



INTRODUCTION

Šiaulių bankas has submitted its social responsibility report for the sixth time in turn. Being a member of the international initiative of Global Compact since 19 June 2008 the bank annually strengthens its performance in the area of social responsibility drawing attention to such corner-stones as the human and labour rights, the principles of environment protection and anti-corruption.



Vytautas Sinius

Chief Executive Officer of Šiaulių Bankas AB

CEO's WORD

The year of 2014 was a period of consistent resumption and on-going strive forward to Šiaulių bankas - the bank continues to grow and improve its performance results. We have been working in a focused manner, implemented the key goals, achieved significant results and improved the customer satisfaction indicators - all this gives a solid foundation and strong boost for further growth. I believe that our employees are motivated by possibility to work in the big, stable, reliable and fast growing Lithuanian capital company.

Only sustainable business has a successful future, therefore, in 2014 we paid even more attention to implementation of the social responsibility principles. We sorted out the bank's values and mission - what is important to us and what we are searching for. We have started individual assessment of our employees' performance, arranged the seminars and trainings, fortified the area of anti-corruption. We focused on environmental projects and contributed to mobilization of the community providing support to various events and projects.

We respect the principles of the Global Compact and would like to share our accomplished works and business principles that guide us in our daily work and cooperating with the customers.



ABOUT ŠIAULIŲ BANKAS

Implementing its business strategy, the bank seeks to contribute to the financial welfare of its customers, therefore, it focuses on professional provision of financial services to private and corporate clients.

Trust, professionalism, respect and responsibility are the Bank's values ensuring long-term and mutual trust-based relationships in communicating and cooperating with partners and clients, providing them financial services.

When the Board of the Bank of Lithuania revoked the banking license of Ūkio bankas on February 23, 2013 Šiaulių Bankas, temporary administrator of Ūkio bankas and public company Deposit and Investment Insurance signed an agreement on transfer of part of Ūkio bankas' assets and liabilities to Šiaulių Bankas. In 2014 the Bank successfully completed the process of integration of two banks' IT systems and all accounting processes related to the assumed assets and liabilities were transferred to Šiaulių Bankas' system. The bank did its best to exploit the effect of synergy efficiently. It decided to classify Ūkio banko lizingas UAB and life insurance company „Bonum Publicum“ UAB - the taken-over companies - as consolidated subsidiaries of the bank.

The bank became the biggest Lithuanian capital bank and has successfully solidified its position in Lithuanian financial market and is further expanding its activities with a support of its major shareholder, the European Bank for Reconstruction and Development (EBRD).



BANK'S MISSION

Our strength is in our roots. By providing financial services, we increase the well-being of Lithuania's people and businesses, and we grow together with them.

The bank's mission gives meaning to our mutual endeavours. Sharing our roots with the people of Lithuania makes us unique, and that's something we're proud of.



BANK'S VALUES

These values guide the bank's employees not only in their daily activities - they are deeply rooted in the organization itself and in life of every employee individually.

[Trust](#)

We're proactive and eager to help, so we work and deal with everyone in a positive, constructive way. We value openness and encourage dialogue. We are one bank – a single team that works together as one and always finds the best solution.

[Professionalism](#)

We're different: down-to-earth and accessible; that's what sets us apart as a Lithuanian bank. We offer customers what they really need, working quickly, flexibly and accurately. We're constantly improving, and we aim for efficient operations and clear processes.

[Respect](#)

Courtesy and tolerance are the starting point for our relations with others. We respect each other's opinions and convictions, which enhances mutual understanding.

[Responsibility](#)

We always fulfil our agreements and commitments. We act as though the outcome depended 100 percent on us. In trying to innovate we're not afraid to make mistakes, since then we can grow and improve.



EMPLOYEES

Employees are undoubtedly one of the biggest values of Šiaulių Bankas. The bank seeks to develop long-term and mutual trust-based relationships with its staff considering the employees as the partners that implement the Bank's business strategy and achieve the set goals hand in hand. In 2014 the Šiaulių Bankas paid exceptional attention to development and smooth instalment of a clear employees' performance assessment system.

During 23 years of operation the Bank has trained a great number of the employees. Employees are provided with career opportunities: the candidates applying for vacancies at the bank are primarily selected within the company. As of 31 December 2014 Šiaulių Bankas employed 677 staff members. In comparison with the year of 2013 the number of employees at the bank changed slightly - at the end of 2013 it employed 680 people.

