

# Šiaulių Bankas

Q3`24 Financial Results

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October 31, 2024

ŠIAULIŲ  BANKAS

# Key Financial and Strategic Highlights

- **Strong Profitability:** Delivered a healthy ROE of 15.4%, indicating solid profitability and effective capital utilization
- **Stable Efficiency:** Achieved a stable C/I ratio of 45.6%, demonstrating resilience and efficiency despite broader cost inflation
- **Robust Loan Portfolio Growth:** New lending volumes surged across all business lines, driving an 18% year-on-year growth in the loan portfolio
- **Winning Market Share:** Gaining market share across all main business segments
- **Low Cost of Risk:** Sustained a low cost of risk, underscoring strong asset quality and prudent risk management practices
- **Enhanced Capital Return Policy:** Revised dividend payout policy to a minimum 50%, and started share buyback program supporting capital structure optimization and shareholder returns
- **Expanding Equity Research Coverage:** Erste Bank initiated coverage with a "Buy" recommendation and a target price of €1.00 per share

## YTD 2024 Highlights

NET PROFIT  
€63.6m

RETURN ON EQUITY  
15.4%

COST / INCOME RATIO  
45.6%

COST OF RISK  
0.31%

BOOK VALUE PER SHARE  
€0.87

## Corporate

### ✔ Record High Corporate Loans Originations

Corporate loan book expanded by 22% YoY, supported by record high new loan originations in the last quarter, totaling €397m; highlighting a favorable business climate across key strategic sectors, including energy, manufacturing and retail

### ✔ Expanding Market Share

Gained 1% market share over the first half of 2024 in an expanding market.

## Private

### ✔ Lending Activity Substantially Increased in Retail Segment

New mortgage contracts signed in Q3`24 amounted to €75.6m, representing a 99% YoY growth. Consumer lending originations increased by 11% YoY to €65.8m in Q3`24

### ✔ Building Cross-Selling Capabilities

Collecting direct marketing consents (+40% since the beginning of the year) to fuel future growth, while maintaining a market-leading NPS score of +81, demonstrates our exceptional customer service

## Investment

### ✔ DCM Services Surging

Origination amounted €185m for the first nine months, which is 16% higher than the planned level for the entire year of 2024. The bank launched an online bond subscription, allowing clients to easily subscribe to bonds through a digital interface

### ✔ Superior Pension Funds Results

Pension funds maintain competitive results both in the short and long term. In Q3, the returns of second-pillar pension funds were the highest in 7 out of 8 lifecycle funds, and the 4-year fund results were the best in 6 out of 8 lifecycle funds, compared to funds of the same age group managed by other managers

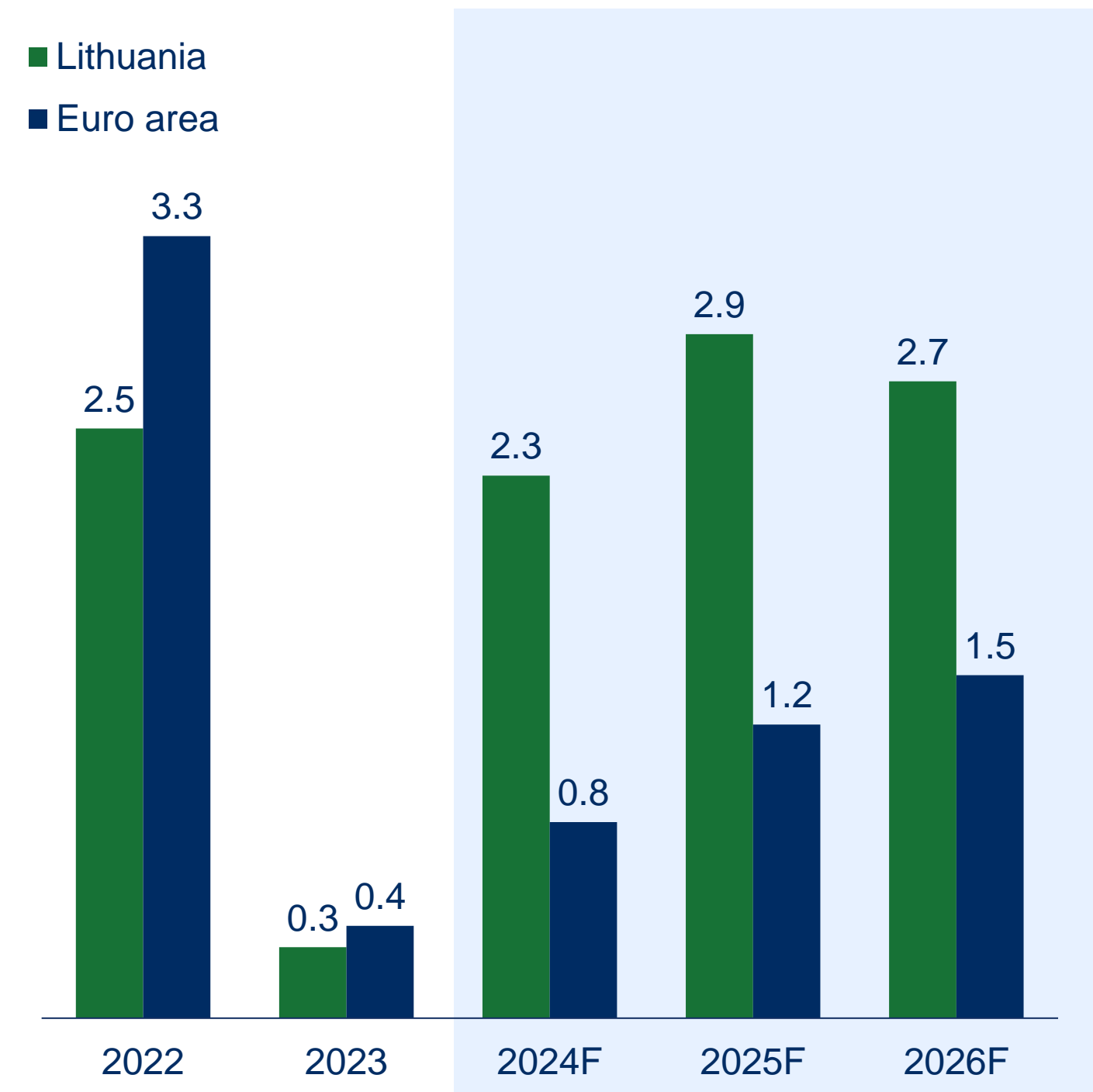
# Macroeconomic Overview

Section I

# Lithuania's Economic Growth Accelerates as Inflation Declines

## Robust Growth

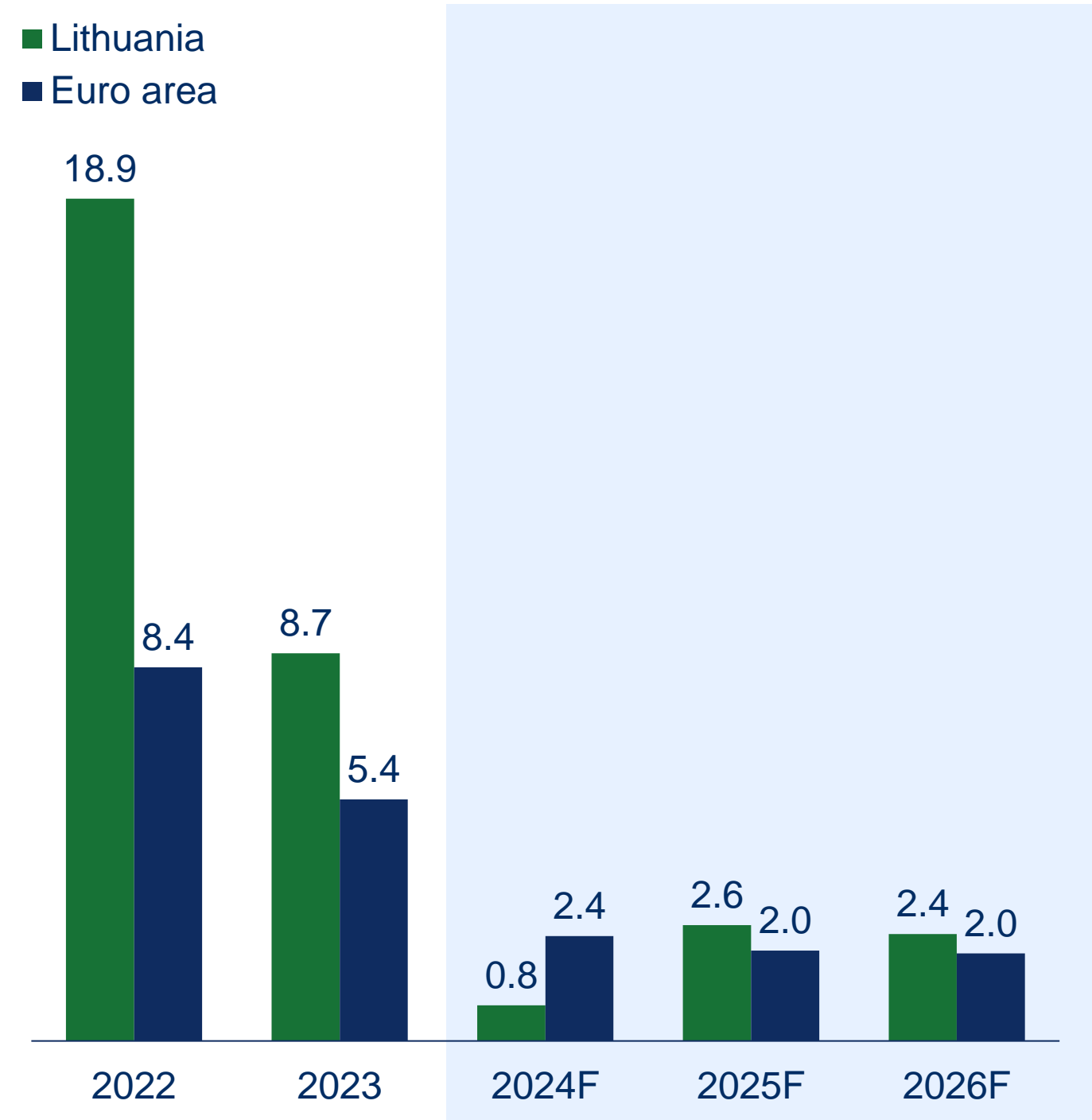
Real GDP, annual change, %



- Recovering domestic consumption, increasing industrial production, and improved crop yields are driving strong GDP growth in 2024, which will outpace the Euro area

## Inflation Has Largely Retreated

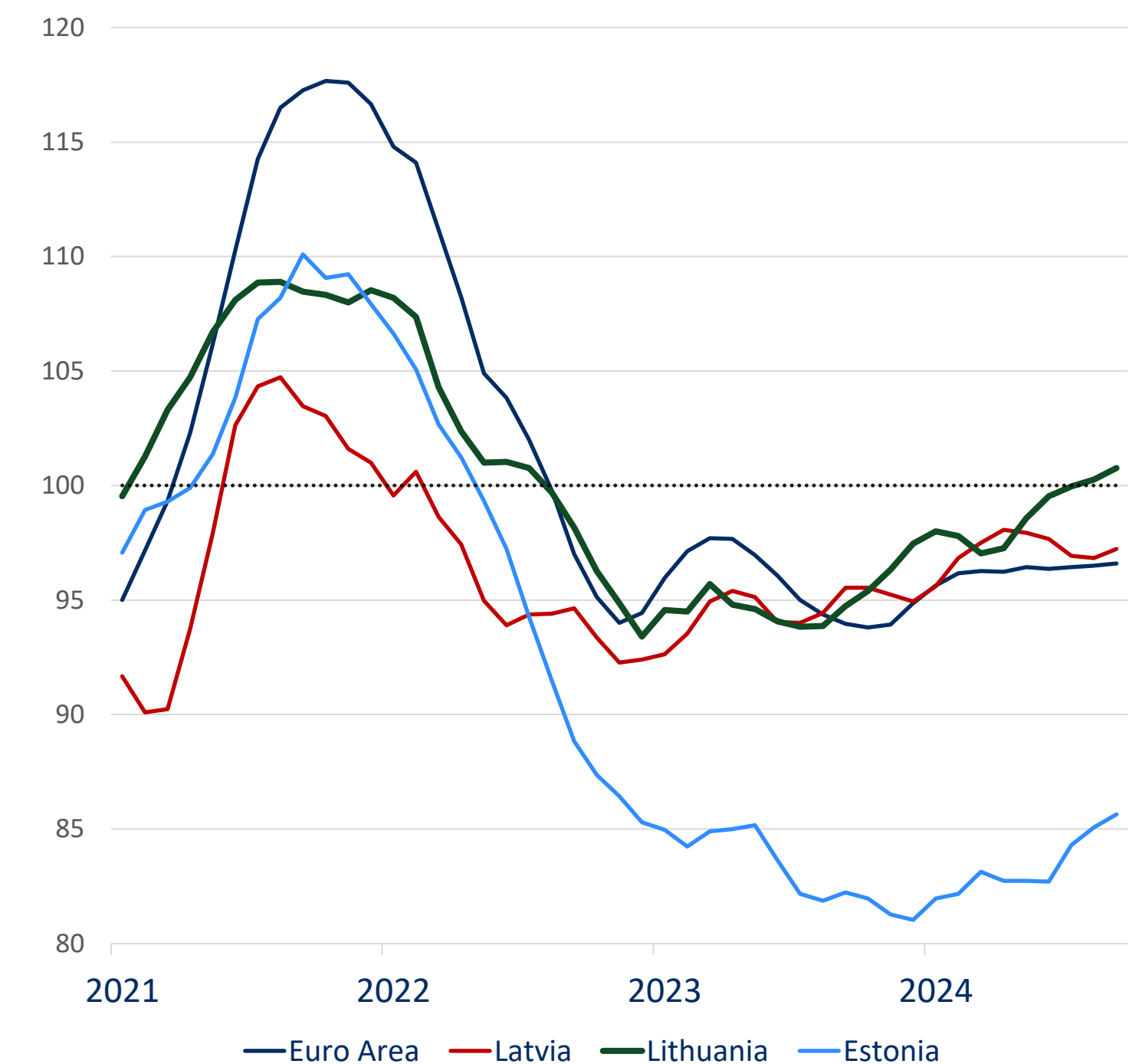
Average annual (HICP) inflation, %



- Inflation has retreated and is currently among the lowest in the Euro area
- Inflation may increase slightly in 2025 as a result of planned increases in excise duties and rising wages

## Strongest Consumer Confidence in the EU

Economic Sentiment Indicator<sup>(1)</sup> (average = 100)



- Lithuania's consumer confidence is increasing and remains the highest in the Euro area
- This positive economic climate supports sustained growth in aggregate loans and the banking sector

Notes: (1) 3-month MWA, SA.  
Source: State Data Agency, Eurostat, European Commission, Šiaulių bankas forecast for LT (2024-10-09), IMF WEO (October 2024) macroeconomic projections for the euro area.

# Q3`24 and 9M`24 Financial Results

Section II

# Financial Performance Highlights

Income Statement						
In €`m	Q3`24	Q2`24	%Δ QoQ	Q3`24	Q3`23	%Δ YoY
Net Interest Income	40.4	41.1	(2%)	40.4	40.7	(1%)
Net Fee & Commission Income	7.3	7.3	(0%)	7.3	4.9	50%
Other	6.8	6.7	2%	6.8	3.6	87%
<b>Total Revenue</b>	<b>54.5</b>	<b>55.0</b>	<b>(1)%</b>	<b>54.5</b>	<b>49.2</b>	<b>11%</b>
Salaries and Related Expenses	(12.2)	(11.9)	3%	(12.2)	(8.7)	41%
Other Operating Expenses	(13.9)	(16.1)	(14)%	(13.9)	(7.6)	84%
<b>Total Operating Expenses</b>	<b>(26.1)</b>	<b>(28.0)</b>	<b>(7)%</b>	<b>(26.1)</b>	<b>(16.2)</b>	<b>61%</b>
<b>Operating Profit</b>	<b>28.4</b>	<b>27.0</b>	<b>5%</b>	<b>28.4</b>	<b>33.0</b>	<b>(14)%</b>
Impairment Losses	(3.0)	(1.7)	76%	(3.0)	(3.1)	(4%)
Income Tax Expense	(4.7)	(4.8)	(1%)	(4.7)	(5.7)	(16%)
<b>Net Profit</b>	<b>20.6</b>	<b>20.5</b>	<b>1%</b>	<b>20.6</b>	<b>24.2</b>	<b>(15)%</b>
<i>Return on Equity<sup>2</sup></i>	<i>14.6%</i>	<i>15.1%</i>	<i>(0.5%)</i>	<i>14.6%</i>	<i>20.1%</i>	<i>(5.5%)</i>

Select Balance Sheet Metrics					
In EUR`m	Sep`24	Jun`24	Dec`23	%Δ QoQ	%Δ YTD
Total Loans	3,429	3,188	2,932	8%	17%
Total Assets	4,944	5,036	4,809	(2%)	3%
Total Deposits	3,419	3,341	3,178	2%	8%
Total Equity	577	555	543	4%	6%
<i>Assets under Management<sup>1</sup></i>	<i>1,870</i>	<i>1,776</i>	<i>1,556</i>	<i>5%</i>	<i>20%</i>
<i>Assets under Custody</i>	<i>1,862</i>	<i>1,870</i>	<i>1,943</i>	<i>0%</i>	<i>(4%)</i>
<i>BVPS</i>	<i>0.87</i>	<i>0.84</i>	<i>0.82</i>	<i>4%</i>	<i>6%</i>

Notes:

(1) Includes Asset Management and Modernization Funds AuM

(2) ROE calculated taking annualized YTD result divided by trailing 4 quarters equity

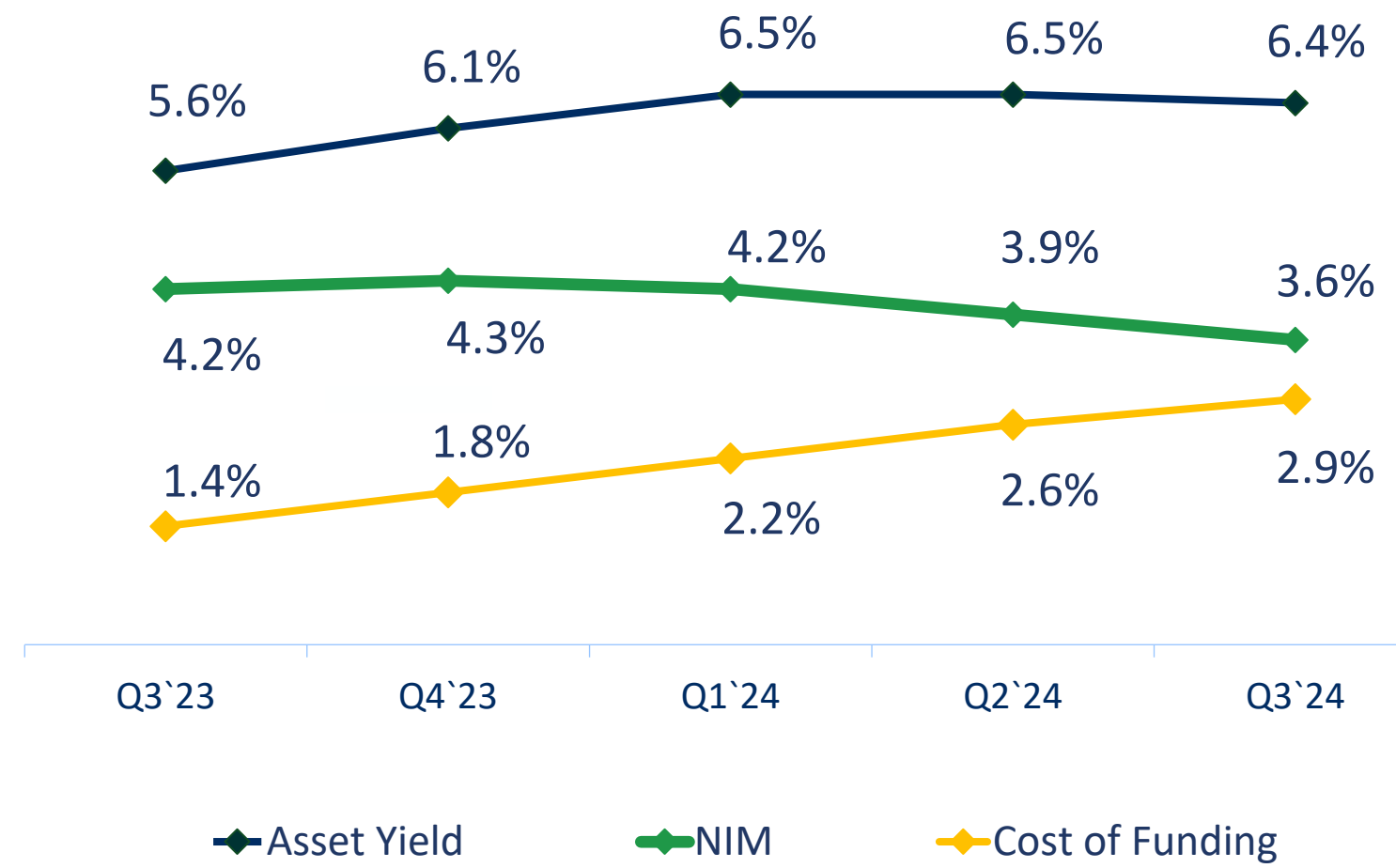
- Despite declining EURIBOR we have managed to achieve comparable revenue level QoQ
- Other operating expenses decreased by 14% QoQ. Q2 expenses were elevated due to the windfall tax for 2023, which was accrued in Q2'24
- Impairment losses higher mainly due to uptick in new lending volumes
- Total assets under management<sup>1</sup> increased +20% YTD
- Balance sheet slight decrease QoQ was a result of TLTRO loan repayment

# Net Interest Income

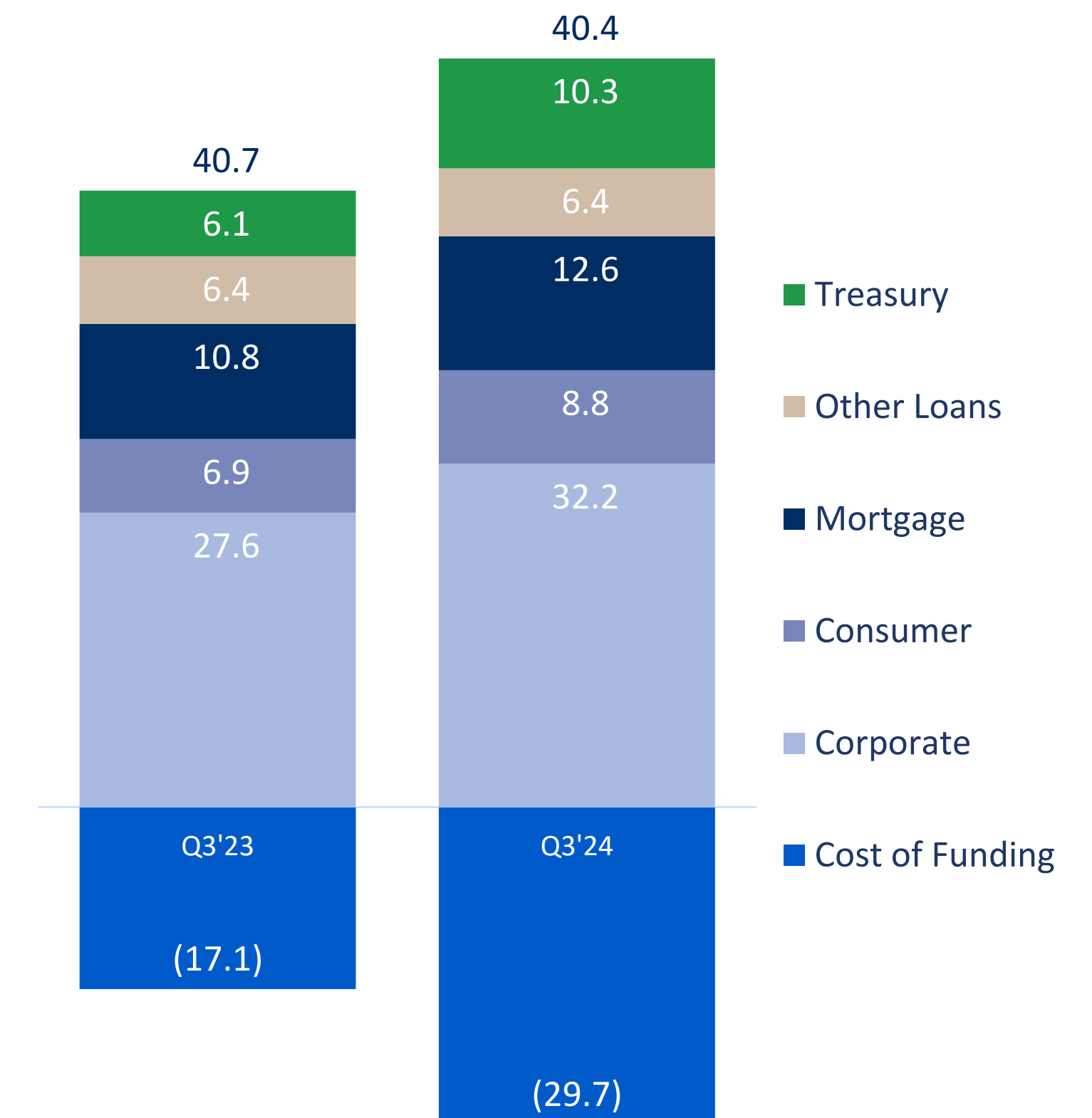
## Key Highlights

- Net interest income decreased by -2% in Q3'24, compared to Q2'24
- Net interest income was positively supported by new loan origination across all segments however was more than offset by increasing cost of funding
- The bank kept an old €210m bond one month after new €300m senior preferred note was issued which resulted in an additional €1m funding cost

