

Šiaulių Bankas

Q2`24 and H1`24 Financial Results

July 29, 2024

Continuing Strong Growth Momentum with Sustained Profitability

- Strong top-line growth: All-time high net interest income and net fee and commission income driven by solid volumes and pricing
- Loan portfolio expansion: New lending volumes surged across all business lines, leading to a 14% YoY loan portfolio growth
- Strong asset quality: Low impairment provisions reflect well-managed credit portfolio
- Funding cost management: Deposit costs are expected to peak in H2`24
- Sustained profitability: Return on equity remained very strong at 16.2% in H1`24, reflecting resilience and continued high performance
- Robust capital position: Enhanced by the successful issuance of €25m Tier 2 bonds with oversubscription of almost 4x
- Investment grade: Moody`s has affirmed Šiaulių Bankas long-term deposit ratings of Baa1, stable outlook
- Asset management success: AuM surpassed €1.3bn, reflecting strong performance
- Equity research: Norne Securities initiated coverage with a target price of €0.88-1.08/share

H1`24 Highlights

NET PROFIT
€43.0m

RETURN ON EQUITY
16.2%

COST / INCOME RATIO
45.4%

COST OF RISK
0.29%

BOOK VALUE PER SHARE
€0.84

Corporate

✓ Strong Corporate Lending Activity

New corporate loan originations surged 22% QoQ to €253 million in Q2'24, reflecting favorable business environment and strong lending prospects

✓ Financing Greener Future

Šiaulių Bankas financed an 8.4 MWh wind power plant in south Lithuania, contributing to a greener future, supporting regional economic growth and further diversifying its loan portfolio

Private

✓ Mortgage & Consumer Lending Rebounds

Mortgage new contracts signed during Q2'24 amounted to €72m representing 53% YoY growth, whilst consumer lending amounted to €72m representing 16% YoY growth

✓ Industry-Leading Reputation

Šiaulių Bankas achieved a 5-year high in the Lithuanian Business Reputation Survey conducted by Civitta. This underscores our dedication to excellent customer service, innovation and community engagement

Investment

✓ SB Alternative Investment Fund III

Šiaulių Bankas has launched a pioneering open-ended investment fund providing retail investors access to private equity funds and private credit asset classes

✓ Lithuanian ISA

The Lithuanian government is set to introduce a new investment and savings account (ISA) from 2025. This initiative aims to stimulate long-term investment and foster local capital markets development

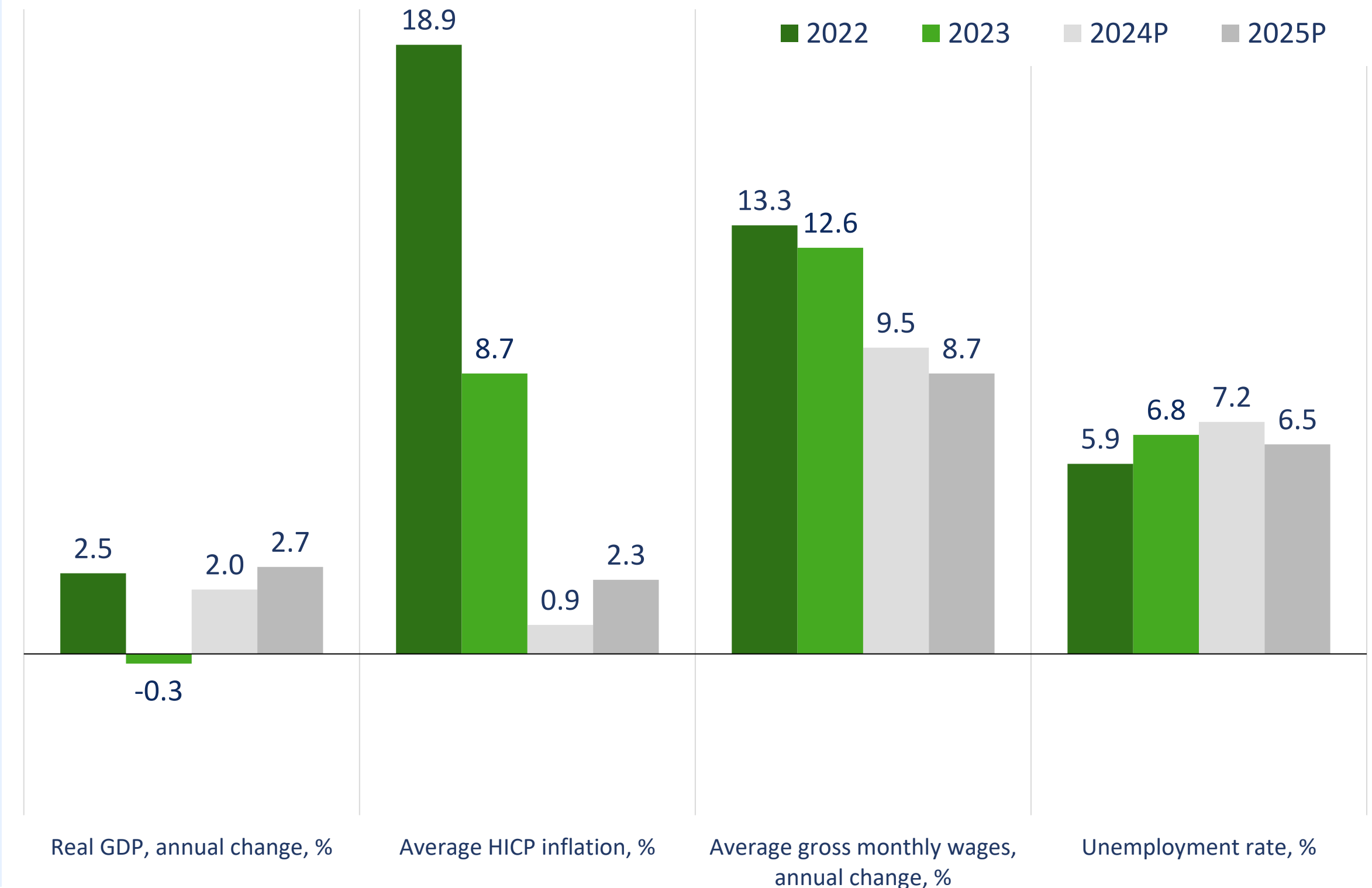
Macroeconomic Overview

Section I

A strong start to the year and positive business and consumer sentiments allow for expectations of a more vigorous economic recovery

- **The external demand remained sluggish**, however, given the even steeper decline in imports, the impact of net exports on GDP was positive. **Gradually recovering household consumption also contributed to economic recovery**
- **More and more economic activities are resuming growth.** GDP growth has been supported by stronger input from construction, ITC, business services, domestic trade, and transportation. After a downturn in 2023, this year also shows growth in manufacturing production volumes
- While private propensity to invest strengthens only gradually, **EU-funded public investments will continue to be intensive**, particularly in national defense and energy-related construction projects
- **Annual inflation in Lithuania stood at 1% in June, the 3rd lowest in the EU.** It is expected that the inflation rate will remain low, with the average annual inflation rate falling well below 2% this year
- **The labour market was only slightly affected by cyclical challenges**, as persistently positive net migration contributed to the growth in the labour supply, which was met with cyclically weaker demand
- **The banking credit portfolio** to both businesses and residents **continues to show annual growth**

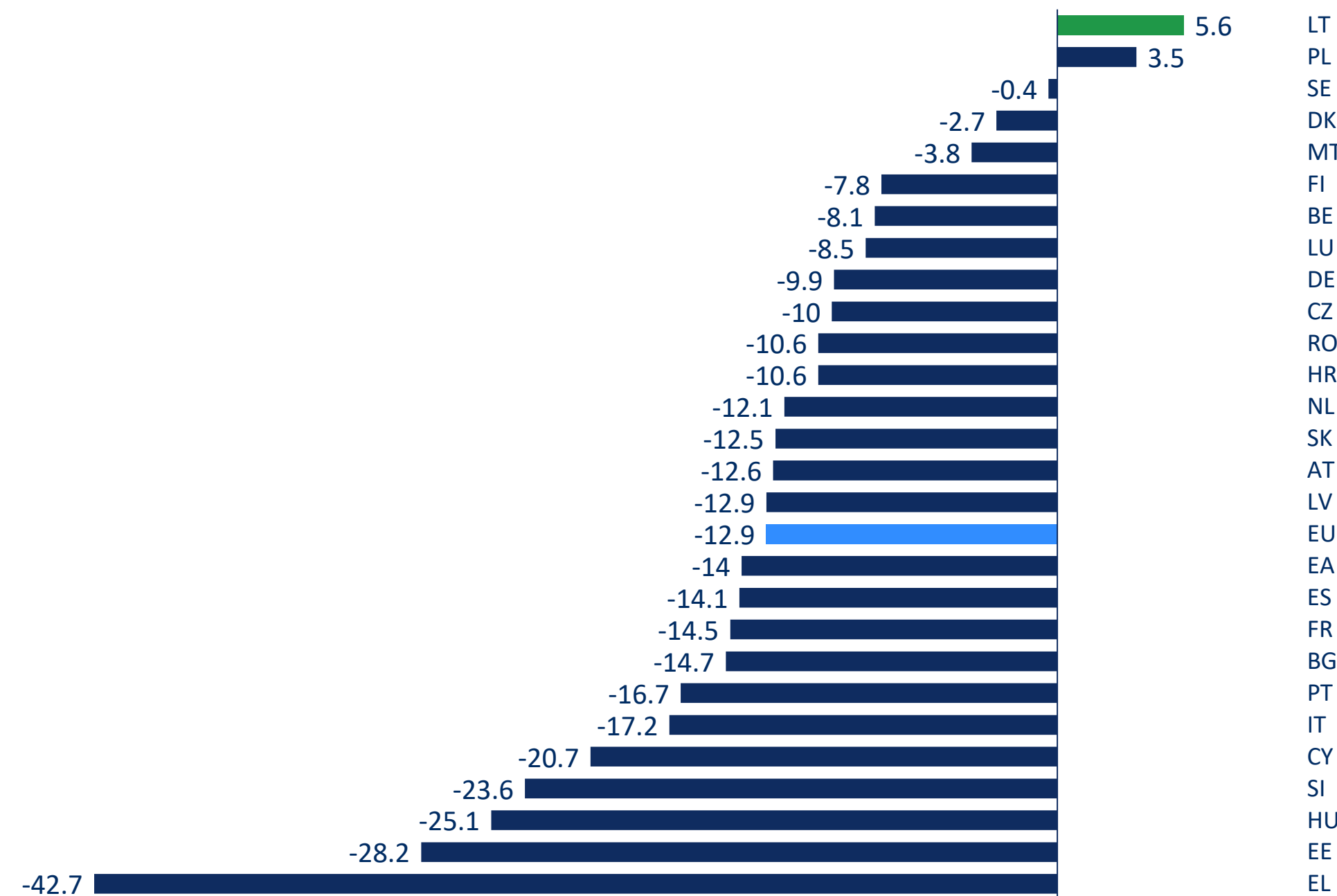
Lithuania`s Macroeconomic Forecasts (%)



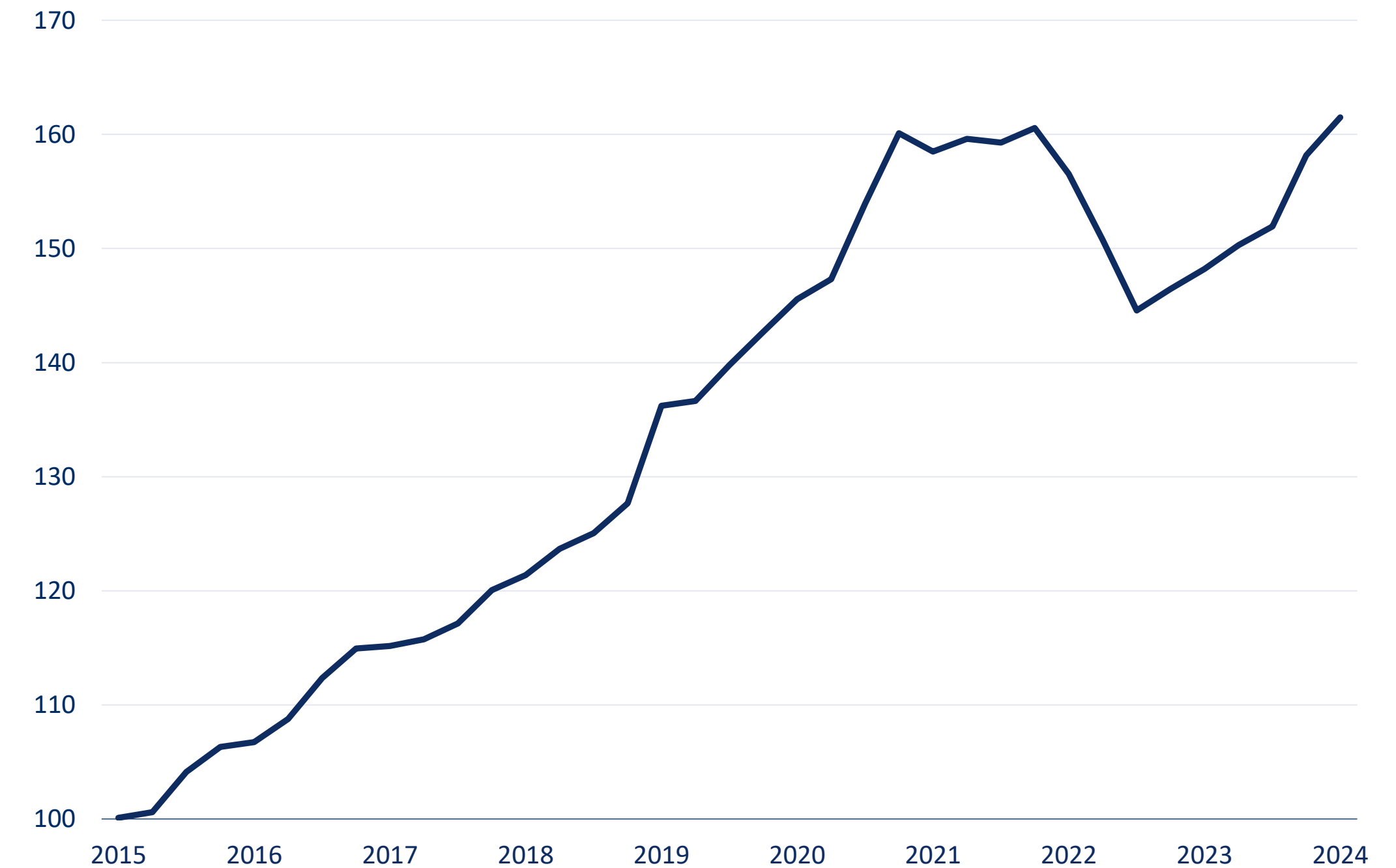
Lithuania Leads EU in Consumer Optimism

Lithuania sustains the highest consumer optimism in the EU and restored purchasing power losses after the inflation shock

Consumer Confidence (June 2024)



Real Earnings Index (2015 Q1 = 100), %



HICP AVERAGE ANNUAL INFLATION, %

0.9%

2024F

2.3%

2025F

AVERAGE GROSS MONTHLY WAGES GROWTH, %t

9.5%

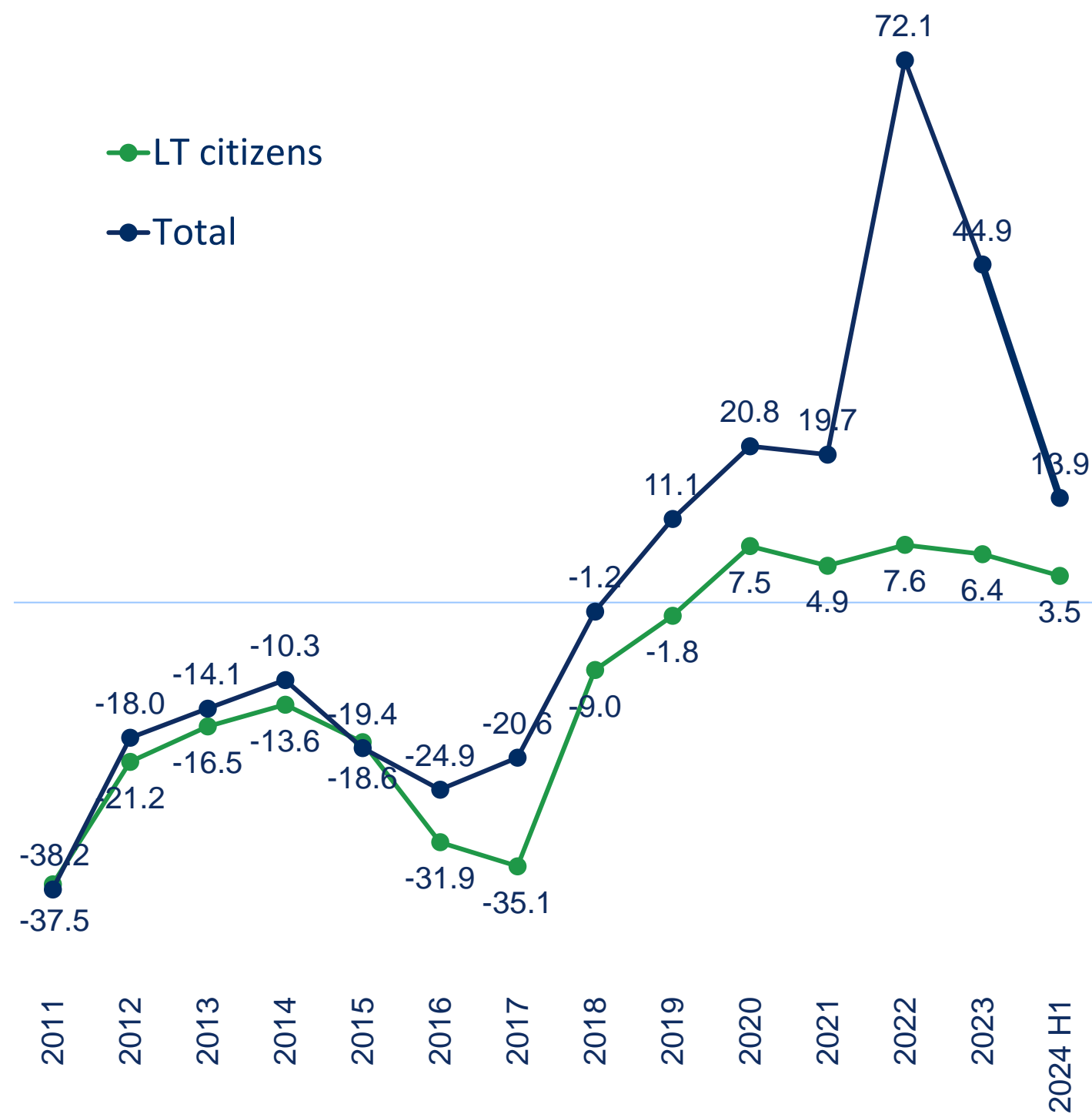
2024F

8.7%

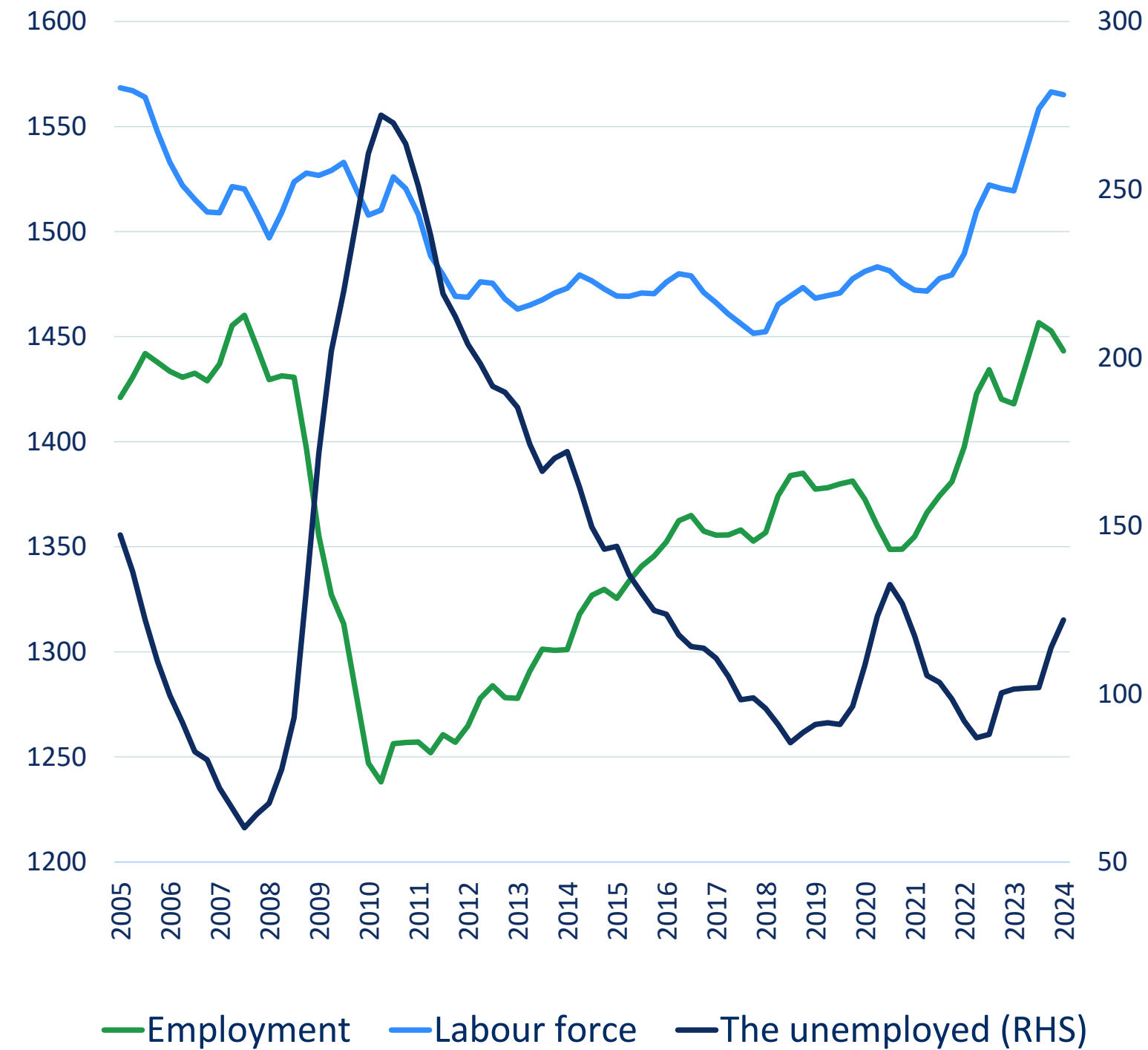
2025F

Employment Approached a 20-Year Record

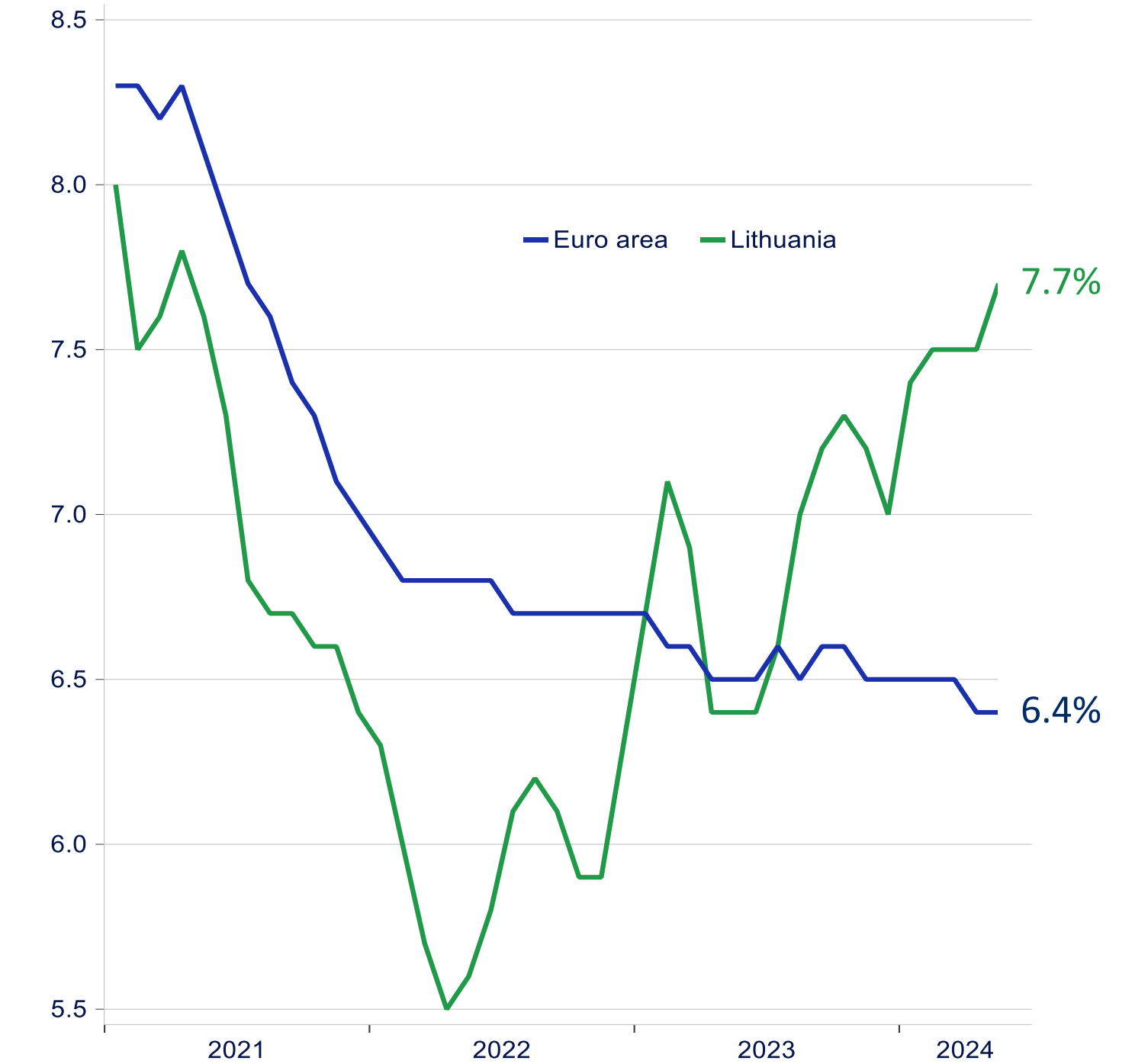
Net Migration Flows (thou)



Labour Market Indicators (sa, thou)



Net Migration Flows (sa, %)



UNEMPLOYMENT RATE, %

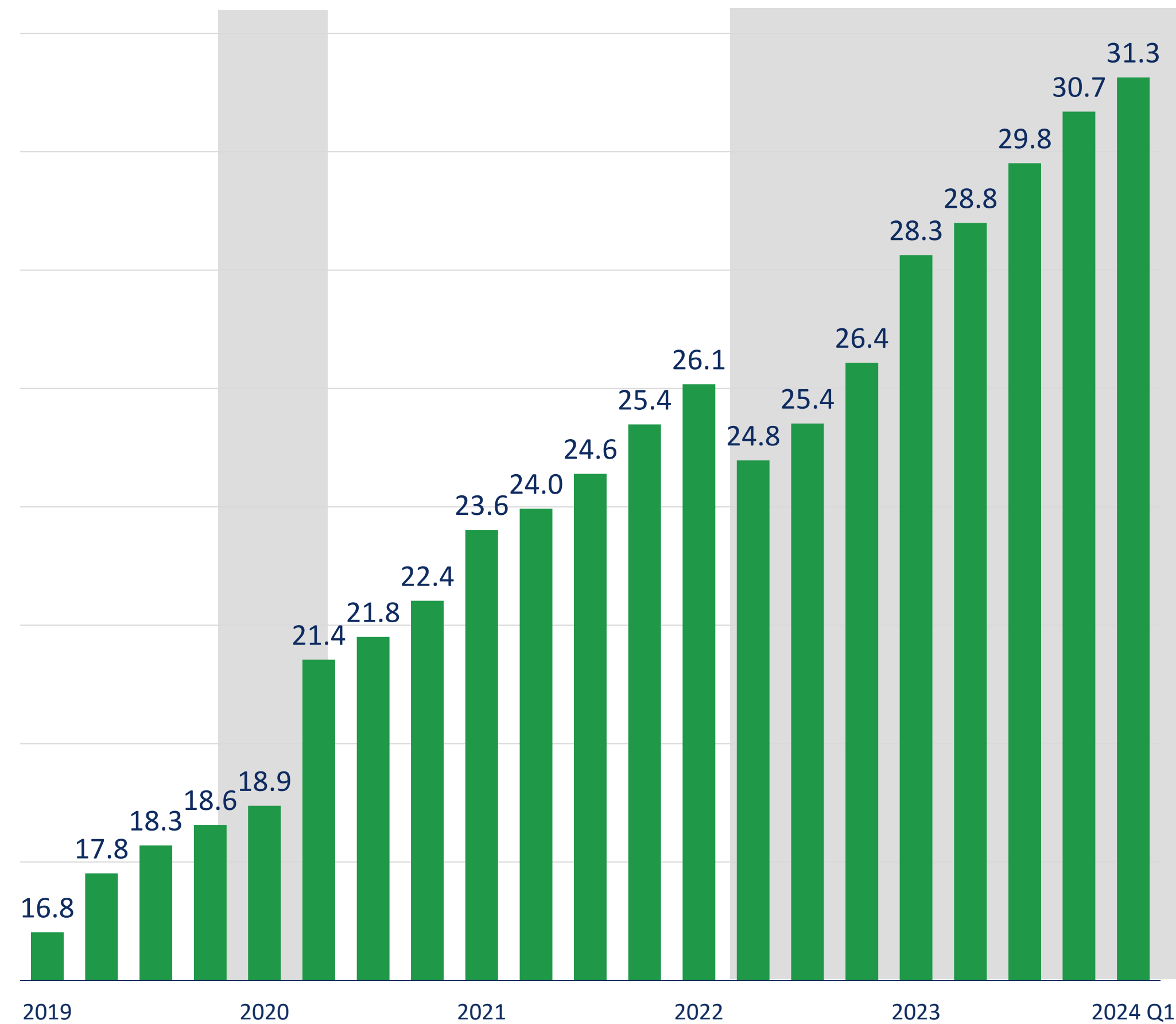
7.2% 2024F

6.5% 2025F

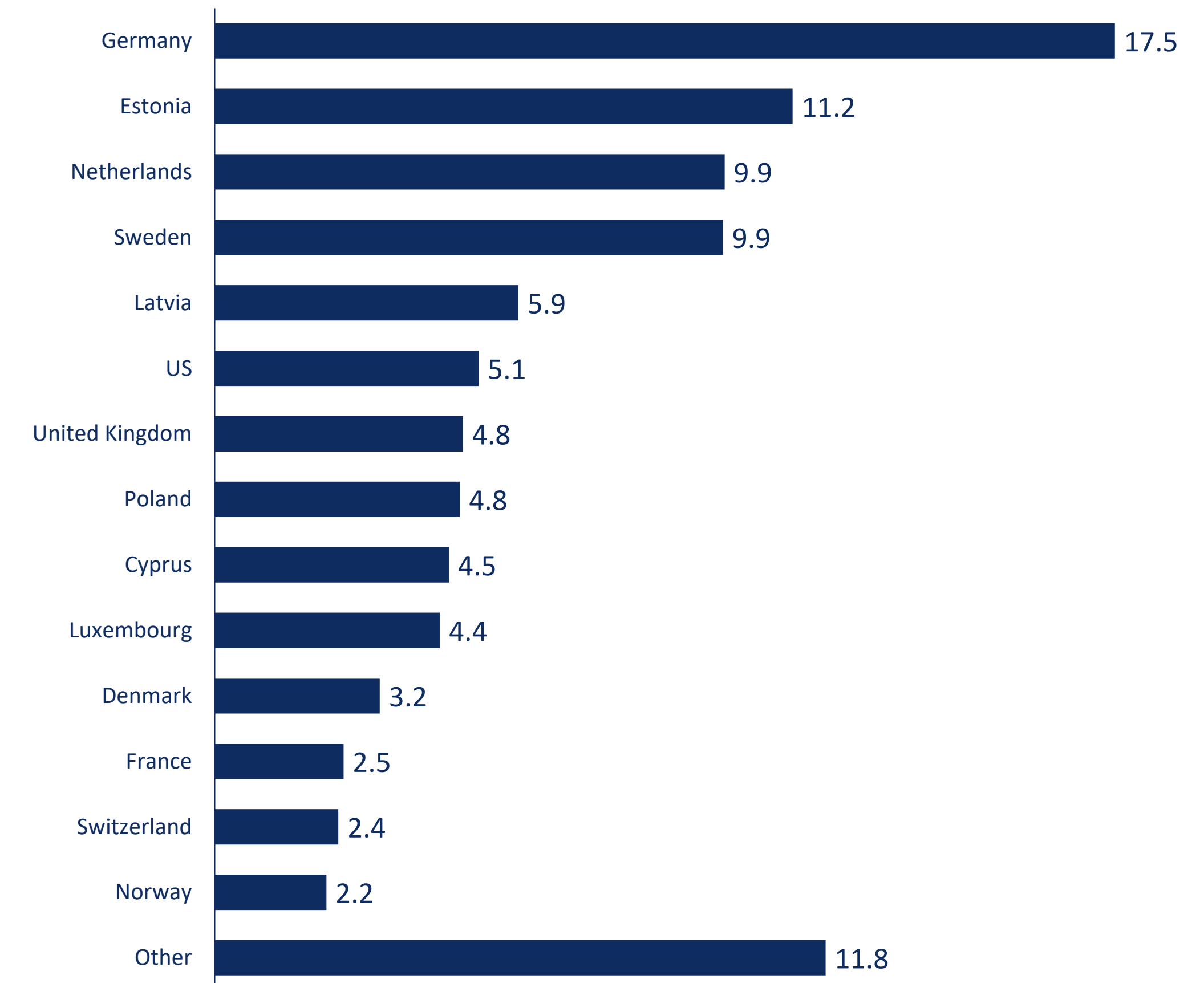
The net migration remained positive in H1`24 and contributed to the growth in the labour supply. Growing labour supply, coupled with cyclically weaker demand, led to an increase in the unemployment rate.

