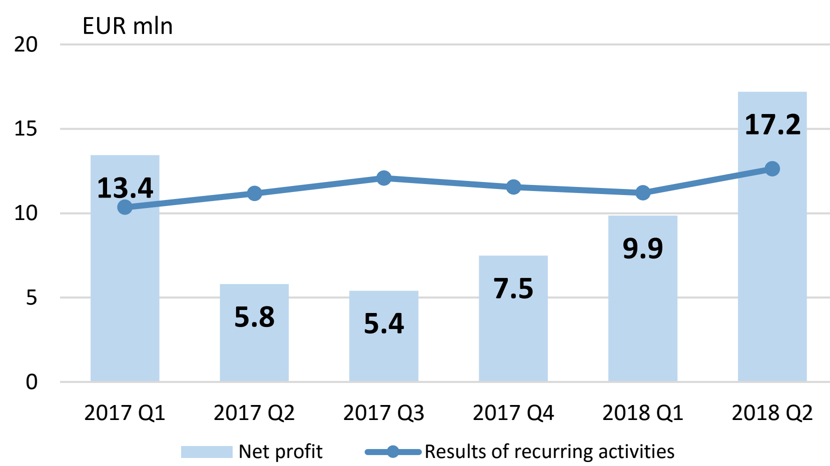
Šiaulių Bankas continues growing at a robust pace

- **1st-half group net profit up 41% year-on-year to EUR 27 million**
- **Sustainable growth ensured by consistently improving results for recurring activities**
- **Bank continues active work in business and consumer financing**
- **Upgrading of customer service points started**

In the first six months of this year, the Šiaulių Bankas group had an unaudited net profit of 27 million euros, which compares to 19 million euros earned in the same period of 2017. The first-half profit for the bank alone was 30 million euros, or 52 per cent more than in six months last year.



Compared with the same period of 2017, net interest income in the first half of this year grew 8 per cent, while net service fees and commission income rose 28 per cent. Profit from foreign exchange operations also grew significantly, with gains of 3.1 million euros for the Šiaulių Bankas group in the six months.

The bank's second-quarter result was influenced positively by a change in the value of a subordinated loan. The change in the value of the subordinated loan had a positive effect on the result of the second quarter - due to decrease in difference between the market price of Šiaulių bankas shares and their book value revaluation of the option in the second quarter produced a gain of 4.7 million euros. During the second quarter, the bank adjusted its calculation of income tax expense due to adoption of the IFRS 9 reporting standard. The bank group's income tax expense in the first half of the year was 1.8 million euros, which is 44 per cent less than in the same period last year.

"The first half of this year was successful for all areas of the bank's recurring activities, with the results of core operations remaining consistently improving despite the dynamic impact of non-recurring activities. Positive expectations on the part of business and individuals, growing consumption and a low interest rate environment kept the loan portfolio growing at a rapid pace," Šiaulių Bankas CEO Vytautas Sinius summarized.

The assets of the Šiaulių Bankas group grew 7 per cent from the start of the year. The loan and financial lease portfolio, which makes up the largest part of assets, grew rapidly, expanding 7 per cent in the latest quarter alone and 21 per cent during the last 12 months to over 1.3 billion euros at the end of June. In six months of this year more than 320 million euros of new loan agreements were signed. Amid active borrowing by households for consumption, the group's consumer financing portfolio grew 15 per cent in the first half of the year. Increased lending volumes were ensured not only by established positions in the business and consumer financing segments, but also by active participation in building renovation programmes. New agreements on collaboration were signed with the Public Investment Development Agency regarding 36 million euros of municipal public building renovation works, and with the European Investment Bank regarding the contribution of 50 million euros of Šiaulių Bankas's own funds for the refurbishment of multi-apartment buildings under a pre-financing model. All of this gives grounds to expect growth of the loan and financial lease portfolio in the second half of the year as well.

Deposits remain the bank's most important means for attracting resources. The group's deposit portfolio expanded by 8 per cent in the first half of this year, and by 13 per cent in the last 12 months, to nearly 1.8 billion euros at the end of June.

The group had a cost-to-income ratio for the first half of the year of 40 per cent. Return on equity exceeded 25 per cent. Capital and liquidity positions remain solid as prudential requirements are being met with a proper cushion.

In contrast to the trends that dominate on the market, Šiaulių Bankas is maintaining and upgrading a wide network of customer service outlets throughout Lithuania. Five customer service points will be refurbished in line with new interior-decorating standards this year.