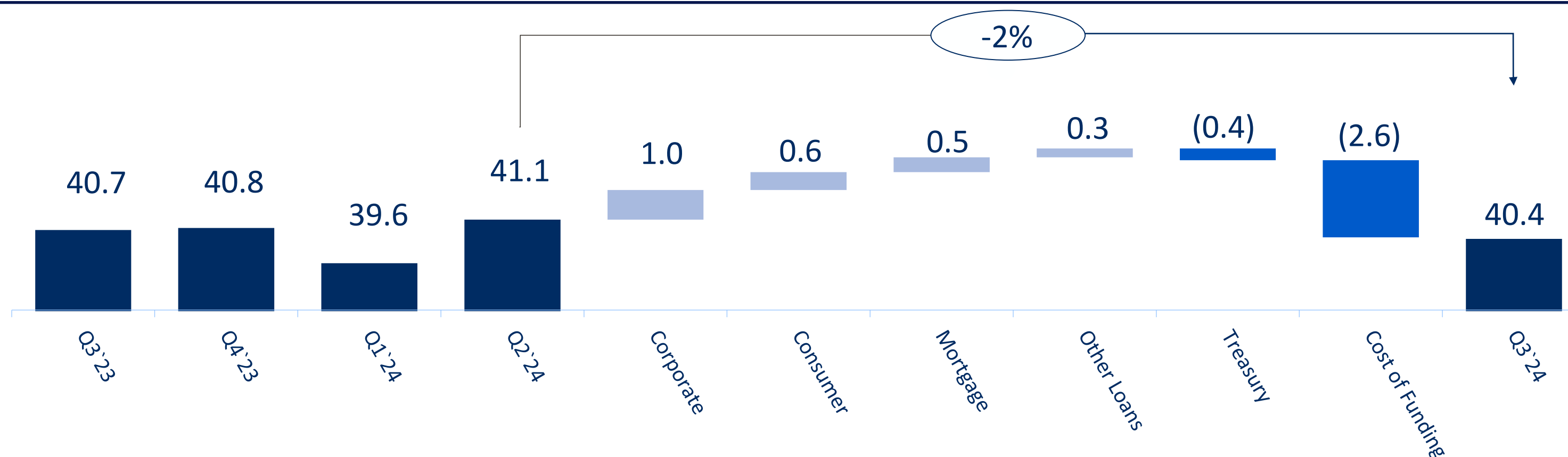
## Net Interest Margin (NIM) Dynamics



## Net Interest Income YoY (€`m)



## Net Interest Income QoQ (€`m)



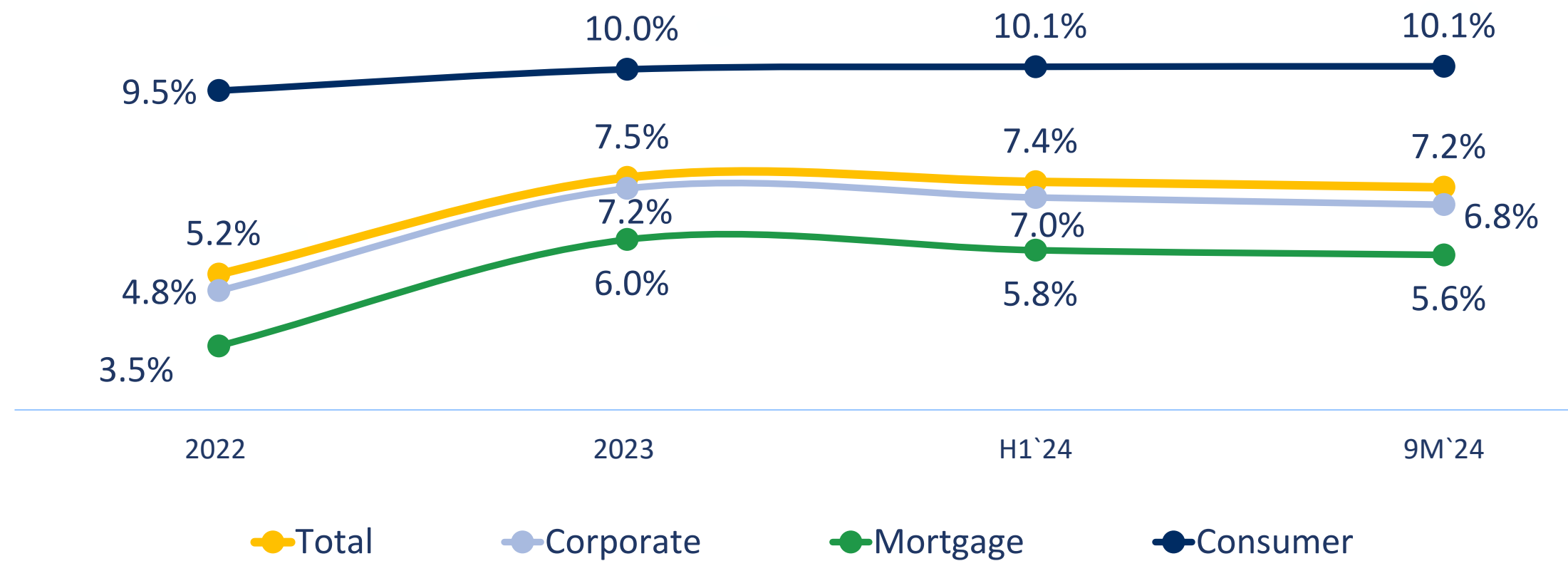


# Loan Portfolio

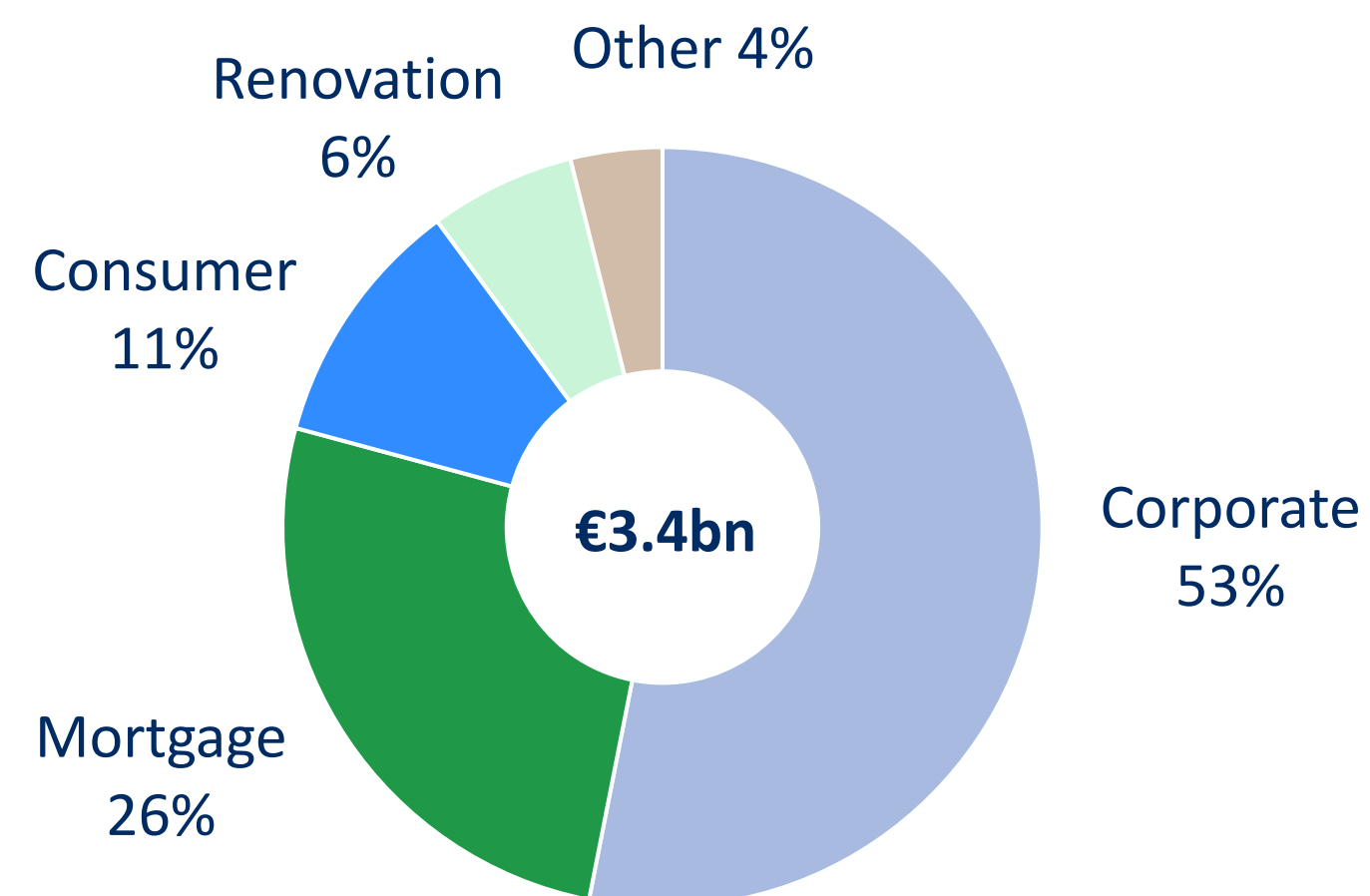
## Key Highlights

- The loan portfolio expanded by 8% since the last quarter and by 18% in the past year. This growth was largely driven by strong originations in our corporate banking segment supported by mortgages
- Loan portfolio yields have remained relatively stable

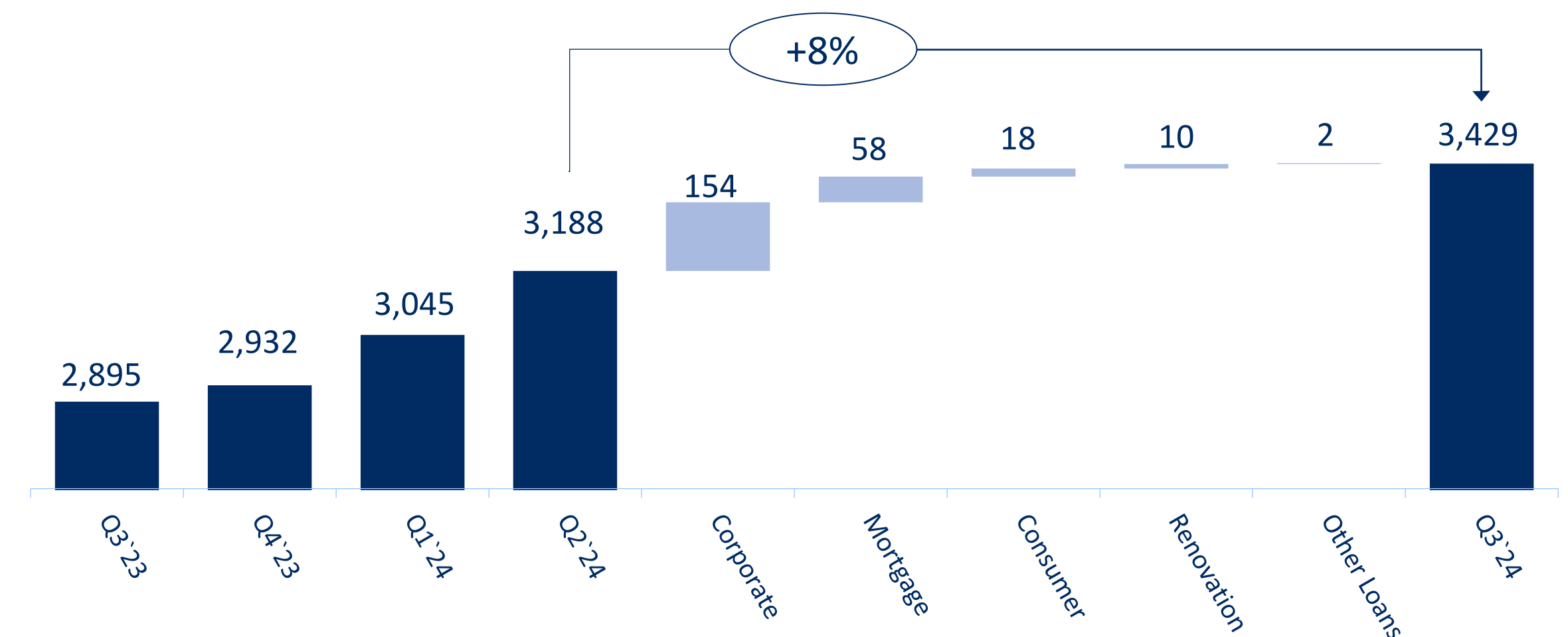
## Loan Yields



## Loan Book (Sep-24)



## Loan Book Development in Q3'24

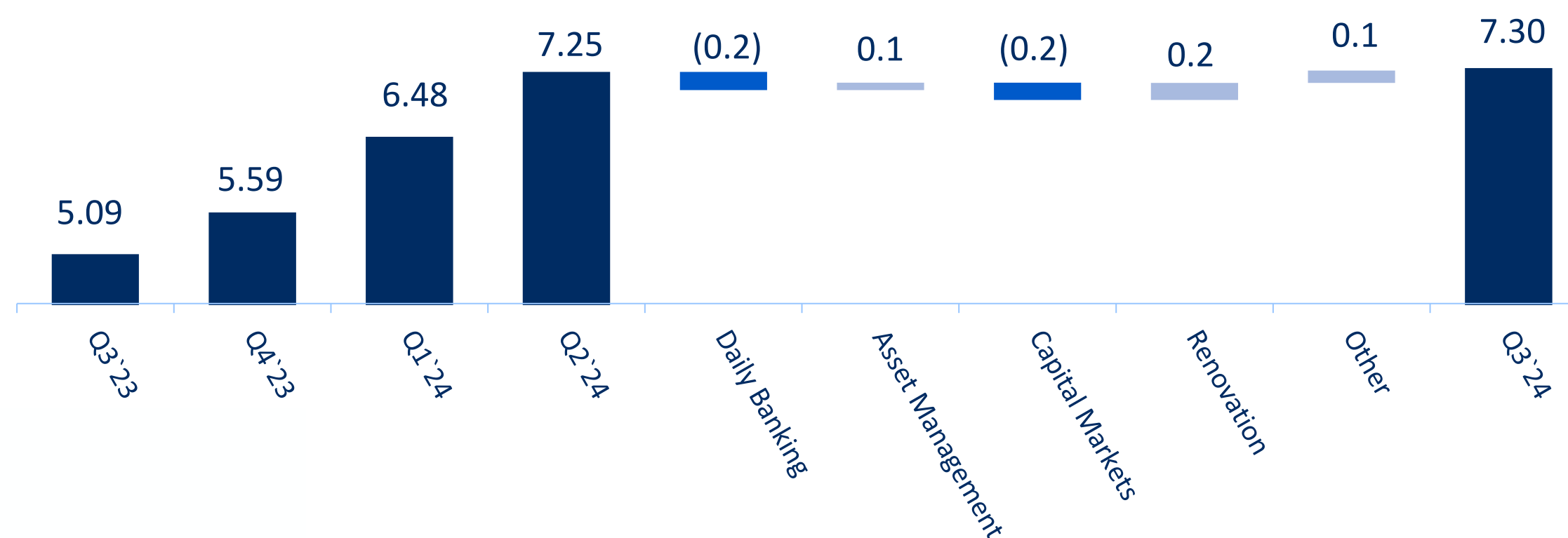


# Net Fee & Commission Income

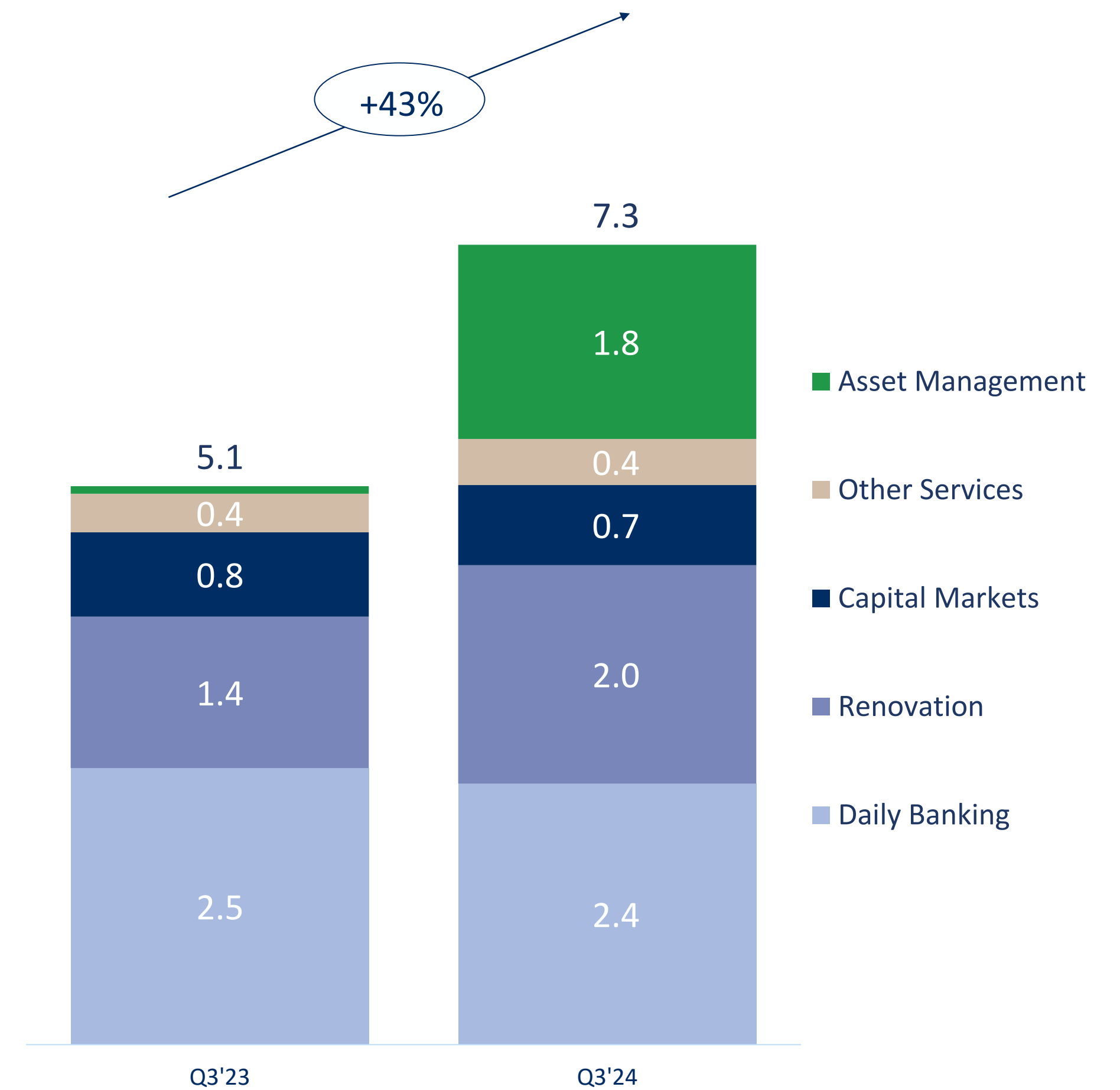
## Key Highlights

- Net fee & commission income (NFCI) surged by 43% YoY, driven primarily by the acquisition of INVL Retail business (asset management and life insurance)
- Excluding the acquisition impact, NFCI increased by healthy 9% YoY primarily driven by fees from renovation financing
- Fees from renovation soared by 44% YoY due to robust demand for multi-apartment building renovation financing
- Capital markets were weaker because of seasonal headwinds

## NFCI Development QoQ (€`m)



## Net Fee & Commission Income YoY (€`m)

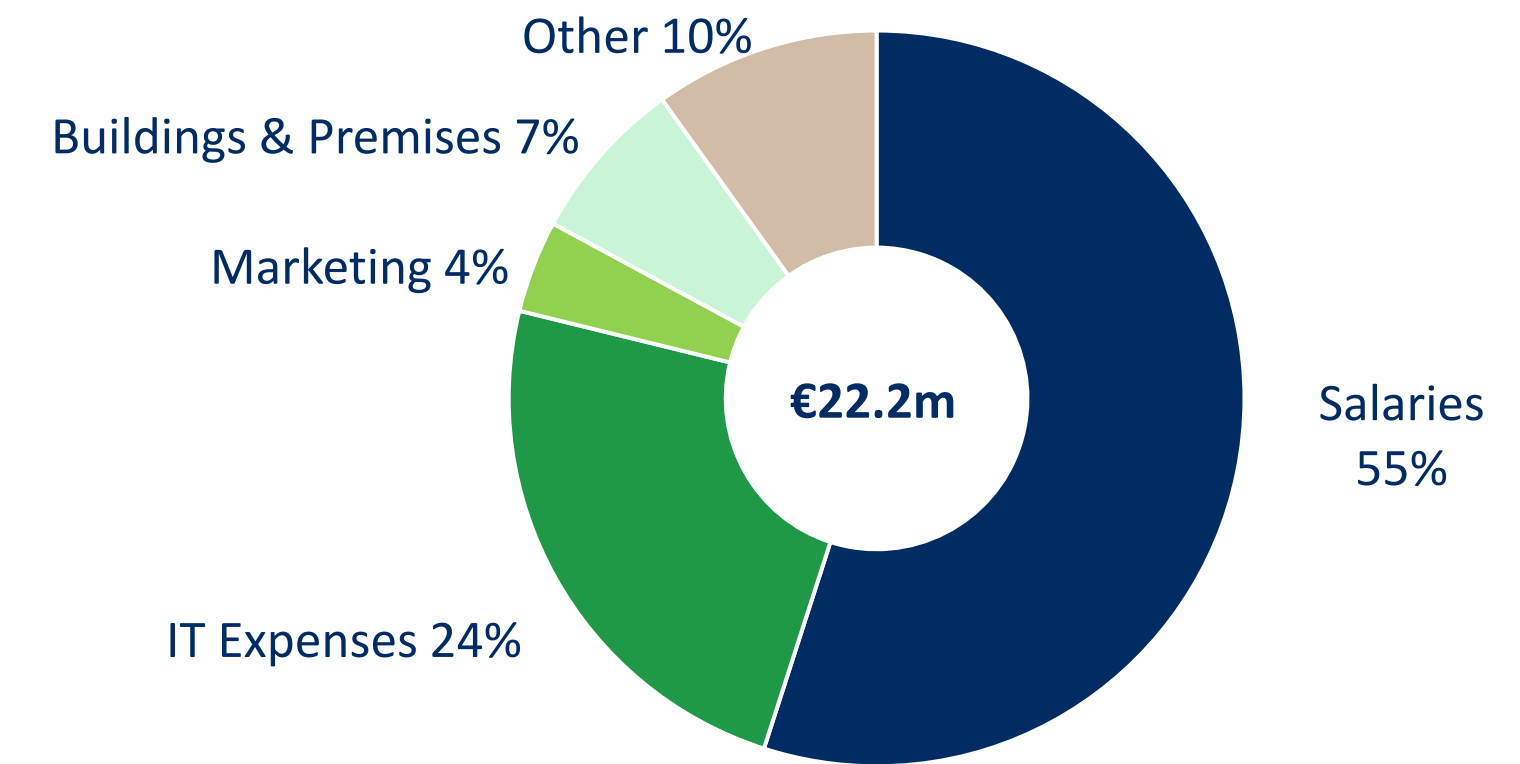


# Operating Expenses<sup>(1)</sup>

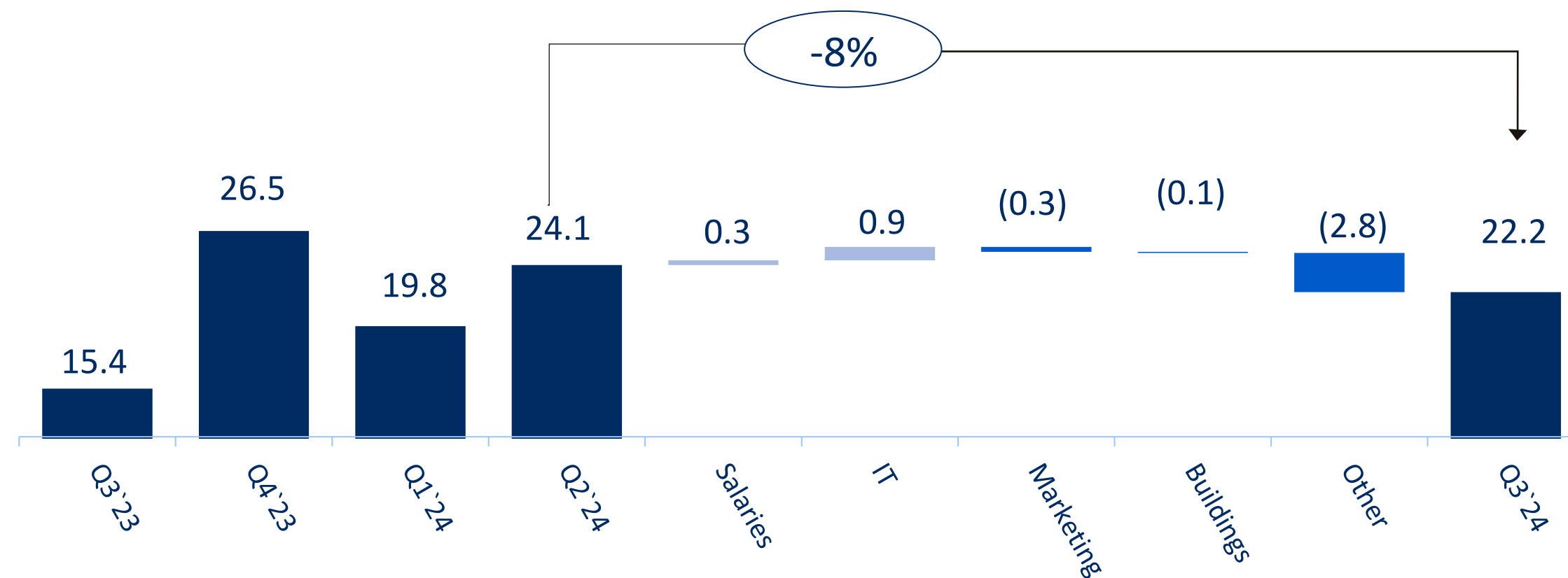
## Key Highlights

- Cost discipline maintained despite overall inflationary cost environment. C/I running at 45.6% for the first nine month significantly below original projections
- Operating expenses decreased by 8% QoQ. Q2 expenses were elevated due to the windfall tax for 2023, which was accrued in Q2`24
- The YoY increase in operating expenses (+44%) is primarily driven by the acquisition of the asset management and life insurance business in Q4`23

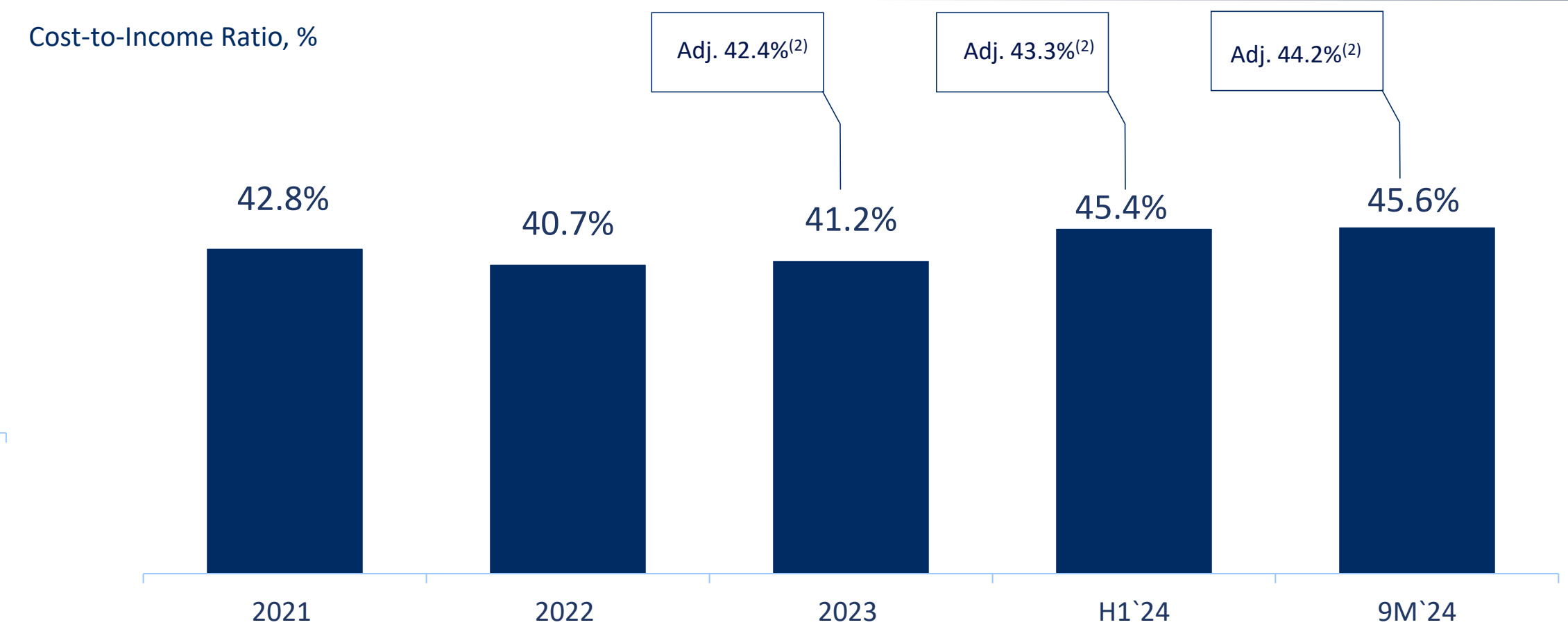
## Operating Expenses Structure<sup>(1)</sup> (Q3`24)



## Operating Expenses Dynamics<sup>(1)</sup> (€`m)



## Maintained Cost Discipline Despite Inflationary Pressures



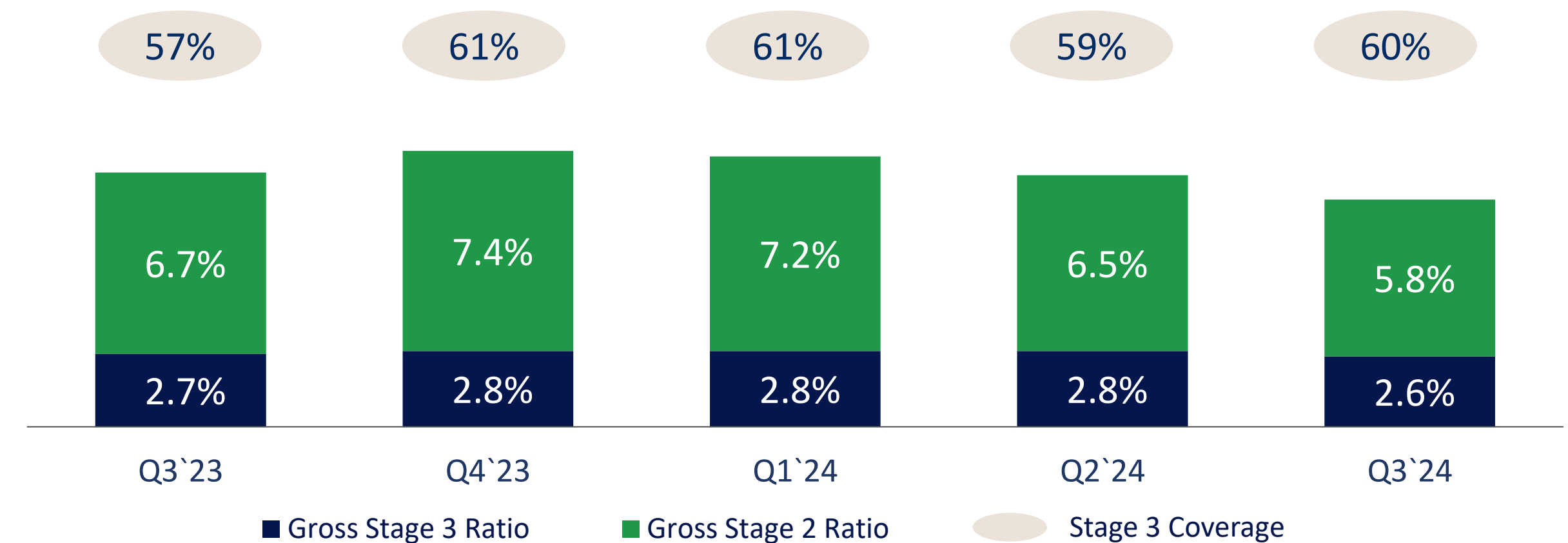
Notes: (1) Operating expenses analysis on this page excludes expenses related to insurance activities.

