

Investor Conference Webinar

Results for 9M 2022

3 November 2022

Presenters

VYTAUTAS SINIUS, CEO
DONATAS SAVICKAS, CFO

9M 2022

- Net profit for 9M 2022 reached EUR 47.1 million
- Operating profit up by 28% compared to 2021 9M
- Growing loan portfolio in all segments
- Loan portfolio quality remains strong
- Total assets exceeded EUR 4 billion

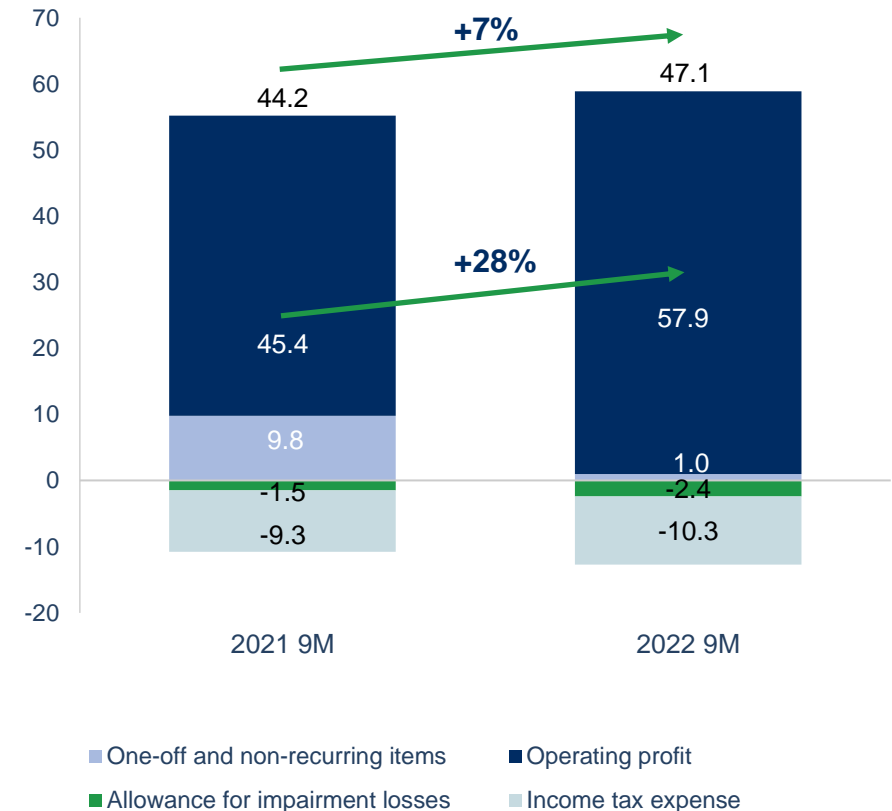
KEY PERFORMANCE INDICATORS

		Targets for 2022	2022 9M
Efficiency	ROE	>12.1%	15.4%
	Cost / Income *	<46.5%	43.5%
Capital & Risk management	CAR **	>17%	16.5%
	CoR	<0.4%	0.2%

*- excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

**- forecast data

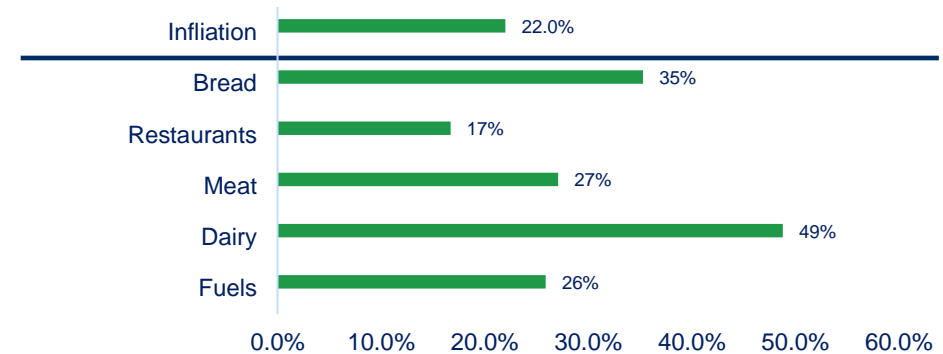
NET PROFIT STRUCTURE, mEUR



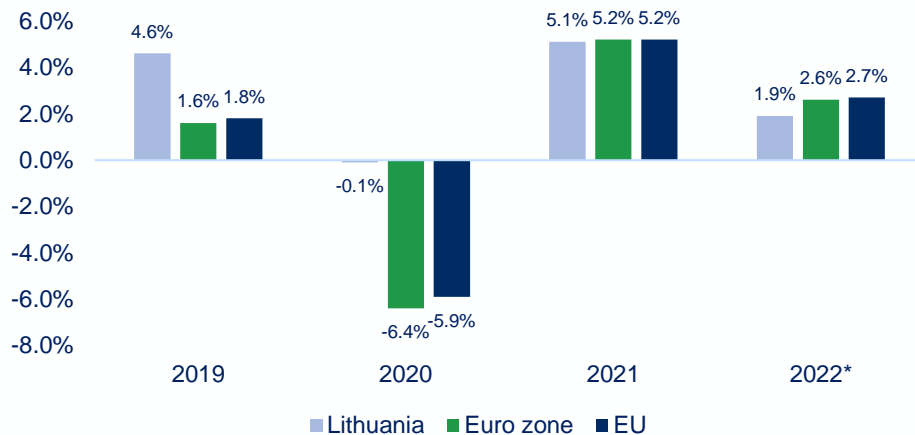
Macroeconomic situation update

- First estimate of Q3 GDP growth rate is 0.4% q-q and 2.5% y-y
- Provisional estimate of inflation decreased to 22% in October (from 22.5% in September)
- BoL forecasts for 2023 (updated September 2022):
 - GDP will grow 0.9% (revised from 3.4%)
 - Inflation will reach 8.4% (revised from 4.6%)