Lithuania Remains Attractive Destination for FDI

FDI (equity), Outstanding Amounts (€`bn)



The Structure of FDI Outstanding Amounts by Investing Country in Q1`24 (%)



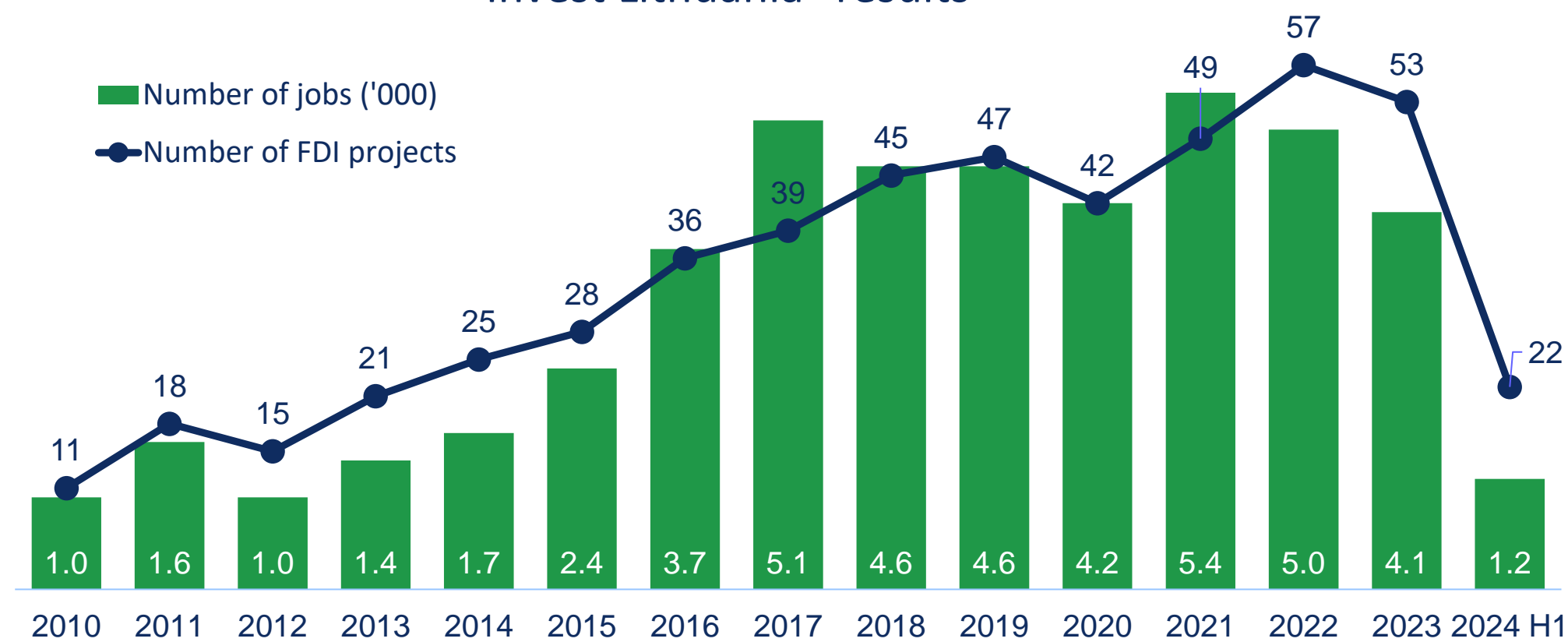
Source: Bank of Lithuania

Lithuania Remains Attractive Destination for FDI

Reflecting the global trend, FDI into Lithuania experienced a slight slowdown, but the country remains a sought-after investment destination with a steady flow of new projects

FDI Flows to Lithuanian

"Invest Lithuania" results



- **The FDI market has slowed down globally**, while competition for the new FDI projects, particularly in the CEE region, has increased.
- **„Invest Lithuania“ attracted 22 new projects in H1`24**. 8 new foreign capital companies announced their establishment in Lithuania, and 14 companies already operating in the country confirmed expansion projects.
- **The pledge of fixed investments in H1`24** reached €239 million, already **exceeding last year`s results** (€207 million).
- One of the most significant projects of H1`24 – **the German defense industry giant „Rheinmetall“**. This project is expected to boost further FDI inflows into the defense sector and to catalyze local arms industry development in Lithuania

Lithuania`s Cities Among Top 10 EU FDI Destinations

FDI European Cities and Regions of the Future 2024

Overall Ranking

Top 10 Mid-Sized European Cities of the Future 2023

Rank	City	Country
1	Wroclaw	Poland
2	Zurich	Switzerland
3	Vilnius	Lithuania
4	Edinburgh	UJ
5	Belfast	UK
6	Bratislava	Slovakia
7	Utrecht	Netherlands
8	Bristol	UK
9	Gdansk	Poland
10	Tallinn	Estonia

	Economic Potential	Human Capital	Cost Effectiveness	Business Friendliness
Mid-sized Cities	VILNIUS (3)	VILNIUS (2) RIGA (4) TALLINN (10)		VILNIUS (6)
Small Cities		KAUNAS (7)		KAUNAS (7)
Micro Cities			PANEVĖŽYS (7)	

Q2`24 and H1`24 Financial Results

Section II

Financial Performance Highlights

Income Statement						
In €`m	Q2`24	Q2`23	%Δ YoY	H1`24	H1`23	%Δ YoY
Net Interest Income	41.1	40.0	3%	80.6	75.4	7%
Net Fee & Commission Income	7.3	5.1	42%	13.7	9.8	41%
Other	6.7	3.5	95%	18.1	9.9	83%
Total Revenue	55.0	48.6	13%	112.5	95.0	18%
Salaries and Related Expenses	(11.9)	(8.0)	48%	(23.2)	(16.8)	38%
Other Operating Expenses	(16.1)	(7.7)	108%	(32.2)	(18.1)	78%
Total Operating Expenses	(28.0)	(15.8)	78%	(55.4)	(34.9)	59%
Operating Profit	27.0	32.8	(17%)	57.1	60.1	(5%)
Impairment Losses	(1.7)	(2.6)	(33%)	(3.9)	(5.3)	(27%)
Income Tax Expense	(4.8)	(7.9)	(39%)	(10.1)	(13.3)	(24%)
Net Profit	20.5	22.3	(8%)	43.0	41.5	4%
<i>Return on Equity (YTD)</i>	<i>15.1%</i>	<i>19.5%</i>	<i>(4.5%)</i>	<i>16.2%</i>	<i>18.6%</i>	<i>(2.4%)</i>

Select Balance Sheet Metrics					
In EUR`m	Jun`24	Mar`24	Jun`23	%Δ QoQ	%Δ YoY
Total Loans	3 188	3 045	2 791	5%	14%
Total Assets	5 036	4 923	4 210	2%	20%
Total Deposits	3 341	3 261	2 873	2%	16%
Total Equity	555	533	469	4%	18%
<i>Assets under Management⁽¹⁾</i>	<i>1 776</i>	<i>1 667</i>	<i>299</i>	<i>6%</i>	<i>494%</i>
<i>Assets under Custody</i>	<i>1 870</i>	<i>1 785</i>	<i>1 700</i>	<i>5%</i>	<i>10%</i>

- Net interest income (NII) continued to grow in H1`24, driven by loan book expansion, partially offset by higher funding costs
- Record-high net fee and commission income (NFCI) driven by the successful asset management acquisition and strong performance across other fee-generating businesses
- Life insurance net revenue was €3.5m in H1`24 (see appendix page 28), asset management net profit was €0.6m in H1`24
- Increased operating expenses reflect larger group size post-merger and ongoing business investments
- Operating expenses also elevated due to a one-off windfall tax adjustment of €2.2m for 2023
- Low levels of impairment losses reflect sound asset quality and robust credit risk management
- Delivered strong return on equity (ROE) of 16.2%⁽²⁾ exceeding the guidance of 13.7% for 2024
- Growing deposit base successfully deployed into new loan originations, driving overall balance sheet expansion

Notes:

(1) Includes Asset Management and Modernization Funds AuM

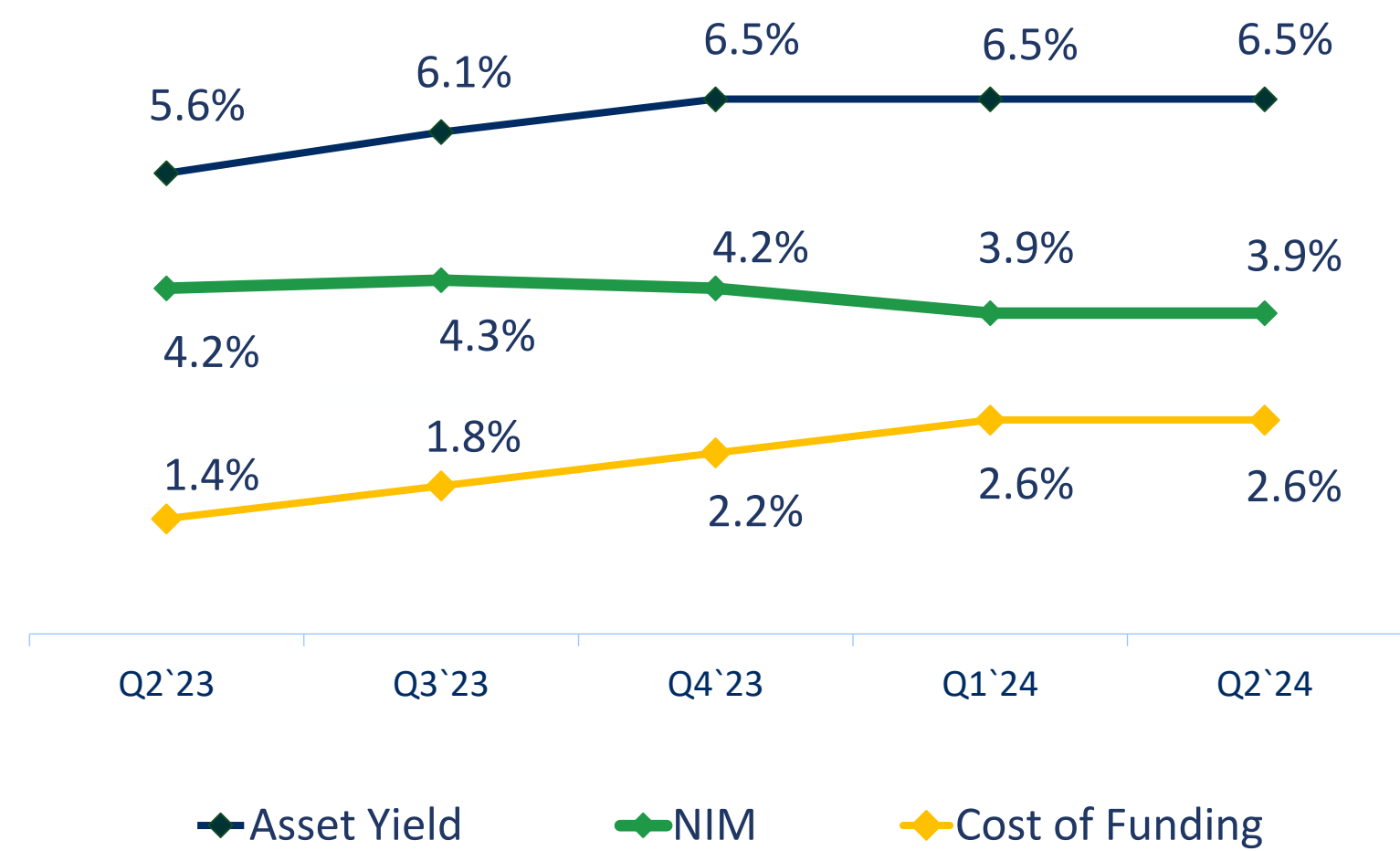
(2) ROE calculated taking annualized YTD result divided by trailing 4 quarters equity

Net Interest Income

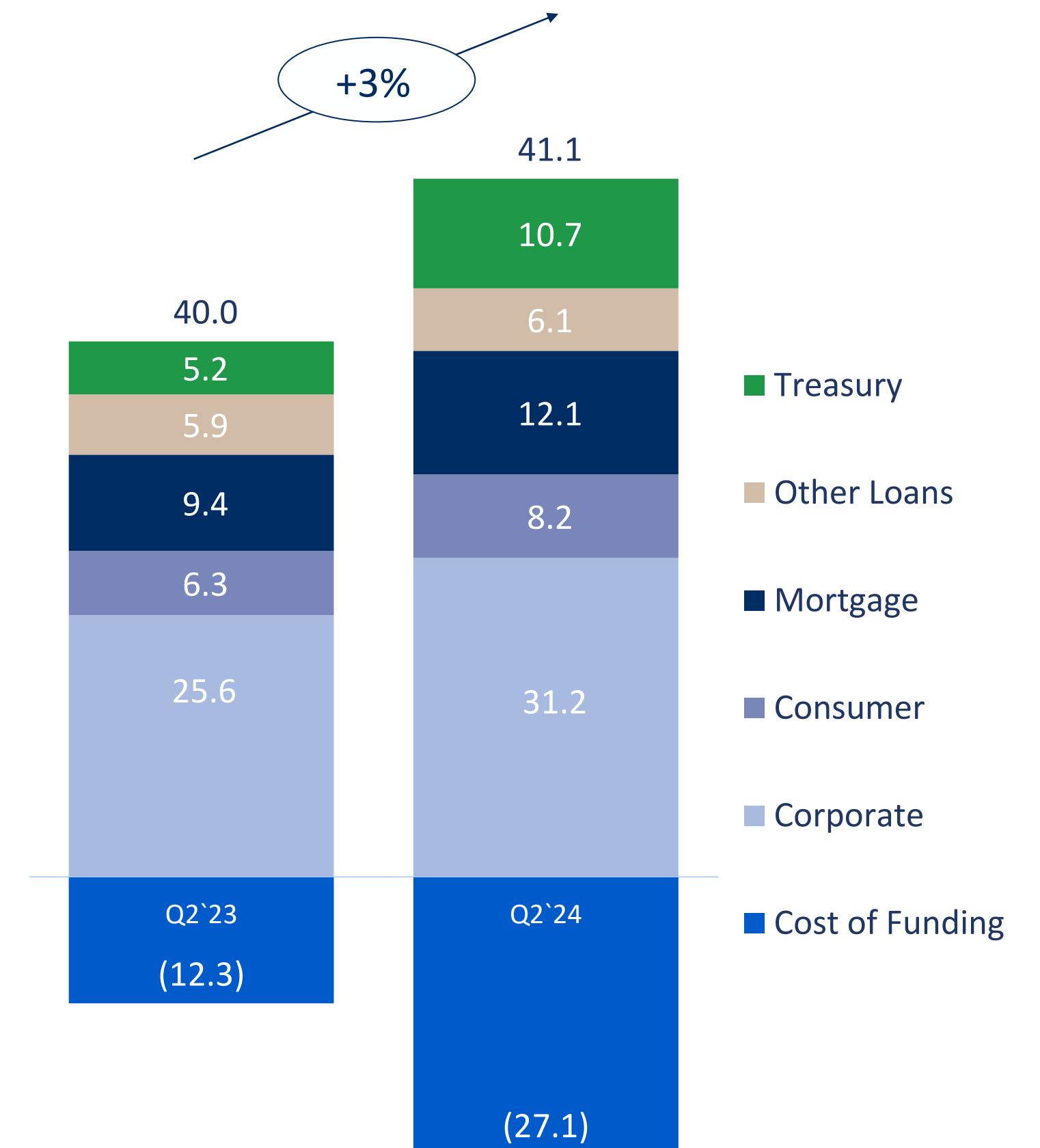
Key Highlights

- Net interest income increased by 4% in Q2`24, compared to Q1`24
- The increase was driven by growing loan portfolio while net interest margin (NIM) remained stable
- Net interest income was positively supported by new loan origination and reinvestment of HTC securities portfolio

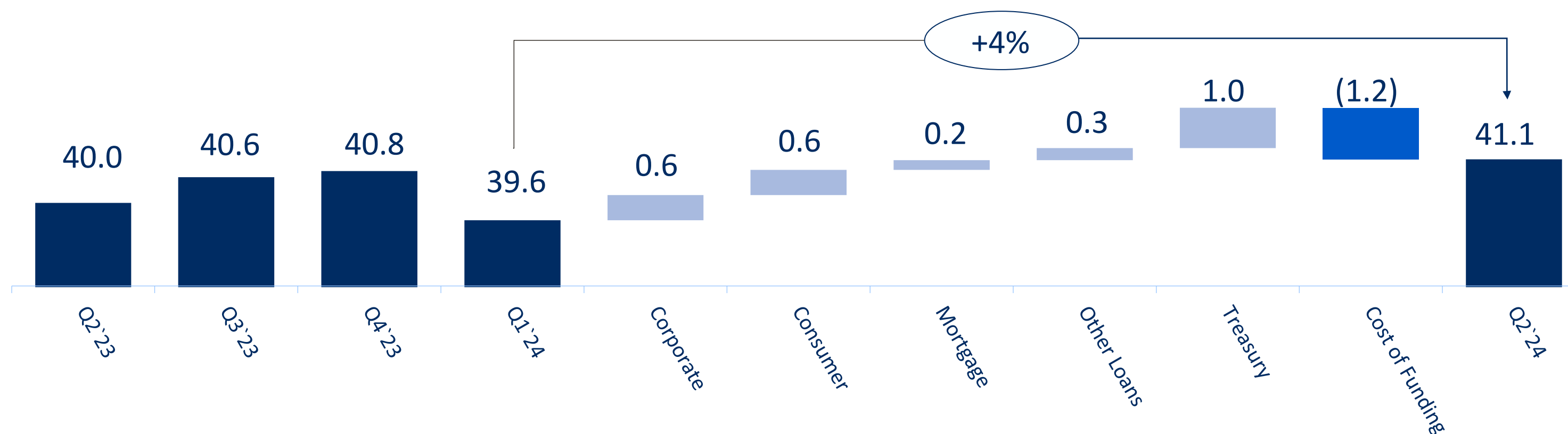
Net Interest Margin (NIM) Dynamics



Net Interest Income YoY (€`m)



Net Interest Income QoQ (€`m)

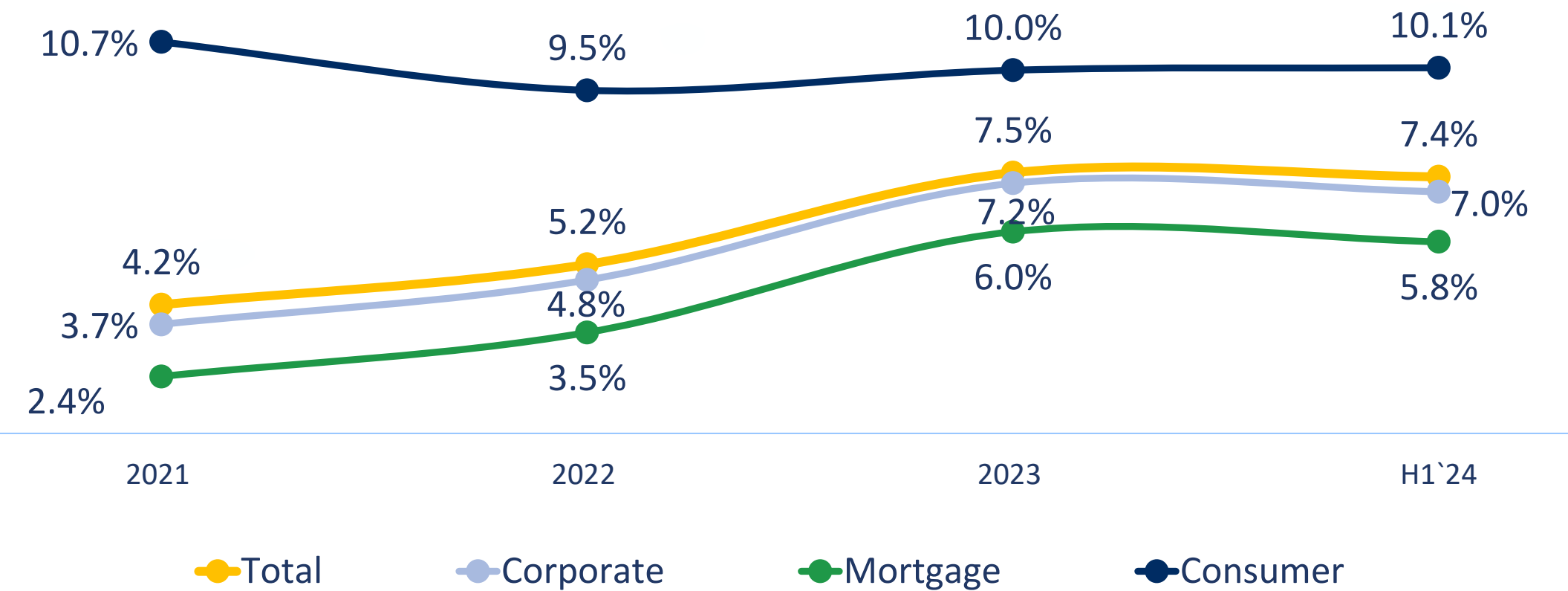


Loan Portfolio

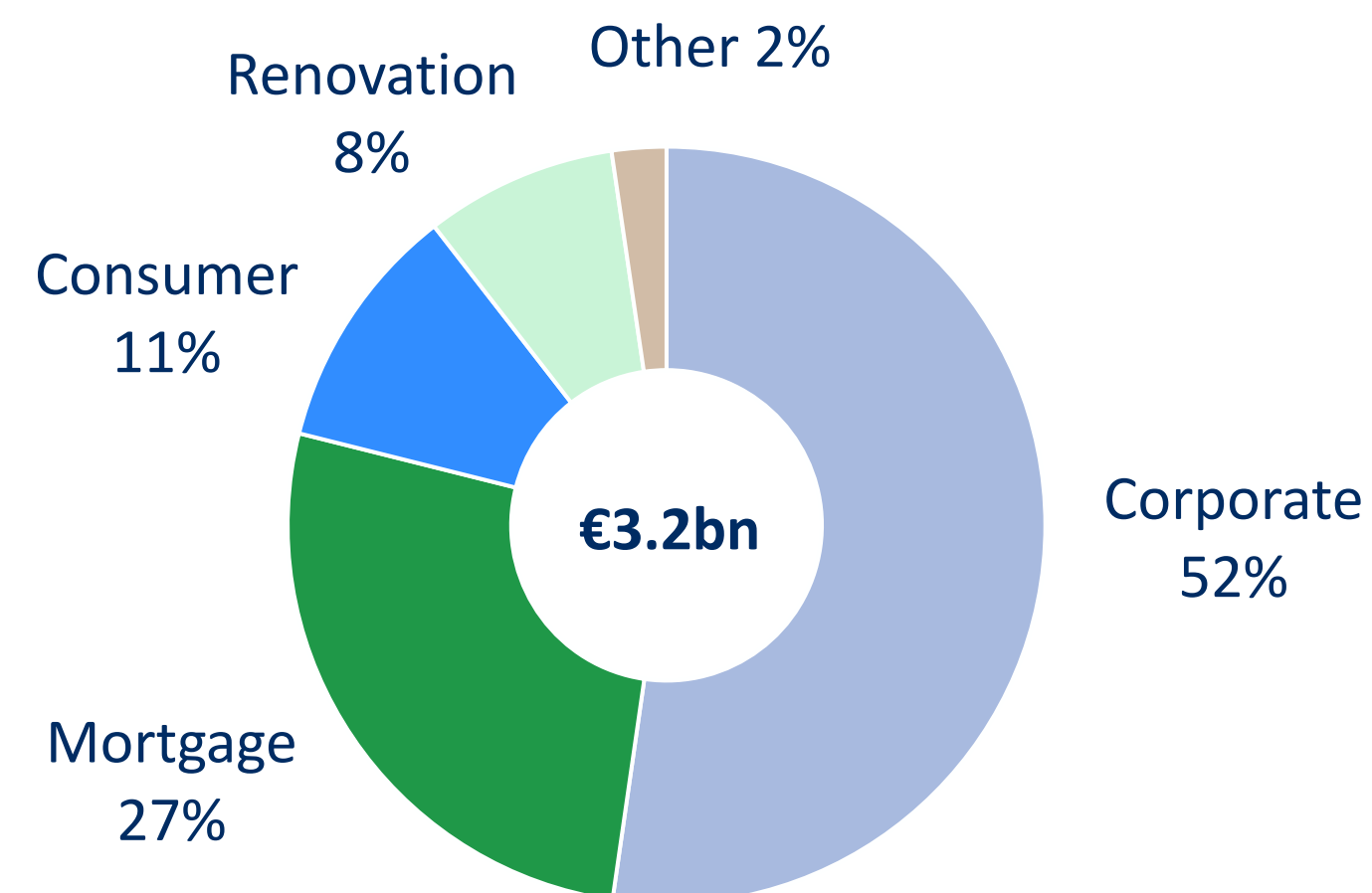
Key Highlights

- The loan portfolio expanded by 5% since the last quarter and by 14% in the past year. This growth was largely driven by strong originations in our corporate banking segment supported by mortgages and consumer financing
- Loan portfolio yields have remained stable

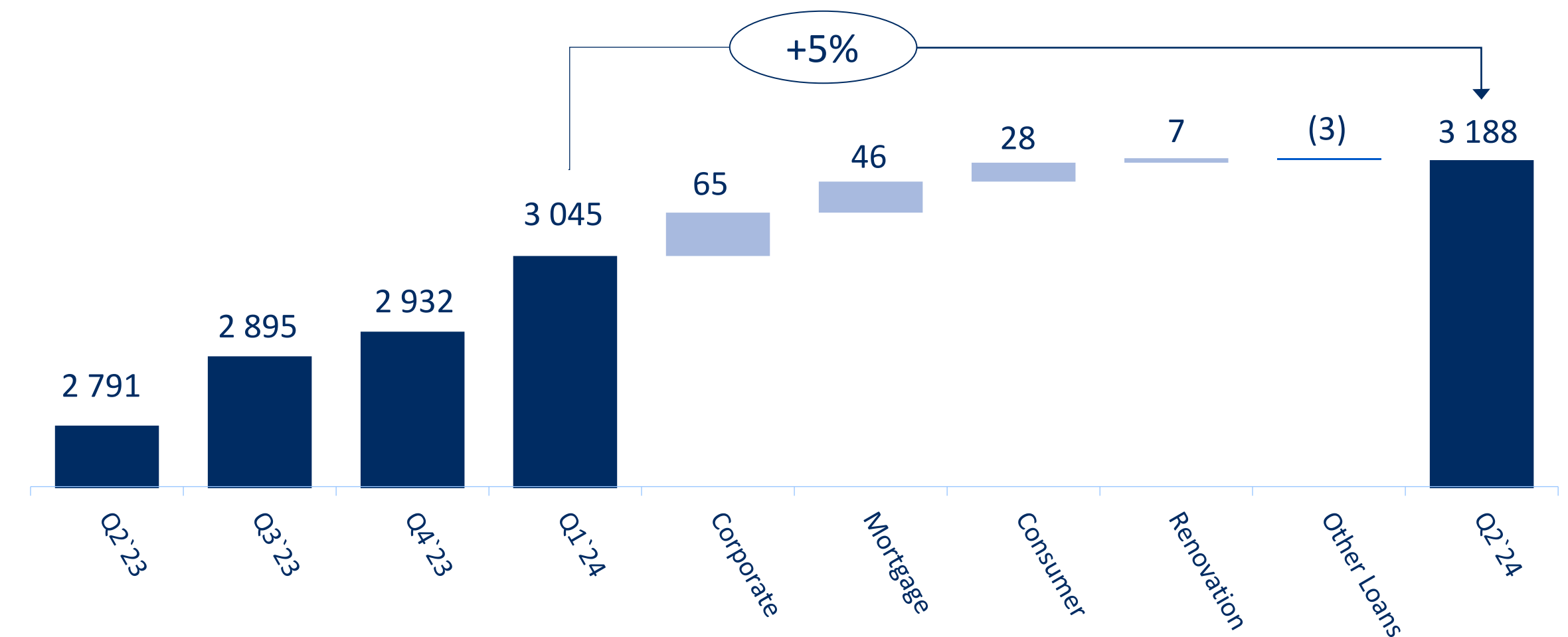
Loan Yields



Loan Book (Jun-24)