(2) Cost-to-income ratio adjusted for 2023 year windfall tax accrued in 2Q24 Q2

## Key Highlights

- Mainly due to the rapid growth of the loan portfolio and impairment losses model adjustment, €7.3m in provisions were formed over the first nine months
- The positive and improving development of the Lithuanian economy has had a favorable impact on the level of impairments for the second consecutive quarter
- Cost of Risk continues to remain below target of 0.5%

## Stage 2 and Stage 3 Dynamics



## Loan Impairment Losses Development (€`m) and Cost of Risk (%)

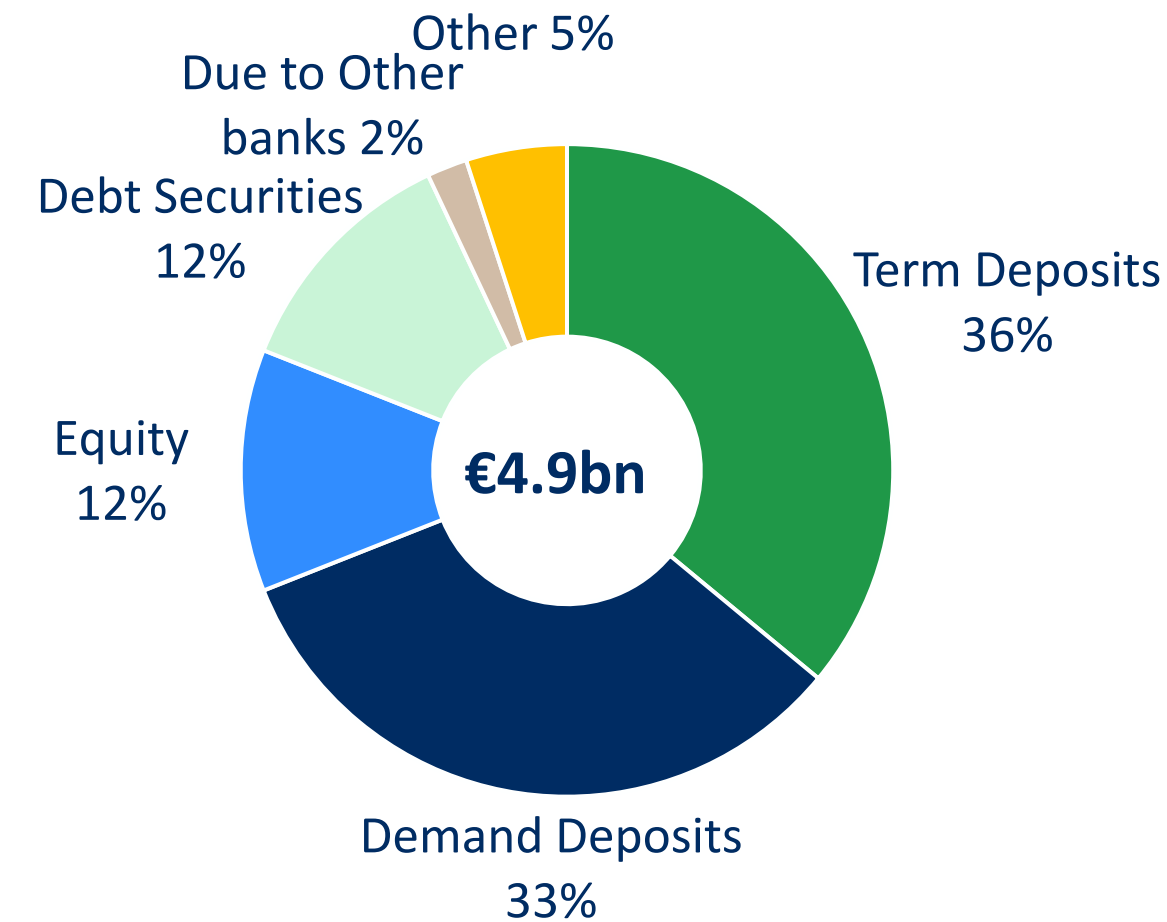
	Q1'23	Q2'23	Q3'23	Q4'23	2023	Q1'24	Q2'24	Q3'24	Q1-3'24	
Loan impairment Losses	Impact of Parameters	(0.5)	1.1	0.7	(7.1)	(5.8)	(2.6)	1.8	3.3	2.5
	New Lending, Impact of Individual Assessments and Model Adjustment	(2.0)	(3.6)	(4.1)	0.2	(9.5)	(0.1)	(3.4)	(6.3)	(9.8)
	<b>Total</b>	<b>(2.5)</b>	<b>(2.4)</b>	<b>(3.4)</b>	<b>(6.9)</b>	<b>(15.3)</b>	<b>(2.7)</b>	<b>(1.6)</b>	<b>(3.0)</b>	<b>(7.3)</b>
Cost of Risk	Corporate	0.46%	0.27%	0.10%	0.15%	0.24%	(0.31)%	0.08%	0.48%	0.10%
	Consumer	1.48%	1.10%	2.18%	6.54%	2.97%	3.08%	2.09%	1.79%	2.29%
	Mortgage	0.09%	0.08%	0.60%	(0.42)%	0.08%	0.14%	0.06%	(0.08)%	0.03%
	<b>Total CoR</b>	<b>0.38%</b>	<b>0.35%</b>	<b>0.48%</b>	<b>0.95%</b>	<b>0.54%</b>	<b>0.37%</b>	<b>0.20%</b>	<b>0.36%</b>	<b>0.31%</b>

# Funding

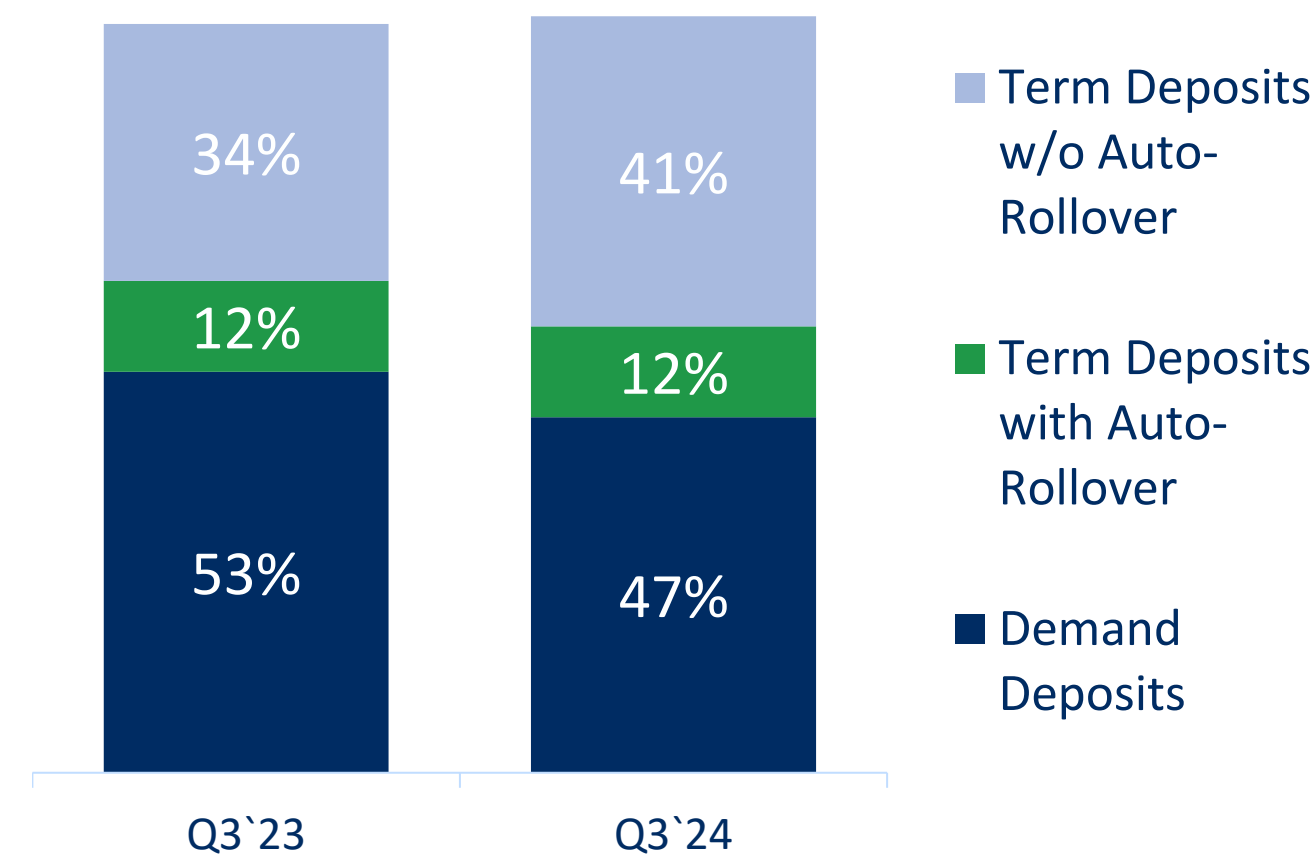
## Key Highlights

- The deposit portfolio continued its steady growth, increasing by 2% in Q3 (€78m) and by 8% over the first nine months (€240m)
- The bank repaid a TLTRO loan of €478m
- An inaugural €300m issuance of senior preferred notes was completed in the international markets
- The cost of funding peaked in Q3`24 and is expected to gradually decline going forward
- The cost of deposits began to decline during the quarter, which will have a positive impact in the following quarters

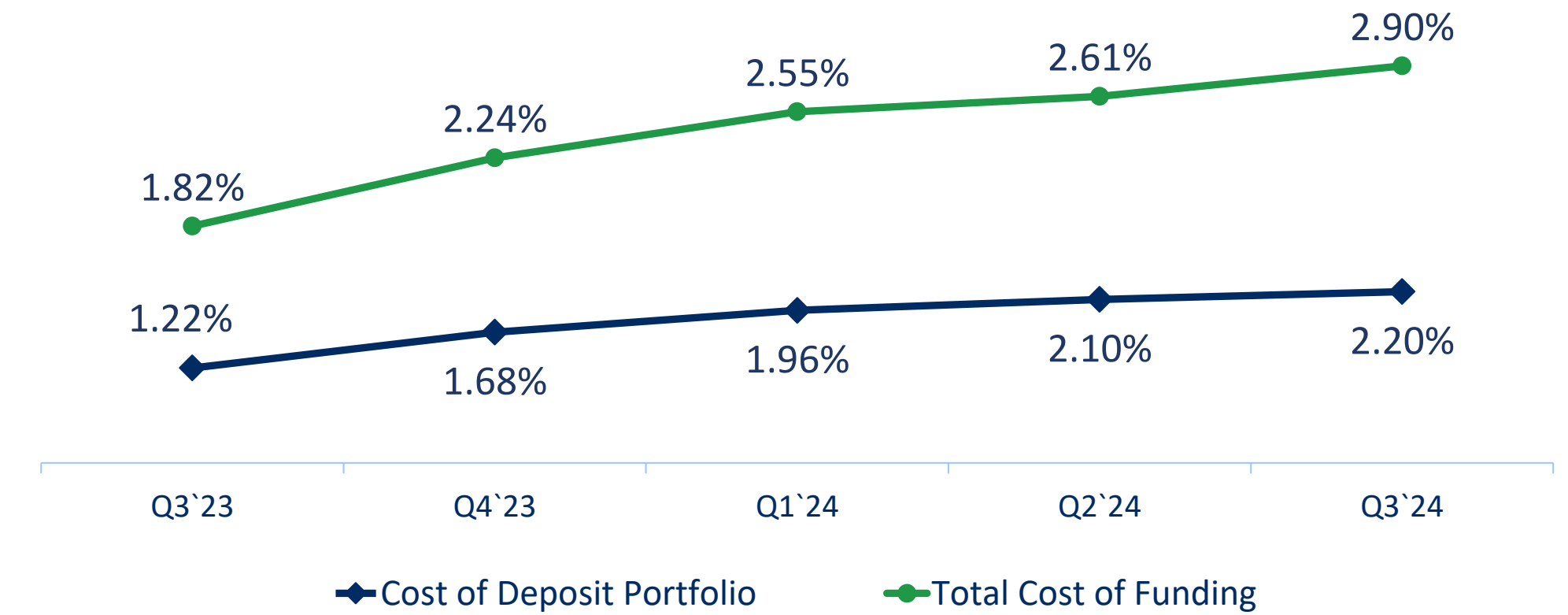
## Funding Portfolio Breakdown (Q3`24)



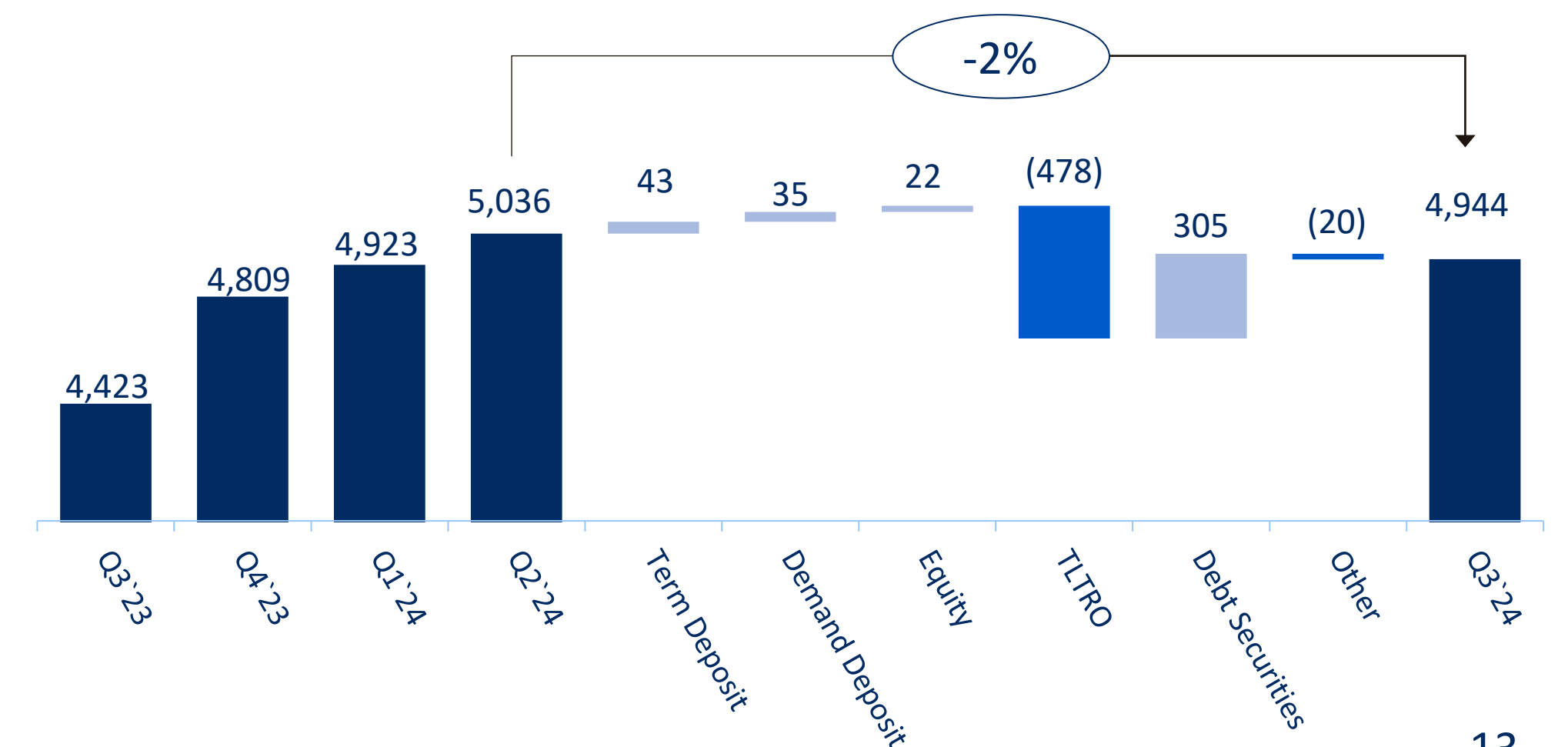
## Deposit Portfolio Structure



## Cost of Funding



## Funding Portfolio Development (€`m)

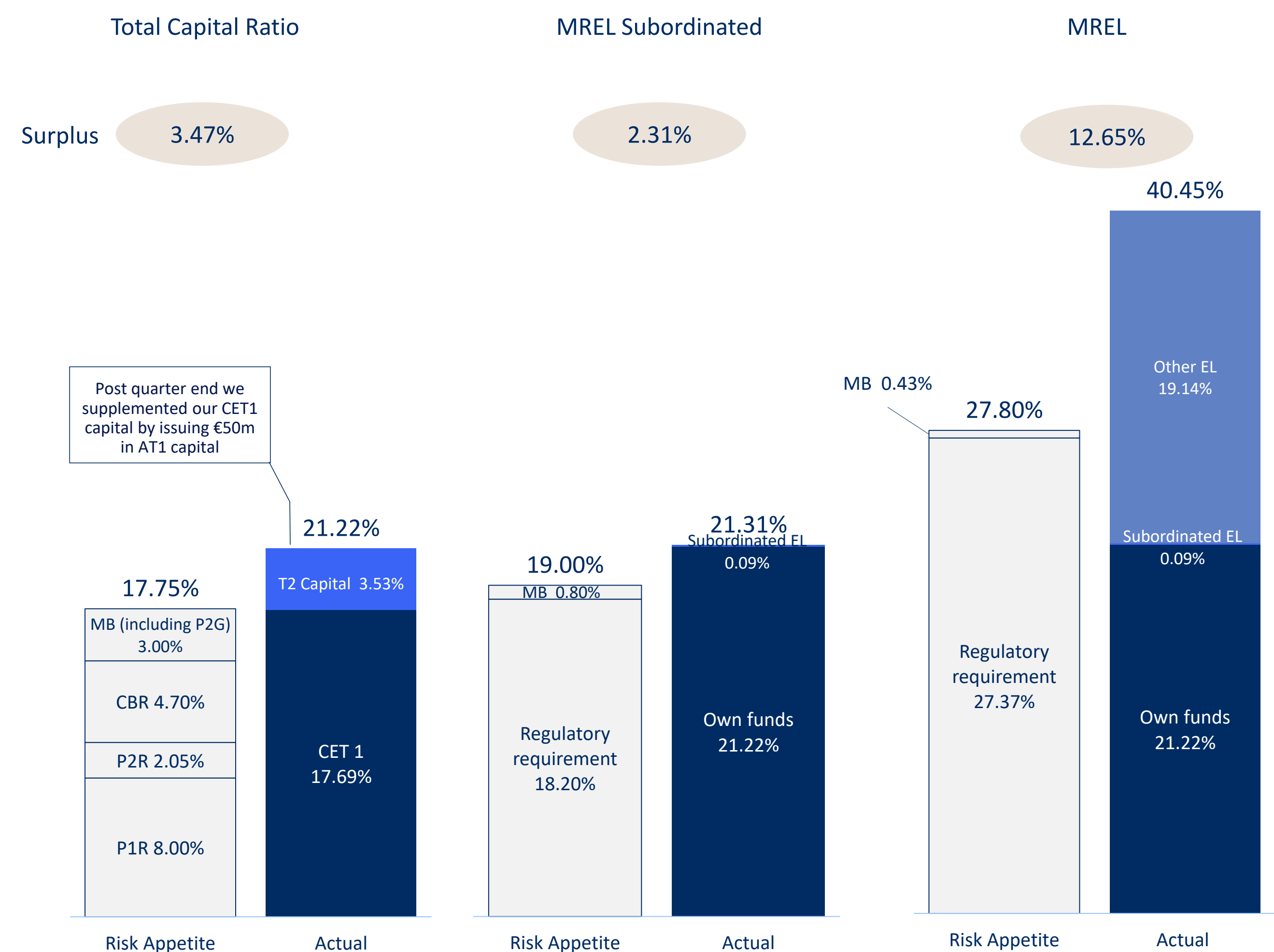


# Capital Ratios and Requirements

## Siauliu Bankas Continues The Journey to Optimize Capital Position

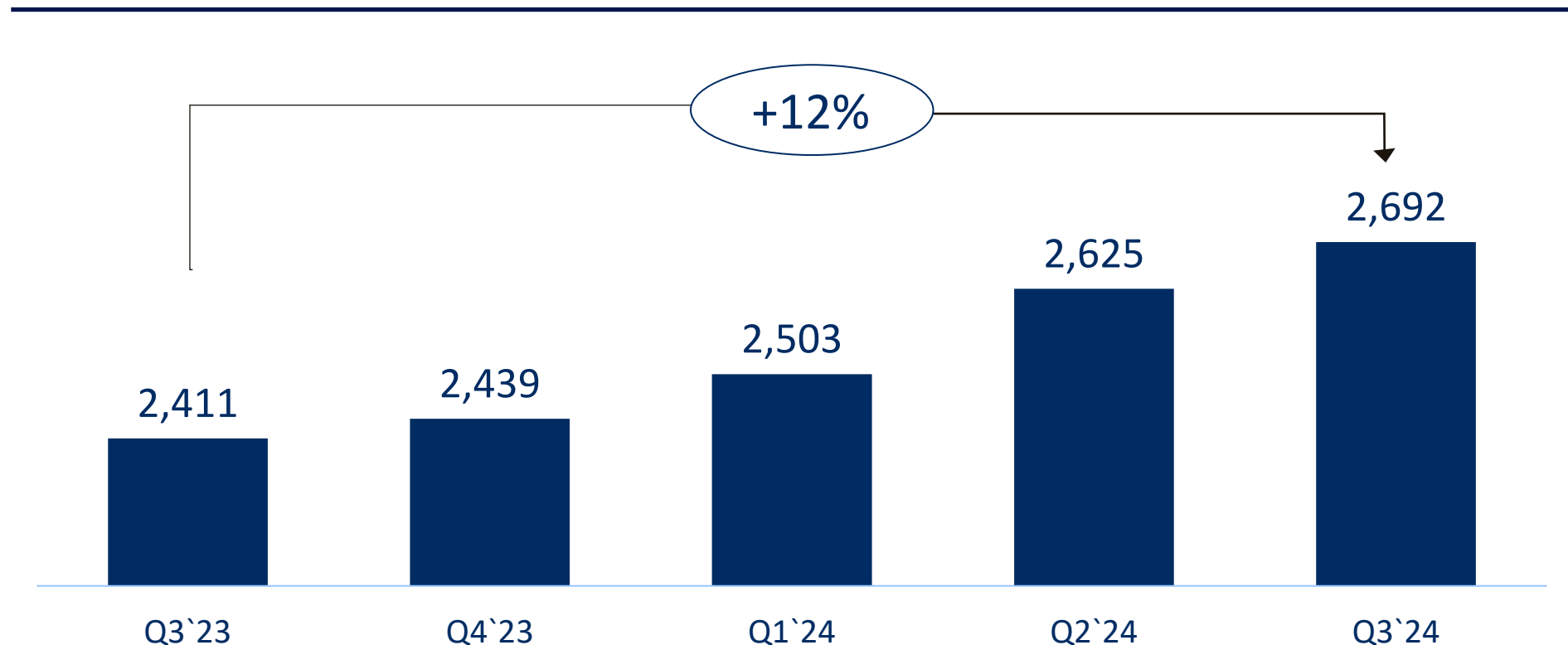
## Sufficient Capital to Support Growth Going Forward and Future Capital Distribution

- Robust capital position to support growth and future capital distribution
- Successfully completed the inaugural issuance of €300m in MREL-eligible senior preferred notes, using the proceeds to repay €210m in outstanding notes
- After the quarter ended, we further strengthened our CET1 capital by issuing €50m in AT1 capital



Post quarter end we supplemented our CET1 capital by issuing €50m in AT1 capital

## Risk Weighted Assets (RWA)



# Shareholder Returns Policy

Revised Capital Return Policy to Optimize Capital Structure and Enhance Shareholder Value

## New Dividend Policy

**Our dividend policy commits to a minimum payout of 50% of the previous year's net earnings**

Dividend payment assumptions:

- Sustainable compliance with both external and internal capital and liquidity and other regulatory requirements
- The level of capital, after the proposed dividend payment, remains sufficient to support investment, development plans, and other capital-consuming activities

## Share Buyback Program

**On October 18<sup>th</sup> executed on a €4.92m tender offer via Nasdaq Baltic auction and repurchase 6.0m shares via Dutch auction format**

- We set a precedent for liquidity event, encouraging institutional investors to consider investing in the stock by demonstrating a reliable exit option

**Buybacks to start in regulated market**

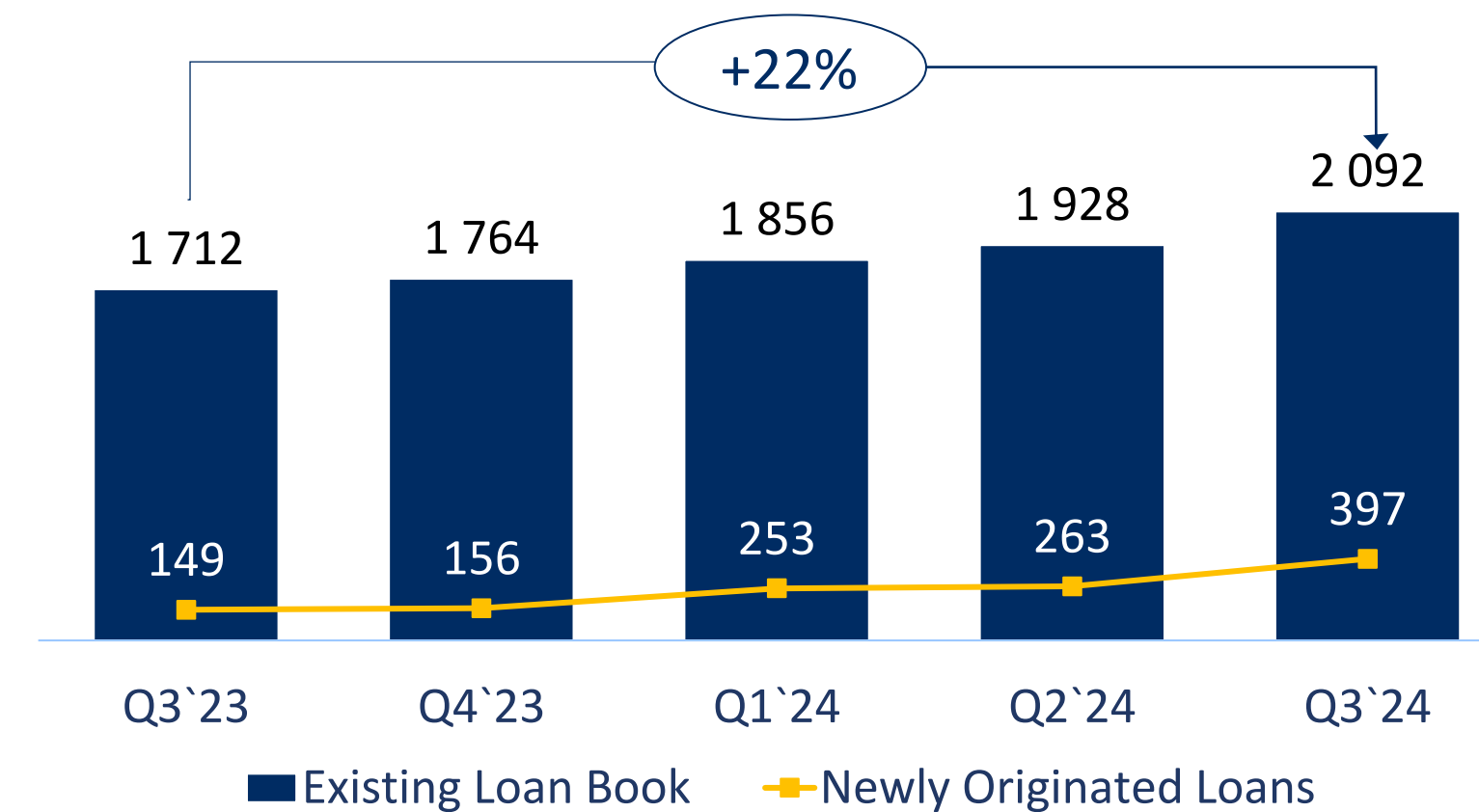
- The open market program will start November 4<sup>th</sup> and continue until 24<sup>th</sup> January 2025. The bank aims to purchase up to 125,000 of its own shares each trading day
- We aim to continue with open market buyback program until fair valuation is achieved
- Program will provide longer-term support for the stock price in the market & create additional liquidity