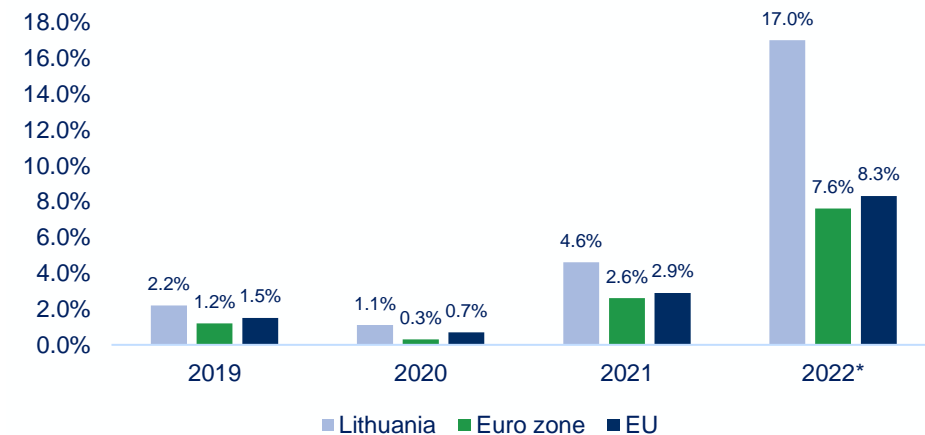
INFLATION AND ITS KEY COMPONENTS, OCT 2022



REAL GDP CHANGE, y-y

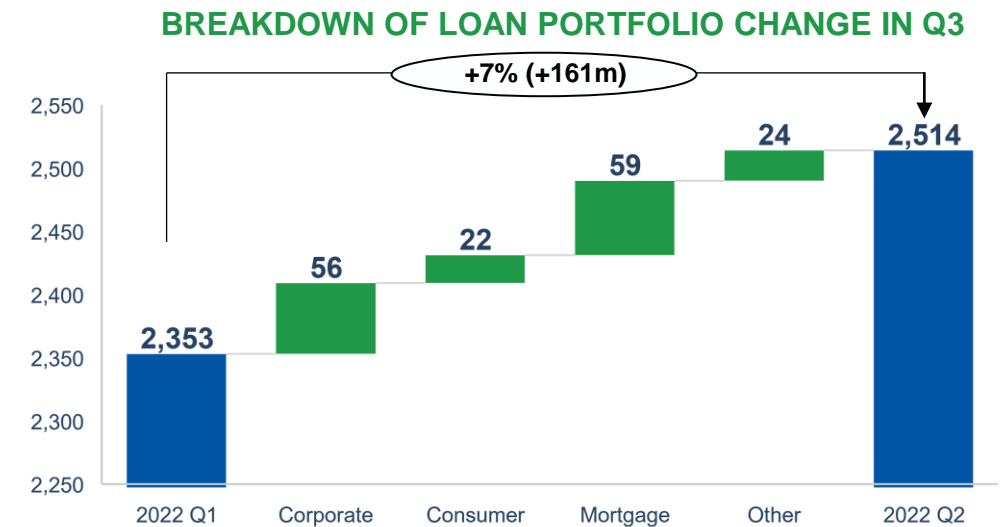
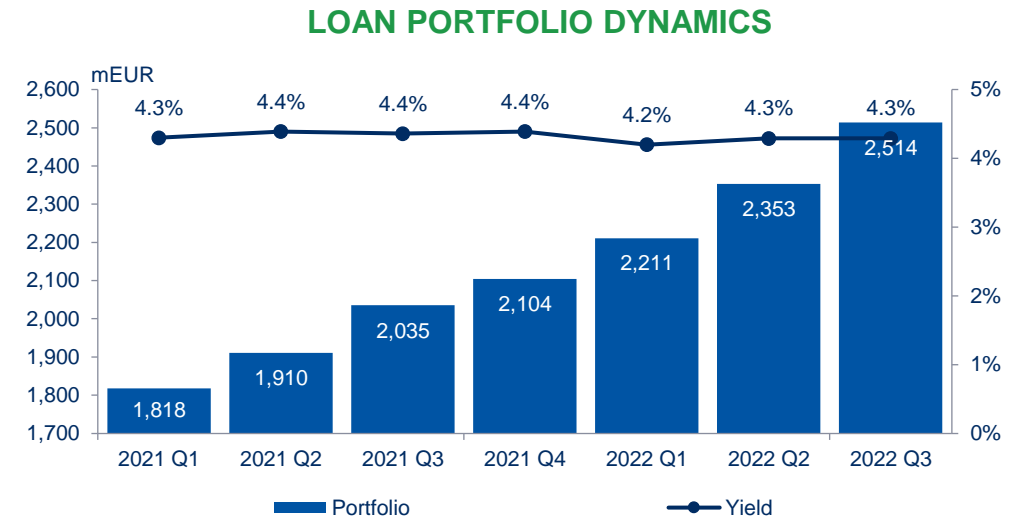
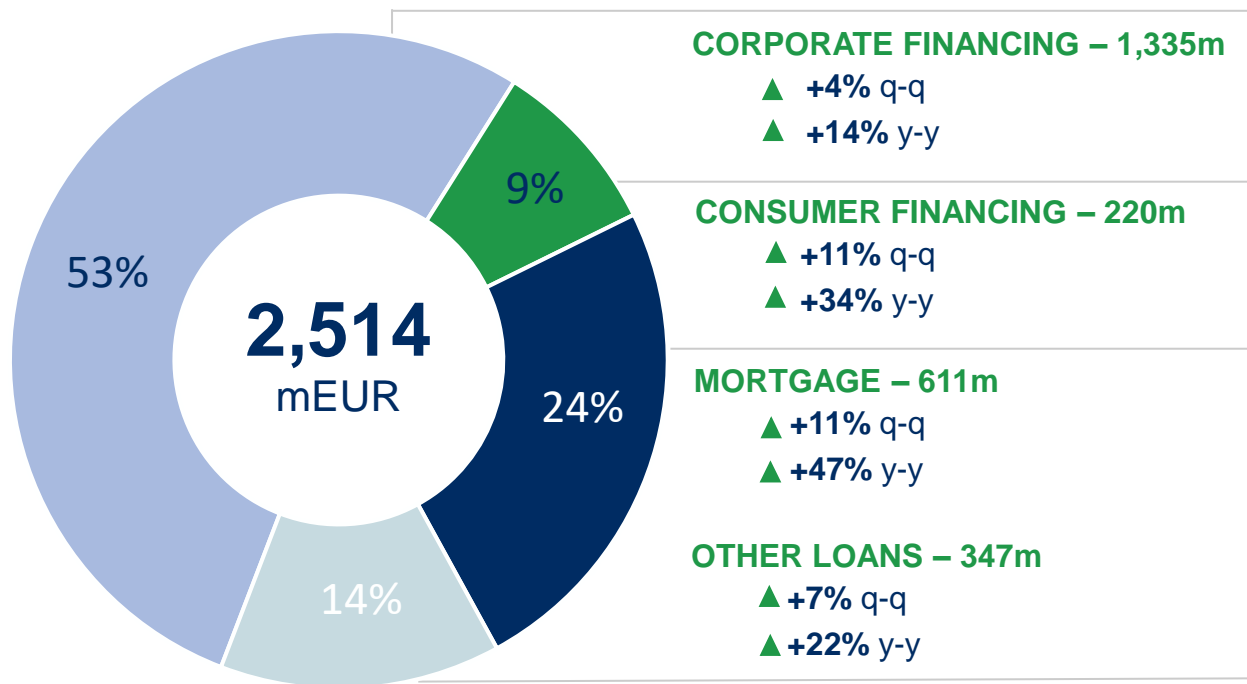


