

Investor Conference Webinar

Results for H1 2022

3 August 2022

Presenters

VYTAUTAS SINIUS, CEO

DONATAS SAVICKAS, CFO

H1 2022

- Net profit for H1 2022 reached EUR 29.5 million
- Operating profit up by 27% compared to 2021 H1
- Growth in corporate and private client financing
- Loan portfolio quality remains strong
- Digital retail services are continuously developed
- New members of the Supervisory Council has been elected

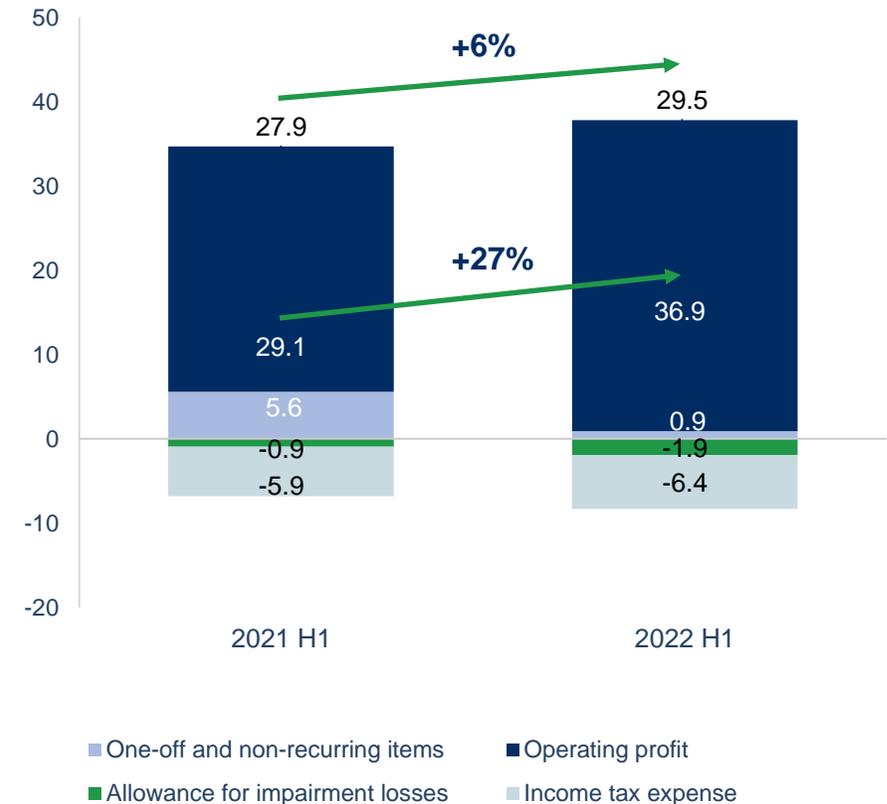
KEY PERFORMANCE INDICATORS

		Targets for 2022	2022 H1
Efficiency	ROE	>12.1%	14.7%
	Cost / Income *	<46.5%	43.4%
Capital & Risk management	CAR **	>17%	18.1%
	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



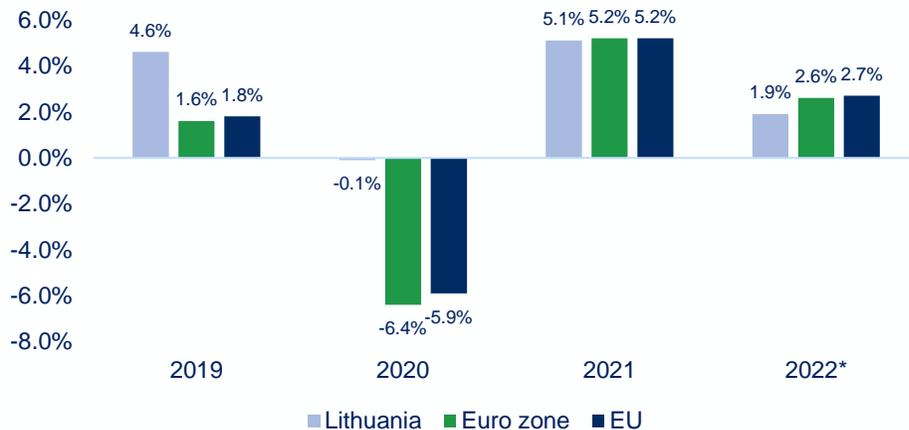
Macroeconomic situation update

- Although H1 2022 GDP growth was 3.6% (compared to H1 2021), the second quarter GDP change was negative (-0.4% compared to Q1 2022)
- Provisional estimate of inflation exceeded 20.8% in July, up from 20.5% in June; ex-energy prices change, inflation growth started to decrease
- Consumer spending / confidence and business investment is expected to decrease in H2 2022

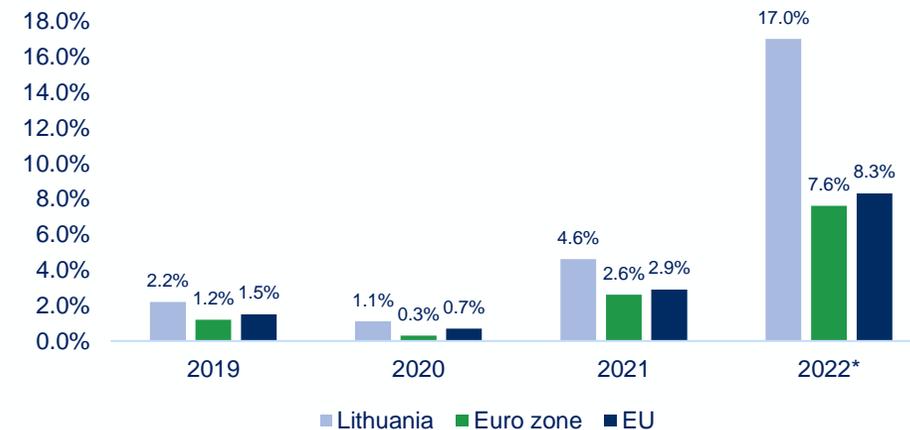
INFLATION AND ITS KEY COMPONENTS, JUL 2022