# Corporate Clients Segment Development

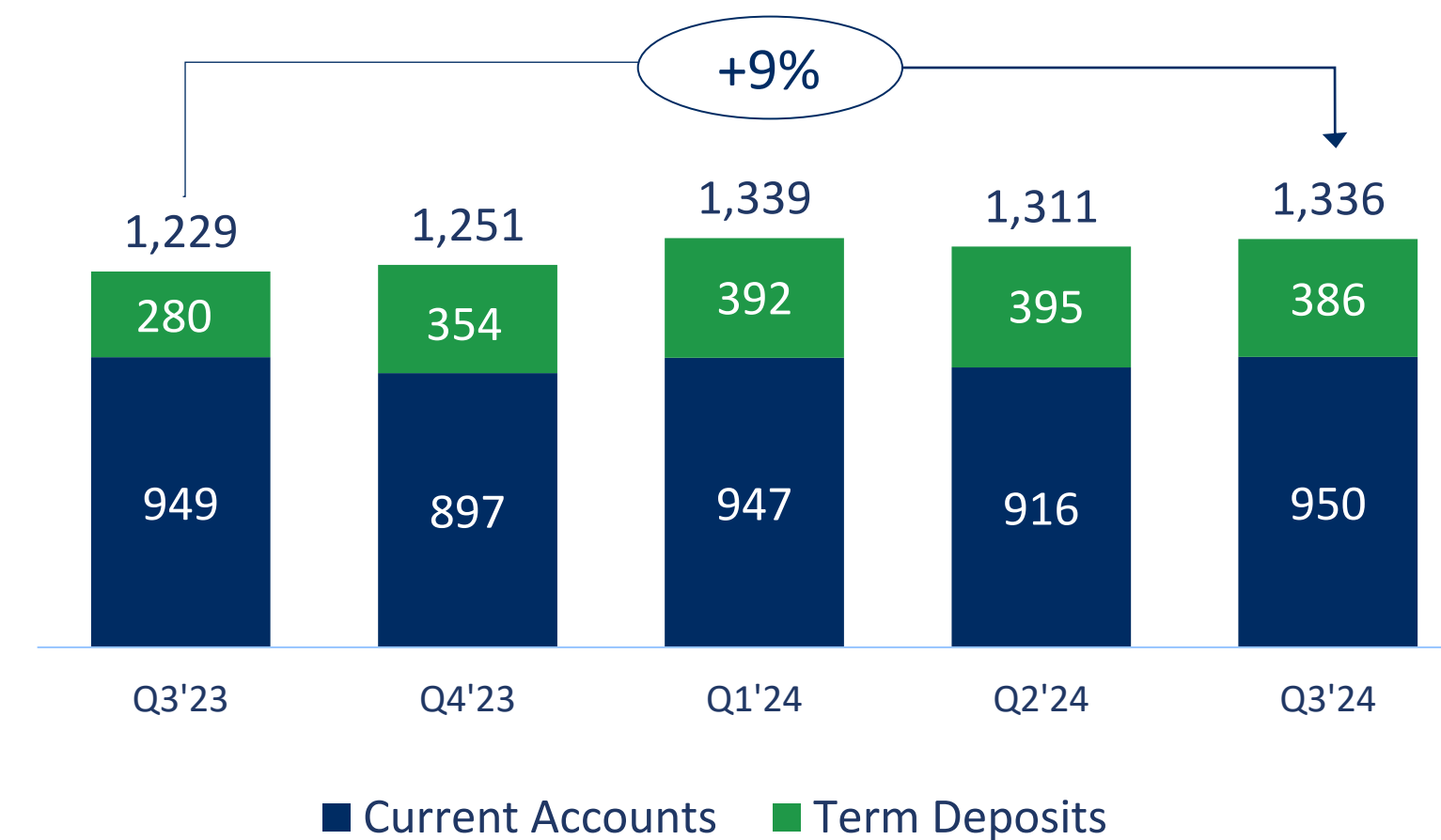
## Key Highlights

- The corporate loan book expanded by 22% year-over-year, driven by record-high new loan originations of €397m in the last quarter
- The growth was well-diversified across different sectors, including manufacturing, retail, and renewable energy sectors
- Corporate deposits continue to show growth at +9% YoY
- Conservative corporate loan book with the low LTV ratios further reinforced with high collateralization levels

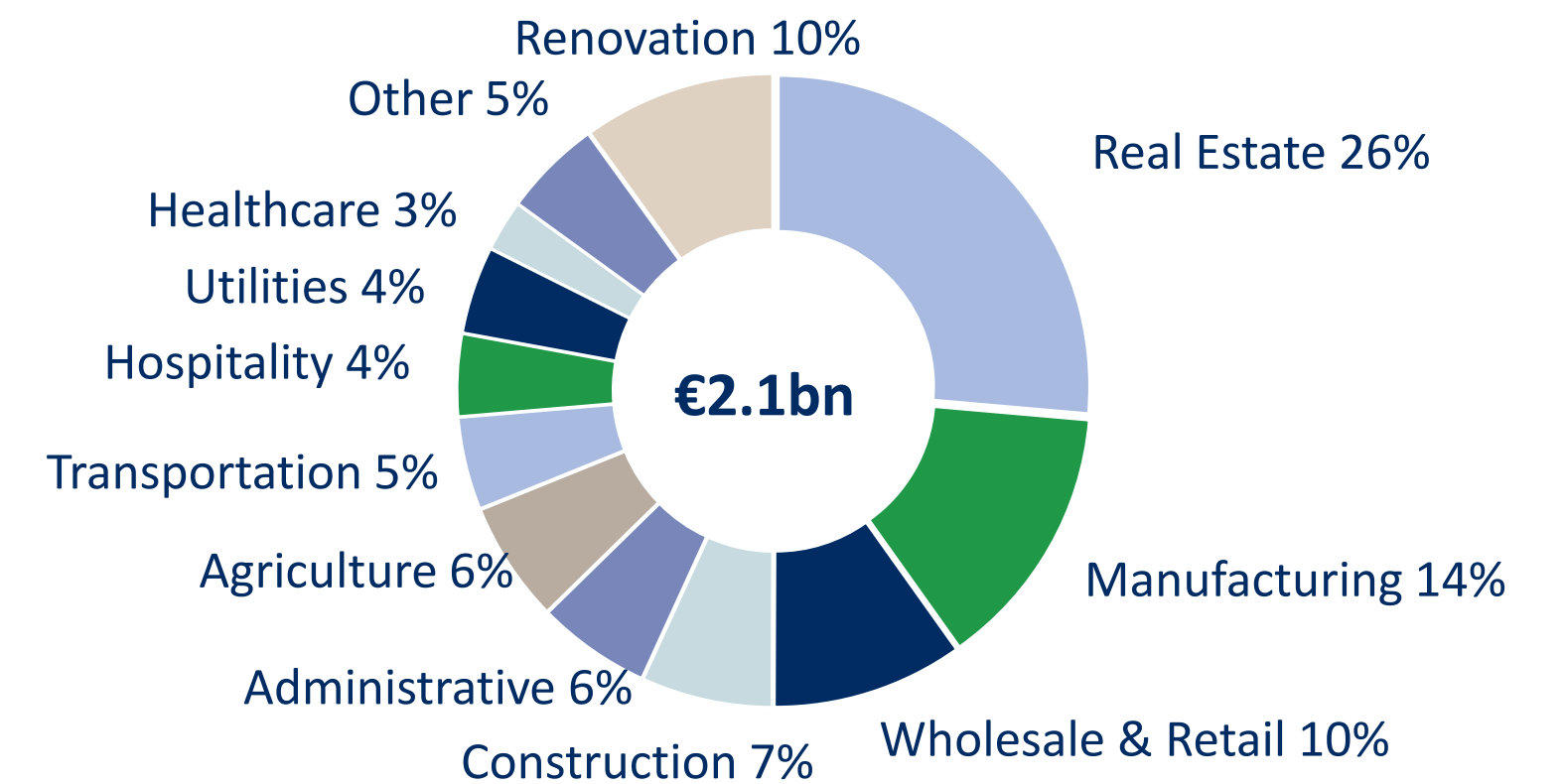
## Corporate Loans (Q3`24) (€`m)



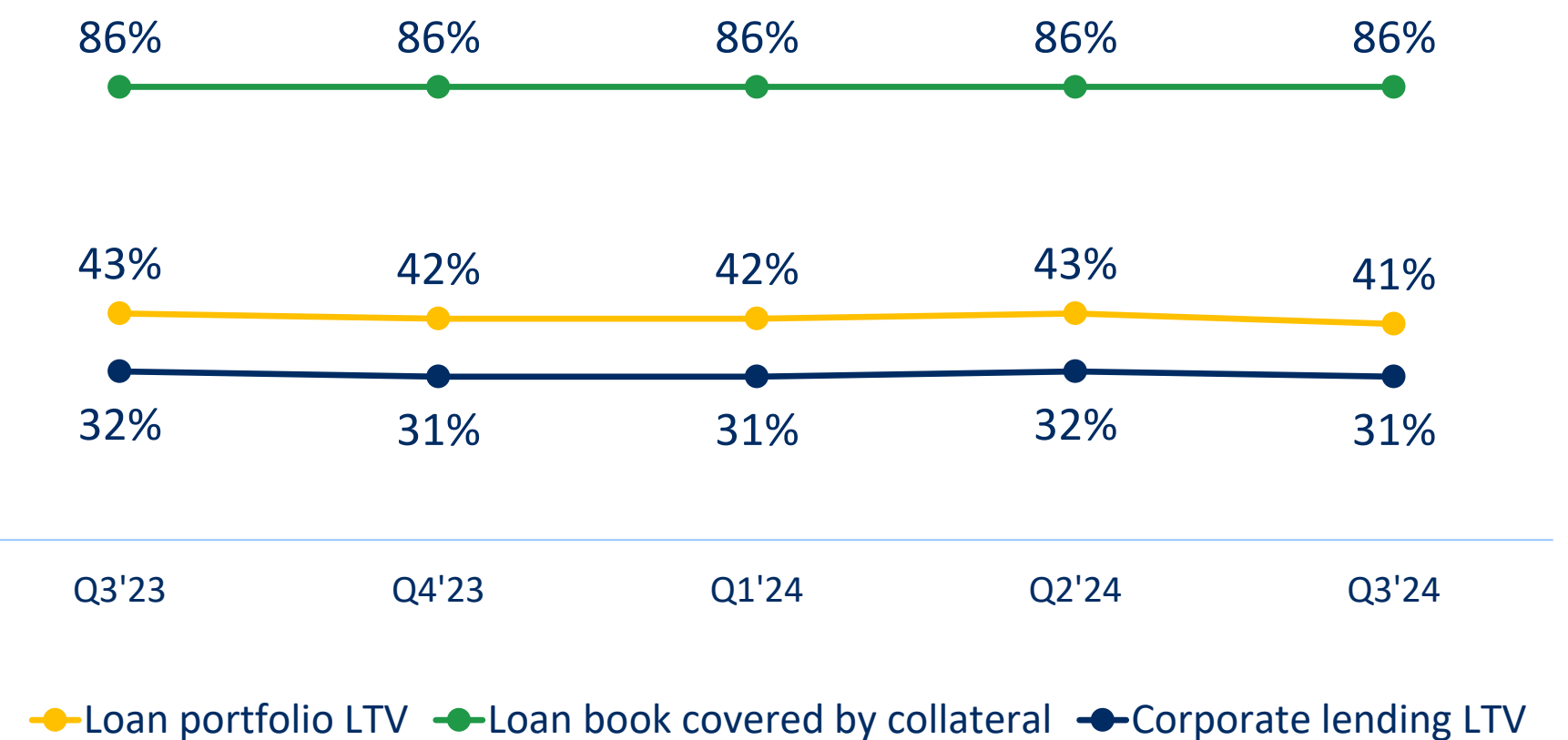
## Deposits from Corporate Customers (Q3`24) (€`m)



## Corporate Loans by Sectors (Q3`24)



## Low LTV and High Collateralization



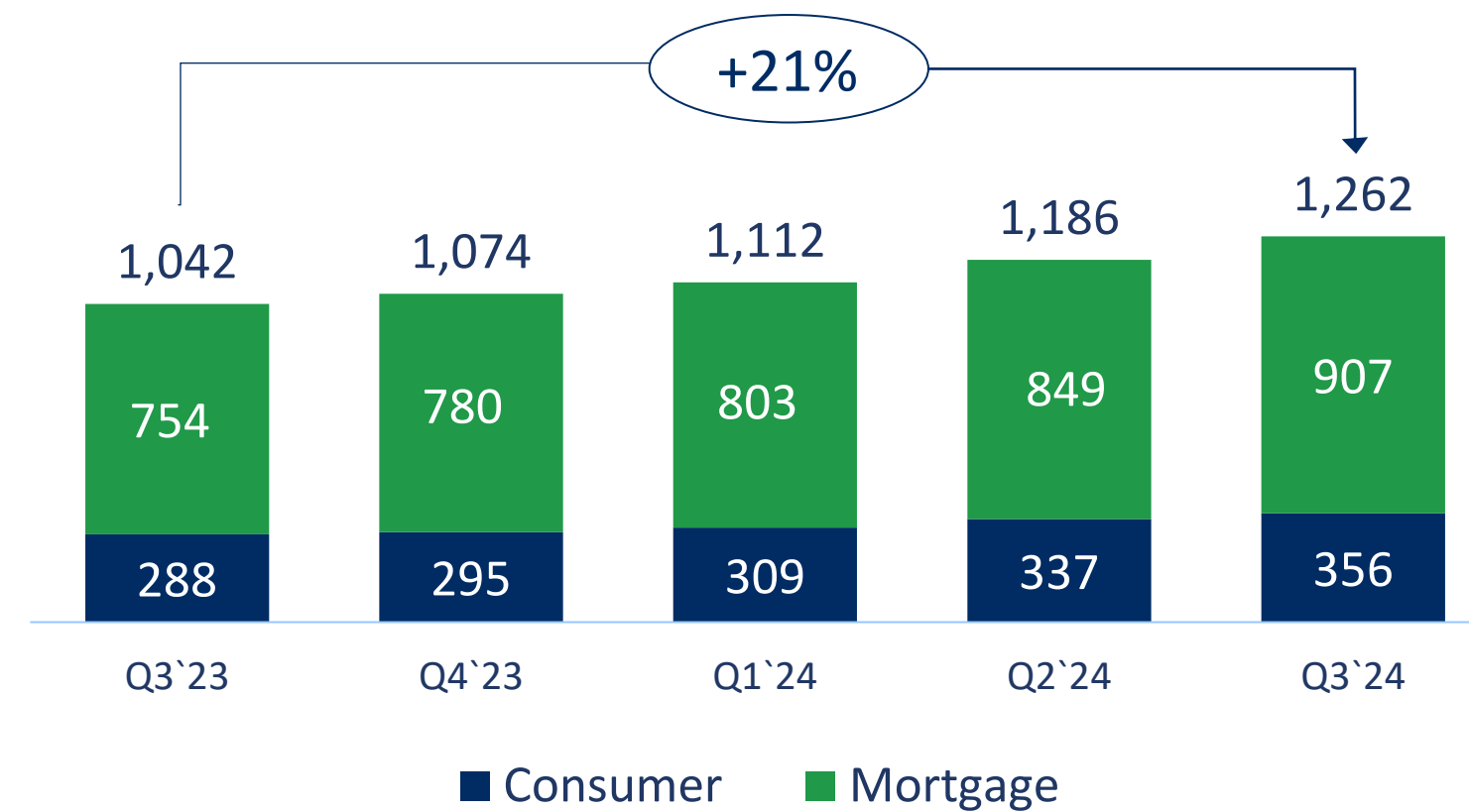


# Private Clients Segment Development

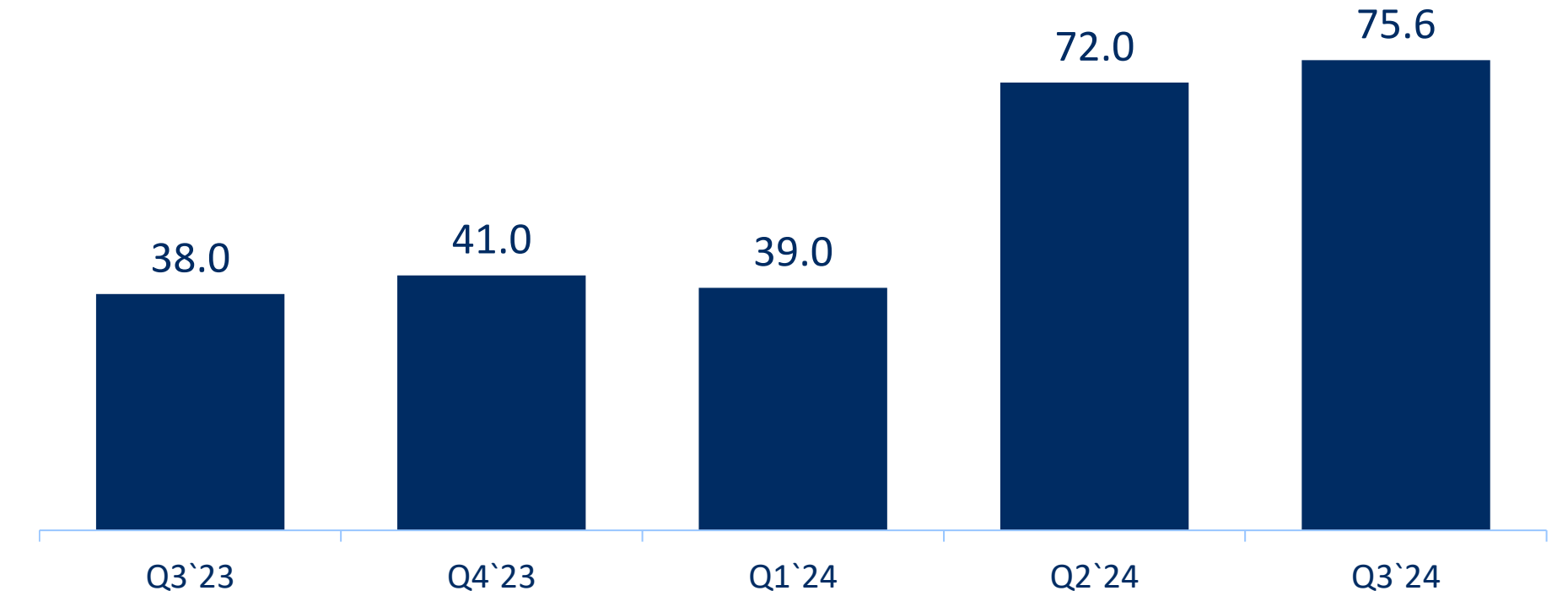
## Key Highlights

- Strong demand for mortgages led to record-high origination volumes, increasing by 99% y-o-y
- Consumer financing originations also remain strong, increasing by 11%, compared to the same period last year
- Deposit collection remains high, with total retail deposits increasing by 16% y-o-y
- Preparation for cross-selling and growth in higher value segments continues

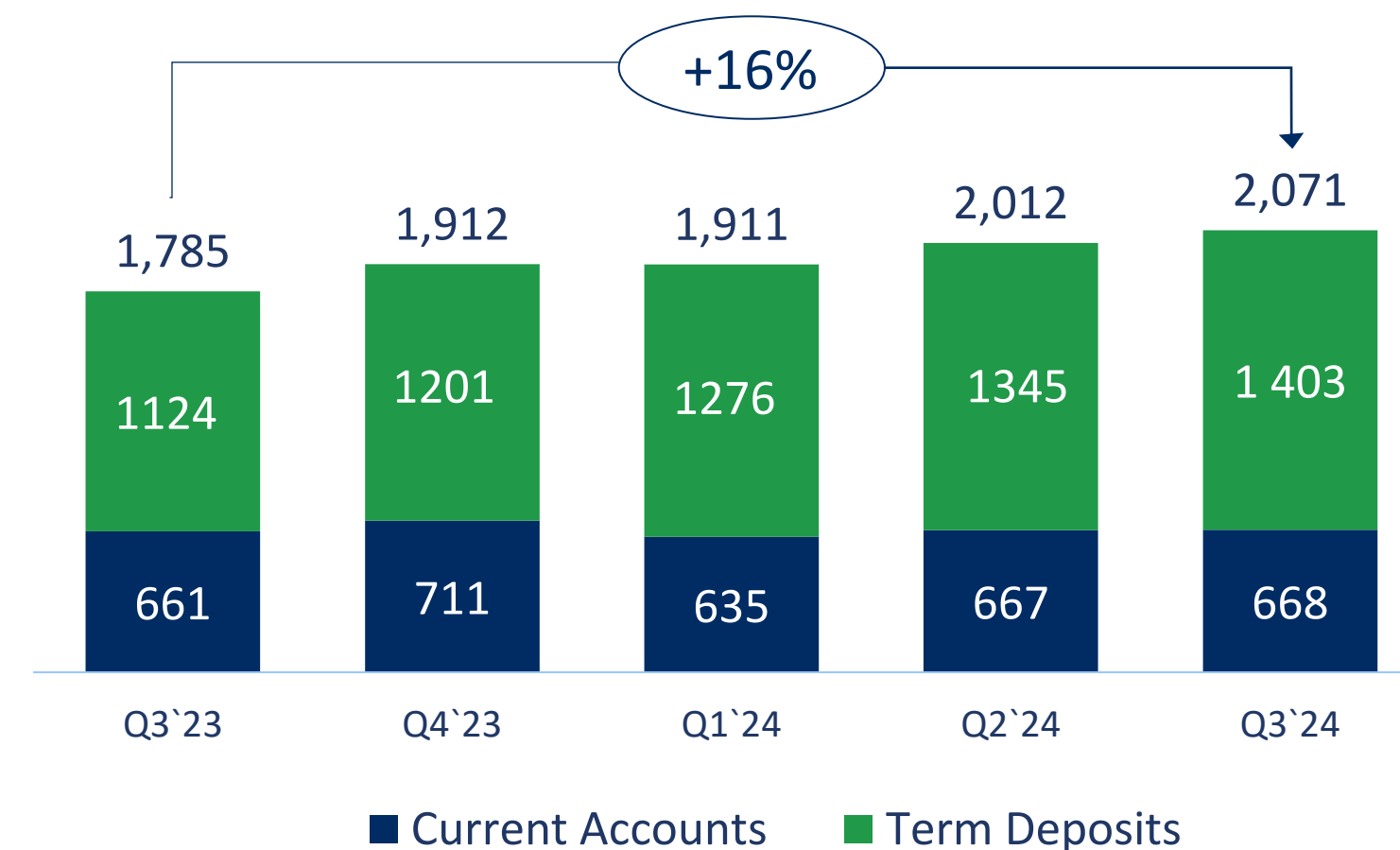
Private Loans (Q3`24) (€`m)



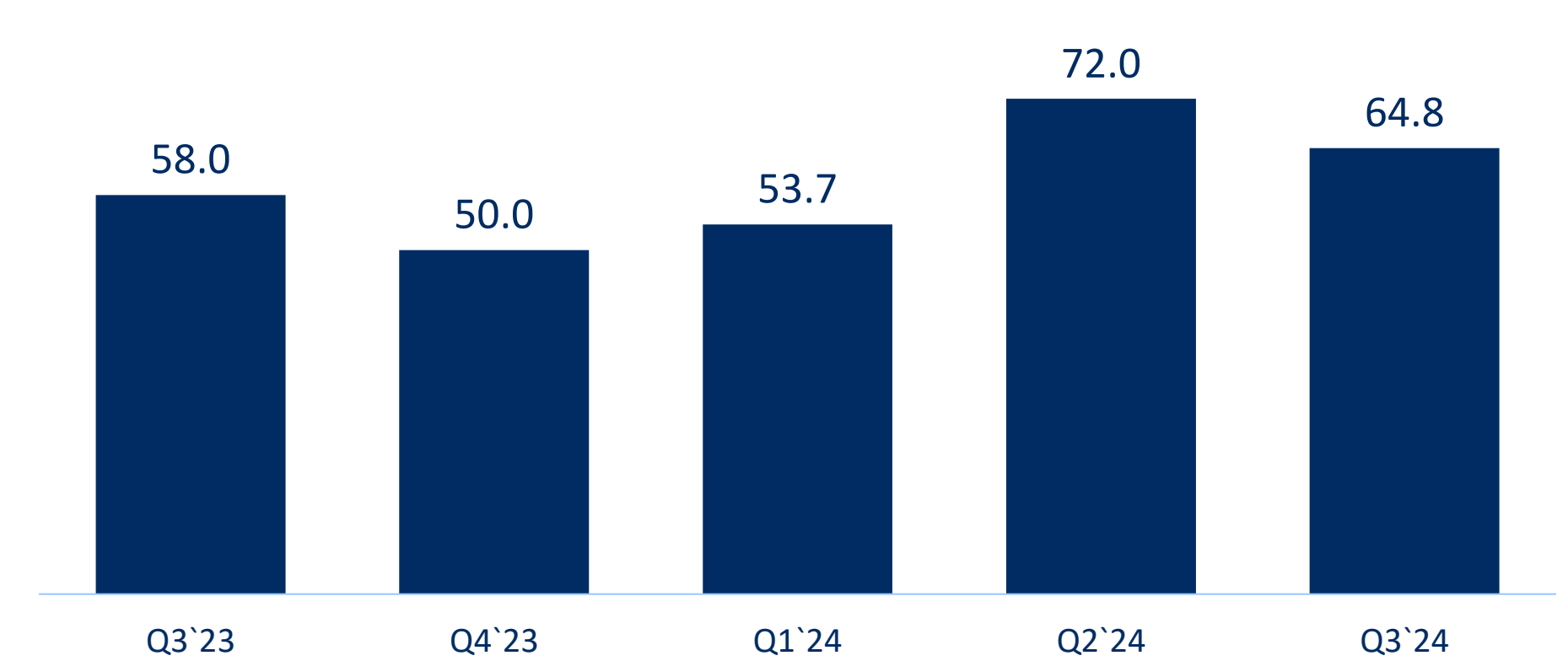
New Mortgage Agreements (Q3`24) (€`m)



Private Client Deposits (Q3`24) (€`m)

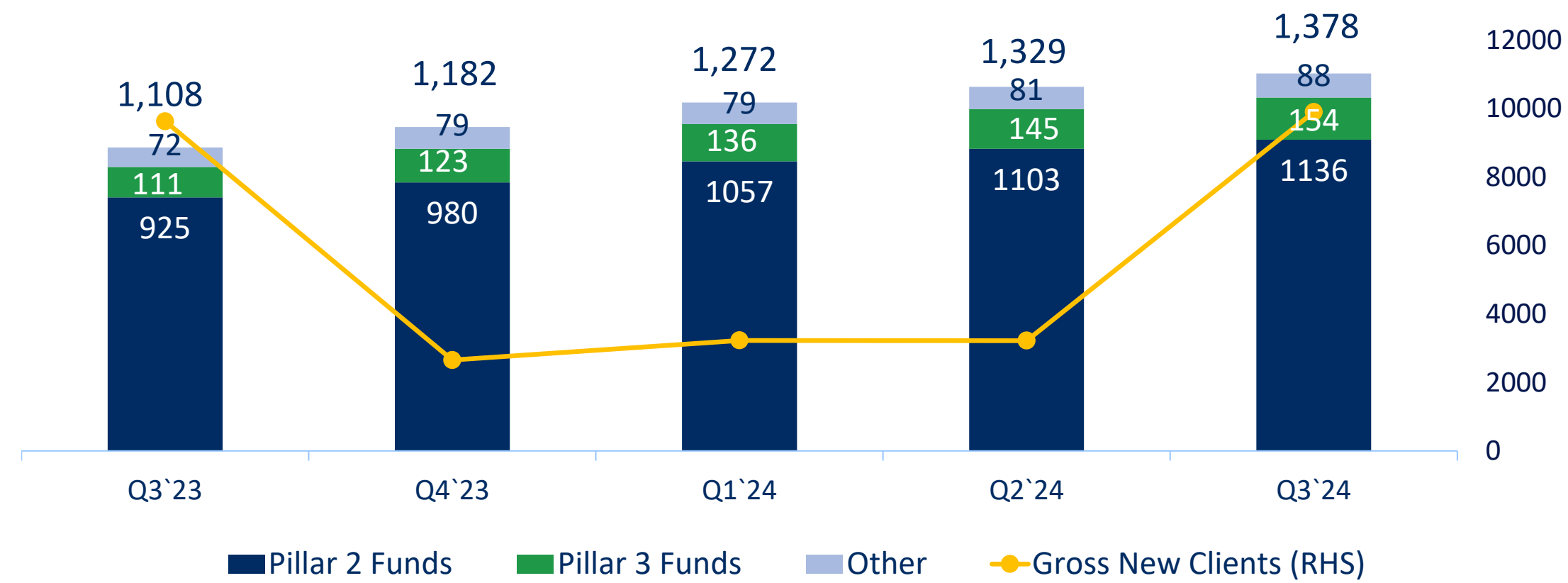


New Consumer Financing Agreements (Q3`24) (€`m)

