



ŠIAULIŲ BANKAS

**FINANCIAL STATEMENT**

**30 JUNE 2010**

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# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

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# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE GROUP'S AND BANK'S BALANCE SHEET

	Notes	30-06-2010		31-12-2009	
		Group	Bank	Group	Bank
<b>ASSETS</b>					
Cash and cash equivalents	2	128057	128 027	168 708	168 651
Due from other banks	3	2 524	2 524	2 214	2 214
Trading securities	6	88 177	85 087	3 094	121
Derivative financial instruments		14	14	-	-
Loans to customers	4	1 417 711	1 597 494	1 434 328	1 605 635
Finance lease receivables	5	83 139	-	101 412	-
Investment securities:					
- available-for-sale	6	102 712	76 559	86 236	72 083
- held-to-maturity	6	201 132	194 542	146 041	143 068
Investments in subsidiaries	6	0	16 889	0	9 384
Intangible assets		481	478	605	600
Tangible fixed assets		54 272	43 988	52 203	45 179
Prepaid income tax		2 249	2 221	2 468	2 221
Deferred income tax assets		7 583	7 357	5 416	5 224
Other assets	7	72 175	4 360	71 073	4 890
<b>Total assets</b>		<b>2 160 226</b>	<b>2 159 540</b>	<b>2 073 798</b>	<b>2 059 270</b>
<b>LIABILITIES</b>					
Due to other banks and financial institutions	8	256 830	256 835	246 272	237 315
Due to customers	9	1 593 778	1 593 986	1 528 824	1 528 840
Special and lending funds	10	39 734	29 734	31 292	31 292
Debt securities in issue	11	4 265	4 265	4 155	4 155
Deferred income tax liabilities		39	-	-	-
Other liabilities	12	6 983	3 955	9 071	3 631
<b>Total liabilities</b>		<b>1 901 629</b>	<b>1 888 775</b>	<b>1 819 614</b>	<b>1 805 233</b>
<b>EQUITY</b>					
Share capital	13	204 858	204 858	180 358	180 358
Share premium	13	46 661	46 661	45 681	45 681
Reserve capital	13	2 611	2 611	2 611	2 611
General reserve to cover possible losses in assets	13	10 000	10 000	10 000	10 000
Statutory reserve	13	6 667	6 422	6 376	5 981
Financial assets revaluation reserve		1 584	2 955	(781)	590
Retained earnings		(3 784)	(2 742)	9 939	8 816
<b>Total equity</b>		<b>268 597</b>	<b>270 765</b>	<b>254 184</b>	<b>254 037</b>
<b>Total liabilities and equity</b>		<b>2 170 226</b>	<b>2 159 540</b>	<b>2 073 798</b>	<b>2 059 270</b>

The notes on pages 10-37 constitute an integral part of these financial statements

Chief executive Officer

Algirdas Butkus

Chief Financial Officer

Vita Adomaitytė

16 August 2010

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE GROUP'S AND BANK'S STATEMENT OF COMPREHENSIVE INCOME

	Notes	30-06-2010		30-06-2009	
		Group	Bank	Group	Bank
Interest and similar income	14	57 876	56 075	72 997	71 719
Interest expense and similar charges	14	(44 137)	(44 043)	(56 674)	(56 349)
<b>Net interest income</b>		<b>13 739</b>	<b>12 032</b>	<b>16 323</b>	<b>15 370</b>
Fee and commission income	15	5 554	5 659	6 106	6 275
Fee and commission expense	15	(2 018)	(1 987)	(2 160)	(2 121)
<b>Net fee and commission income</b>		<b>3 536</b>	<b>3 672</b>	<b>3 946</b>	<b>4 154</b>
Allowance for impairment losses		(20 149)	(18 630)	(15 342)	(13 726)
Net gain on operations with securities		2 193	2 193	4 928	304
Net foreign exchange gain		1 257	1 259	1 131	1 131
Gain on disposal of assets		548	18	( 129)	4
Other income		422	236	560	295
Administrative and other operating expenses	16	(16 745)	(14 125)	(18 906)	(16 329)
<b>Operating profit</b>		<b>(15 199)</b>	<b>(13 345)</b>	<b>(7 489)</b>	<b>(8 797)</b>
Dividends from investments in subsidiaries		-	-	-	6 377
<b>Profit before income tax</b>		<b>(15 199)</b>	<b>(13 345)</b>	<b>(7 489)</b>	<b>(2 420)</b>
Income tax expense		2 223	2 228	17	0
<b>Profit for the year</b>		<b>(12 976)</b>	<b>(11 117)</b>	<b>(7 472)</b>	<b>(2 420)</b>
<b>Other comprehensive (loss) income</b>					
Gain (loss) from revaluation of financial assets		2 460	2 460	175	175
Deferred income tax on (loss) gain from revaluation of financial assets		( 95)	( 95)	( 55)	( 55)
Other comprehensive (loss) income, net of tax		2 365	2 365	120	120
<b>Total comprehensive (loss) income</b>		<b>(10 611)</b>	<b>(8 752)</b>	<b>(7 352)</b>	<b>(2 300)</b>
<b>Profit is attributable to:</b>					
Equity holders of the Bank		(12 976)	(11 117)	(7 472)	(2 420)
Minority interest		-	-	-	-
<b>Profit for the year</b>					
Equity holders of the Bank		(10 611)	(8 752)	(7 352)	(2 300)
Minority interest		-	-	-	-
Basic and diluted earnings per share, net (in LTL per share)	13	-0.07	-0.06	-0.04	-0.01

The notes on pages 10-37 constitute an integral part of these financial statements

Chief executive Officer



Algirdas Butkus

Chief Financial Officer



Vita Adomaitytė

16 August 2010

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE GROUP'S AND BANK'S INCOME STATEMENT FOR THE PERIOD

	FROM 04 TO 06 MONTH 2010		FROM 04 TO 06 MONTH 2009	
	Group	Bank	Group	Bank
Interest and similar income	27 555	26 641	35 593	35 864
Interest expense and similar charges	(19 359)	(19 359)	(28 060)	(28 748)
<b>Net interest income</b>	<b>8 196</b>	<b>7 282</b>	<b>7 533</b>	<b>7 116</b>
Fee and commission income	2 936	2 990	3 038	3 113
Fee and commission expense	(1 061)	(1 045)	(1 092)	(1 070)
<b>Net fee and commission income</b>	<b>1 875</b>	<b>1 945</b>	<b>1 946</b>	<b>2 043</b>
Allowance for impairment losses	(10 546)	(9 673)	(6 447)	(5 579)
Net gain on operations with securities	1 053	1 053	97	97
Net foreign exchange gain	791	793	517	517
Gain on disposal of assets	514	15	(121)	3
Other income	375	116	324	178
Administrative and other operating expenses	(8 075)	(6 676)	(9 193)	(7 924)
<b>Operating profit</b>	<b>(5 817)</b>	<b>(5 145)</b>	<b>(5 344)</b>	<b>(3 549)</b>
Dividends from investments in subsidiaries	-	-	-	-
<b>Profit before income tax</b>	<b>(5 817)</b>	<b>(5 145)</b>	<b>(5 344)</b>	<b>(3 549)</b>
Income tax expense	966	928	17	-
<b>Profit for the year</b>	<b>(4 851)</b>	<b>(4 217)</b>	<b>(5 327)</b>	<b>(3 549)</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE GROUP'S AND BANK'S CASH FLOW STATEMENT