REAL GDP CHANGE, y-y

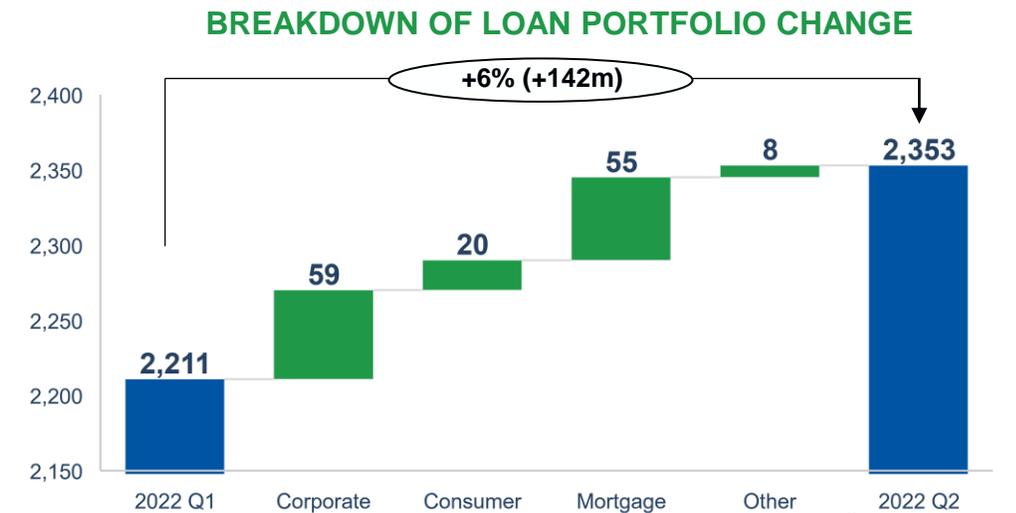
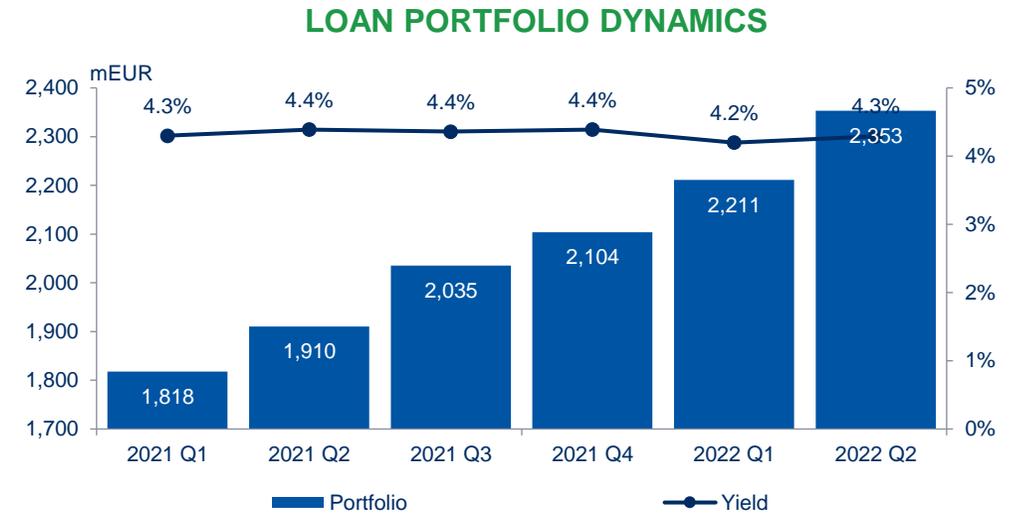
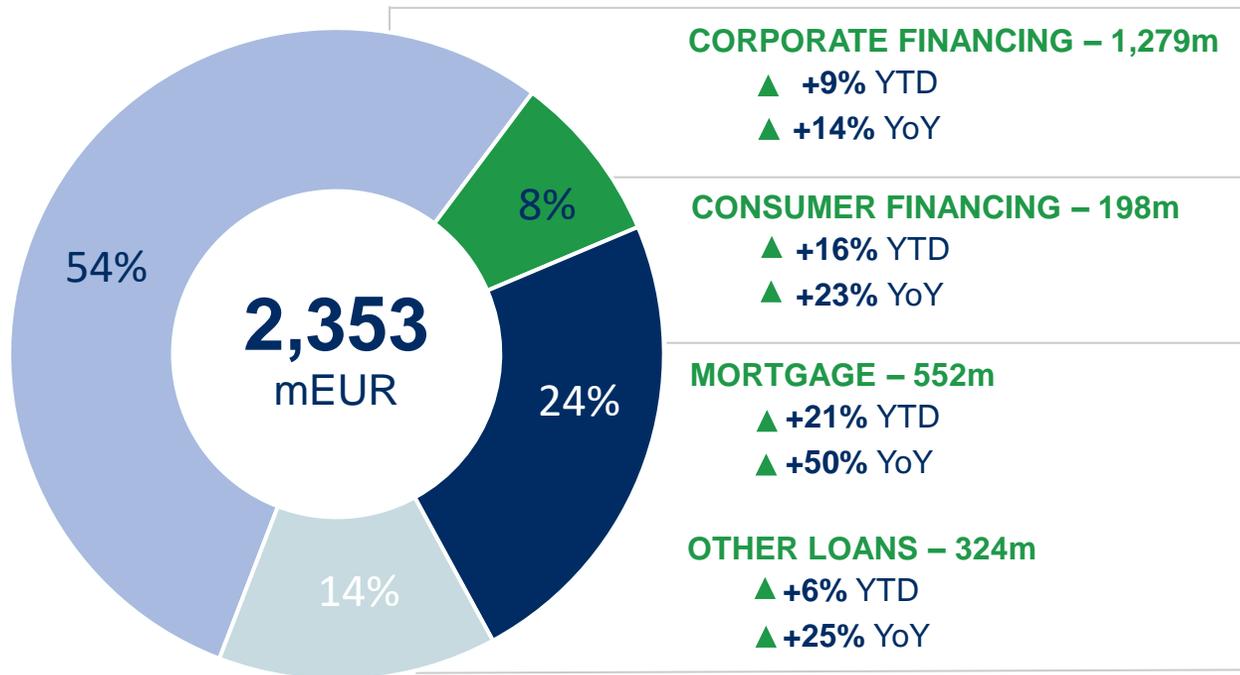


