

# UAB URBO BANKAS

CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 12 MONTHS PERIOD ENDED 31 DECEMBER 2023 PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARD 34 *INTERIM FINANCIAL REPORTING*, AS ADOPTED BY THE EUROPEAN UNION PRESENTED TOGETHER.

# UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

## SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

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### CONTENTS OF FINANCIAL STATEMENTS

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONDENSED INTERIM SEPARATE AND CONSOLIDATED INCOME STATEMENTS	5
CONDENSED INTERIM SEPARATE AND CONSOLIDATED INCOME STATEMENTS FOR QUARTER	6
CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	7
SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER	8
CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	9
CONDENSED INTERIM SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS	11
Note 1 Background information	13
Note 2 Basis of preparation and significant accounting policies	14
Note 3 Debt securities	15
Note 4 Loans and receivables	15
Note 5 Investment in subsidiaries	16
Note 6 Assets held for sale	17
Note 7 Amounts due to customers	17
Note 8 Other liabilities	18
Note 9 Shareholders' equity	18
Note 10 Net interest income	19
Note 11 Net service fee and commission income	19
Note 12 Net foreign exchange gain	20
Note 13 Operating expenses	20
Note 14 Cash and cash equivalents	21
Note 15 Fair values of financial instruments	21
Note 16 Related party transactions	26
Note 17 Segment information	28
Note 18 Risk management	30
Note 19 Capital	44
Note 20 Quality of financial assets, profitability rates and other information	45
Note 21 Events after the reporting date	46
CONFIRMATION OF RESPONSIBLE PERSONS	46

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<u>The Group</u>				<u>The Bank</u>	
<u>31 December 2023</u>	<u>31 December 2022</u>	<b>Assets</b>	<b>Notes</b>	<u>31 December 2023</u>	<u>31 December 2022</u>
		Cash and due from central bank			
19,357	21,134	<i>Cash</i>		19,357	21,134
		<i>Placements with the central bank</i>			
117,990	48,067			117,990	48,067
<u>137,347</u>	<u>69,201</u>			<u>137,347</u>	<u>69,201</u>
		Placements with banks and other credit institutions			
14,541	11,156			14,538	11,143
		Financial assets at fair value through profit or loss			
		<i>Derivative financial instruments</i>			
9	54			9	54
<u>9</u>	<u>54</u>			<u>9</u>	<u>54</u>
		Debt securities	3		
55,952	59,218			55,952	59,218
		Loans and receivables	4		
		<i>Loans to customers</i>			
304,329	241,543			292,128	232,577
		<i>Finance lease</i>			
25,257	22,194			25,257	22,194
<u>329,586</u>	<u>263,737</u>			<u>317,385</u>	<u>254,771</u>
		Investments in subsidiaries	5		
-	-	<i>Other equity instruments</i>			
27	37			12,342	9,342
		Investment property		27	37
47	84			47	84
		Property, plant and equipment (PPE)			
2,608	5,701			2,596	5,688
		Intangible assets			
632	671			521	665
		Tax assets			
		<i>Current taxes</i>			
-	-	<i>Deferred taxes</i>			
101	95			-	-
<u>101</u>	<u>95</u>			<u>101</u>	<u>95</u>
		Assets held for sale	6		
4,801	-			4,801	-
		Other assets			
3,126	1,750			2,404	1,223
<u>548,777</u>	<u>411,704</u>	<b>Total assets</b>		<u>548,070</u>	<u>411,521</u>

The accompanying notes on pages 13 to 46 are an integral part of these financial statements.

(continued on the next page)

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

The Group		Liabilities and shareholders' equity	Notes	The Bank	
30 September 2023	31 December 2022			30 September 2023	31 December 2022
		<b>Liabilities</b>			
33	33	Due to banks and other credit institutions		33	33
44	3	Derivative financial instruments		44	3
481,171	354,227	Due to customers	7	481,609	354,569
-	1,000	Subordinated loans	8	-	1,000
2,252	2,235	Debt securities issued	8	2,252	2,235
164	71	Impairment		218	133
		Tax liabilities			
1,385	856	Current taxes		1,268	789
-	-	Deferred taxes		-	-
1,385	856			1,268	789
6,499	5,220	Other liabilities	9	5,914	4,684
<b>491,548</b>	<b>363,645</b>	<b>Total liabilities</b>		<b>491,338</b>	<b>363,446</b>
		<b>Shareholders' equity</b>			
35,468	19,948	Share capital	10	35,468	19,948
9,449	16,304	Retained earnings		8,977	16,339
-	318	Revaluation reserve of property, plant and equipment	6	-	318
12,312	11,489	Other reserves	10	12,287	11,470
<b>57,229</b>	<b>48,059</b>	<b>Total shareholders' equity</b>		<b>56,732</b>	<b>48,075</b>
<b>548,777</b>	<b>411,704</b>	<b>Total liabilities and shareholders' equity</b>		<b>548,070</b>	<b>411,521</b>

