

Investor Conference Webinar

Results for H1 2021

4th August 2021

Presenters

VYTAUTAS SINIUS, CEO

DONATAS SAVICKAS, CFO

H1 2021

- Net profit for H1 2021 - EUR 27.9 million
- Volume of financing for both business and private clients is growing
- ECB's comprehensive assessment results are announced

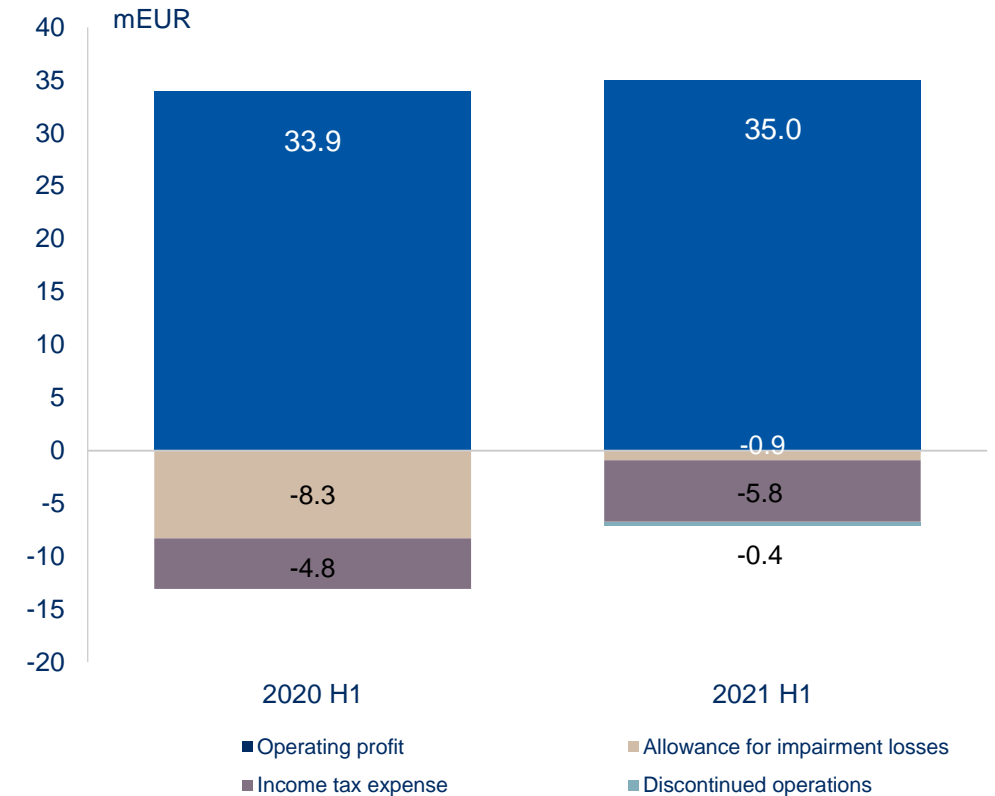
KEY PERFORMANCE INDICATORS

		Targets for 2021	2021 H1
Efficiency	ROE	>12.2%	15.4%
	Cost / Income	<44.7%	42.3%*
Risk management	CAR	>15.5%	18.5%**
	CoR	0.6%	0.2%

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

** - forecast data

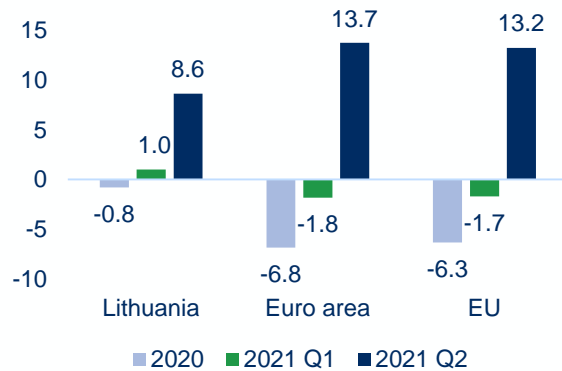
NET PROFIT STRUCTURE



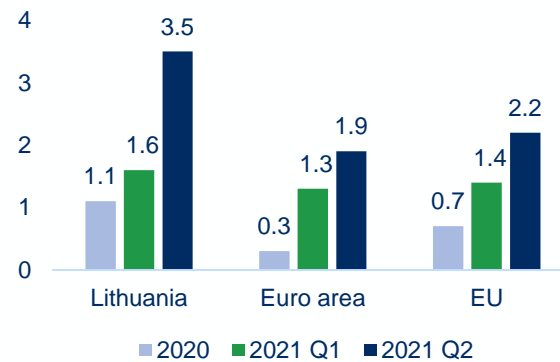
Macro & COVID situation update

- The economic growth is above EU / Euro zone average since 2020
- COVID-19 vaccination uptake is slightly below with EU average
- New restrictions should be introduced for unvaccinated people

