

## Šiaulių Bankas Group has started the year successfully

- **1st-quarter net profit: EUR 13.4 mln for the Group, EUR 15.2 mln for the Bank**
- **Net service fees and commission income rose 13 per cent**
- **Impairment gains had a positive impact on results**

The Group earned an unaudited net profit of 13.4 million euros in the first quarter of 2017, while the Bank's three-month net profit was 15.2 million euros. The operations of subsidiary companies contributed significantly to the Group's results and dividends they paid increased the Bank's profit.

“In the first quarter this year we gave great attention to the bank's main areas of activity: financing businesses and consumers, and expanding saving and investment services while improving their quality. New loan agreements for more than 100 million euros were signed over the three months,” Šiaulių Bankas CEO Vytautas Sinius said. The loan and financial lease portfolio grew 10 per cent from a year earlier. The bank had success with its offer of an alternative to traditional saving products – a fixed-term deposit whose interest rate is tied to changes in the price of certain financial assets. The Group's deposit portfolio has grown 7 per cent over the last 12 months and at the end of March 2017 exceeded 1.5 billion euros.

An increased volume of payments and sustained turnover in cash transactions positively influenced the growth of net service fees and commission income, which was up 13 per cent from the same period last year. A significant factor here was client activity in choosing new service plans for private and corporate clients which were introduced at the start of the year.

Successful work related to problem loans not only led to an overall improvement of loan portfolio quality indicators, but also positively impacted the Group's operating results: a gain of 2.9 million euros for recovery of impairment charges on loans and other assets has been recognised on the income statement for the first quarter of this year.

With income growing faster than expenses, operating efficiency remains strong. The Group had a cost-to-income ratio of 44 per cent at the end of March 2017. Capital and liquidity positions remain strong – prudential requirements are being met with appropriate breathing room.

Šiaulių Bankas retains its leadership in the multi-apartment building renovation (modernization) programme. A new agreement with the European Bank for Reconstruction and Development on support for renovation in Lithuania was signed on 16 March 2017, under which Šiaulių Bankas will allocate 60 million euros to the programme. The agreement will help at least 350 multi-apartment buildings achieve higher standards of energy efficiency.

At the shareholders meeting held on 30 March this year, Šiaulių Bankas shareholders approved a proposal by the Bank's board to pay dividends of 1.9 million euros and to increase authorized capital by 21.9 million euros from the Bank's accumulated reserve, issuing shares which will be distributed proportionally to all shareholders. The market took a positive view of these decisions: the price of Šiaulių Bankas shares has risen 23 per cent since the start of the year on the Nasdaq Vilnius securities exchange, and they remain one of the most actively traded stocks.

The international business and finance magazine *Global Finance* this March named Šiaulių Bankas the best bank in Lithuania.