

Investor Conference Webinar

Results for Q3 2021

3 November 2021

Presenters

VYTAUTAS SINIUS, CEO

DONATAS SAVICKAS, CFO

9M 2021

- Net profit for Q3 EUR 16.3m and EUR 44.2m for 9M
- Increasing volume of financing for both business and private clients
- Strengthened long-term funding structure with a 4-year EUR 75m bonds issue
- KPIs are above the targets set for 2021

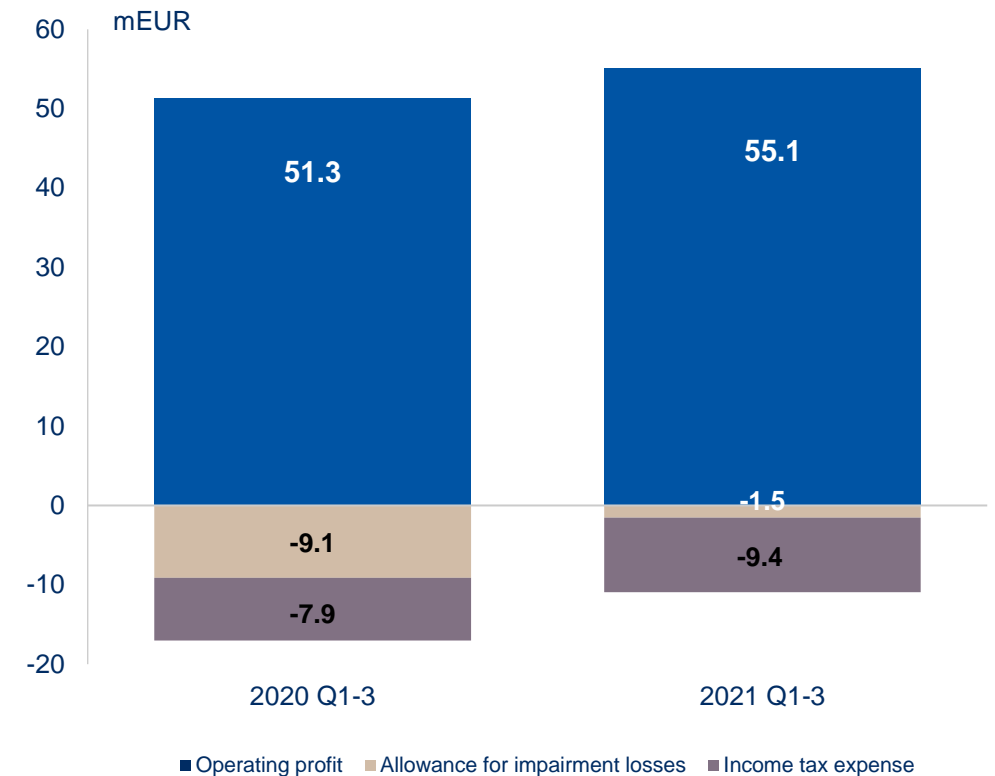
KEY PERFORMANCE INDICATORS

		Targets for 2021	9M 2021
Efficiency	ROE	>12.2%	15.8%
	Cost / Income	<44.7%	41.7%*
Risk management	CAR	>15.5%	18.4%**
	CoR	0.6%	0.1%

*- 40.4%, if excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

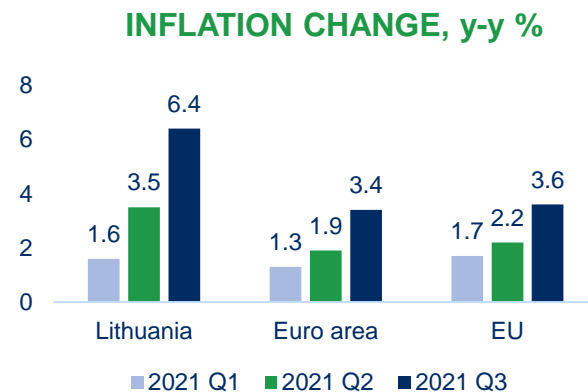
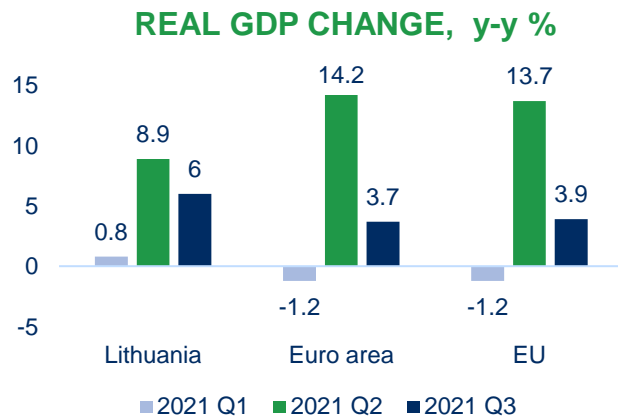
**- forecast data