INFLATION CHANGE, y-y



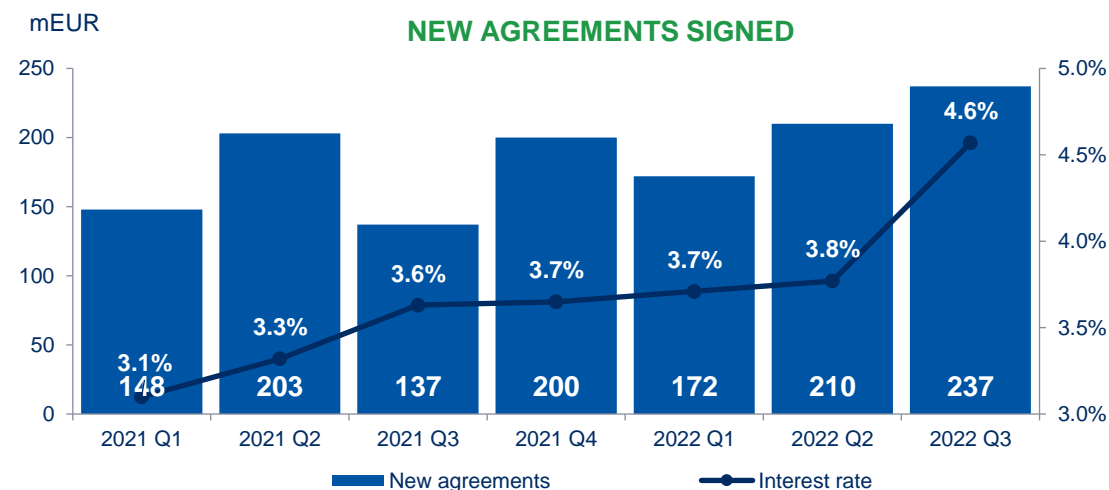
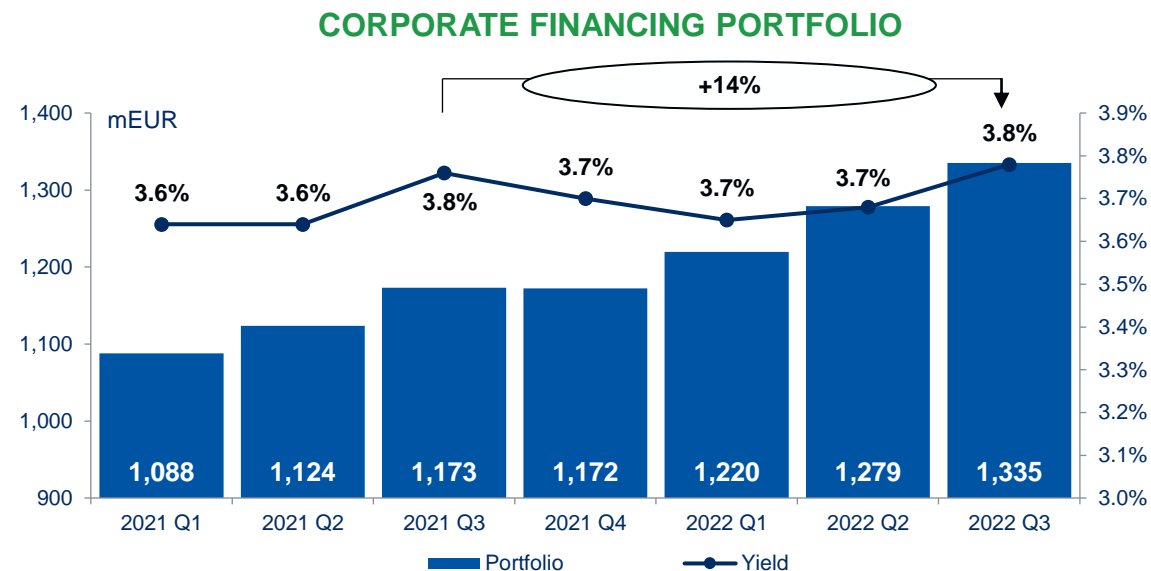
Loan portfolio dynamics

- Growing financing in all segments - the loan portfolio increased by 7% in Q3, 19% YTD and by 23% y-y
- EUR 1.1 billion worth of new credit agreements were signed, an increase of 26% y-y
- Over the last 12M loan market increased by 18.6%, while Bank's market share increased by 0.4 p.p. to 9.1% (market data as of Q2 2022)