INFLATION CHANGE, y-y



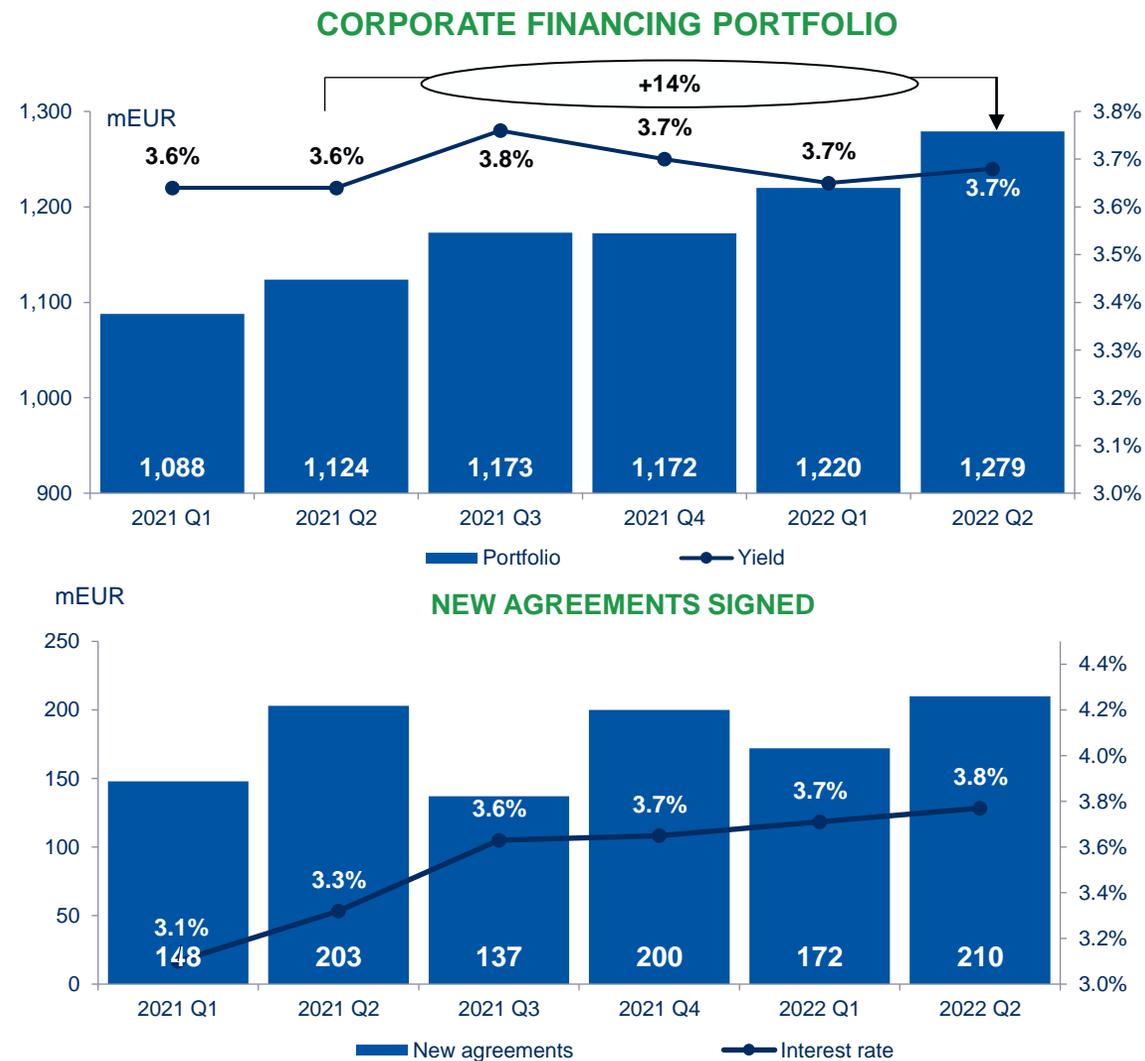
Loan portfolio dynamics

- Strong growth in both corporate and private client financing - the loan portfolio increased by 6% in Q2, 12% YTD and by 23% YoY
- EUR 670 million worth of new credit agreements were signed, an increase of 12% YoY
- Over the last 12M loan market increased by 17.7%, while Bank's market share increased by 0.3 p.p. to 8.9% (market data as of Q1 2022)