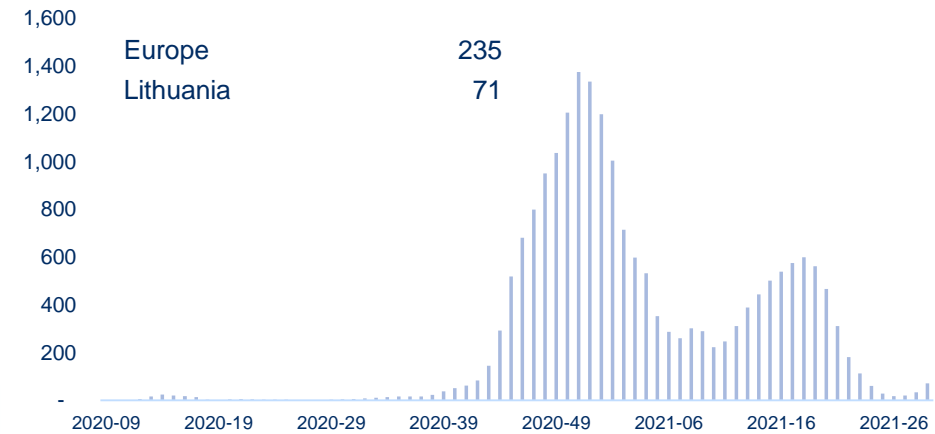
REAL GDP CHANGE, y-y %



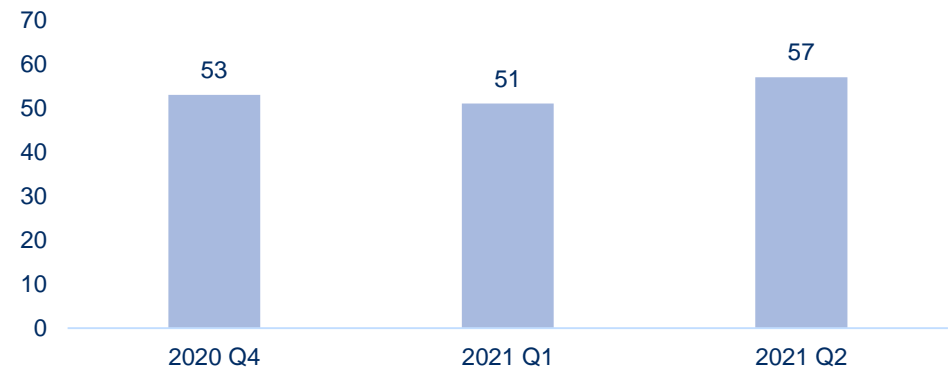
INFLATION CHANGE, y-y %



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



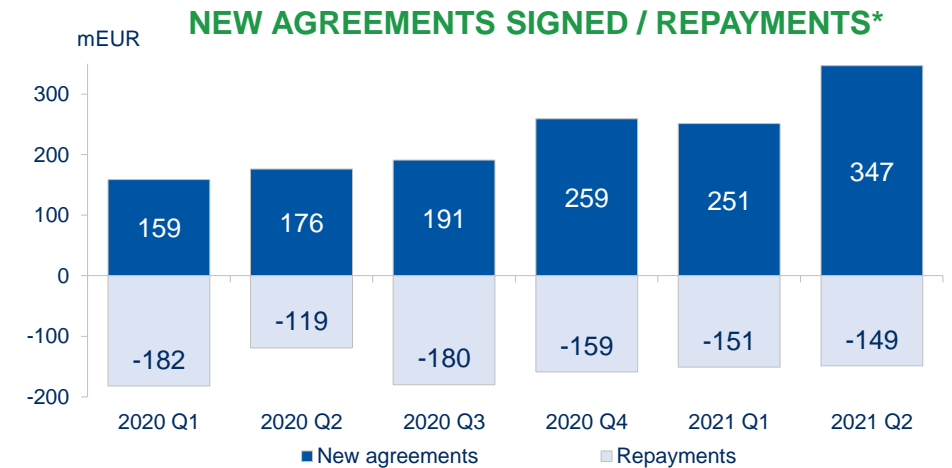
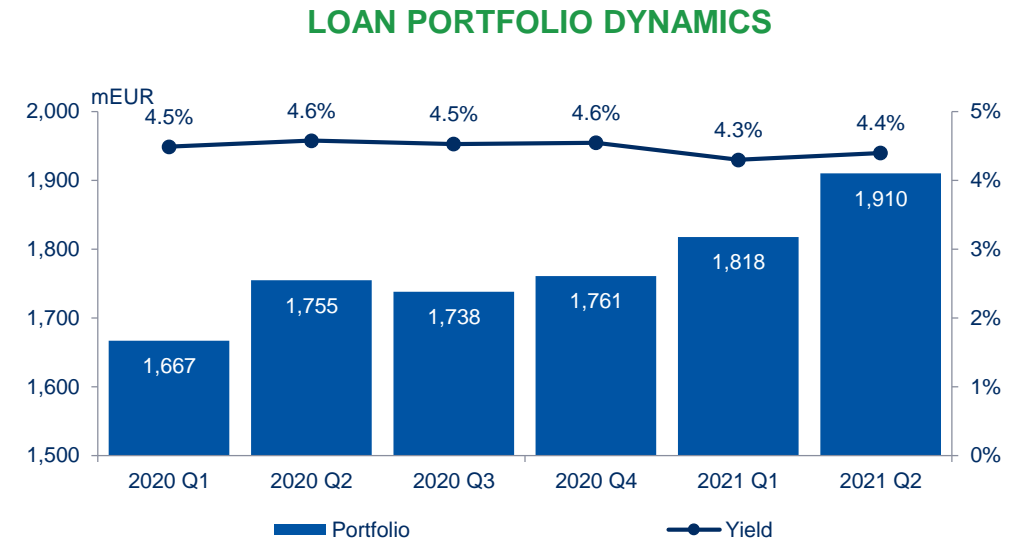
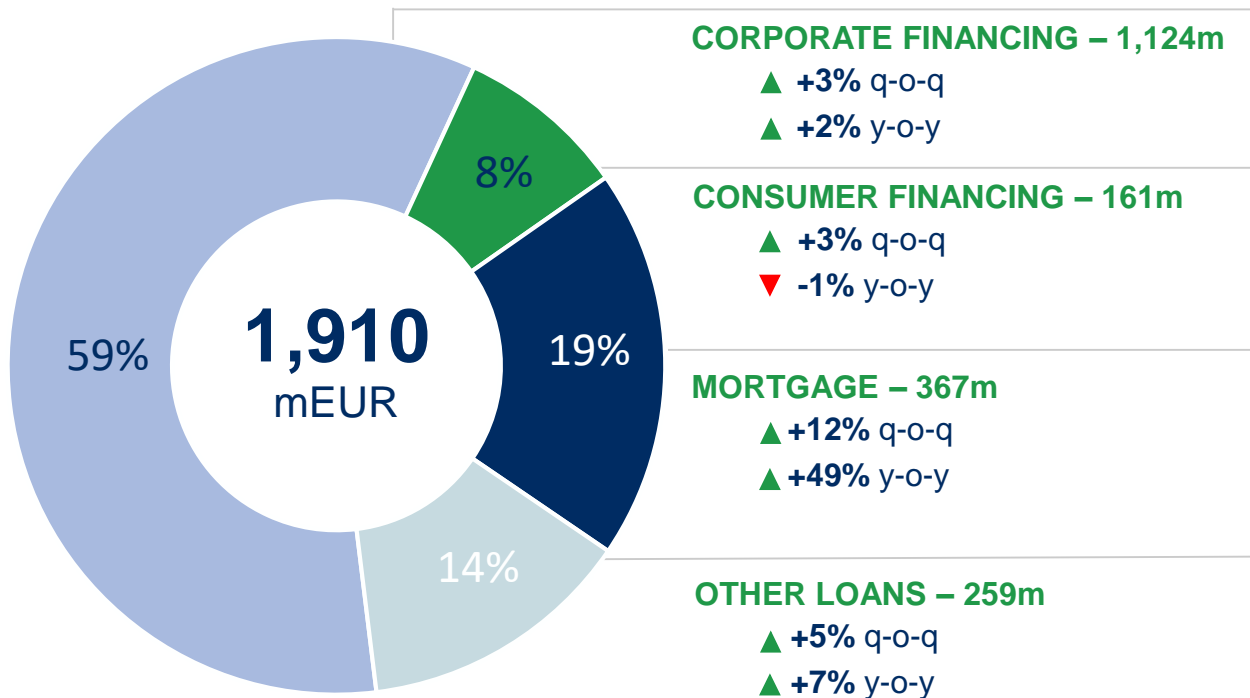
NUMBER OF OPERATING CLIENT SERVICE UNITS