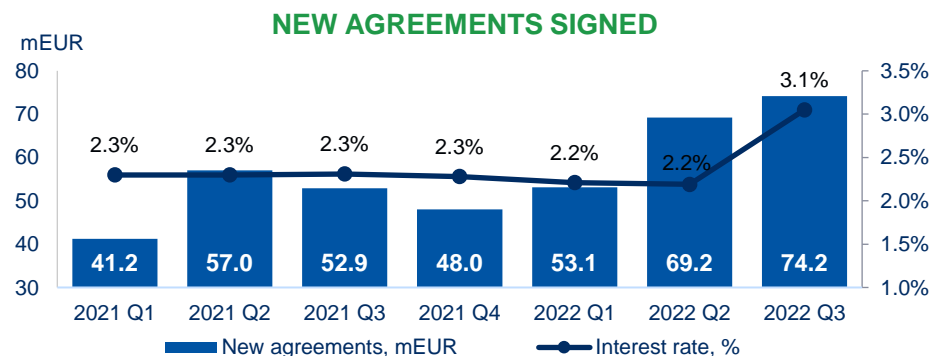
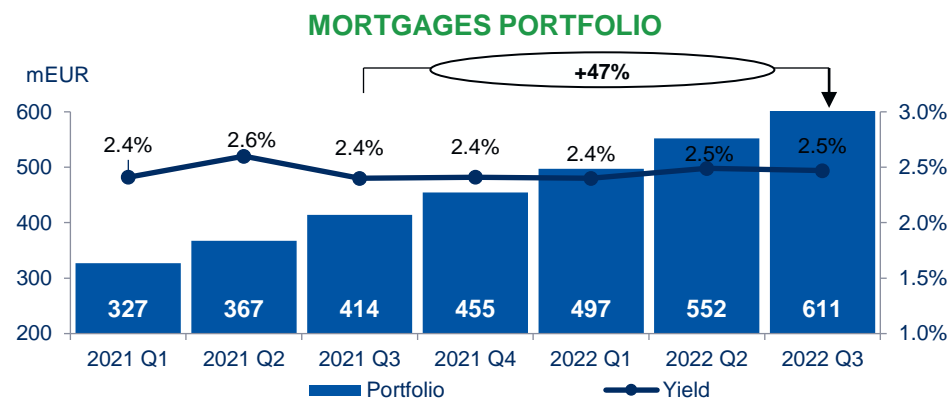
Corporate financing

- Portfolio grew by 4% in Q3, 14% YTD and 14% y-y
- The amount of new loans signed was 27% higher than in the 9M of last year
- Rates of new agreements signed are increasing due to rising base interest rate
- TOP10 exposure concentration decreases further to 9.1% (-1.7 p.p YTD)
- The Bank's portfolio growth was in line with market, thus market share remained unchanged in 2022 (market data as of Q2 2022)



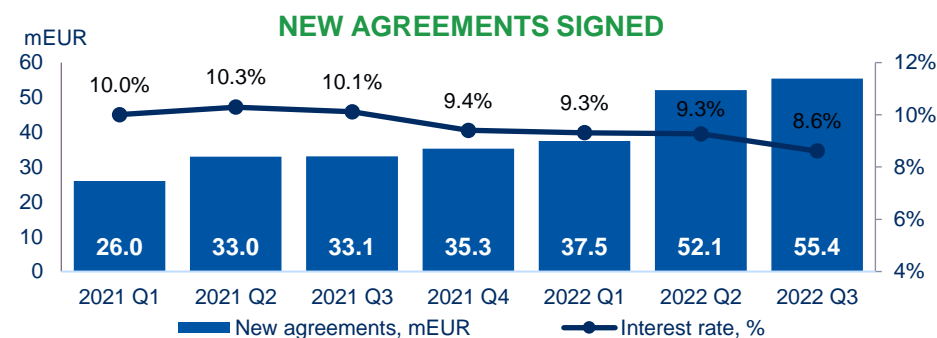
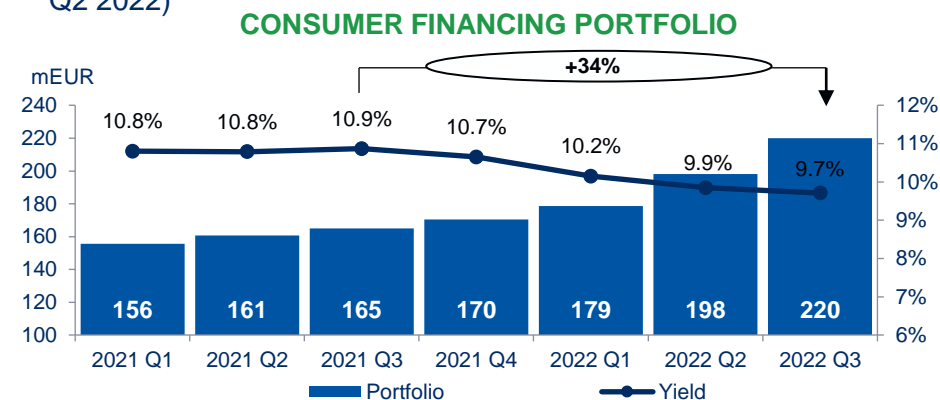
Mortgages

- Growing volumes of home loan sales in Q3 as during the whole year of 2022
- EUR 196 million of new contracts signed during the 1-3Q (32% more than in 1-3Q 2021)
- Over last 12M the mortgage market increased by 12%, while Bank's market share increased by 1.4 p.p. to 5.2% (market data as of Q2 2022)



Consumer financing

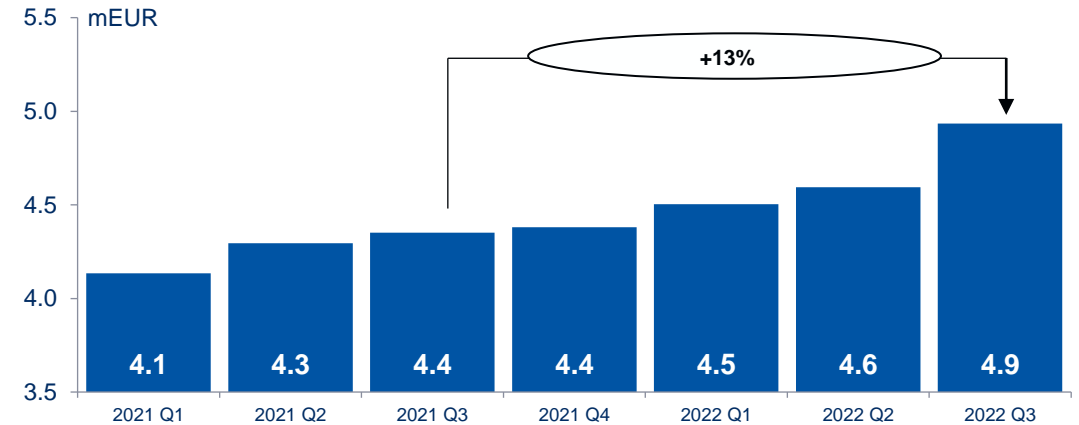
- High inflation encourages clients to make planned purchases, home repairs or improvements
- Despite high competition new sales volumes are 58% higher compared to 1-3Q 2021
- Over last 12M the consumer credit market increased by 22%, while Bank's market share increased by 0.2 p.p. to 11.6% (market data as of Q2 2022)



