

Investor Conference Webinar

Results for Q4 and 2022

1 March 2023

Presenters

VYTAUTAS SINIUS, CEO
DONATAS SAVICKAS, CFO

Y2022

- Net profit for 2022 reached EUR 63.6 million
- Operating profit up by 30% compared to 2021
- The Bank was recognized as the best customer service bank in Lithuania
- KPIs are above the targets set for 2022
- Retail business merge to strengthen business model

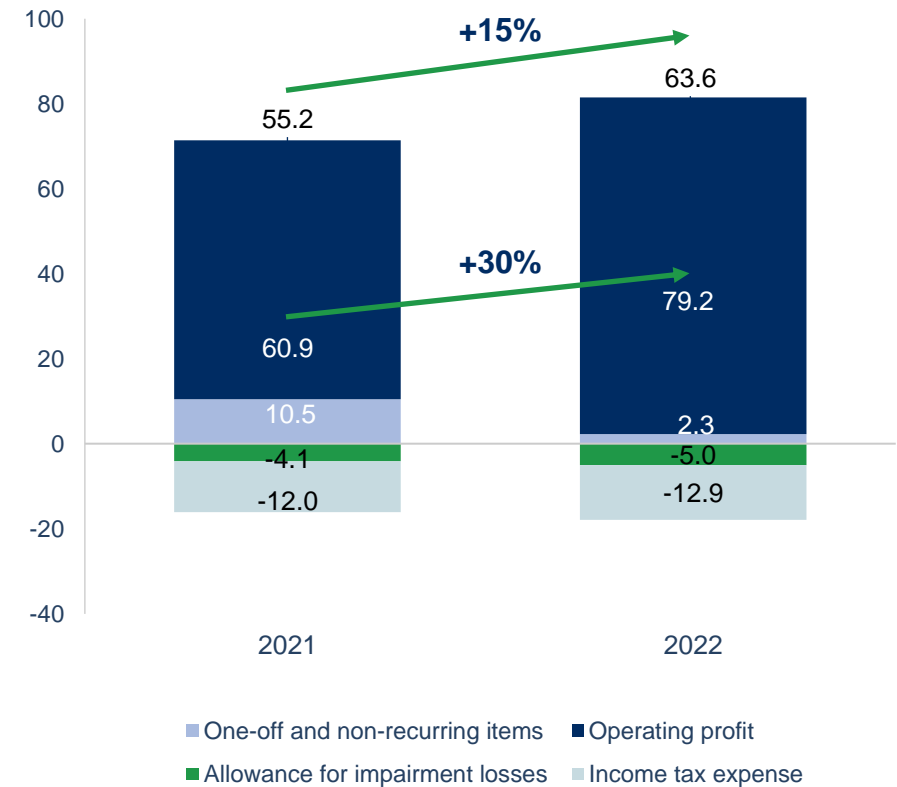
KEY PERFORMANCE INDICATORS

		Targets for 2022	2022
Efficiency	ROE	>12.1%	15.2%
	Cost / Income *	<46.5%	43.2%
Capital & Risk management	CAR **	>17%	16.1%
	CoR	<0.4%	0.2%

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

**- forecast data, actual CAR including profit for Y2022 - 18.8% (Target for 2022 - 19.4%)

NET PROFIT STRUCTURE, mEUR



Goals for 2023

KEY PERFORMANCE INDICATORS*

		2022	Targets for 2023
Efficiency	ROAE	15.2%	>14.0%
	Cost / Income**	43.2%	<46.7%
Capital & Risk management	CAR	16.1%	≥18.6%
	CoR	0.2%	<0.3%

*- KPIs are subject to the Supervisory Council approval

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

RETAIL BUSINESS MERGER

- Integration project was launched in the Bank with key three milestones to be completed in 2023:
 - Close the retail business merger transaction
 - Update Group's new strategy with KPIs for 2024 - 2026Y
 - Transform business model that strengthens retail banking in a new business Group

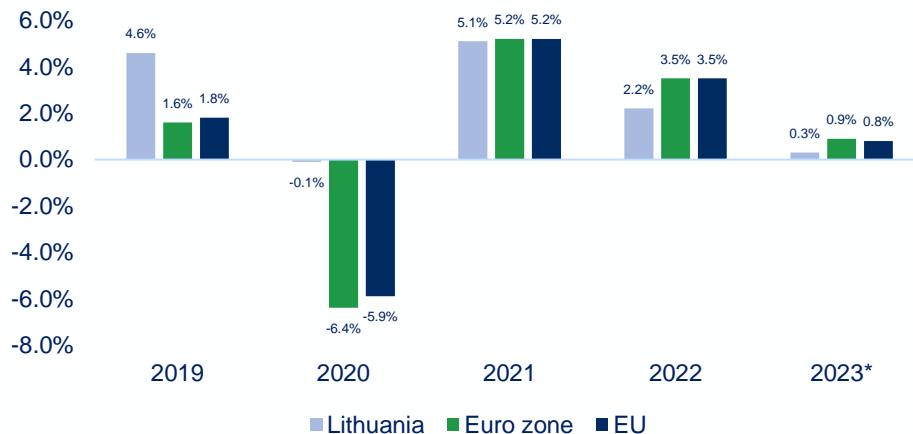
Macroeconomic situation update

- In 2022, real GDP grew by 2.2%, but in the last quarter, compared to the Q3, decreased by 1.7%
- Considering the favorable trends in the labor market, the positive impact of budget decisions, the development of prices for energy resources, the BoL improved its economic development forecasts for 2023
- In December 2022, the expected peak in inflation has been reached, with inflation projected to fall below 10% in 2023