	30-06-2010		30-06-2009	
	Group	Bank	Group	Bank
<b>Operating activities</b>				
Interest received	52 175	51 043	70 319	69 041
Interest paid	(44 857)	(44 763)	(55 432)	(55 107)
Net cash received from service and commission fees	3 536	3 672	3 946	4 154
Net cash received from operations in securities	2 398	2 398	( 196)	( 196)
Net cash received from operations in foreign currency	356	358	1 402	1 402
Cash received from previously written-off loans	482	307	93	8
Salaries and related payments to and on behalf of employees	(9 038)	(7 741)	(10 232)	(8 897)
Other receipts (payments)	(3 669)	(3 813)	(6 682)	(6 059)
Income tax paid	30	-	(1 131)	(1 131)
<b>Net cash flow from operating activities before change in short-term assets and liabilities</b>	<b>1 413</b>	<b>1 461</b>	<b>2 087</b>	<b>3 215</b>
<b>(Increase) decrease in assets:</b>				
Decrease in trading securities	(84 154)	(84 154)	538	669
(Increase) in loans to credit and financial institutions	8 820	17 785	8 909	21 519
(Increase) in loans to customers	3 036	(31 656)	28 148	2 485
(Increase) decrease in other assets	(1 235)	780	(5 335)	1 581
<b>Increase in liabilities</b>				
Increase in liabilities to credit and financial institutions	12 115	21 077	(89 075)	(89 075)
Increase in deposits, special and leanding funds	62 669	62 861	127 859	133 726
Increase in other liabilities	(1 960)	263	(2 657)	(6 162)
<b>Change</b>	<b>( 709)</b>	<b>(13 044)</b>	<b>68 387</b>	<b>64 743</b>
<b>Net cash flow from operating activities</b>	<b>704</b>	<b>(11 583)</b>	<b>70 474</b>	<b>67 958</b>
<b>Investing activities</b>				
Purchase of tangible and intangible fixed assets	(5 542)	( 529)	(6 770)	(1 992)
Disposal of tangible and intangible fixed assets	1 017	469	1 035	834
Acquisition of held to maturity securities	(59 806)	(56 452)	(6 948)	(6 816)
Proceeds from redemption of held to maturity securities	10 238	10 238	11 621	11 621
Acquisition of available-for-sale securities	(96 484)	(84 484)	(16 858)	(16 858)
Disposal of available-for-sale securities	83 675	83 675	14 201	14 201
Acquisition of subsidiary	-	(7 505)	-	(9 022)
Dividends received	67	67	4 828	6 581
<b>Net cash used in investing activities</b>	<b>(66 835)</b>	<b>(54 521)</b>	<b>1 109</b>	<b>(1 451)</b>
<b>Financing activities</b>				
Increase in share capital	25 480	25 480	-	-
Dividends paid	-	-	( 1)	( 1)
Payment to minority shareholders	-	-	(4 967)	-
Debt securities issued	383	383	15 436	15 436
Debt securities repurchased and redeemed	( 383)	( 383)	(32 894)	(32 894)
<b>Net cash flow from financing activities</b>	<b>25 480</b>	<b>25 480</b>	<b>(22 426)</b>	<b>(17 459)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(40 651)</b>	<b>(40 624)</b>	<b>49 157</b>	<b>49 048</b>
<b>Cash and cash equivalents at 1 January</b>	<b>168 708</b>	<b>168 651</b>	<b>142 939</b>	<b>142 927</b>
<b>Cash and cash equivalents at 30 June</b>	<b>128 057</b>	<b>128 027</b>	<b>192 096</b>	<b>191 975</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE GROUP'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Attributable to equity holders of the Bank						Total equity:
	Share capital	Share premium	Reserve capital	Statutory reserve and others reserves	Retained earnings	Minority interest	
<b>31 December 2008</b>	180 358	45 681	2 611	3 003	58 004	4 967	294 624
Dividends to minority	-	-	-	-	-	(3 923)	(3 923)
Formation of reserve	-	-	-	12 514	(12 514)	-	-
Financial assets revaluation reserve	-	-	-	175	-	-	175
Recognition of deferred income tax	-	-	-	(55)	-	-	(55)
Decrease in share capital of minority shareholders in subsidiaries	-	-	-	179	-	(1 044)	(865)
Profit for the year	-	-	-	-	(7 472)	-	(7 472)
<b>30 June 2009</b>	180 358	45 681	2 611	15 816	38 018	-	282 484
Financial assets revaluation reserve	-	-	-	(79)	-	-	(79)
Recognition of deferred income tax	-	-	-	(142)	-	-	(142)
Profit for the year	-	-	-	-	(28 079)	-	(28 079)
<b>31 December 2009</b>	180 358	45 681	2 611	15 595	9 939	-	254 184
Financial assets revaluation reserve	-	-	-	2 460	-	-	2 460
Recognition of deferred income tax	-	-	-	(95)	-	-	(95)
Increasing of capital	24 500	980	-	-	-	-	25 480
Formation of reserve	-	-	-	441	(441)	-	-
Others moves	-	-	-	(150)	(306)	-	(456)
Profit for the year	-	-	-	-	(12 976)	-	(12 976)
<b>30 June 2010</b>	204 858	46 661	2 611	18 251	(3 784)	-	268 597

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## THE BANK'S STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Share premium	Reserve capital	Financial assets revaluation reserve	Statutory reserve and others	Retained earnings	Total equity:
<b>31 December 2008</b>	180 358	45 681	2 611	(680)	3 405	51 506	282 881
Formation of reserve	-	-	-	-	12 576	(12 576)	-
Financial assets revaluation reserve	-	-	-	175	-	-	175
Recognition of deferred income tax	-	-	-	(55)	-	-	(55)
Profit for the year	-	-	-	-	-	(2 420)	(2 420)
<b>30 June 2009</b>	180 358	45 681	2 611	(560)	15 981	36 510	280 581
Financial assets revaluation reserve	-	-	-	1 292	-	-	1 292
Recognition of deferred income tax	-	-	-	(142)	-	-	(142)
Profit for the year	-	-	-	-	-	(27 694)	(27 694)
<b>31 December 2009</b>	180 358	45 681	2 611	590	15 981	8 816	254 037
Financial assets revaluation reserve	-	-	-	2 460	-	-	2 460
Recognition of deferred income tax	-	-	-	(95)	-	-	(95)
Increasing of capital	24 500	980	-	-	-	-	25 480
Formation of reserve	-	-	-	-	441	(441)	-
Profit for the year	-	-	-	-	-	(11 117)	(11 117)
<b>30 June 2010</b>	204 858	46 661	2 611	2 955	16 422	(2 742)	270 765



# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## GENERAL INFORMATION

Šiaulių Bankas AB was registered as a public company in the Enterprise Register of the Republic of Lithuania on 4 February 1992. The Bank is licensed by the Bank of Lithuania to perform all banking operations provided for in the Law on Commercial Banks of the Republic of Lithuania and the Statute of the Bank, except for operations with precious metals.

The Head Office of the Bank is located in Šiauliai, Tilžės str. 149, LT-76348. As of June 30 st 2010 the Bank had 475 employees (31 December 2009: 475). As of June 30st 2010 the Group had 538 employees (31 December 2009: 530 employees).

The Bank's shares are listed on the Official List of the National Stock Exchange of Lithuania (NSEL).

The Bank had the following subsidiaries:

1. Šiaulių Banko Lizingas UAB (hereinafter – SB Lizingas, finance and operating lease activities),
2. Šiaulių Banko Investicijų Valdymas UAB (hereinafter SB Investicijų Valdymas, investment management activities),
3. Šiaulių Banko Turto Fondas UAB (hereinafter – SB Turto Fondas, real estate management activities),
4. Minera UAB (hereinafter – Minera, real estate management activities),
5. SBTF UAB (hereinafter – SBTF, real estate management activities).

The financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been prepared under the historical cost convention as modified for the revaluation of available-for-sale investment securities, financial assets and financial liabilities held for trading and all derivative financial instruments.

The preparation of financial statements in conformity with International Financial Reporting Standards require the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

These financial statements combine the consolidated financial statements for the Group and stand-alone financial statements of the Bank. Such format of reporting was adopted to ensure consistency of presentation with the format prescribed by the Bank of Lithuania and applied for statutory reporting.

Amounts shown in these financial statements are presented in the local currency, Litas (LTL). Since 2 February 2002 the exchange rate of the litas was pegged to the euro at a rate of LTL 3.4528 = EUR 1.

## Financial risk management

The Group analyses, evaluates, accepts and manages the risk or combination of risks it is exposed to. Risk management at the Group aims at ensuring a sufficient return on equity following the conservative risk management policy. While implementing an advanced risk management policy the Group focuses not only on minimising potential risk but also on improving pricing and achieving efficient capital allocation.

The Risk Management Policy approved by the Bank Board 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.

The most important types of risk the Group is exposed to are credit risk, market risk, liquidity risk and operational risk. Concentration risk is treated as part of credit risk. Market risk includes currency risk, interest rate and equity price risk. Other types of risk are considered immaterial by the Group and, therefore, are not assessed.

In order to avoid a conflict of interest the Bank's subdivisions that implement risk management functions are separated from those subdivisions the direct activities of which are connected with the up rise of various types of banking risks.

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 1 CREDIT INSTITUTION ACTIVITIES

The bank's Head Office is located in Šiauliai. The bank has 14 branches in Kelmė, Klaipėda, Kuršėnai, Mažeikiai, Palanga, Šilutė, Vilnius, Alytus, Utena, Kaunas, Druskininkai, Panevėžys, Šiauliai, Radviliškis and 37 client service.

As of June 30 st 2010 the number of the bank's clients included 255 municipal companies and governmental companies, 59 state companies, 50 agricultural companies, 30 economic partnerships, 4 591 limited liability public company, 1 534 private companies, 517 non-profit making and public sector companies and 1 076 other organizations as well as 121 014 individuals.