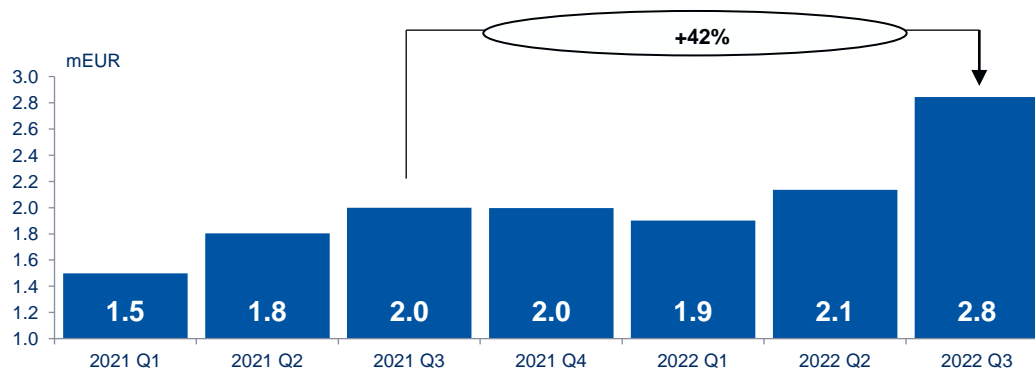
Daily banking

- NFCI growing consistently each quarter to reach EUR 4.9 million, up 13% y-y, 7% q-q
- The number of clients subscribing to service plans is growing constantly and reaching 185 thousand (+4% q-q, +9% y-y)
- Demand for credit cards continues to be high - with an 7% q-q and 32% y-y increase in the number of credit cards issued
- Clients directs accumulated savings to the Bank's investment products
- Seasonally the best quarter for revenues from FX operations was boosted by increased incoming / outgoing tourism

NET FEE AND COMMISSION INCOME (NFCI)

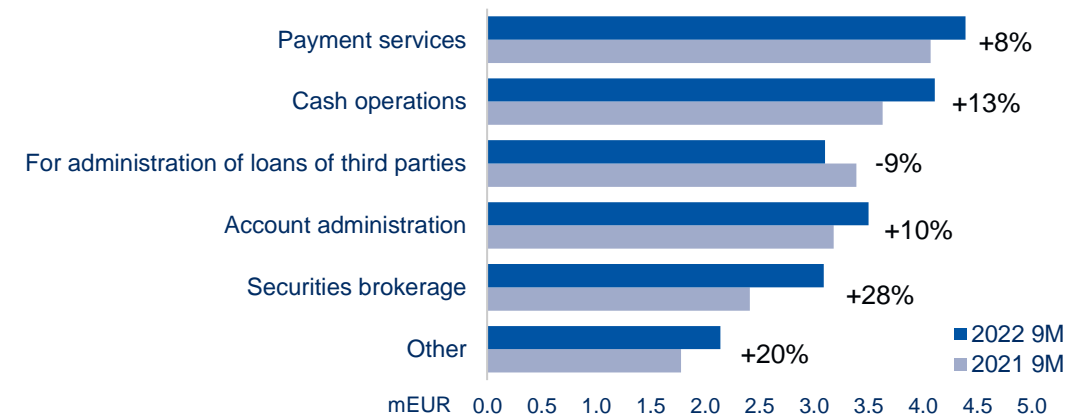


REVENUE FROM FOREIGN EXCHANGE OPERATIONS*



* excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

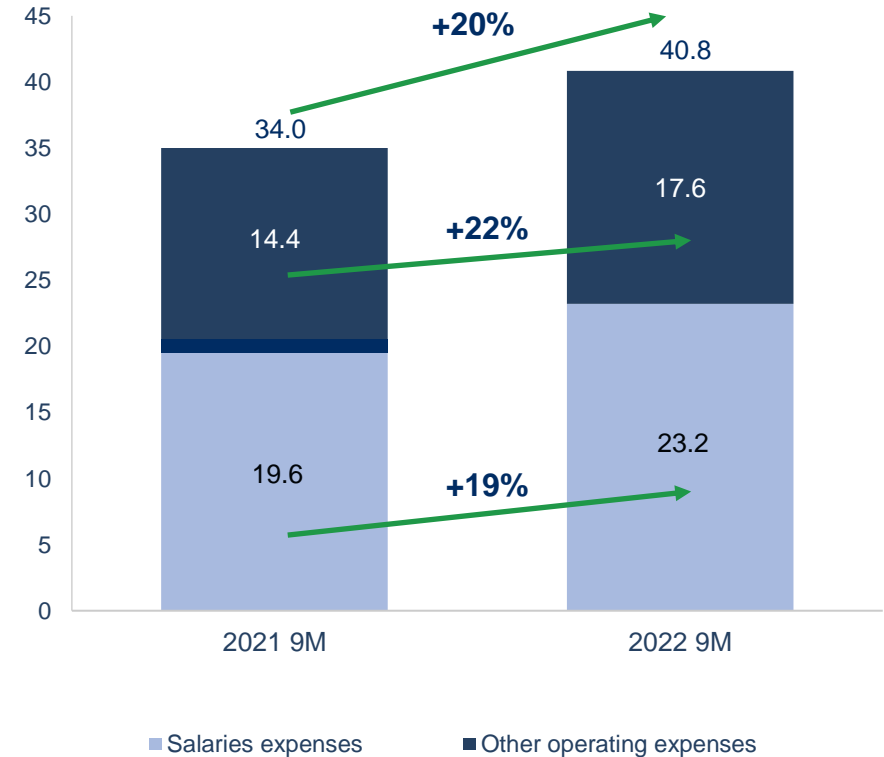
FEE AND COMMISSION INCOME, Y-Y CHANGE



Operating expenses

- Operating costs increased by 18% q-q and 20% y-y
- Salary expenses increased due to annual salary review and one-off severance expenses
- IT expenses increased by 31% y-y to EUR 7.1 million in 9M
- Despite growing expenses, operational efficiency is maintained - cost-to-income ratio is 43.5% during 9M