Graphs sources: European Commission, 3rd August; European Centre for Disease Prevention and Control, 3rd August

Loan portfolio dynamics

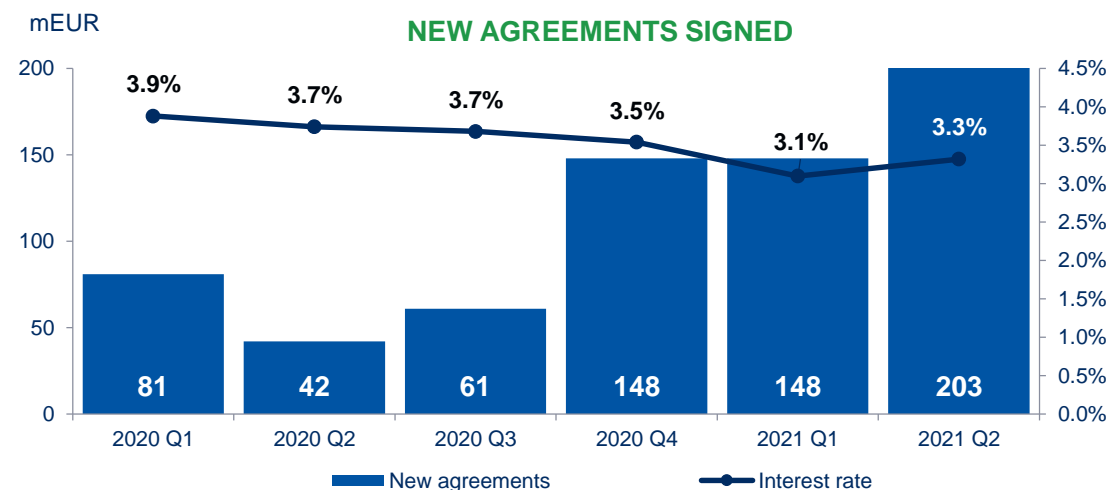
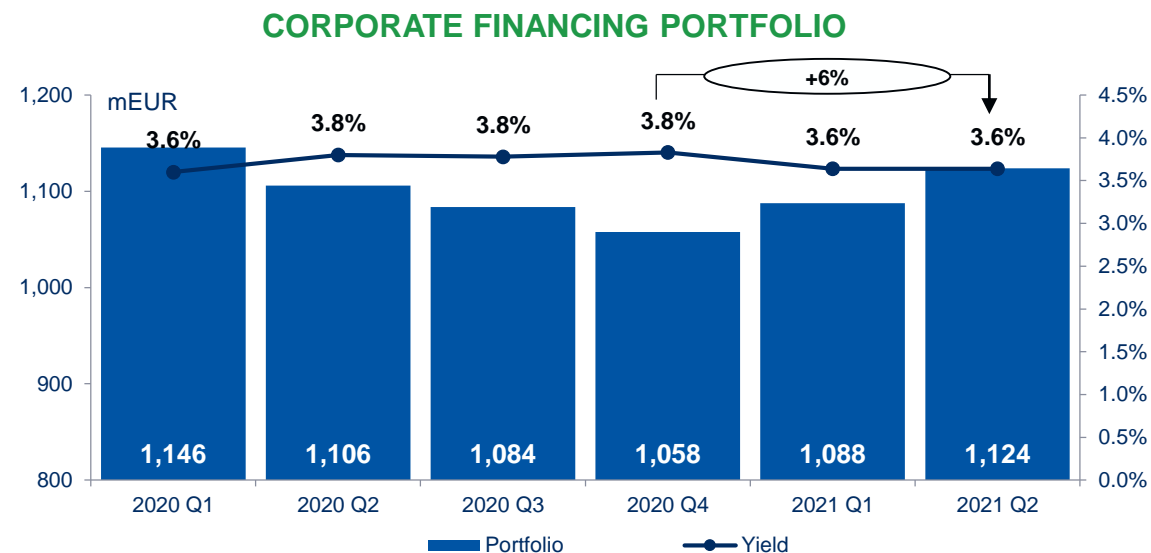
- Total loan portfolio increased by 8% during H1
- Another strong quarter by new agreements signed
- Over last 12 months loan market decreased by 3%, thus Bank's market share increased by 0.9 p.p. to 8.6% (market data as of Q1 2021)