NET PROFIT STRUCTURE

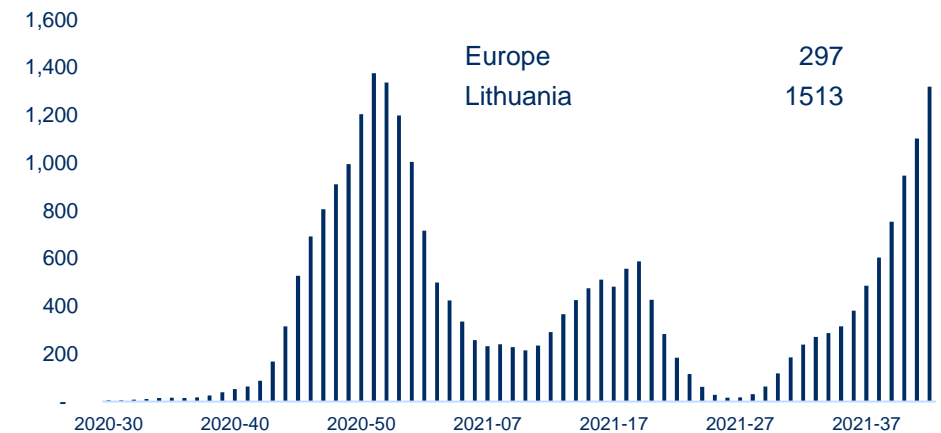


Macro & COVID situation update

- Strong economy growth continues with flash estimate rate of 6.0% for the Q3
- Inflation on the rise and should increase further in Q4
- Although COVID-19 rates are increasing, new strict restrictions are not expected in Q4



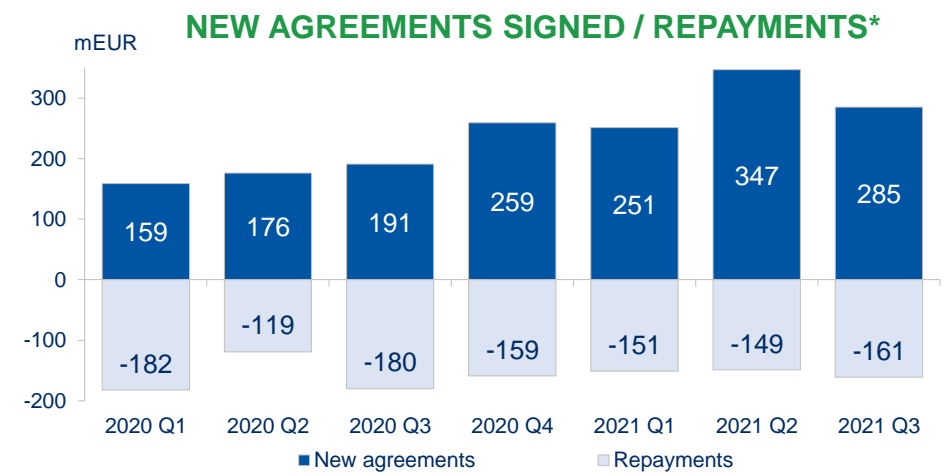
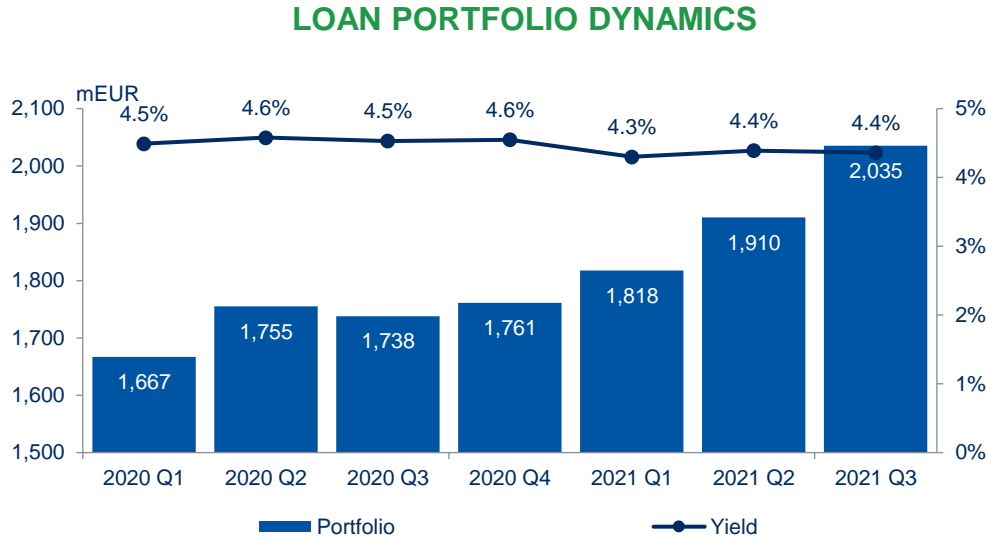
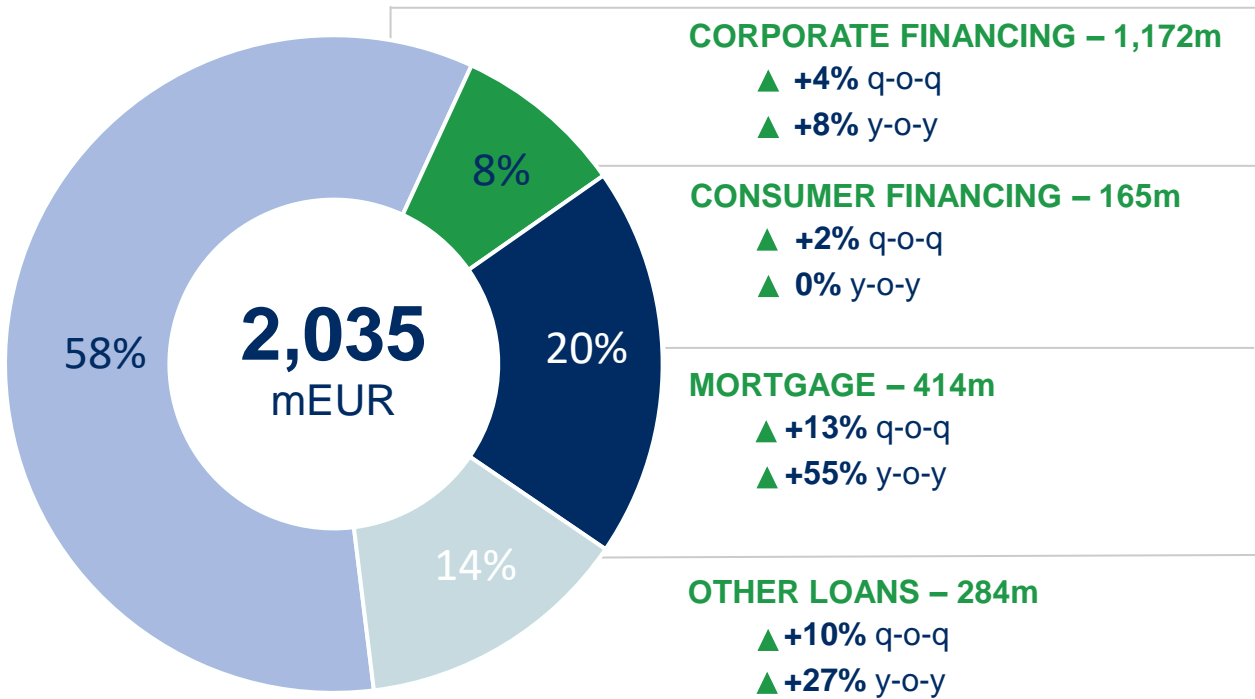
CUMULATIVE NUMBER FOR 14 DAYS OF COVID 19 CASES PER 100000 IN LITHUANIA (YYYY-W)