A salary of an individual employee depends on the results of the bank, achievements of the unit the employee works at as well as on his/her personal achievements. At the General Assembly arranged by Šiauliai Chamber of Commerce, Industry and Crafts Šiaulių Bankas was recognized as a workplace that paid the highest average salary in Šiauliai region in 2014.



EMPLOYEES

Employees are encouraged to participate in various work groups formed for project activities, where they can realize their skills and gain new ones, share ideas and knowledge. Over the second quarter in 2014 the employees submitted 32 suggestions on how to improve various processes at the bank - 7 of them have been implemented, 4 launched prior to the submission of the offer, 1 is about to be started, 9 are being discussed.

Various events to increase expertise and knowledge were arranged to the bank's employees and heads. All employees of the bank's and its subsidiary companies were invited to the Conference of the Bank's Values where they had a chance to listen to the evaluation from the point of view of the bank's customers, to listen to the heads' discussion and insights and to express their own opinion on what is important for each employee and how they see the bank in the future. The bank's values and mission were sorted out during this conference.

Forty employees of the bank responded to the invitation to become the ambassadors of values - they participated in the introductory training on the changes and concept of values. In the coming years these people will draw more attention to fostering of the values educed during the Conference of Values.



EMPLOYEES

The Bank is open to innovations, implemented projects encourage our employees to study, improve, create and to be not afraid to experiment. The employees can frequently participate in trainings (both internal and external) that are necessary for their professional and personal development. What is more, favourable conditions are provided to those who are willing to study while working. Close collaboration with educational institutions is also one of the successful motivators to our employees. In 2014, the heads of the units as well as the employees participated in various events and trainings depending on the character of their work both in Lithuania and abroad.

In preparation for euro adoption the territorial units of employees participated in seminars organized by the Bank of Lithuania. The trainings on innovation in the field of banking products and their implementation, prevention, investments and other relevant topics were conducted by the bank's specialists to the customer service officers.

The bank's top management participated in trainings organized by the Baltic Institute of Corporate Governance. Seeking for deeper professional knowledge, the employees from the Bank's branches received funding for participation in the trainings "Financing of small and medium-sized business" which took place in Luxembourg.



EMPLOYEES

Like every year, on the bank's birthday occasion special attention was paid to the employees with the longest working experience. They received premiums for the responsible and diligent long-term service and as a sign of respect and gratitude, these workers were granted the bank's commemorative badges. Quarterly bonuses are paid to the employees in order to encourage them for their professional work, completed projects, significant achievements and initiatives.

The most proactive employees who show the best results receive diplomas and monetary incentives from the bank's top management. The employees are congratulated on personal occasions, their children receive the gifts from the bank on the occasion of Christmas. Moreover, the bank provides support to its employees in the difficult life situations.

Every year the bank takes high school students of the various study programmes for the apprenticeship, thus, the bank provides an opportunity for the youth to get acquainted with the bank's activities. The Bank also joined the events arranged by the project "Junior Colleague". In turn, the bank's employees take part in high school graduation juries where they evaluate the final paper works, make presentations in various business events and visit the public education institutions.



EMPLOYEES

The traditional summer sports holiday attracted 300 hundred of employees in 2014. The bank's employees traditionally, for the tenth year in turn, elected and honoured A Person of the Year'2014. The traditional bike ride was arranged to the bank's staff too - this time to Kurtuvēnai. In the autumn, the bank's employees - travelling enthusiasts went to Rundale, Riga and had a change to watch the ballet at the Riga's Opera and Ballet Theatre.

The bank periodically organizes health checks in the workplace for its staff. Seeking to protect the employees against influenza in 2014, the bank compensated vaccination of those employees who were willing to. Besides, for several years in turn the bank fosters a tradition to encourage its employees to lead a healthy and active way of life - the bank partially compensates costs to those who wish to do sports in gyms.

In 2014 the bank's representatives participated in inter-bank sports events: karting championship, where they became champions, basketball tournament, where they won the second place, volleyball tournament where they were fifth. Bank's employees team of running enthusiasts took part in running marathons in Trakai, Vilnius, Riga and Šiauliai, also, some of them competed in track cycling.



