



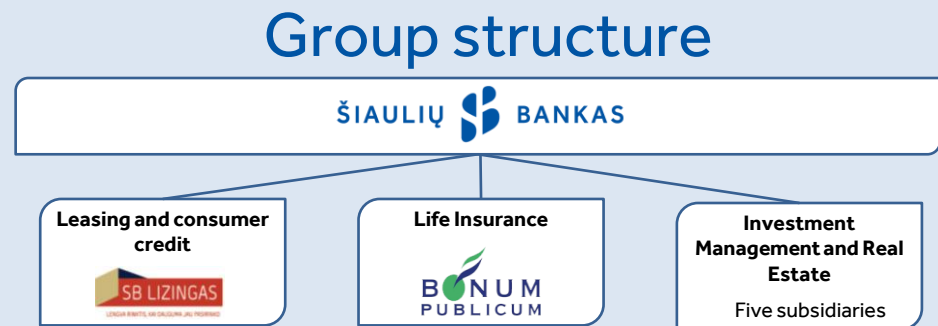
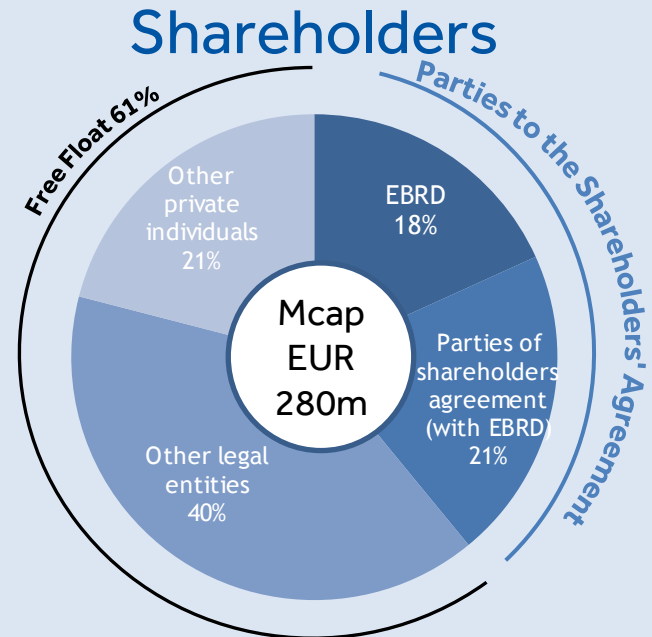
Experience of Šiaulių Bankas in implementing energy efficiency projects

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16 January 2018
Vilnius

Snapshot of Šiaulių Bankas

Established	1992
Listed	since 1994 on NASDAQ Vilnius
Position	4th in the market (market share 7%)
Ratings	Baa3/Positive (Moody's)
Network	65 outlets, 209 ATMs
Employees	829
Clients	324 000 private; 25 000 corporate
Assets	EUR 2.0 billion



Business finance instruments

Successful cooperation with INVEGA



- **Portfolio guarantee** (INVEGA covers 80% of loss incurred by the Bank)
 - Current credit portfolio is EUR 119m
 - In May, a new EUR 50 m agreement was signed. Contracted amount EUR 19m
- **Risk sharing facility** (INVEGA takes 45% credit default risk and financing)
 - Current credit portfolio is EUR 80m
 - In August, a new EUR 107 m agreement was signed

InnovFin

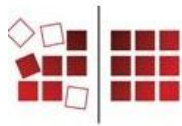


- An SME guarantee facility designed to enhance access to finance for innovative SMEs and small mid-caps in Lithuania
- This EU support is expected to generate a portfolio of EUR 50m
- The EIF covers 50% of the losses incurred by the Bank.

- Funding of more than EUR 130m has been granted to the Bank during the long lasting cooperation with other multinational institutions