* - including loan commitments

Corporate financing

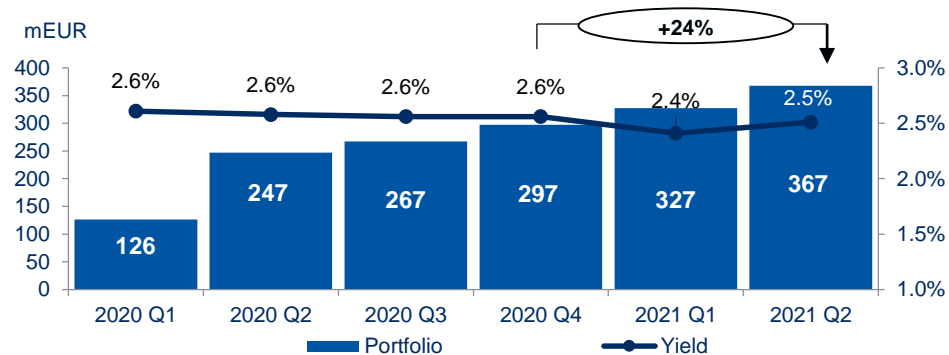
- Another strong quarter and whole H1 by the new agreements signed - almost 3x more compared to same period last year
- Portfolio grew by EUR 36 million during the Q2 and EUR 66 million since the beginning of the year
- Most loans deferred due to COVID-19 reached deferral period expiration and no signs of deterioration of the COVID-19 affected loan portfolio were observed
- Banking sector corporate loan market decreased by 15% over last 12 months, thus Bank's market share increased by 1.4 p.p. to 13.8% (market data as of Q1 2021)



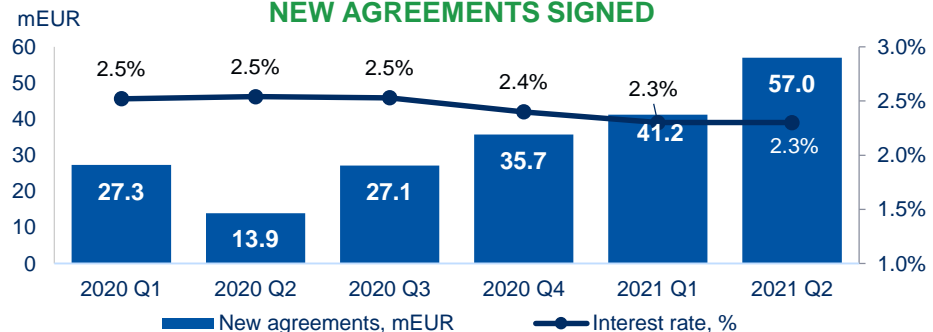
Mortgages

- Bank is becoming more and more significant housing loans market participant – during Q2 record quantity of new credit agreements was signed again
- Over last 12 months the mortgage market increased by 9%, while Bank's market share increased by 2.1 p.p. to 3.6% (market data as of Q1 2021)