Graphs sources: European Commission, 29th October; European Centre for Disease Prevention and Control, 28th October

Loan portfolio dynamics

- Increasing lending volumes - total loan portfolio up by 7% in Q3 and by 16% in 9M
- Another strong quarter by new agreements signed
- Multi-apartment buildings modernization fund is being set up
- Over the last 12M loan market increased by 3.4%, while Bank's market share increased by 0.4 p.p. to 8.7% (market data as of Q2 2021)

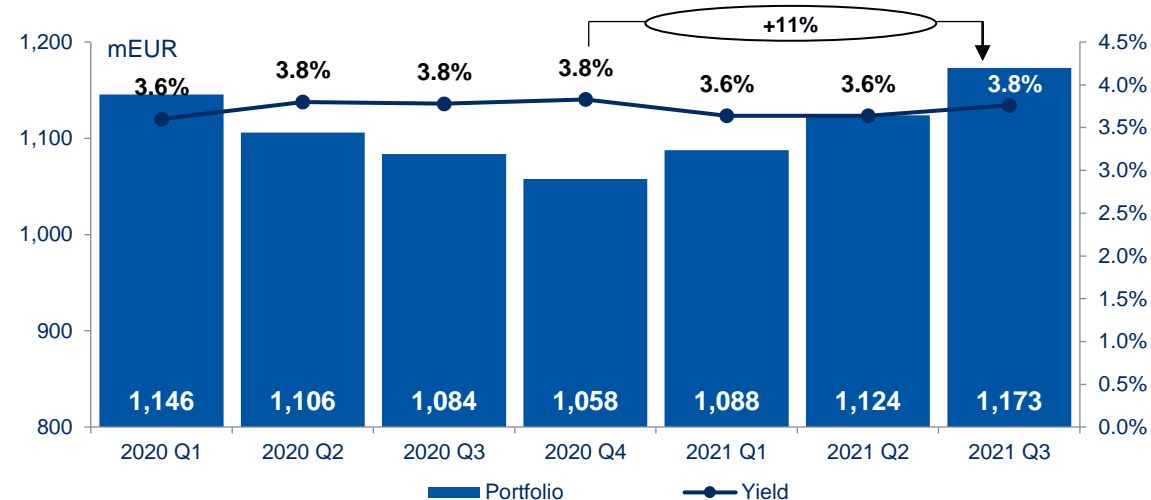


* - including loan commitments

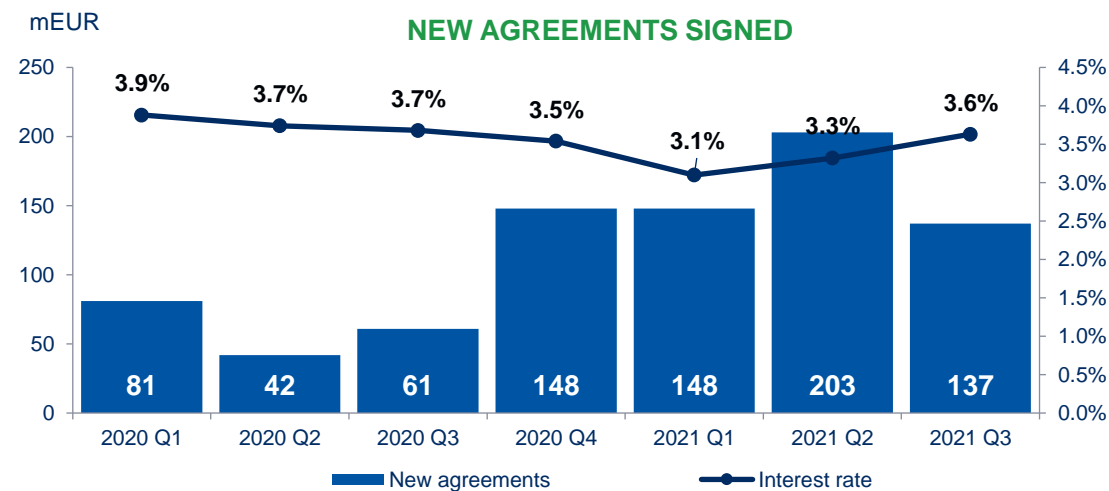
Corporate financing

- Portfolio up by 4% (EUR 49m) in Q3 and by 11% (EUR 115m) in 9M
- High volume of business loan agreements signed is being maintained, which is almost 3x higher than in 9M 2020, and their value reaches EUR 488m
- For the second consecutive quarter, the rise in the yield of newly issued business loans is achieved
