



**REPORT ON RISK AND CAPITAL MANAGEMENT
PILLAR3 OF THE BASEL
FOR THE FIRST QUARTER OF THE YEAR 2024**

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

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DISCLOSURE OF KEY METRICS

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		31-03-2024	31-12-2023	31-03-2024
1	Credit risk (excluding CCR)	2,095,012	2,080,536	167,601
2	Of which the standardised approach	2,095,012	2,080,536	167,601
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	20,571	17,667	1,646
7	Of which the standardised approach	4,602	4,993	368
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA	113	50	9
9	Of which other CCR	15,856	12,624	1,268
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)	90,294	44,055	7,224
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach	90,294	44,055	7,224
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	22,954	23,082	1,836
21	Of which the standardised approach	22,954	23,082	1,836
22	Of which IMA			
EU 22a	Large exposures			
23	Operational risk	273,992	273,992	21,919
EU 23a	Of which basic indicator approach	273,992	273,992	21,919
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	2,502,823	2,439,333	200,226



Template EU KM1 - Key metrics template

		a	b	c	d	e
		31-03-2024	31-12-2023	30-09-2023	30-06-2023	31-03-2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	465,393	485,311	455,880	415,624	418,407
2	Tier 1 capital	465,393	485,311	455,880	415,624	418,407
3	Total capital	528,276	546,599	516,727	476,649	438,407
Risk-weighted exposure amounts						
4	Total risk exposure amount	2,502,823	2,439,333	2,421,787	2,430,251	2,418,651
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	18.59%	19.90%	18.82%	17.10%	17.30%
6	Tier 1 ratio (%)	18.59%	19.90%	18.82%	17.10%	17.30%
7	Total capital ratio (%)	21.11%	22.41%	21.34%	19.61%	18.13%
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 (%)	2.05%	2.05%	2.05%	2.05%	2.05%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.012	0.012	0.012	0.012	0.012
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.015	0.015	0.015	0.015	0.015
EU 7d	Total SREP own funds requirements (%)	10.05%	10.05%	15.51%	15.51%	15.49%
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 (%)	1.00%	0.99%	0.02%	0.02%	0.01%
EU 9a	Systemic risk buffer (%)	0.20%	0.20%	0.19%	0.19%	0.18%
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 (%)	4.70%	4.69%	3.71%	3.71%	3.69%
EU 11a	Overall capital requirements (%)	14.75%	14.74%	13.76%	13.76%	13.74%
12	CET1 available after meeting the total SREP own funds requirements (%)	11.06%	12.36%	11.29%	9.56%	8.08%
Leverage ratio						
13	Total exposure measure	5,069,058	5,081,739	4,912,200	4,715,718	4,804,920
14	Leverage ratio (%)	9.18%	9.55%	9.28%	8.81%	8.71%
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						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	707,818	570,809	451,117	440,233	534,242
EU 16a	Cash outflows - Total weighted value	494,885	486,284	474,839	483,283	508,600
EU 16b	Cash inflows - Total weighted value	171,247	228,271	266,306	258,327	201,564
16	Total net cash outflows (adjusted value)	323,638	258,013	208,532	224,956	307,036
17	Liquidity coverage ratio (%)	228.81%	236.08%	227.72%	206.10%	186.09%
Net Stable Funding Ratio						
18	Total available stable funding	3,478,108	3,933,910	3,812,960	3,656,657	3,512,041
19	Total required stable funding	2,503,222	2,613,299	2,621,431	2,726,304	2,650,745
20	NSFR ratio (%)	138.95%	150.53%	145.45%	134.13%	132.49%



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

		31-03-2024	31-12-2023	30-09-2023	30-06-2023	31-03-2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1) capital	465,393	485,311	455,880	415,624	418,407
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	457,337	469,738	444,079	404,937	408,289
3	Tier 1 capital	465,393	485,311	455,880	415,624	418,407
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	457,337	469,738	444,079	404,937	408,289
5	Total capital	528,276	546,599	516,727	476,649	438,407
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	520,220	531,026	504,926	465,963	428,289
Risk-weighted assets (amounts)						
7	Total risk-weighted assets	2,502,823	2,439,333	2,421,787	2,430,251	2,418,651
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,494,767	2,423,760	2,409,986	2,419,565	2,408,534
Capital ratios						
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	18.59%	19.90%	18.82%	17.10%	17.30%
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	18.33%	19.38%	18.43%	16.74%	16.95%
11	Tier 1 (as a percentage of risk exposure amount)	18.59%	19.90%	18.82%	17.10%	17.30%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	18.33%	19.38%	18.43%	16.74%	16.95%
13	Total capital (as a percentage of risk exposure amount)	21.11%	22.41%	21.34%	19.61%	18.13%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.85%	21.91%	20.95%	19.26%	17.78%
Leverage ratio						
15	Leverage ratio total exposure measure	5,069,058	5,081,739	4,912,200	4,715,718	4,804,920
16	Leverage ratio	9.18%	9.55%	9.28%	8.81%	8.71%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	9.04%	9.27%	9.06%	8.61%	8.52%