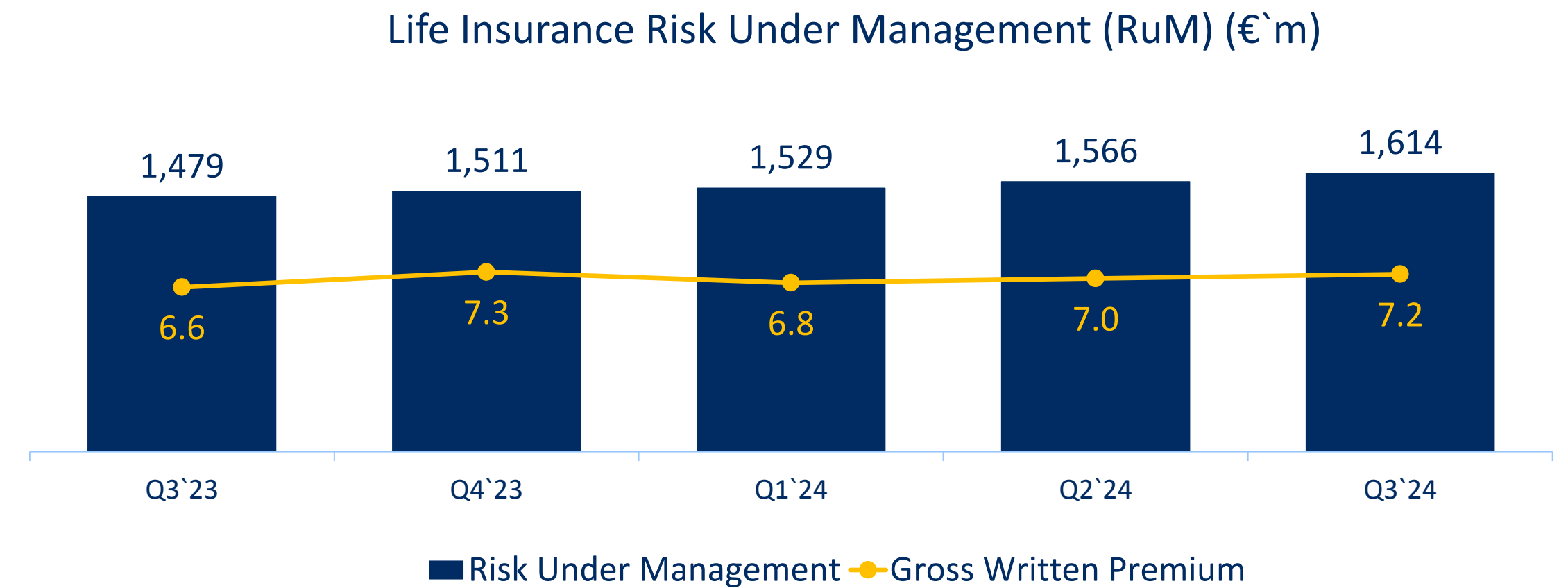


# Investment Clients Segment Development

## Asset Management (€`m)

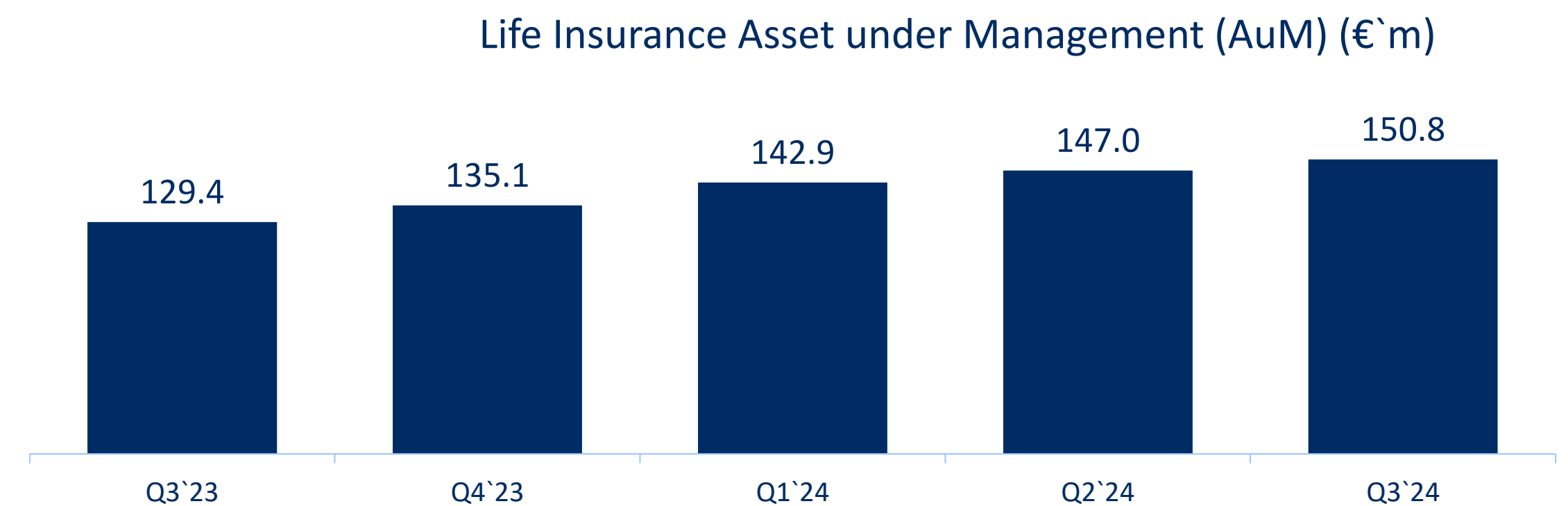


## Life Insurance (€`m)



## Key Highlights

- Asset Management AuM continued to grow strongly, driven by both client inflows and positive financial market performance. AuM reached €1.38bn, with an increase of nearly €200m so far this year
- Our pension funds outperform the competition: 7 out of our 8 Pillar2 pension funds generated the best results in Lithuania in Q3 2024. The long-term performance also remain solid: 6 out of our 8 Pillar 2 pension funds have the best results in Lithuania over the L4Y cycle
- The life insurance business arm continued its steady growth in RuM and AuM during Q3 and the first nine months of 2024
- Life insurance net revenue was €0.8m in Q3'24 (see appendix page 26), asset management net profit was €0.6m in Q3'24

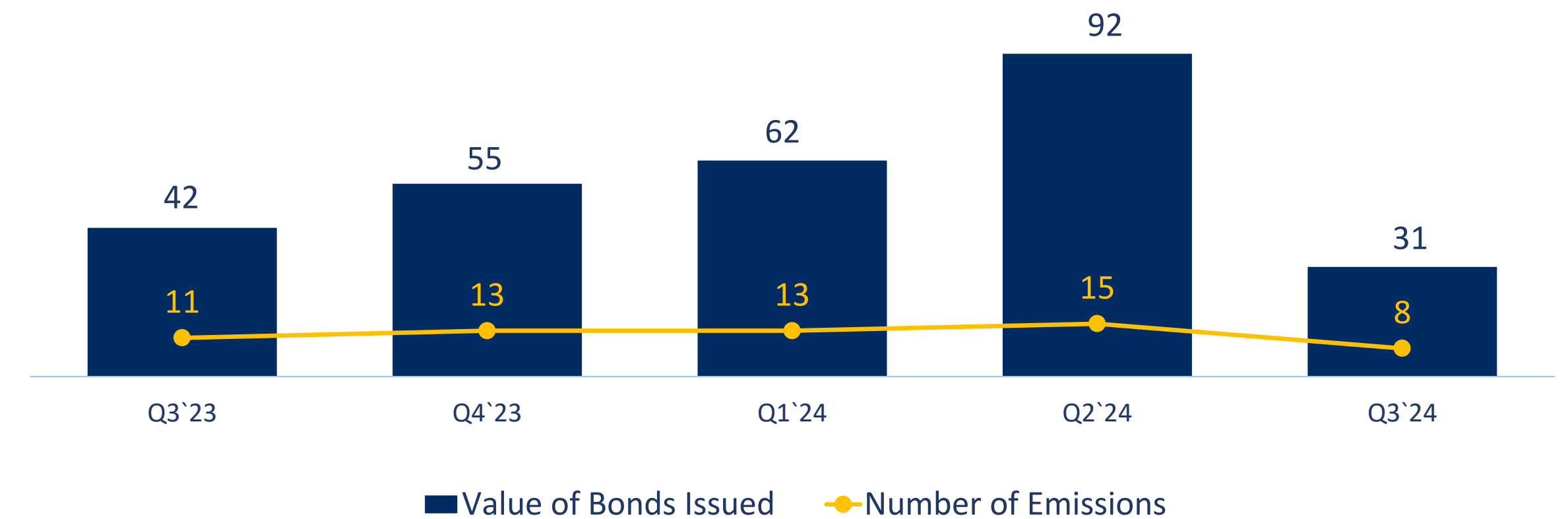


# Investment Clients Segment Development

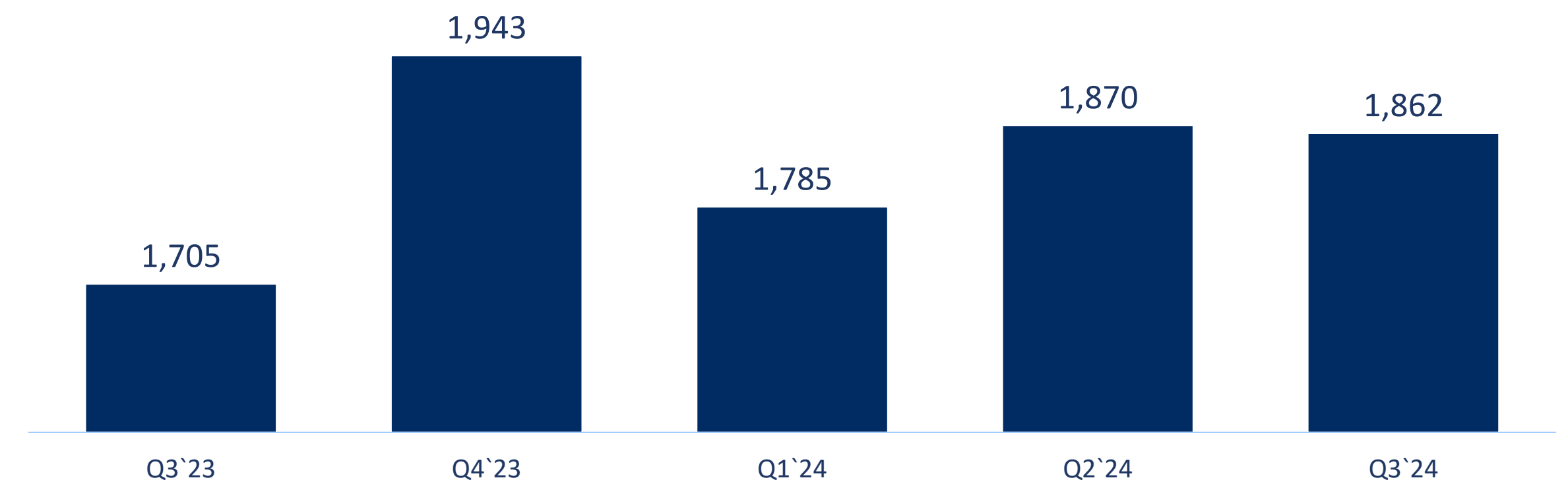
## Leading Capital Markets Business

- New bond originations surged to €31m in Q3`24, bringing the year-to-date total to €185m, a substantial increase compared to the €85m issued in the same period last year
- In Q3, the bank launched an online bond subscription, allowing clients to easily subscribe to bonds through a digital interface
- The bank worked with multiple well known local companies during the quarter helping them to access capital markets

## Bonds Originated by the Bank in Primary Market (Q3`24) (€`m)<sup>1</sup>



## Assets Under Custody (Q3`24) (€`m)



**reefo**  
Corein  
Public placement  
Acted as Sole Manager  
  
€2m

**fern GROUP**  
Fern Group  
Public placement  
Acted as Sole Manager  
  
€8m

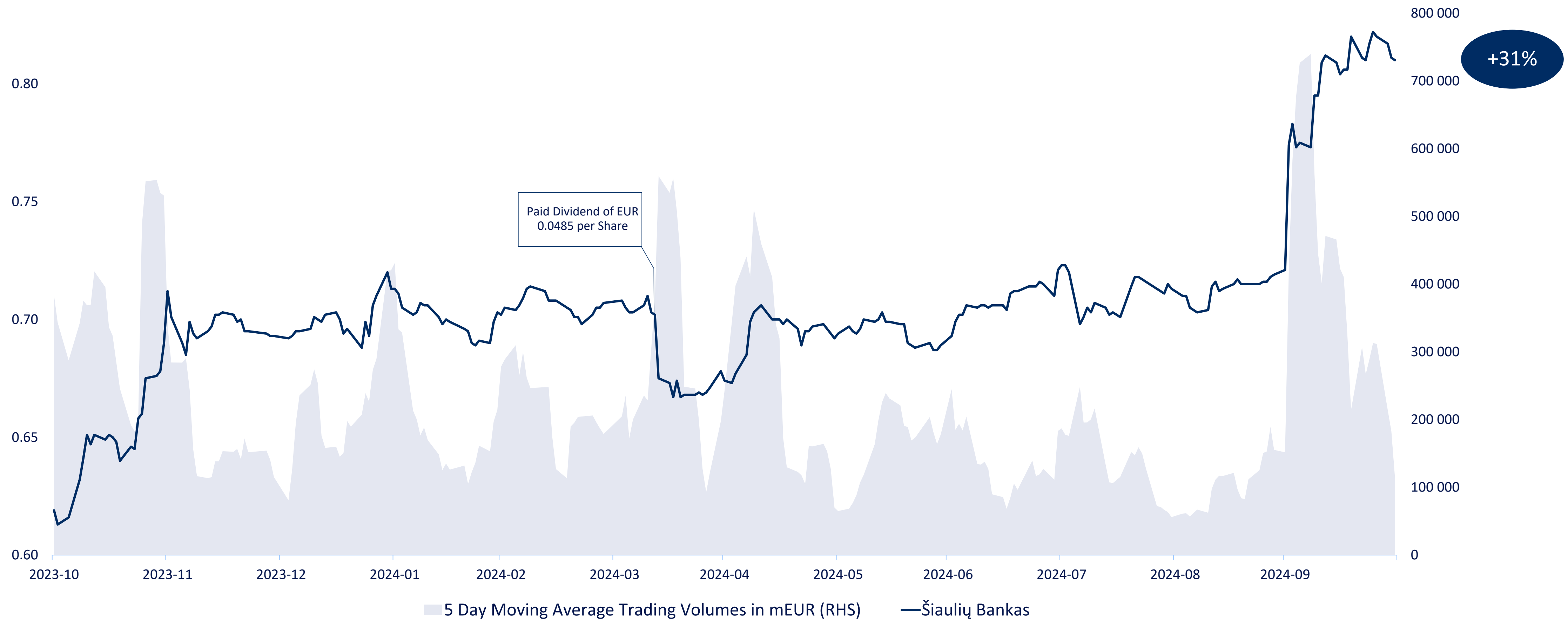
**Hero**  
Icor (Hero)  
Public placement  
Acted as Join Lead Manager  
  
€13.6m

**BOD GROUP**  
BOD Group  
Public placement  
Acted as Sole Manager  
  
€4m

Notes: (1) Other smaller issuances not shown individually amounted to €4m during the quarter

# Continuing Value Creation for Our Shareholders

Siauliu Bankas Share Price Performance – L1Y<sup>1</sup>



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## Meet Us At:



**November 7, 2024**  
Baltic Capital Markets Conference 2024, Riga

**November 16, 2024**  
Investuok, Vilnius

**December 4, 2024**  
Morgan Stanley's Virtual Fixed Income Investor Conference

**December 3, 2024**  
WOOD's Winter Wonderland EMEA Conference, Prague

**January 14, 2025**  
The Central & Eastern European Forum (EuroMoney), Vienna

**January 17, 2025**  
Investor Tomas Conference, Tallinn

# Appendix

# Income Statement

	Q3'24	Q3'23	%Δ YoY	Q1-3'24	Q1-3'23	%Δ YoY
<i>In EUR'000</i>						
Interest income	63,239	52,028	22%	183,886	138,981	32%
Other similar income	6,921	5,736	21%	19,948	15,262	31%
Interest expense	(29,735)	(17,046)	74%	(82,779)	(38,158)	117%
<b>Net interest income</b>	<b>40,425</b>	<b>40,718</b>	<b>(1%)</b>	<b>121,055</b>	<b>116,085</b>	<b>4%</b>
Fee and commission income	9,504	6,998	36%	27,644	20,309	36%
Fee and commission expense	(2,232)	(2,148)	4%	(6,635)	(5,707)	16%
<b>Net fee and commission income</b>	<b>7,272</b>	<b>4,850</b>	<b>50%</b>	<b>21,009</b>	<b>14,602</b>	<b>44%</b>
Net gain from trading activities	3,647	1,779	105%	14,540	8,054	81%
Revenue related to insurance activities	2,697	1,488	81%	9,672	3,835	152%
Other operating income	459	378	21%	696	1,674	(58%)
<b>Total revenue</b>	<b>54,500</b>	<b>49,213</b>	<b>11%</b>	<b>166,972</b>	<b>144,250</b>	<b>16%</b>
Salaries and related expenses	(12,219)	(8,672)	41%	(35,393)	(25,510)	39%
Depreciation and amortization expenses	(2,111)	(1,333)	58%	(5,787)	(3,945)	47%
Expenses related to insurance activities	(3,906)	(661)	491%	(15,342)	(4,707)	226%
Other operating expenses	(7,901)	(5,563)	42%	(25,031)	(16,969)	48%
<b>Total operating expenses</b>	<b>(26,137)</b>	<b>(16,229)</b>	<b>61%</b>	<b>(81,553)</b>	<b>(51,131)</b>	<b>59%</b>
<b>Operating profit before impairment losses</b>	<b>28,363</b>	<b>32,984</b>	<b>(14%)</b>	<b>85,419</b>	<b>93,119</b>	<b>(8%)</b>
Allowance for impairment losses	(2,991)	(3,118)	(4%)	(6,907)	(8,457)	(18%)
<b>Profit before income tax</b>	<b>25,372</b>	<b>29,866</b>	<b>(15%)</b>	<b>78,512</b>	<b>84,662</b>	<b>(7%)</b>
Income tax expense	(4,742)	(5,671)	(16%)	(14,890)	(19,009)	(22%)
<b>Net profit</b>	<b>20,630</b>	<b>24,195</b>	<b>(15%)</b>	<b>63,622</b>	<b>65,653</b>	<b>(3%)</b>

# Statement of Financial Position

	Sept` 24	Dec` 23	%Δ YTD	Sept` 23	%Δ YoY
<i>In EUR'000</i>					
<b>ASSETS</b>					
Cash and cash equivalents	398,795	751,499	(47%)	572,499	(30%)
Securities in the trading book	221,645	207,677	7%	64,477	244%
Due from other banks	3,062	3,013	2%	2,841	8%
Derivative financial instruments	223	251	(11%)	852	(74%)
Loans to customers	3,100,057	2,645,104	17%	2,609,832	19%
Finance lease receivables	329,356	286,533	15%	285,133	16%
Investment securities at fair value	56,990	74,500	(24%)	74,196	(23%)
Investment securities at amortized cost	743,582	751,227	(1%)	756,127	(2%)
Investments in subsidiaries and associates	200	100	100%	100	100%
Intangible assets	44,100	45,138	(2%)	9,995	341%
Property, plant and equipment	14,220	15,781	(10%)	15,327	(7%)
Other assets	31,469	28,498	10%	27,457	15%
<b>Total assets</b>	<b>4,943,699</b>	<b>4,809,321</b>	<b>3%</b>	<b>4,418,836</b>	<b>12%</b>
<b>LIABILITIES</b>					
Due to other banks and financial institutions	76,133	569,994	(87%)	578,272	(87%)
Derivative financial instruments	966	1,041	(7%)	120	705%
Due to customers	3,407,301	3,162,657	8%	3,014,401	13%
Debt securities in issue	610,648	276,480	121%	228,334	167%
Liabilities related to insurance activities	193,385	179,318	8%	40,590	376%
Other liabilities	57,768	48,448	19%	40,676	42%
Current income tax liabilities	2,971	6,412	(54%)	14,307	(79%)
Deferred income tax liabilities	6,136	6,125	0%	1,500	309%
Special and lending funds	11,376	15,718	(28%)	11,147	2%
<b>Total liabilities</b>	<b>4,366,684</b>	<b>4,266,193</b>	<b>2%</b>	<b>3,929,347</b>	<b>11%</b>
<b>EQUITY</b>					
Share capital	192,269	192,269	0%	174,211	10%
Share premium	25,534	25,534	0%	3,428	645%
Treasury shares (-)	(900)	(1,500)	(40%)	-	#DIV/0!
Reserve capital	756	756	0%	756	0%
Statutory reserve	61,027	47,803	28%	47,804	28%
Reserve for acquisition of own shares	20,000	20,000	0%	20,000	0%
Financial assets revaluation reserve	(3,451)	(5,426)	(36%)	(6,776)	(49%)
Other equity	1,480	1,697	(13%)	1,696	(13%)
Retained earnings	280,304	261,995	7%	252,196	11%
<b>Total equity</b>	<b>577,019</b>	<b>543,128</b>	<b>6%</b>	<b>493,315</b>	<b>17%</b>
<b>Total liabilities and equity</b>	<b>4,943,703</b>	<b>4,809,321</b>	<b>3%</b>	<b>4,422,662</b>	<b>12%</b>



# Life Insurance Income Reconciliation

Net Interest Income			
In €'m	Q3`24	Q3`23	%Δ
Interest income	62.8	52.0	21%
Interest income (unit-linked contracts)	0.4	0.0	NA
Other similar income	6.9	5.7	21%
Interest expense	(29.7)	(17.0)	74%
<b>Net Interest Income</b>	<b>40.4</b>	<b>40.7</b>	<b>(1%)</b>

Other income			
In €'m	Q3`24	Q3`23	%Δ
Net gain from trading activities	2.0	1.9	8%
Net gain from trading activities (unit-linked contracts)	1.6	(0.1)	NA
Revenue related to insurance activities	2.7	1.5	81%
Other income	0.5	0.4	21%
<b>Total other income</b>	<b>6.8</b>	<b>3.6</b>	<b>87%</b>

Other operating expense			
In €'m	Q3`24	Q3`23	%Δ
Expenses related to insurance activities	(1.9)	(0.8)	148%
Expenses related to insurance activities (unit-linked contracts)	(2.0)	0.1	NA
Other operating expenses	(7.9)	(5.6)	42%
Depreciation and amortization expenses	(2.1)	(1.3)	58%
<b>Other Operating Expenses</b>	<b>(13.9)</b>	<b>(7.6)</b>	<b>84%</b>

Revenue related to insurance activities	€2.7m
Net gain from trading activities (unit-linked contracts)	€1.6m
Interest income (unit-linked contracts)	€0.4m
<b>Life insurance revenues</b>	<b>€4.7m</b>

Expenses related to insurance activities (unit-linked contracts)	€(2.0m)
<b>Life insurance revenues (excl. unit linked impact)</b>	<b>€2.7m</b>

Expenses related to insurance activities	€(1.9m)
<b>Life insurance net revenue</b>	<b>€0.8m</b>

While investment returns and expenses on unit-linked contracts are passed through to policyholders, insurance companies under IFRS 17 are required to recognise this income and expenses on gross basis in its financial statements (net impact is zero)

# Key Financial Targets

Focus Areas		2024	2025	2026	2027–2029
<b>Growth</b>	Loan Book	€3.3bn	€3.7bn	€4.1bn	CAGR: ~8%
	Deposits	€3.3bn	€3.6bn	€4.0bn	CAGR: ~10%
	Total Operating Income	€202m	€211m	€243m	CAGR: ~10%
	Net Fee and Commission Income	€27m	€29m	€33m	CAGR: ~20%
<b>Efficiency</b>	Cost-to-Income Ratio	49.7%	53.2%	48.8%	Below 47.5%
<b>Profitability</b>	Return On Equity	13.7%	13.1%	15.0%	Above 15.0%
<b>Shareholder Returns</b>	Minimum Payout Policy	50% Dividends			

# Organisational Structure and Reporting Segments

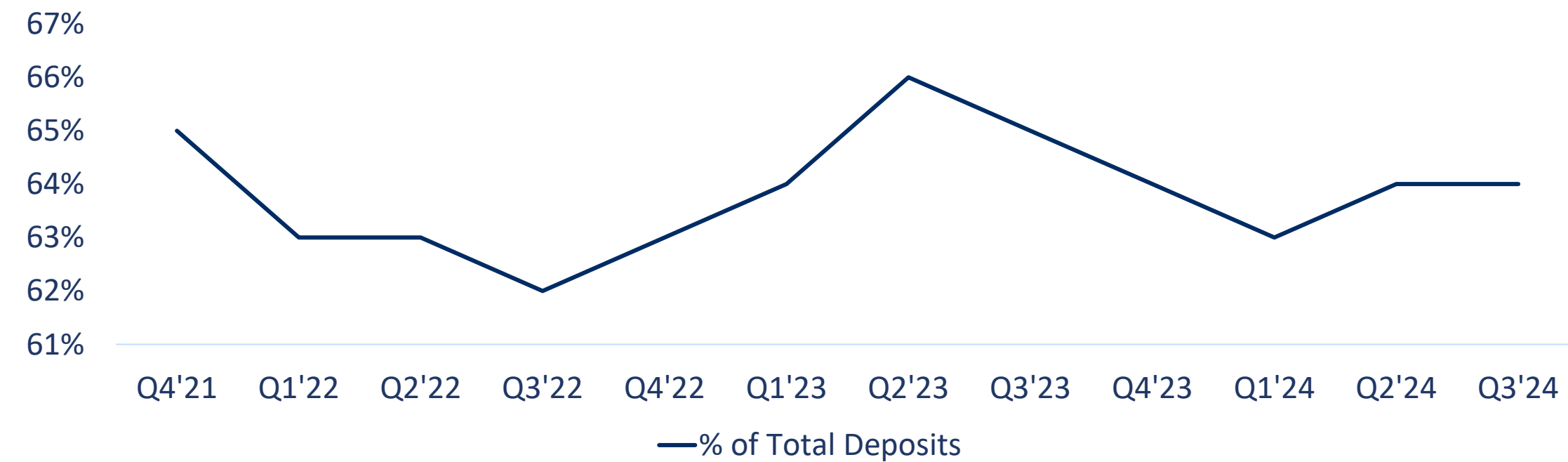
	Corporate Clients		Private Clients		Investment Clients	
Description	<ul style="list-style-type: none"> <li>Comprehensive daily banking solutions for corporate clients</li> <li>Leading provider of financing to Lithuanian SMEs and mid-cap corporations</li> <li>The market leader in renovation financing solutions</li> <li>Highly diversified loan book across different industries and regions</li> <li>Quick decision making and responsiveness</li> <li>Robust risk management framework and high asset quality</li> </ul>		<ul style="list-style-type: none"> <li>Daily banking – Comprehensive financial solutions including current accounts, payments, and card services</li> <li>Mortgages – tailored mortgage solutions</li> <li>Consumer lending (SB Lizingas) – consumer financing products</li> <li>Private auto leasing – financing solutions for private car purchases</li> <li>Distribution of savings, investment and protection products</li> <li>Omnichannel reach with the largest branch network in LTU (54 branches in 36 cities)</li> </ul>		<ul style="list-style-type: none"> <li>Asset management business – among the strongest in the Baltic region with best risk and return profile of pension funds in LTU<sup>1</sup></li> <li>Life insurance business – comprehensive life insurance and protection solutions</li> <li>DCM franchise – dominant position in Lithuania’s debt capital markets</li> <li>Trading and brokerage platform - convenient online platform for retail investors and tailored brokerage services for corporates and HNWI, including FX, derivative and repo trading</li> </ul>	
	Key Figures	€2.1bn Loans	€1.3bn Deposits	€1.3bn Loans	€2.1bn Deposits	>€1.4bn Assets
€121m Gross Revenue		>22k # of clients	€70m Gross Revenue	>510k # of clients	€50m Gross Revenue	€31m Bonds Issued

