

1. Accounting period covered in the prepared prospectus-report

The present report has been prepared for the first half year of 2007 according to the "Procedures for preparation and furnishing the periodical and additional information" approved by the resolution No. 1K-3 under the Securities Commission of the Republic of Lithuania dated 23 02 2007.

2. Major data about the issuer

Issuer's name – Stock company Šiaulių bankas
Authorized capital – LTL 121.033.512
Domicile address – Tilžės st. 149, LT – 76348 Šiauliai
Telephone: (+ 370 41) 522117, 595602, 595653.
Fax: (+ 370 41) 430774.
E-mail: info@sb.lt
Internet website: www.sb.lt
Legal-organizational form – a stock company, private limited liability legal entity.
Registry date - February 4th 1992.
The last edit of the Charter registered on 14-05-2007.
The Bank's register code – 112025254.
Period of activity – unlimited.

3. Nature of the issuer's main business

The main business of Šiaulių bankas AB includes commercial banking activities (a code of activity type 65.12.10).

The Bank performs the following operations under the law and legal acts of the Republic of Lithuania and the Charter:

- accepts deposits and other returnable funds into accounts opened by the customers and manages them;
- grants and takes loans;
- issues monetary warranties, guarantees and other warranty liabilities;
- issues and performs operations with payable documents (cheques, letters of credits, bills of exchange, etc.);
- performs operations with securities (shares, bonds, etc.);
- performs operations with foreign currency;
- takes customers' valuables for safeguarding and rents safes located at the bank's vault to safeguard valuables and documents;
- provides services and consultations regarding banking activities, finance and customers' investment management issues;
- issues and manages monetary instruments of credit;
- performs other operations in compliance with the nature of business of credit institutions defined in the legal acts of the Bank of Lithuania.

4. The Group's enterprises

The subsidiaries run by the Bank:

“Šiaulių banko lizingas” UAB, reg. code 145569548.

Authorized capital – LTL 1 million. The Bank owns 100% of shares.

Domicile address – Vilniaus st. 167, LT – 76352 Šiauliai

Telephone: (+ 370 41) 420855
Fax: (+ 370 41) 430774
E-mail: lizingas@sb.lt
Nature of business – financial lease.

“Šiaulių banko investicijų valdymas” UAB, reg. code 145649065.
Authorized capital – LTL 1 million. The Bank owns 60.4 % of shares, i.e. LTL 604.000 of the company’s authorized capital
Domicile address – Vilniaus st. 167, LT – 76352 Šiauliai
Telephone: (+ 370 41) 429227
Fax: (+ 370 41) 525585
E-mail: valdymas@sb.lt
Nature of business – investments into debt and equity securities, into small and medium-sized private companies, funding and sharing the financial management experience.

“Šiaulių banko turto fondas” UAB, reg. code 145855439.
Authorized capital – LTL 1 million. The Bank owns 53.10 % of shares, i.e. LTL 531.000 of the company’s authorized capital
Domicile address – Vilniaus st. 167, LT – 76352 Šiauliai
Telephone: (+ 370 41) 525320
Fax: (+ 370 41) 460774
E-mail: turtofondas@sb.lt
Nature of business – long-term investments into land and real estate.

“Pajūrio alka” UAB, reg. code 152449257. (The bank sold the shared of this company in the first half of this year).
Authorized capital – LTL 3 149 280. The Bank owns 99.85 % of shares, i.e. LTL 3.144.469 of the company’s authorized capital
Domicile address – S.Daukanto st. 21, LT – 00135 Palanga
Telephone: (+ 370 460) 41433
Fax: (+ 370 460) 41434
E-mail: info@alka.lt
Nature of business – hotel services.

Šiaulių bankas has 49 client service outlets that operate in 29 towns of the country.

5. Data on trading in shares of the enterprises belonging to the Group in the regulated markets

Only the Bank’s shares are listed on the main list of Vilnius Stock Exchange . ISIN code LT0000102253, a number of shares – 121.033.512

The bonds issued by the bank have been listed on the above mentioned stock exchange during the 1 st half year: a one-year bond issue amounting in LTL 20 million ISIN LT0000401325. As of 30-06-2007 a number of bonds was 200.000 units, the redemption term – 01-08-2007 and a two-year bond issue amounting in EUR 10 million ISIN

LT0000402016. As of 30-06-2007 the number of bonds comprised of 100.000 units, the bond redemption term – 17-05-2008.