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



DISCLOSURE OF LIQUIDITY REQUIREMENTS

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation (consolidated)

		Total unweighted value (average)			
EU 1a	Quarter ending on (31 March 2024)	31-03-2024	31-12-2023	30-09-2023	30-06-2023
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:	2,446,024	2,379,930	2,297,351	2,228,339
3	<i>Stable deposits</i>	1,069,257	1,074,436	1,091,394	1,112,614
4	<i>Less stable deposits</i>	720,662	731,241	732,301	743,206
5	Unsecured wholesale funding	534,219	529,494	533,040	535,762
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	534,219	529,494	533,040	535,762
8	<i>Unsecured debt</i>	-	-	-	-
9	Secured wholesale funding				
10	Additional requirements	366,428	377,358	389,065	393,159
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	2,805	2,607	2,752	2,438
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	363,623	374,750	386,313	390,721
14	Other contractual funding obligations	24,776	25,550	22,843	30,666
15	Other contingent funding obligations	174,439	166,917	154,216	131,217
16	TOTAL CASH OUTFLOWS				
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	1,943	17,373	18,505	18,626
18	Inflows from fully performing exposures	96,571	95,753	129,940	158,107
19	Other cash inflows	108,316	164,180	165,136	127,467
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	206,830	277,306	313,581	304,200
ES-20a	Fully exempt inflows	-	-	-	-
ES-20b	Inflows subject to 90% cap	-	-	-	-
ES-20c	Inflows subject to 75% cap	206,830	277,306	313,581	304,200
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER				
22	TOTAL NET CASH OUTFLOWS				
23	LIQUIDITY COVERAGE RATIO (%)				



(continued)

		Total weighted value (average)			
EU 1a	Quarter ending on (31 March 2024)	31-03-2024	31-12-2023	30-09-2023	30-06-2023
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)	707,818	570,809	451,117	440,233
CASH – OUTFLOWS					
2	Retail deposits and deposits from small business customers, of which:	195,913	187,776	178,584	179,896
3	<i>Stable deposits</i>	53,463	53,722	54,570	55,631
4	<i>Less stable deposits</i>	92,687	94,397	94,614	96,073
5	Unsecured wholesale funding	229,851	227,672	227,175	227,226
6	<i>Operational deposits (all counterparties) and deposits in networks of cooperative banks</i>	-	-	-	-
7	<i>Non-operational deposits (all counterparties)</i>	229,851	227,672	227,175	227,226
8	<i>Unsecured debt</i>	-	-	-	-
9	Secured wholesale funding	-	-	-	-
10	Additional requirements	35,622	36,939	38,527	38,935
11	<i>Outflows related to derivative exposures and other collateral requirements</i>	2,805	2,607	2,752	2,438
12	<i>Outflows related to loss of funding on debt products</i>	-	-	-	-
13	<i>Credit and liquidity facilities</i>	32,817	34,332	35,775	36,497
14	Other contractual funding obligations	24,776	25,550	22,843	30,666
15	Other contingent funding obligations	8,722	8,346	7,711	6,561
16	TOTAL CASH OUTFLOWS	494,885	486,284	474,839	483,283
CASH – INFLOWS					
17	Secured lending (e.g. reverse repos)	1,913	3,167	4,298	4,419
18	Inflows from fully performing exposures	61,018	60,924	96,872	126,441
19	Other cash inflows	108,316	164,180	165,136	127,467
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	171,247	228,271	266,306	258,327
ES-20a	Fully exempt inflows	-	-	-	-
ES-20b	Inflows subject to 90% cap	-	-	-	-
ES-20c	Inflows subject to 75% cap	171,247	228,271	266,306	258,327
TOTAL ADJUSTED VALUE					
21	LIQUIDITY BUFFER	707,818	570,809	451,117	440,233
22	TOTAL NET CASH OUTFLOWS	323,638	258,013	208,532	224,956
23	LIQUIDITY COVERAGE RATIO (%)	228.81%	236.08%	227.72%	206.10%

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

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



The Financial Group uses Retail deposits as the main source of financing. More detailed information on the concentration of funding sources in note 4 to Interim financial report Šiaulių bankas AB and the bank's Group for 1 quarter 2024.

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 0.48%.

The Financial Group's 100% of assets are accounted for in euro and 98 % of liabilities. Therefore it not gives rise to an inherent risk of currency mismatch in the LCR.