Source: Company disclosure

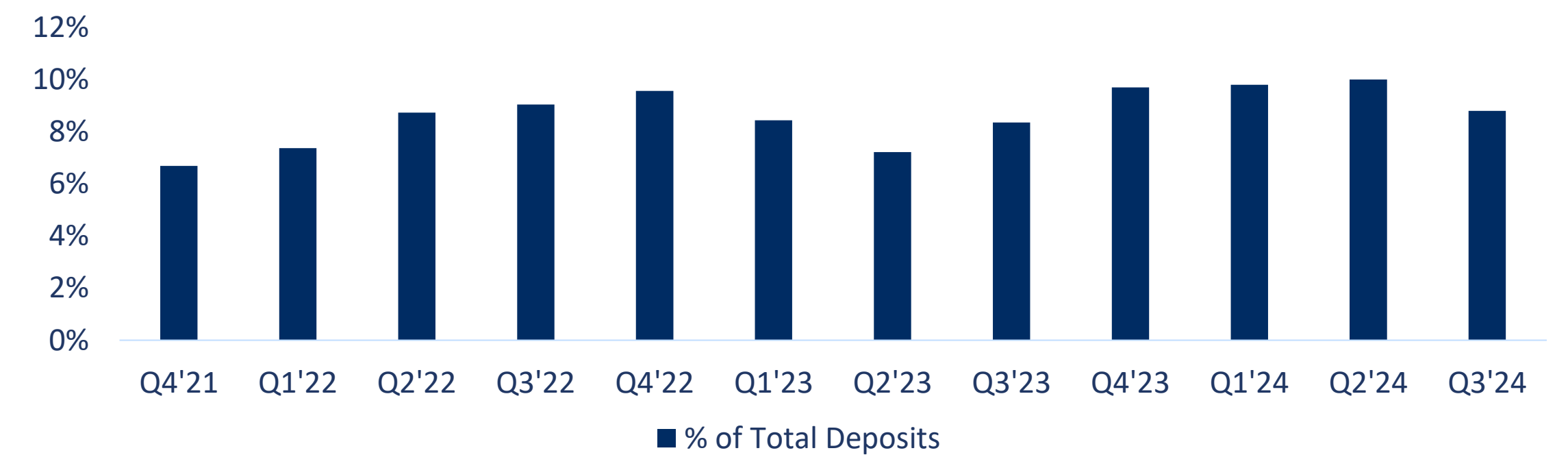
Notes: (1) Last three year results of INVL P2 (89/95, 82/88, 75/81) and INVL P3 pension funds in Lithuania

# Sticky Deposit Portfolio

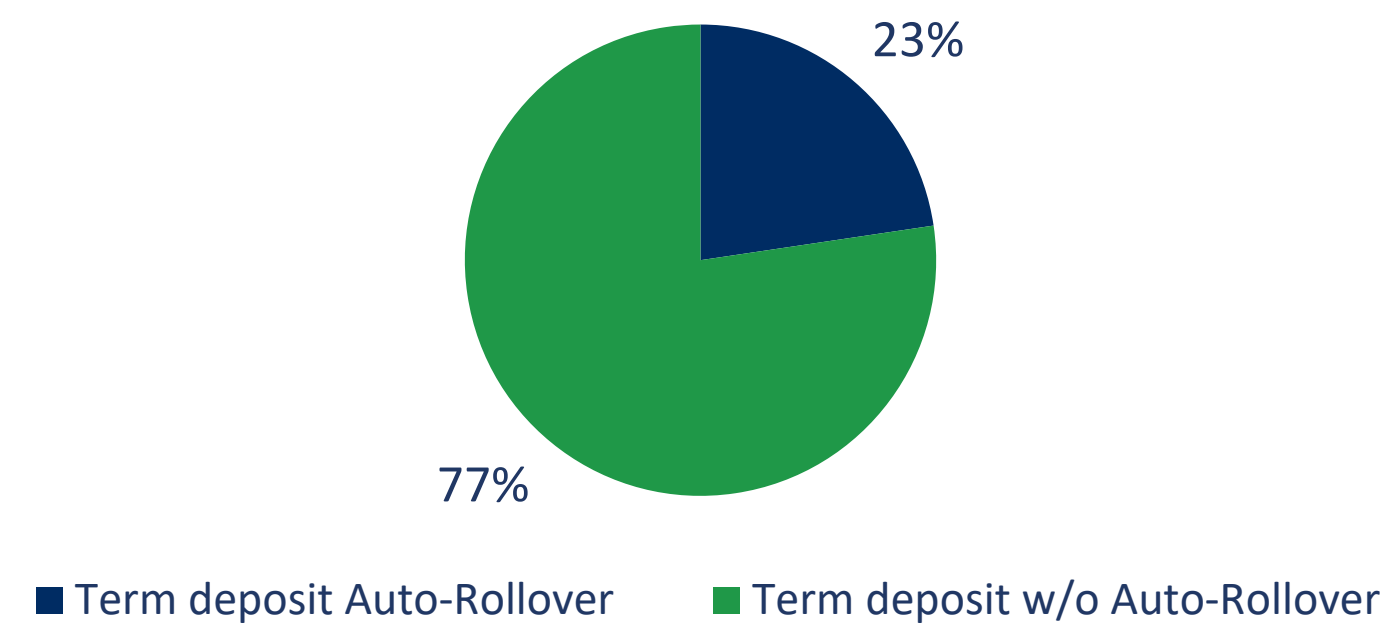
## Share of Insured Deposits



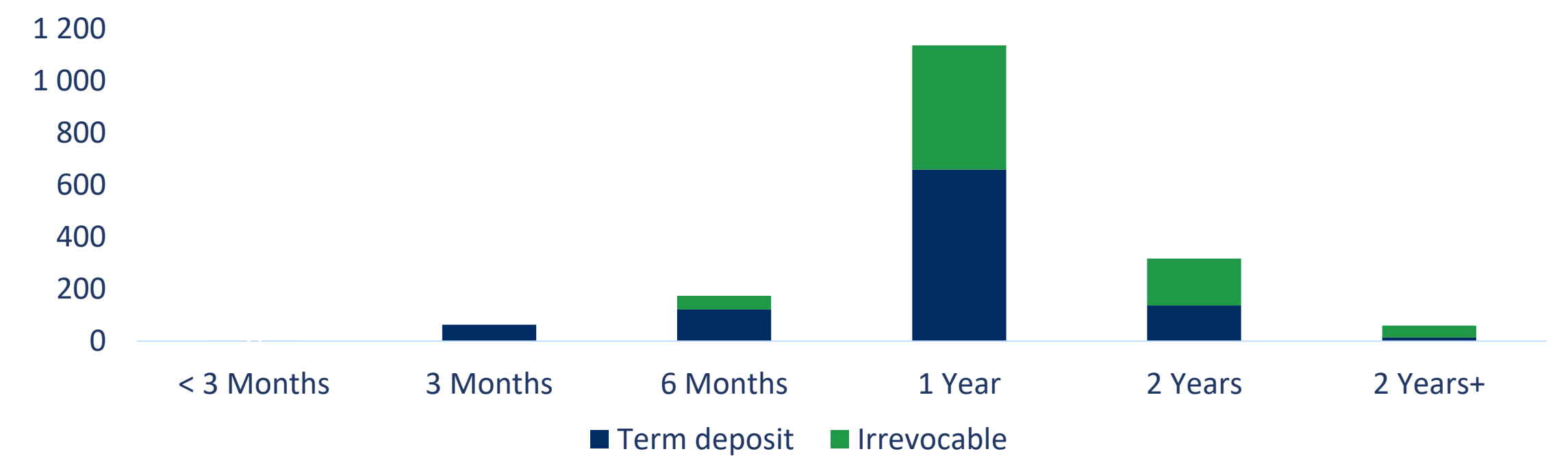
## Top 10 Depositors<sup>1</sup>



## Term Deposits with Auto-Rollover (Sep-24)



## Term Deposits by Contractual Maturity (€`mn) (Sep-24)



Source: Company disclosure

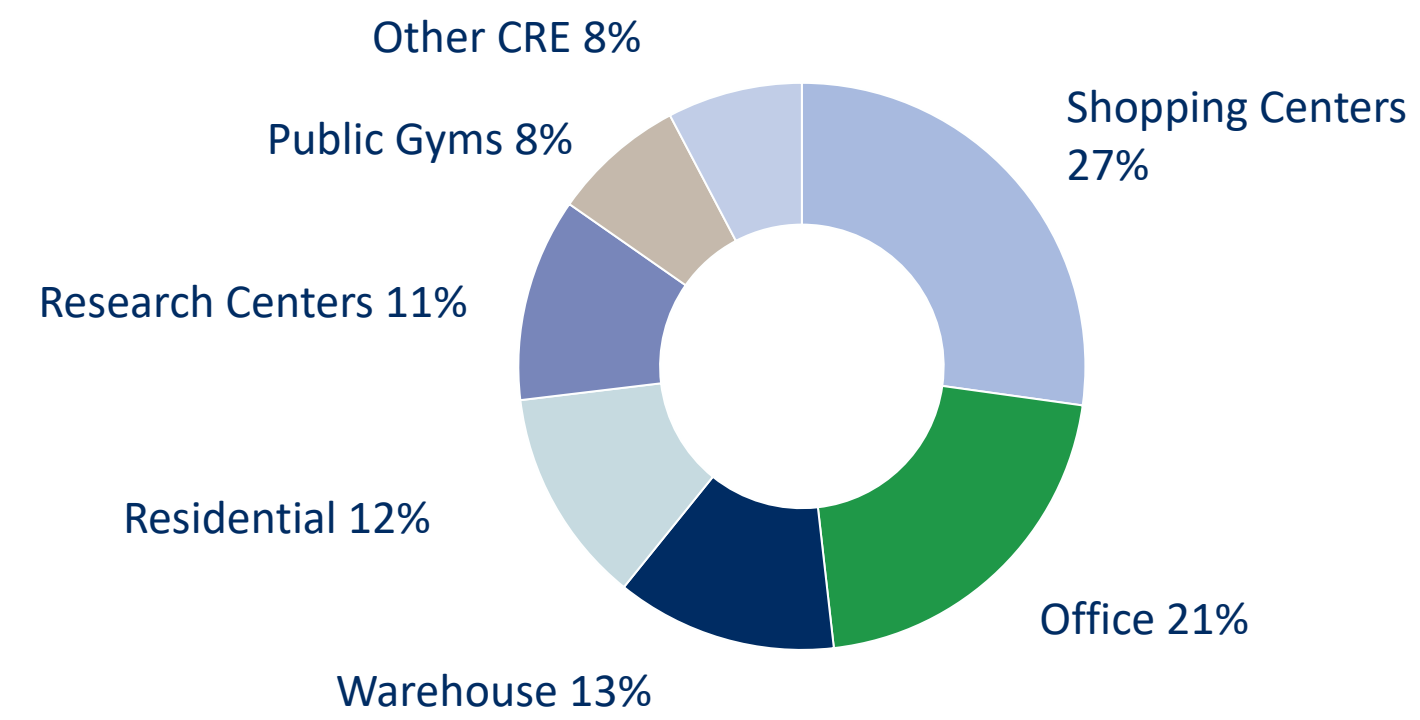
Notes: (1) Out Of Top 10 Depositors 30% is public sector, 16% SB Modernizavimo Fondas, 54% Corporate Clients

# CRE Portfolio Analysis

Conservative and diversified CRE portfolio

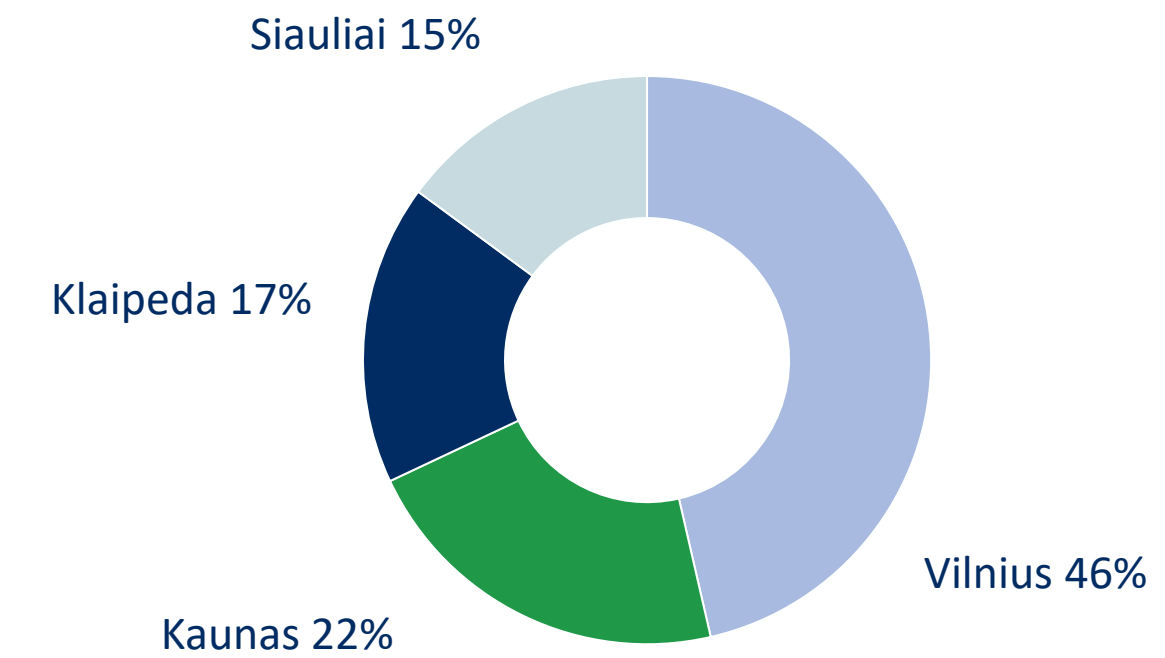
## CRE: Underlying Property Types

Top 20 Corporate Real Estate Client Breakdown by Asset Class



## CRE: High Geographic Diversification

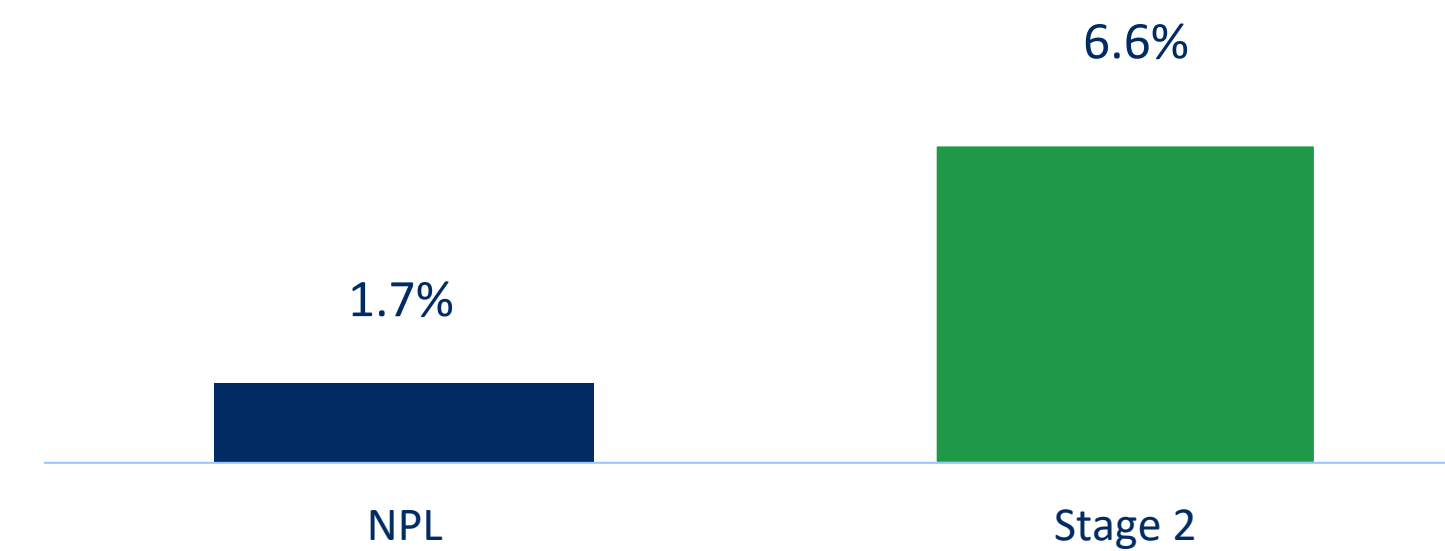
CRE Split by Region (Q3`24)



## CRE Portfolio Defined by Low LTV Ratios (Q3`24)



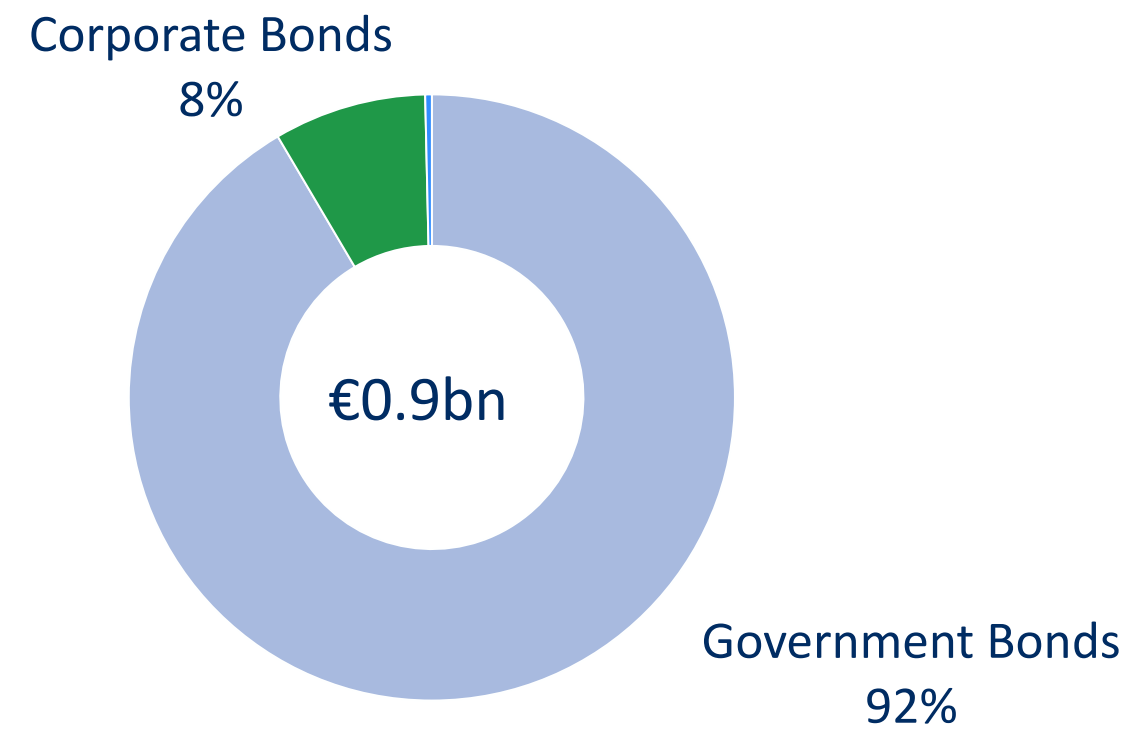
## Low NPL Levels Across CRE Loans (Q3`24)



# Solid Liquidity Position

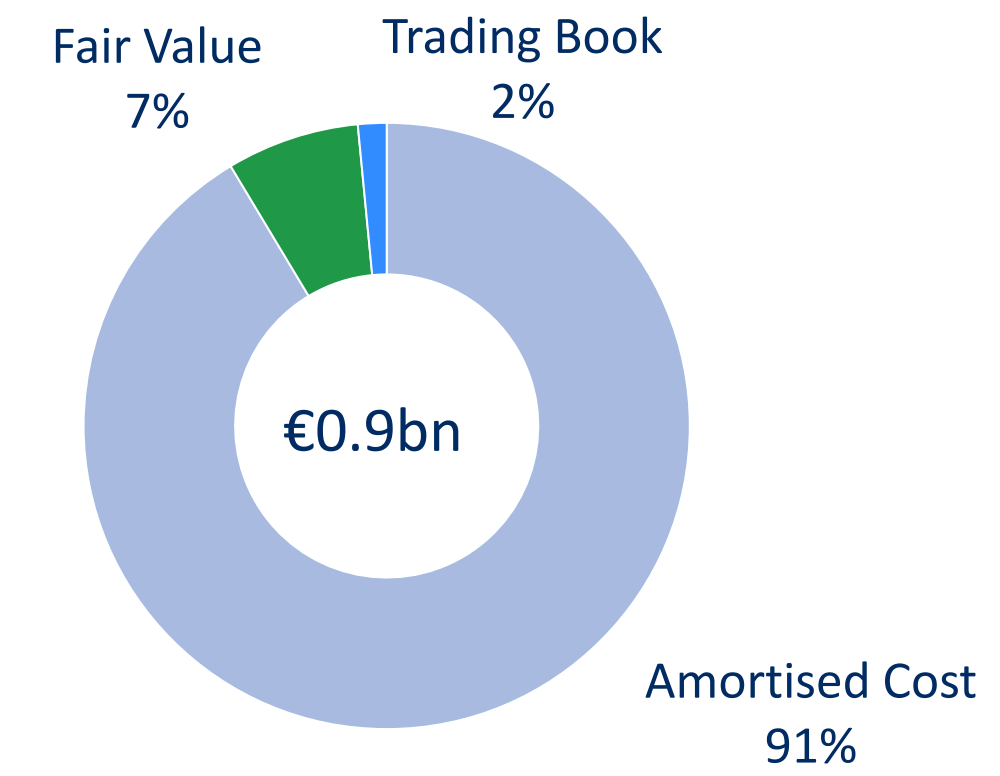
## Securities Portfolio (Q3`24)

By Security Type, Bank-only



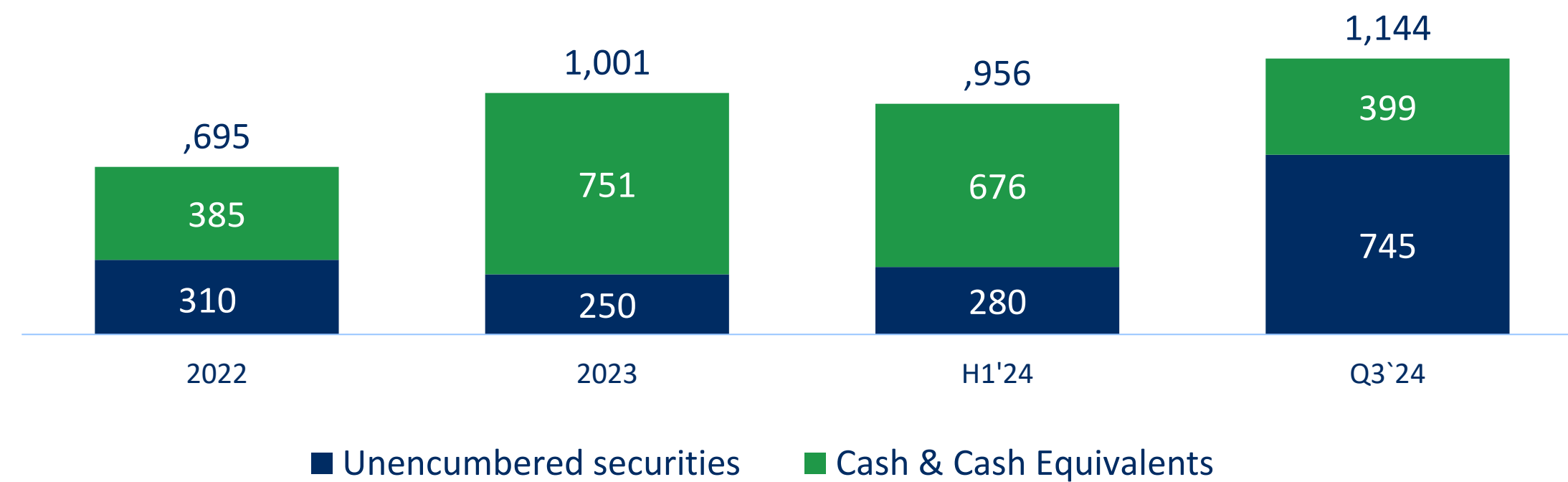
## Securities Portfolio (Q3`24)

By Accounting Method, Bank-only



## Liquid Assets (€`m)

Group Figures



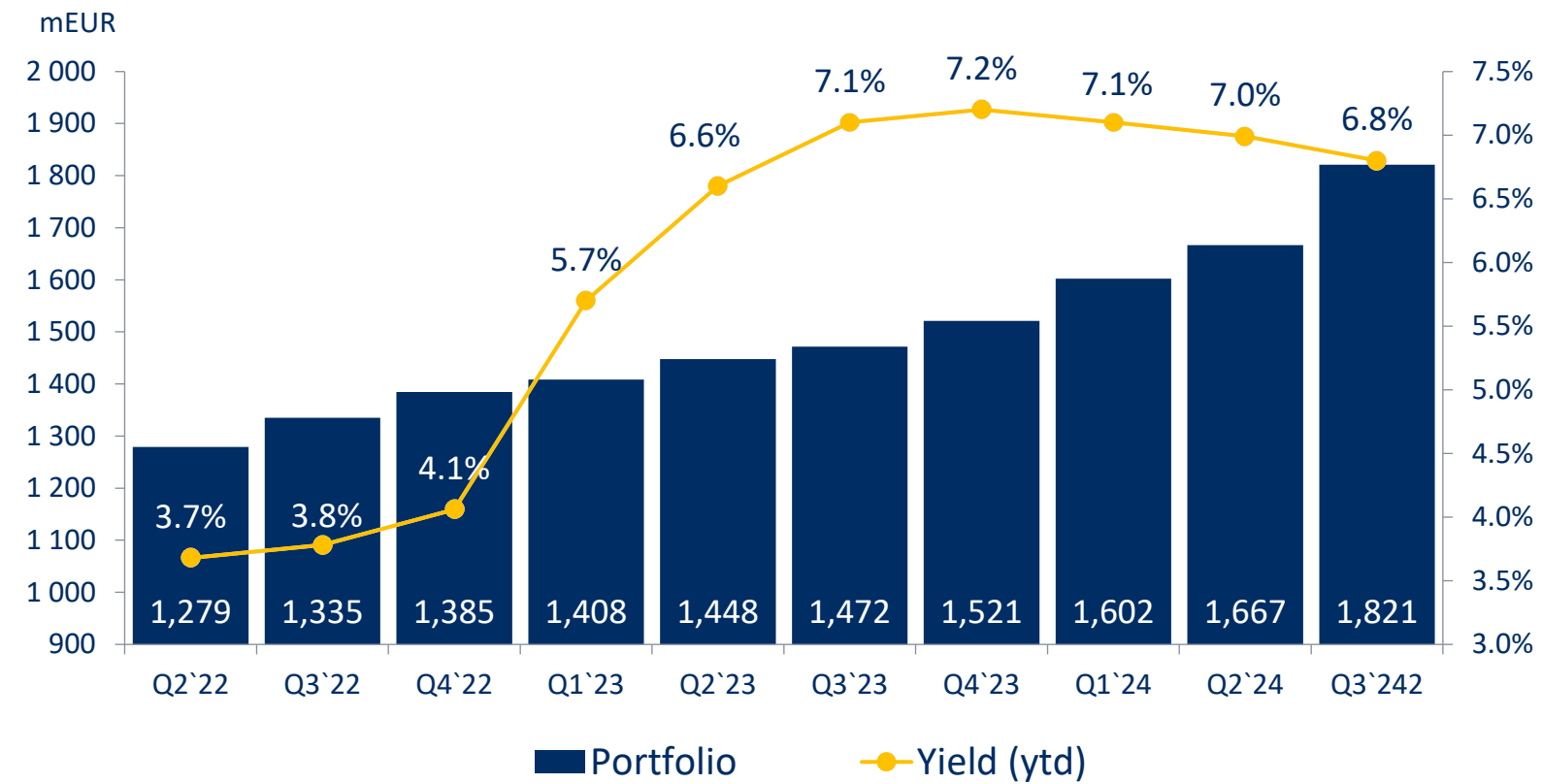
## Strong Liquidity Position (Q3`24)