CLIENTS

To improve the quality of client servicing the bank established the Client Servicing Quality Department. The staff of the department developed and started actively applying the Client Servicing Standard in 2014. According to the data received from the survey conducted by the company „Dive Lietuva“ („Slapto pirkėjo tyrimai“ UAB) the above mentioned solutions led to the positive results - comparing to the results of the customer servicing quality in the banking sector achieved last year the bank rose by one/fifth in terms of the customer servicing quality in 2014. The bank's performance is based on partnership among employees and customers. It searches for the best solutions to meet customers' expectations, to keep in touch with the clientele and to get the respective feedback. Šiaulių Bankas openly and transparently informs the society about changes in the bank's activities. The customers have the opportunity to express their suggestions and requests regarding banking services in every branch, on the bank's website, on-line as well as by phone. During 2014 the Bank answered to the 12,537 customer inquiries in writing, received 47,254 calls and 467 claims from its customers.



CLIENTS

In 2014, the bank arranged the Child deposit campaign, thus, fostering parents and children to take care of their financial stability as early as possible and, teaching families to save.

The bank has signed and complies with the Code of Good Banking Practices which encourages to foster the bank-to-customer relationship, good banking practises determining the basic principles and requirements set out for performance (including those not specified in the legal acts) as well as the target behaviour pattern. Šiaulių Bankas strictly complies with the provisions of confidentiality while providing information about its customers.

The financial statements of the bank's performance results are publicly announced on the bank's site on quarterly basis and are available for anyone who is interested in this type of information. To ensure efficient communication, the clients are informed about all the changes taking place at the bank, bank's news, share rates. Relevant information is provided on the bank's site, via e-mails as well as notifications delivered through the e-banking system.



CLIENTS

In 2014, the bank arranged conferences and seminars to the Bank's existing and potential customers, it also participated in the events organized by other partners - there the bank introduced business funding possibilities as well as other services which could be important to business entities. The bank's representatives participated in the conference "Business Development and Funding. Development Capital" in Vilnius and in the seminar "Funding possibilities to small and medium-sized business. Mission is possible" in Ukmergė, the services rendered to the farmers were presented in the seminar "Farming with Hope" in Raseiniai, business financing opportunities were discussed in the seminar "Start Your Own Business!" arranged by the Tourism and Business Information centre in Ukmergė, the possibilities of cooperation developing the joint business projects in Lithuania and Belarus were discussed in the international seminar organized by the Ministry of Economy to the Lithuanian and Belarus business people, the bank's representatives also took part in the economy forum "Economic development of Šiauliai region: State's investments into business promotion ideas" as well as the events „Verslas veža“.Particular attention was paid to presentations of renovation projects in various Lithuanian cities.



PREVENTION OF CORRUPTION

Šiaulių Bankas is exceptionally attentive to corruption prevention. To avoid potential conflicts of interest, the employees of Šiaulių Bankas fill declarations of economic interests annually.

In their professional life the employees of Šiaulių bankas have committed to comply with the Employee's Code of Ethics where the integrity, reporting and responsibility, respect for the law, humans and their rights, impartiality, objectivity and fairness as well the principles of exemplary behaviour are distinguished as the most important ones. The aforementioned document determines what behaviour patterns can be treated as the corruption cases subject to zero-tolerance. Šiaulių Bankas is responsibly paying all taxes to the state, it complies with all applicable laws and transparently participates in tenders.

In 2014, the international business and finance magazine Global Finance granted a prestigious nomination to Šiaulių Bankas - it was recognized as the safest bank in Lithuania.