- Banking sector corporate loan market decreased by 4% over last 12M, thus Bank's market share increased by 0.8 p.p. to 13.9% (market data as of H1 2021)

CORPORATE FINANCING PORTFOLIO



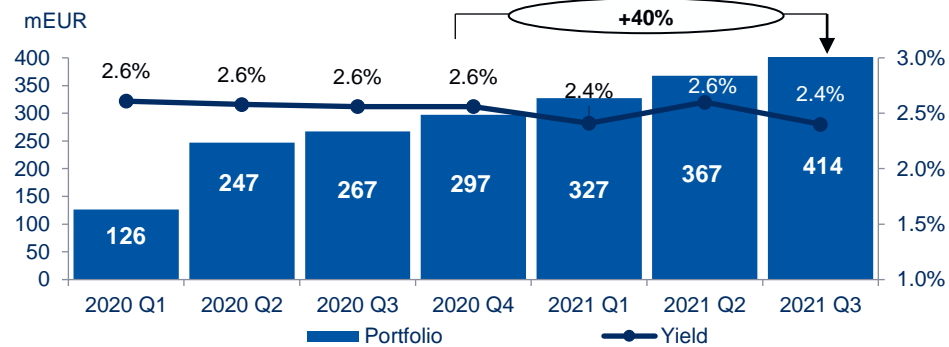
NEW AGREEMENTS SIGNED



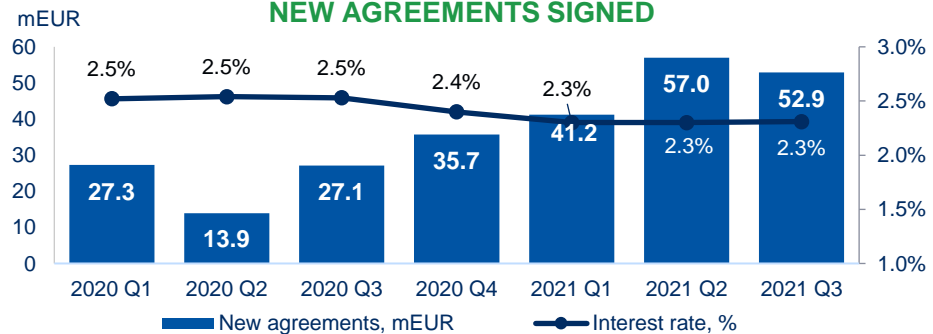
Mortgages

- Private customers remain highly interested in the housing loans – this year new loan agreements signed are twice as high as in 9M 2020
- Over last 12M the mortgage market increased by 10%, while Bank's market share increased by 1.0 p.p. to 3.95% (market data as of H1 2021)

MORTGAGES PORTFOLIO



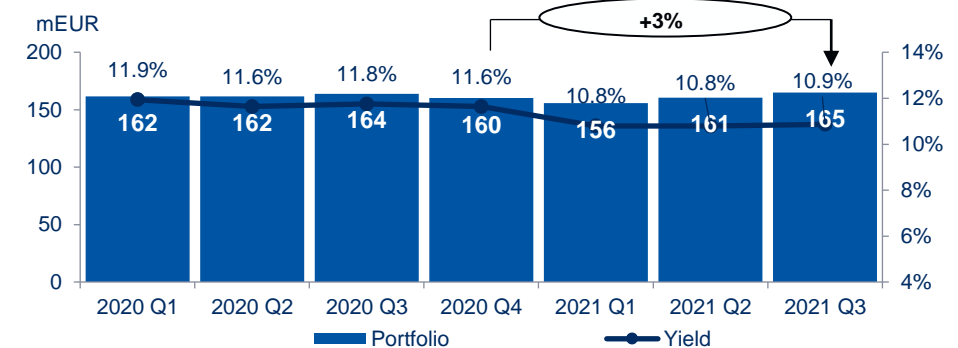
NEW AGREEMENTS SIGNED



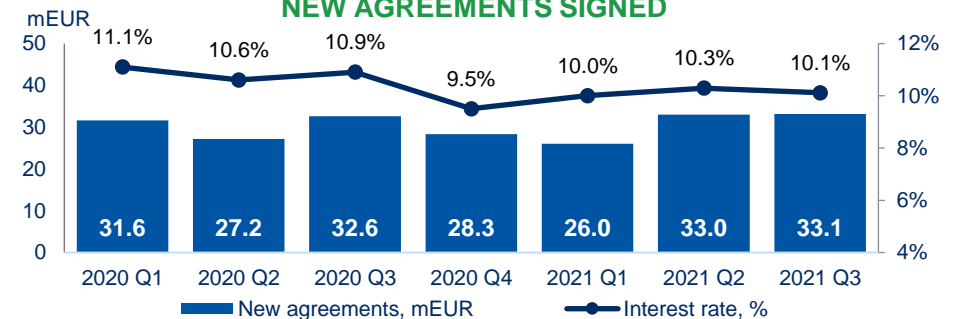
Consumer financing

- Loan portfolio growth is moderate - up by 2% in Q3 and by 3% in 9M - due to lower-than-average customer traffic in physical customer service locations
- Over last 12M the consumer credit market increased by 1%, while Bank's market share decreased by 0.2 p.p. to 11.4% (market data as of H1 2021)