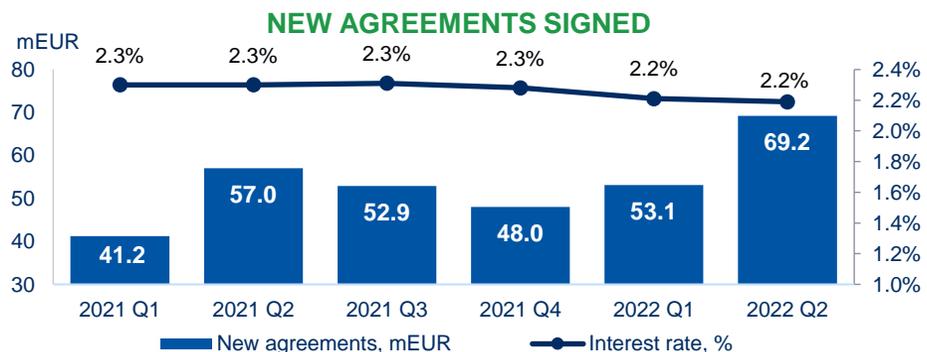
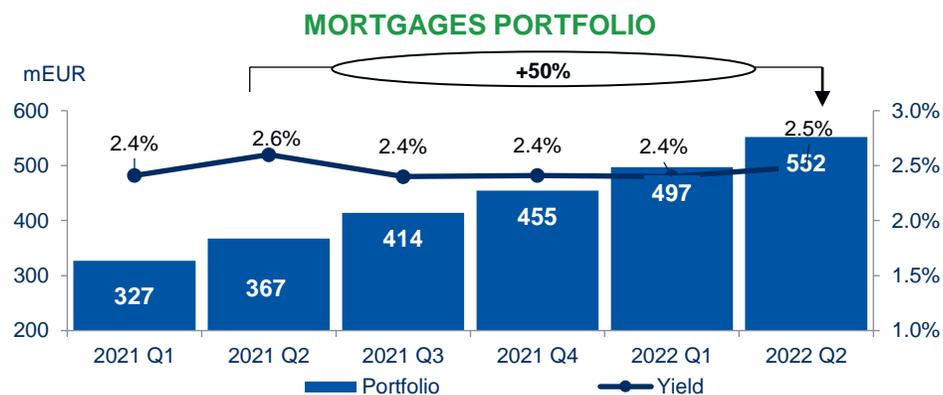
Corporate financing

- Portfolio grew by 5% in Q2, 9% YTD and 14% YoY
- The amount of new loans signed was 9% higher than in the H1 of last year
- TOP10 exposure concentration decreases further to 9.7% (-1.1 p.p YTD)
- Risk of direct insolvency of clients operating in Lithuania due to the geopolitical situation stays low
- The Bank's portfolio growth was in line with market, thus market share remained unchanged (market data as of Q1 2022)



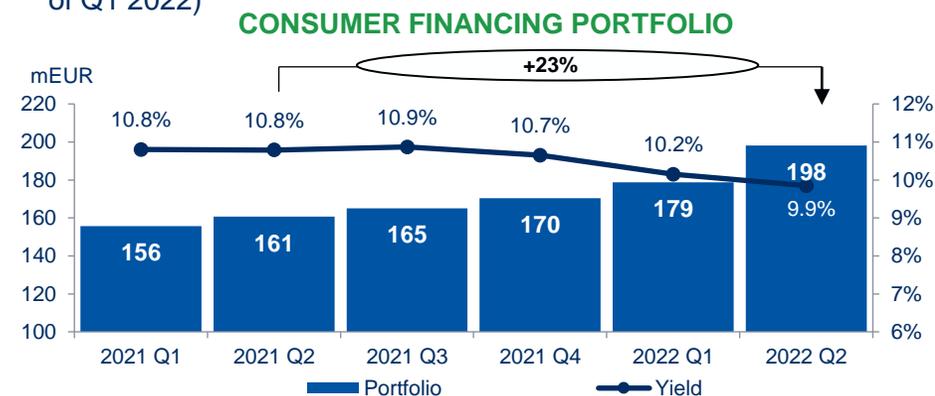
Mortgages

- Record-breaking quarter in terms of sales volumes
- EUR 69 million of new contracts signed during the whole quarter (21% more than in Q2 2021)
- Over last 12M the mortgage market increased by 11.9%, while Bank's market share increased by 1.3 p.p. to 4.9% (market data as of Q1 2022)



