

## Three Quarters Results of Šiaulių Bankas Group

- The Group earned an unaudited net profit of 17.2 million euros, the Bank - 16.6 million euros.
- Loan and finance lease portfolio grew by 7 per cent over Q3.
- The increase in authorized capital was registered.
- Intensive efforts toward customer service improvement and process optimisation.

The profit of Šiaulių Bankas Group increased over the first nine months of the year. The Group earned an unaudited net profit of 17.2 million euros - i.e. 69 per cent more than in the same period of the last year (10.2 million euros). The net profit of Šiaulių Bankas amounted to 16.6 million euros and increased by 74 per cent in comparison to the first three quarters of the previous year when the bank earned 9.5 million euros.

"For Šiaulių Bankas, the current year was exceptional and successful though full of changes. The euro adoption, declining prices of the payment services, rearrangements of the bank's organizational structure and its activities related to integration of the leasing and investment companies as well as development of services – it's quite a challenge we are dealing with successfully. The Bank's results are indicating that focus on domestic market, business continuity, flexibility and speed of decision-making consistently strengthen the Bank as well as its ambition to become a reliable financial partner to the country's business and population" - Vytautas Sinius, the CEO of Šiaulių Bankas, summarized the interim result.

This year lending became more active - both the business entities and households borrowed more. The Group's loan and finance lease portfolio grew by 7 per cent up to 891 million euros over Q3, while from the beginning of the year it increased by 15 per cent. Šiaulių Bankas originated new loans to customers amounting to more than 350 million euros over the three quarters of the year.

Deposits remain the most popular means of saving for the country's population. The Group's deposit portfolio exceeded 1.4 billion euros at the end of September, i.e. increased by 1 per cent from the beginning of the year. This increase is an outcome of the acquisition of the bank Finasta by Šiaulių Bankas Group. Excluding the influence of this single factor, the deposit portfolio decreased slightly since the beginning of the year as the result of the euro adoption - in order to convert the currency safely and without standing in queues, part of the population decided to place deposits in litas in the end of 2014, which later were withdrawn in euros. Comparing to the respective period of last year, the Group's deposit portfolio grew even after elimination of the impact arising from the acquisition of the bank Finasta.

The net interest income was boosted by increasing lending. Over the first nine months of 2015, Šiaulių Bankas Group earned 13 per cent more from this type of income as compared to the same period of previous year.

A positive change in the net service and commission fees have been observed over the year: 5.7 million euros were earned and the result of the respective period of last year was exceeded by 34 per cent. This was largely impacted by the proficiency in financing of projects under the multi-apartment house modernization programme gained by Šiaulių Bankas over a few recent years.

Cost to income ratio comprised 52.9 per cent, return on equity reached 19.2 per cent and return on assets amounted 1.4 per cent at the end of September.

Increase in the authorized capital of Šiaulių Bankas was registered on 14 September of the current year and went in line with implementation of other capital strengthening measures. These actions have ensured the bank's compliance with the capital adequacy ratios with a comfortable cushion. After the implementation of the above mentioned measures, the capital adequacy ratio exceeded 14 per cent.

The transaction of acquisition of the bank Finasta AB and brokerage company Finasta was closed in July. The process of companies' integration has been already launched by Šiaulių Bankas and is planned to be accomplished within the current year. Supplementing the range of its services with securities trading and brokerage services, Šiaulių Bankas will be able to offer more complex investment solutions and better saving conditions to its customers. Also, the bank is intensively working on other projects that will be finished within this year: SEPA, which will allow the bank's clients to make payments throughout the euro area just as easily and safely as national payments starting from 2016 and an e-invoice service, which is supposed to replace currently used direct debit and allow handling regular invoices according to the customers' needs, are in the process of implementation.