MACROECONOMIC FORECAST OF THE BoL, DEC 2022

%	Actual change	2022 DEC forecast	2022 SEP forecast
	2022	2023	
GDP	2.2	1.3	0.9
Inflation	18.9	9.5	8.4
Unemployment rate	6.4	6.7	7.1

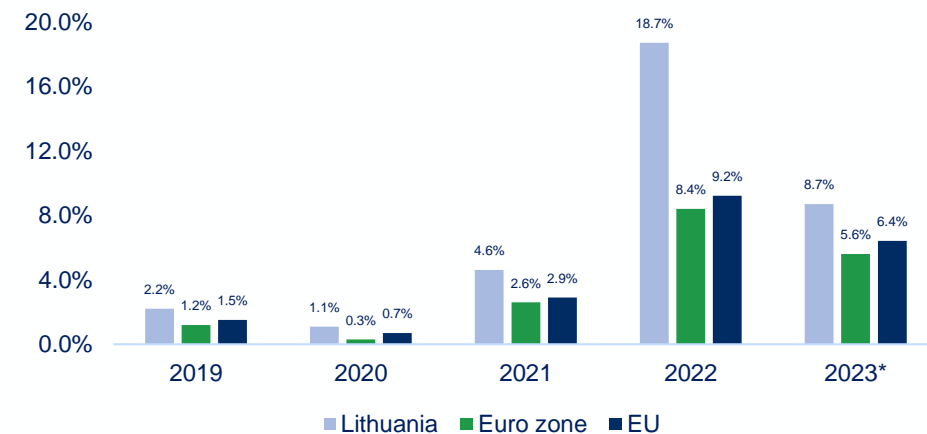
REAL GDP CHANGE, y-y



Graph source: Eurostat

* - Eurostat forecast, February 2023

INFLATION CHANGE, y-y

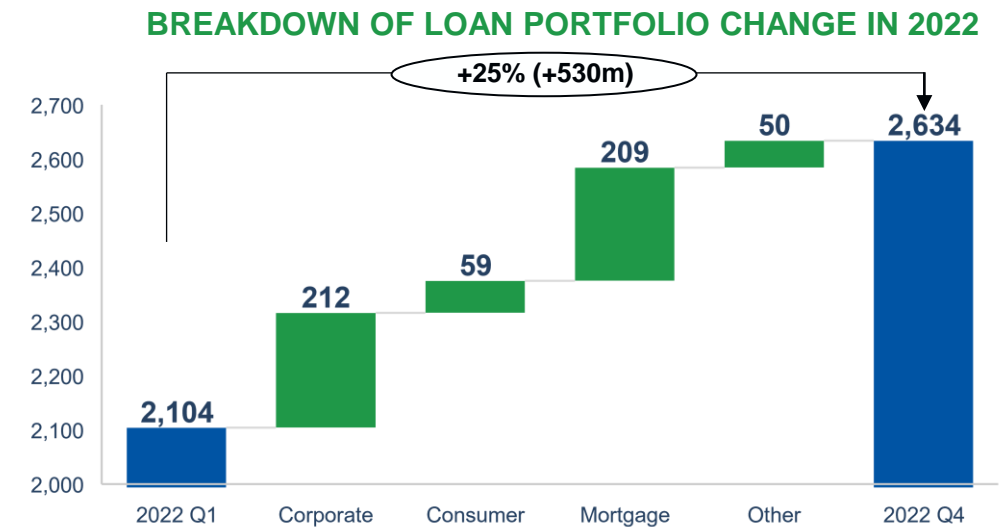
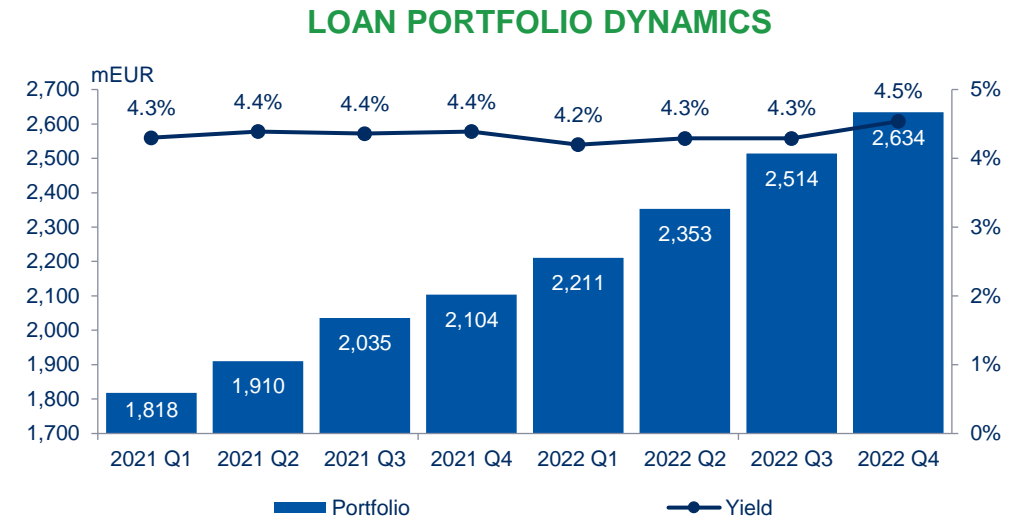
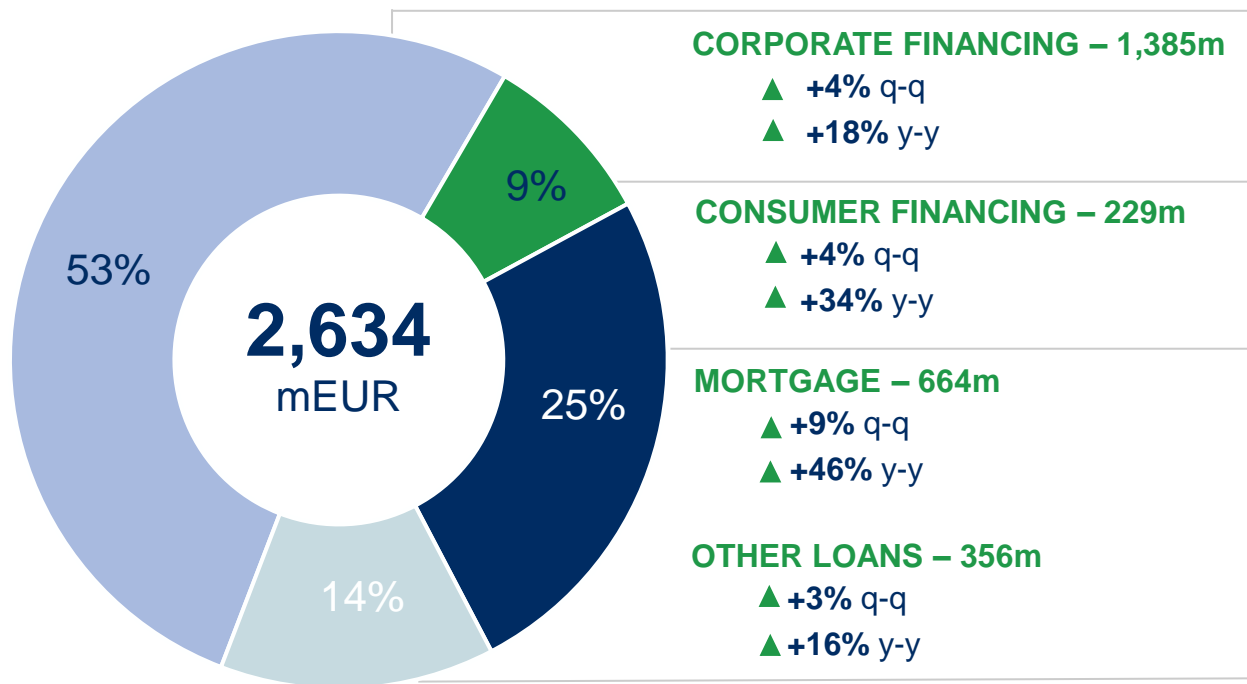