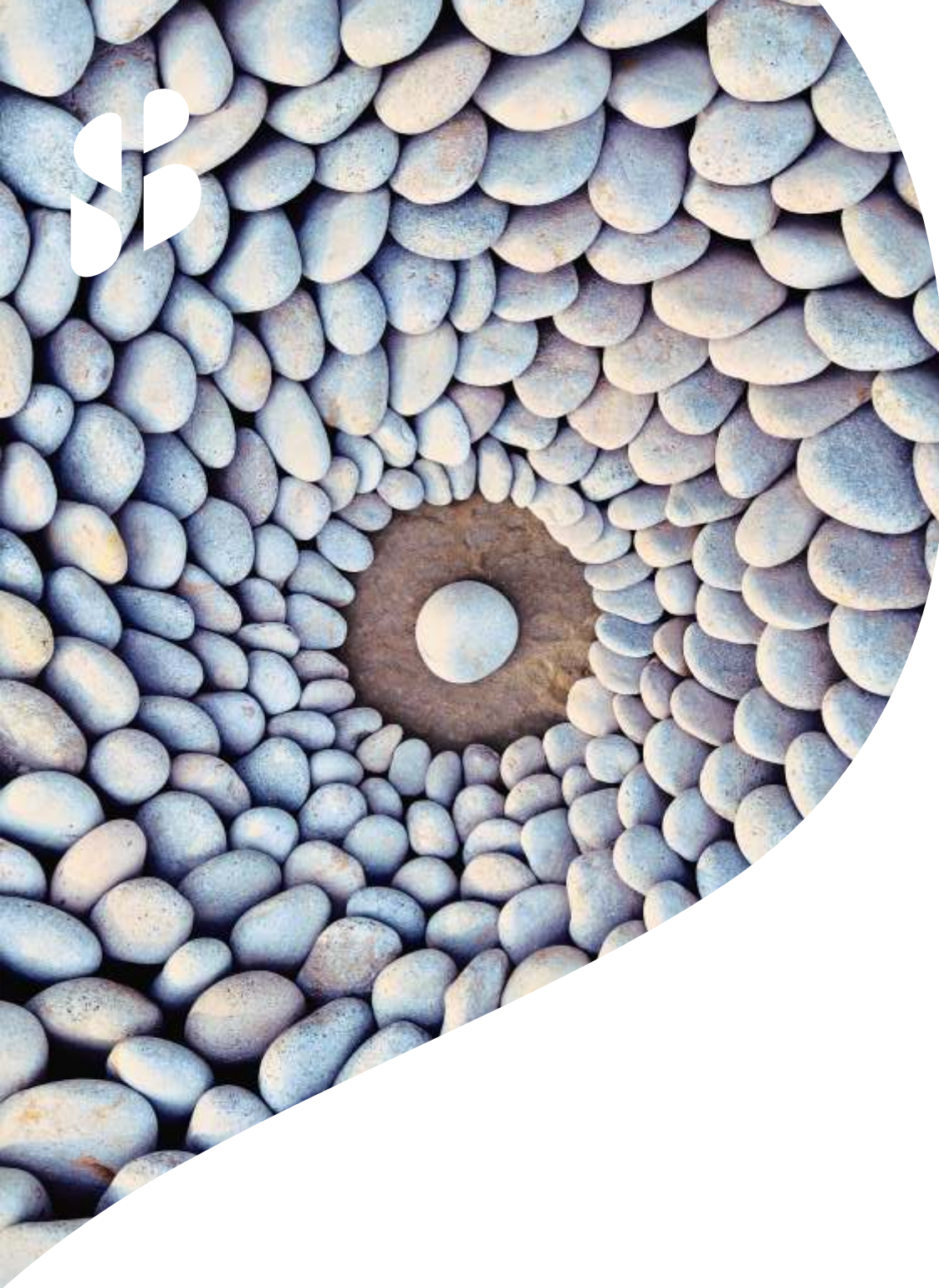
ANTI-MONEY LAUNDERING

As provided for in the mandatory requirements imposed on financial institutions, the bank responsibly pursues the provisions of anti-money laundering and counter terrorism financing, it consequently implements current requirements, creates new anti-money laundering and counter terrorism financing measures and applies them in the bank's activities. The aforementioned measures include identification of customers, customers' representatives and beneficiaries, collection and verification of information on business purpose and nature (Know Your Customer), monitoring of business relationships and transactions, identification of suspicious transactions and delivery of such information to Financial Action Task Force, etc. The current and new anti-money laundering measures are prepared in compliance with the legal acts of the Republic of Lithuania regulating anti-money laundering and counter terrorism financing, international organizations (FATF (Financial Action Task Force) - an inter-governmental group acting against anti-money laundering and counter terrorism financing , etc.) including, however, not limited to, legal acts of the European Union and United Nations, provisions of the USA Patriot act and following the best banking business practices.



ENVIRONMENTAL ISSUES

Global warming is one of the biggest environmental challenges of the twenty-first century, therefore, actively financing renovation projects of old multi-apartment houses, Šiaulių Bankas aims to contribute to energy saving, energy efficiency and economic well-being of population. Šiaulių Bankas is a long-time partner of renovation in Lithuania. The first steps of the bank in the field of renovation go back to 1999. While in 2014, the bank became the leader in financing the renovation in Lithuania by the number of financed projects of the multi-apartment house renovation. Under the new procedure which specifies financing of administrators Šiaulių Bankas signed 377 loan agreements (73.47 mln. EUR). Moreover, the bank has also approved financing for 449 renovation projects. At the end of 2014, Šiaulių Bankas was the bank which approved the biggest number of credit application under the JESSICA initiative in Lithuania. Being the first partner of the European Investment Bank (EIB) in provision of preferential loans for renovation, since the end of 2014 Šiaulių bankas has been actively contributing to the multi-apartment house renovation with its own funds which are distributed through the JESSICA holding fund.