Consumer financing

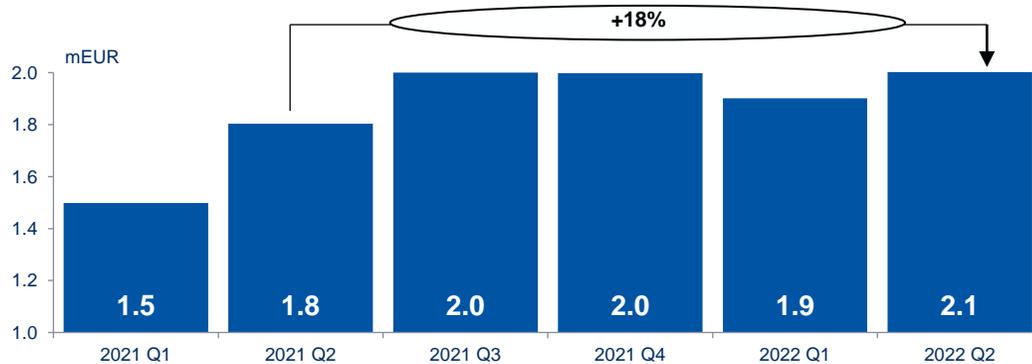
- Rising inflation encouraged clients not to postpone planned purchases, home repairs or improvements
- Active advertising and the access to financing services have contributed as well to 58% higher amount of new sales
- Over last 12M the consumer credit market increased by 19.1%, while Bank's market share decreased by 0.4 p.p. to 11.2% (market data as of Q1 2022)



Daily banking

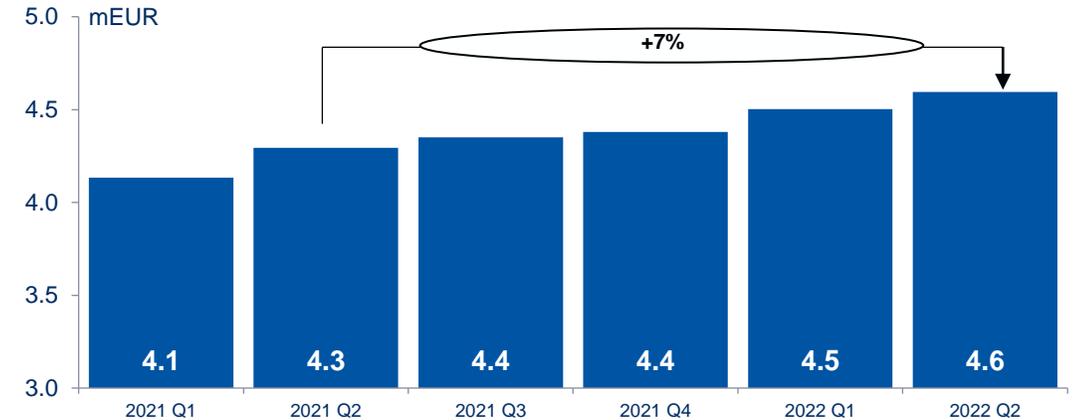
- NFCI growing consistently each quarter to reach EUR 4.6 million, up 7% y-y, 2% q-q
- Digital retail services are continuously developed
- The first-half was particularly marked by increased client demand for cash transactions and currency exchange operations
- Clients continue to actively direct their savings into the Bank's investment products
- Demand for credit cards is high - with an 8% q-q and 25% y-y increase in the number of credit cards issued
- The number of clients subscribing to service plans is growing constantly and reaching 179 thousand (+7% y-y)

REVENUE FROM FOREIGN EXCHANGE OPERATIONS*

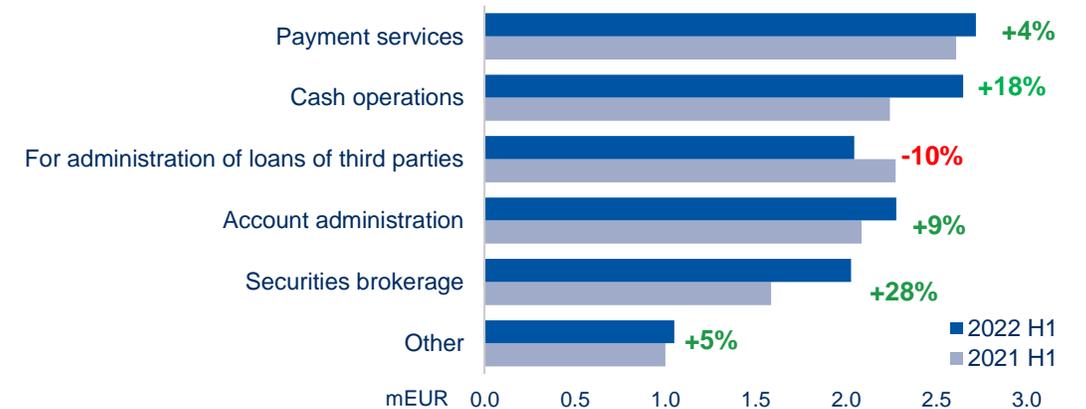


* excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

NET FEE AND COMMISSION INCOME (NFCI)