Graph source: Eurostat

* - Eurostat forecast, February 2023

Loan portfolio dynamics

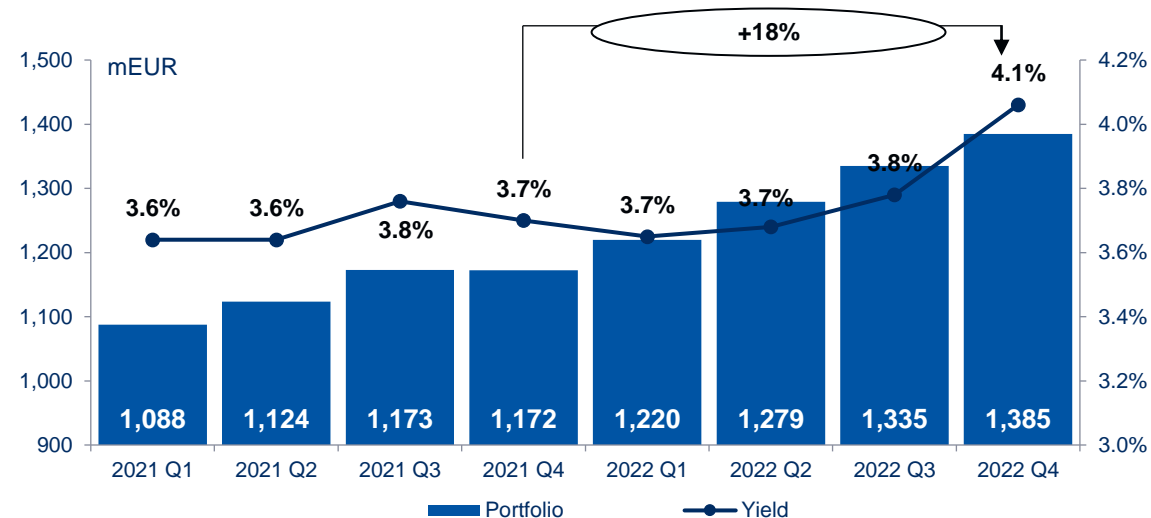
- Growing financing in all segments - the loan portfolio increased by 5% in Q4 and by 25% y-y
- EUR 1.5 billion worth of new credit agreements were signed, an increase of 28% y-y
- Over the last 12M loan market increased by 21%, while Bank's market share increased by 0.2 p.p. to 9.2% (market data as of Q3 2022)