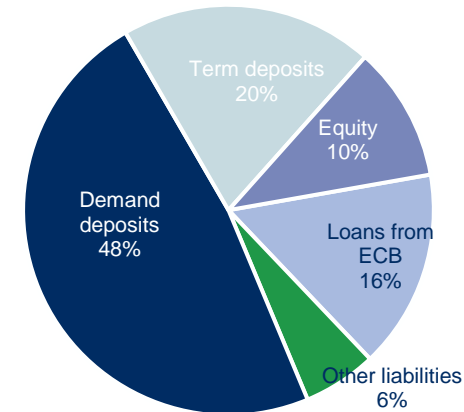
OPERATING EXPENSES DYNAMICS, mEUR



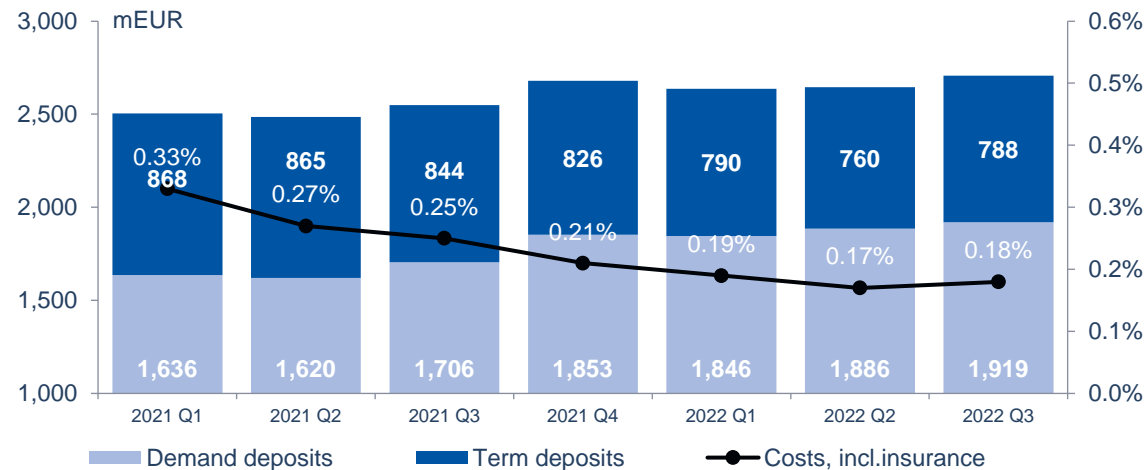
Funding & liquidity

- In Q3, total deposit portfolio increased by 2.3% (EUR 62m) to EUR 2.71bn:
 - Term deposits EUR +29m
 - Demand deposits EUR +34m
- LTD ratio 93% vs 89% (2022 Q3 vs 2022 Q2)
- LCR stands at 156% (preliminary data)
- MREL bonds is planned to be issued in Q4