MORTGAGES PORTFOLIO



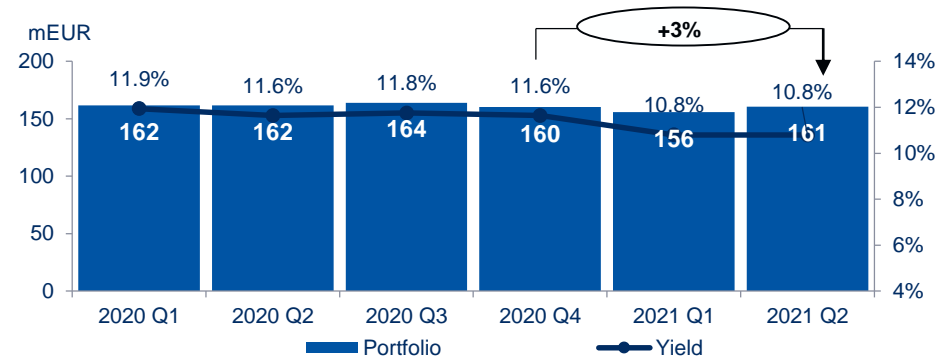
NEW AGREEMENTS SIGNED



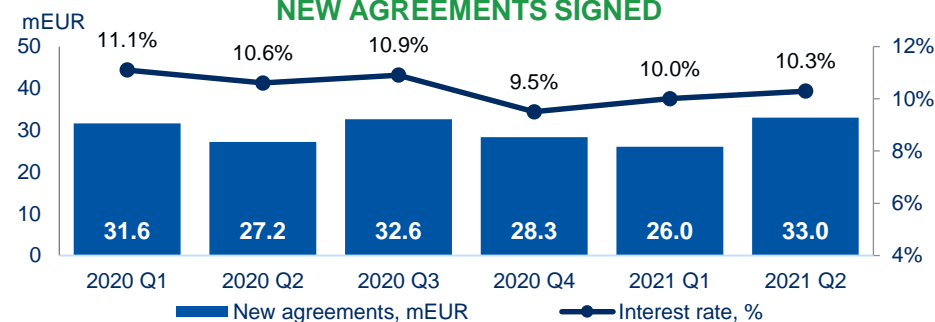
Consumer financing

- Fewer restrictions on customer service in the physical places and increased volumes of consumer credits issued have contributed to the growth of the consumer financing portfolio
- Over last 12 months the consumer credit market decreased by 7%, thus Bank's market share increased by 0.3 p.p. to 11.7% (market data as of Q1 2021)

CONSUMER FINANCING PORTFOLIO



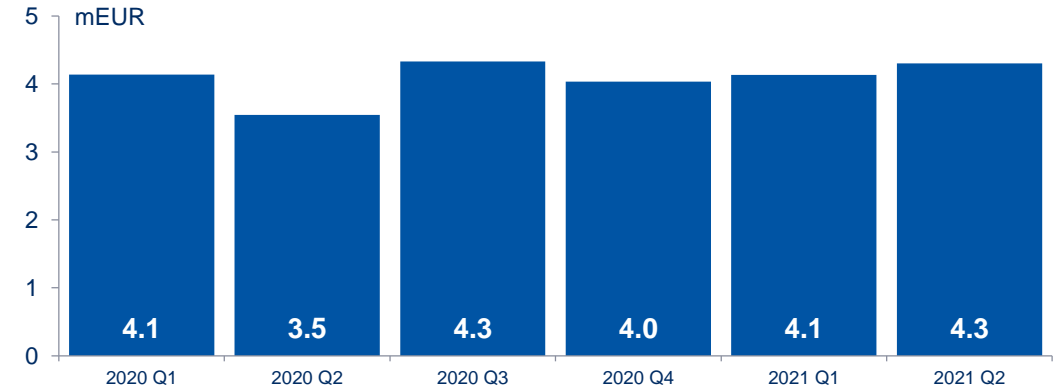
NEW AGREEMENTS SIGNED



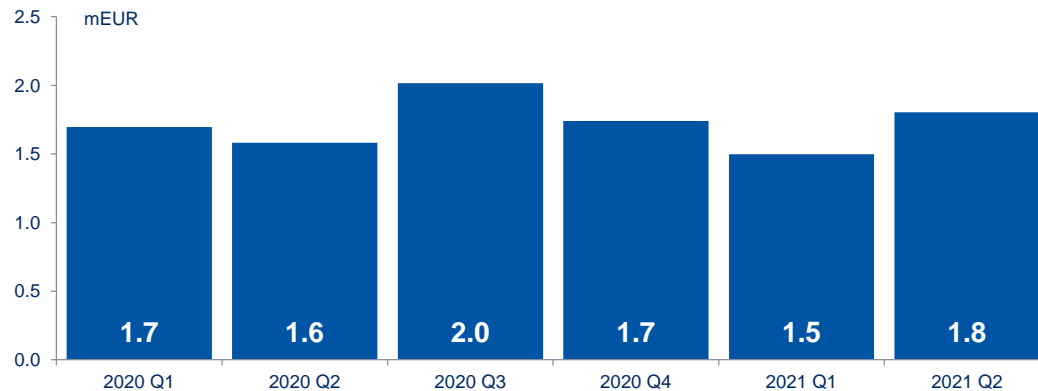
Daily banking

- NFCI increased by 10% to EUR 8.4 million compared to H1 last year
- In Q2 customers' activity have been positively affected by the ease of quarantine restrictions and increased economic activity
- Interest in the Bank's investment services is growing - income from investment-related services reached EUR 1.6 million in the first half of the year (76% more compared to H1 2020)
- More and more customers are starting to use the updated digital channels, with the total number of users increasing by 5% during the H1

NET FEE AND COMMISSION INCOME (NFCI)

