

Šiaulių Bankas Group Operating Results for the First Half Year

- The Group earned an unaudited net profit of EUR 15.2 million, the Bank - EUR 12.4 million.
- Agreement on acquisition of Bank Finasta AB and FMĮ Finasta AB was signed - the transaction was closed in July this year.
- Loan and finance lease portfolio increased by 7 %.
- Šiaulių Bankas - the leader in the Multi-apartment Building Renovation Programme.

Increasing activity of the small-medium sized entities, acceleration of multi-apartment building renovation process, impact from substantial non-banking asset sale transactions executed during the first half year were the factors behind further improvement in financial ratios of Šiaulių Bankas Group.

During the first half of this year, Šiaulių Bankas Group earned an unaudited net profit of EUR 15.2 million - i. e. 2.3 times more than in the same period of previous year (EUR 6.5 million). Net profit of Šiaulių Bankas amounted to EUR 12.4 million - i. e. increased by 77 % as compared to the first half of previous year when net profit of EUR 7 million was earned.

„Results achieved by Šiaulių Bankas Group during the first half year are the reflection of major changes in activities for the recent years. As the Group grows, activities become more versatile - this gives us the perspective to achieve sustainable growth and improvement, and to increase the competitiveness and value of the bank. Of course, increasing economic expectations of individuals and entities also made a positive contribution to solid financial results“, - said Vytautas Sinius, the CEO of Šiaulių Bankas.

On 11th of May Šiaulių Bankas signed the agreement for acquisition of bank Finasta AB and brokerage firm FMĮ Finasta AB, on 17th of July the act on transfer of the shares and voting rights, the last document in the transaction, was signed. After these entities are integrated into activities of Šiaulių Bankas, more personalised services, better savings conditions and complex investment decisions will be offered to the customers.

Also, in May the agreements on sale of territory of Žalgiris stadium in Vilnius were signed. The transaction, value of which exceeds EUR 40 million, is financed by nearly equal proportion with the loan from Šiaulių Bankas and the acquirer's own funds.

The Group's assets totaled to EUR 1.6 billion at the end of June. During the first six months of this year, loan and finance lease portfolio increased by 7 % and amounted to EUR 832 million. The value of new loans granted to the customers of the bank during the first half of the year totals to approx. EUR 230 million. Deposit portfolio remained stable and amounted to over EUR 1.4 billion at the end of the half year. Currently, in deposit and loan markets, Šiaulių Bankas ranks 4th among the banks operating in Lithuania.

Bankas positioned itself as the leader in Multi-apartment Building Renovation Programme. At the end of June, the bank had 537 renovation agreements with the total value reaching EUR 111 million. In order to solve the problem of lack of funding for renovation and continue the successfully accelerated programme, Šiaulių Bankas provided financing of EUR 20 million to the JESSICA fund.

As the number of renovation agreements grows, not only the income from Multi-apartment Building Renovation Programme increased - other fees and commission income increased by 11 % during the second quarter. Šiaulių Bankas Group earned EUR 3.2 million of net service fees and commission income, i. e. exceeded the result of the first half of the previous year by one third. The decline in securities market had negative impact on the activity results of the Group and extinguished most of the profit earned from this activity during the first quarter.

Group's operating efficiency increased along with the increasing operating income. Cost to income ratio amounted to 56.8 % at the end of June, return on equity amounted to 26.8 %, return on assets was 1.9 %.