Loan Book Development in Q2'24

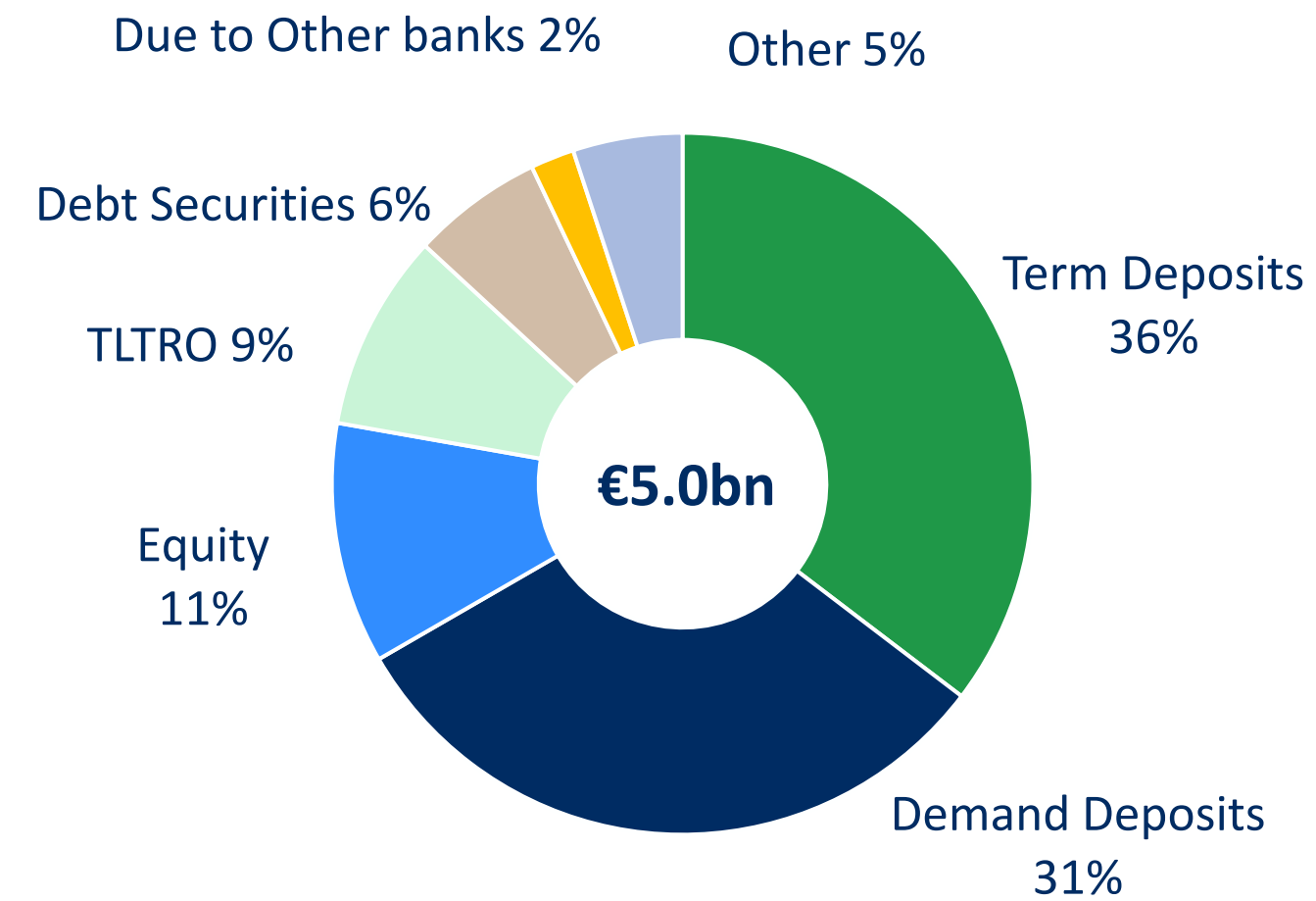


Funding

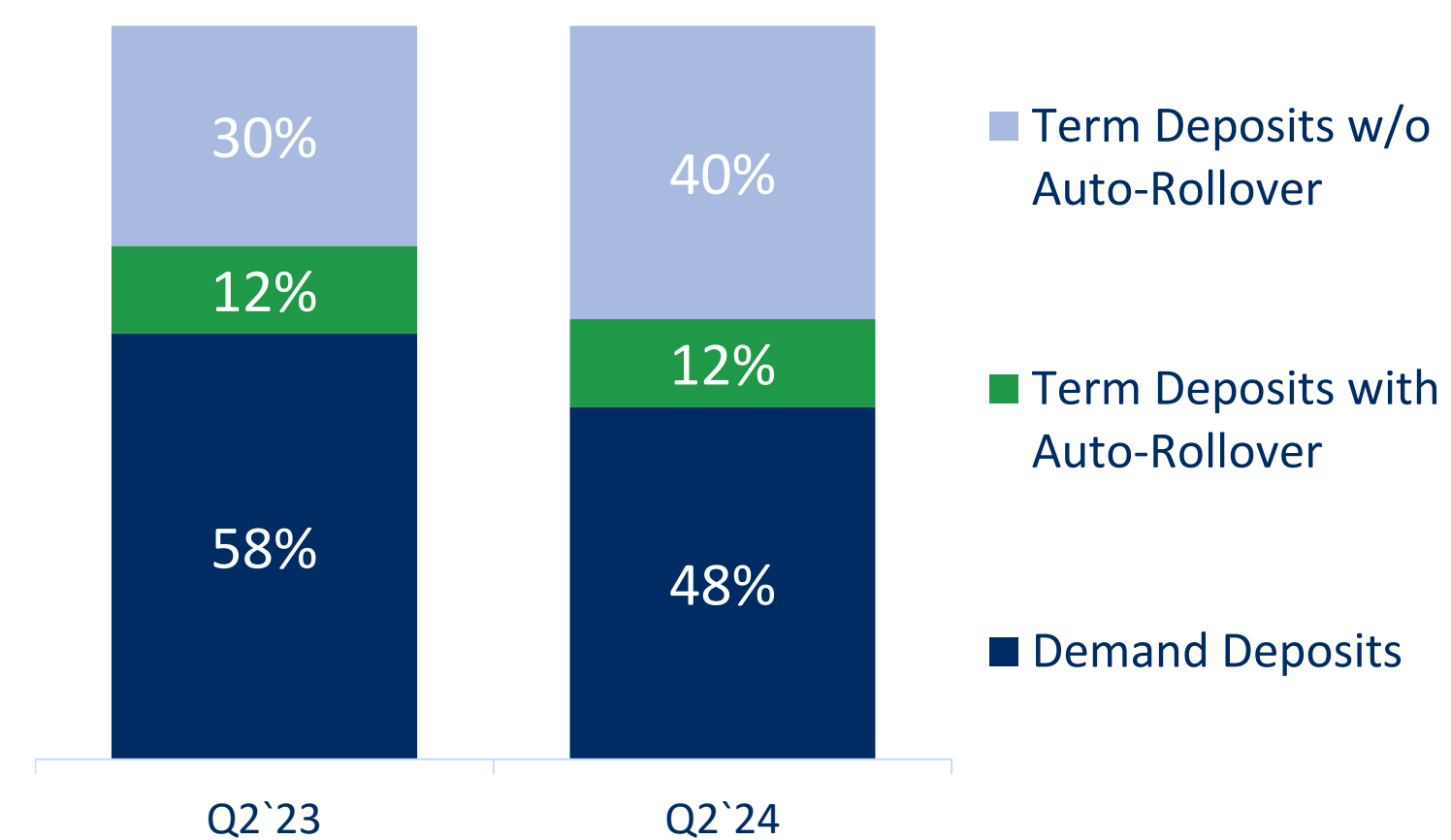
Key Highlights

- Bank is primarily funded by sticky local deposits
- Deposit portfolio is shifting toward a longer-term, more stable deposit base
- Cost of funding is stabilizing and expected to peak in H2`24
- Moody`s has affirmed Šiaulių Bankas long-term deposit ratings of Baa1, the outlook remains stable
- €25m subordinated bond issue resulted in oversubscription of 3.9 times the issue volume with participation of over 2300 investors

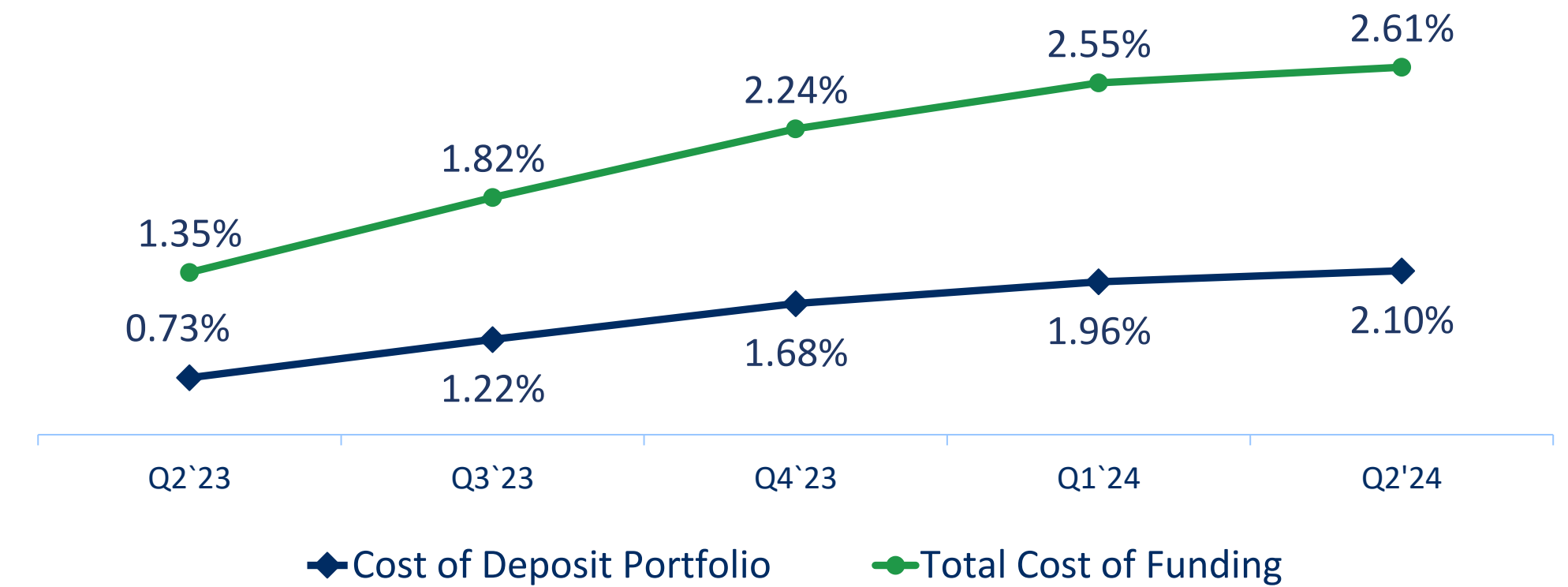
Funding Portfolio Breakdown (Q2`24)



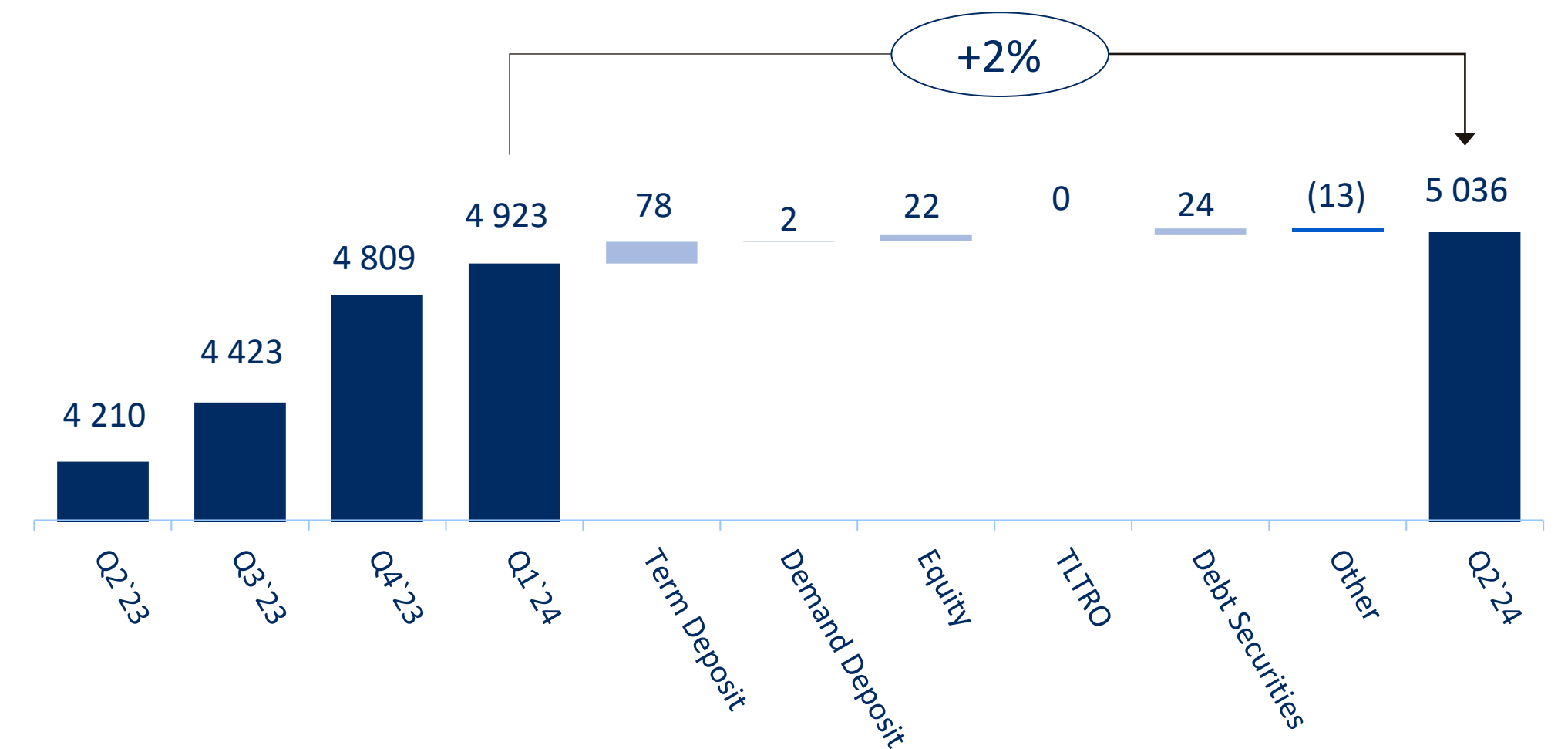
Deposit Portfolio Structure



Cost of Funding



Funding Portfolio Development (€`m)

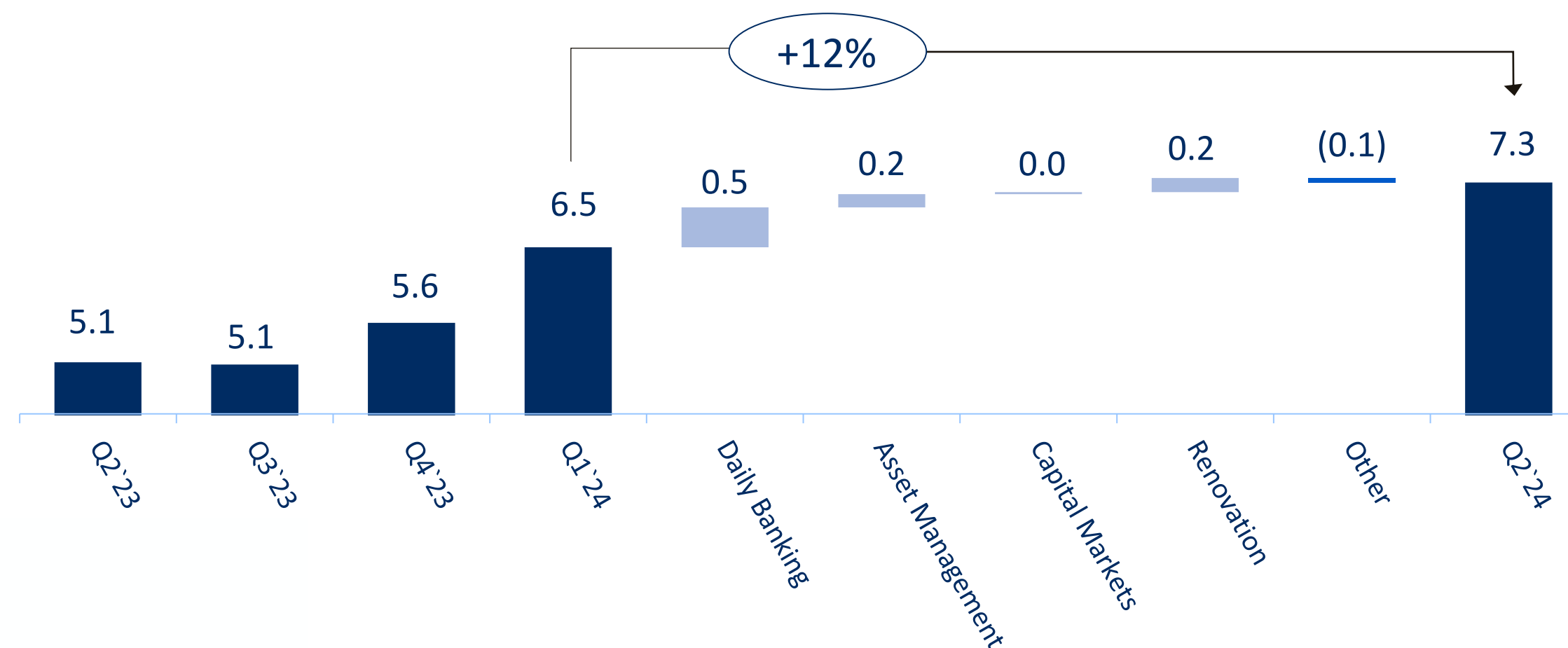


Net Fee & Commission Income

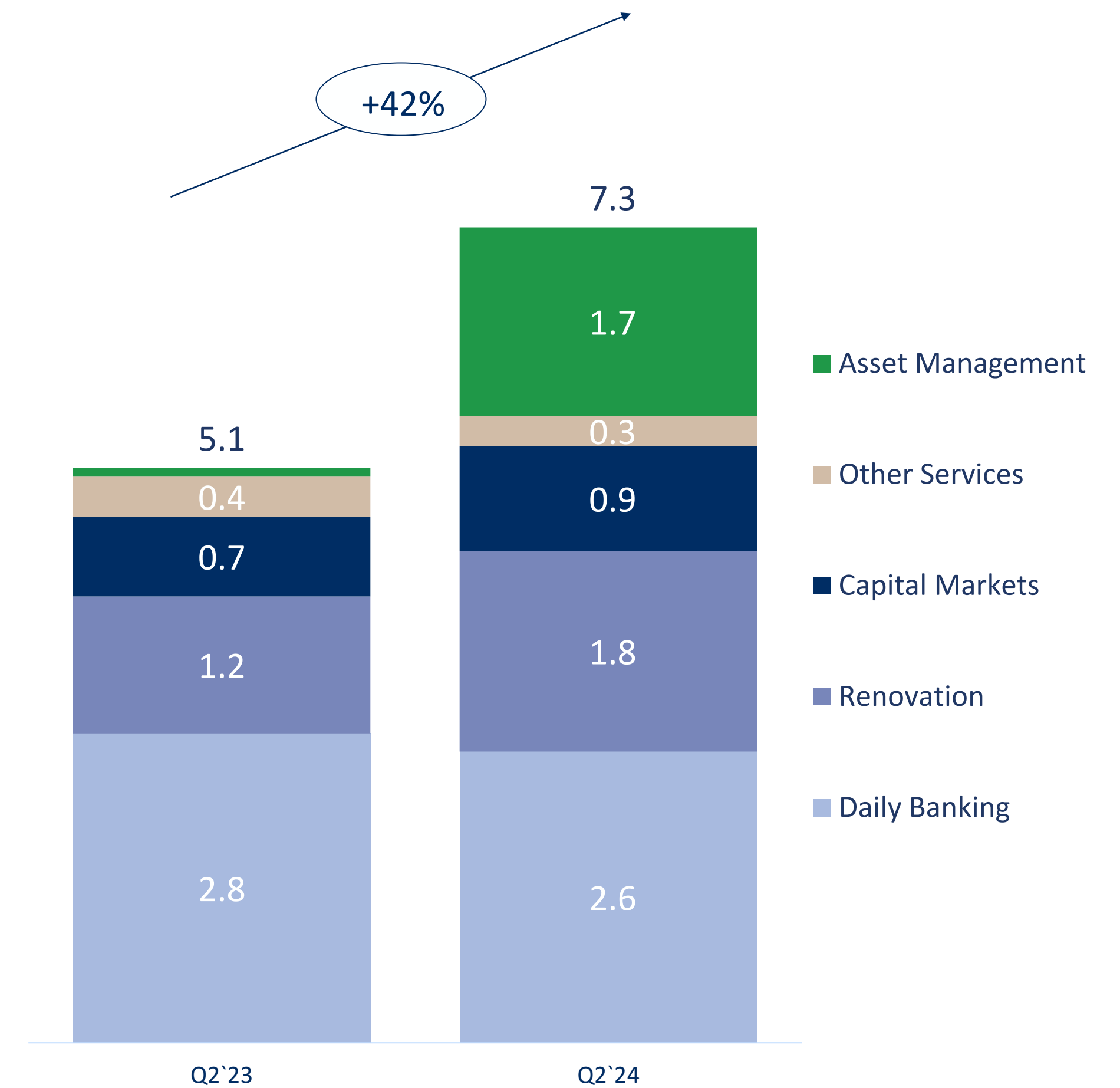
Key Highlights

- Net fee & commission income (NFCI) surged by 42% YoY, driven primarily by the acquisition of INVL Retail business (asset management and life insurance)
- Excluding the acquisition impact, NFCI increased by healthy 11% YoY primarily driven by fees from renovation financing
- Fees from renovation soared by 46% YoY due to robust demand for multi-unit building renovation financing

NFCI Development QoQ (€`m)



Net Fee & Commission Income YoY (€`m)

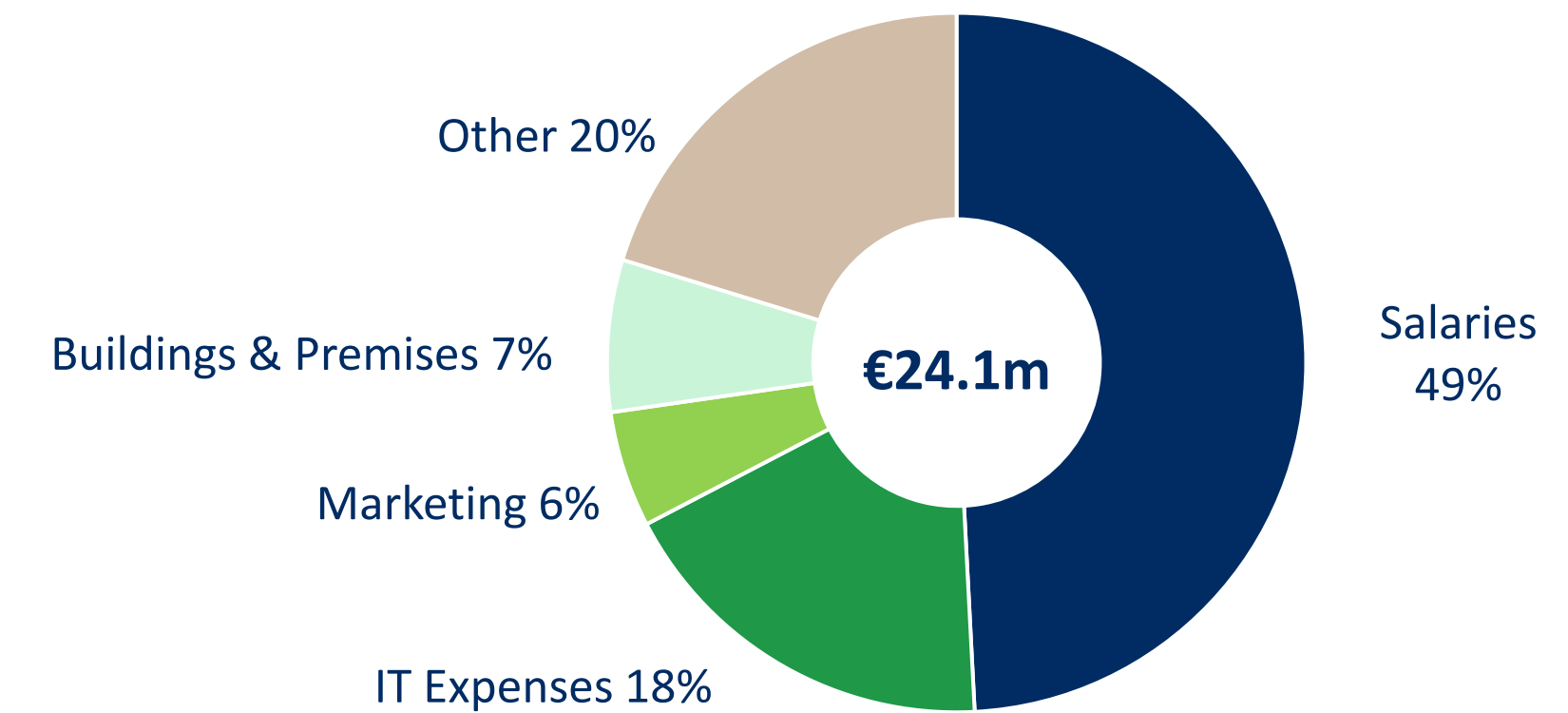


Operating Expenses⁽¹⁾

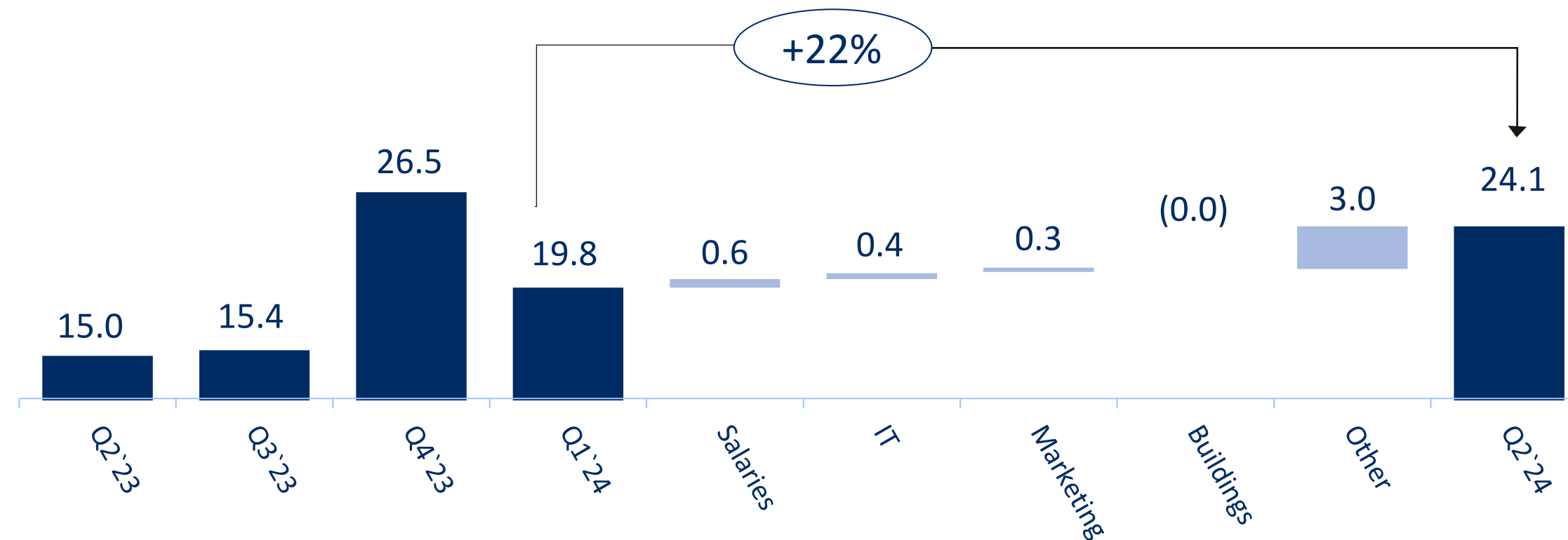
Key Highlights

- Operating expenses increased 22% QoQ, however excluding windfall tax increase amounted to 11% QoQ
- Increased operating expenses reflects enlarged organization, ongoing investment into business, and general inflation impact

Operating Expenses Structure⁽¹⁾ (Q2`24)

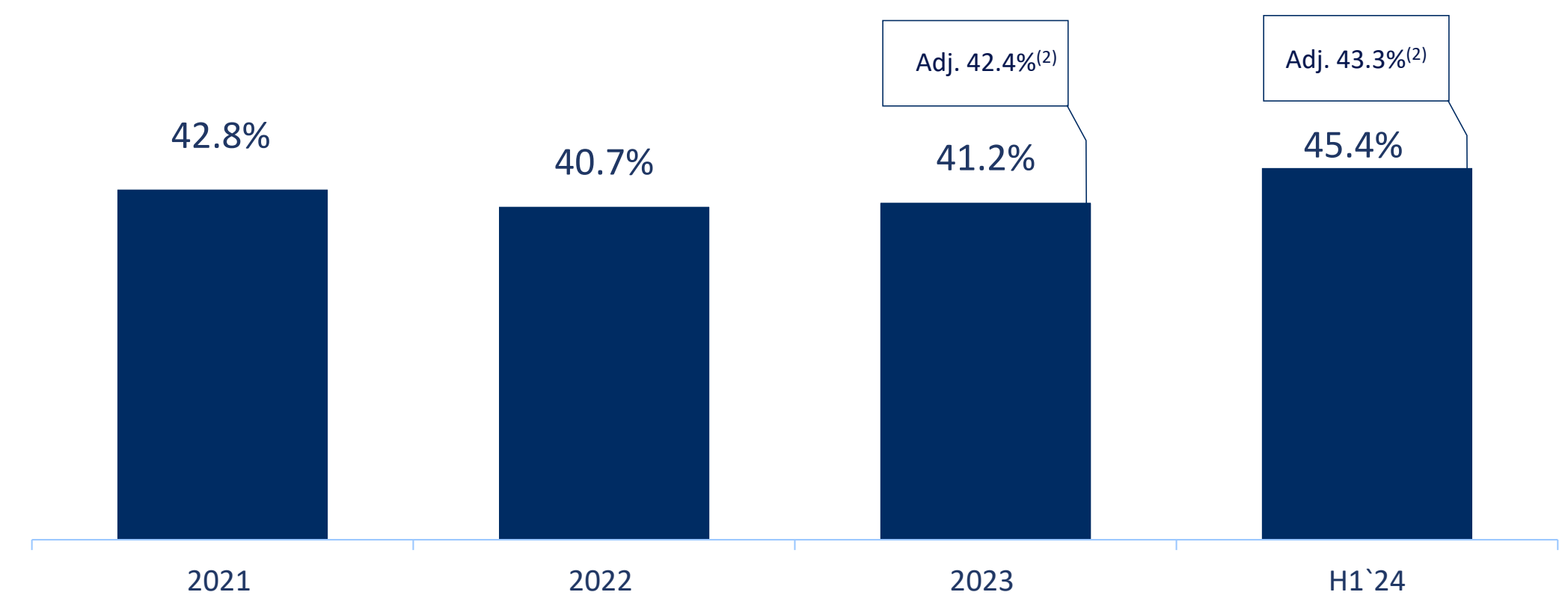


Operating Expenses Dynamics⁽¹⁾ (€`m)



Maintained Cost Discipline Despite Inflationary Pressures

Cost-to-Income Ratio, %



Notes: (1) Operating expenses analysis on this page excludes expenses related to insurance activities.