Group Figures

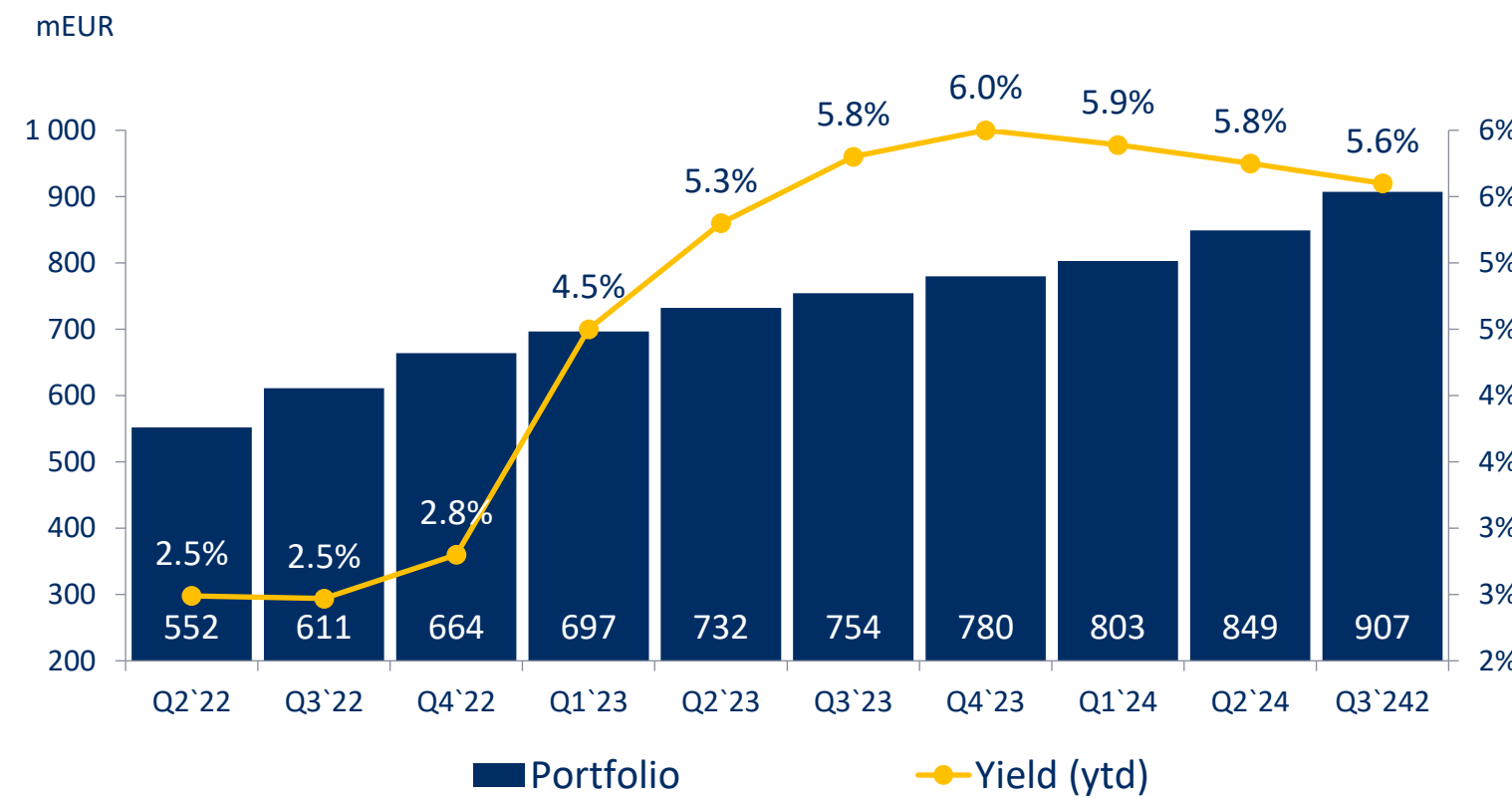


# Loan Portfolio Segments Performance

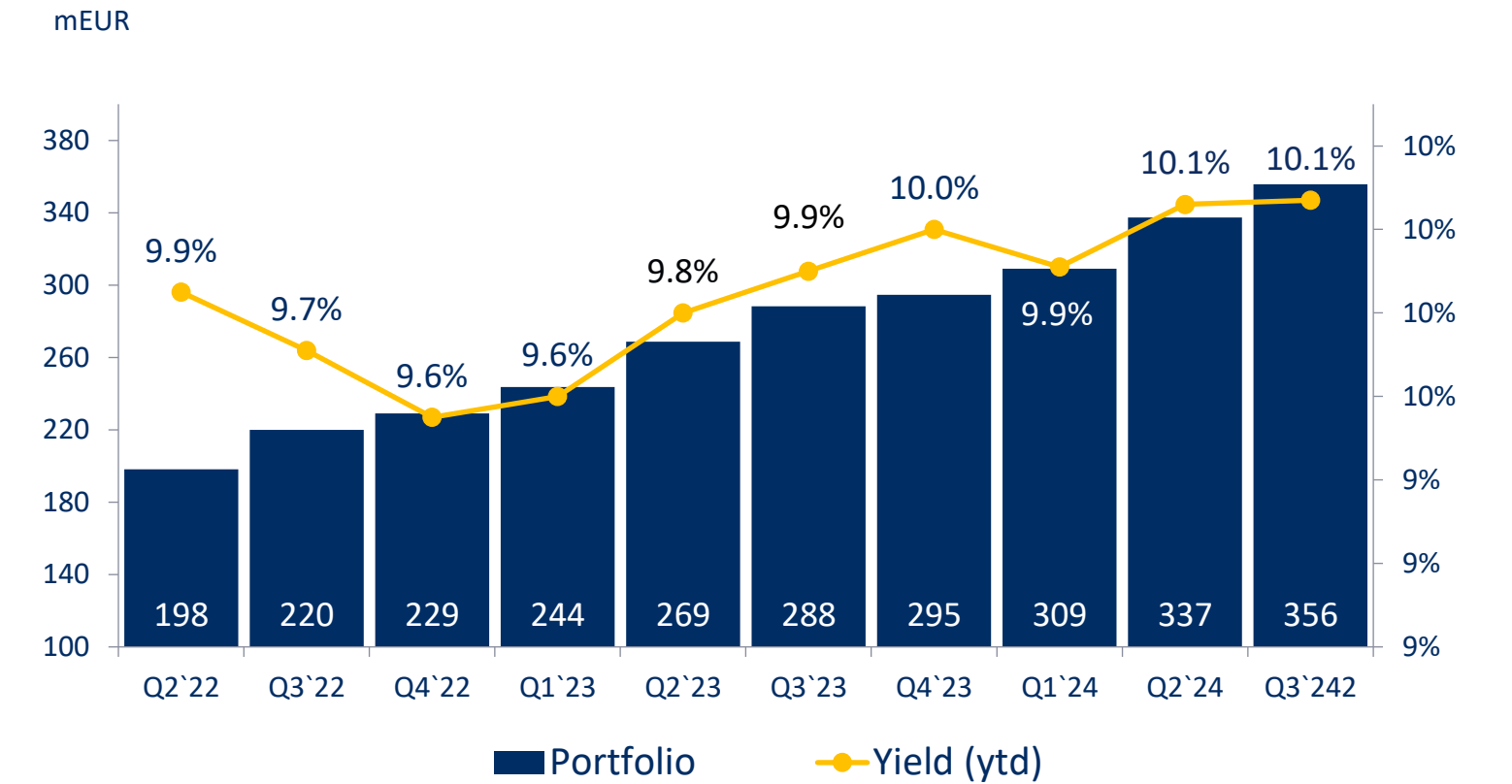
## Corporate Lending – Portfolio<sup>(1)</sup>



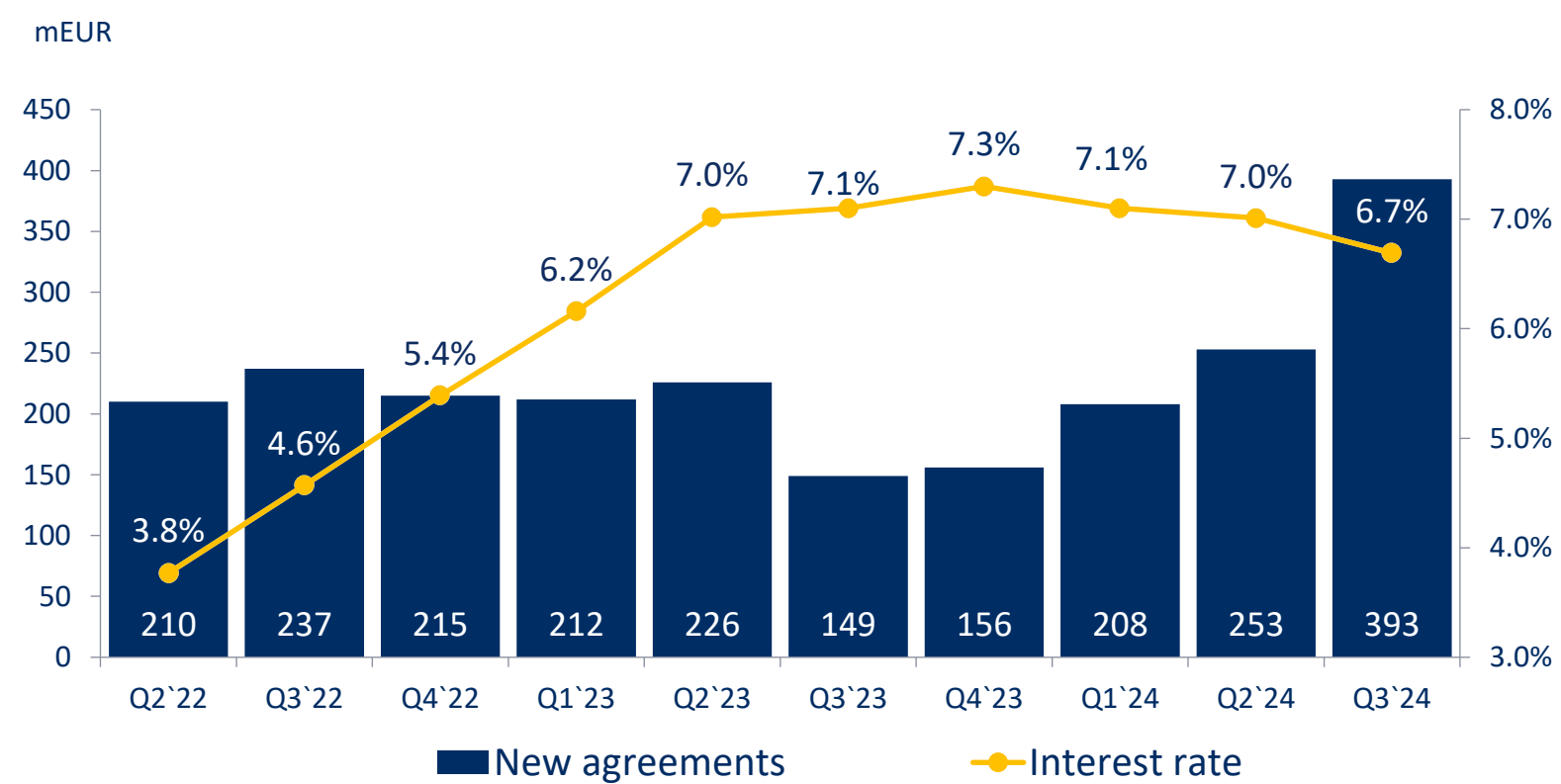
## Mortgage – Portfolio



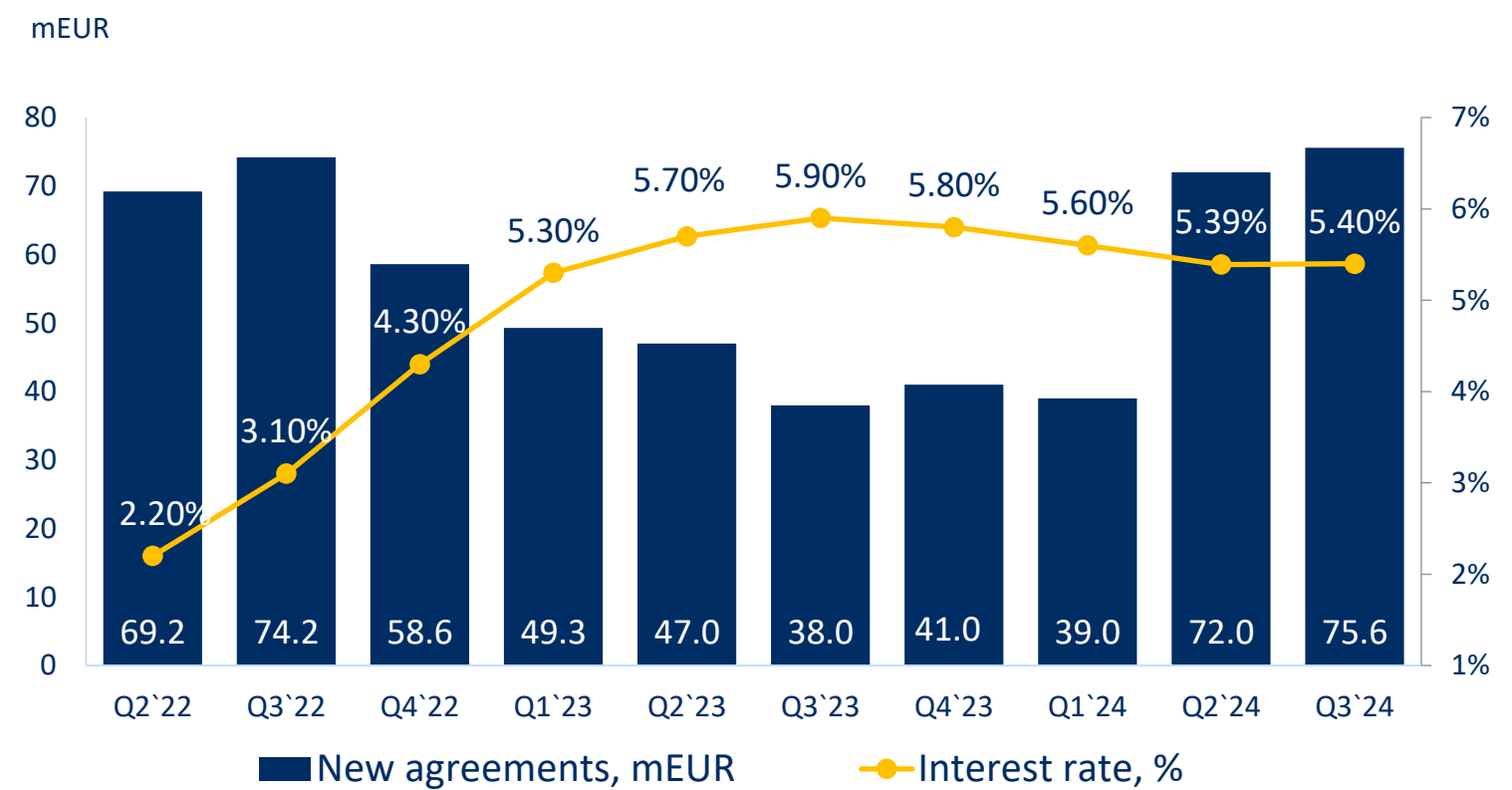
## Consumer Financing – Portfolio



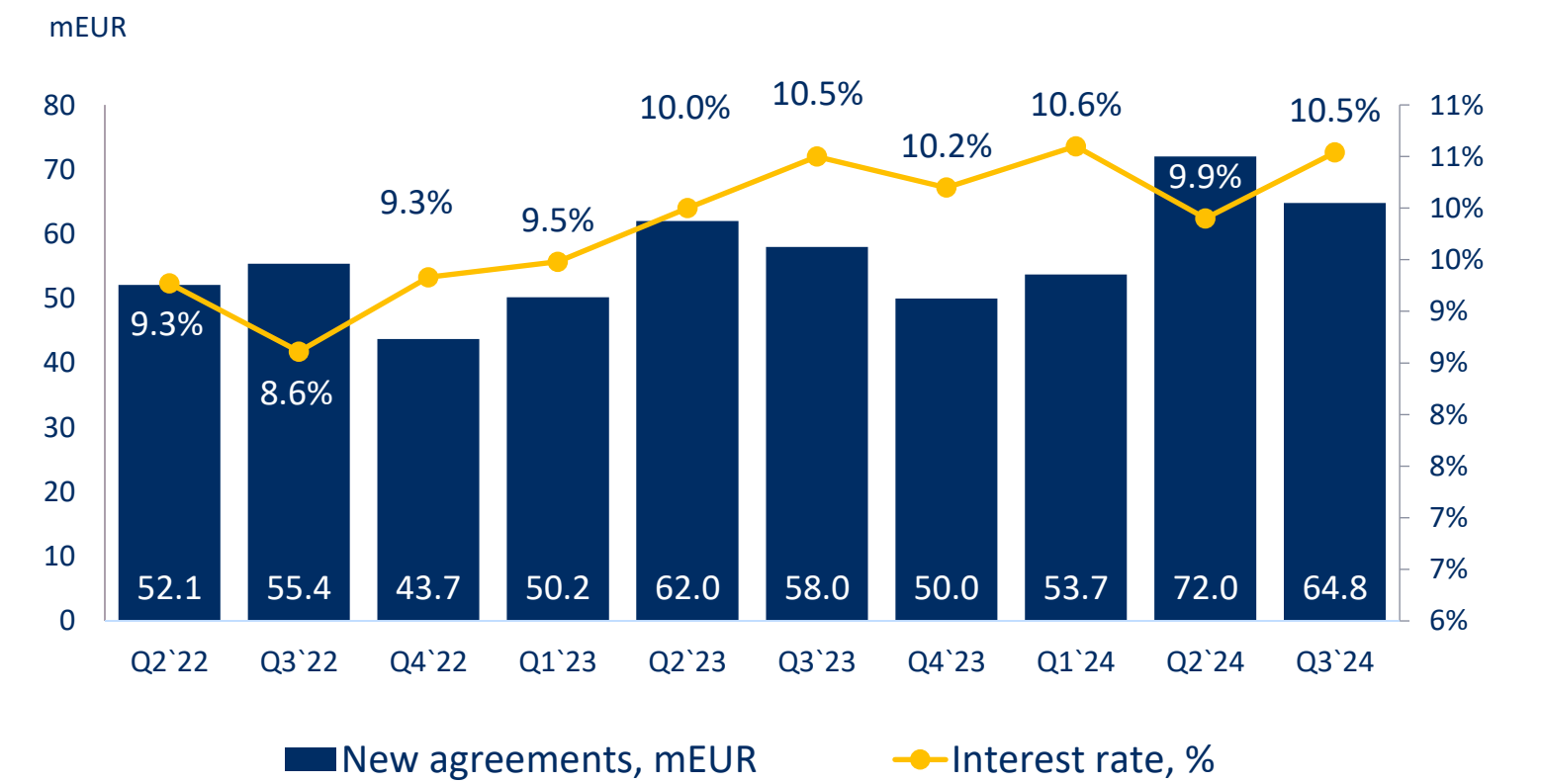
## Corporate Lending – New Agreements Signed<sup>(1) (2)</sup>



## Mortgage – New Agreements Signed



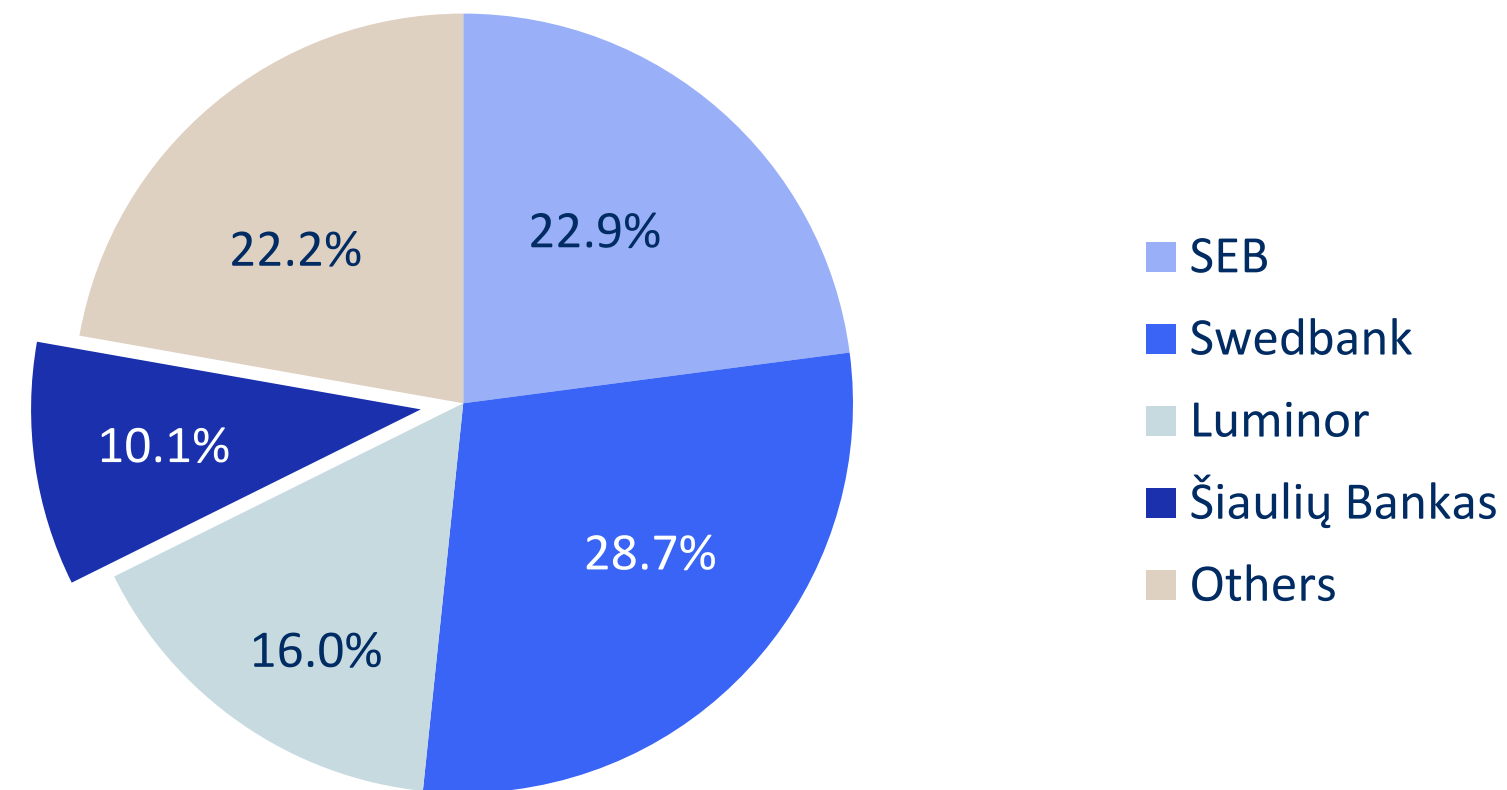
## Consumer Financing – New Agreements Signed



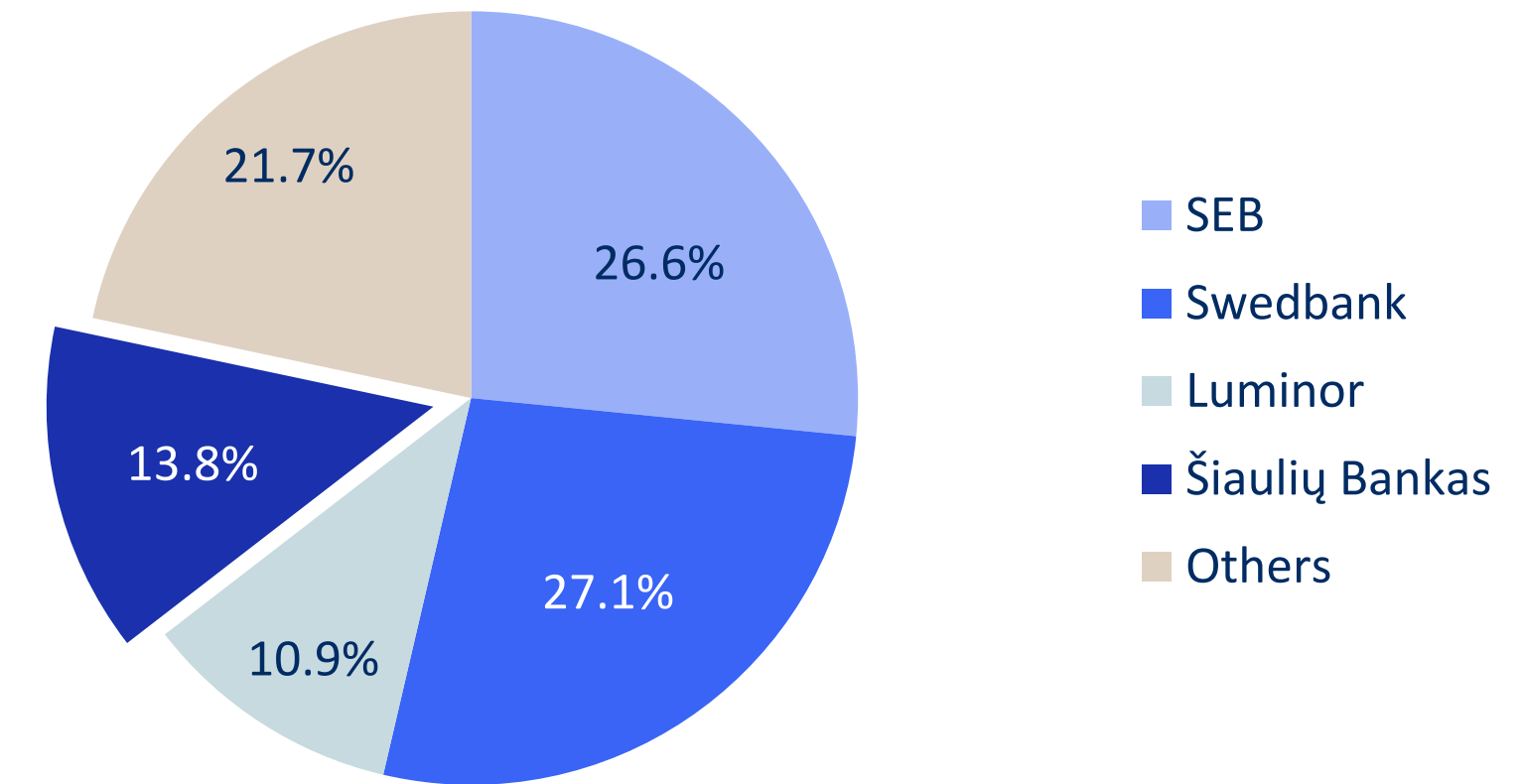
Notes: (1) Includes Financial Institutions (previously allocated to Other segment).  
 (2) Excluding renovation financing

