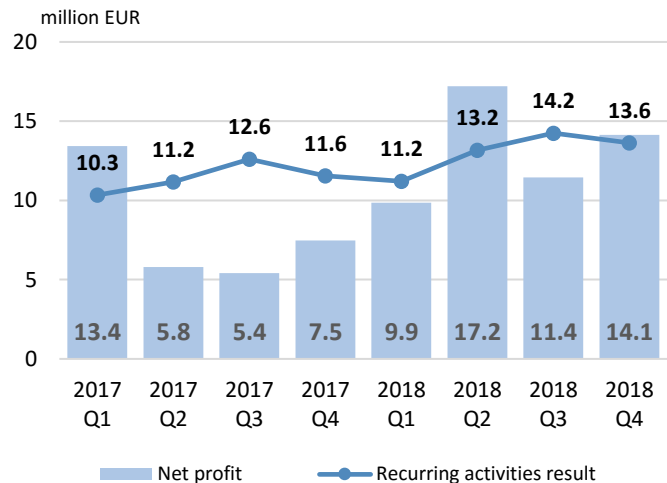
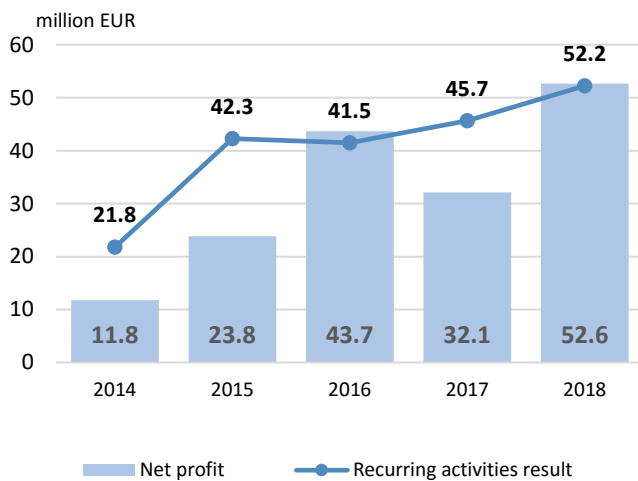


Šiaulių Bankas Group achieved the record result

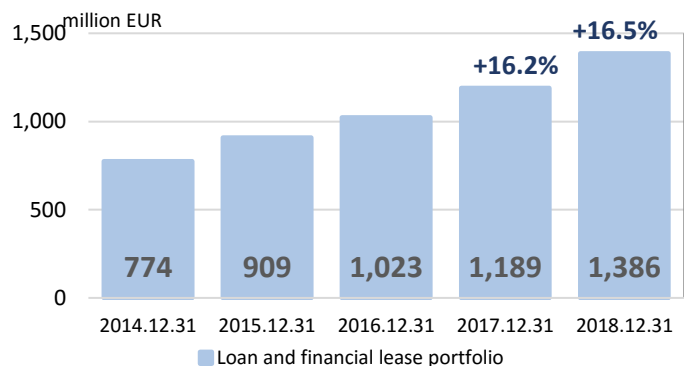
- Group earned 52.6 million euros of net profit
- Šiaulių Bankas won a reputation of the best customer service bank
- Steady growth of loan portfolio
- EBRD's subordinated loan conversion process is completed

In 2018, the Group had an unaudited net profit of 52.6 million euros, or 64 per cent more than in the same period of 2017 when net profit was 32.1 million euros. The net profit of the Bank generated over Q4 reached 14.1 million euros. Results of recurring activities grew by 14 per cent over the year.



"The year of 2018 was marked with significant achievements - a record-high net profit, consistent growth of sustainable income, stable growth of loan portfolio. The results were improved by taking into account and responding promptly to customer needs and improving the quality of services - the ambitious goal set several years ago has been realized - according to an independent mystery shopper research Šiaulių Bankas took a leading position and the title of the best customer service bank in Lithuania", - said Vytautas Sinius, Chief Executive Officer of Šiaulių Bankas.

Economic growth in the country, growing consumption and low interest rate environment have ensured a steady growth of the loan portfolio. Over 700 million euros of new loans were issued per year which is 8 per cent more than in 2017. Deposits remain the main instrument for attracting the Bank's resources - deposit portfolio grew by 12 per cent over the year and at the end of 2018 exceeded 1.8 billion euros.



Net interest income increased by 10 per cent over the year up to 62.8 million euro in line with increasing lending volumes and low cost of resources. High activity of clients using the services of the Bank resulted in the net service and commission fee growth - this type of income grew by 30 per cent over the year and reached 14.2 million euros at the end of the year. In 2018, profit from foreign exchange operations also increased significantly - the Group earned 6.9 million euros per year, which by 44 per cent exceeded the result achieved during the respective period last year.

Over the year, salary costs, which account for the largest share of expenditure, grew by 4 per cent. In order to ensure the continuous development of information technologies, IT-related costs have increased by 16 per cent over the year.

Conservatively assessing assets in 2018, impairment losses on loans and other assets accounted for 7.7 million euros, 2.9 million euros of such losses were recognized as loans. The non-financial assets losses of 1.4 million euros incurred over the fourth quarter consisted of partial write-off of Bonum Publicum UAB goodwill arising from acquisition of the company in 2013 based on transfer of assets, rights, transactions and liabilities of Ūkio Bankas.

Šiaulių Bankas Group has maintained a high level of operational efficiency - recurring activity costs to income reached 42 per cent in 2018. Return on equity amounted to 22% in 2018 and, after elimination of non-recurring activities, exceeded 16%. The capital and liquidity situation remains solid as prudential requirements are being met with a proper cushion.

In recent years, the change in the value of the EBRD's subordinated loan has had a significant impact on the bank's results, however, the results of the fourth quarter 2018 had been adjusted for the last time. At the end of 2018, the long-awaited process of the EBRD's subordinated loan conversion that used to cause uncertainty for some time was completed. The enhanced capital creates conditions for the Bank to continue expanding its activities and increasing its shares' attractiveness for investors.