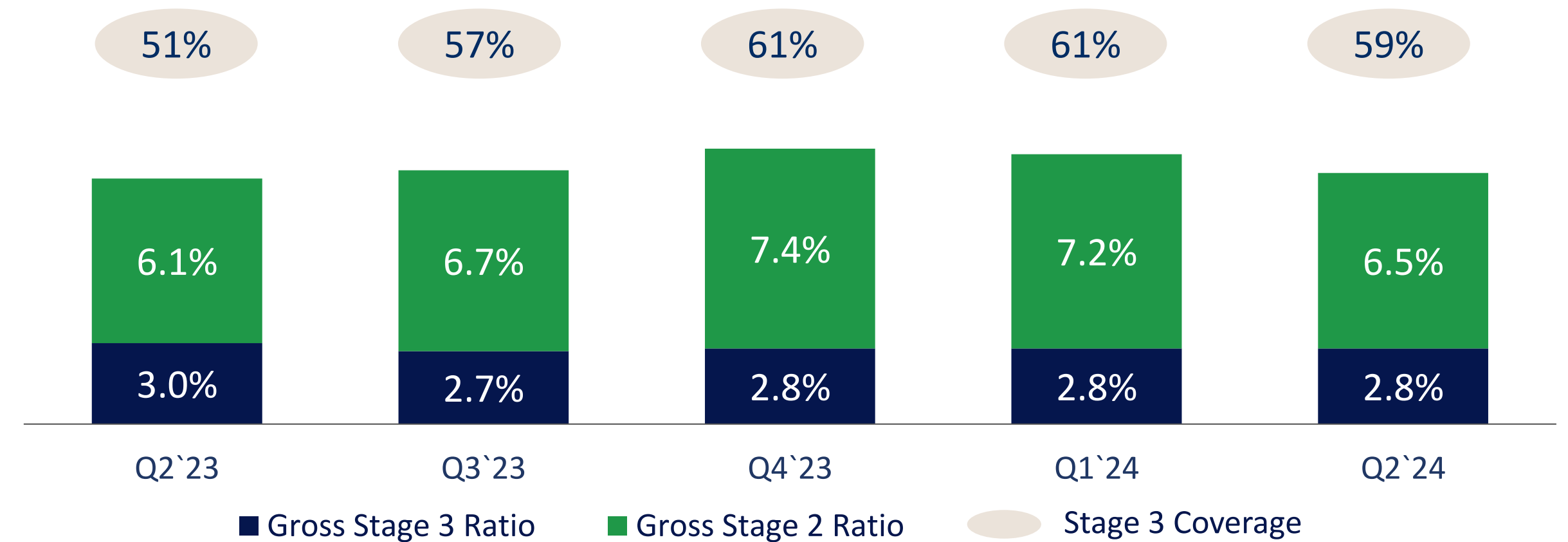
(2) Cost-to-income ratio adjusted for 2023 year windfall tax accrued in 2Q24 Q2

Healthy Underlying Asset Quality Trends

Key Highlights

- Recorded a record low cost of risk at 0.2% in 2Q`24
- Sound asset quality reflected by declining Gross Stage 2 ratio
- Stage 3 loan coverage remains at historical levels
- Impact of parameters influenced by better than expected macroeconomic environment and revised estimates

Stage 2 and Stage 3 Dynamics

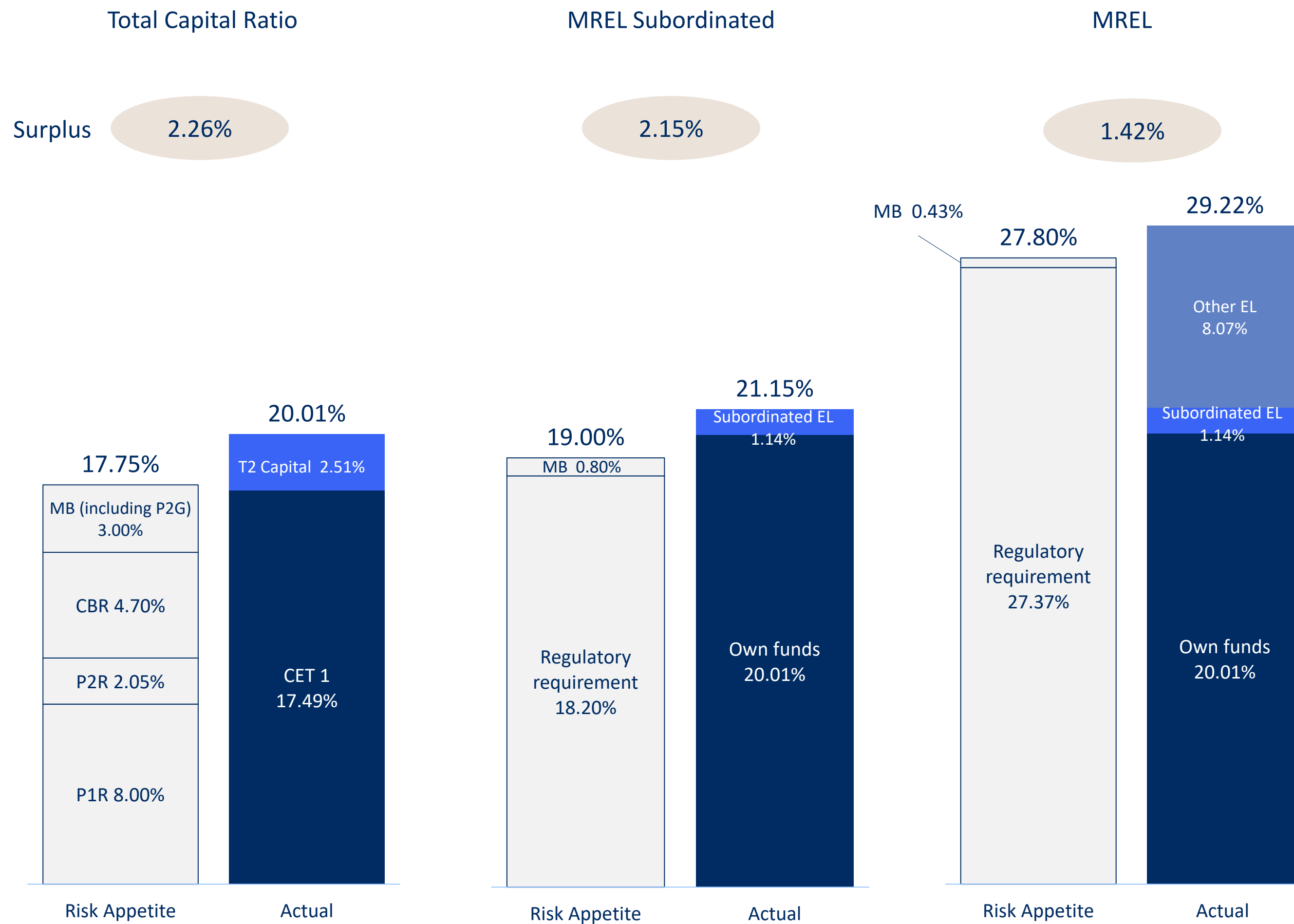


Loan Impairment Losses Development (€`m) and Cost of Risk (%)

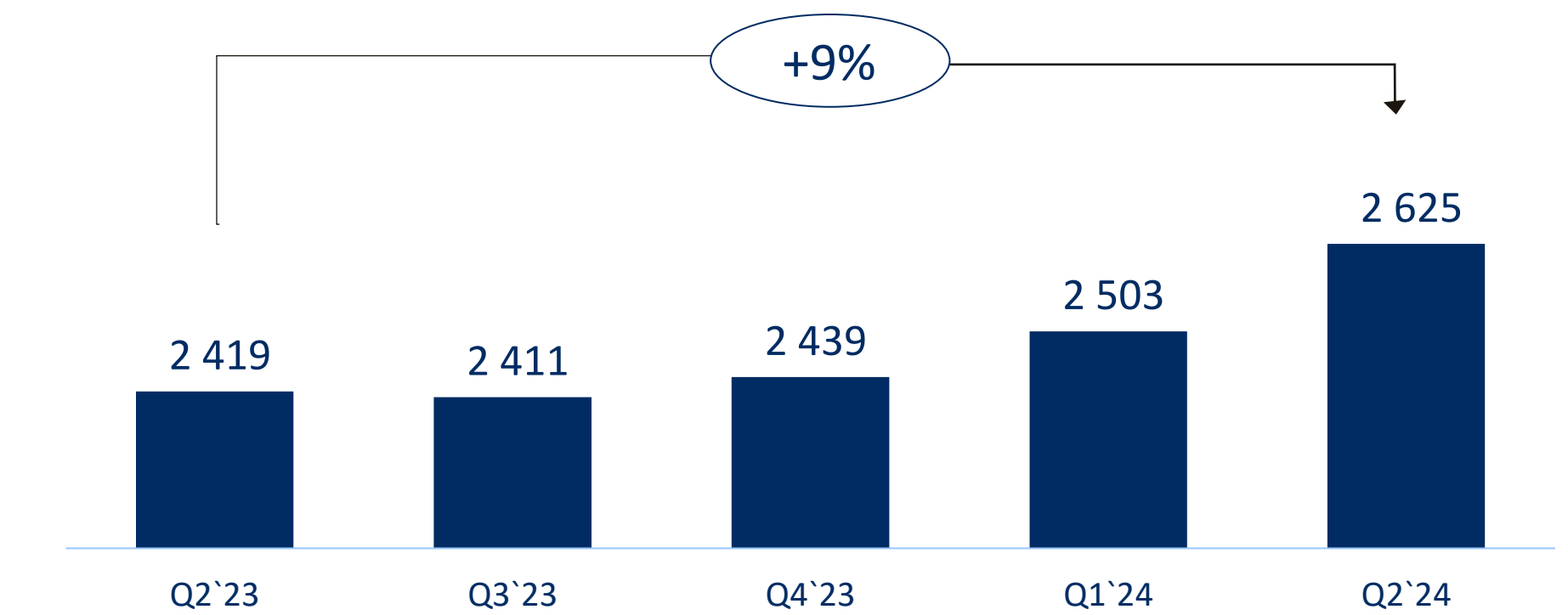
	Q1`23	Q2`23	Q3`23	Q4`23	2023	Q1`24	Q2`24	H1`24	
Loan impairment Losses	Impact of Parameters	(0.5)	1.1	0.7	(7.1)	(5.8)	(2.6)	1.8	(0.8)
	Impact of Individual Assessments and Model Adjustment	(2.0)	(3.6)	(4.1)	0.2	(9.5)	(0.1)	(3.4)	(3.5)
	Total	(2.5)	(2.4)	(3.4)	(6.9)	(15.3)	(2.7)	(1.6)	(4.3)
Cost of Risk	Corporate	0.46%	0.27%	0.10%	0.15%	0.24%	(0.31)%	0.08%	(0.06)%
	Consumer	1.48%	1.10%	2.18%	6.54%	2.97%	3.08%	2.09%	1.28%
	Mortgage	0.09%	0.08%	0.60%	(0.42)%	0.08%	0.14%	0.06%	0.05%
	Total CoR	0.38%	0.35%	0.48%	0.95%	0.54%	0.37%	0.20%	0.29%

Capital Ratios and Requirements

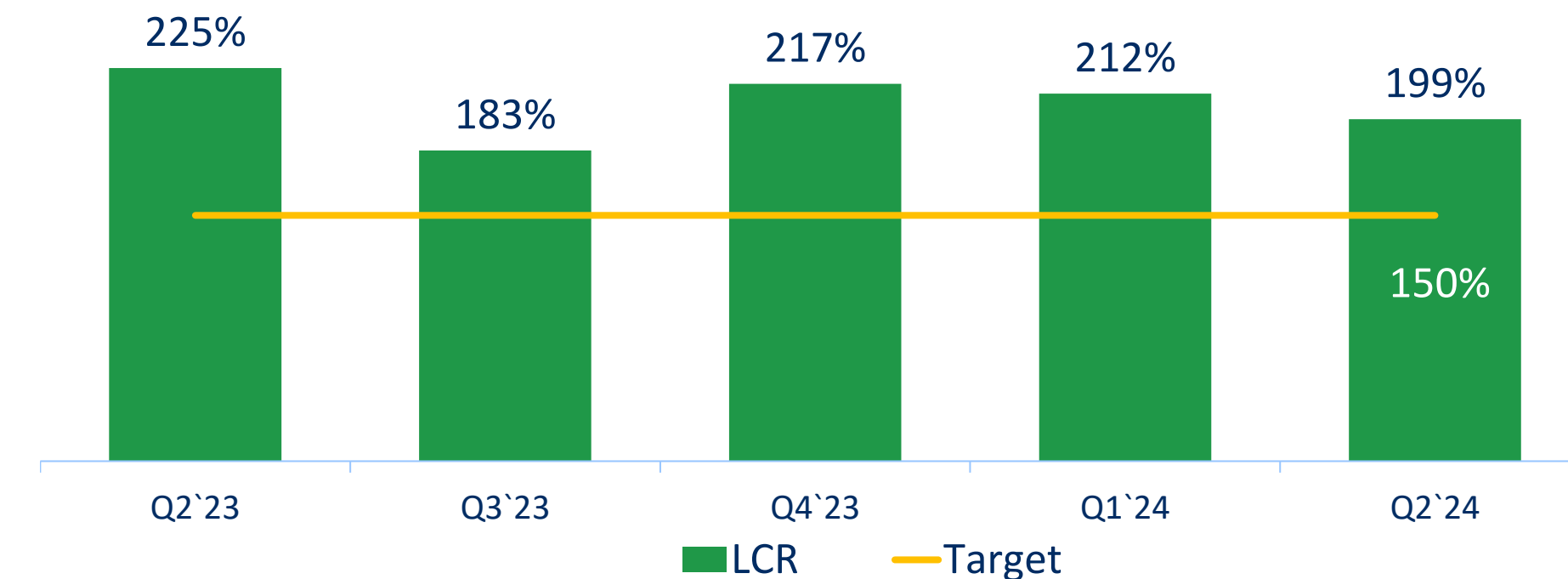
Sufficient Capital to Support Growth Going Forward and Future Capital Distribution



Risk Weighted Assets (RWA)



Liquidity Cover Ratio (LCR)



New Organisational Structure and Reporting Segments

	Corporate Clients	Private Clients	Investment Clients												
Description	<ul style="list-style-type: none"> Comprehensive daily banking solutions for corporate clients Leading provider of financing to Lithuanian SMEs and mid-cap corporations The market leader in renovation financing solutions Highly diversified loan book across different industries and regions Quick decision making and responsiveness Robust risk management framework and high asset quality 	<ul style="list-style-type: none"> Daily banking – Comprehensive financial solutions including current accounts, payments, and card services Mortgages – tailored mortgage solutions Consumer lending (SB Lizingas) – consumer financing products Private auto leasing – financing solutions for private car purchases Distribution of savings, investment and protection products Omnichannel reach with the largest branch network in LTU (54 branches in 36 cities) 	<ul style="list-style-type: none"> Asset management business – among the strongest in the Baltic region with best risk and return profile of pension funds in LTU ¹ Life insurance business – comprehensive life insurance and protection solutions DCM franchise – dominant position in Lithuania`s debt capital markets Trading and brokerage platform - convenient online platform for retail investors and tailored brokerage services for corporates and HNWI, including FX, derivative and repo trading 												
	Key Figures	<table border="0"> <tr> <td>€1.9bn Loans</td> <td>€1.3bn Deposits</td> </tr> <tr> <td>€79m Gross Revenue</td> <td>>21k # of clients</td> </tr> </table>	€1.9bn Loans	€1.3bn Deposits	€79m Gross Revenue	>21k # of clients	<table border="0"> <tr> <td>€1.2bn Loans</td> <td>€2.0bn Deposits</td> </tr> <tr> <td>€46m Gross Revenue</td> <td>>500k # of clients</td> </tr> </table>	€1.2bn Loans	€2.0bn Deposits	€46m Gross Revenue	>500k # of clients	<table border="0"> <tr> <td>>€1.3bn Assets</td> <td>€1.6bn RUM</td> </tr> <tr> <td>€34m Gross Revenue</td> <td>€92m Bonds Issued</td> </tr> </table>	>€1.3bn Assets	€1.6bn RUM	€34m Gross Revenue
€1.9bn Loans	€1.3bn Deposits														
€79m Gross Revenue	>21k # of clients														
€1.2bn Loans	€2.0bn Deposits														
€46m Gross Revenue	>500k # of clients														
>€1.3bn Assets	€1.6bn RUM														
€34m Gross Revenue	€92m Bonds Issued														

Source: Company disclosure

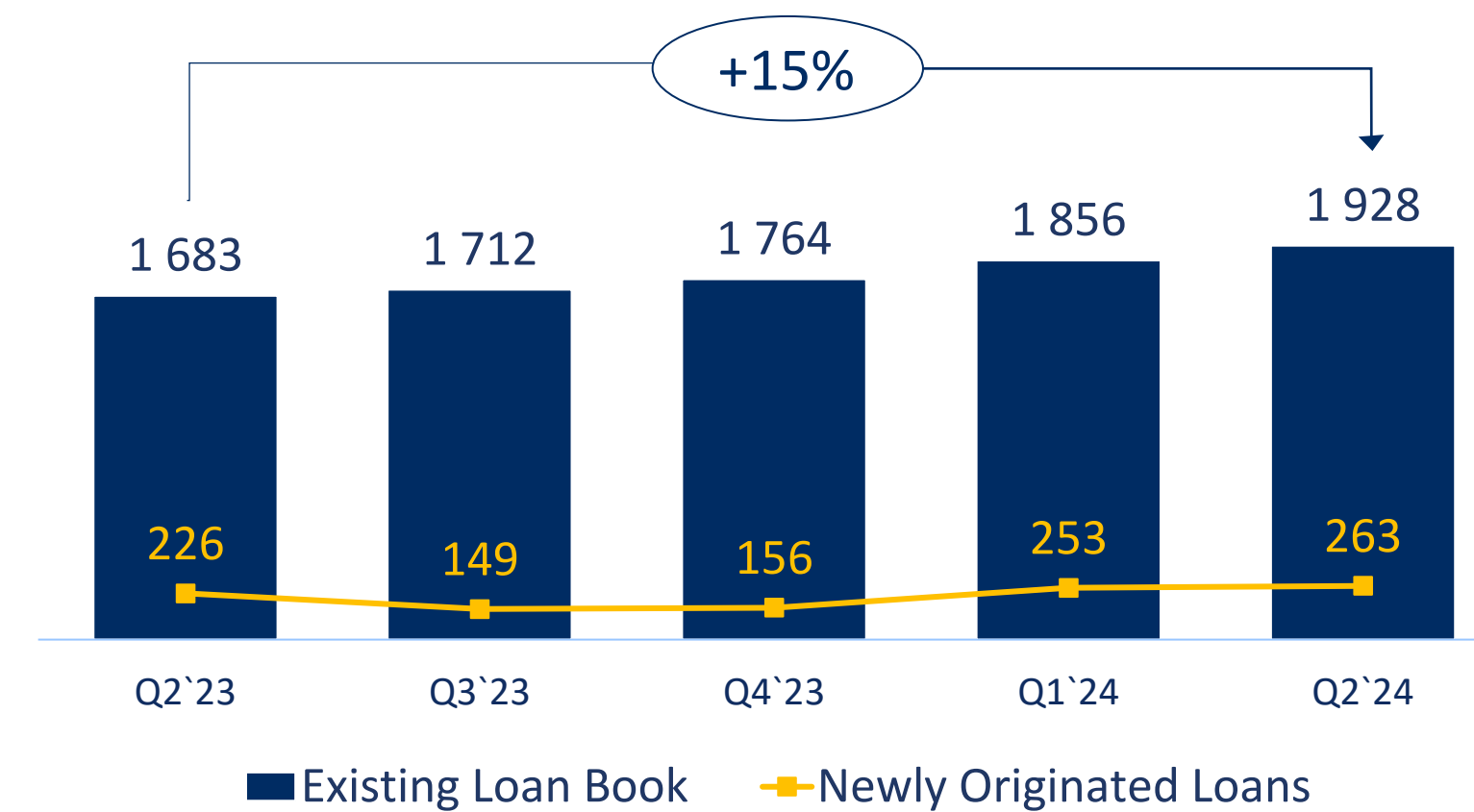
Notes: (1) Last three year results of INV L P2 (89/95, 82/88, 75/81) and INV L P3 pension funds in Lithuania

Corporate Clients Segment Development

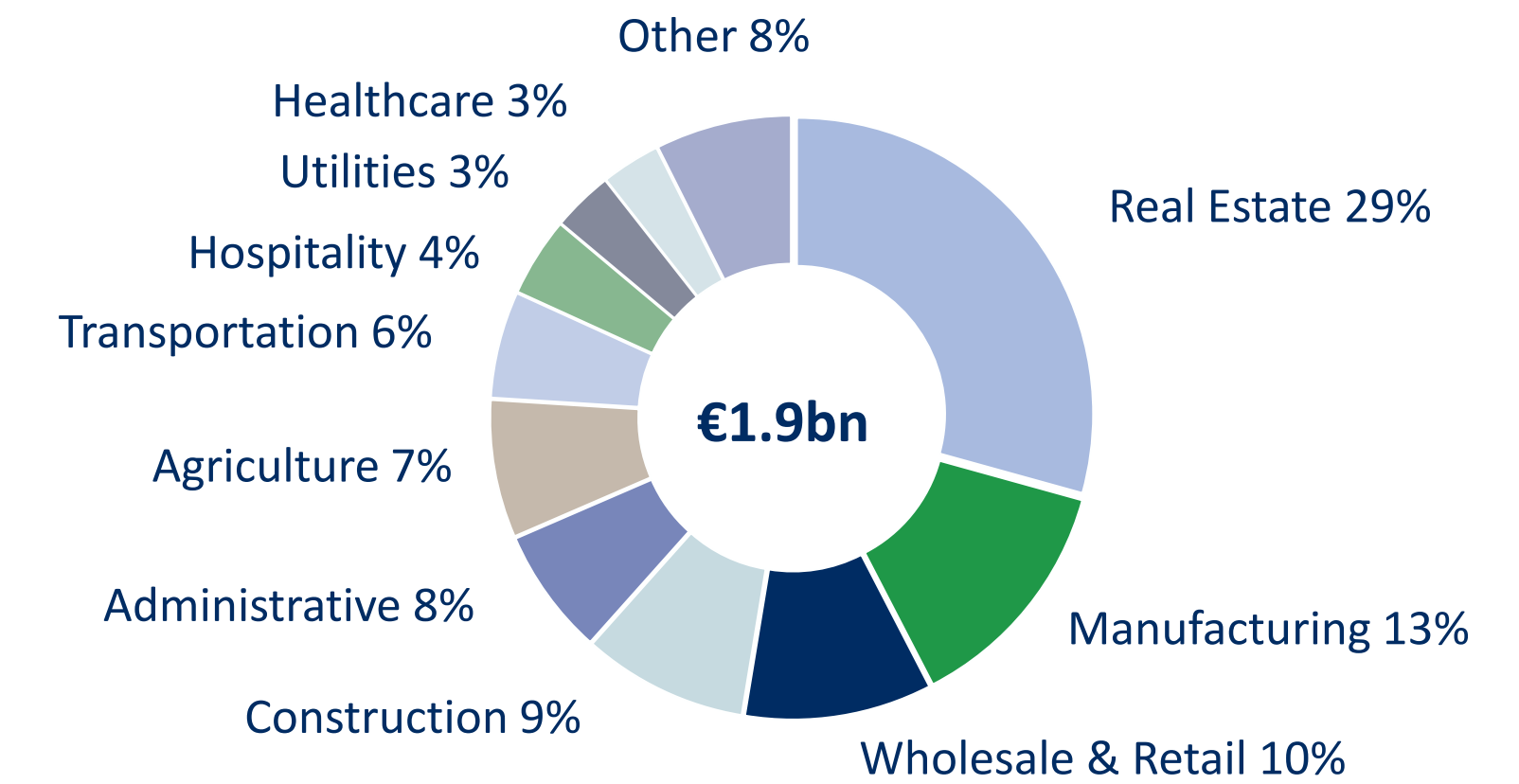
Key Highlights

- Continued strong loan book growth by 15% YoY with record high newly originated loans during the last quarter reaching €253 million
- Loan portfolio remains well diversified across business sectors
- Deposits showed strong YoY growth of 14%
- Conservative corporate loan book with the LTV ratios further reinforced with high collateralization levels

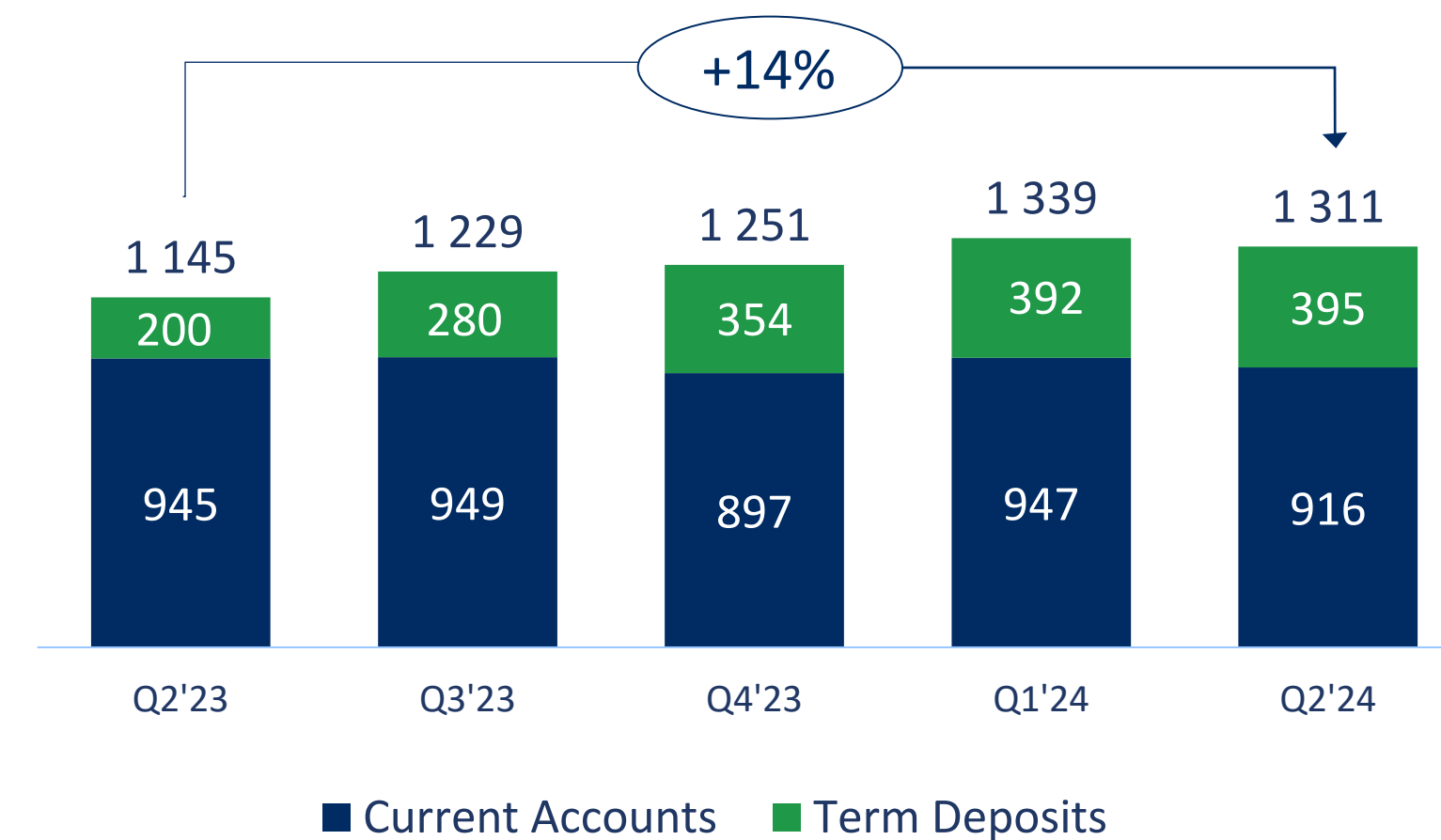
Corporate Loans (Q2`24) (€`m)