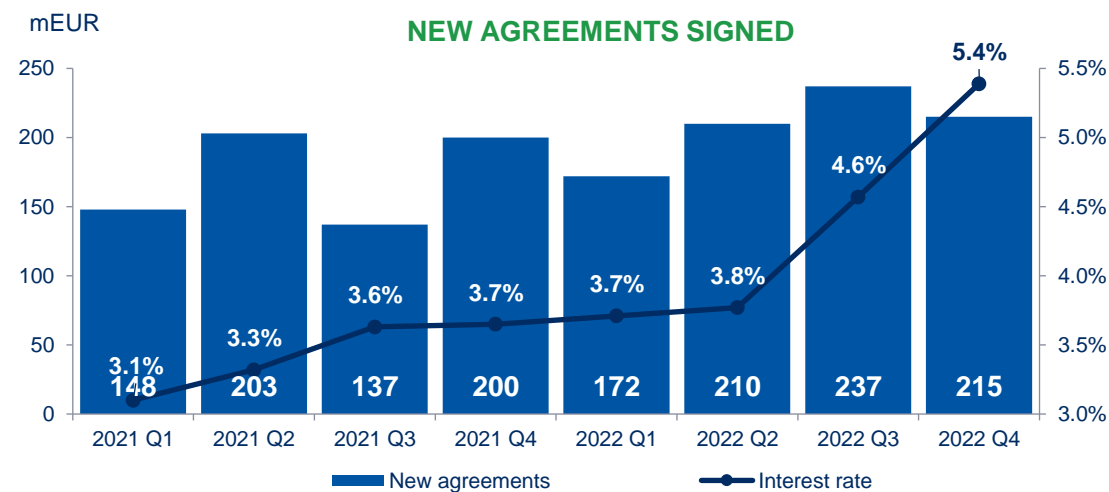
Corporate financing

- Portfolio grew by 4% in Q4 and 18% y-y
- The amount of new loans signed was 21% higher than in 2021
- Credit risk indicators remained strong in Q4, and the results of the annual loan portfolio review did not have adverse effect on them
- The non-performing business loan portfolio declined throughout the year and stood at EUR 58 million at the end of 2022 (-10% y-y)
- The Bank's portfolio growth was in line with the market; thus, market share is being kept above 12% (market data as of Q3 2022)

CORPORATE FINANCING PORTFOLIO



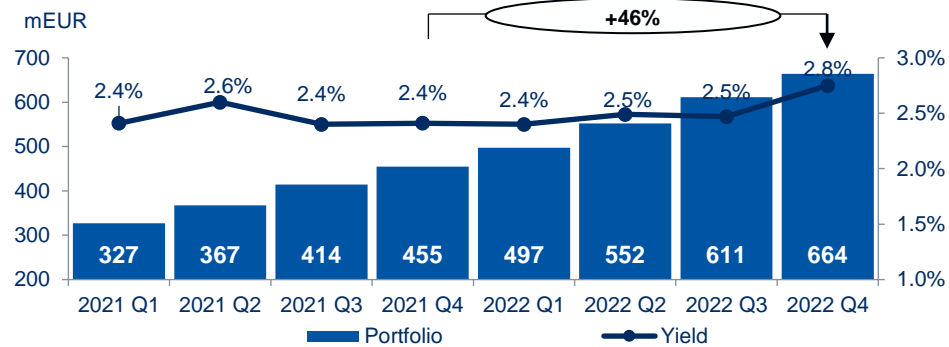
NEW AGREEMENTS SIGNED



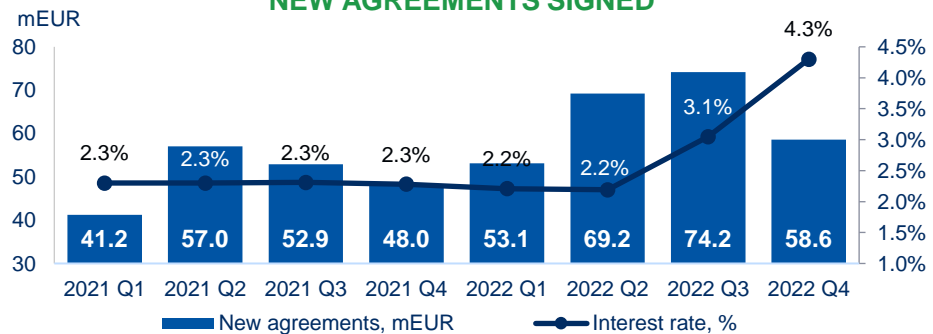
Mortgages

- Decrease of growth rate of home loan sales in Q4
- EUR 255 million of new contracts signed during the 1-4Q (30% more than in 2021)
- Over last 12M the mortgage market increased by 13%, while Bank's market share increased by 1.3 p.p. to 5.5% (market data as of Q3 2022)

MORTGAGES PORTFOLIO



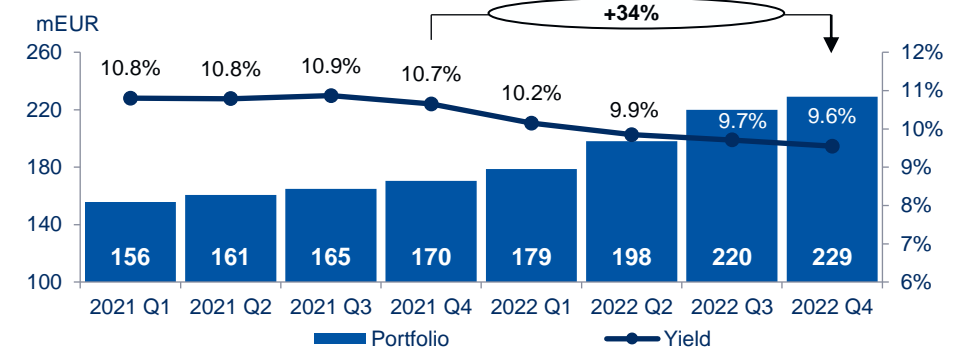
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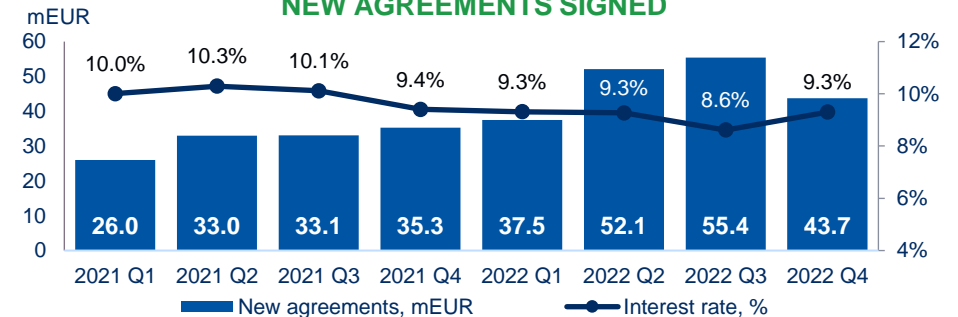
Consumer financing