As of June 30st 2010 the bank controlled 5 and December 31st 2009 the bank controlled 3 subsidiaries: "Šiaulių banko lizingas" UAB (financial and operational leasing), "Šiaulių banko investicijų valdymas" UAB (investment management), "Šiaulių banko turto fondas" UAB, "Minera" UAB, "SBTF" UAB (real estate management). The bank owns 100% of "Šiaulių banko lizingas" UAB (acquisition value – 30st June 2010 – LTL 5 000 thou), 100 % of "Šiaulių banko investicijų valdymas" UAB (acquisition value – 30 st June 2010 - LTL 4 040 thou), 100 % of "Šiaulių banko turto fondas" UAB (acquisition value – 30 st June 2010 -LTL 5 117 thou), 100 % of "Minera" UAB (acquisition value – 30 st June 2010 - LTL 5 505 thou), 100 % of "SBTF" UAB (acquisition value – 30 st June 2010 - LTL 2 000 thou).

The consolidated statements of the Group include financial statements of the bank and its subsidiaries.

## NOTE 2 CASH AND CASH EQUIVALENTS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Cash and other valuables	41 383	41 382	34 669	34 651
Mandatory reserves in national currency	64 868	64 868	58 790	58 790
Correspondent bank accounts	12 927	12 927	18 407	18 407
Banks time deposits	5 634	5 605	19 420	19 381
Correspondent account with central bank	3 245	3 245	37 422	37 422
<b>Total:</b>	<b>128 057</b>	<b>128 027</b>	<b>168 708</b>	<b>168 651</b>

Mandatory reserves comprise the funds calculated on a monthly basis as a 4 % share of the average balance of deposits of the previous month. The mandatory reserves are held with the Bank of Lithuania in the form of deposits. The compensation for deposits held is calculated according to the Regulations of the Bank of Lithuania.

## NOTE 3 DUE FROM OTHER BANKS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Due from other banks	2 524	2 524	2 214	2 214
<b>Total:</b>	<b>2 524</b>	<b>2 524</b>	<b>2 214</b>	<b>2 214</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 4 LOANS TO CUSTOMERS

Maximum exposure to credit risk before collateral held or other credit enhancements

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Cash and balances with central banks	128 057	128 027	168 708	168 651
Loans and advances to banks	2 524	2 524	2 214	2 214
Loans and advances to customers:	1417 711	1597 494	1 434 328	1 605 635
Loans and advances to financial institutions	789	104 823	9 130	120 560
Loans to individuals (Retail)	217 794	205 590	235 765	222 509
Loans to business customers	1199 128	1287 081	1 189 433	1 262 566
Finance lease receivables	83 139	-	101 412	-
Trading assets:	-	-	-	-
Debt securities	88 053	84 963	2 973	-
Equity securities	124	124	121	121
Derivative financial instruments	14	14	-	-
Securities available for sale	-	-	-	-
Debt securities	74 908	74 908	71 282	71 282
Equity securities	27 804	1 651	14 954	801
Investment securities held to maturity	-	-	-	-
Debt securities	201 132	194 542	146 041	143 068
Other financial assets	29 632	1 054	26 775	1 215
Credit risk exposures relating to off-balance sheet items are as follows:				
Financial guarantees	51 441	51 397	50 307	50 240
Letters of credit	3 122	3 122	2 904	2 904
Loan commitments and other credit related liabilities	97 696	101 038	72 733	70 180
<b>June 30/December 31</b>	<b>2 205 357</b>	<b>2 240 858</b>	<b>2 094 752</b>	<b>2 116 311</b>

The table above represents a worst case scenario of credit risk exposure at 30 June 2010 and at 31 December 2009, without taking into account any collateral held or other credit enhancements attached. For on-balance sheet assets, the exposures set out above on net carrying amount as reported in the balance sheet.

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

Loans are summarised as follows:	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Loans to business customers	227 566	1 431 133	1 230 521	1 414 627
Loans to individuals	1 239 614	213 462	246 167	231 290
<b>Gross</b>	<b>1 467 180</b>	<b>1 644 595</b>	<b>1 476 688</b>	<b>1 645 917</b>
Allowance for impairment	49 469	47 101	42 360	40 282
<b>Net</b>	<b>1 417 711</b>	<b>1 597 494</b>	<b>1 434 328</b>	<b>1 605 635</b>

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Neither past due not impaired	1 145 875	1 328 555	1 245 472	1 419 699
Past due but not impaired	148 741	147 309	86 896	84 705
Impaired	172 564	168 731	144 320	141 513
<b>Gross</b>	<b>1 467 180</b>	<b>1 644 595</b>	<b>1 476 688</b>	<b>1 645 917</b>
Allowance for impairment	49 469	47 101	42 360	40 282
<b>Net</b>	<b>1 417 711</b>	<b>1 597 494</b>	<b>1 434 328</b>	<b>1 605 635</b>

Loans and advances neither past due not impaired are loans which are not impaired and payments of which are not past due.

Past due but not impaired loans are loans for which principal or interest is past due but no allowance for impairment is recognized.

Impaired loan - is a loan to which a loss event is recognized and allowance for impairment is made

The list of loss events:

- 1) significant financial difficulties of the debtor or issuer, i.e. the borrower's financial status is evaluated as poor or bad;
- 2) violation of the loan agreement (non-payment of the periodic loan payments (the part of the loan or interest)) for more than 30 days;
- 3) the loan is being recovered;
- 4) funds granted to the borrower are used not according to the loan purpose and the implementation terms of investment project are violated or decrease in collateral value, when repayment terms of the evaluated loans directly depend on the value of the object of security measure;
- 5) third parties related to the borrower do not fulfil their obligations, which impacts the borrower's ability to fulfil its financial obligations;
- 6) other loss events (termination or cancellation of the licence validity of the borrower or issuer engaged in licensed activity; the death of the borrower or issuer).

## Loans and advances past due but not impaired

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Past due up to 30 days	109 306	108 058	59 529	58 225
Past due 31-60 days	16 545	16 433	7 886	7 250
Past due 61-90 days	5 139	5 130	3 651	3 412
Past due more than 90 days	17 751	17 688	15 830	15 818
<b>Total</b>	<b>148 741</b>	<b>147 309</b>	<b>86 896</b>	<b>84 705</b>
Fair value of collateral	203 261	203 261	139 635	139 635

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Loans and advances impaired

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Impaired loans	172 564	168 731	144 320	141 513
Fair value of collateral	142 082	140 010	114 899	112 827

Unsecured loans also include loans secured by other types of collateral (e.g. future inflow of funds into the borrowers' Bank accounts (controlled by the Bank), third party warrantees, bills of exchange, etc.).

## NOTE 5 FINANCE LEASE RECEIVABLES

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

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

Finance lease receivables are summarised as follows:

	30-06-2010	31-12-2009
Business customers	63 264	71 125
Individuals	22 351	32 813
<b>Gross</b>	<b>85 615</b>	<b>103 938</b>

	30-06-2010	31-12-2009
Neither past due not impaired	38 826	56 508
Past due but not impaired	40 975	42 100
Impaired	5 814	5 330
<b>Gross</b>	<b>85 615</b>	<b>103 938</b>
Allowance for impairment	2 476	2 526
<b>Net</b>	<b>83 139</b>	<b>101 412</b>

	30-06-2010		
	Individuals	Business customers	Total:
Finance lease receivables by sector:			
transport vehicles	1 422	9 839	11 261
residential real estate	493	21 138	21 631
airplanes	-	10 009	10 009
production equipment	103	11 279	11 382
other equipment	1 725	6 563	8 288
other assets	18 608	4 436	23 044
<b>Total:</b>	<b>22 351</b>	<b>63 264</b>	<b>85 615</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

	31-12-2009		
	Individuals	Business customers	Total:
Finance lease receivables by sector:			
transport vehicles	1 634	12 581	14 215
residential real estate	909	21 480	22 389
airplanes	-	10 675	10 675
production equipment	123	13 255	13 378
other equipment	2 492	7 751	10 243
other assets	27 655	5 383	33 038
<b>Total:</b>	<b>32 813</b>	<b>71 125</b>	<b>103 938</b>

## NOTE 6 SECURITIES

Trading securities	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
<b>Debt securities:</b>				
Private enterprise bonds of the Republic of Lithuania	3 090	-	2 973	-
Government bonds of the Republic of Lithuania	58 468	58 468	-	-
Government bonds of foreign states	7 068	7 068	-	-
Private enterprise bonds of foreign states	19 427	19 427	-	-
<b>Nuosavybės vertybiniai popieriai:</b>	-	0	-	-
Listed equity securities	-	0	-	-
Unlisted equity securities	38	38	38	38
Units of funds	86	86	83	83
<b>Total:</b>	<b>88 177</b>	<b>85 087</b>	<b>3 094</b>	<b>121</b>