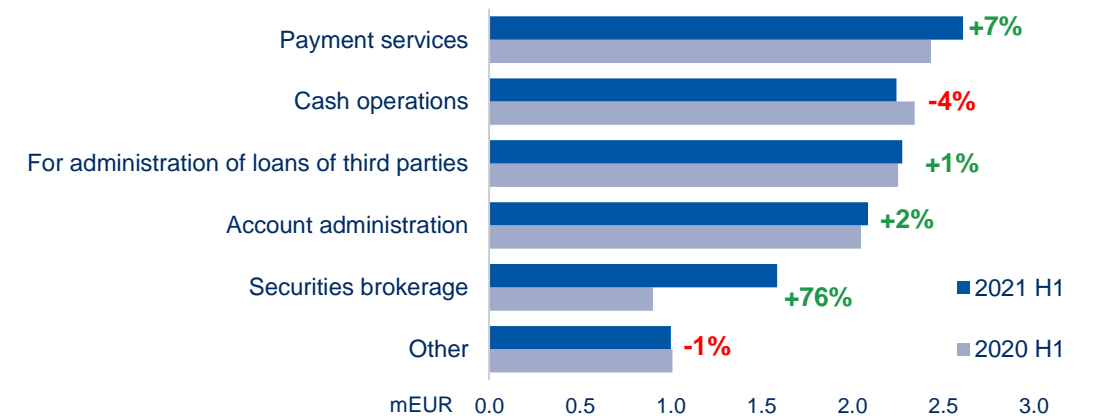


REVENUE FROM FOREIGN EXCHANGE OPERATIONS *



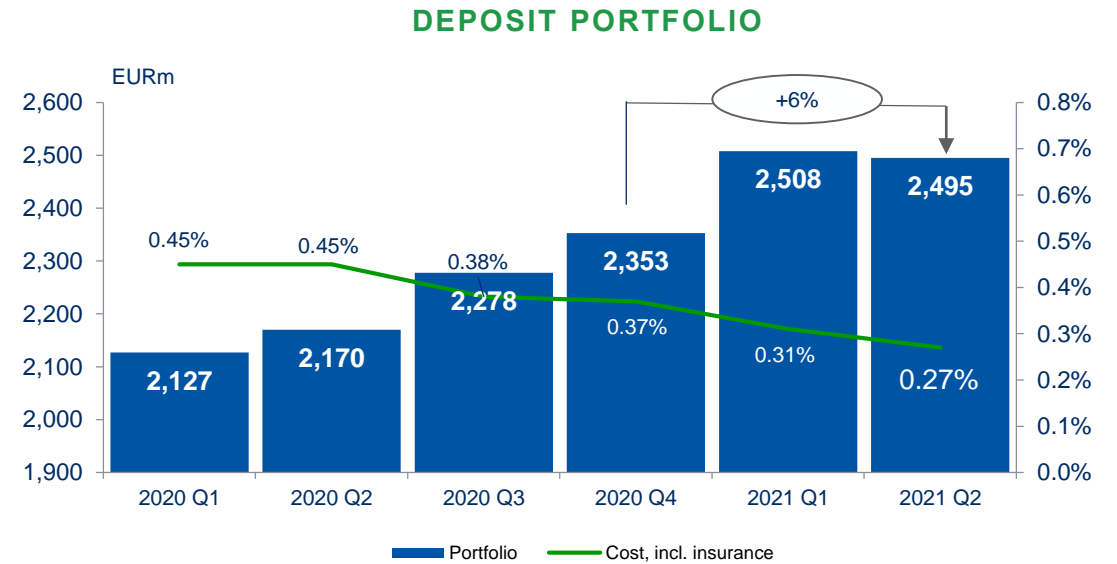
* excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

FEE AND COMMISSION INCOME, Y-Y CHANGE



Funding

- In H1, total deposit portfolio up by 6% to EUR 2.5bn:
 - Term deposits EUR -22m
 - Demand deposits EUR +164m
- LTD ratio 77% vs 75% (H1 vs 2020 Q4)
- No participation in ECB TLTRO III auctions since June 2020 (increased limit to EUR 628,8m; used amount EUR 150m)
- In April 2021, the Bank received an updated MREL requirement, as well as with the new MREL subordination requirement, that shall be met by 1 January 2024
- In order to comply with MREL requirement, the Bank is planning to raise up to EUR 250 million in form of senior preferred bonds, part of the funds will be raised till the end of 2021
- The Bank already complies with the MREL subordination requirement (in terms of RWAs and in terms of exposure of the leverage ratio exposure), both on interim and fully-loaded basis