- In Q4, customers were more cautious about their ability to borrow for consumption
- New sales volumes are 48% higher compared to 2021 and reached EUR 190 million
- Over last 12M the consumer credit market increased by 22%, while Bank's market share increased by 1.1 p.p. to 12.1% (market data as of Q3 2022)

CONSUMER FINANCING PORTFOLIO



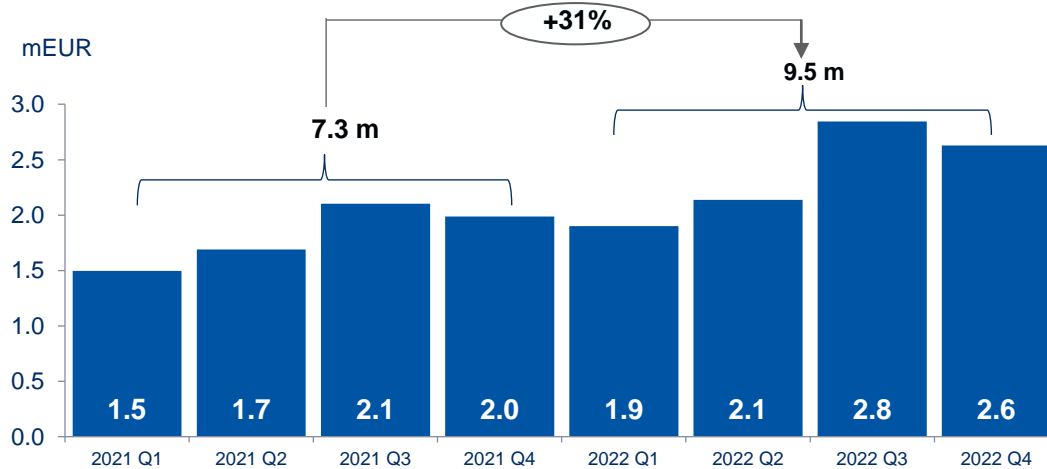
NEW AGREEMENTS SIGNED



Daily banking

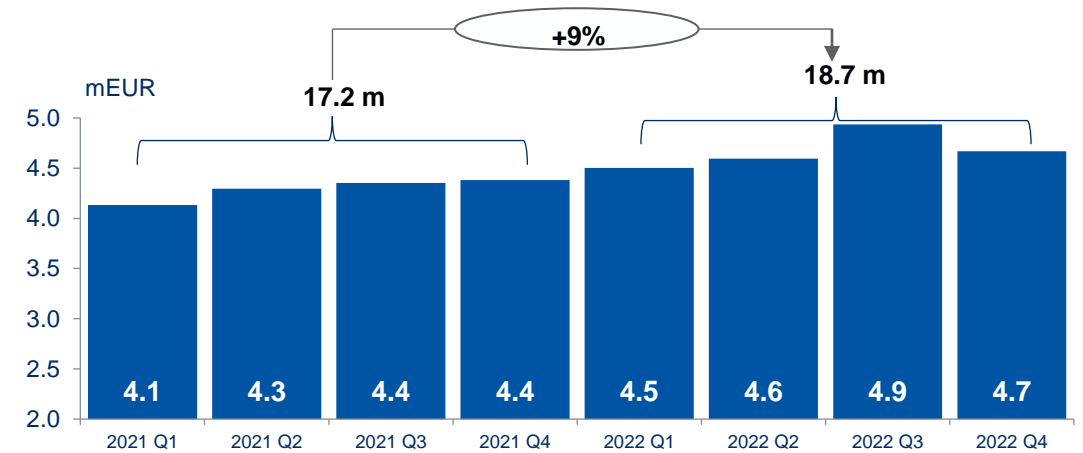
- NFCI growing consistently to reach EUR 18.7 million, up 9% y-y
- The number of clients subscribing to service plans is growing constantly and reaching 188 thousand (+9% y-y)
- Demand for credit cards continues to be high - with an 7% q-q and 33% y-y increase in the number of credit cards issued
- Clients directs accumulated savings to the Bank's investment products
- Focus on digitization and new, more user-friendly smart solutions
- The Bank was recognized as the best customer service bank in Lithuania

REVENUE FROM FOREIGN EXCHANGE OPERATIONS*

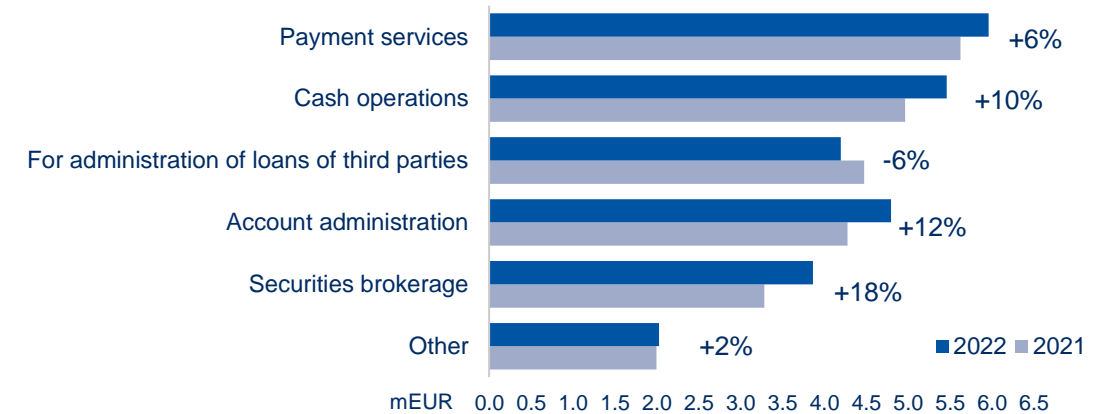


* excluding the impact from the investment result of the SB draudimas assets under unit-linked contracts

