting materials</i>								
17	<i>C.17 - Manufacture of pulp, paper and paperboard</i>	927.86	0	10.77	1.6	0	0	0	3.18
18	<i>C.18 - Printing and service activities related to printing</i>	884.19	0	4.5	0	0	0	0	4.1
19	<i>C.19 - Manufacture of coke oven products</i>			0	0	0	0	0	0
20	<i>C.20 - Production of chemicals</i>	2,348.37	66.86	6.04	0	0	0	0	1.18
21	<i>C.21 - Manufacture of pharmaceutical preparations</i>			0	0	0	0	0	0
22	<i>C.22 - Manufacture of rubber products</i>	1,024.83	0	5.13	1.84	0	0	0	2.97
23	<i>C.23 - Manufacture of other non-metallic mineral products</i>	3,039.04	0	5.6	0	0	0	0	2.95
24	<i>C.24 - Manufacture of basic metals</i>			0	0	0	0	0	0
25	<i>C.25 - Manufacture of fabricated metal products, except machinery and equipment</i>	4,561.02	0	25.33	0.49	0	0	0	1.62
26	<i>C.26 - Manufacture of computer, electronic and optical products</i>	24.69	0	1	0	0	0	0	1.44
27	<i>C.27 - Manufacture of electrical equipment</i>	419.2	0	8.33	0.29	0	0	0	1.35
28	<i>C.28 - Manufacture of machinery and equipment n.e.c.</i>	89.6	0	7.35	0	0	0	0	2.34
29	<i>C.29 - Manufacture of motor vehicles, trailers and semi-trailers</i>	167.65	84.9	6.09	0	0	0	0	1.37
30	<i>C.30 - Manufacture of other transport equipment</i>	689.32	52.38	17.35	0.2	0	0	0	1.7
31	<i>C.31 - Manufacture of furniture</i>	669.97	0	5.26	0	0	0	0	2.31
32	<i>C.32 - Other manufacturing</i>	331.69	0	7.95	0	0	0	0	1.96
33	<i>C.33 - Repair and installation of machinery and equipment</i>	636.13	0	14.92	0	0	0	0	1.82
34	<i>D - Electricity, gas, steam and air conditioning supply</i>	38,685.20	12.41	65.02	6.43	25.94	0	0	6.97
35	<i>D35.1 - Electric power generation, transmission and distribution</i>	12,068.74	22.55	53.61	0	0	0	0	2.61
36	<i>D35.11 - Production of electricity</i>	5,567.90	0	32.22	0	0	0	0	3.27
37	<i>D35.2 - Manufacture of gas; distribution of gaseous fuels through mains</i>	103.78	0	2.59	0	0	0	0	4.04
38	<i>D35.3 - Steam and air conditioning supply</i>	26,512.68	0	8.82	6.43	25.94	0	0	12.83
39	<i>E - Water supply; sewerage, waste management and remediation activities</i>	6.33	0	15.39	1.4	5.92	0	0	6.41
40	<i>F - Construction</i>	6,161.77	0	105.23	15.68	2.46	0.11	0	3.19
41	<i>F.41 - Construction of buildings</i>	3,830.91	0	73.7	14.84	0.17	0	0	3.18
42	<i>F.42 - Civil engineering</i>	1,167.41	0	17.1	0.57	0	0.04	0	1.83
43	<i>F.43 - Specialised construction activities</i>	1,163.45	0	14.43	0.27	2.29	0.07	0	4.69
44	<i>G - Wholesale and retail trade; repair of motor vehicles and motorcycles</i>	3,945.84	0.58	169.9	2.16	0	1.88	0	2.11
45	<i>H - Transportation and storage</i>	6,086.79	2.60	112.46	3.37	0	0.02	0	2.97
46	<i>H.49 - Land transport and transport via pipelines</i>	1,713.39	0	61.71	2.42	0	0.02	0	3.47
47	<i>H.50 - Water transport</i>	35.45	0	0.2	0	0	0	0	2.58
48	<i>H.51 - Air transport</i>	2,609.02	93.91	3.21	0	0	0	0	0.65
49	<i>H.52 - Warehousing and support activities for transportation</i>	1,728.93	0	47.34	0.95	0	0	0	2.46
50	<i>H.53 - Postal and courier activities</i>			0	0	0	0	0	0
51	<i>I - Accommodation and food service activities</i>	1,048.9	0	38.52	0.1	0	0	0	3.26
52	<i>L - Real estate activities</i>	8,557.84	0.24	319.16	39.23	64.21	0	0	5.87

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

53	Exposures towards sectors other than those that highly contribute to climate change*				256.47	17.51	42.7	0.26	4.87
54	K - Financial and insurance activities				12.15	0	12.88	0	10.32
55	Exposures to other sectors (NACE codes J, M - U)				244.32	17.51	29.82	0.26	4.41
56	TOTAL	124,327.83		3.57	1,332.27	102.17	143.11	2.27	4.25

Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation part contains information on positions if they fall into these sectors: B.05, B.06, B.08.92, B.09.1, C.19, D.35.2, G.46.71, G.47.3, H.49.5.

GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO₂ equivalent) part contains information on positions that does not fully cover Banking book. The Bank has calculated GHG financed emissions for 2022 and covered 70% of loan portfolio and 7% of securities portfolio (please see Šiaulių bankas Social Responsibility Report 2022).

Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral⁵

Counterparty sector	Total gross carrying amount (in M EUR)						
	Level of energy efficiency (EP score in kWh/m ² of collateral)						> 500
	0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500		
1 Total EU area	1 614.96	565.08	92.40	40.04	12.10	8.70	20.58
2 Of which Loans collateralised by commercial immovable property	964.03	326.61	43.25	26.70	4.54	2.25	3.29
3 Of which Loans collateralised by residential immovable property	650.93	238.47	49.16	13.34	7.57	6.44	17.29
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-
6 Total non-EU area	0.77	-	-	-	-	-	-
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-
8 Of which Loans collateralised by residential immovable property	0.77	-	-	-	-	-	-
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	-	-	-	-	-	-	-

⁵ Update date 13-10-2023

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

(continued)

	h	i	j	k	l	m	n	o	p	
Counterparty sector	Total gross carrying amount (in MEUR)								Without EPC label of collateral	Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated
	Level of energy efficiency (EPC label of collateral)							Of which level of energy efficiency (EP score in kWh/m ² of collateral) estimated		
	A	B	C	D	E	F	G			
1 Total EU area	237.48	290.19	103.08	65.16	37.58	67.42	102.76	711.28		
2 Of which Loans collateralised by commercial immovable property	104.80	178.91	60.99	41.91	27.58	36.37	14.23	499.24	-	
3 Of which Loans collateralised by residential immovable property	132.68	111.28	42.09	23.25	10.00	31.05	88.53	212.04	-	
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated										
6 Total non-EU area			0.24				0.18	0.35	-	
7 Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	
8 Of which Loans collateralised by residential immovable property	-	-	0.24	-	-	-	0.18	0.35	-	
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated										

Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	-				

* For counterparties among the top 20 carbon emitting companies in the world

As at the end of 2022, the Bank had no exposures to the top 20 most polluting companies. Data about Top 20 most polluting firms in the world, with reference year 2021, was sourced from: The 20 most polluting companies in the world - The Corporate Governance Institute, Carbon Majors Database and Climate Accountability Institute.⁶

Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

	a	b	c - o
	Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (M EUR)	of which exposures sensitive to impact from climate change physical events
1	A - Agriculture, forestry and fishing	45,441	-
2	B - Mining and quarrying	8,615	-
3	C - Manufacturing	204,074	-
4	D - Electricity, gas, steam and air conditioning supply	97,387	-
5	E - Water supply; sewerage, waste management and remediation activities	22,711	-
6	F - Construction	123,479	-
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	173,938	-
8	H - Transportation and storage	115,846	-
9	L - Real estate activities	422,602	-
10	Loans collateralised by residential immovable property	964,026	-
11	Loans collateralised by commercial immovable property	651,695	-
12	Repossessed collaterals	-	-
13	Other relevant sectors (breakdown below where relevant)	-	-

According to our analysis and based on Lithuanian Hydrometeorological Service report for physical risks, dated 2023 (Lietuvos hidrometeorologijos tarnybos "Klimato kaitos rizikų XXI a. viduriui studija", or the Report), the Bank does not have loans collateralised with immovable property and on repossessed real estate collateral that are exposed to chronic and acute climate-related hazards. The Report reveals the level of physical risks (chronic and acute) for different time horizons and different districts within the country which is low or medium, no high risk identified.

Template 10 – Other climate change mitigating actions that are not covered in the EU Taxonomy⁷

The Bank considers that it does not have any Banking book positions that could be classified as other climate change mitigating actions that are not covered in the EU Taxonomy.

⁶ Update date 13-10-2023

⁷ Update date 26-06-2023