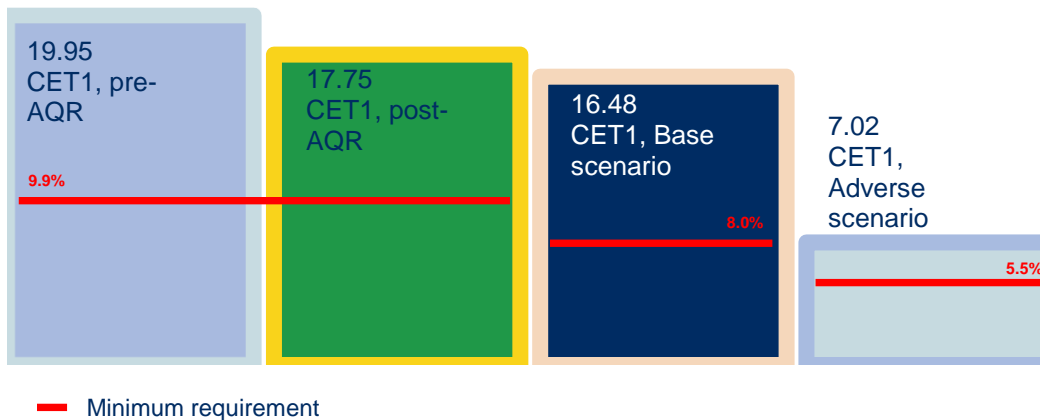


Capital & risk management

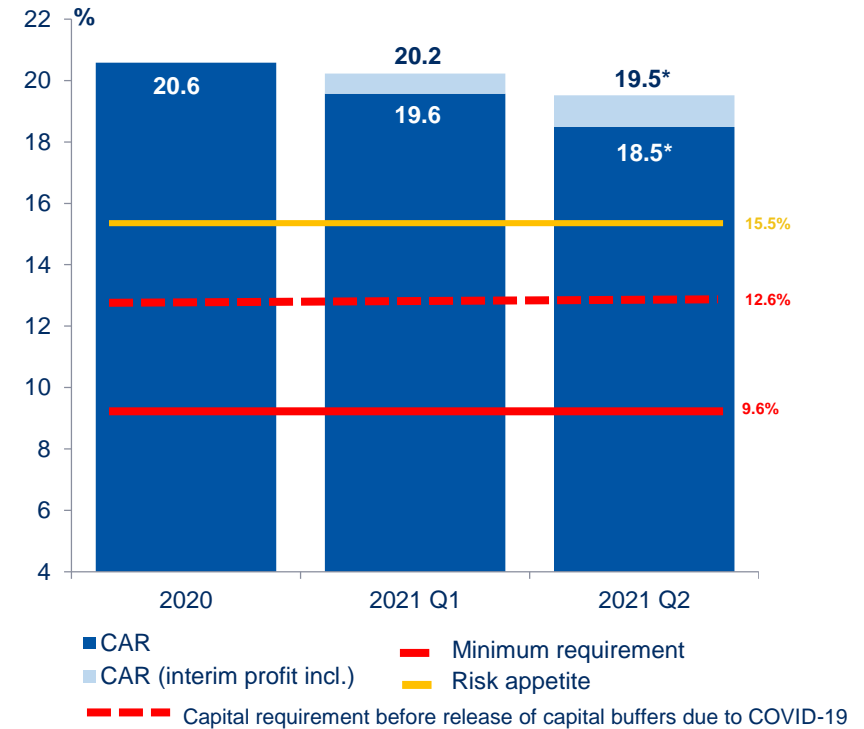
- The ECB's comprehensive assessment results - the capital base of the Bank is sufficient
- Current ECB recommendation on dividends to expire on 30 September 2021
- LCR decreased from 294% to 234%*

* - forecast data

COMPREHENSIVE ASSESSMENT RESULTS



CAPITAL ADEQUACY RATIO

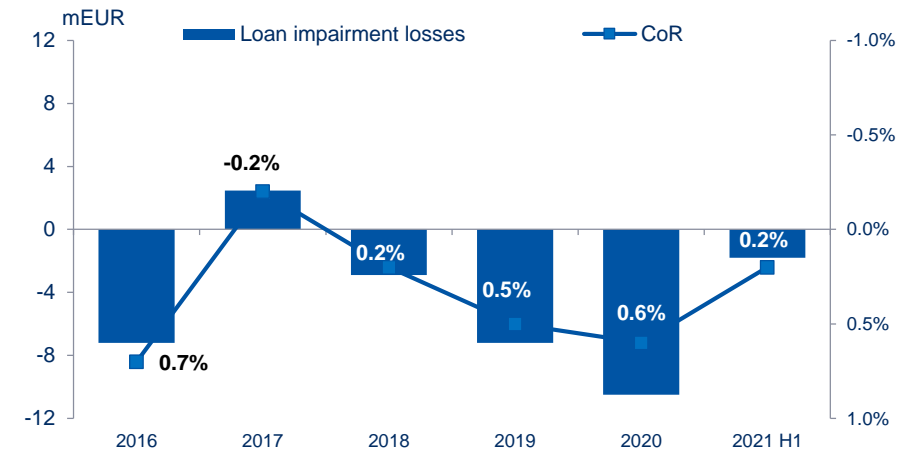


* - forecast data

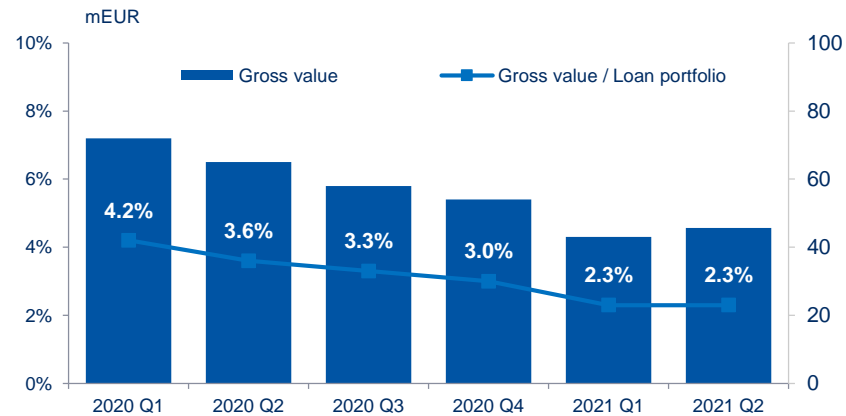
Loan portfolio quality

- No signs of significant deterioration in the loan portfolio, therefore, provisions for possible impairment losses of EUR 0.9 million were formed in H1
- NPE's portfolio decreased by EUR 10 million in Q2 (EUR 29.5 million in H1)