is a long time partner of renovation in Lithuania



1999 Housing and Urban
Development Agency



2005 Mortgage
2006 Loan Insurance UAB



2009 INVEGA



2002 Central Project
Management Agency



2010 EIB
(JESSICA Holding fund)

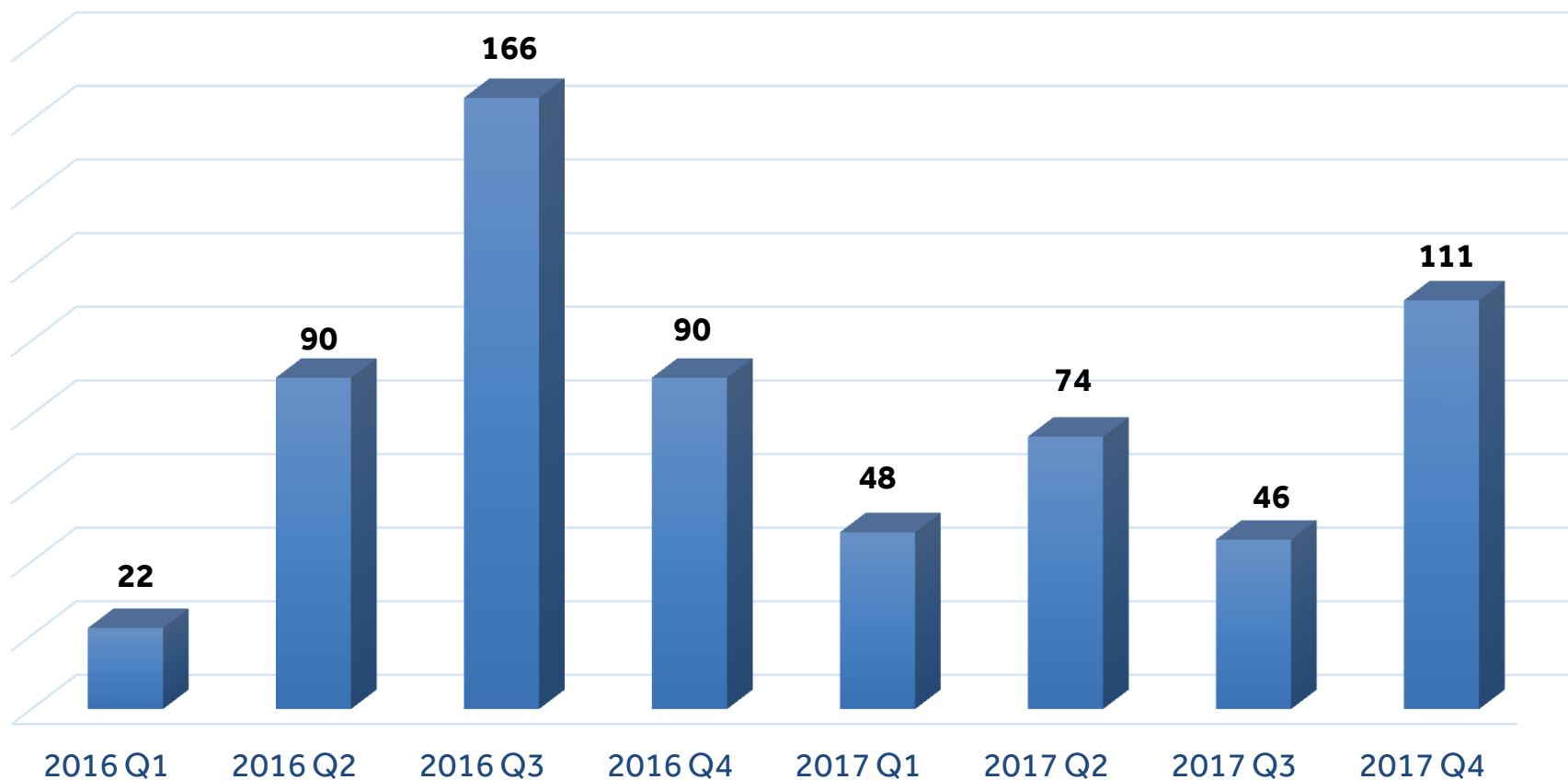
Successful participation in programme



- Šiaulių Bankas maintains 60% of the market share
- It already signed 1500 agreements for EUR 360 m
- Decisions are made regarding 300 projects for EUR 100 m

New loan agreements

New loan agreements issued for multi-apartment houses (units)



Key to success

- Participating in all earlier renovation programmes (gaining experience)
- Close cooperation with ministries (offering suggestions for improving the programme)
- Marketing and communication (publicity in the press, participating in conferences, sharing best examples)
- Participating in meetings of the owners of multi-apartment houses (voting for renovation)
- Providing our own funds for renovation programme (pre-financing)
- Internal incentive system
- Choice of the administration model (one multi-apartment house can easily administrate one loan)

Finance conditions

Maximum credit maturity

20 years

Credit currency

Euro

Fixed credit annual interest rate

3 % p.a.

Grace period for credit repayment

up to 30 months

Initial contribution

not required

Credit administration fees

not applicable

Finance requirements

Consent of the owners of the multi-apartment house flats and other premises must be endorsed by **50% + 1 vote**. Šiaulių Bankas applies a requirement to receive consent from **not less than 55%**

The number of flat owners of the multi-apartment house that are past due with their obligations exceeding **EUR 170** for more than **60 days** to at least one company rendering utility services or to the manager of the premises of common use should be **less than 10%** of all the apartment/premises' owners.

Main elements of finance (1)

One credit agreement per one multi-apartment house.

Agreement is signed by an **Administrator**.

Credit funds shall be **disbursed directly to the contractor after completion of works (part of works)**.

A work acceptance-transfer deed is prepared in respect to the completed works and signed by relevant authorities.

Main elements of finance(2)

Credit repayment and interest payment - **once a month**

The **state subsidy** is provided after completion of works

A **bank account** is opened and e-banking service provided to the Administrator, which allows monitoring the movements in loan and accumulative accounts

Credit repayment is implemented by the Administrator

Debt recovery is implemented by the Administrator or by a debt administration/recovery agency

Work on overdue loans

Following the loan agreement, the Administrator collects debts from beneficiaries under principles of debt prevention, debt collection obligation:

Dealy (days)	Action by Administrator
30	shall send a call for payment in the form prescribed
60	shall send a payment request letter in the form prescribed
90	shall initiate debt collection

Debt recovery companies

The Bank has signed cooperation agreements with three acceptable debt recovery companies. Administrators are invited to sign standard cooperation agreements with the acceptable debt recovery companies. Administrators decide themselves which of the three companies they are going to work with.

Coordinated cooperation with debt recovery companies (partners) include the following:

- **Pre-trial debt recovery** - letters, phone calls, visits and etc.;
- **Judicial debt recovery** - in case of failure to recover a debt during the pre-trial recovery judicial recovery is initiated;
- **Post-trial debt administration** - administration of ordered debts is carried out in cooperation with bailiffs.



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