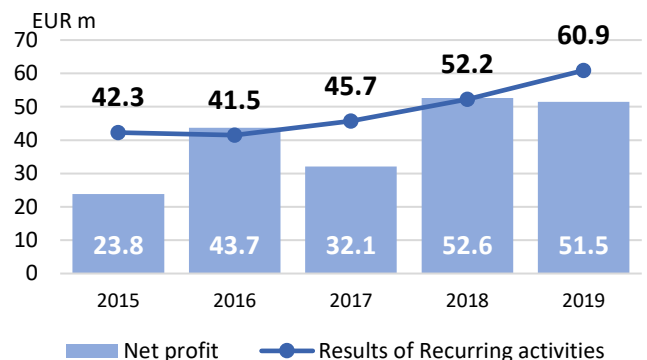


The results of Šiaulių Bankas in 2019 were determined by increasing financing volumes and customer activity

- Bank Group earned EUR 51.5 million of net profit, return on equity exceeded 17%.
- Recurring activity result grew by 17% over the last year.
- Loan and financial lease portfolio grew rapidly and increased by 21% over the year.
- Deposit portfolio exceeded a EUR 2 billion threshold.
- Trade volume in Šiaulių Bankas shares reached record levels in 2019.
- European Central Bank has become responsible for the direct supervision of Šiaulių Bankas from 1 January 2020.
- Šiaulių Bankas maintained its leading position in the best customer service bank survey.

“Financial results are a great reflection of the bank's experience and consistent growth proving that its strategic directions have been chosen correctly. The year was full of challenges and assessments which will also determine the goals of this year: we have become the third largest credit market participant in Lithuania and the European Central Bank has granted us the status of a significant financial institution, therefore, the supervision of Šiaulių Bankas will be subject to the same principles and rules as those applicable to the largest banks in the euro area. We are moving to the next level and - being obviously strong, sustainable and ambitious - we are ready for that” - said Vytautas Sinius, CEO of Šiaulių Bankas.

In 2019, Šiaulių Bankas Group earned an unaudited net profit of EUR 51.5 million. Recurring activity result had been improving steadily for several years in a row and reached EUR 60.9 million in 2019, i.e. 17% more than in 2018, when EUR 52.2 million were earned. Net profit for the fourth quarter of 2019 was EUR 10.9 million and the recurring activity result was EUR 13.8 million.



In a view of increasing lending volumes and low funding costs, net interest income grew by 15 % over the year and reached EUR 72.4 million. High customer activity in using banking services resulted in 18 % growth in net fee and commission income over the year and totalled to EUR 16.7 million at the end of the year. In 2019 the profit from foreign exchange operations also increased significantly - during the year Šiaulių Bankas Group earned EUR 7.9 million which is by 14% more than last year.

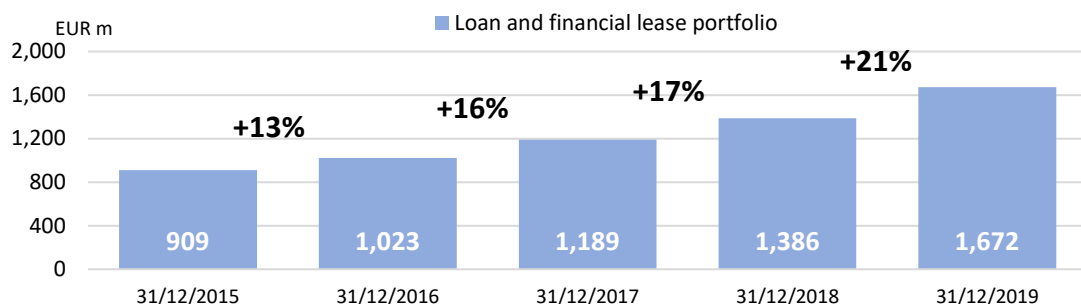
In line with growing income operating efficiency of Šiaulių Bankas Group remains strong - a cost to income ratio of comprised 42.5% at the end of year. Return on equity reached 17.6% and prudential requirements are being met with appropriate breathing room.

At the end of 2019, Šiaulių Bankas issued the first subordinated bonds issue of EUR 20 million. The subordinated bonds were included in Tier 2 capital so that the bank could have more opportunities to grow sustainably and increase its shareholder returns. Also, the bonds are eligible liabilities under the MREL requirements.

Overview of Business Segments

Corporate and Private Customer Financing

The Bank Group's loan and finance lease portfolio growth in 2019 was the fastest in the last few years. Over the year, the portfolio grew by 21% and at the end of December it exceeded EUR 1.6 billion. In 2019 more than EUR 770 million of new credit agreements were signed, i.e. by 7% more than in 2018.



The volume of the Bank's strategic direction activities - business and consumer financing - increased steadily throughout the year. The value of new business finance agreement reached EUR 540 million during the year and the portfolio grew by 18%. The portfolio of consumer finance products grew by 41% and the value of new agreements exceeded EUR 150 million.

In the beginning of 2019, Šiaulių Bankas took active steps in the housing market segment, which ensured rapid growth of the mortgage portfolio - the mortgage loan portfolio doubled during the year and exceeded EUR 100 million.