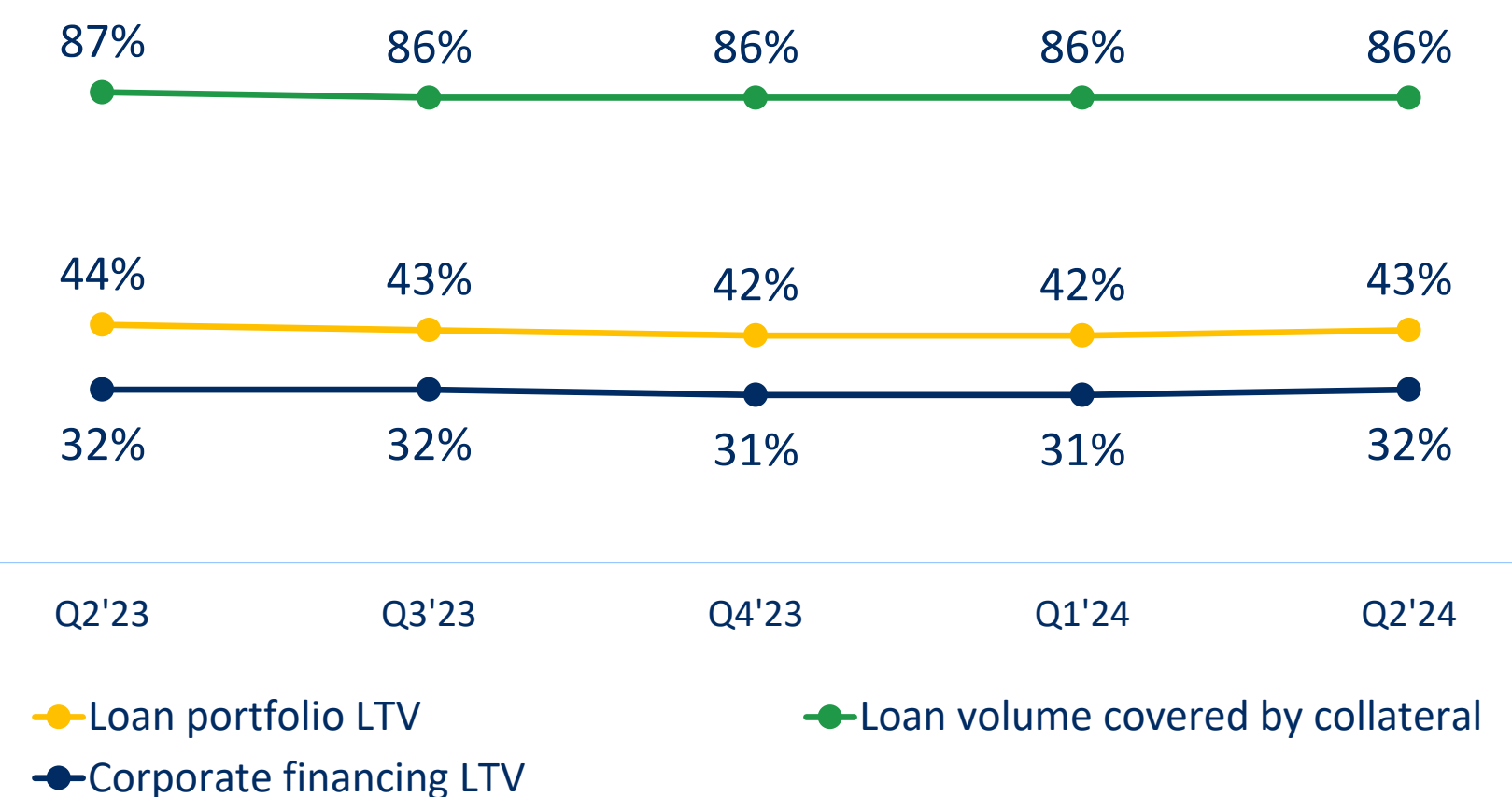
Corporate Loans by Sectors (Q2`24)



Deposits from Corporate Customers (Q2`24) (€`m)



Low LTV and High Collateralization

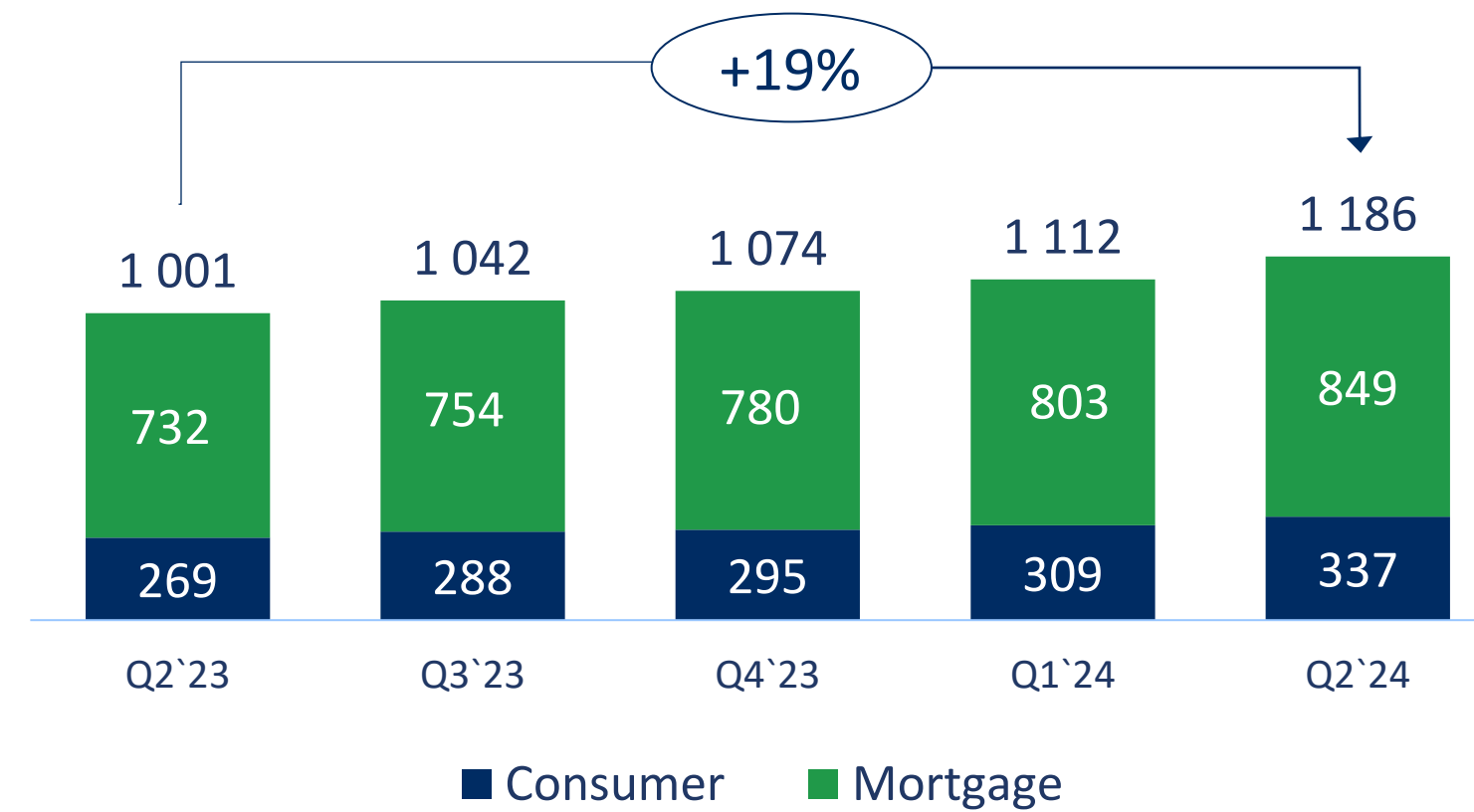


Private Clients Segment Development

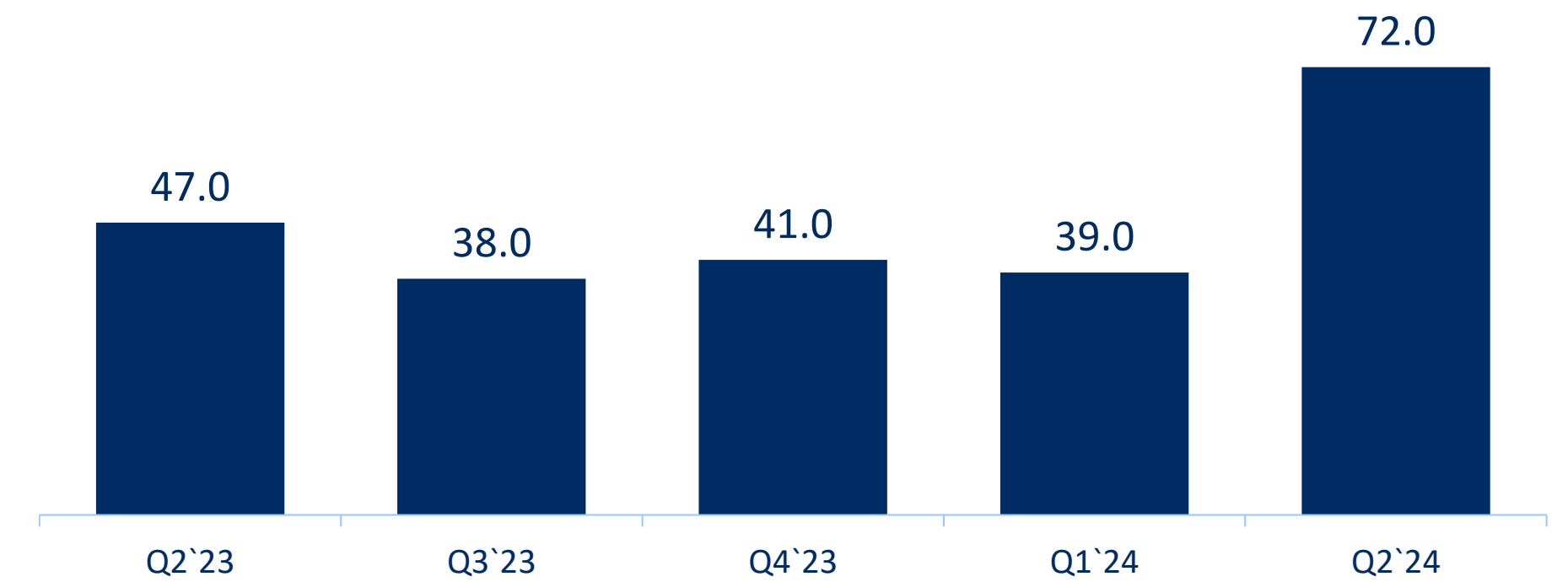
Key Highlights

- Mortgage originations rebounded to €72 million in Q2`24
- Consumer financing originations remain strong
- Retail deposits continued to grow steadily, surpassing the €2 billion mark for the first time
- Increased focus on customer centricity with the aim to enhance client experiences to a new level of excellence
- Strategic aim to expand cross-selling effort and become a one-stop shop for customer financial needs

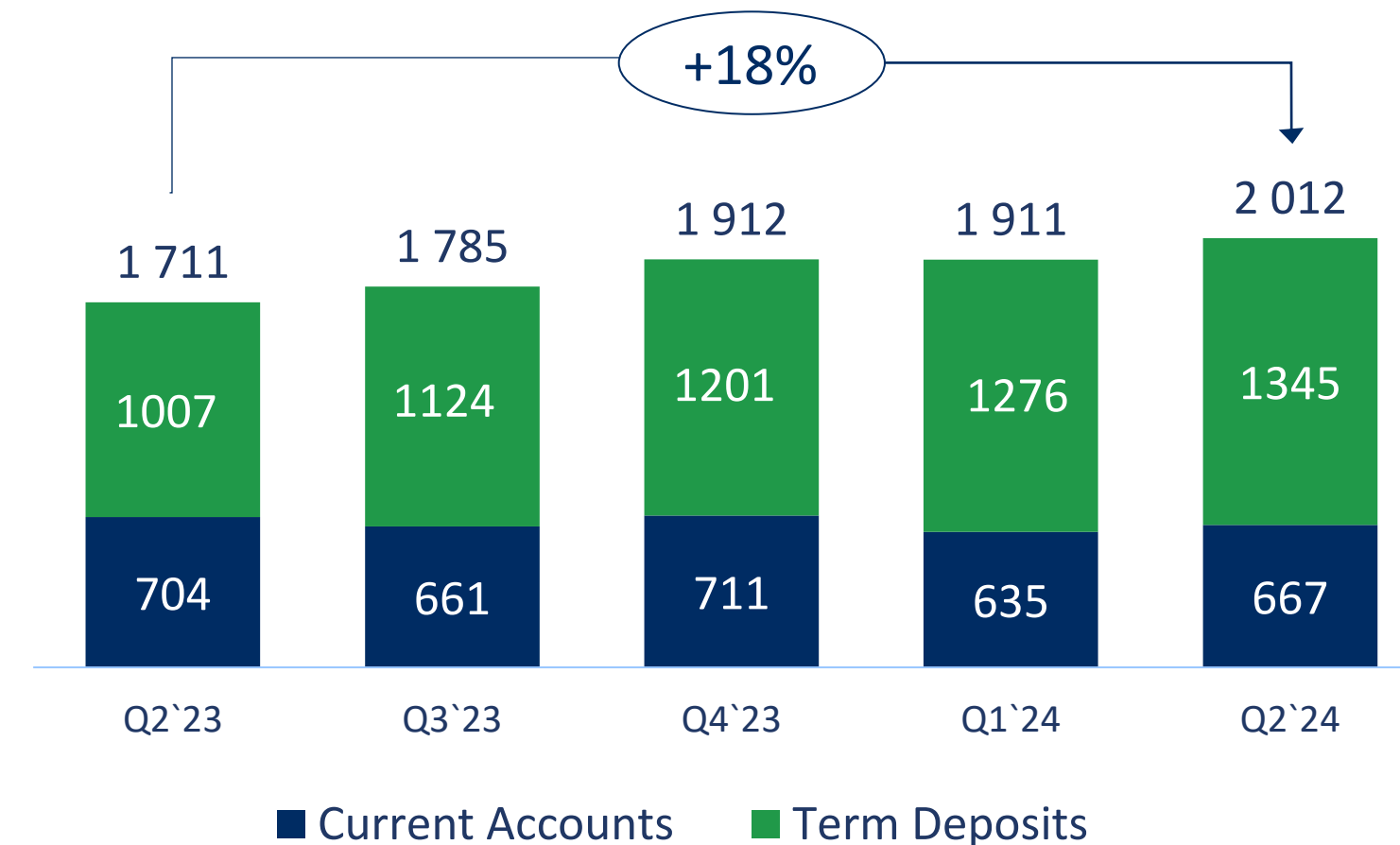
Private Loans (Q2`24) (€`m)



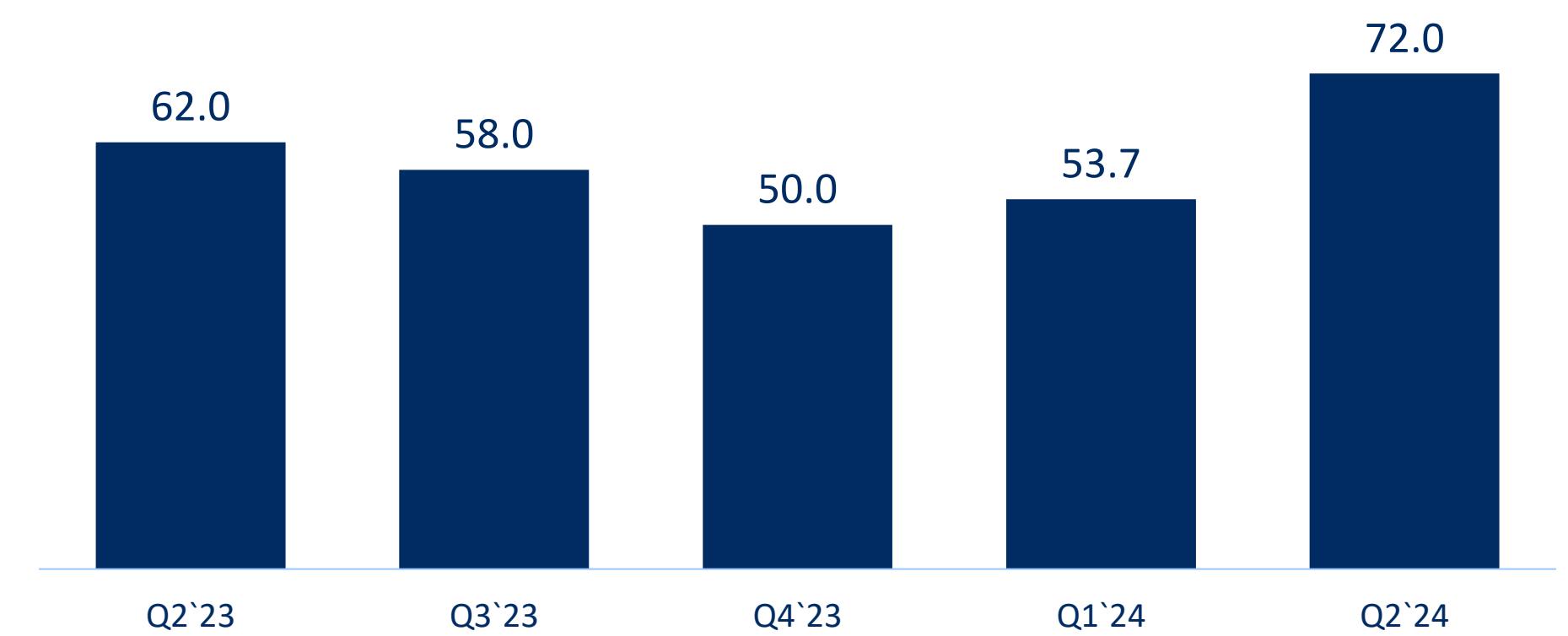
New Mortgage Agreements (Q2`24) (€`m)



Deposits from Private Banking Customers (Q2`24) (€`m)

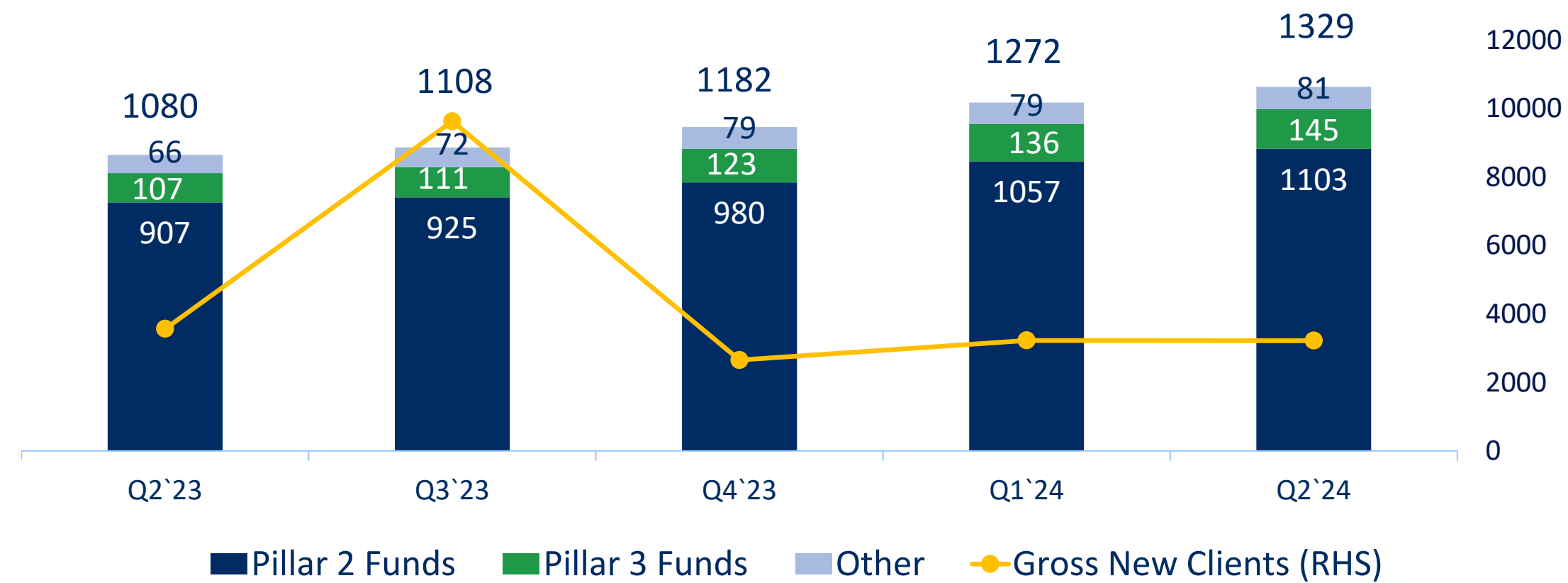


Newly Consumer Financing Agreements (Q2`24) (€`m)

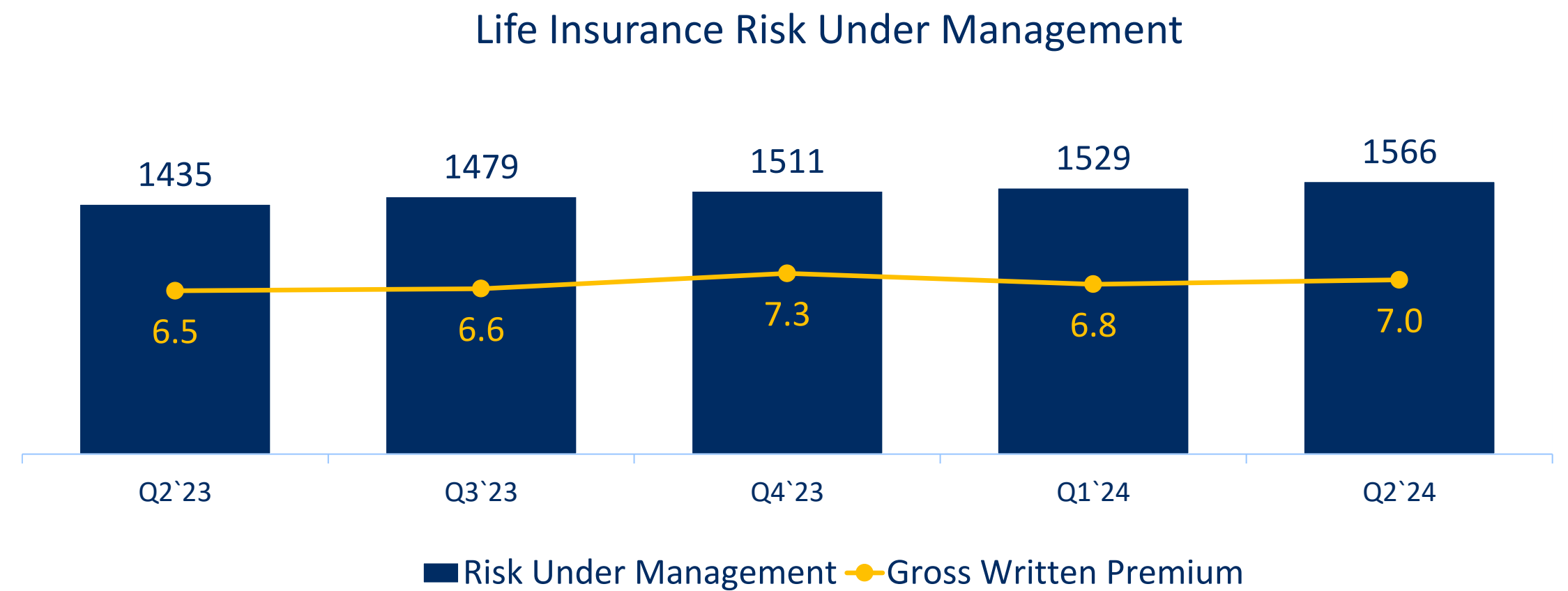


Investment Clients Segment Development

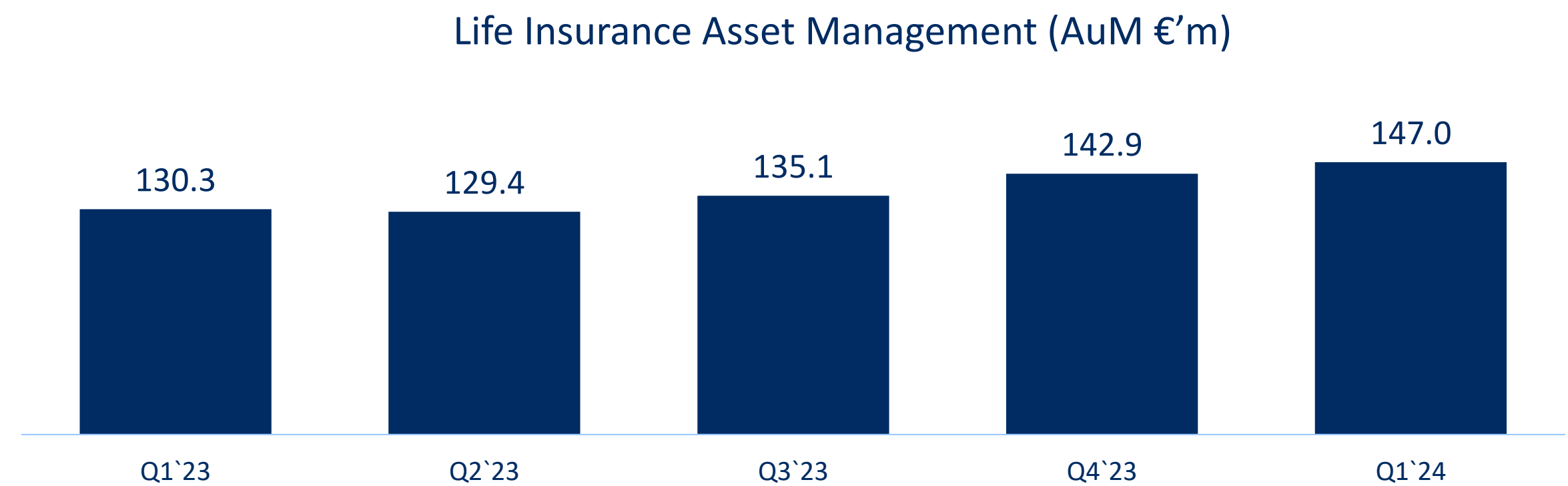
Asset Management (€`m)



Life Insurance (€`m)



- AuM exceeded €1.32 billion at the end of Q2`24 and grew by €57 million this year alone
- Tier II pension funds generated 2.8% return in the second quarter of this year and have maintained a very high average annual return rate of 10.1% in the last five years since the start of the pension reform of 2019
- Asset Management launched a pioneering open-ended investment fund “AIF III” providing retail investors access to private equity funds and private credit asset classes



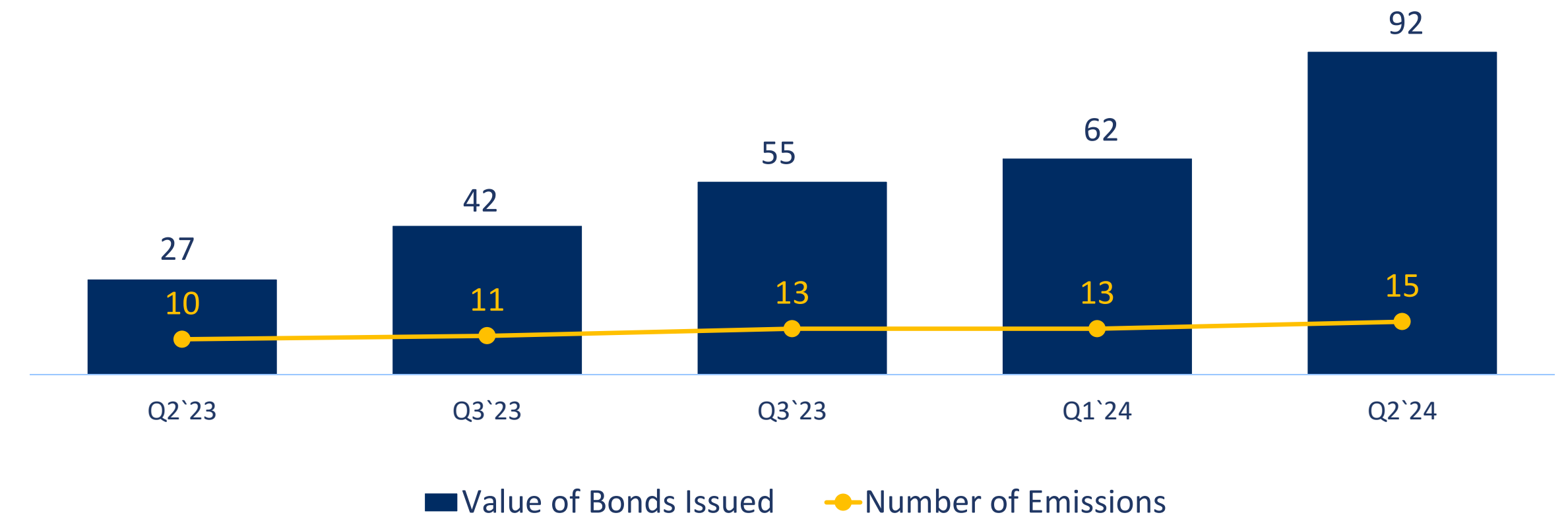
Investment Clients Segment Development

Leading Capital Markets Business

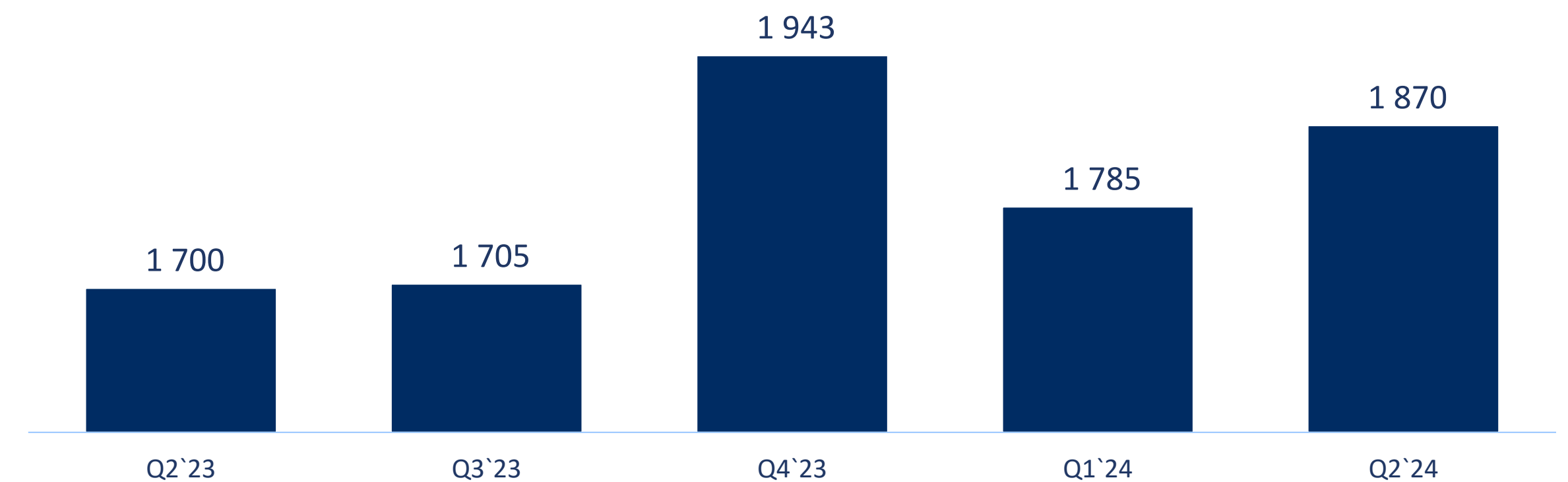
- Population in Lithuania is increasingly focusing on investing: the value of investments held in the bank amounted to €1.9 billion at the end of June, 10% higher than at the end of the first half of 2023
- Debt capital markets (DCM) services surged, with the bank organizing €92 million in corporate bond issues for 15 clients in Q2
- Šiaulių Bankas worked with multiple well known local companies during the quarter helping them to access capital markets