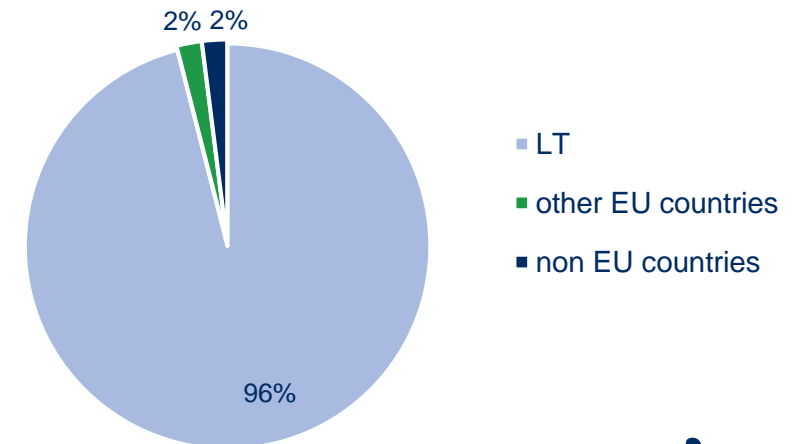
FUNDING STRUCTURE



DEPOSIT PORTFOLIO DYNAMICS AND STRUCTURE



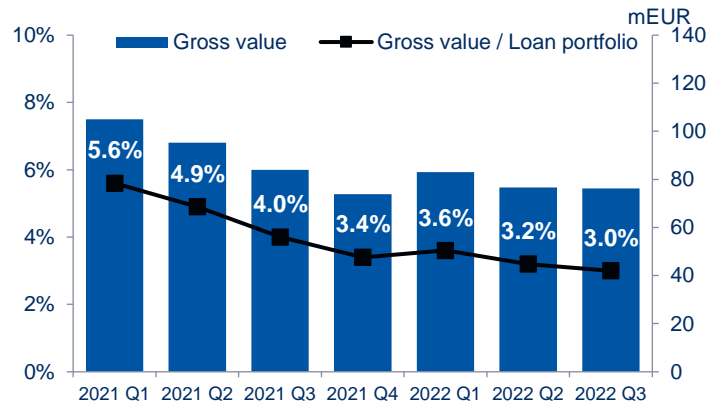
DEPOSITS PORTFOLIO SPLIT BY CUSTOMER COUNTRY AS OF END 2022 Q3



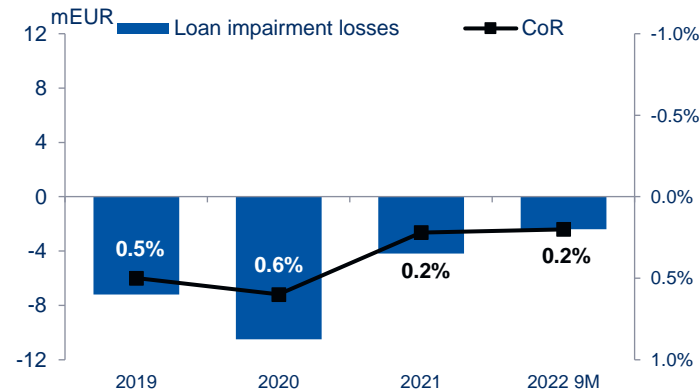
Capital & risk management

- Due to higher than planned growth rate, capital position is below the planned level
- The quality of the loan portfolio remains stably good
- NPE's portfolio decreased to 3.0% from total loan value in 2022 Q3
- Additional provisions of EUR 0.5 million were made in Q3, total provisions for 2022 amounts to EUR 2.4 million

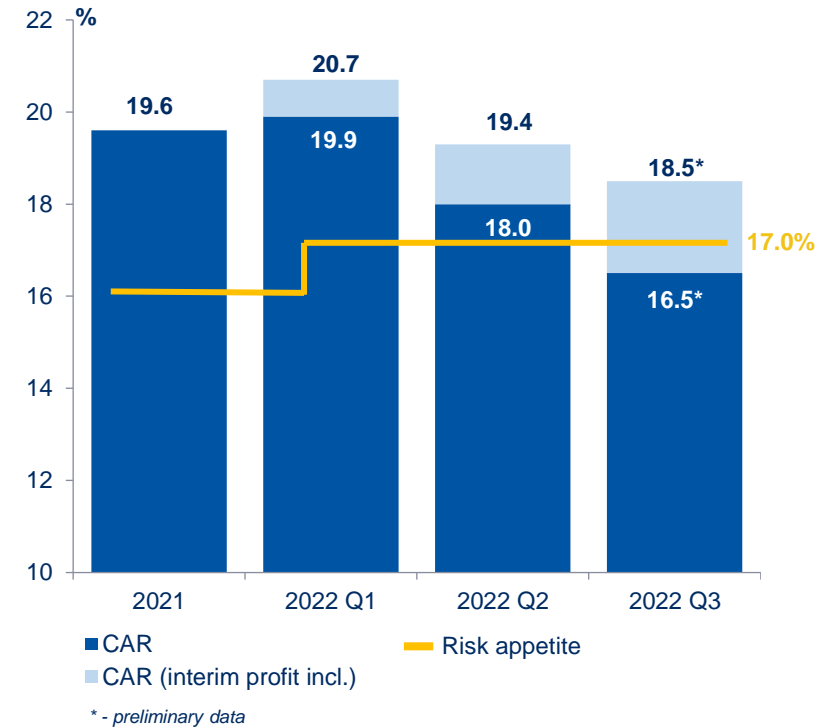
NPE (LOANS)



LOANS COST OF RISK (COR)

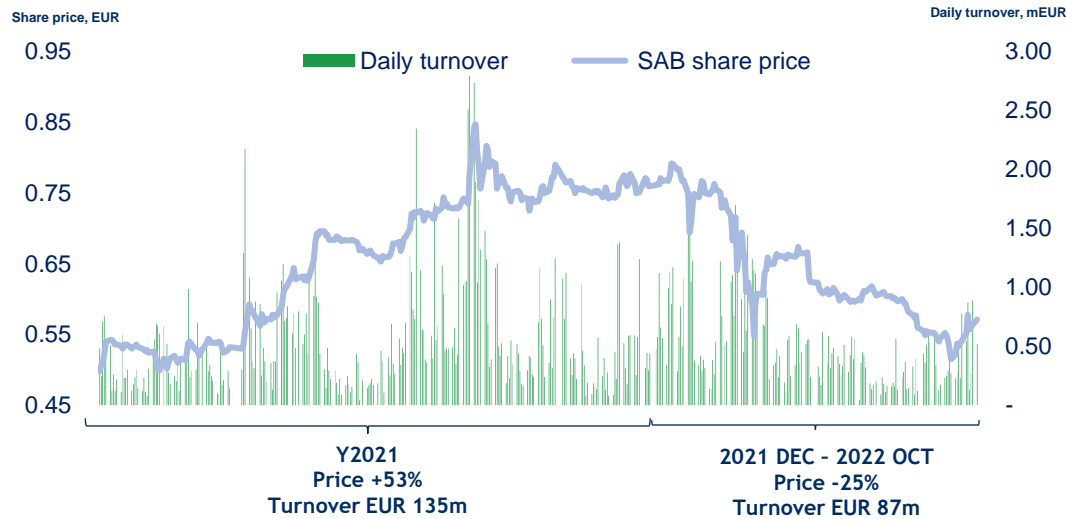


CAPITAL ADEQUACY RATIO

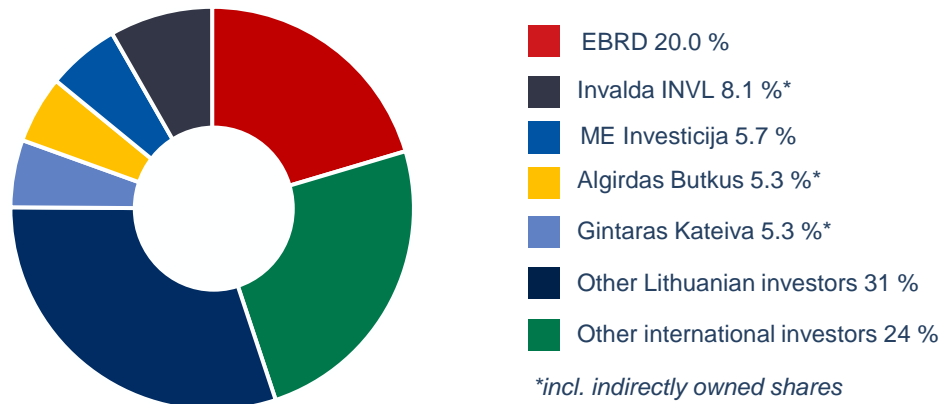


Share valuation data & ratios

SHARE PRICE DYNAMICS



SHAREHOLDERS, AS OF END Q3 2022



SHARE DATA

	2016	2017	2018	2019	2020	2021	2022 OCT
Capitalization, mEUR	170	267	241	304	299	457	342
Average daily turnover, mEUR	0.09	0.18	0.14	0.19	0.34	0.56	0.42
P/BV	1.0	1.3	0.9	1.0	0.8	1.1	0.8
P/E	3.9	8.3	4.6	5.9	7.0	8.3	5.9
Number of shareholders	3 401	4 496	4 992	5 391	9 053	16 573	18 294*