CONSUMER FINANCING PORTFOLIO



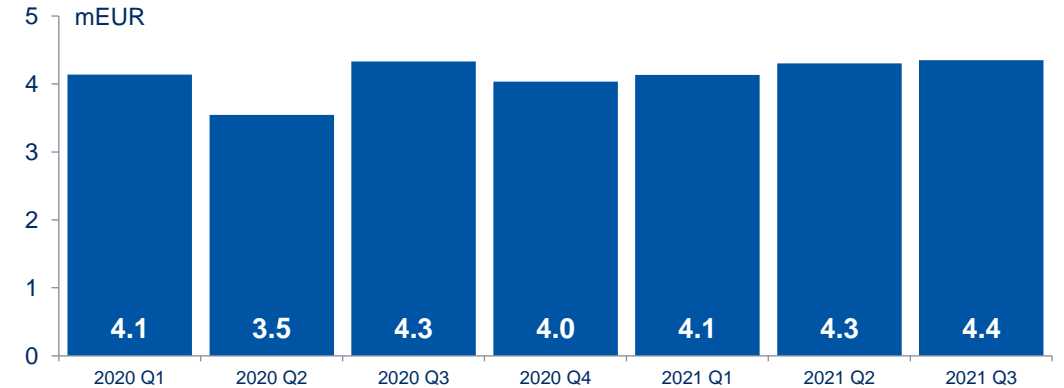
NEW AGREEMENTS SIGNED



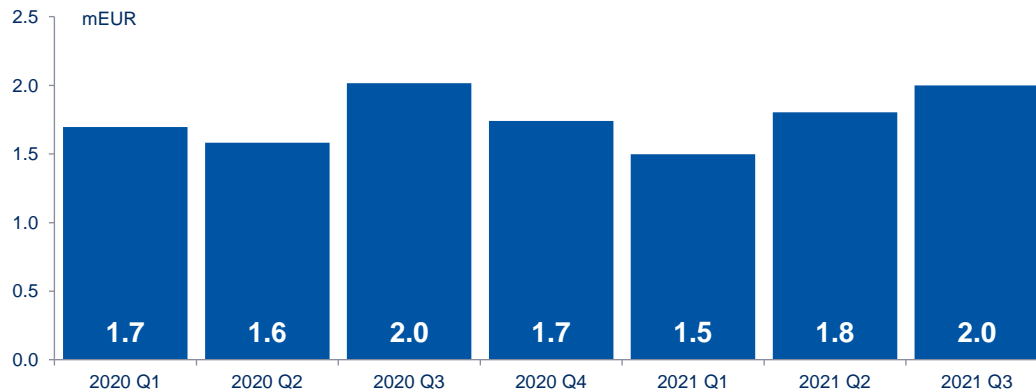
Daily banking

- NFCI increased by 6% compared to the 9M 2020 and reached EUR 12.8m
- The increasing number of clients use card payments and shop online; the number of credit cards increased by 25% during last 12M
- High demand for the Bank's securities brokerage related services continues – revenues in 9M is higher by 68% y-o-y
- As the number of services available on the Internet bank and Mobile app is increasing, the number of digital channel users is constantly growing

NET FEE AND COMMISSION INCOME (NFCI)