Bank 30-06-2010	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
	from AA-to AAA	7 068	6 897	-
from A- to A+	-	5 492	-	-
from BBB- to BBB+	58 468	6 240	-	-
from BB- to BB+	-	798	-	-
below už BB-	-	-	-	-
no rating	-	-	38	86
<b>Total:</b>	<b>65 536</b>	<b>19 427</b>	<b>38</b>	<b>86</b>

Bank 31-12-2009	Treasury bills	Corporate debt securities	Corporate equity securities	Investment fund units
	from AA-to AAA	-	-	-
from A- to A+	-	-	-	-
from BBB- to BBB+	-	-	-	-
from BB- to BB+	-	-	-	-
below už BB-	-	-	-	-
no rating	-	-	38	83
<b>Total:</b>	<b>-</b>	<b>-</b>	<b>38</b>	<b>83</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

Group 30-06-2010	Treasury bills	Corporate	Corporate	Investment
		debt	equity	
from AA-to AAA		securities	securities	fund units
from AA-to AAA	7 068	6 897	-	-
from A- to A+	-	5 492	-	-
from BBB- to BBB+	58 468	6 240	-	-
from BB- to BB+	-	798	-	-
below už BB-	-	-	-	-
no rating	-	3 090	38	86
<b>Total:</b>	<b>65 536</b>	<b>22 517</b>	<b>38</b>	<b>86</b>

Group 31-12-2009	Treasury bills	Corporate	Corporate	Investment
		debt	equity	
from AA-to AAA		securities	securities	fund units
from AA-to AAA	-	-	-	-
from A- to A+	-	-	-	-
from BBB- to BBB+	-	-	-	-
from BB- to BB+	-	-	-	-
below už BB-	-	-	-	-
no rating	-	2 973	38	83
<b>Total:</b>	<b>-</b>	<b>2 973</b>	<b>38</b>	<b>83</b>

## Investment securities

### Securities available-for-sale:

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
<b>Debt securities</b>				
Private enterprise bonds the Republic of Lithuania	28 886	28 886	41 737	41 737
Government bonds of the Republic of Lithuania	36 389	36 389	29 545	29 545
Government bonds of foreign states	6 010	6 010	-	-
Private enterprise bonds of foreign states	3 623	3 623	-	-
<b>Equity securities</b>	-	-	-	-
Listed equity securities	-	-	-	-
Unlisted equity securities	27 505	1 352	14 668	515
Units of funds	299	299	286	286
<b>Total:</b>	<b>102 712</b>	<b>76 559</b>	<b>86 236</b>	<b>72 083</b>

### Securities held-to-maturity

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
<b>Debt securities</b>				
Private enterprise bonds the Republic of Lithuania	6 590	-	2 973	-
Government bonds of the Republic of Lithuania	165 232	165 232	114 842	114 842
Government bonds of foreign states	24 320	24 320	21 779	21 779
Private enterprise bonds of foreign states	4 990	4 990	6 447	6 447
<b>Total:</b>	<b>201 132</b>	<b>194 542</b>	<b>146 041</b>	<b>143 068</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

Bank 30-06-2010	Municipality		
	Treasury bills	debt securities	Corporate debt securities
from AA-to AAA	-	-	-
from A- to A+	10 427	-	-
from BBB- to BBB+	175 776	737	4 990
from BB- to BB+	2 612	-	-
below už BB-	-	-	-
no rating	-	-	-
<b>Total:</b>	<b>188 815</b>	<b>737</b>	<b>4 990</b>

Bank 31-12-2009	Municipality		
	Treasury bills	debt securities	Corporate debt securities
from AA-to AAA	-	-	-
from A- to A+	10 653	-	-
from BBB- to BBB+	125 247	721	5 027
from BB- to BB+	-	-	1 420
below už BB-	-	-	-
no rating	-	-	-
<b>Total:</b>	<b>135 900</b>	<b>721</b>	<b>6 447</b>

Group 30-06-2010	Municipality		
	Treasury bills	debt securities	Corporate debt securities
from AA-to AAA	-	-	-
from A- to A+	10 427	-	-
from BBB- to BBB+	175 776	737	4 990
from BB- to BB+	2 612	-	-
below už BB-	-	-	-
no rating	-	-	6 590
<b>Total:</b>	<b>188 815</b>	<b>737</b>	<b>11 580</b>

Group 31-12- 2009	Municipality		
	Treasury bills	debt securities	Corporate debt securities
from AA-to AAA	-	-	-
from A- to A+	10 653	-	-
from BBB- to BBB+	125 247	721	5 027
from BB- to BB+	-	-	1 420
below už BB-	-	-	-
no rating	-	-	2 973
<b>Total:</b>	<b>135 900</b>	<b>721</b>	<b>9 420</b>



# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Investments in subsidiaries

	30-06-2010		
	Share in equity %	Acquisition cost	Carrying value
ŠB Lizingas UAB	100	5 000	2 000
ŠB Investicijų Valdymas UAB	100	4 040	3 113
ŠB Turto Fondas UAB	100	5 117	4 271
Minera UAB	100	5 505	5 505
SBTF UAB	100	2 000	2 000
<b>Total:</b>		<b>21 662</b>	<b>16 889</b>

	31-12-2009		
	Share in equity %	Acquisition cost	Carrying value
ŠB Lizingas UAB	100	5 000	2 000
ŠB Investicijų Valdymas UAB	100	4 040	3 113
ŠB Turto Fondas UAB	100	5 117	4 271
Minera UAB	-	-	-
SBTF UAB	-	-	-
<b>Total:</b>		<b>14 157</b>	<b>9 384</b>

Within 2009 value decrease of LTL 4 773 thousand (among them covered activity's loss of Šiaulių banko lizingas UAB comprises LTL 3000 thousand, value decrease of Šiaulių banko turto fondas UAB – LTL 846 thousand, Šiaulių banko investicijų valdymas UAB – LTL 927 thousand) was acknowledged in the balance of Šiaulių bankas AB as well as in the profit (loss) report.

## NOTE 7 OTHER ASSETS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Assets held for sale	32 297	0	23 295	0
Amounts receivable	29 632	1 054	26 775	1 215
Deferred expenses	2 325	2 098	2 652	2 487
Prepayments	3 335	261	3 579	412
Foreclosed assets	2 581	280	2 380	241
Other	2 005	667	842	535
<b>Total:</b>	<b>72 175</b>	<b>4 360</b>	<b>59 523</b>	<b>4 890</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 8 DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Correspondent accounts and deposits of other banks and financial institutions:				
Correspondent accounts and demand deposits	6 098	6 103	6 145	6 187
Time deposits	59 009	59 009	23 232	23 233
<b>Total:</b>	<b>65 107</b>	<b>65 112</b>	<b>29 377</b>	<b>29 420</b>
Loans received:				
Loans from other banks	91 984	91 984	107 447	98 447
Loans from international organisations	45 233	45 233	57 293	57 293
Loans from financial institutions	54 506	54 506	52 155	52 155
<b>Total:</b>	<b>191 723</b>	<b>191 723</b>	<b>216 895</b>	<b>207 895</b>
<b>Total:</b>	<b>256 830</b>	<b>256 835</b>	<b>246 272</b>	<b>237 315</b>

## NOTE 9 DUE TO CUSTOMERS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
<b>Demand deposits:</b>				
National government institutions	4 824	4 824	2 361	2 361
Local government institutions	71 348	71 348	26 920	26 920
Governmental and municipal companies	48 570	48 570	11 045	11 045
Corporate entities	120 455	120 663	96 898	96 914
Non-profit organisations	8 846	8 846	7 153	7 153
Individuals	119 703	119 703	97 428	97 428
Unallocated amounts due to customers	10 691	10 691	5 829	5 829
<b>Total demand deposits:</b>	<b>384 437</b>	<b>384 645</b>	<b>247 634</b>	<b>247 650</b>
<b>Time deposits:</b>				
National government institutions	13 314	13 314	4 733	4 733
Local government institutions	9 626	9 626	8 531	8 531
Governmental and municipal companies	104 515	104 515	145 644	145 644
Corporate entities	119 953	119 953	157 421	157 421
Non-profit organisations	7 388	7 388	7 286	7 286
Individuals	954 545	954 545	957 575	957 575
<b>Total time deposits:</b>	<b>1 209 341</b>	<b>1 209 341</b>	<b>1 281 190</b>	<b>1 281 190</b>
<b>Total:</b>	<b>1 593 778</b>	<b>1 593 986</b>	<b>1 528 824</b>	<b>1 528 840</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 10 SPECIAL AND LENDING FUNDS

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Special funds	6 159	6 159	4 612	4 612
Lending funds	23 575	23 575	26 680	26 680
<b>Total:</b>	<b>29 734</b>	<b>29 734</b>	<b>31 292</b>	<b>31 292</b>

Special funds consist of compulsory social security and health insurance funds. Special funds have to be available to their contributors on their first demand. Lending funds consist of loans from banks and financial institutions for granting of special purpose credits.