Transactions with the Bank's shares in Vilnius Stock Exchange:

Quarter	The highest price, LTL	The lowest price, LTL	Biggest trading, LTL	Smallest trading, LTL	Last session price, LTL	Last session trading, LTL
I quart. 2007	4,27	3,69	19.160.798	0	3,69	8.552.902
II quart. 2007	3,72	3,31	4.090.404	0	3,72	4.090.404

6. Standards limiting risks of the Bank's activities, Bank's operating, profitability ratios

		2007-06-30	2006-06-30
Net interest income (LTL thousand):	Bank	18.231	14.157
	Group	21.282	15.941
Net fee and commission income (LTL thousand):	Bank	4.385	4.135
	Group	4.138	3.891
Profit (LTL thousand):	Bank	20.541	8.435
	Group	16.722	8.324

		31-12-2006	30-06-2007
Bank's liquidity ratio (%)		40.74	38.25
Capital adequacy ratio (%):	of the Bank	13.73	11.19
	of the Group	13.70	11.19
Maximum position in one currency:	of the Bank	implemented	implemented
	of the Group	implemented	implemented
General open position in foreign currency (%):	of the Bank	implemented	implemented
	of the Group	implemented	implemented

The Bank's profitability ratios:

	31-12-2006	30-06-2007
ROAA, %	1.12	2.73
ROAE, %	11.80	25.57

Other financial information is provided in the notes of the financial statement for 6-month period.

7. Information about agreements with the intermediaries of public trading of securities

Šiaulių bankas AB has entered into the agreements regarding securities accounting (custody) and acceptance and execution of commissions with the following intermediaries of public trading of securities: AB FMĮ "Finasta"; AB bankas NORD/LB; AB bankas Snoras FMS;

AB "Hansabankas"; UAB Medicinos bankas FMS; FMĮ UAB "Suprema"; AB SEB Vilniaus bankas VP Accounting and Custody Department.

8. Acquisition of the own shares

During the accounting period there were no shares that would belong to the bank itself, to its subsidiaries or to entities that operate under the delegation of the subsidiaries. The bank neither acquired its own shares nor delegated them to others.

9. Shareholders

As of June 30th 2007 the total number of shareholders comprised of 3.101.

The following bank's shareholders owned more than 5% of the authorized capital:

No	Shareholder	Number of shares under ownership	Number of shares owned by persons operating together	Percentage of the authorized capital, % (operating together %)	Percentage of votes, %
1.	European Bank for Reconstruction and Development (EBRD), One Exchange Square, London, Great Britain	19.437.931	27.844.199	16,06 (23,01)	16,06
2.	Trading House "Aiva" UAB, Vilniaus st.167, Šiauliai reg. code 144031190	7.245.299	40.036.831	5,99 (33,08)	5,99
3.	Gintaras Kateiva	7.036.942	40.245.188	5,81 (33,26)	5,81

The Bank's shareholders such as the European Bank for Reconstruction and Development, Trading House "Aiva" UAB, Algirdas Butkus, Gintaras Kateiva and Arvydas Salda operating together form the Group. As of 30-06-2007 39.07 per cent of the Bank's authorized capital and votes were owned by this Group.

10. Other information about the Issuer

10.1. Structure of the Issuer's authorized capital:

The bank's authorized capital is registered at State Enterprise Centre of Registers on May 14th 2007. The capital's size – LTL 121.033.512 It consists of 121.033.512 ordinary registered shares. A par value per share is LTL 1. One share gives one vote to a shareholder during the General Shareholders' Meeting. Shareholders are entitled with interest and non-interest rights as well as to commitments defined in the Law on Stock Companies of the Republic of Lithuania.

10.2. all the limits applied to delegation of securities: -

10.3. shareholders entitled to special control rights and definitions of these rights – the shareholders control the Bank through the elected Supervisory Board. Their functions are defined in the Law on Stock Companies of the Republic of Lithuania.

10.4. all the limits applied to voting rights – persons or groups of related persons that are acquiring the bank's share blocks (1/10) or increasing them up to 1/5, 1/3, 1/2, 2/3 or exceeding this amount have to receive the prior consent from the Bank of Lithuania. Persons that acquire the shares without the mentioned consent lose their voting right in the General Shareholders' Meeting. Persons that do not report the Bank or Securities Commission of the Republic of Lithuania about the share block acquisition lose their votes for two years in the General Shareholders' Meeting under the Law and legal acts of the Republic of Lithuania which exceed the amount of the last reported block.

11. Employees

On 30-06-2007 the Bank employed 462 staff. By end - 2006 – 442 employees. Average staff number during six months of 2007 – 431. Average staff number in 2006 – 421.

At the end of the reporting year 63% of all Bank employees had university education, 26% – non-higher professional education, and 11% – special secondary and secondary education.