Bonds Originated by the Bank in Primary Market (Q2`24) (€`m)



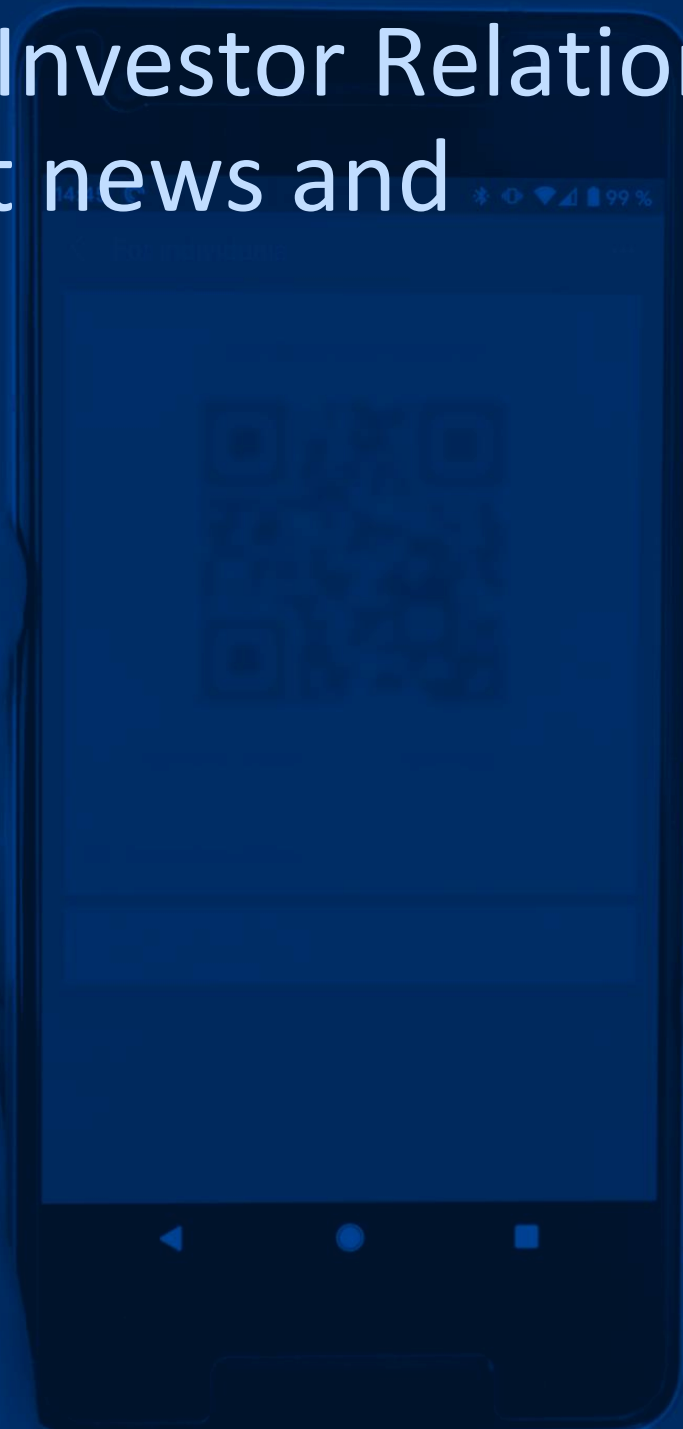
Assets Under Custody (Q2`24) (€`m)



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Appendix

Income Statement

	Q2`24	Q2`23	%Δ QoQ	H1`24	H1`23	%Δ YoY
<i>In EUR`000</i>						
Interest income	61 106	46 943	30%	120 647	86 953	39%
Other similar income	7 087	5 373	32%	13 027	9 526	37%
Interest expense	(27 143)	(12 343)	120%	(53 044)	(21 112)	151%
Net interest income	41 050	39 973	3%	80 630	75 367	7%
Fee and commission income	9 430	6 980	35%	18 140	13 311	36%
Fee and commission expense	(2 176)	(1 866)	17%	(4 403)	(3 559)	24%
Net fee and commission income	7 254	5 114	42%	13 737	9 752	41%
Net gain from trading activities	3 706	3 450	7%	10 893	6 275	74%
Revenue related to insurance activities	2 977	(231)	N/A	6 975	2 347	197%
Other operating income	57	246	(77%)	237	1 296	(82%)
Total revenue	55 044	48 552	13%	112 472	95 037	18%
Salaries and related expenses	(11 885)	(8 034)	48%	(23 174)	(16 838)	38%
Depreciation and amortization expenses	(1 874)	(1 266)	48%	(3 676)	(2 612)	41%
Expenses related to insurance activities	(3 865)	(774)	399%	(11 436)	(4 046)	183%
Other operating expenses	(10 375)	(5 679)	83%	(17 130)	(11 406)	50%
Total operating expenses	(27 999)	(15 753)	78%	(55 416)	(34 902)	59%
Operating profit before impairment losses	27 045	32 799	(18%)	57 056	60 135	(5%)
Allowance for impairment losses	(1 723)	(2 577)	(33%)	(3 916)	(5 339)	(27%)
Profit before income tax	25 322	30 222	(16%)	53 140	54 796	(3%)
Income tax expense	(4 795)	(7 917)	(39%)	(10 148)	(13 338)	(24%)
Net profit	20 527	22 305	(8%)	42 992	41 458	4%

Statement of Financial Position

	Jun`24	Mar`24	%Δ QoQ	Dec`23	%Δ YTD	Jun`23	%Δ YoY
<i>In EUR`000</i>							
ASSETS							
Cash and cash equivalents	675 846	675 561	0%	751 499	(10%)	420 607	61%
Securities in the trading book	218 793	221 928	(1%)	207 677	5%	63 911	242%
Due from other banks	3 354	2 629	28%	3 013	11%	2 741	22%
Derivative financial instruments	856	660	30%	251	241%	389	120%
Loans to customers	2 874 480	2 759 453	4%	2 645 104	9%	2 519 009	14%
Finance lease receivables	313 542	285 407	10%	286 533	9%	272 280	15%
Investment securities at fair value	59 455	75 434	(21%)	74 500	(20%)	75 143	(21%)
Investment securities at amortized cost	797 902	809 977	(1%)	751 227	6%	804 446	(1%)
Investments in subsidiaries and associates	200	200	0%	100	100%	100	100%
Intangible assets	44 846	44 835	0%	45 138	(1%)	8 920	403%
Property, plant and equipment	15 389	15 310	1%	15 781	(2%)	15 494	(1%)
Other assets	31 469	31 563	(0%)	28 498	10%	27 457	15%
Total assets	5 036 132	4 922 957	2%	4 809 321	5%	4 210 497	20%
LIABILITIES							
Due to other banks and financial institutions	576 629	560 177	3%	569 994	1%	553 232	4%
Derivative financial instruments	213	167	28%	1 041	(80%)	579	(63%)
Due to customers	3 322 711	3 250 051	2%	3 162 657	5%	2 856 013	16%
Debt securities in issue	305 169	280 910	9%	276 480	10%	224 834	36%
Liabilities related to insurance activities	189 053	185 172	2%	179 318	5%	38 710	388%
Other liabilities	60 516	84 839	(29%)	48 448	25%	37 228	63%
Current income tax liabilities	2 702	11 461	(76%)	6 412	(58%)	11 577	(77%)
Deferred income tax liabilities	6 149	6 113	1%	6 125	0%	1 423	332%
Special and lending funds	17 518	10 731	63%	15 718	11%	17 460	0%
Total liabilities	4 480 660	4 389 621	2%	4 266 193	5%	3 741 056	20%
EQUITY							
Share capital	192 269	192 269	0%	192 269	0%	174 211	10%
Share premium	25 534	25 534	0%	25 534	0%	3 428	645%
Treasury shares (-)	(900)	(2 400)	(63%)	(1 500)	(40%)	-	#DIV/0!
Reserve capital	756	756	0%	756	0%	756	0%
Statutory reserve	61 027	61 004	0%	47 803	28%	47 804	28%
Reserve for acquisition of own shares	20 000	20 000	0%	20 000	0%	20 000	0%
Financial assets revaluation reserve	(4 368)	(4 767)	(8%)	(5 426)	(19%)	(7 786)	(44%)
Other equity	1 480	1 697	(13%)	1 697	(13%)	1 700	(13%)
Retained earnings	259 674	239 243	9%	261 995	(1%)	229 328	13%
Total equity	555 472	533 336	4%	543 128	2%	469 441	18%
Total liabilities and equity	5 036 132	4 922 957	2%	4 809 321	5%	4 210 497	20%

Life Insurance Income Reconciliation

Net Interest Income	H1`24	H1`23	%Δ
<i>In €`m</i>			
Interest income	119.8	87.0	38%
Interest income (unit-linked contracts)	0.8	0.0	NA
Other similar income	13.0	9.5	37%
Interest expense	(53.0)	(21.1)	151%
Net interest income	80.6	75.4	7%

Other Income	H1`24	H1`23	%Δ
<i>In €`m</i>			
Net gain from trading activities	3.8	3.8	1%
Net gain from trading activities (unit-linked contracts)	7.1	2.5	185%
Revenue related to insurance activities	7.0	2.3	197%
Other income	0.2	1.3	(82%)
Total other income	18.1	9.9	83%

Other Operating Expense	H1`24	H1`23	%Δ
<i>In €`m</i>			
Expenses related to insurance activities	(3.5)	(1.6)	126%
Expenses related to insurance activities (unit-linked contracts)	(7.9)	(2.5)	218%
Other operating expenses	(17.1)	(11.4)	50%
Depreciation and amortization expenses	(3.7)	(2.6)	41%
Other operating expenses	(32.2)	(18.1)	78%

Revenue related to insurance activities	€7.1m
Net gain from trading activities (unit-linked contracts)	€7.0m
Interest income (unit-linked contracts)	€0.8m
Life insurance revenues	€14.9m

Expenses related to insurance activities (unit-linked contracts)	€(7.9m)
Life insurance revenues (excl. unit linked impact)	€7.0m

Expenses related to insurance activities	€(3.5m)
Life insurance net revenue	€3.5m

While investment returns and expenses on unit-linked contracts are passed through to policyholders, insurance companies under IFRS 17 are required to recognise this income and expenses on gross basis in its financial statements (net impact is zero)

Key Financial Targets

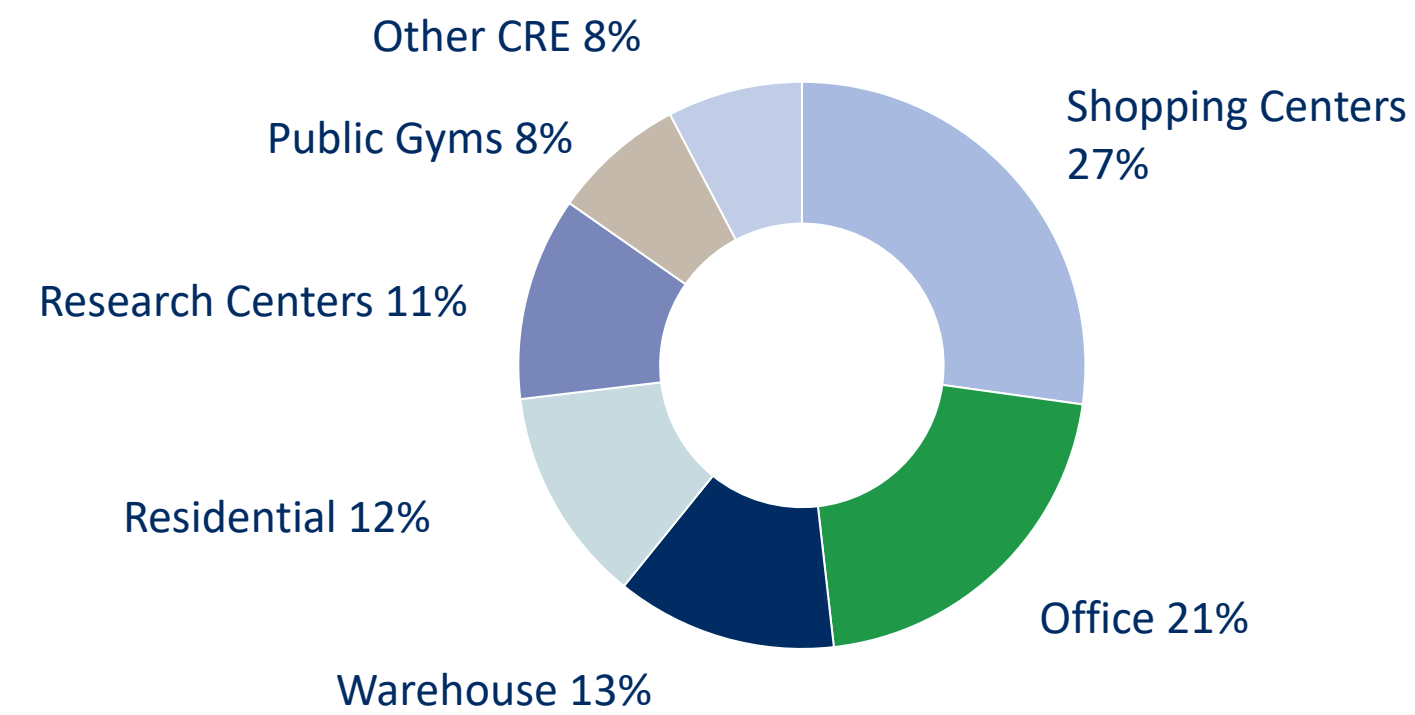
Focus Areas		2024	2025	2026	2027–2029
Growth	Loan Book	€3.3bn	€3.7bn	€4.1bn	CAGR: ~8%
	Deposits	€3.3bn	€3.6bn	€4.0bn	CAGR: ~10%
	Operating Profit	€202m	€211m	€243m	CAGR: ~10%
	Net Fee and Commission Income	€27m	€29m	€33m	CAGR: ~20%
Efficiency	Cost-to-Income Ratio	49.7%	53.2%	48.8%	Below 47.5%
Profitability	Return On Equity	13.7%	13.1%	15.0%	Above 15.0%
Shareholder Returns	Minimum Payout Policy	25% Dividends + Share Buy-backs			

CRE Portfolio Analysis

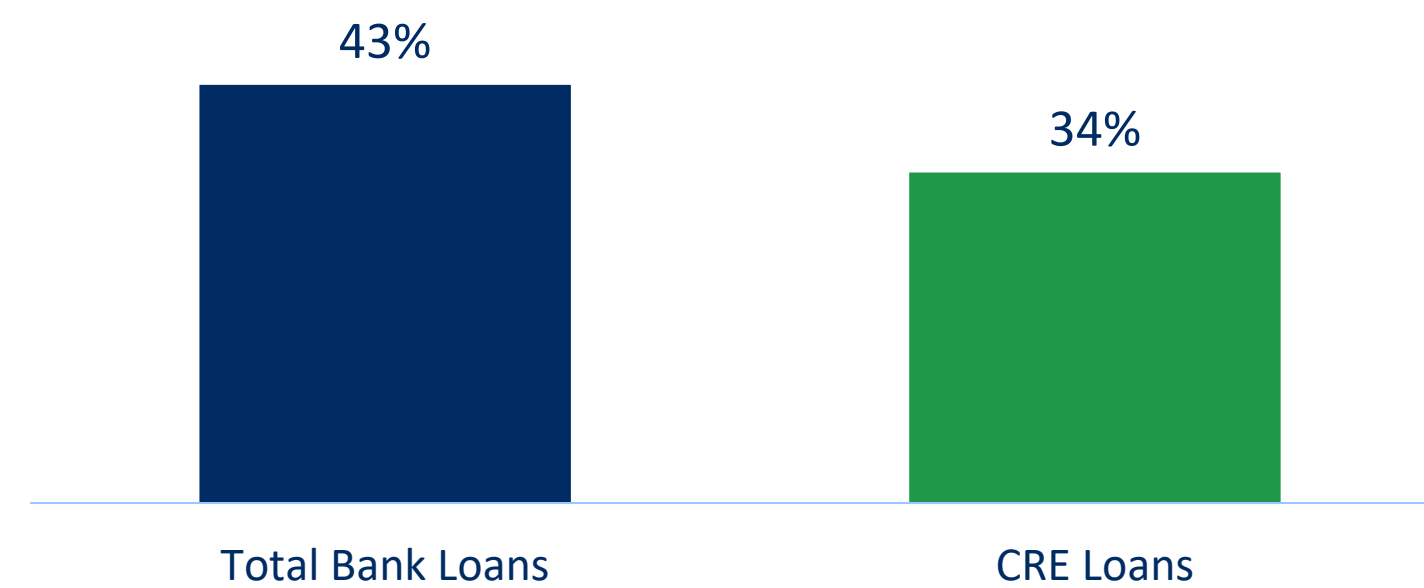
Conservative and diversified CRE portfolio

CRE: Underlying Property Types

Top 20 Corporate Real Estate Client Breakdown by Asset Class (Q2`24)

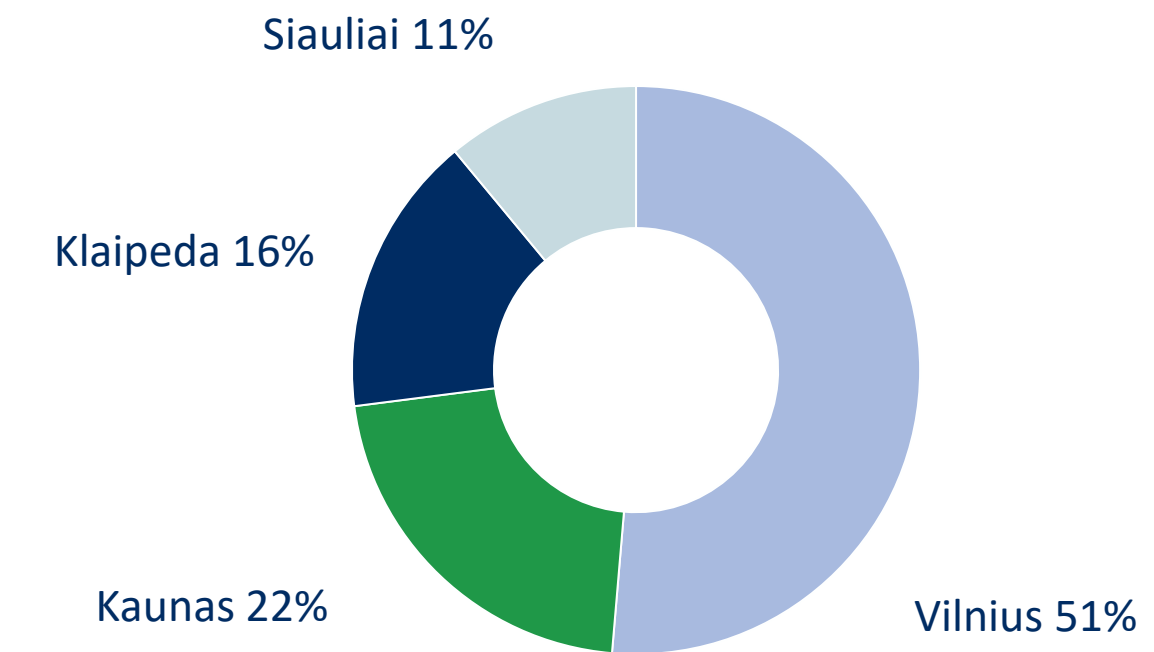


CRE Portfolio Defined by Low LTV Ratios (Q2`24)

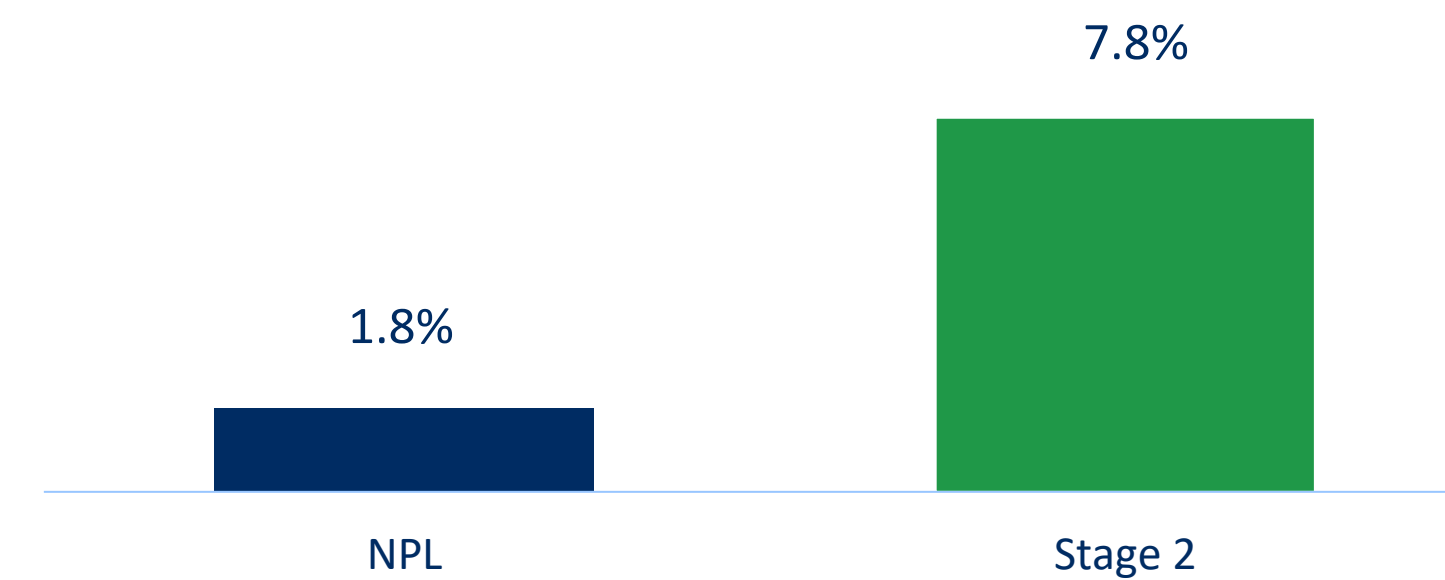


CRE: High Geographic Diversification

CRE Split by Region (Q2`24)



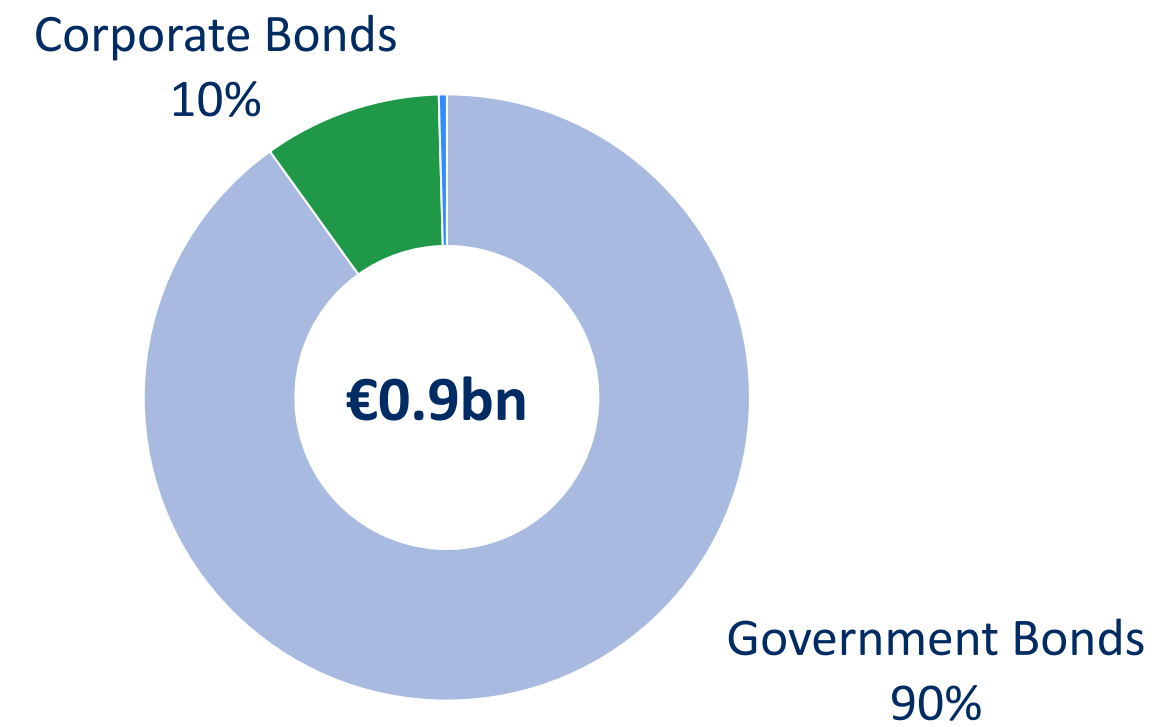
Low NPL Levels Across CRE Loans (Q2`24)



Solid Liquidity Position

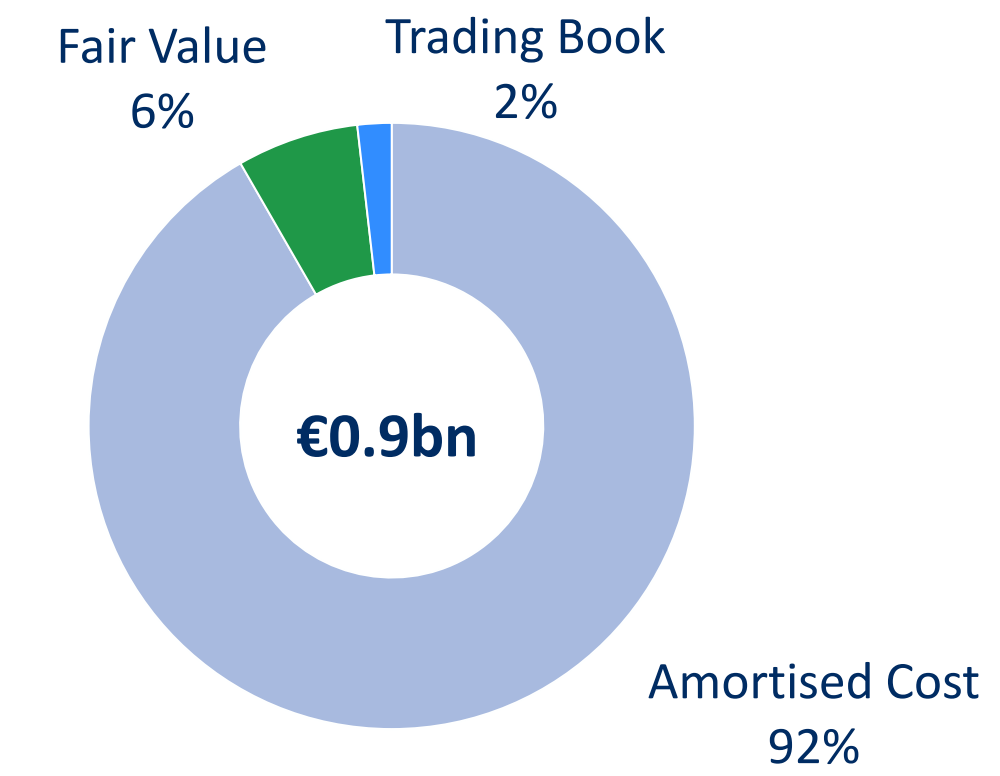
Securities Portfolio (Q2`24)

By Security Type, Bank-only



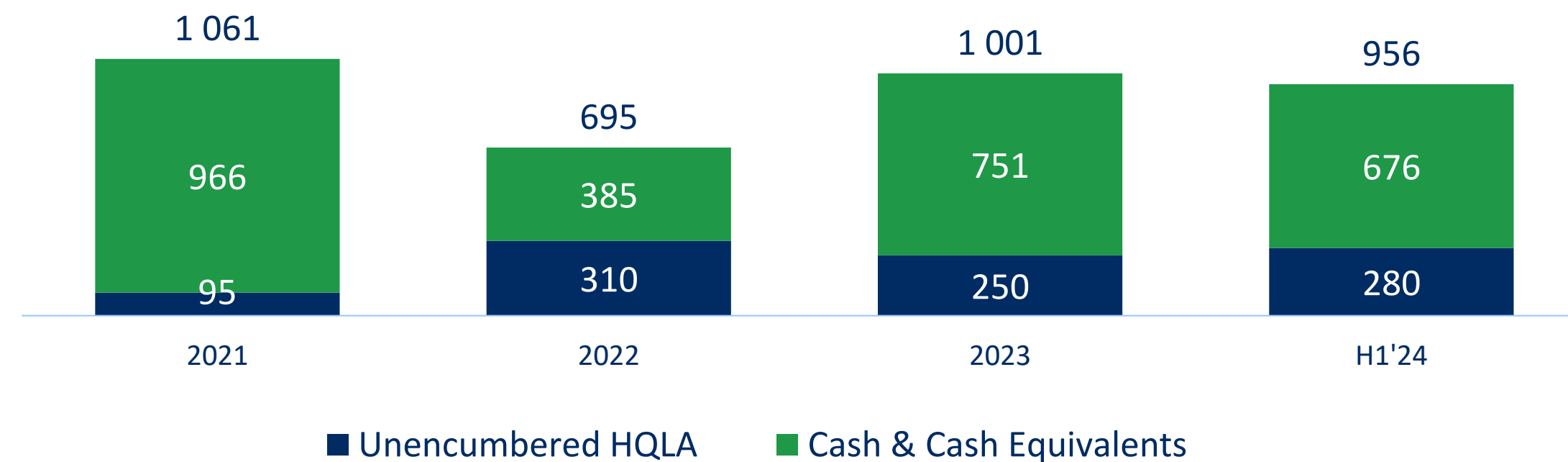
Securities Portfolio (Q2`24)