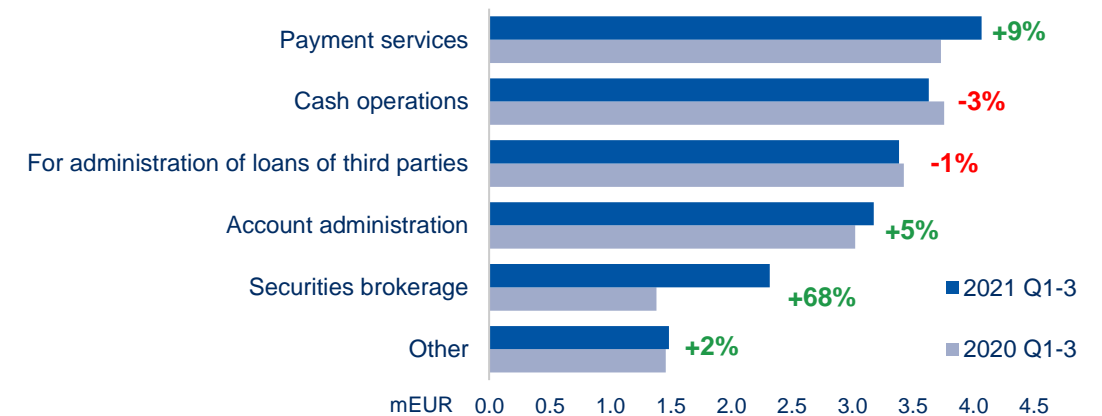


REVENUE FROM FOREIGN EXCHANGE OPERATIONS *



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

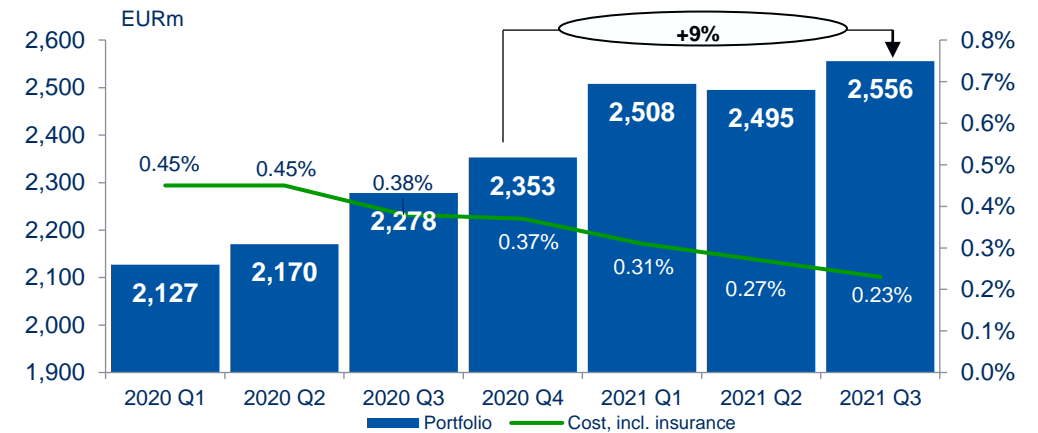
FEE AND COMMISSION INCOME, Y-Y CHANGE



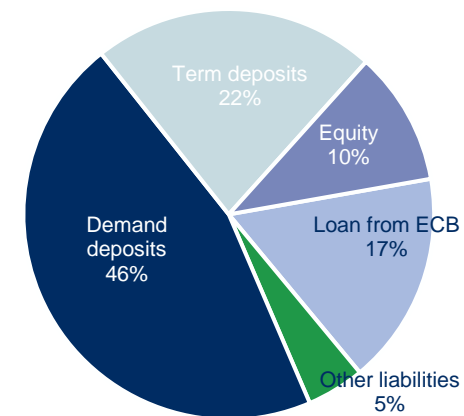
Funding

- In Q3, total deposit portfolio increased by 2% (EUR 61m) to EUR 2.56bn:
 - Term deposits EUR -23m
 - Demand deposits EUR +84m
- LTD ratio 80% vs 75% (9M vs 2020 Q4)
- At the end of the Q3, the Bank borrowed via the ECB's latest TLTRO III operation EUR 478.81m for the 3-year term. The Bank aims to receive an interest rate of -1.0% until 23 June 2022 for the loans received under the TLTRO operations (total of EUR 628.8m is borrowed)
- In Q3, the Bank has successfully completed an issue of 4-year EUR 75m of MREL eligible senior preferred bonds with a coupon of 1,047%