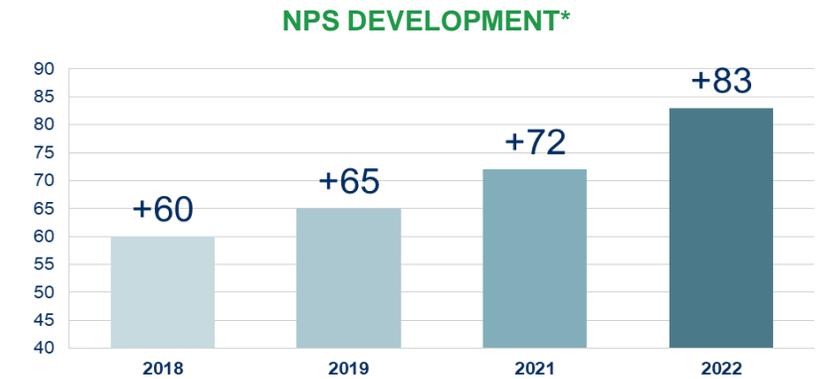


FEE AND COMMISSION INCOME, Y-Y CHANGE



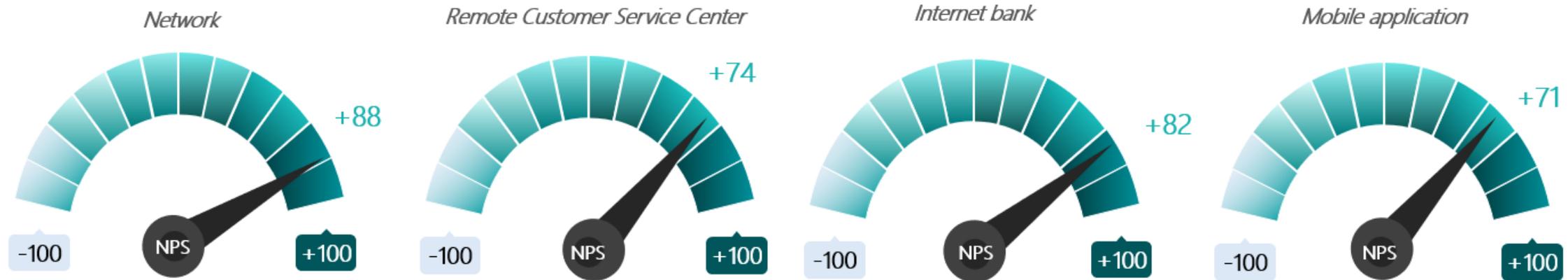
Net Promoter Score results

- In 2022 Q2 Spinter Research performed Net Promoter Score (NPS) research on the Bank's customer experience
- The Bank is rated more favourably than in 2021, with the NPS indicator rising from +72 to +83
- Private clients rated the bank +85, while corporate clients +81
- Constant digital channels development is being recognized by the clients



*- No NPS research in 2020 due to COVID pandemic

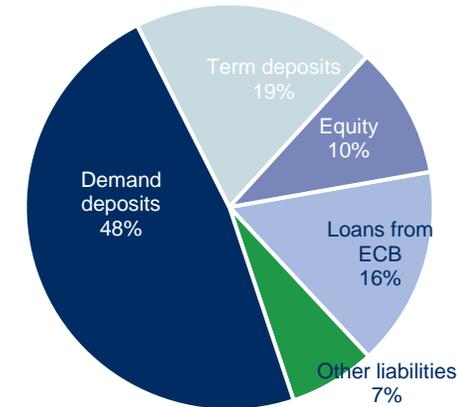
NPS BY SALES CHANNEL



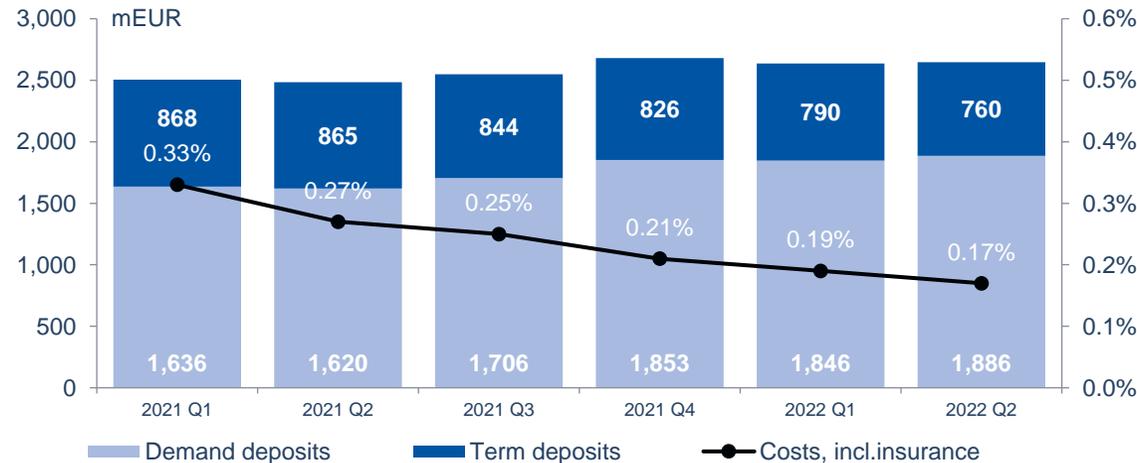
Funding & liquidity

- In 2022 Q2, total deposit portfolio decreased by 1% (EUR 34m) to EUR 2.65bn in H1:
 - Term deposits EUR -66m
 - Demand deposits EUR +32m
- LTD ratio 89% vs 84% (2022 Q2 vs 2022 Q1)
- LCR decreased to 152% (forecast data)
- Quarterly early repayment option of TLTRO loans was not exercised in June; more likely funds will be kept till maturity
- MREL bonds to be issued earliest in Q4