# Šiaulių Bankas Market Share in Lithuania

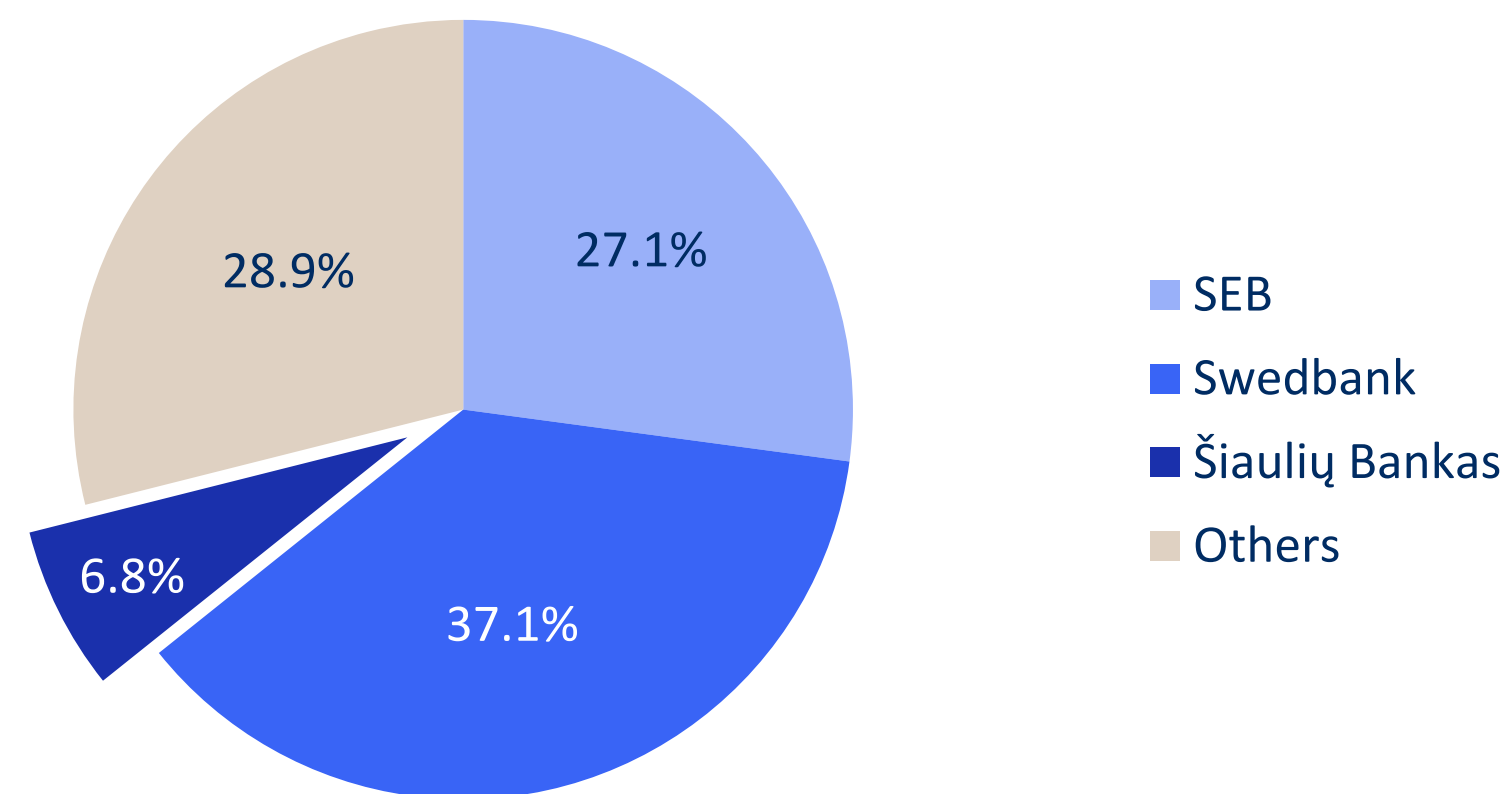
Loan Portfolio Market<sup>(1)</sup>



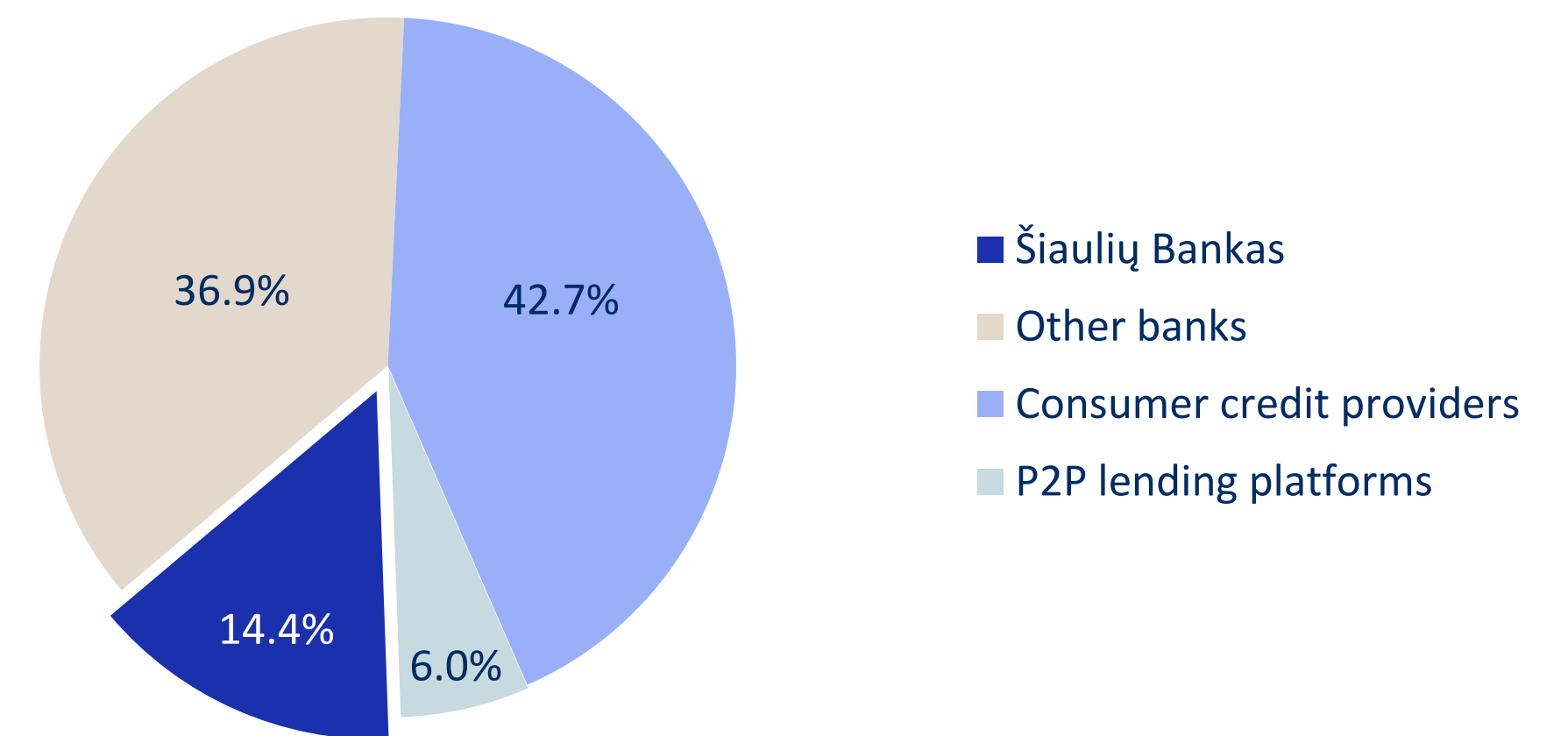
Corporate Lending<sup>(1)</sup>



Mortgage<sup>(1)</sup>



Consumer Financing<sup>(1)</sup>

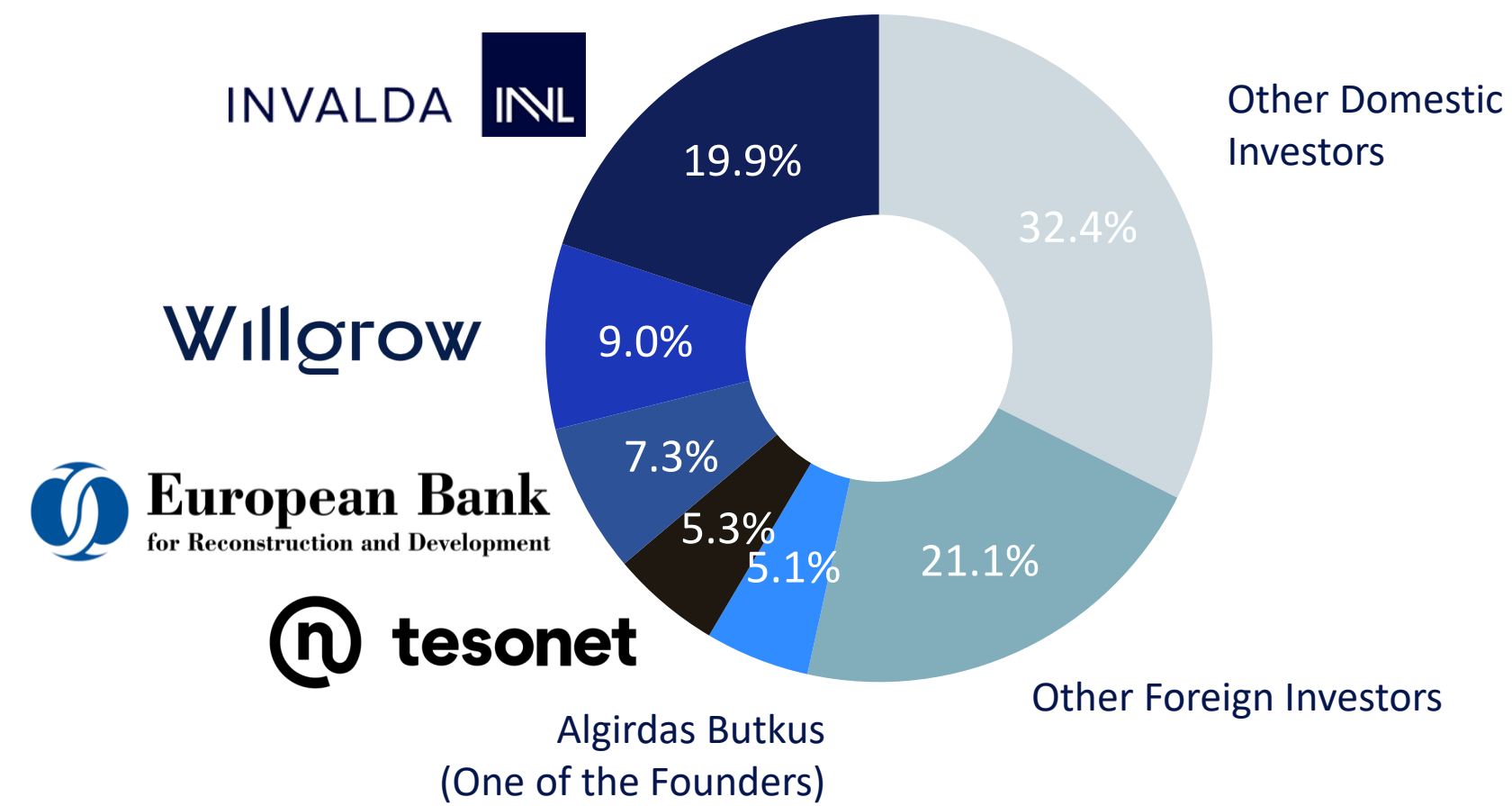


Notes: (1) Market share statistics as of June 2024  
Source: Bank of Lithuania (BoL) and Lithuanian Banking Association (LBA)



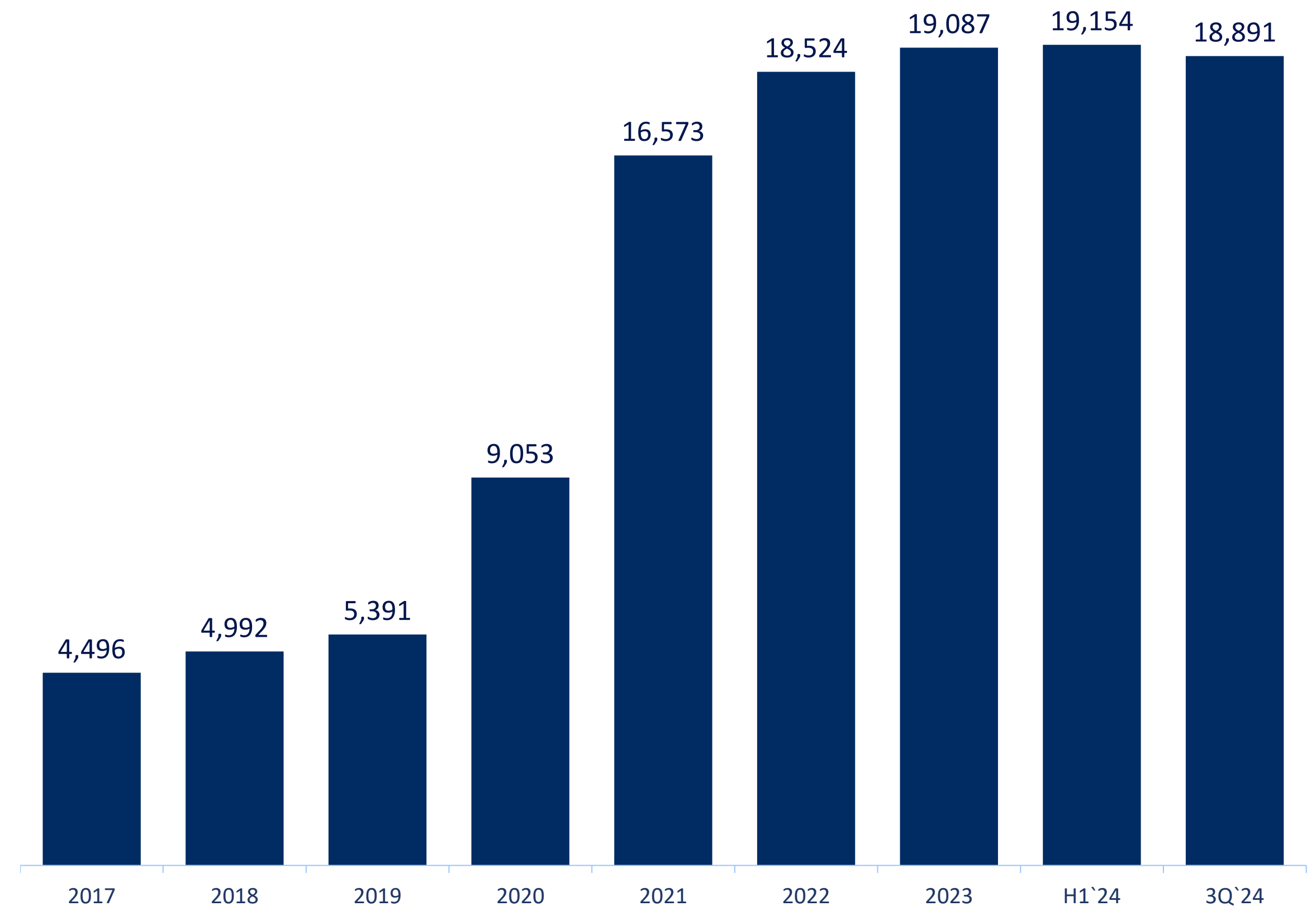
# Group Shareholder Structure

## Shareholder Structure (Sept`24)



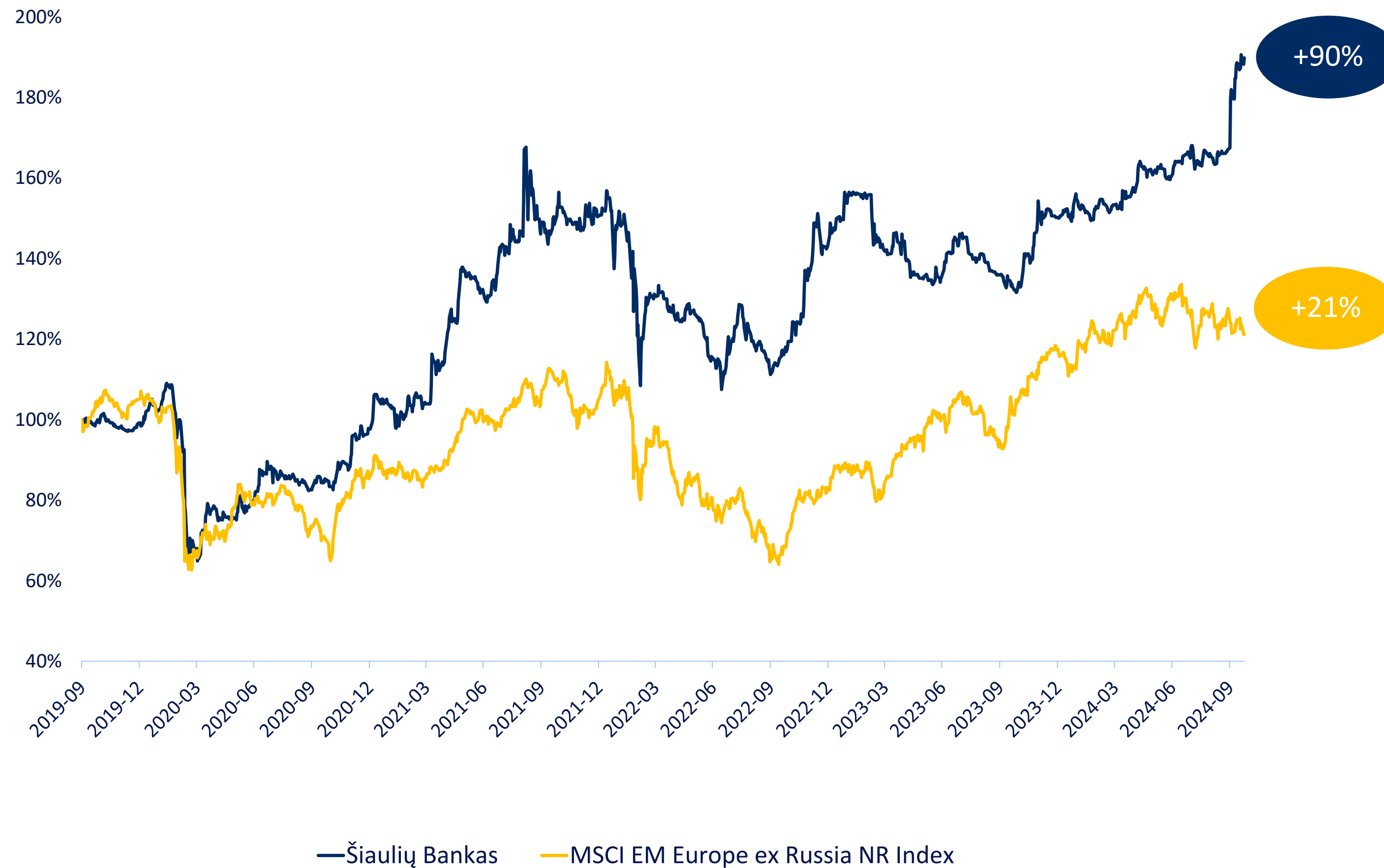
INVALIDDA	Listed Baltic asset management group established in 1991 and currently managing around €1bn AUM
Willgrow	Family office investing surplus capital of Girtėka (Europe`s leading asset-based road transportation company with >€2bn yearly turnover)
European Bank for Reconstruction and Development	Multilateral developmental investment bank with >€70bn AUM using investment as a tool to build market economies
tesonet	Business accelerator and investor that, among other companies, kickstarted cybersecurity powerhouse Nord Security and Surfshark, web intelligence collection platform Oxylabs, Cyber Care, and more. Implied valuation post latest funding of >€3bn

## Number of Shareholders

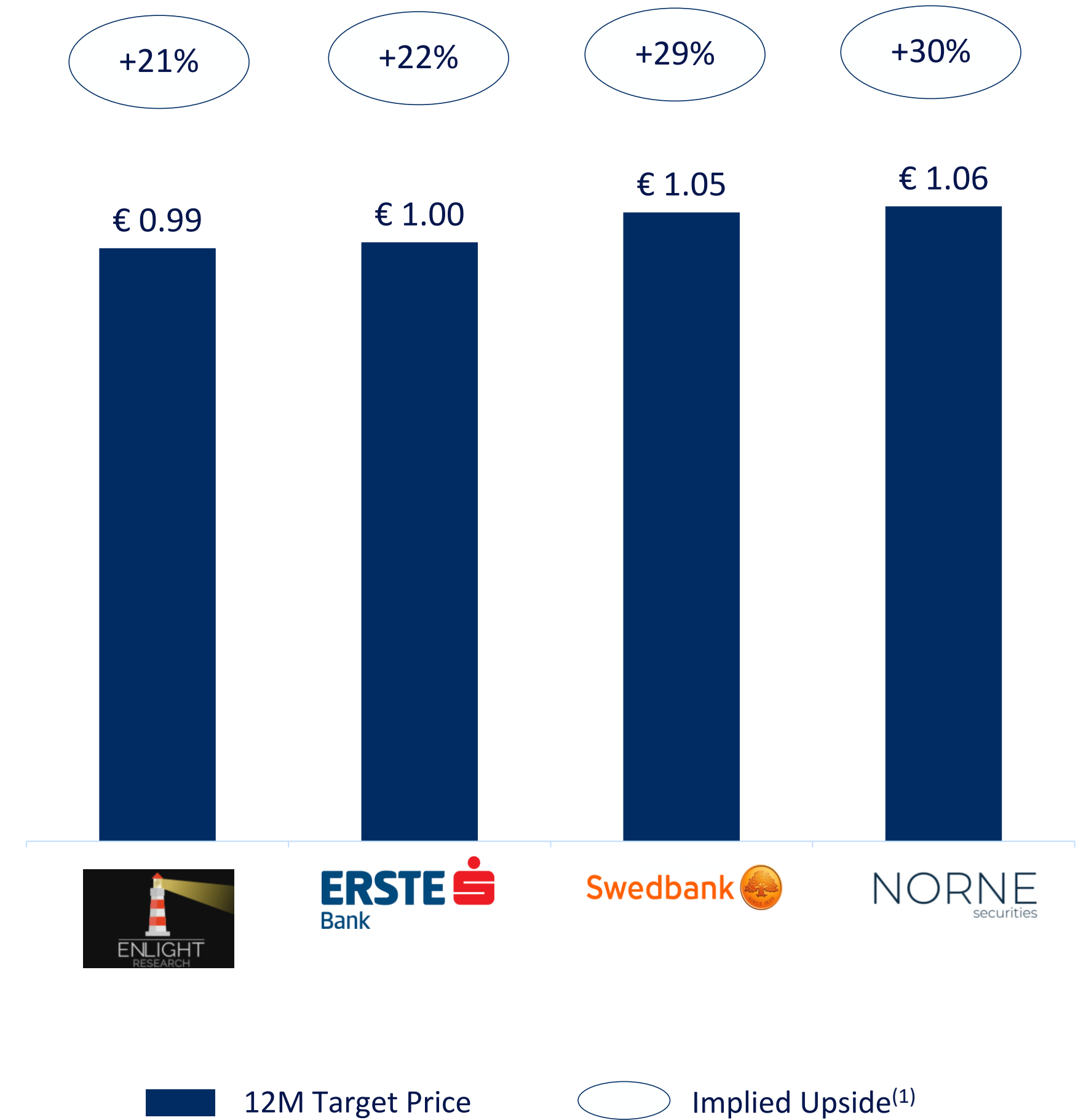


# Total Shareholder Returns & Broker Outlook

Šiaulių Bankas (SAB1L) TSR Performance vs. Market Index – Last 5 Years



Analyst Assessments Imply Average Upside of 25%











Note: (1) Based on SAB1L share price of €0.817 as of 2024.10.23

# Debt Securities in Issue

Type	ISIN Code	Volume of Issue	Interest rate	Maturity	Issue date	Currency
Senior Preferred	XS2887816564	300,000,000	4.85%	Dec 5, 2028	Sep 5, 2024	EUR
Subordinated	LT0000404287	20,000,000	6.15%	Dec 23, 2029	Dec 20, 2019	EUR
Subordinated	LT0000407751	50,000,000	10.75%	Jun 22, 2033	Jun 12, 2023	EUR
Subordinated	LT0000409013	25,000,000	7.70%	May 22, 2034	May 22, 2024	EUR
AT1	XS2922133363	50,000,000	8,75%	Oct 17, 2029	Oct 17, 2024	EUR

# Management Board

	<p><b>Vytautas Sinius</b></p> <ul style="list-style-type: none"> <li>Chief Executive Officer of Šiaulių Bankas</li> <li>Chairman of the Management Board of Šiaulių Bankas</li> </ul>	<p>Šiaulių Bankas: 12 years</p> <p>Financial Industry: 25 years</p>		<p><b>Daiva Šorienė</b></p> <ul style="list-style-type: none"> <li>Head of Corporate Clients</li> <li>Deputy Chief Executive Officer of Šiaulių Bankas</li> </ul>	<p>Šiaulių Bankas: 25 years</p> <p>Financial Industry: 30 years</p>
	<p><b>Donatas Savickas</b></p> <ul style="list-style-type: none"> <li>Chief Financial Officer of Šiaulių Bankas</li> <li>Deputy Chief Executive Officer of Šiaulių Bankas</li> </ul>	<p>Šiaulių Bankas: 25 years</p> <p>Financial Industry: 25 years</p>		<p><b>Mindaugas Rudys</b></p> <ul style="list-style-type: none"> <li>Head of Service Development Division at Šiaulių Bankas</li> </ul>	<p>Šiaulių Bankas: 13 years</p> <p>Financial Industry: 23 years</p>
	<p><b>Laura Križinauskienė</b></p> <ul style="list-style-type: none"> <li>Head of Private Clients</li> <li>Former CEO of INVL Asset Management</li> </ul>	<p>Šiaulių Bankas: 1 year</p> <p>Financial Industry: 20 years</p>		<p><b>Algimantas Gaulia</b></p> <ul style="list-style-type: none"> <li>Chief Risk Officer</li> </ul>	<p>Šiaulių Bankas: 11 years</p> <p>Financial Industry: 22 years</p>
	<p><b>Tomas Varenbergas</b></p> <ul style="list-style-type: none"> <li>Head of Investment Clients</li> <li>Chairman of the Board of SB Asset Management</li> <li>Chairman of the Board of SB Draudimas</li> </ul>	<p>Šiaulių Bankas: 8 years</p> <p>Financial Industry: 16 years</p>		<p><b>Agnė Duksienė</b></p> <ul style="list-style-type: none"> <li>Chief Compliance Officer</li> </ul>	<p>Šiaulių Bankas: 2 years</p> <p>Financial Industry: 15 years</p>

# Board of Directors



## Valdas Vitkauskas

- Chairman of the Supervisory Council of Šiaulių Bankas since August 2022
- Member of the Supervisory Council of Šiaulių Bankas since June 2022
- Previously Senior Banker at EBRD



## Mindaugas Raila

- Chairman at Willgrow, Girteka Logistics and SIRIN Development
- Member of the Supervisory Council of Šiaulių Bankas since January 2022



## Gintaras Kateiva

- Chairman of the Board at Litagra
- Member of the Supervisory Council of Šiaulių Bankas since 2008



## Tomas Okmanas

- Co-founder and CEO of Tesonet and Nord Security
- Investor, advisor and board member in multiple technology companies
- Member of the Supervisory Council of Šiaulių Bankas since February 2022



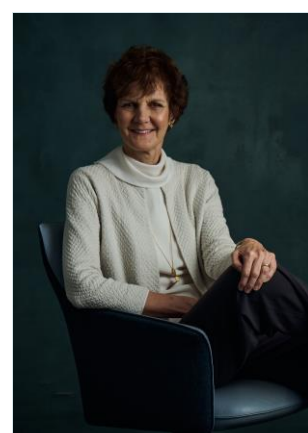
## Darius Šulnis

- Chief Executive Officer of Invalda INVL
- Board member at Litagra
- Member of the Supervisory Council of Šiaulių Bankas since May 2016



## Monika Nachyła

- Partner at Abris Capital responsible for IR, communication, and ESG
- Over 25 years of international C-suite experience in banking and finance
- Member of the Supervisory Council of Šiaulių Bankas since June 2024



## Susan Gail Buyske

- Non-executive Director of Advans SICAR, Non-executive Director and Chair of Risk Committee of First Ukrainian International Bank
- Member the Supervisory Council of Šiaulių Bankas since July 2020

# High Focus on ESG As a Competitive Advantage

## Šiaulių Bankas ESG Strategic Priorities

Environmental Sustainability	7 AFFORDABLE AND CLEAN ENERGY	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Service Access Improvement	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES
Engaged Employees	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH
Transparency and Responsibility			12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Reliable Services			9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	

## Selected Case From ESG Strategic Priorities: Renovation

# Leading building renovation

65%

of the renovated multi-apartment buildings in Lithuania are financed by Šiaulių Bankas

- Innovative financing instruments for multi-apartment building renovation
- Significant energy savings of up to 60-65% can be realised through building renovations, effectively reducing greenhouse gas emissions
- Product pioneer: Šiaulių Bankas has been financing multi-apartment building renovation for over 10 years
- Financed over 2,700 different multi-apartment buildings across Lithuania and disbursed almost 1 billion euros of loans

Strong Institutional Partners:



Our ambition is to become a climate neutral bank by 2050 and to set the near-term targets in accordance with the SBTi standard  
We focus on tangible products, partnerships, and projects with transformative impact

**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

Bank of the year, Lithuania  
2013; 2015; 2016; 2019; 2021; 2022; 2023

## Banking Awards, “Global Finance”:

2023 Best bank in Lithuania

2021 The Safest Bank in Lithuania for 2021

2021 Best bank in Lithuania

2020 World’s Safest Banks 2020: Lithuania

2020 Banking CEO of the Year Lithuania 2020

2020 Banking Customer Satisfaction & Happiness Lithuania 2020

2017 Best bank in Lithuania

2016 World’s Safest Banks 2016: Lithuania



## Mystery shopping survey, Lithuania:

2018, 2019, 2022, 2023 Best customer service at the branch  
2021, 2023 Best customer service on call



## Asset Management Awards (INVL):

2024 Citywire Awards – Three SB Asset Management’s portfolio managers (Regimantas Valentonis, Arvydas Jacikevičius, Kasparas Subačius) received Citywire’s AA ratings, highlighting their exceptional global standing in investment management



2023 Refinitiv Lipper Fund Awards - “INVL Baltic Fund” recognised as the best Emerging Europe equity market fund in Germany over the past three years



2018 IPE Awards – Best pension fund in the CEE fund category (“INVL Mezzo II 53+”)



2016 Citywire Awards - Vaidotas Rūkas, Head of Šiaulių Bankas Asset Management (formerly INVL Asset Management), awarded AA rating for his management of the Eastern European equity fund “INVL Emerging Europe TOP20 sub-fund”



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