## NOTE 11 DEBT SECURITIES IN ISSUE

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
370 days bonds denominated in EUR with discount rate of 7,8 per cent, maturity 15-07-2010	481	481	464	464
370 days bonds denominated in EUR with discount rate of 5,0 per cent, maturity 02-12-2010	3 784	3 784	3 691	3 691
<b>Total:</b>	<b>4 265</b>	<b>4 265</b>	<b>4 155</b>	<b>4 155</b>

## NOTE 12 OTHER LIABILITIES

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
Accrued charges	3 510	2 996	3 305	2 903
Deferred income	1 083	521	1 340	455
Advances received from the buyers of assets	1 368	0	1 972	0
Amounts payable for finance lease agreements	522	0	2 110	0
Payable dividends	69	69	69	69
Other	431	369	275	204
<b>Total:</b>	<b>6 983</b>	<b>3 955</b>	<b>9 071</b>	<b>3 631</b>

## NOTE 13 SHARE CAPITAL

As of 30 June 2010 the Bank's share capital comprised 204 857 533 ordinary registered shares with par value of LTL 1 each. During the reporting period the authorized capital was increased by additional contributions in the amount of LTL 24.5 million. The Charter was registered in a State Enterprise Centre of Registers on 22-06-2010

Sixteen shareholders of the Bank including the European Bank for Reconstruction and Development, UAB Prekybos Namai Aiva, UAB Mintaka, Įmonių Grupė Alita AB, Algirdas Butkus, Gintaras Kateiva, Arvydas Salda, Kastytis Jonas Vyšniauskas, Sigitas Baguckas, Vigintas Butkus, Vytautas Junevičius, Justas Baguckas, Vita Adomaitytė, Jonas Bartkus, Daiva Kiburienė, and Donatas Savickas form a group which has a permit of the Bank of Lithuania to acquire a qualified share of the authorised capital and votes of the Bank equal to and exceeding 50 per cent. As of 30 June 2010, this group possessed 48.36 percent of the authorised capital and votes of the Bank.

As of 30 June 2010, the Bank had 3 499 shareholder (31 December 2009 - 3 525).

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Share premium

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

## Reserve capital

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

## Statutory reserve

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

## Dividends

In 2009, 2010 the annual general meeting of shareholders decided to not to pay dividends.

## General reserve to cover possible losses in assets

This reserve is formed from the Bank's profit or additional contributions of shareholders. The purpose of reserve is to cover losses incurred because of the risk related to the major activity of the Bank.

## Earnings per share

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

<b>Bank</b>	<b>30-06-2010</b>	<b>30-06-2009</b>
Profit (loss) for the year attributable to equity holders of the Bank (in LTL thousand)	(11 117)	(2 420)
Weighted average number of issued shares (thousand of shares)	181 440	180 358
<b>Earnings per share (in LTL per share)</b>	<b>-0.06</b>	<b>-0.01</b>

<b>Group</b>	<b>30-06-2010</b>	<b>30-06-2009</b>
Profit (loss) for the year attributable to equity holders of the Bank (in LTL thousand)	(12 976)	(7 472)
Weighted average number of issued shares (thousand of shares)	181 440	180 358
<b>Earnings per share (in LTL per share)</b>	<b>-0.07</b>	<b>-0.04</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 14 NET INTEREST INCOME

	30-06-2010		30-06-2009	
	Group	Bank	Group	Bank
Interest income:				
on loans to other banks and financial institutions and placements with credit institutions	482	3 663	1 361	6 757
on loans to customers	44 818	44 901	60 336	61 066
on debt securities	7 891	7 511	4 158	3 896
on finance leases	4 685	0	7 142	0
<b>Total interest income</b>	<b>57 876</b>	<b>56 075</b>	<b>72 997</b>	<b>71 719</b>
Interest expense:				
on liabilities to other banks and financial institutions and amounts due to credit institutions	(2 547)	(2 453)	(8 152)	(7 827)
on customer deposits and other repayable funds	(37 874)	(37 874)	(44 766)	(44 766)
on debt securities issued	(117)	(117)	(744)	(744)
compulsory insurance of deposits	(3 599)	(3 599)	(3 012)	(3 012)
<b>Total interest expense</b>	<b>(44 137)</b>	<b>(44 043)</b>	<b>(56 674)</b>	<b>(56 349)</b>
<b>Net interest income</b>	<b>13 739</b>	<b>12 032</b>	<b>16 323</b>	<b>15 370</b>

## NOTE 15 NET FEE AND COMMISSION INCOME

	30-06-2010		30-06-2009	
	Group	Bank	Group	Bank
Fee and commission income:				
for money transfer operations	3 281	3 339	3 018	3 095
for payment card services	758	760	1 028	1 028
for base currency exchange	647	648	988	988
for operations with securities	59	59	53	53
other fee and commission income	809	853	1 019	1 111
<b>Total fee and commission income</b>	<b>5 554</b>	<b>5 659</b>	<b>6 106</b>	<b>6 275</b>
Fee and commission expense:				
for payment card services	(1 440)	(1 442)	(1 585)	(1 585)
for money transfer operations	(532)	(506)	(532)	(498)
for operations with securities	(32)	(32)	(28)	(28)
for base currency exchange	-	(1)	(1)	(1)
other fee and commission expenses	(14)	(6)	(14)	(9)
<b>Total fee and commission expense</b>	<b>(2 018)</b>	<b>(1 987)</b>	<b>(2 160)</b>	<b>(2 121)</b>
<b>Net fee and commission income</b>	<b>3 536</b>	<b>3 672</b>	<b>3 946</b>	<b>4 154</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 16 ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	30-06-2010		30-06-2009	
	Group	Bank	Group	Bank
Salaries, social security and other related expenses	(9 099)	(7 802)	(10 242)	(8 873)
Rent and maintenance of premises	(1 749)	(1 703)	(2 062)	(2 028)
Office equipment maintenance	( 476)	( 471)	( 465)	( 459)
Depreciation of fixed tangible assets	(2 079)	(1 546)	(2 115)	(1 710)
Amortisation of intangible assets	( 152)	( 149)	( 222)	( 218)
Transportation, post and communications expenses	(1 031)	( 866)	(1 147)	( 962)
Real estate tax and other taxes	( 415)	( 127)	( 150)	( 118)
Advertising and marketing expenses	( 183)	( 178)	( 266)	( 247)
Training and business trip expenses	( 26)	( 22)	( 77)	( 57)
Charity	( 35)	( 32)	( 83)	( 78)
Service organisation expenses	( 328)	( 324)	( 324)	( 319)
Other operating expenses	(1 172)	( 905)	(1 753)	(1 260)
<b>Total:</b>	<b>(16 745)</b>	<b>(14 125)</b>	<b>(18 906)</b>	<b>(16 329)</b>

## NOTE 17 RELATED-PARTY TRANSACTIONS

Related parties with the Bank include the members of the Bank's Supervisory Council and Board, shareholders acting jointly in accordance with the Agreement of Shareholders, the close family members of these related parties, legal entities that are controlled, jointly controlled or can be significantly influenced by, or for which significant voting power in such entities resides with the above mentioned related parties and subsidiary companies of the Bank.

In the ordinary course of business the Bank performs banking transactions with major shareholders, members of the Council and the Board, as well as with the subsidiaries.

During 2009, 2010 a certain number of banking transactions were entered into with related parties in the ordinary course of business. These transactions include settlements, loans, deposits and foreign currency transactions.

The year-end balances of loans granted to and deposits accepted from the Bank's related parties, except for subsidiaries, were as follows:

	30-06-2010		31-12-2009	
	Balances of deposits	Balances of loans	Balances of deposits	Balances of loans
Members of the Council and the Board	1 010	6 542	589	5 987
Other related parties (excluding subsidiaries of the Bank)	3 551	245 709	9 714	264 498
<b>Total:</b>	<b>4 561</b>	<b>252 251</b>	<b>10 303</b>	<b>270 485</b>

### Transactions with EBRD:

The balance of the Bank's loans received from the EBRD . As of June 30 st 2010 the total value of the EBRD loan was LTL 36 600 thou (in 2009 – LTL 57 293 thou). The interest related with the loan as well as other expenses comprised LTL 1 311 thou on 30 June 2010 (LTL 2 726 thou on 31 December 2009).