*- The actual number is higher (Bank has no detailed information about the number of small shareholders that accounted on intermediary (omnibus) account), data as of end 2022 Q3

TARGET PRICE

EUR 0.97 / 0.82 / 0.67 (0.92 / 0.81 / 0.72)
(bull / base / bear) (2022-08-22)



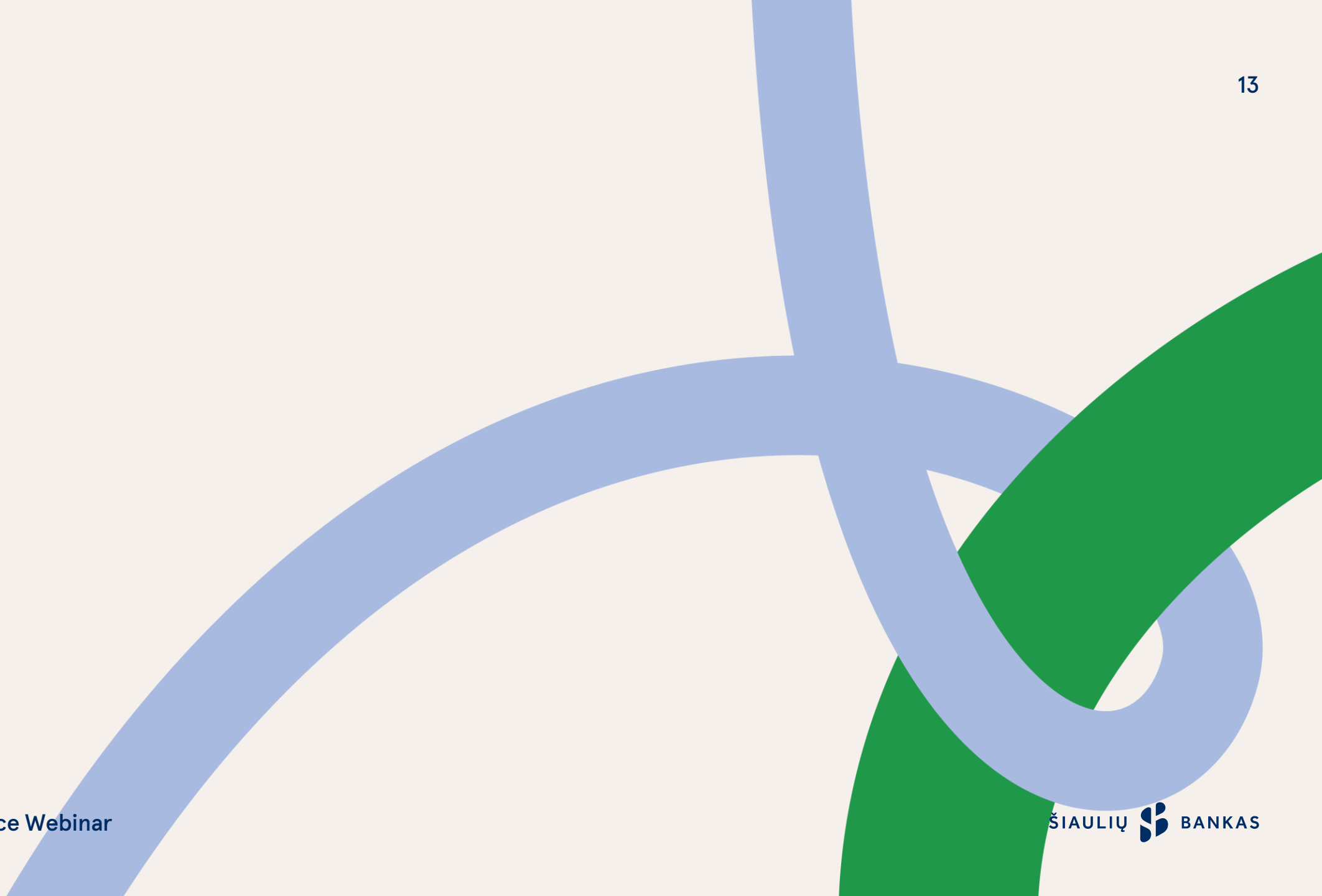
EUR 0.90 (0.80)
(2022-08-03)



No target price set



Q&A



Annex I

KEY RATIOS

	2015	2016	2017	2018	2019	2020	2021	2022 Q3
Net profit, mEUR	23.8	43.7	32.1	52.6	51.5	43.0	55.2	47.1
NIM, %	2.9	2.9	3.1	3.1	3.2	3.0	2.9	3.1
ROAA,%	1.4	2.5	1.6	2.4	2.1	1.5	1.6	1.6
ROAE,%	19.0	27.6	16.1	22.3	17.6	12.7	14.3	15.4
C / I,%	52.2	42.3	52.1	37.3	42.5	42.7	44.1	40.9
C / I,% (excl. the impact of the SB draudimas clients' portfolio)	51.6	41.4	51.7	37.9	40.8	42.9	42.8	43.5
CET1 ratio,%	12.1	15.0	13.9	15.0	15.0	16.1	16.7	15.6*
CAR,%	14.2	17.0	15.5	15.0	16.2	17.2	17.6	16.5*
CAR,% (interim profit incl.)	15.7	19.2	18.6	18.0	18.9	20.6	19.6	18.5*
RWA, mEUR	968	1.015	1.212	1.471	1.654	1.917	2.118	2.399*
L/D ratio, %	63.3	68.5	72.2	75.1	82.2	75.0	78.6	92.8

* - preliminary data