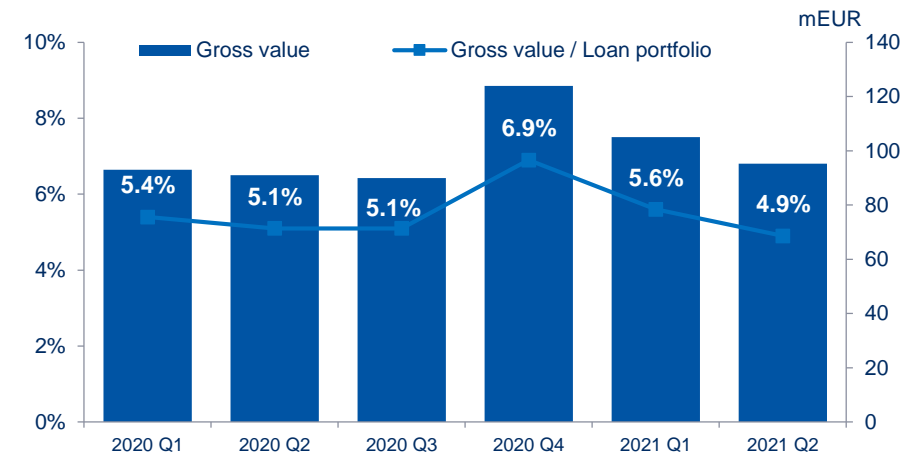
COST OF RISK (COR)



LOANS PAST DUE >30 DAYS

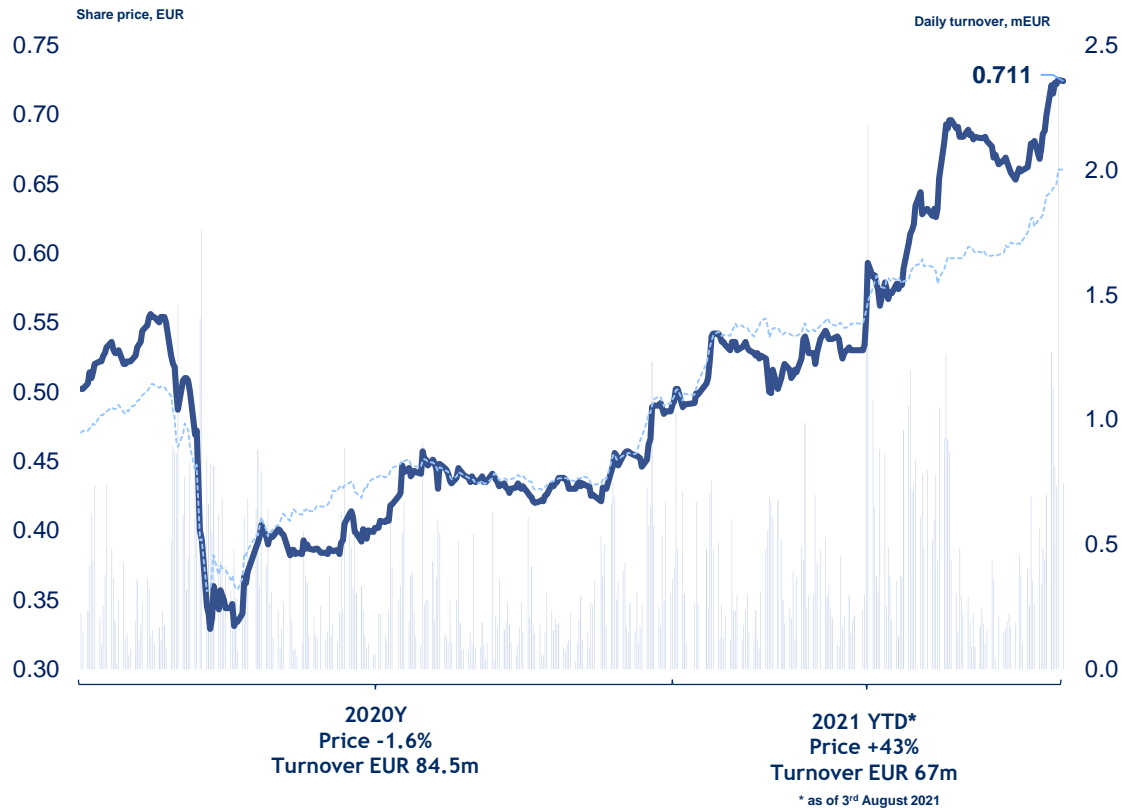


NPE (LOANS)



Share valuation data & ratios

SHARE PRICE DYNAMICS



SHARE DATA

	2016	2017	2018	2019	2020	2021-08-03
Capitalization, mEUR	170	267	241	304	299	427
Average daily turnover, mEUR	0.09	0.18	0.14	0.19	0.34	0.46
P/BV	1.0	1.3	0.9	1.0	0.8	1.1
P/E	3.9	8.3	4.6	5.9	7.0	7.2
Number of shareholders *	3 401	4 496	4 992	5 391	9 053	13 283 **

*- The actual number is higher (Bank has no detailed information about the number of small shareholders that accounted on intermediary (omnibus) account)

** - As of 2021 06 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 0.70 (0.65)
(2021-05-07)



EUR 0.68 (0.65)
(2021-05-05)



EUR 0.68 - 0.64
(2020-11-16)



Q&A



Annex I

KEY RATIOS

	2015	2016	2017	2018	2019	2020	2021 H1
Net profit, mEUR	23.8	43.7	32.1	52.6	51.5	43.0	27.9
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	15.4
C / I,%	52.2	42.3	52.1	37.3	42.5	42.7	42.3
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	17.5*
CAR,%	14.2	17.0	15.5	15.0	16.2	17.2	18.5*
CAR,% (interim profit incl.)	15.7	19.2	18.6	18.0	18.9	20.6	19.5*
RWA, mEUR	968	1.015	1.212	1.471	1.654	1.917	2.060*
L/D ratio, %	63.3	68.5	72.2	75.1	82.2	75.0	76.9

* - forecast data