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

Balances of transactions with the subsidiaries are given below:

		30-06-2010		31-12-2009
	Balances of	Balances of	Balances of	Balances of
	deposits	loans	deposits	loans
Non-financial institutions	208	97 609	16	78 955
Financial institutions	5	104 034	43	111 430
<b>Total:</b>	<b>213</b>	<b>201 643</b>	<b>59</b>	<b>190 385</b>

Transactions with subsidiaries:

Assets	30-06-2010	31-12-2009
Loans	201 643	190 385
Other assets	25	28

## Liabilities and shareholders' equity

Demand deposits	213	59
Bank's investment	16 889	9 384

Income	30-06-2010	30-06-2009
Interest	5 101	7 681
Commission income	118	191
Income from foreign exchange operations	2	1
Dividends	-	6 377
Other income	76	114

## Expenses

Interest	-	-
Commission charges	-	-
Operating expenses	(7)	(14)

## NOTE 18 CAPITAL MANAGEMENT

The capital of the Group is calculated and allocated for the risk coverage following the General Regulations for the Calculation of Capital Adequacy approved by the Bank of Lithuania Board. The Group's objectives when managing capital are as follows:

- 1) to comply with the capital requirements set by the Bank of Lithuania as well as the higher target capital requirements set by the major shareholder,
- 2) to safeguard the Bank's and the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders,
- 3) to support the development of the Group's business with the help of the strong capital base.

Capital adequacy and the use of the regulatory capital are monitored on a daily basis and information regarding capital adequacy is submitted to the supervising authority quarterly in accordance with the Bank of Lithuania requirements.

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

The Bank of Lithuania has set the following minimum capital requirements:

1) minimum level of capital held must be no less than 5 mill EUR,

2) minimum capital adequacy ratio, calculated as the regulatory capital to the risk-weighted assets, must be no less than 8%.

Additional capital need for credit, operational, market and liquidity risk is subject to the regular stress-testing and Internal Capital Adequacy Assessment processing.

The Group's regulatory capital is divided into two tiers:

1) tier 1 capital consists of the share capital, share premium, reserve capital, retained earnings of the previous financial year and less the intangible assets,

2) tier 2 capital consists of the revaluation reserves of the fixed and financial assets, other reserves.

The regulatory capital is calculated as the sum of the previously mentioned tier 1 and tier 2 capital less the investments in other credit or financial institution.

The risk-weighted assets are measured by means of nine risk weights classified according to the nature of each assets and counterpart, taking into account collaterals and guarantees eligible for risk mitigation. A similar treatment with some adjustments is adopted for the off-balance sheet exposures. Capital requirements for operational risk are calculated using the Basic Indicator Approach.

The table below summarizes the composition of regulatory capital and the ratios of the Bank and Group as of June 30st 2010 and of December 31st 2009. During those two years, the Group complied with capital requirements to which it is subject.

	30-06-2010		31-12-2009	
	Group	Bank	Group	Bank
<b>Tier 1 capital</b>				
Ordinary shares	204 858	204 858	180 358	180 358
Share premium	46 661	46 661	45 681	45 681
Reserve capital	2 611	2 611	2 611	2 611
Previous year's retained earnings	9 192	8 375	45 490	38 930
Not audited result	(12 976)	(11 117)	(35 551)	(30 114)
Others reserve	16 667	16 422	16 376	15 981
Less: financial assets revaluation reserve	-	-	( 781)	0
Less: Intangible assets	( 481)	( 478)	( 605)	( 600)
<b>Total Tier 1 capital</b>	<b>266 532</b>	<b>267 332</b>	<b>253 579</b>	<b>252 847</b>
<b>Tier 2 capital</b>				
85 % financial assets revaluation reserve	1 346	2 512	0	502
<b>Total Tier 2 capital</b>	<b>1 346</b>	<b>2 512</b>	<b>0</b>	<b>502</b>
Less Investments in other credit or financial institutions	0	(1 777)	0	(1 782)
<b>Total capital:</b>	<b>267 878</b>	<b>268 067</b>	<b>253 579</b>	<b>251 567</b>



# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Capital requirement:

Standardised approach credit risk	127 126	128 118	122 038	123 501
Traded debt instruments	2 537	2 290	1 034	775
Equities	15	15	1 809	111
Foreign exchange risk exposure	13 229	14 334	12 145	12 005
Operational risk by Basic indicator's method	8 930	8 354	8 930	8 354
<b>Total capital requirement:</b>	<b>151 837</b>	<b>153 111</b>	<b>145 956</b>	<b>144 746</b>
<b>Capital ratio, %</b>	<b>14,11</b>	<b>14,01</b>	<b>13,90</b>	<b>13,90</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 19 LIQUIDITY

Liquidity risk means the risk that the Bank is unable to meet its financial obligations in time or that it will not manage to receive financial resources during a short time by borrowing or selling the assets.

### The liquidity risk management

The liquidity risk management depends on the Bank's ability to cover the cash shortage by borrowing from the market; and the liquidity of the market itself. While managing the liquidity risk the relatively small size of the Bank has both positive and negative features. On the one part, in case of liquidity problems, the demand for total funds is rather small in terms of banking system, therefore, they are solved easily. On the other part, in case of liquidity problems the Bank's ability to borrow from the market may decrease significantly. Due to that fact the Bank possesses a significant Debt Securities Portfolio, which is of high liquidity.

Liquidity risk management is regulated by the Procedures for Liquidity Risk Management approved by the Bank's Board where strategic and current liquidity risk management measures are distinguished. Strategic (up to 3 months) liquidity risk is evaluated by analyzing the dynamics of various liquidity ratios. A list of these ratios as well as recommended limits to their change are defined in the above-mentioned procedures. Decisions regarding liquidity management issues are made by the Bank's Risk Management Committee with reference to the information submitted by the Bank's Planning and Financial Risks Department or by the Bank's Board with reference to the information submitted by the Risk Management Committee. Current liquidity (up to 10 days) risk management is based on current cash flow analysis and projections. The Treasury Department is responsible for this. As of June 30st 2010 the above Group's ratio was 38,92 per cent (31-12-2009 -34,61 per cent), and the Bank's - 39,62 per cent (31-12-2009 - 38,23 per cent.).

The tables below disclose the assets and liabilities as of June 30 st 2010 according to their remaining maturity defined in the agreements. However, the real maturity of the particular types of assets and liabilities may be longer as, for example a portion of loans and deposits is extended and thus the real repayment terms of short-term loans and demand deposits move forward

The structure of the Group's liabilities by maturity as of June 30 st 2010 was as follows.:

	Demand						Total:	
	up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 3 years	maturity undefined		
<b>Total assets</b>	122 688	98 065	122 317	152 355	441 738	595 685	114 029	2 160 226
<b>Total liabilities and shareholder's equity</b>	392 674	239 858	326 468	357 046	331 476	118 532	270 020	2 160 226
<b>Net liquidity gap</b>	(269 986)	(141 793)	(204 151)	(204 691)	110 262	477 153	389 197	(155 991)

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

The structure of the Group's liabilities by maturity as of December 31 st 2009 was as follows.:

	Demand	up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	more than 3 years	maturity undefined	Total:
<b>Total assets</b>	149 492	103 781	152 073	146 707	354 262	581 397	482 562	103 524	2 073 798
<b>Total liabilities and shareholder's equity</b>	257 980	304 051	411 823	332 871	302 329	92 608	116 834	255 302	2 073 798
<b>Net liquidity gap</b>	(108 488)	(200 270)	(259 750)	(186 164)	51 933	488 789	365 728	(151 778)	-

The structure of the Bank's liabilities by maturity as of June 30st 2010 was as follows.:

	Demand	up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	more than 3 years	maturity undefined	Total:
<b>Total assets</b>	122 427	109 884	170 296	186 062	470 868	547 732	479 778	72 493	2 159 540
<b>Total liabilities and shareholder's equity</b>	391 530	238 833	326 311	356 882	331 232	118 454	124 113	272 185	2 159 540
<b>Net liquidity gap</b>	(269 103)	(128 949)	(156 015)	(170 820)	139 636	429 278	355 665	(199 692)	-

The structure of the Bank's liabilities by maturity as of December 31st 2009 was as follows.:

	Demand	up to 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	more than 3 years	maturity undefined	Total:
<b>Total assets</b>	149 272	177 835	156 166	157 969	371 548	536 322	447 182	62 976	2 059 270
<b>Total liabilities and shareholder's equity</b>	256 000	301 606	402 555	332 646	301 990	92 486	116 795	255 192	2 059 270
<b>Net liquidity gap</b>	(106 728)	(123 771)	(246 389)	(174 677)	69 558	443 836	330 387	(192 216)	-

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Non-derivative cash flow

Undiscounted cash flows in the table below describe presumable liability side outflows which are represented by nominal contract amounts together with accrued interest till the end of the contract.

