

The first half-year results of Šiaulių Bankas Group

In six months of this year Šiaulių Bankas Group earned a net profit of 27.8 million euros.

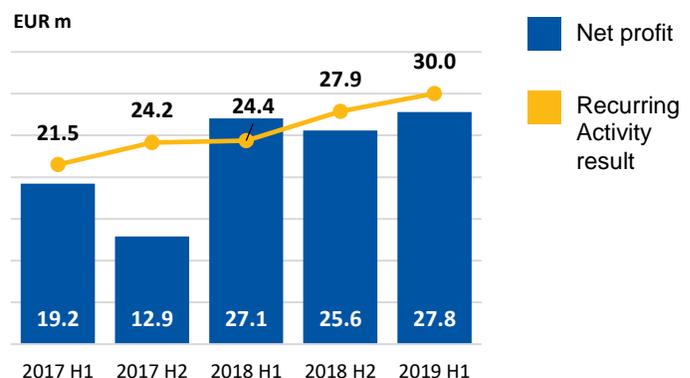
“The first half of the year was very successful for Šiaulių Bankas Group - it reached the record half-year net profit and recurring activity indicators. Sustainable and steadily increasing profit from recurring activities that grew by 23% over the year allows us expecting successful dynamics of the performance in the future”, - commented Vytautas Sinius, Chief Executive Officer of Šiaulių Bankas.

The loan portfolio is growing

The Bank Group's loan and finance lease portfolio grew by 16 per cent over 12 months and at the end of June exceeded EUR 1.5 billion. During the second quarter of this year only, the portfolio increased by 7 per cent. From the start of the year EUR 0.4 billion of new loan agreements were signed, 60% of them are made of loans for business finance - a key strategic direction of the bank. As a result of restructuring and streamlining the processes, the portfolio of other bank's priority area - consumer finance loans - grew rapidly. At the beginning of the second quarter of this year, the bank took active steps in the housing market segment - resuming the processes of issuing these loans and providing more attractive product terms to customers, a 20 percent growth in mortgage portfolio was recorded over the quarter. The initial results allow us expecting to strengthen the bank's position in this market segment in the nearest future.

Highly efficient performance

In the first half of this year, the Group earned 34 million euros of net interest income, which is 15 per cent more than in the respective period last year. Net interest margin remains stable. Due to the balanced structure of banking services and a number of one-off factors, net fee and commission income grew to EUR 8.3 million in the first half of the year. Not only customer activity but also fluctuations in the markets led to higher profits from foreign exchange and securities trading - the profit almost doubled in the first six months of this year.



Operating expenses of the Bank Group, excluding those related to insurance activities, increased by 12 per cent during the year and reached EUR 18.8 million. With revenues growing faster than expenses, operational efficiency remains strong - a cost to income ratio of the Bank Group comprised 43 per cent at the end of June. Return on equity exceeded 20 per cent.

During the first half of the year the Bank accounted impairment loss of EUR 1.2 million for loans and other assets.

During the first half of the year Šiaulių Bankas Group paid EUR 10.4 million of taxes to the state budget.

Trust of investors and customers in Šiaulių Bankas is growing

Consistent capitalization and sustained improvement in profitability, supported by lending growth and good margins, were evaluated by international rating agency Moody's Investors Service on May 16. Long-term credit rating of Šiaulių Bankas was upgraded from Baa3 to Baa2 and its outlook was rated as stable.

This Moody's rating is not only a positive message to customers and investors, but also a statement of credibility used to attract resources in the international market. Using the virtual financial services platform Raisin, Šiaulių Bankas concluded the long-term deposit agreements in the German market for the amount of EUR 7 million during the second quarter of this year. The Group's deposits expanded by 7 per cent in the first half of the year and by 10 per cent over the past twelve months to more than 2 billion euros at end of June in 2019.

The sustainable performance of Šiaulių Bankas and the improved long-term credit rating boosted the price of the bank's shares and trading turnover on the Nasdaq Baltic Stock Exchange. The share price grew by 25 per cent since the beginning of the year. In terms of turnover, the shares of Šiaulių Bankas rank first in the list of the most traded shares.

About Šiaulių Bankas

Founded in 1992 Šiaulių Bankas is the biggest Lithuanian capital share bank, stably and constantly growing financial partner focusing on business and consumer financing solutions. Šiaulių Bankas services its customers in 62 customer service points operating in 37 cities and towns throughout Lithuania. The Bank's shares are quoted on the Official List of the NASDAQ Baltics. According to Mystery Shopper Survey conducted by "Dive Lietuva" in 2018, Šiaulių Bankas is the first in Lithuania by the customer service quality.

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