NET FEE AND COMMISSION INCOME (NFCI)



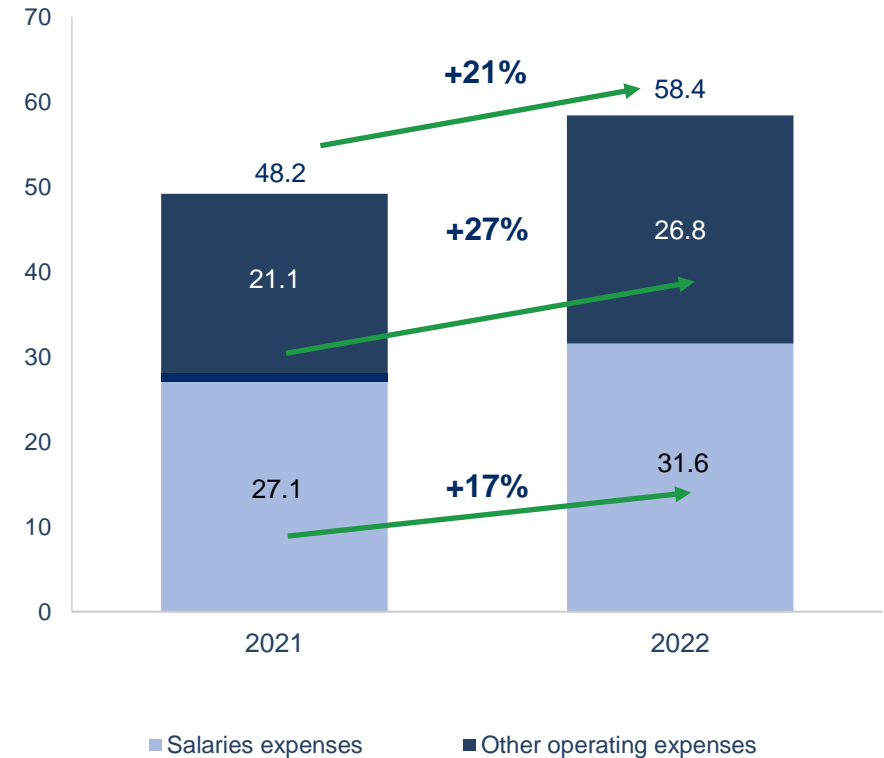
FEE AND COMMISSION INCOME, Y-Y CHANGE



Operating expenses

- Operating costs increased by 21% y-y
- Salary expenses increased due to annual salary review and one-off severance expenses
- IT expenses increased by 25% y-y to EUR 10.0 million
- Despite growing expenses, operational efficiency is maintained - cost-to-income ratio is 43.2% during 2022

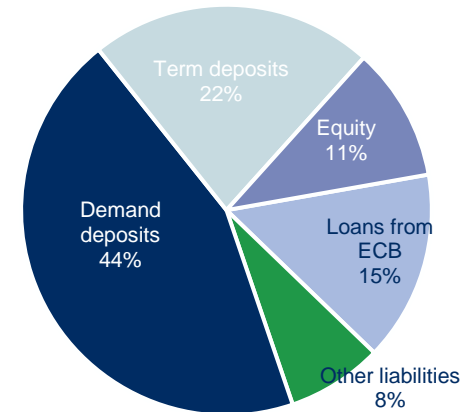
OPERATING EXPENSES DYNAMICS, mEUR



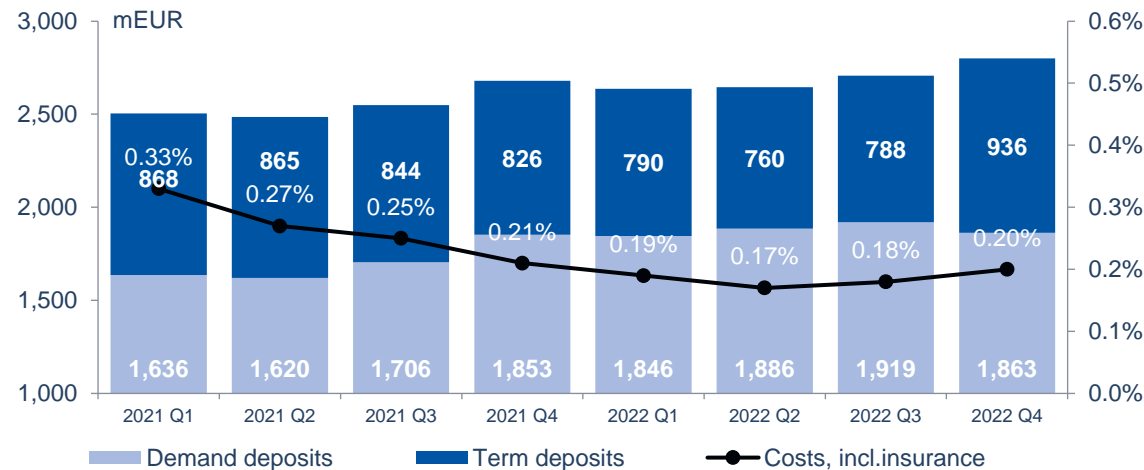
Funding & liquidity

- In 2022, total deposit portfolio increased by 4% (EUR 114m) to EUR 2.8bn:
 - Term deposits EUR +104m
 - Demand deposits EUR +10m
- LTD ratio 94.6% vs 92.8% (2022 Q4 vs 2022 Q3)
- LCR stands at 194% (preliminary data)
- In November 2022, the Bank has successfully completed a tap issue of EUR 85 million of 4-year senior preferred 1.047% coupon bonds in the international financial markets