By Accounting Method, Bank-only



Liquid Assets (€`m)

Group Figures



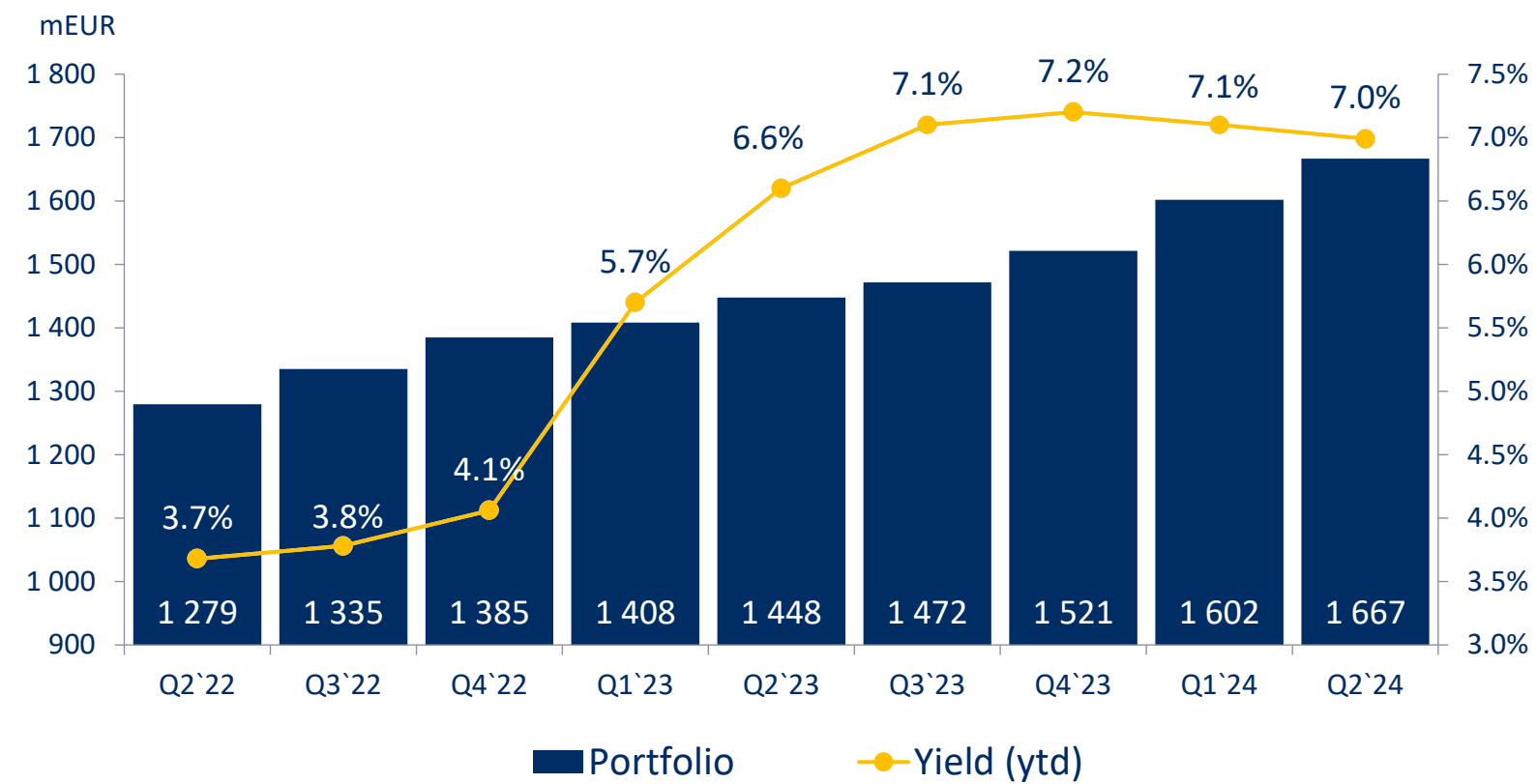
Strong Liquidity Position (Q2`24)

Group Figures

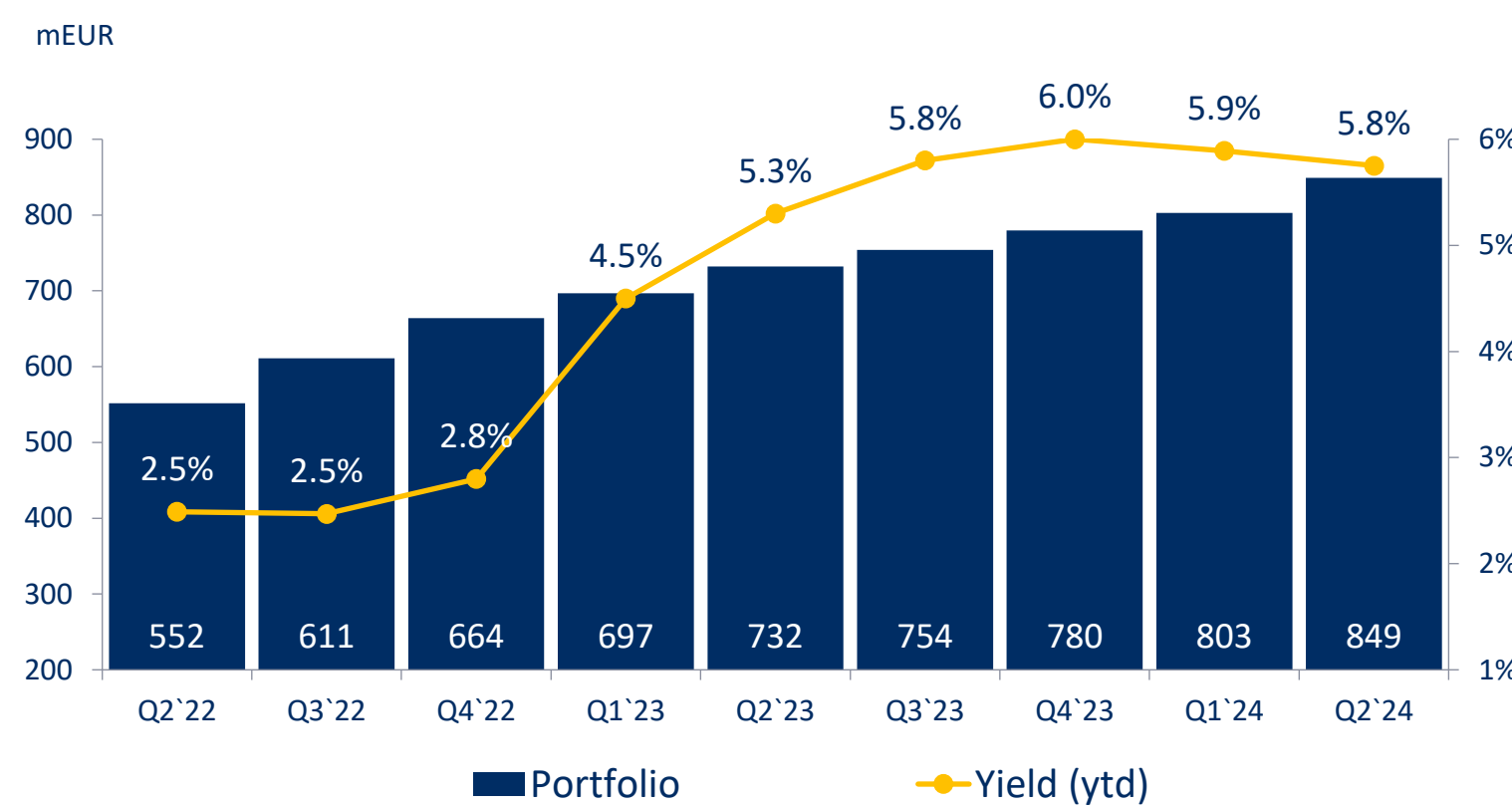


Loan Portfolio Segments Performance

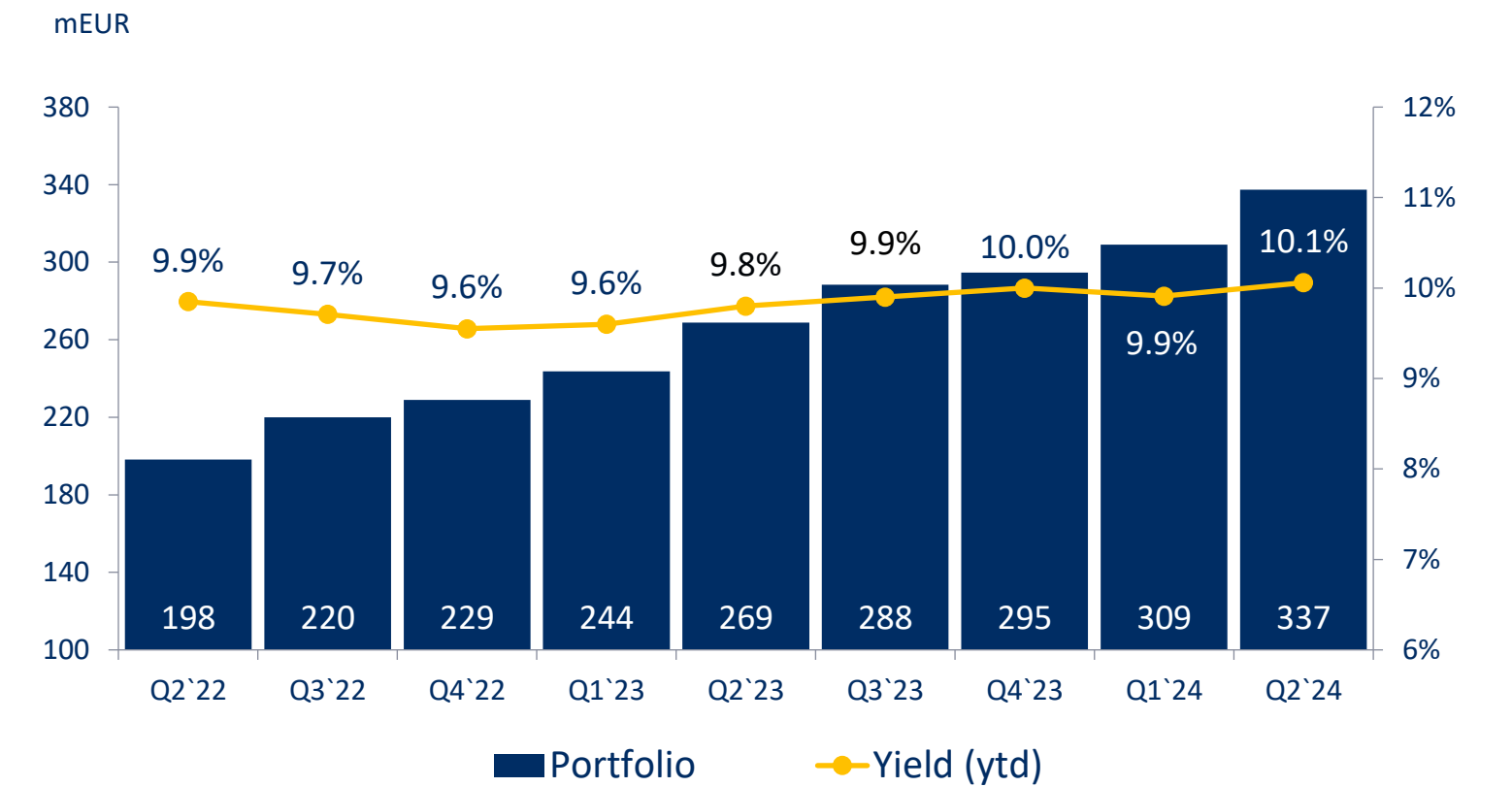
Corporate Lending – Portfolio⁽¹⁾



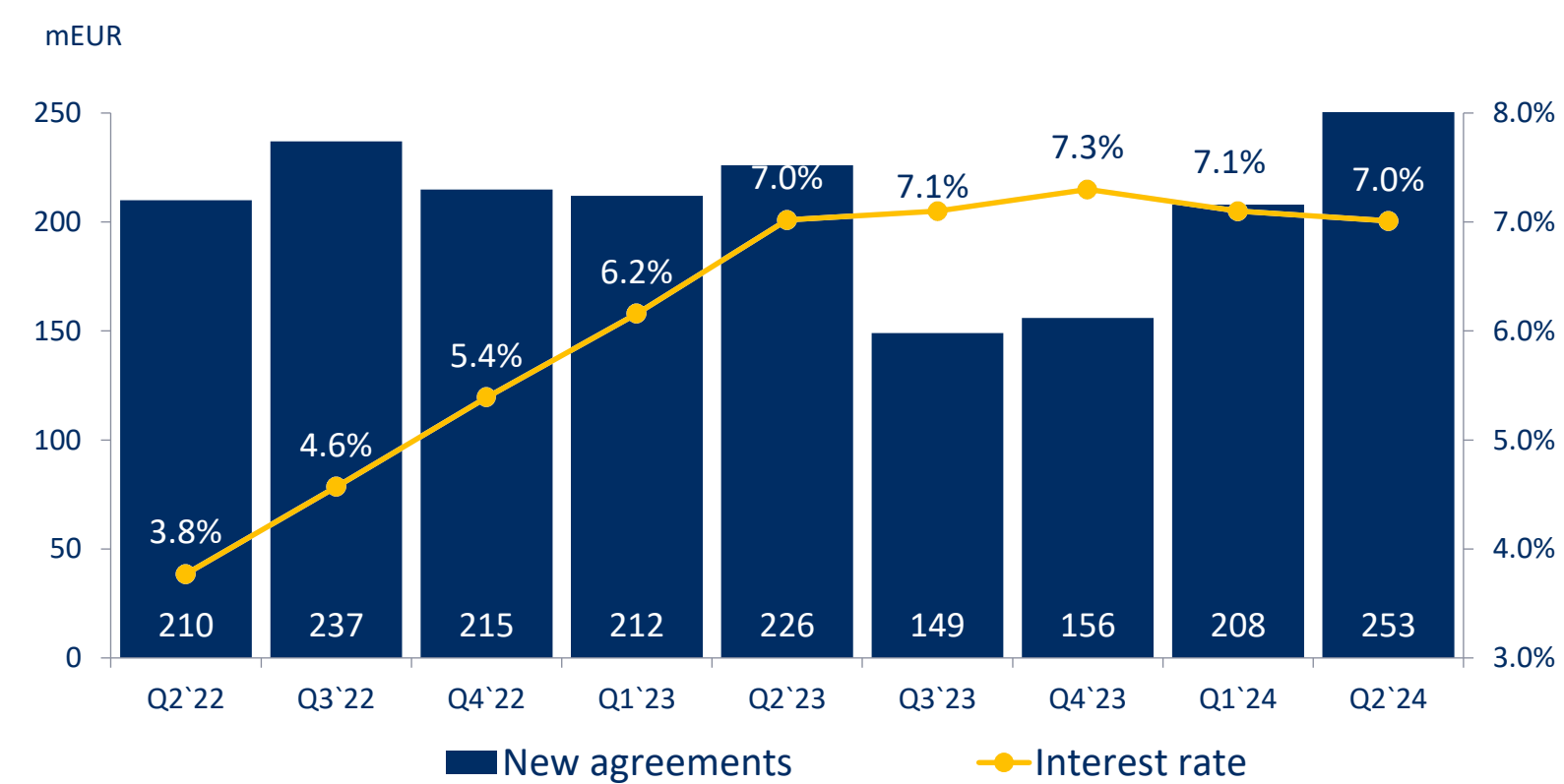
Mortgage – Portfolio



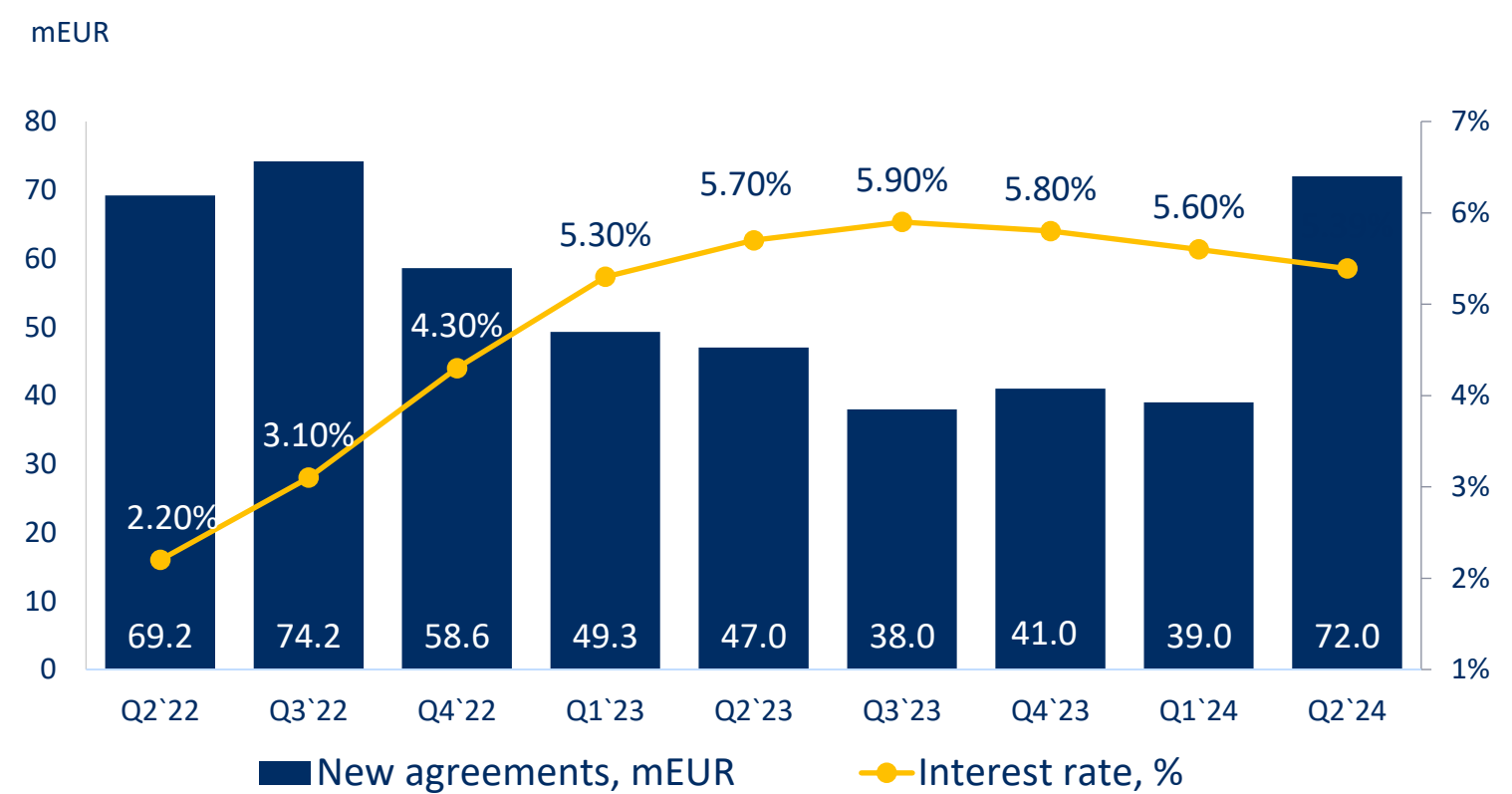
Consumer Financing – Portfolio



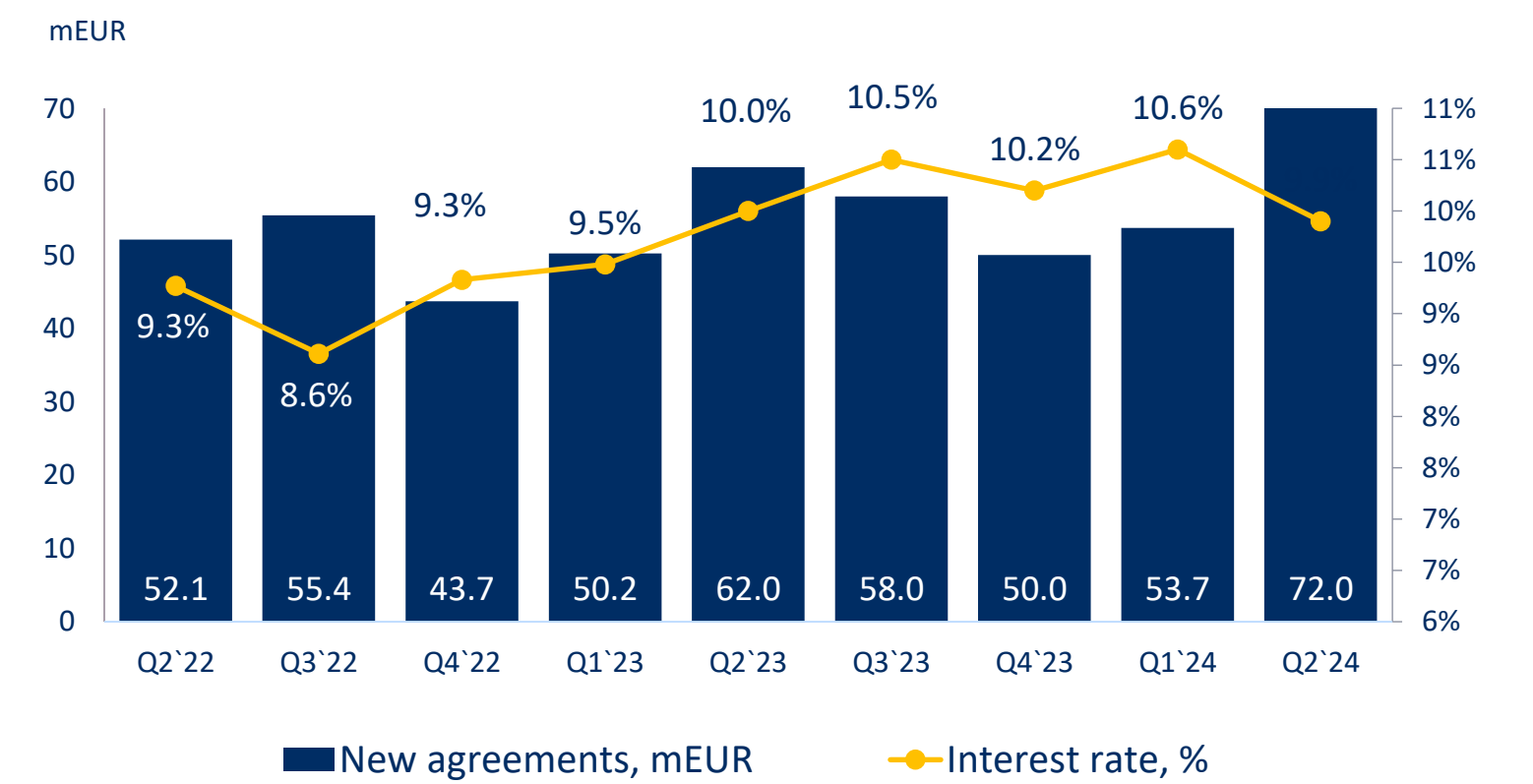
Corporate Lending – New Agreements Signed⁽¹⁾



Mortgage – New Agreements Signed



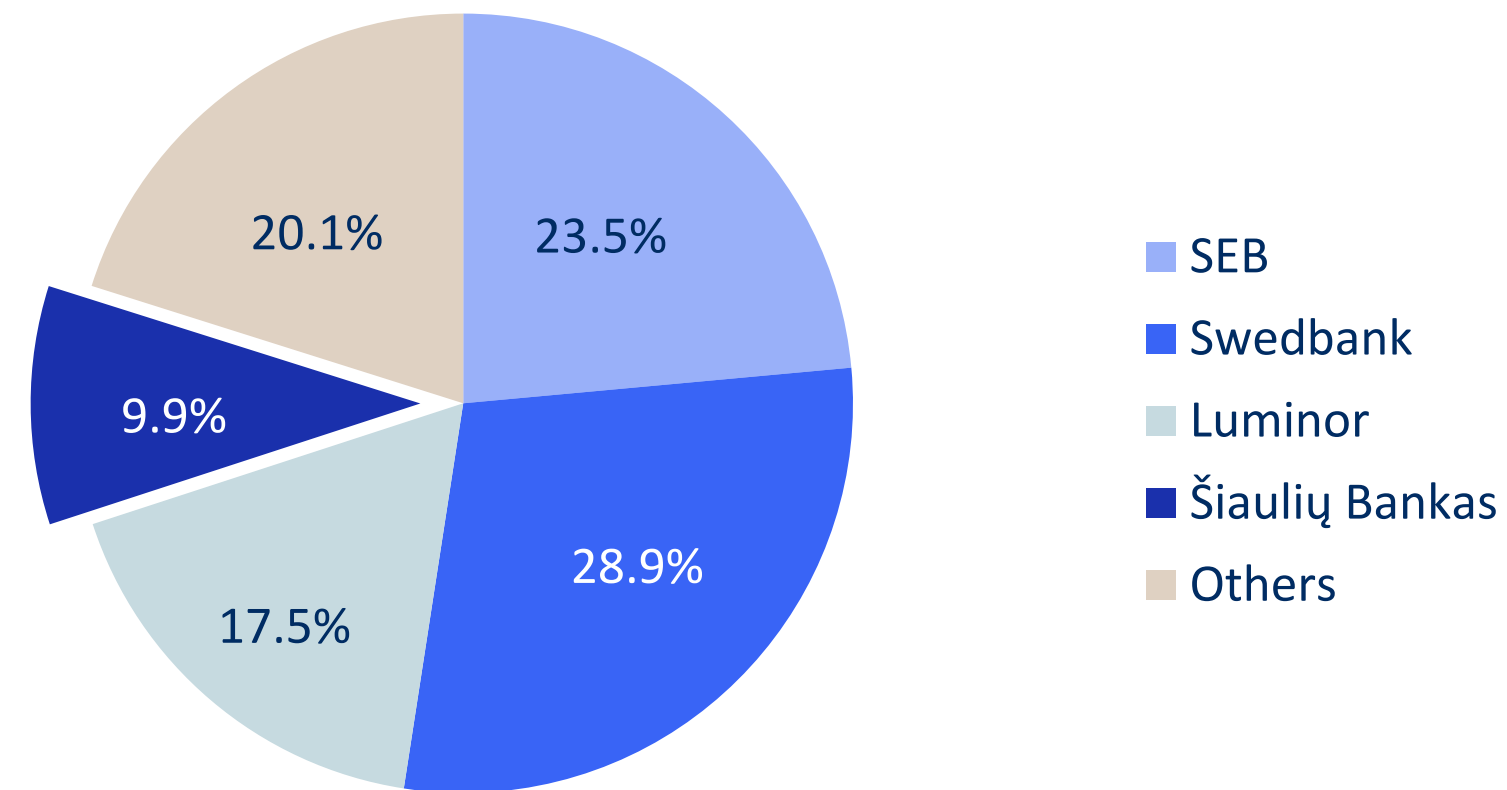
Consumer Financing – New Agreements Signed



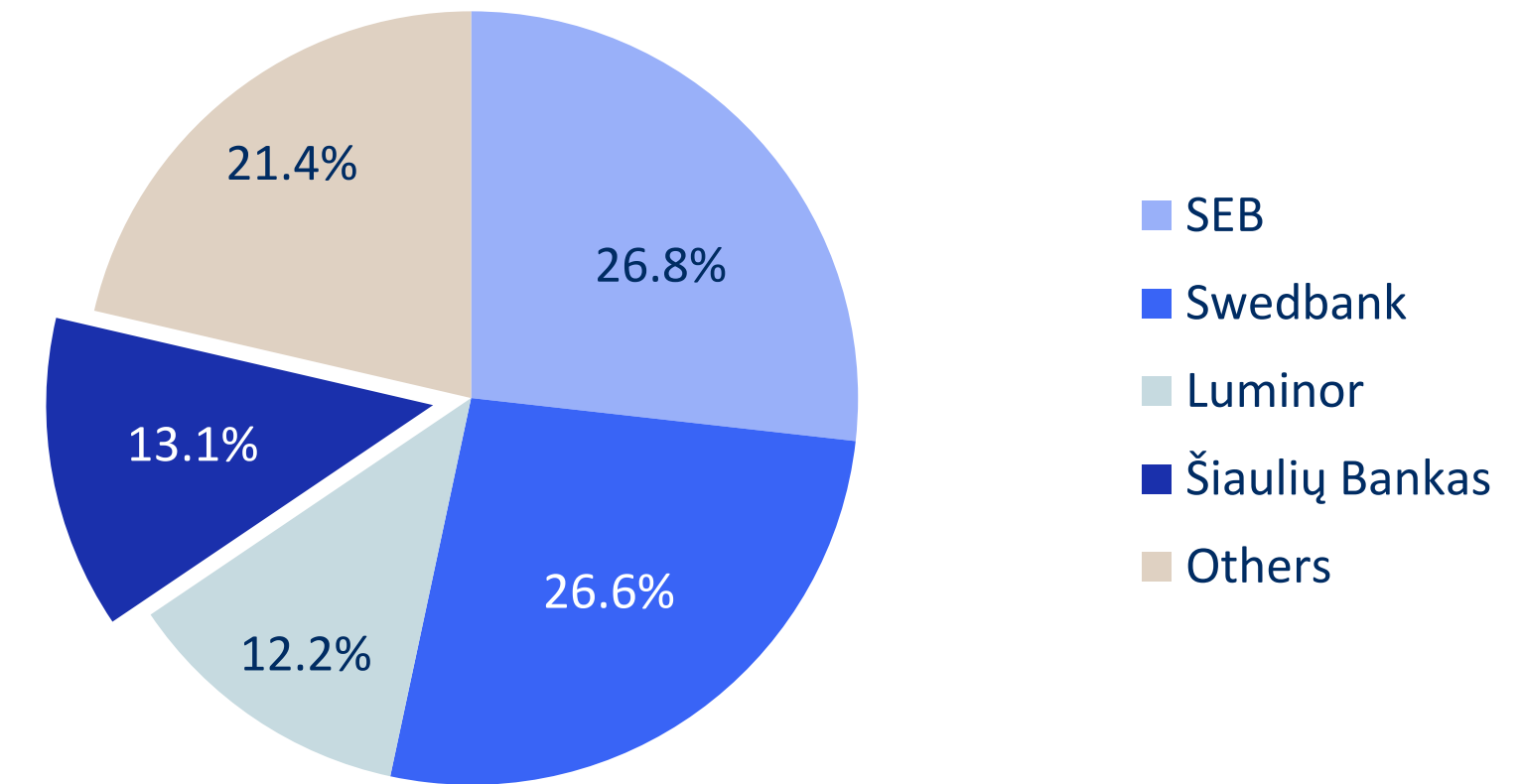
Notes: (1) Includes Financial Institutions (previously allocated to Other segment).