Distribution of employees groups by the number of staff and average monthly wage is given in the Table below:

	Staff number		Average monthly wage (LTL)	
	2006	6 months of 2007	2006	6 months of 2007
Leadership	8	8	13.843	17.653
Employees	413	454	2.088	2.128

12. Information about the compliance with the Code on Company's Management

The Bank obeys most of the rules defined in the Code on Company's Management. Information on what particular articles of the Code are obeyed by the Bank is provided in the Bank's annual report together with the financial statements for 2006 on the Bank's website www.sb.lt.

13. Data on the publicly announced information

The following information was publicly announced since in 2007:

- 22-01-2007 – preliminary results for 2006;
- 23-02-2007 - summoning of the General Shareholders' Meeting;
- 26-02-2007 - summoning of the General Shareholders' Meeting (the Meeting date is amended);
- 08-02-2007 - preliminary results of the Group for 2006;

- 14-03-2007 – draft resolution of the General Shareholders’ Meeting to be held on 29-03-2007;
- 14-03-2007 – AB East Capital Asset Management lost its share block of Šiaulių bankas AB;
- 23-03-2007 – audited financial statements for 2006 and annual report;
- 29-03-2007 – resolutions of the General Shareholders’ Meeting;
- 04-04-2007 – report on the leader’s transaction regarding the Issuer’s securities;
- 12-04-2007 – pre-audited result of Šiaulių bankas AB for the 1st quarter;
- 19-04-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 23-04-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 25-04-2007 - an agreement regarding sales of the subsidiary was signed;
- 02-05-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 03-05-2007 - pre-audited result of the Group of Šiaulių bankas AB for the 1st quarter of 2007;
- 15-05-2007 – amended Charter of the Bank after the increase of the authorized capital from the Bank’s own funds was registered;
- 22-05-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 28-05-2007 – loss of the share block;
- 31-05-2007 – interim report of Šiaulių bankas AB for the 1st quarter of 2007;
- 05-06-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 21-06-2007 - report on the leader’s transaction regarding the Issuer’s securities;
- 28-06-2007 - Šiaulių bankas AB is granted with a syndicated loan amounting in EUR 30 million.

Šiaulių bankas AB has informed the Securities Commission and Vilnius Stock Exchange about all the stock events and published them in the daily newspapers “Lietuvos rytas” and “Šiaulių kraštas”. Other regulated information (reports on the share block acquisition or loss as well information about leaders’ transactions) has been published on the websites of Vilnius Stock Exchange and the Securities Commission.

14. Members of the collegial bodies, a CEO of the company and a chief financial officer

Name, surname Beginning-end of the tenure	Position hold at Šiaulių bankas AB	Capital share owned, %	Vote share possessed, %
Arvydas Salda 29 03 2004 - 2008	Chairman of the Council	1,87	1,87
Sigitas Baguckas 29 03 2004 - 2008	Deputy Chairman of the Council	0,53	0,53
Ričardas Valskis 29 03 2004 - 2008	Member of the Council	0,54	0,54
Kastytis Jonas Vyšniauskas 29 03 2004 - 2008	Member of the Council	1,05	1,05
Vigintas Butkus 29 03 2004 - 2008	Member of the Council	0,10	0,10
Vytautas Junevičius 17 11 2005 – 2008	Member of the Council	0,09	0,09

Name, surname Beginning-end of the tenure	Position hold at Šiaulių bankas AB	Capital share owned, %	Vote share possessed, %
Salvatore Candido 17 11 2005 - 2008	Member of the Council	-	-
Algirdas Butkus 29 03 2004 - 2008	Chairman of the Board Chief Executive Officer	1,29	1,29
Donatas Savickas 29 03 2004 - 2008	Member of the Board, Deputy Chief Executive Officer, Head of Finance and Credit Division	<0,01	<0,01
Vita Adomaitytė 05 06 2004 - 2008	Member of the Board, Chief Financial Officer, Head of Accounting and Reporting Division	0,02	0,02
Daiva Kiburienė 31 08 2005 - 2008	Member of the Board, Head of Corporate and Retail Banking Division	<0,01	<0,01
Jonas Bartkus 31 08 2005 - 2008	Member of the Board, Head of Business Development Division	<0,01	<0,01

Amounts calculated in total and in average sizes allocated to one member of the collegial body during the accounting period:

Members of the management bodies	Number of people	Total amounts of salaries/bonuses, other payoffs from profit (LTL)	Average amounts of salaries/bonuses, other payoffs from profit (LTL)
Council members	7	450.000	64.286
Board members	5	712.122	142.424
Administration members	2	456.453	228.227

No guarantees or warranties regarding the implementation of management bodies' liabilities have been granted during the I st quarter of 2007.

Chairman of the Board  Algirdas Butkus

Chief Financial Officer  Vita Adomaitytė