DEPOSIT PORTFOLIO

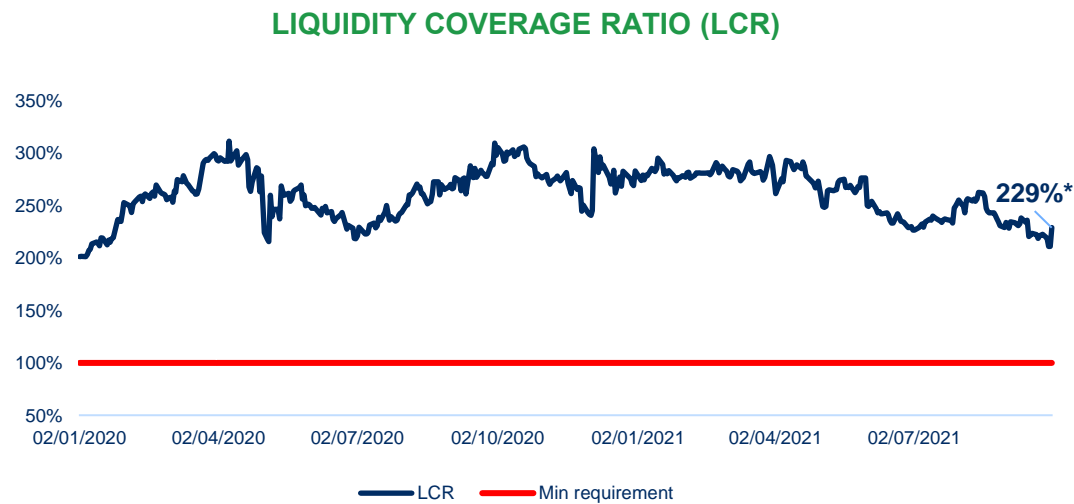


FUNDING STRUCTURE



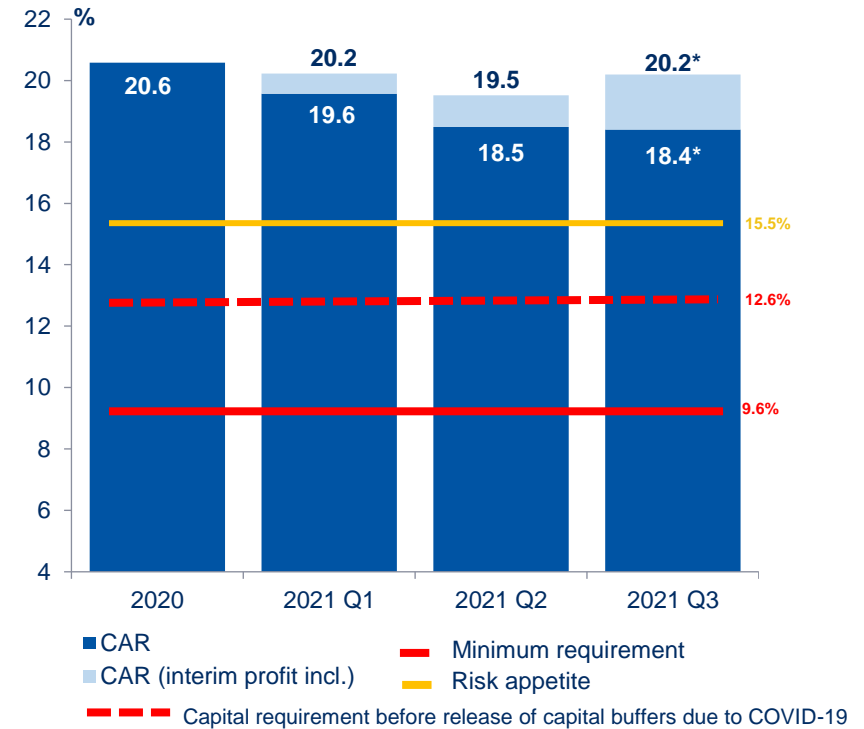
Capital & risk management

- Capital substantially above requirements
- Current ECB recommendation on dividends expired on 30 September 2021
- LCR slightly decreased from 234% to 229%*



* - forecast data

CAPITAL ADEQUACY RATIO

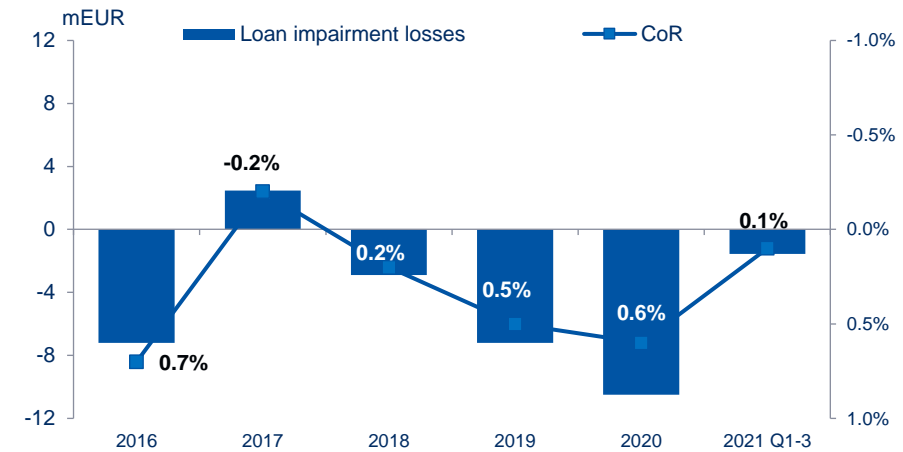


* - forecast data

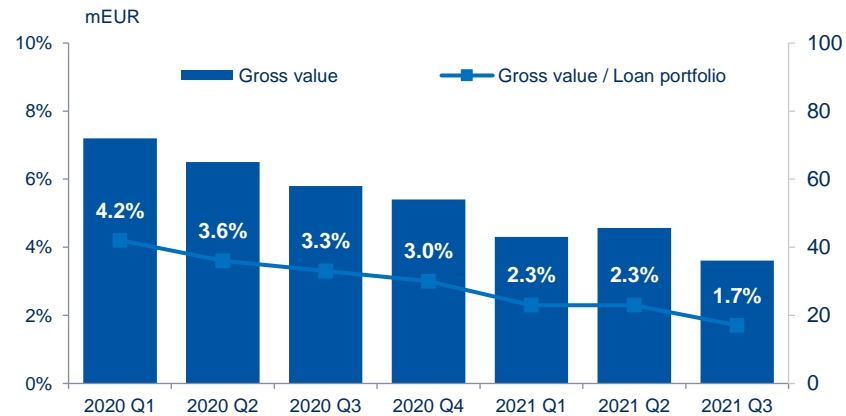
Loan portfolio quality

- Provisions for possible impairment losses amounted to EUR 1.5m in 9M 2021 and is mainly a result of estimated credit loss model parameters changes
- NPE's portfolio decreased by EUR 11m in Q3 2021 (EUR 40.5 million in 9M 2021)

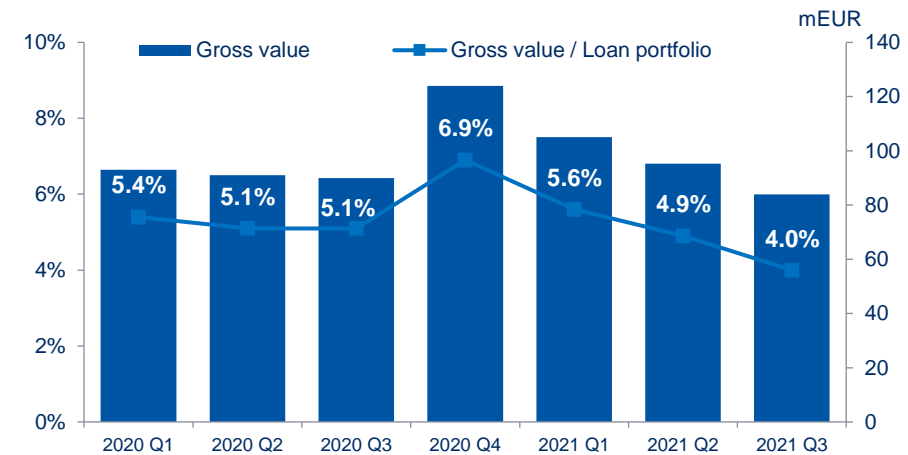
COST OF RISK (COR)