ENVIRONMENTAL ISSUES

The growing number of renovation projects and increasing activity of population obviously indicate that people began to trust the renovation programme in Lithuania. The bank's goal is to ensure that more people would live in nice, warm, cosy and economical houses. This is how the bank contributes to community well-being in every town in Lithuania, especially if we take into account the fact that the bank's network is widely spread throughout 38 cities and towns of the country.

In order to further contribute to energy efficiency, the bank has financed not only business entities and private individuals that install the solar power plants, but also the companies that produce photovoltaic modules themselves. One of such companies, which was financed by the bank, sells its products not only in Lithuania, but also exports them to Denmark, Germany, England, Holland, it also designs, equips and carries out maintenance of the photovoltaic, hybrid solar and wind micro-power stations.

The amount of waste in the natural environment is constantly increasing and it is one of the most important issues of the century. Financing the companies activities of which cover collection of secondary raw materials from economic entities (companies, major shopping centres and other organizations) and individuals Šiaulių Bankas contributes to the development of the global waste management system and to the welfare of mankind as a whole.



ENVIRONMENTAL ISSUES

A modern factory engaged in collecting and destroying or processing all categories of by-products of animal origin is among other entities financed by the bank. The company performs an exclusive function for the sake of ecological state of Lithuania – it is the only company in Lithuania which can offer such a wide range of services of the animal by-products processing and, at the same time, promote mutually supportive attitude of the state, business and population to the cleaner environment.

And, finally, Šiaulių Bankas organizes its daily activities so that unnecessary expenses on fuel, electricity, water and paper consumption, etc. are reduced or avoided.



SOCIETY

Public projects, community, culture, other similar events and social initiatives compose another area important to Šiaulių Bankas.

In 2014, for the third year in turn the bank participated in the in The Junior Colleague day arranged by Lithuanian Junior Achievement during which the Bank's branches in Šiauliai, Tauragė, Kelmė and Panevėžys were visited by half a hundred students of senior classes who wanted to get familiar with the bank, its performance and career opportunities. In spring, the employees of Kelmės branch introduced a banker's profession and banking services that can be important to students during the regional the Students' Economy Olympics organized in the Kelmė. In September the Bank was visited by the first-year students of the Social Science Faculty of Šiauliai University. The bankers introduced them the organization and its performance - the students were told about banking products, principles of finance management, risk management instruments, marketing activities and personnel management policies, etc.

The Bank funded the studies of one student from the Social Science Faculty of Šiauliai University as the bank has a collaboration agreement with Šiauliai University regarding targeted financing of students. For academic achievements and constant striving for improvement in the field of studies the bank traditionally granted two nominal scholarships to two students of Vytautas Magnus University in 2014.



SOCIETY

In 2014, the bank provided financial support to such traditional holiday as 1 September arranged in Vilnius, a concert "Beauštanti aušrelė" organized on S Daukanatas square (the Presidential Palace) in Vilnius dedicated to the beginning of a new school year and the Day of Freedom, also the bank financially contributed to the Sea Festival organized in Klaipėda, birthday event of Šiauliai, Šiauliai Days, Šiauliai Nights, to Anykščiai town festival, the event „Bėk bėk, žirgeli“, to Klaipėda running event "Amber nautical mile, Marijampole town festival and the harvest festival "Sūduvos kraitė", to Šeduvos town anniversary, anniversary of Ukmergės gymnasium, jubilee of Ukmergės hospital, Ukmergė town festival, Utena town festival and town's birthday event, to the competition arranged by the Utena Business information Centre intended to encourage business enterprises to grow, as well as construction of the monument to Ch. Frenkel in Šiauliai, to the Šiauliai basketball team, to the Utena College Book "Utena's College. Steps of Time" and to the issue of the book "Strategic Management" published by Vilnius University. The bank was a partner of the Constitution exam arranged by the Ministry of Justice.

In cooperation with the donation portal www.aukok.lt managed by the public undertaking "Projects of Goodwill" the donations boxes were placed in 66 units of the Bank in July 2014. During the half of the year the bank's customers donated 4431 litas (EUR 1283.31) to donations boxes intended for the projects of the mentioned portal.

Our strength is in our roots

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