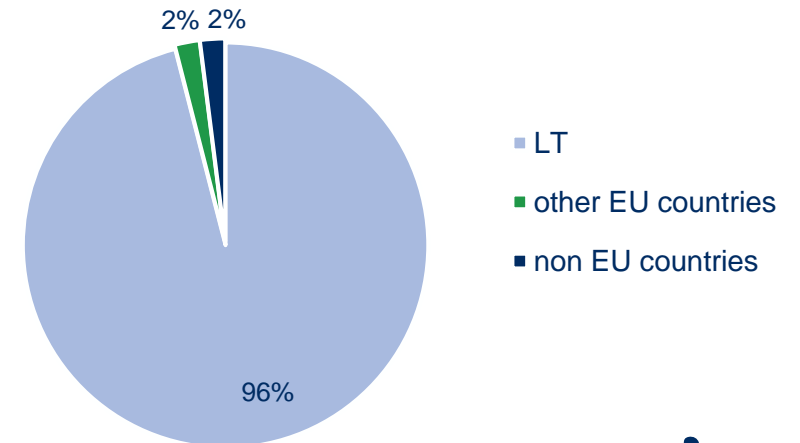
FUNDING STRUCTURE



DEPOSIT PORTFOLIO DYNAMICS AND STRUCTURE



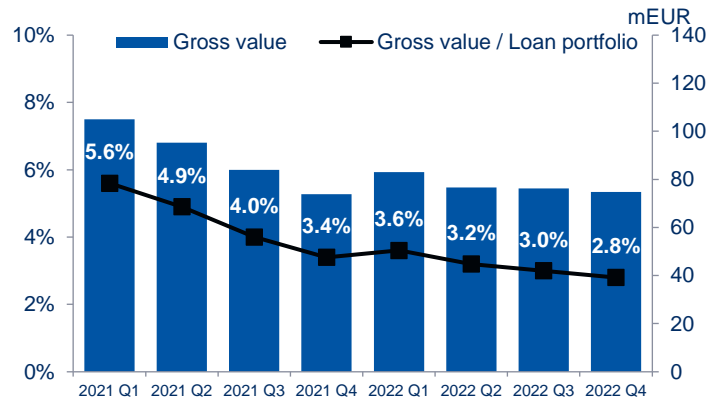
DEPOSITS PORTFOLIO SPLIT BY CUSTOMER COUNTRY AS OF END 2022 Q4



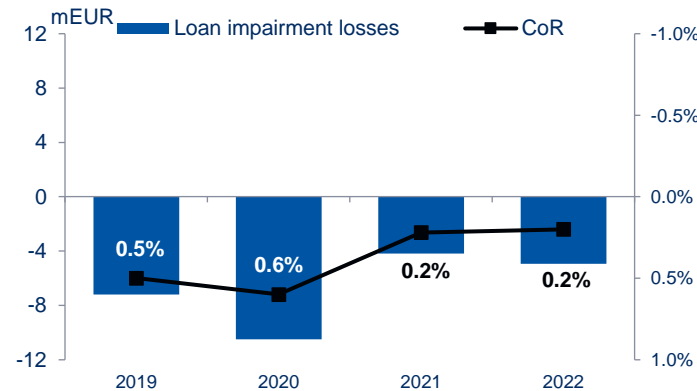
Capital & risk management

- Due to higher than planned growth rate, capital position is below the planned risk appetite level
- The quality of the loan portfolio remains stably good
- NPE's portfolio decreased to 2.8% from total loan value in 2022 Q4
- Additional provisions of EUR 2.5 million were made in Q4, total provisions for 2022 amounts to EUR 5 million

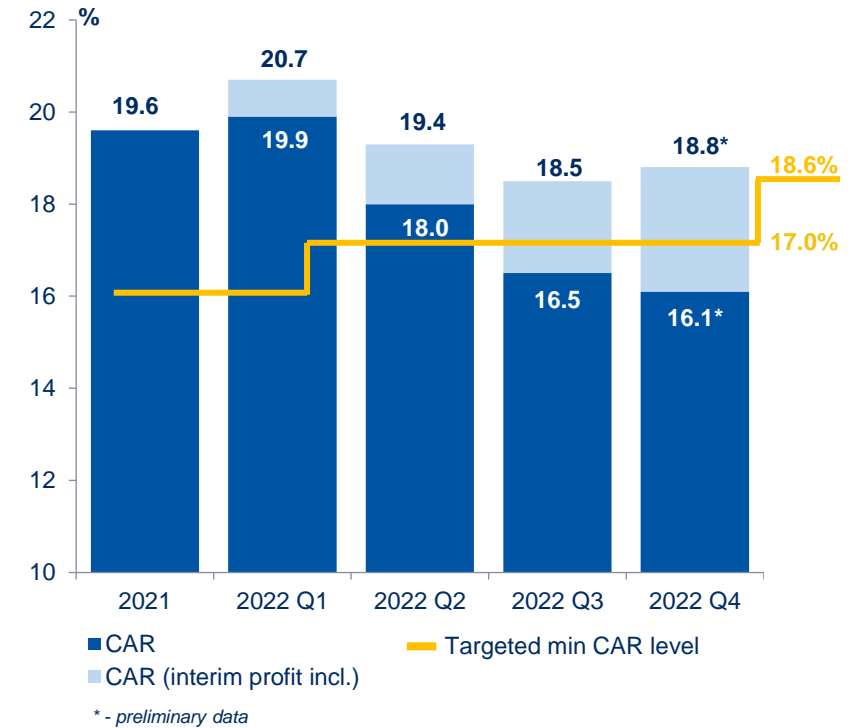
NPE (LOANS)