LOANS PAST DUE >30 DAYS

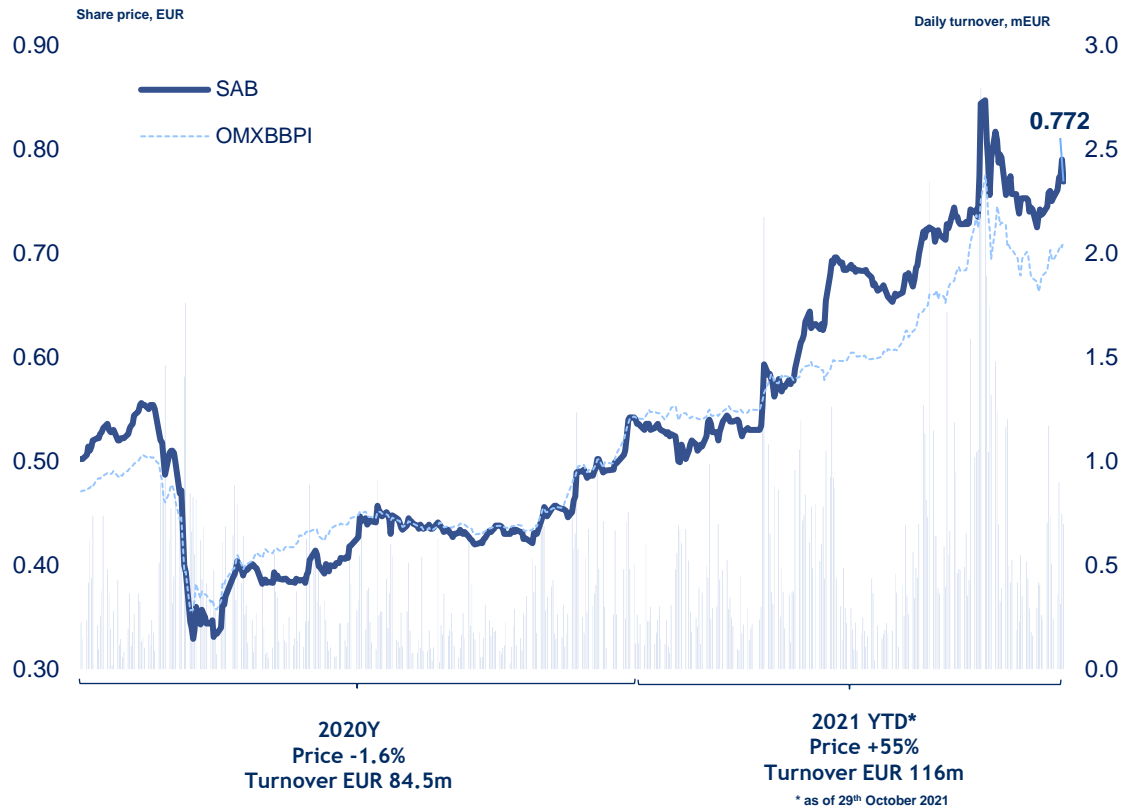


NPE (LOANS)



Share valuation data & ratios

SHARE PRICE DYNAMICS



SHARE DATA

	2016	2017	2018	2019	2020	2021-10-29
Capitalization, mEUR	170	267	241	304	299	464
Average daily turnover, mEUR	0.09	0.18	0.14	0.19	0.34	0.56
P/BV	1.0	1.3	0.9	1.0	0.8	1.17
P/E	3.9	8.3	4.6	5.9	7.0	8.8
Number of shareholders *	3 401	4 496	4 992	5 391	9 053	15 989*

*- 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 2021 09 30

TARGET PRICE

EUR 1.00 / 0.79 / 0.65 (0.75 / 0.61 / 0.48)
(bull / base / bear) (2021-05-13)



EUR 0.80 (0.57)
(2021-05-11)



EUR 0.95 (0.70)
(2021-08-05)



EUR 0.80 (0.68)
(2021-08-12)



EUR 0.68 - 0.64
(2020-11-16)



Q&A



Annex I

KEY RATIOS

	2015	2016	2017	2018	2019	2020	2021 Q1-3
Net profit, mEUR	23.8	43.7	32.1	52.6	51.5	43.0	44.2
NIM, %	2.9	2.9	3.1	3.1	3.2	3.0	2.9
ROAA, %	1.4	2.5	1.6	2.4	2.1	1.5	1.8
ROAE, %	19.0	27.6	16.1	22.3	17.6	12.7	15.8
C / I, %	52.2	42.3	52.1	37.3	42.5	42.7	41.7
C / I, % (excl. the impact of the SB draudimas clients' portfolio)	51.6	41.4	51.7	37.9	40.8	42.9	40.4
CET1 ratio, %	12.1	15.0	13.9	15.0	15.0	16.1	17.4
CAR, %	14.2	17.0	15.5	15.0	16.2	17.2	18.4*
CAR, % (interim profit incl.)	15.7	19.2	18.6	18.0	18.9	20.6	20.2*
RWA, mEUR	968	1.015	1.212	1.471	1.654	1.917	2.050*
L/D ratio, %	63.3	68.5	72.2	75.1	82.2	75.0	79.8

* - forecast data