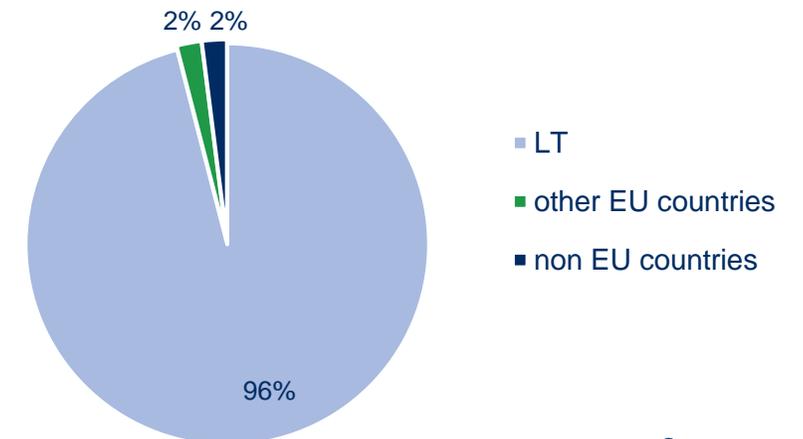
FUNDING STRUCTURE



DEPOSIT PORTFOLIO DYNAMICS AND STRUCTURE



DEPOSITS PORTFOLIO SPLIT BY CUSTOMER COUNTRY AS OF END 2022 Q2



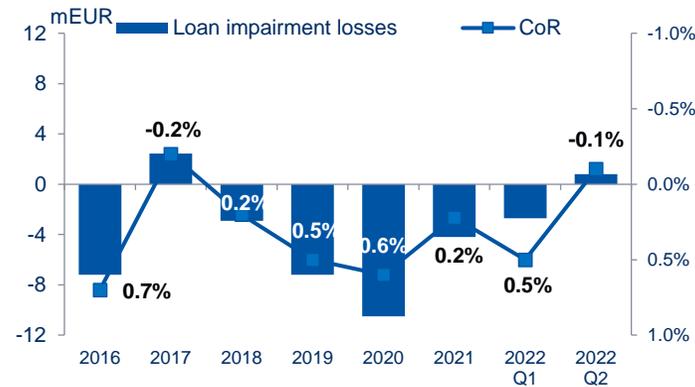
Capital & risk management

- Despite higher than planned growth rate, capital position stays at safe level
- The quality of the loan portfolio remains stably good
- NPE's portfolio decreased by EUR 6 million to EUR 77 million in 2022 Q2
- Provisions for H1 of the year amount to EUR 1.9 million, reversals of EUR 0.8 million were made in Q2

NPE (LOANS)



LOANS COST OF RISK (COR)

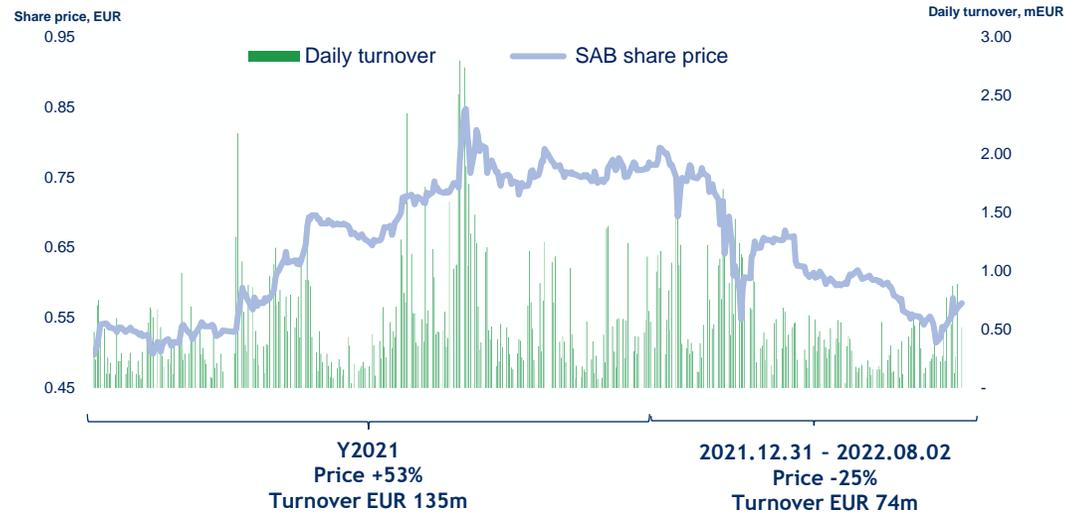


CAPITAL ADEQUACY RATIO

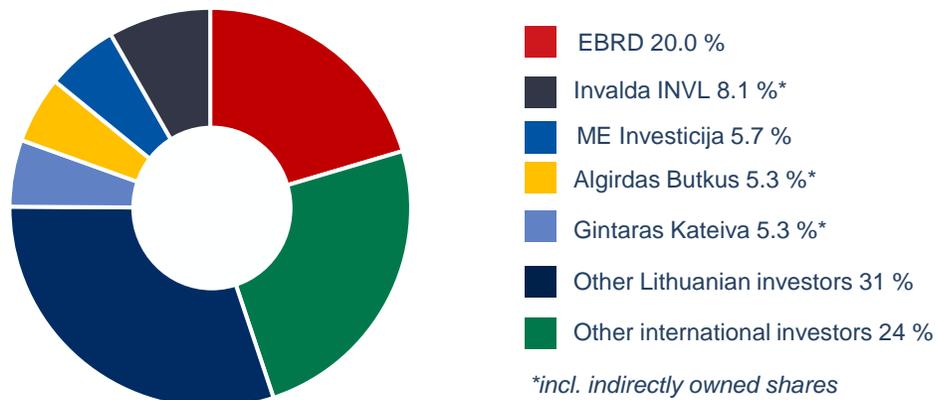


Share valuation data & ratios

SHARE PRICE DYNAMICS



SHAREHOLDERS, AS OF END Q2 2022



SHARE DATA

	2016	2017	2018	2019	2020	2021	2022-08-02
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	0.52
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	6.0
Number of shareholders	3 401	4 496	4 992	5 391	9 053	16 573	17 857*