LOANS COST OF RISK (COR)

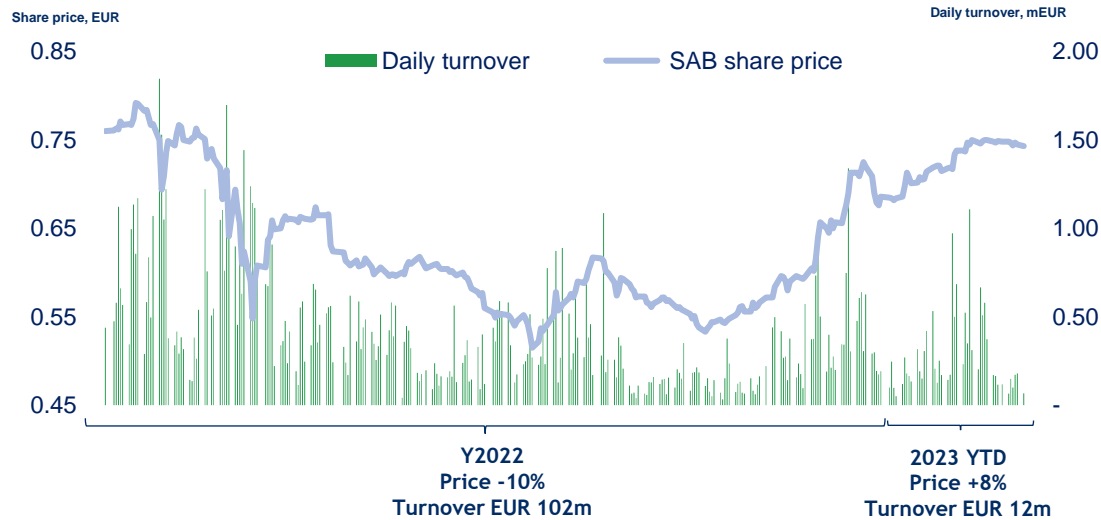


CAPITAL ADEQUACY RATIO

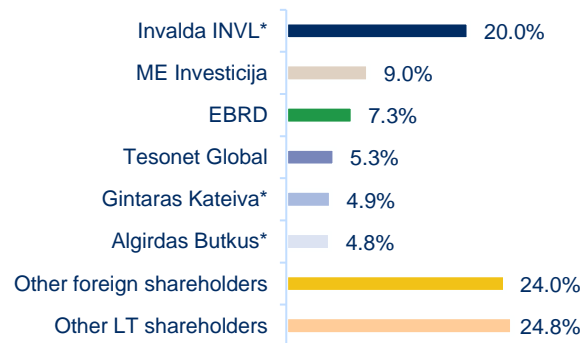


Share data & ratios

SHARE PRICE DYNAMICS



EXPECTED STRUCTURE OF SHAREHOLDERS



*incl. indirectly owned shares

Expected structure of shareholders after settlement of all publicly announced transactions:

- EBRD announced that it has agreed to sell an 18% stake in the Bank. Invalda INVL, Tesonet Global and ME Investicija to acquire stakes till June 2024. 6% of stake has already been settled as of end 2022
- After closing of retail business merge, Invalda INVL will acquire 9.39% of the Bank post-transaction shareholding. Transaction closing is expected in Q4 2023

SHARE DATA

	2017	2018	2019	2020	2021	2022	2023 MAR
Capitalization, mEUR	267	241	304	299	457	412	448
Average daily turnover, mEUR	0.18	0.14	0.19	0.34	0.56	0.41	0.30
P/BV	1.3	0.9	1.0	0.8	1.1	0.9	1.0
P/E	8.3	4.6	5.9	7.0	8.3	6.5	7.0
Number of shareholders	4 496	4 992	5 391	9 053	16 573	18 524	19 182*

*- 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 14 FEB 2023

TARGET PRICE

EUR 0.97 / 0.82 / 0.67
(bull / base / bear) (2022-12-19)



EUR 0.86 (2022-12-15)



EUR 0.90 (2022-12-14)



EUR 0.88 (2022-12-30)



No target price set



Q&A



Annex I

KEY RATIOS

	2015	2016	2017	2018	2019	2020	2021	2022
Net profit, mEUR	23.8	43.7	32.1	52.6	51.5	43.0	55.2	63.6
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	1.6
ROAE,%	19.0	27.6	16.1	22.3	17.6	12.7	14.3	15.2
C / I,%	52.2	42.3	52.1	37.3	42.5	42.7	44.1	42.9
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	43.2
CET1 ratio,%	12.1	15.0	13.9	15.0	15.0	16.1	16.7	15.2*
CAR,%	14.2	17.0	15.5	15.0	16.2	17.2	17.6	16.1*
CAR,% (interim profit incl.)	15.7	19.2	18.6	18.0	18.9	20.6	19.6	18.8*
RWA, mEUR	968	1.015	1.212	1.471	1.654	1.917	2.118	2.421*
L/D ratio, %	63.3	68.5	72.2	75.1	82.2	75.0	78.6	94.6

* - forecast data