### Group 30-06-2010

	maturity undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	more than 5 years	Total:
<b>Liabilities</b>							
Due to banks	-	12 530	24 424	58 752	136 108	39 949	271 763
Due to customers	-	608 634	304 311	630 054	58 550	811	1 602 360
Debt securities in issue	-	482	-	3 911	-	-	4 393
Special and lending fund	-	7 105	128	1 786	20 223	1 280	30 522
<b>Total liabilities (contractual maturity dates)</b>	-	<b>628 751</b>	<b>328 863</b>	<b>694 503</b>	<b>214 881</b>	<b>42 040</b>	<b>1 909 038</b>

### Group 31-12-2009

	maturity undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years	more than 5 years	Total:
<b>Liabilities</b>							
Due to banks	-	39 352	23 105	38 071	123 894	42 786	267 208
Due to customers	-	514 321	394 228	601 480	37 852	698	1 548 579
Debt securities in issue	-	-	-	4 437	-	-	4 437
Special and lending fund	-	5 599	155	3 155	21 561	1 935	32 405
<b>Total liabilities (contractual maturity dates)</b>	-	<b>559 272</b>	<b>417 488</b>	<b>647 143</b>	<b>183 307</b>	<b>45 419</b>	<b>1 852 629</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Bank 30-06-2010

Liabilities	maturity					Total:	
	undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years		more than 5 years
Due to banks	-	12 535	24 424	58 752	136 108	39 949	271 768
Due to customers	-	608 842	304 311	630 054	58 550	811	1 602 568
Debt securities in issue	-	482	-	3 911	-	-	4 393
Special and lending fund	-	7 105	128	1 786	20 223	1 280	30 522
<b>Total liabilities (contractual maturity dates)</b>	-	<b>628 964</b>	<b>328 863</b>	<b>694 503</b>	<b>214 881</b>	<b>42 040</b>	<b>1 909 251</b>

## Bank 31-12-2009

Liabilities	maturity					Total:	
	undefined	up to 1 month	1 to 3 months	3 to 12 months	1 to 5 years		more than 5 years
Due to banks	-	39 411	14 008	38 071	123 894	42 786	258 170
Due to customers	-	514 258	394 228	601 480	37 852	698	1 548 516
Debt securities in issue	-	-	-	4 437	-	-	4 437
Special and lending fund	-	5 599	155	3 155	21 561	1 935	32 405
<b>Total liabilities (contractual maturity dates)</b>	-	<b>559 268</b>	<b>408 391</b>	<b>647 143</b>	<b>183 307</b>	<b>45 419</b>	<b>1 843 528</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## NOTE 20 MARKET RISK

The Group takes on exposure to market risk, which means the risk for the Bank to incur losses due to the adverse fluctuations in the market parameters such as currency exchange rates (foreign currency risk), interest rates (interest rate risk) or equities prices (equity risk). The most significant market risk for a Group is interest rate risk while other market risks are of lower significance.

### Foreign exchange risk

The foreign exchange risk management is regulated by the Procedures for Foreign Exchange Risk Management. They include the list of types of sale and purchase transactions executed by the Group. Also they establish principles which help the Group to minimize the exposure to foreign exchange risk. The Group does not implement any operations which could cause open currency positions expecting to earn due to the currency rate shift. The Bank's Board approves and reviews on a regular basis the maximum limits for open currency positions for the Bank's branches, subsidiaries and the Bank itself. The established limits are lower than those allowed by the Bank of Lithuania. The Bank's Treasury Department is responsible for the Group's compliance with the Procedures for Foreign Exchange Risk Management.

The Group and the Bank monitors the foreign currency risk by calculating open currency position. Open currency position (OCP) is equal to assets in the balance sheet and off-balance sheet less balance sheet and off-balance sheet liabilities in a single currency. There are two types of OCP, i.e. long and short. The Bank also calculates Total open position (TOP), which is the higher of the separately added short and long positions. As of June 30 st 2010 the TOP to capital ratio was: Group's – 0,68 % (31-12-2009: 0,31 %), Bank's – 0,68 % (31-12-2009: 0,31 %).

### Sensitivity of foreign exchange risk

Foreign exchange (FX) risk is limited by amounts of open FX positions. For calculation of sensitivity to FX risk all exposures shall be converted into possible loss, i.e. open FX position is multiplied by possible FX rate change. The FX risk parameters for the Group (Bank) have been established in view of the impact of economic slowdown and financial crisis on exchange rates in 2009 and forecasts that currency weakening tendencies will remain in 2010.

Currency	Annual reasonable shift 2011	Annual reasonable shift 2010
USD	8%	8%
GBP	6%	6%
DKK	1%	1%
SEK	5%	5%
LVL	1%	1%
other currencies	6%	6%

The following table presents Group (Bank) sensitivities of profit and loss and equity to reasonably possible changes in exchange rates applied at the balance sheet date, with all other variables held constant:

Group/Bank	30-06-2010	31-12-2009
	Impact on profit or loss, on equity	Impact on profit or loss, on equity
USD	8	57
GBP	40	16
DKK	2	1
SEK	10	5
LVL	2	1
other currencies	36	11
<b>Total:</b>	<b>98</b>	<b>91</b>

The presumable FX rate change creates acceptable impact on the Bank's profit and makes LTL 98 thousand in 2010 (2009: LTL 91 thousand) and the Group's annual profit and makes LTL 98 thousand in 2010 (2009: LTL 105 thousand) higher/lower impact on profit.

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

The Group's open positions of prevailing currencies as of June 30st 2010 were as follow:

	Total currencies:			LTL	Total:
	USD	Others currencies	EUR		
Assets					
Liabilities and shareholder's equity	59 269	2 440	61 709	1 300 126	2 160 226
Net balance sheet position	50 913	620	51 533	1 491 103	2 160 226
Currency swaps	8 356	1 820	10 176	-	-
	(8 462)	-	(8 462)	25 740	14
<b>Net open position</b>	<b>(106)</b>	<b>1 820</b>	<b>1 714</b>	<b>(165 237)</b>	<b>14</b>

The Group's open positions of prevailing currencies as of December 31st 2009 were as follow:

	Total currencies:			LTL	Total:
	USD	Others currencies	EUR		
Assets					
Liabilities and shareholder's equity	42 430	1 087	43 517	1 222 198	2 073 798
Net balance sheet position	43 382	409	43 791	1 362 920	2 073 798
Currency swaps	(952)	678	(274)	(140 722)	-
	240	84	324	(10 358)	-
<b>Net open position</b>	<b>(712)</b>	<b>762</b>	<b>50</b>	<b>(151 080)</b>	<b>-</b>

The Bank's open positions of prevailing currencies as of June 30st 2010 were as follow:

	Total currencies:			LTL	Total:
	USD	Others currencies	EUR		
Assets					
Liabilities and shareholder's equity	59 269	2 440	61 709	1 285 652	2 159 540
Net balance sheet position	50 913	620	51 533	1 490 432	2 159 540
Currency swaps	8 356	1 820	10 176	(204 780)	-
	(8 462)	-	(8 462)	25 740	14
<b>Net open position</b>	<b>(106)</b>	<b>1 820</b>	<b>1 714</b>	<b>(179 040)</b>	<b>14</b>

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

The Bank's open positions of prevailing currencies as of December 31st 2009 were as follow:

	USD	Others currencies	Total currencies:	EUR	LTL	Total:
Assets	42 430	1 087	43 517	806 334	1 209 419	2 059 270
Liabilities and shareholder's equity	43 382	409	43 791	667 087	1 348 392	2 059 270
Net balance sheet position	( 952)	678	( 274)	139 247	(138 973)	-
Currency swaps	240	84	324	10 034	(10 358)	-
<b>Net open position</b>	<b>( 712)</b>	<b>762</b>	<b>50</b>	<b>149 281</b>	<b>(149 331)</b>	<b>-</b>

## Interest rate risk

An interest rate risk is a risk to incur losses because of the mismatch of re-valuation possibility between the Bank's assets and liabilities. The risk management is regulated by the Procedures for Interest Rate Risk Management which establish methods of risk measurement and set up measures for risk management. These procedures define that:

> the Bank observes the principle to avoid the speculation with future interest rates;

> the risk size is evaluated applying a pattern of interest rate gap (GAP);

> planning and Financial Risk Department provides the information on regular basis to Risk Management Committee about compliance with relative gap limits and submits proposals to the Bank's Board regarding the establishment of interest rates for credits and deposits.

## Sensitivity of interest rate risk

Assessing the sensitivity of the Group's profit towards the change of interest rates, it has been assumed that interest is to change by 1 percentage point.



# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Group 30-06-2010

	Demand and less than					Total:
	1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	
Assets	260 407	418 209	610 476	207 971	331 192	2 160 226
Liabilities and shareholder's equity	318 262	419 012	366 465	312 117	60 207	2 160 226
Net interest sensitivity gap at 30 June 2010	(57 855)	( 803)	244 011	(104 146)	270 985	-
Higher/lower impact on profit from balance sheet assets and liabilities	( 554)	( 7)	1 525	( 260)		704

## Group 31-12-2009

	Demand and less than					Total:
	1 month	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	
Assets	286 605	472 954	614 231	132 420	228 567	2 073 798
Liabilities and shareholder's equity	384 640	504 619	329 762	283 954	37 543	2 073 798
Net interest sensitivity gap at 31 December 2010	(98 035)	(31 665)	284 469	(151 534)	191 024	-
Higher/lower impact on profit from balance sheet assets and liabilities	( 940)	( 264)	1 778	( 379)		195

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## Bank 30-06-2010

	Demand and less than	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	269 260	444 201	634 352	258 850	316 549	236 328	2 159 540
Liabilities and shareholder's equity	318 262	419 012	366 465	312 117	60 207	683 477	2 159 540
Net interest sensitivity gap at 30 June 2010	(49 002)	25 189	267 887	(53 267)	256 342	(447 149)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(470)	210	1 674	(133)			1 281

## Bank 31-12-2009

	Demand and less than	1 to 3 months	3 to 6 months	6 to 12 months	more than 1 year	non monetary	Total:
Assets	354 972	450 390	607 277	176 854	215 928	253 849	2 059 270
Liabilities and shareholder's equity	384 640	495 619	329 762	283 954	37 543	527 752	2 059 270
Net interest sensitivity gap at 31 December 2010	(29 668)	(45 229)	277 515	(107 100)	178 385	(273 903)	-
Higher/lower impact on profit from balance sheet assets and liabilities	(284)	(377)	1 734	(268)			805

## Operational risk

The aim of the Bank's operational risk management is to clearly define the operational risk, reduce the operational risk at the Bank to an acceptable level and use the results of the operational risk analysis as the base for the implementation of the risk mitigation processes and its assessment, i.e. to refuse the inefficient measures, implement new ones and maintain the existing means of operational risk management.

The operational risk management system at the Bank includes all the significant fields of the banking activities: operations with cash, investing services (deposits, investment and pension funds), payments and settlements, electronic banking (SB Line, SMS Bank, payment cards), lending (credits, factoring, guarantees and documentary settlements), finance lease, foreign exchange trading, etc.

The Bank also defines the reputation risk as a subcategory of the operational risk.

The reputation risk means an existing or anticipated risk that might have a negative effect on the Bank's revenue and/or capital as a result of adverse opinion about the Bank's reputation which is formed by the clients, counterparties, shareholders and investors. This risk is controlled by adherence to the principle of prudence.

Taking into consideration the nature and scope of the banking activities, the following operational risk sources may be distinguished: information systems (breakdowns of computer hardware and software and telecommunications systems, etc.); human impact (illegal actions of bank employees, illegal actions of external parties, working conditions, errors); and loss of tangible assets (natural disaster, fire, terrorist attacks, etc.).

The operational risk management and control system focuses on the identification of the most problematic places at the Bank in terms of the operational risk. The good functioning within the Bank's internal control system is the main factor mitigating the operational risk at the Bank. The internal control system within the bank is an integral part of the banking day-to-day activities that motivates bank's employees to make the bank's activities more effective; to protect the bank from possible operational risk losses; to ensure that financial and other types of information used for internal, control purposes or by third parties is reliable, precise and presented on a timely basis; to ensure that the bank's activities comply with laws, legal acts of the Bank of Lithuania and other legal acts, the bank's strategy and internal policies.

Since 2005 the Bank has created the registration system to follow the operational risk events. The registration of the operational risk events is a foundation used for disclosing the major sources of the operational risks with the Bank and enables determining operational risk mitigation (preventive) measures.

In order to safeguard that the Bank continues as a going concern the Business Continuity Plan and Procedure for the Provision of Banking Products in the Event of Breakdown of the Bank's Information Systems have been approved. These measures establish procedures and actions to be taken in the event of unforeseen circumstances and emergencies in order to make sure that operational risk is mitigated and avoided and the loss of assets is prevented in case day-to-day activities of the Bank are disrupted.

The Bank's operational risk management system is complimented by the Bank's Business Continuity Management Plan and the Information Security and Emergency Management System created and installed by the IT agency "Blue Bridge".

Taking into consideration the scope of its activities and opportunity to use the historic data related to the operational risk, the Bank has decided to use a basic indicator method established in the Rules on Capital Adequacy Requirements to assess the operational risk.

## Stress tests

Besides the regular assessment of the risks and the capital requirement calculation the Group also performs stress tests for the credit, liquidity, market (interest rate and currency), and operational risks. During this process it is determined if the Bank's capital is sufficient to cover the possible losses which may occur because of the financial status impairment. The stress testing is performed once a year in accordance with the requirements set by the Bank of Lithuania.

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

## 21 NOTE SEGMENT INFORMATION

### Business segments

Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as at 30 June 2010 and in the income statement:

	Banking	Leasing	Investment management	Real estate development	Eliminations	Total:
Internal	5 101	(3 181)	(929)	(991)	-	-
External	6 931	5 661	550	597	-	13 739
<b>Net interest income</b>	12 032	2 480	(379)	(394)	-	13 739
Internal	5 219	(3 298)	(929)	(992)	-	-
External	10 485	5 632	561	597	-	17 275
<b>Net interest, fee and commissions income</b>	15 704	2 334	(368)	(395)	-	17 275
<b>Provision expenses</b>	(18 630)	(1 199)	(10)	(310)	-	(20 149)
Internal	7	(57)	(12)	(16)	78	-
External	(12 437)	(1 001)	(284)	(792)	-	(14 514)
<b>Operating expenses</b>	(12 430)	(1 058)	(296)	(808)	78	(14 514)
<b>Amortisation charges</b>	(149)	(1)	-	(2)	-	(152)
<b>Depreciation charges</b>	(1 546)	(472)	(7)	(54)	-	(2 079)
Internal	78	(1)	3 507	(61)	(3 523)	-
External	3 628	453	(265)	604	-	4 420
<b>Net other income</b>	3 706	452	3 242	543	(3 523)	4 420
Profit before tax	(13 345)	56	2 561	(1 026)	(3 445)	(15 199)
Income tax	2 228	(5)	-	-	-	2 223
<b>Profit per segment after tax</b>	(11 117)	51	2 561	(1 026)	(3 445)	(12 976)
<b>Profit for the year attributable to equity</b>	(11 117)	51	2 561	(1 026)	(3 445)	(12 976)
<b>Total segment assets</b>	2 159 540	108 925	50 188	60 343	(218 770)	2 160 226
<b>Total segment liabilities</b>	1 888 775	106 699	44 486	53 550	(201 881)	1 891 629
<b>Net segment assets (shareholders' equity)</b>	270 765	2 226	5 702	6 793	(16 889)	268 597

# FINANCIAL STATEMENT ŠIAULIŲ BANKAS AB

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

Below, there is a summary of major indicators for the main business segments of the Group included in the balance sheet as at 30 June 2009 and in the income statement:

	Banking	Leasing	Investment management	Real estate development	Eliminations	Total:
Internal	7 681	(5 396)	(1 248)	(1 037)	-	-
External	7 689	7 810	322	502	-	16 323
<b>Net interest income</b>	15 370	2 414	(926)	(535)	-	16 323
Internal	7 872	(5 587)	(1 248)	(1 037)	-	-
External	11 652	7 776	334	507	-	20 269
<b>Net interest, fee and commissions income</b>	19 524	2 189	(914)	(530)	-	20 269
<b>Provision expenses</b>	(13 726)	(1 372)	(240)	(4)	-	(15 342)
Internal	14	(101)	(13)	(14)	114	-
External	(14 415)	(1 132)	(331)	(691)	-	(16 569)
<b>Operating expenses</b>	(14 401)	(1 233)	(344)	(705)	114	(16 569)
<b>Amortisation charges</b>	(218)	(2)	-	(2)	-	(222)
<b>Depreciation charges</b>	(1 710)	(364)	(9)	(32)	-	(2 115)
Internal	6 492	-	-	(1)	(6 491)	-
External	1 619	198	2 358	2 315	-	6 490
<b>Net other income</b>	8 111	198	2 358	2 314	(6 491)	6 490
Profit before tax	(2 420)	(584)	851	1 041	(6 377)	(7 489)
Income tax	-	17	-	-	-	17
<b>Profit per segment after tax</b>	(2 420)	(567)	851	1 041	(6 377)	(7 472)
<b>Profit for the year attributable to equity</b>	(2 420)	(567)	851	1 041	(6 377)	(7 472)
<b>Total segment assets</b>	2 069 162	145 564	44 414	45 933	(218 866)	2 086 207
<b>Total segment liabilities</b>	1 788 581	143 939	39 410	39 502	(207 709)	1 803 723
<b>Net segment assets (shareholders' equity)</b>	280 581	1 625	5 004	6 431	(11 157)	282 484