*- 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 Q2

TARGET PRICE

EUR 0.92 / 0.81 / 0.72 (1.00 / 0.88 / 0.79)
(bull / base / bear) (2022-03-25)



EUR 0.80 (1.00)
(2022-03-09)



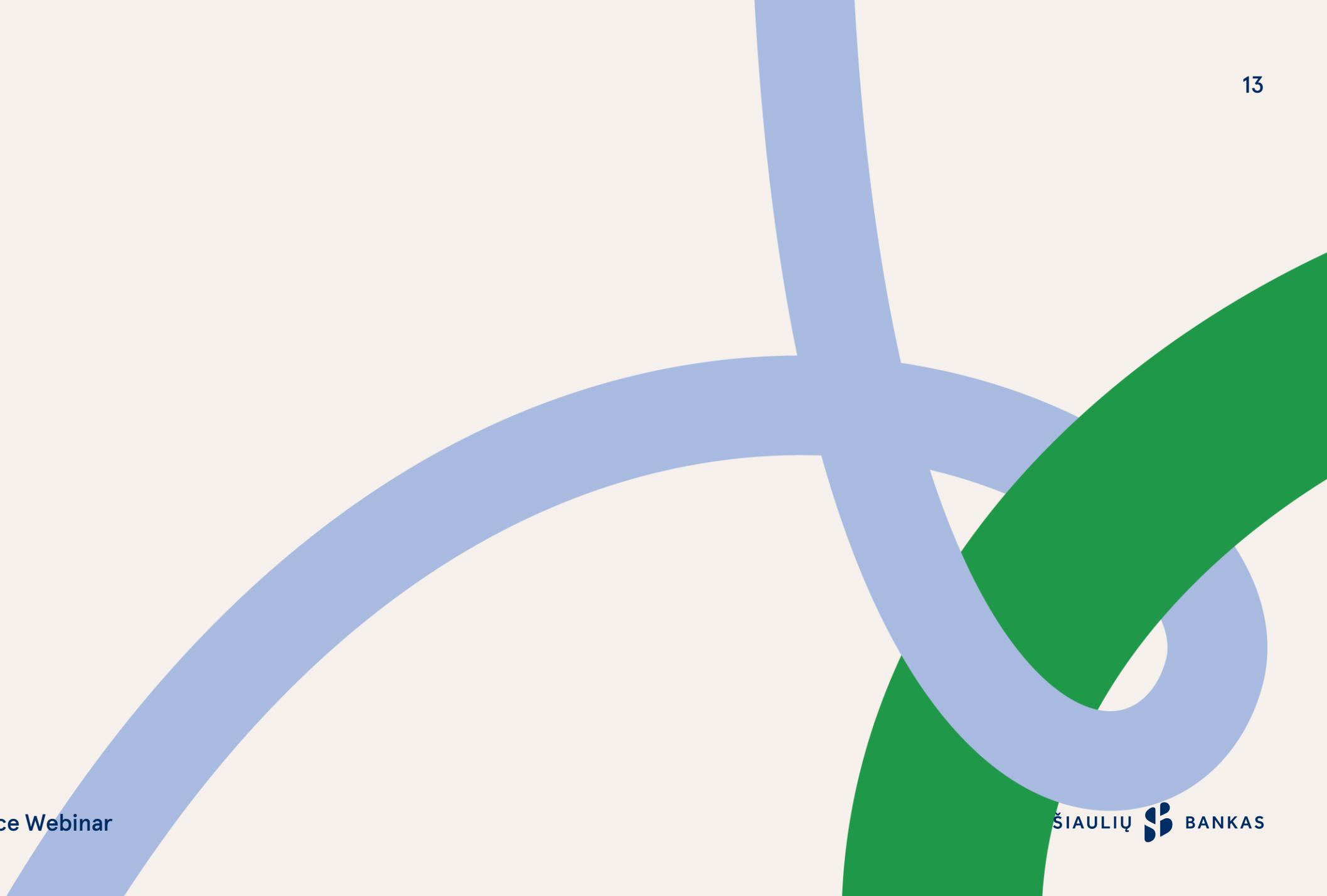
EUR 0.80 (0.57)
(2021-05-11)



EUR 0.85 (0.80)
(2021-11-08)



Q&A



Annex I

KEY RATIOS

	2015	2016	2017	2018	2019	2020	2021	2022 Q2
Net profit, mEUR	23.8	43.7	32.1	52.6	51.5	43.0	55.2	29.5
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	1.5
ROAE,%	19.0	27.6	16.1	22.3	17.6	12.7	14.3	14.7
C / I,%	52.2	42.3	52.1	37.3	42.5	42.7	44.1	39.9
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	43.4
CET1 ratio,%	12.1	15.0	13.9	15.0	15.0	16.1	16.7	17.2*
CAR,%	14.2	17.0	15.5	15.0	16.2	17.2	17.6	18.1*
CAR,% (interim profit incl.)	15.7	19.2	18.6	18.0	18.9	20.6	19.6	19.4*
RWA, mEUR	968	1.015	1.212	1.471	1.654	1.917	2.118	2.236*
L/D ratio, %	63.3	68.5	72.2	75.1	82.2	75.0	78.6	88.9

* - forecast data