Šiaulių Bankas Market Share in Lithuania

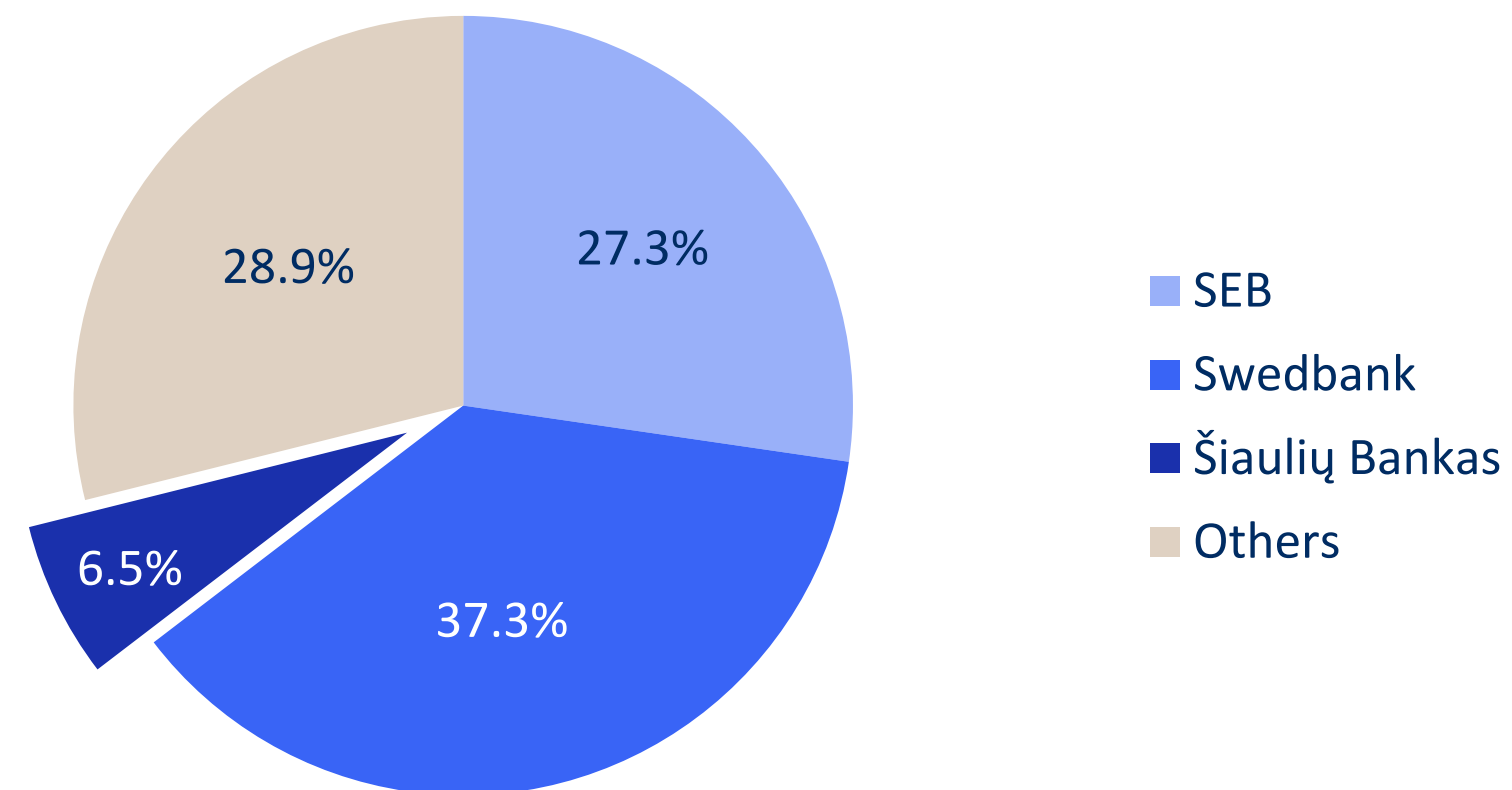
Loan Portfolio Market⁽¹⁾



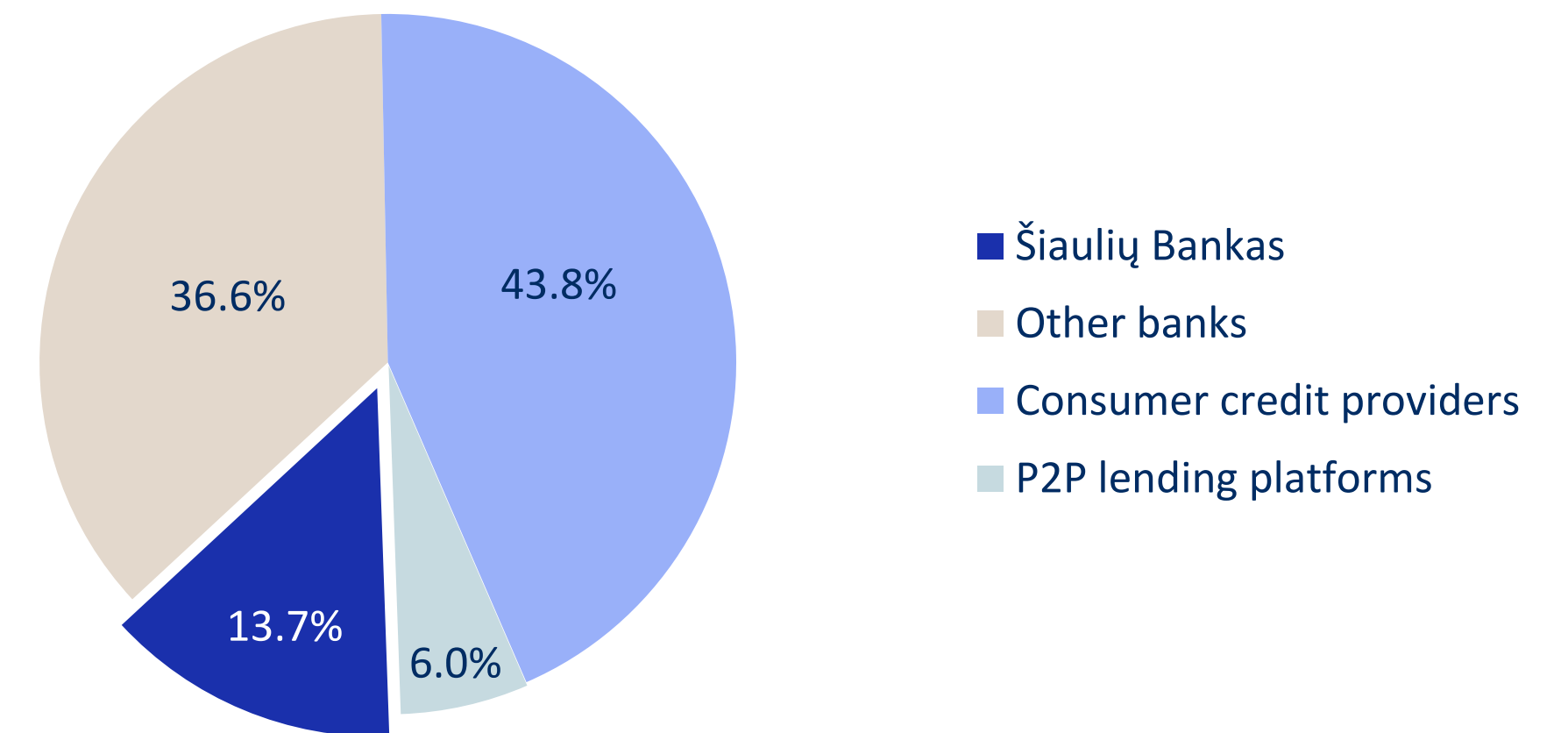
Corporate Lending⁽¹⁾



Mortgage⁽¹⁾



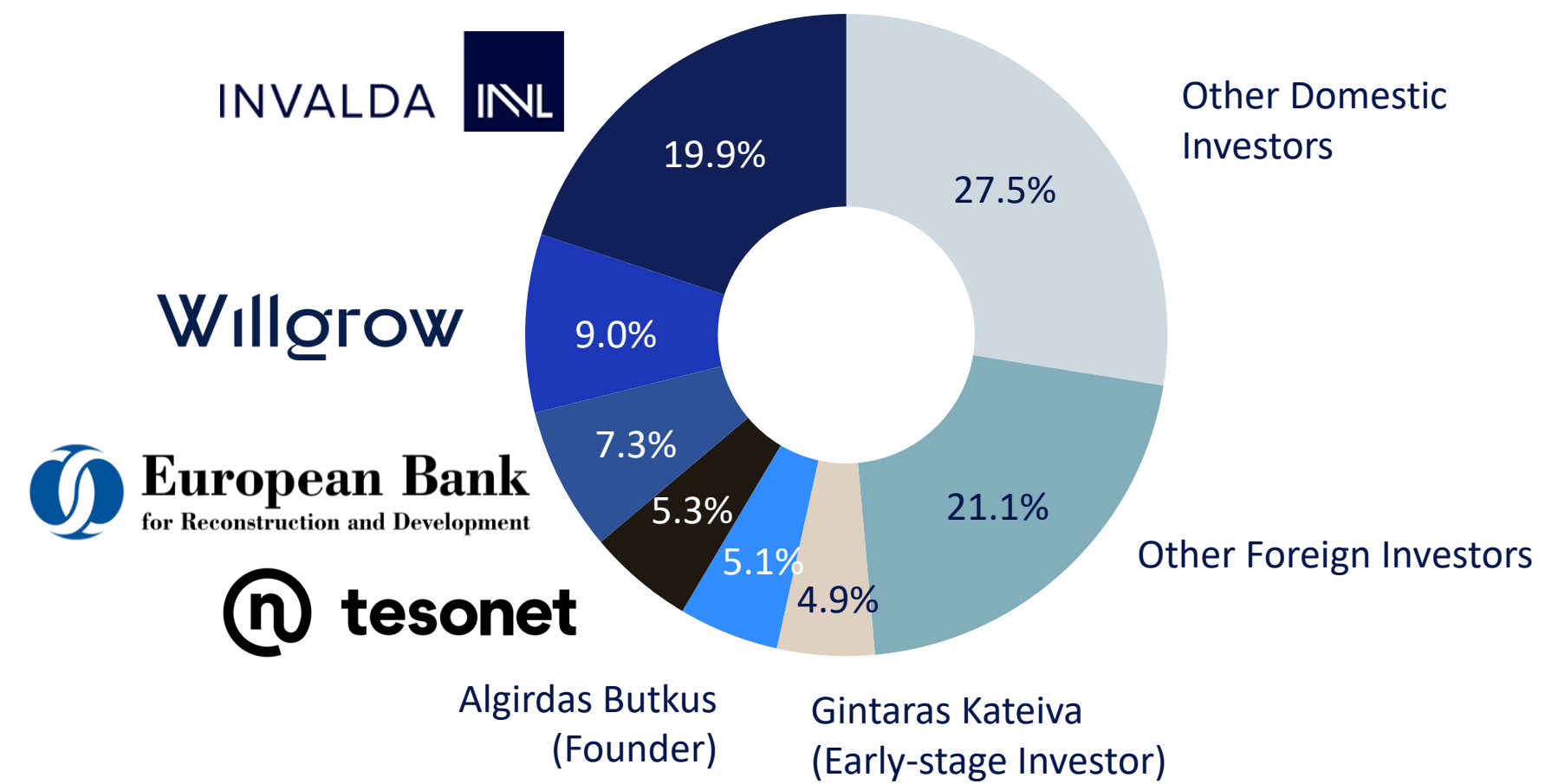
Consumer Financing⁽¹⁾



Notes: (1) Market share statistics as of December 2023
Source: Bank of Lithuania (BoL) and Lithuanian Banking Association (LBA)

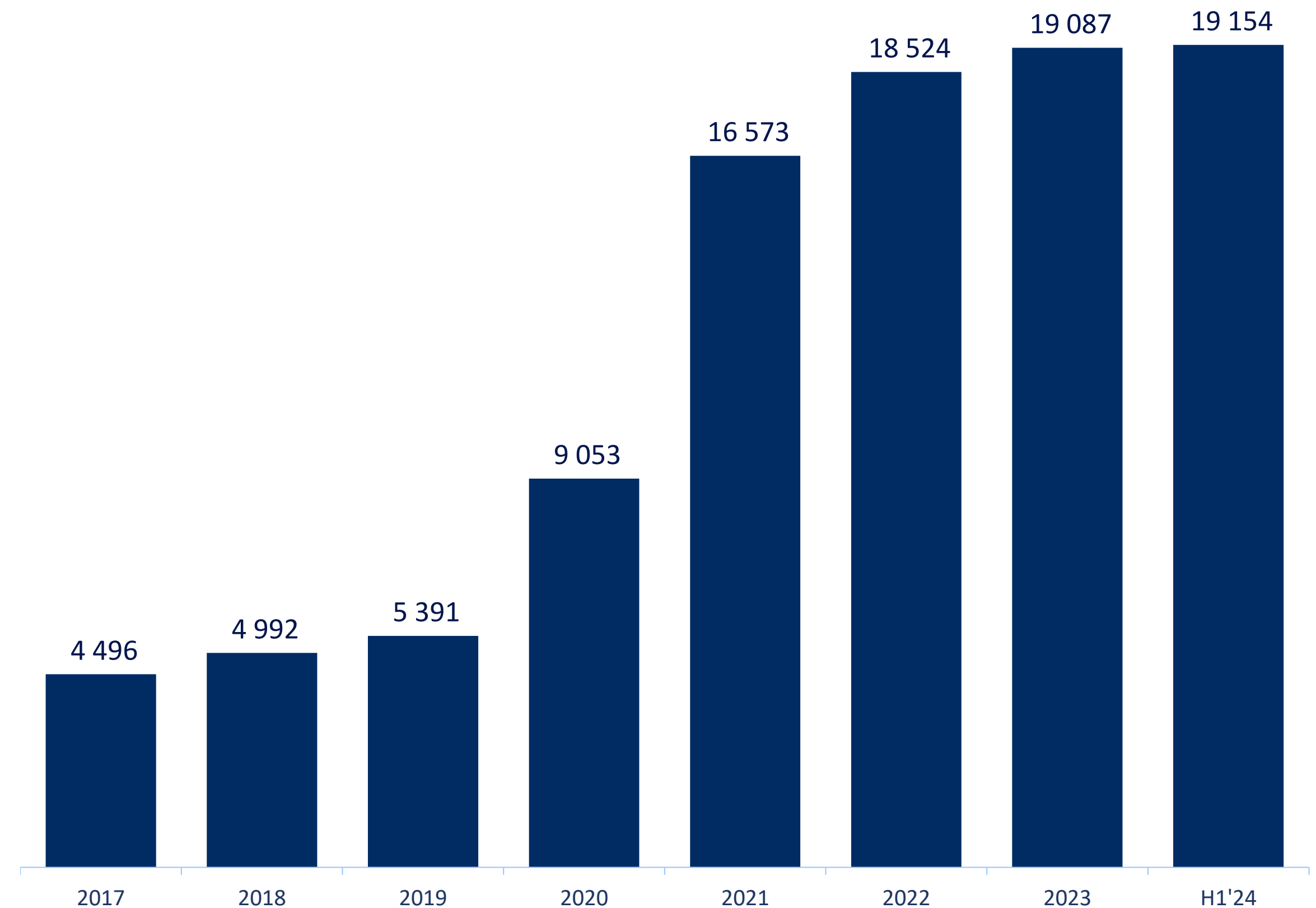
Group Shareholder Structure

Shareholder Structure (30 Jun `24)



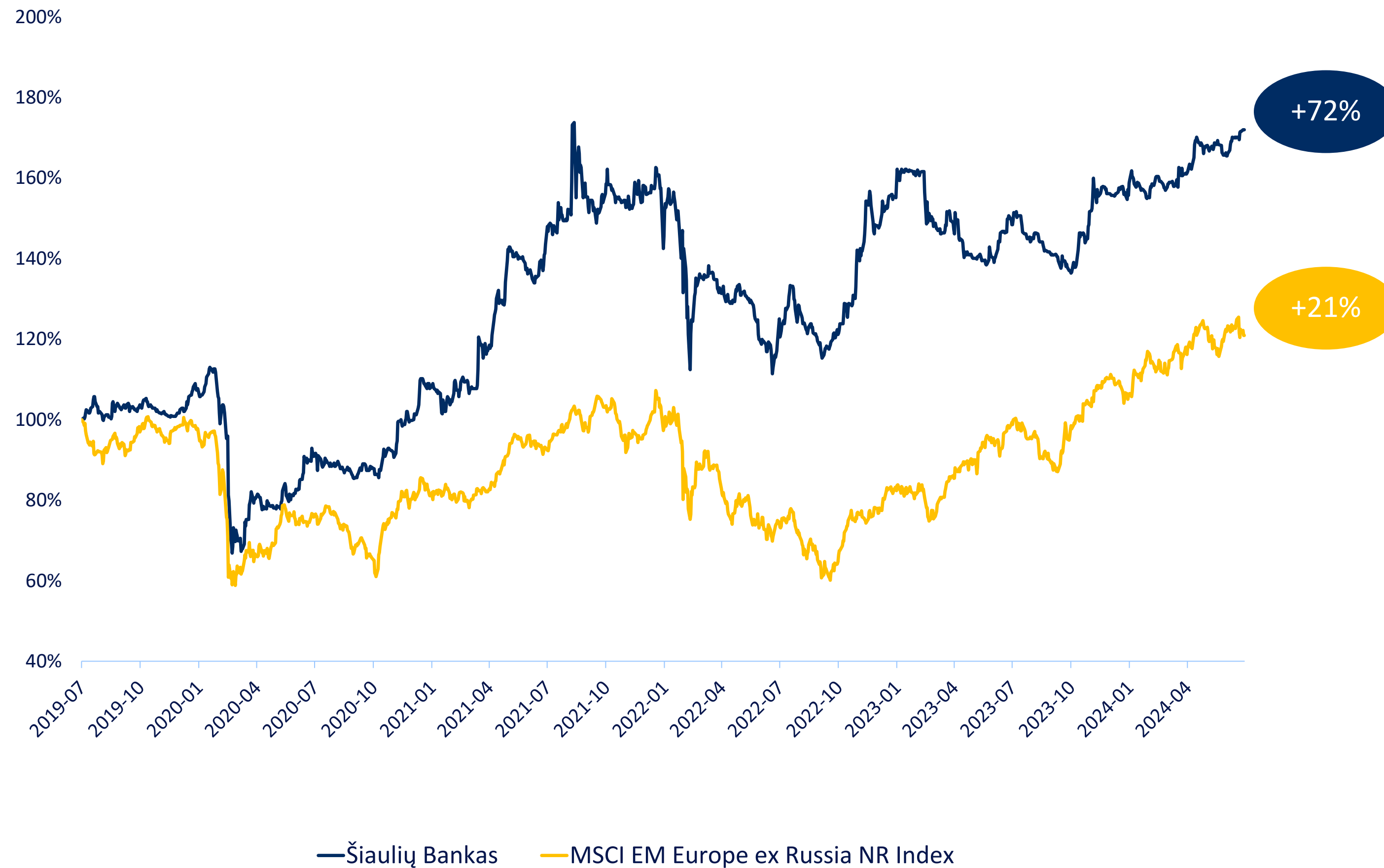
INVALIDDA INL	Listed Baltic asset management group established in 1991 and currently managing around €1bn AUM
Willgrow	Family office investing surplus capital of Girtėka (Europe's leading asset-based road transportation company with >€2bn yearly turnover)
European Bank for Reconstruction and Development	Multilateral developmental investment bank with >€70bn AUM using investment as a tool to build market economies
tesonet	Business accelerator and investor that, among other companies, kickstarted cybersecurity powerhouse Nord Security and Surfshark, web intelligence collection platform Oxylabs, Cyber Care, and more. Implied valuation post latest funding of >€3bn

Number of Shareholders

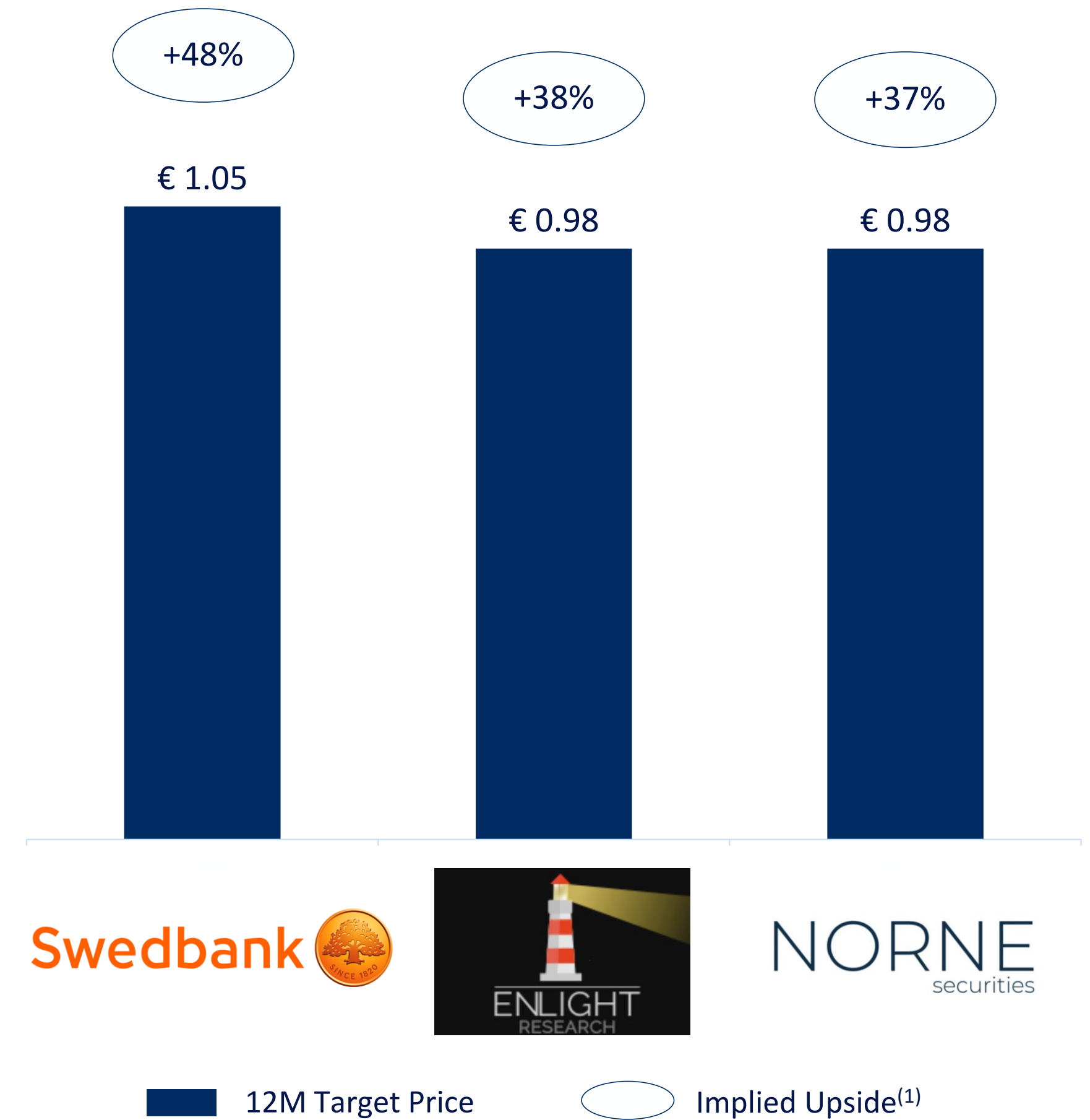


Total Shareholder Returns & Broker Outlook

Šiaulių Bankas (SAB1L) TSR Performance vs. Market Index – Last 5 Years



Analyst Outlook











Note: (1) Based on SAB1L share price of €0.71 as of 2024.07.25

Debt Securities in Issue

Security name	Volume of issue	Interest rate	Maturity	Registration date	Currency	Type
SIAULIU BANKAS/BD 771 20251007	210,000,000	1.05%	Oct 7, 2025	Sep 24, 2021	EUR	Senior Preferred
SIAULIU BANKAS/BD 287 20291223	20,000,000	6.15%	Dec 23, 2029	Dec 20, 2019	EUR	Subordinated
SIAULIU BANKAS/BD 751 20330622	50,000,000	10.75%	Jun 22, 2033	Jun 12, 2023	EUR	Subordinated
SIAULIU BANKAS/BD 7.70 20340522	25,000,000	7.70%	May 22, 2034	May 22, 2024	EUR	Subordinated

Management Board

	<p>Vytautas Sinius</p> <ul style="list-style-type: none"> Chief Executive Officer of Šiaulių Bankas Chairman of the Management Board of Šiaulių Bankas 	<p>Šiaulių Bankas: 12 years</p> <p>Financial Industry: 25 years</p>		<p>Daiva Šorienė</p> <ul style="list-style-type: none"> Head of Corporate Clients Deputy Chief Executive Officer of Šiaulių Bankas 	<p>Šiaulių Bankas: 25 years</p> <p>Financial Industry: 30 years</p>
	<p>Donatas Savickas</p> <ul style="list-style-type: none"> Chief Financial Officer of Šiaulių Bankas Deputy Chief Executive Officer of Šiaulių Bankas 	<p>Šiaulių Bankas: 25 years</p> <p>Financial Industry: 25 years</p>		<p>Mindaugas Rudys</p> <ul style="list-style-type: none"> Head of Service Development Division at Šiaulių Bankas 	<p>Šiaulių Bankas: 13 years</p> <p>Financial Industry: 23 years</p>
	<p>Laura Križinauskienė</p> <ul style="list-style-type: none"> Head of Private Clients Former CEO of INVL Asset Management 	<p>Šiaulių Bankas: 1 year</p> <p>Financial Industry: 20 years</p>		<p>Algimantas Gaulia</p> <ul style="list-style-type: none"> Chief Risk Officer 	<p>Šiaulių Bankas: 11 years</p> <p>Financial Industry: 22 years</p>
	<p>Tomas Varenbergas</p> <ul style="list-style-type: none"> Head of Investment Clients Chairman of the Board of SB Asset Management Chairman of the Board of SB Draudimas 	<p>Šiaulių Bankas: 8 years</p> <p>Financial Industry: 16 years</p>		<p>Agnė Duksienė</p> <ul style="list-style-type: none"> Chief Compliance Officer 	<p>Šiaulių Bankas: 2 years</p> <p>Financial Industry: 15 years</p>

Board of Directors



Valdas Vitkauskas

- Chairman of the Supervisory Council of Šiaulių Bankas since August 2022
- Member of the Supervisory Council of Šiaulių Bankas since June 2022
- Previously Senior Banker at EBRD



Mindaugas Raila

- Chairman at Willgrow, Girteka Logistics and SIRIN Development
- Member of the Supervisory Council of Šiaulių Bankas since January 2022



Gintaras Kateiva

- Chairman of the Board at Litagra
- Member of the Supervisory Council of Šiaulių Bankas since 2008



Tomas Okmanas

- Co-founder and CEO of Tesonet and Nord Security
- Investor, advisor and board member in multiple technology companies
- Member of the Supervisory Council of Šiaulių Bankas since February 2022



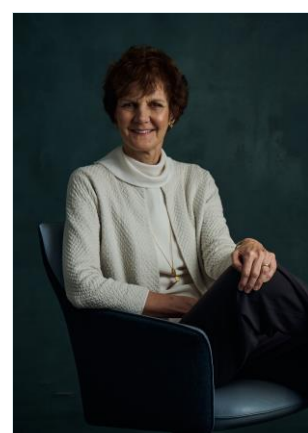
Darius Šulnis

- Chief Executive Officer of Invalda INVL
- Board member at Litagra
- Member of the Supervisory Council of Šiaulių Bankas since May 2016



Monika Nachyła

- Partner at Abris Capital responsible for IR, communication, and ESG
- Over 25 years of international C-suite experience in banking and finance
- Member of the Supervisory Council of Šiaulių Bankas since June 2024



Susan Gail Buyske

- Non-executive Director of Advans SICAR, Non-executive Director and Chair of Risk Committee of First Ukrainian International Bank
- Member the Supervisory Council of Šiaulių Bankas since July 2020

High Focus on ESG As a Competitive Advantage

Šiaulių Bankas ESG Strategic Priorities

Environmental Sustainability	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Service Access Improvement	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
Engaged Employees	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
Transparency and Responsibility			12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Reliable Services				9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Selected Case From ESG Strategic Priorities: Renovation

Leading building renovation

65%

of the renovated multi-apartment buildings in Lithuania are financed by Šiaulių Bankas

- Innovative financing instruments for multi-apartment building renovation
- Significant energy savings of up to 60-65% can be realised through building renovations, effectively reducing greenhouse gas emissions
- Product pioneer: Šiaulių Bankas has been financing multi-apartment building renovation for over 10 years
- Financed over 2,700 different multi-apartment buildings across Lithuania and disbursed almost 1 billion euros of loans

Strong Institutional Partners:



Our ambition is to become a climate neutral bank by 2050 and to set the near-term targets in accordance with the SBTi standard
We focus on tangible products, partnerships, and projects with transformative impact

The Banker
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

Bank of the year, Lithuania
2013; 2015; 2016; 2019; 2021; 2022; 2023

Banking Awards, “Global Finance”:

2023 Best bank in Lithuania

2021 The Safest Bank in Lithuania for 2021

2021 Best bank in Lithuania

2020 World’s Safest Banks 2020: Lithuania

2020 Banking CEO of the Year Lithuania 2020

2020 Banking Customer Satisfaction & Happiness Lithuania 2020

2017 Best bank in Lithuania

2016 World’s Safest Banks 2016: Lithuania



Asset Management Awards (INVL):

2023 Refinitiv Lipper Fund Awards - "INVL Baltic Fund" recognised as the best Emerging Europe equity market fund in Germany over the past three years



2018 IPE Awards – Best pension fund in the CEE fund category (“INVL Mezzo II 53+”)



2016 Citywire Awards - Vaidotas Rūkas, Head of Šiaulių Bankas Asset Management (formerly INVL Asset Management), awarded AA rating for his management of the Eastern European equity fund “INVL Emerging Europe TOP20 sub-fund”



Mystery shopping survey, Lithuania:

2018, 2019, 2022, 2023 Best customer service at the branch
2021, 2023 Best customer service on call



Disclaimer

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