

## Strong operating results for Šiaulių Bankas Group continue in first half of 2016

- Group earned net profit of EUR 26.2 million, Bank - EUR28.6 million.
- Moody's Investors Service upgraded the Bank's long-term deposit rating to Ba1
- Loan and financial lease portfolio grew 6 per cent from the start of the year
- Net fee and commission income and gains from foreign exchange and securities operations increased significantly

Šiaulių Bankas Group, which has shown rapid expansion and growth in recent years, continued to improve its operating results in the first half of this year. The Group earned an unaudited net profit of 26.2 million euros, which is up by 73% on the same period in 2015 when it earned 15.2 million euros. Šiaulių Bankas's net profit for the six-month period was 28.6 million euros. In the same period last year the Bank earned 12.4 million euros.

Markedly improving profitability and capital strength along with lower asset risk and problem loan levels had an impact on Šiaulių Bankas's credit rating: on 16 June 2016 the international rating agency Moody's Investors Service upgraded the bank's long-term deposit rating to Ba1.

"Both last year and this year we've strengthened our position in the country's financial market and steadily improved our indicators. That's been noticed, and it's reflected in the bank's long-term debt rating which has been upgraded two years in a row," says Šiaulių Bankas CEO Vytautas Sinius.

Šiaulių Bankas Group's loan and financial lease portfolio continues to grow steadily. During the second quarter, 168 million euros of new loans were granted and the size of the portfolio increased by 4 per cent to 962 million euros. The Group's deposit portfolio grew by 2 per cent during the second quarter to 1.45 billion euros at the end of June. In the markets for both loans and deposits, Šiaulių Bankas retains its No. 4 position among banks operating in Lithuania.

Net service fees and commission income showed a growth trend in the second quarter. While income from the multi-apartment building modernization programme was little changed, increased client activity in the second quarter led to a significant change in other net fee and commission income, which increased by 14 per cent compared with the first quarter of this year.

Profit from foreign exchange operations and securities trading also contributed to the good results. The Group earned 3.3 million euros from these activities in the second quarter, or two-and-a-half times more than in the first quarter.

One-time gains from working out problem loans caused the Group's interest income in the second quarter to increase by almost 5.3 million euros. This did not change the final operating result due to similar additional impairment losses for these loans. For remaining loans and other assets, further impairment losses of nearly 2 million euros were recognized during the second quarter.

The highly successful start to the year which the operating results illustrate is reflected in the price of Šiaulių Bankas shares on the NASDAQ Vilnius securities exchange, which is up 50 per cent since the beginning of the year. The shares of Šiaulių Bankas are included on the list of the most actively traded Baltic shares, with turnover so far this year of 13 million euros – more than during all last year.