Daily banking

Increasing number of payments and cash operations, high customer activity in choosing service plans for private and corporate customers resulted in 17% higher fee and commission income compared to 2018. The number of customers increased by 4% since the beginning of the year and at the end of December reached 337 thousand with more than 308 thousand of private and 28 thousand of corporate customers. The growth of commission income was also influenced by the growing number of payment cards participating in the *Security Programme* which increased by 64% compared to 2018.

Number of the payment card transactions increased by 41% in 2019. The growth of contactless payment transactions, which grew by more than 200%, contributed significantly to that growth. Currently, every other operation at physical payment point is contactless.

From June 2019, Šiaulių Bankas accepts instant payments, which in 2019 accounted for approximately 13% of all received SEPA payments. Currently, the instant payments accounts for around 22% of all SEPA payments received monthly.

Saving and Investing

Deposit portfolio grew by 10% over the year and crossed the EUR 2 billion threshold at the end of 2019. Demand deposits, which make up the largest part of the portfolio, increased by 160 million euro. The fixed term deposit portfolio grew by EUR 28 million. Seeking for alternative savings solutions, three years ago Šiaulių Bankas was the first to offer its clients deposits related to financial instruments. After maturity of the first deposit in October 2019, the Bank's customers earned 2.85% of annual interest which is 5 times higher than interest rate applicable to a standard term deposit.

In 2019, Šiaulių Bankas successfully launched a deposit service for the German market. At the end of the year, EUR 12 million term deposits were collected through the deposit platform. Collaboration with the European deposit platform Raisin exceeded expectations and, therefore, the Bank would seek to remain active in foreign markets in 2020 as well.

Trade volume in Šiaulių Bankas shares reached record levels

Continued strengthening of the bank's capitalisation and sustained improvement in profitability were not only well evaluated by international rating agency Moody's Investors Service which improved a long-term credit rating of Šiaulių Bankas to Baa2 in May but also by the investors. During 2019, the bank's share price on the Nasdaq Vilnius Stock Exchange increased by 26%. Share trade volume reached the record high levels and was the most liquid position on the Nasdaq Baltic market with a turnover of EUR 48 million.



High customer service quality

According to the results of mystery shopper survey in 2019 Šiaulių Bankas maintained its leader's positions for the second year in a row since its service quality indicator (94.9%) substantially exceeded the bank sector average. The mystery shopper survey showed that the total client service quality indicator of the Lithuanian bank sector came to 82.7% last year – it decreased by 6.3% during the year.

This evaluation is meaningful as it reflects how successfully the Bank is doing at maintaining its strategic direction – to be nearer its clients. In 2019, the Bank introduced a new brand strategy, visual identity and the slogan "Your bank - closer to you". The new image highlights the Bank's strengths - close customer relationship, openness and flexibility.

21 Bank's customer service points were renovated in Vilnius, Kaunas, Šiauliai, Panevėžys, Marijampolė, Druskininkai, Palanga, Visaginas, Ukmergė and other Lithuanian cities and towns throughout the last year. This year Šiaulių Bankas is planning on continuing the renovation of the customer service points at the same pace. Unlike other banks of the country Šiaulių Bankas intends not to decrease but maintain a wide network - currently the Bank has 60 customer service points operating in 37 towns throughout Lithuania.

The status of a significant financial institution

From 1 January 2020, the European Central Bank (ECB) included Šiaulių Bankas in the list of banks of the directly supervised euro area countries. As Šiaulių Bankas became the third largest credit market participant in Lithuania, the ECB granted Šiaulių Bankas the status of a significant Lithuanian financial institution. Like every bank newly listed on the ECB's direct supervision list, Šiaulių Bankas is currently undergoing a comprehensive assessment process.

In 2019 the Bank of Lithuania (BoL) carried out a scheduled inspection of Šiaulių Bankas on credit risk management and compliance with requirements of anti-money laundering and counter terrorist financing and passed a resolution obliging Šiaulių Bankas to correct violations and deficiencies of legislation and imposed a fine of EUR 880 thousand. Most of the violations and deficiencies identified by the BoL had been eliminated before the findings of the inspection were discussed at the Board of the BoL. The Board of Šiaulių Bankas resolved to appeal against the resolution of the Board of the Bank of Lithuania regarding the calculation and imposition of the sanction and filed a complaint with the Vilnius Regional Administrative Court.

About Šiaulių Bankas

Founded in 1992 Šiaulių Bankas is the biggest Lithuanian capital share bank is a stable and constantly growing financial partner focusing on business and consumer financing solutions. Šiaulių Bankas services its customers in 60 customer service, in 37 cities and towns throughout Lithuania. The Bank's shares are quoted on the Main List of the NASDAQ Baltics. According to the results of Mystery Shopper Survey polled by DIVE Lietuva Šiaulių Bankas is the first in Lithuania by customer service quality both in 2018 and 2019.

More information will be provided by:

Monika Rožytė, communication specialist, monika.rozyte@sb.lt, tel. +370 5 210 3369