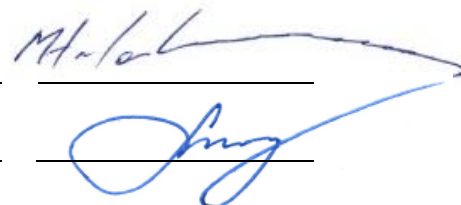
The accompanying notes on pages 13 to 46 are an integral part of these financial statements.

Chairman of the Board and Head of Administration

M. Arlauskas

Director of Accounting and Reporting Department, Chief Accountant

L. Bertašienė



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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED INCOME STATEMENTS**

<b>The Group</b>			<b>The Bank</b>	
<b>31 December 2023</b>	<b>31 December 2022</b>		<b>31 December 2023</b>	<b>31 December 2022</b>
28,284	15,199	Interest income	26,162	13,676
(5,292)	(1,939)	Interest expenses	(5,292)	(1,938)
<b>22,992</b>	<b>13,260</b>	<b>Net interest income</b>	<b>20,870</b>	<b>11,738</b>
5,274	5,457	Service fee and commission income	5,458	5,689
(720)	(939)	Service fee and commission expenses	(413)	(688)
<b>4,554</b>	<b>4,518</b>	<b>Net service fee and commission income</b>	<b>5,045</b>	<b>5,001</b>
3,218	4,769	Net foreign currency exchange gain	3,218	4,769
79	151	Net result from operations with derivatives	79	151
(21)	56	Net result on operations on investment property	(21)	56
40	74	Other income	47	78
<b>30,862</b>	<b>22,828</b>	<b>Total operating income</b>	<b>29,238</b>	<b>21,793</b>
(764)	(443)	Impairment of loans and other financial assets	(366)	(293)
<b>30,098</b>	<b>22,385</b>	<b>Operating income after impairment</b>	<b>28,872</b>	<b>21,500</b>
(11,141)	(10,034)	Salaries and benefits	(10,790)	(9,649)
(982)	(967)	Depreciation	(966)	(951)
(405)	(399)	Amortisation	(367)	(386)
(6,674)	(4,218)	Other operating expenses	(6,518)	(4,045)
<b>(19,202)</b>	<b>(15,618)</b>	<b>Total operating expenses</b>	<b>(18,641)</b>	<b>(15,031)</b>
<b>10,896</b>	<b>6,767</b>	<b>Operating profit (loss)</b>	<b>10,231</b>	<b>6,469</b>
<b>(2,145)</b>	<b>(1,313)</b>	<b>Income tax</b>	<b>(1,993)</b>	<b>(1,241)</b>
<b>8,751</b>	<b>5,454</b>	<b>Profit (loss) for the year</b>	<b>8,238</b>	<b>5,228</b>
<b>8,751</b>	<b>5,454</b>	<b>Attributable to: shareholders of the Bank</b>	<b>8,238</b>	<b>5,228</b>

The accompanying notes on pages 13 to 46 are an integral part of these financial statements.

Chairman of the Board and Head of Administration

M. Arlauskas

Director of Accounting and Reporting Department, Chief Accountant

L. Bertašienė

**UAB URBO BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERM SEPARATE AND CONSOLIDATED INCOME STATEMENTS FOR QUARTER**

The Group			The Bank	
2023-10-01- 2023-12-31	2021-10-01- 2021-12-31		2023-10-01- 2023-12-31	2021-10-01- 2021-12-31
8,682	4,607	Interest income	8,018	4,191
(2,394)	(477)	Interest expenses	(2,394)	(476)
<b>6,288</b>	<b>4,130</b>	<b>Net interest income</b>	<b>5,624</b>	<b>3,715</b>
1,209	1,532	Service fee and commission income	1,220	1,566
(169)	(209)	Service fee and commission expenses	(93)	(155)
<b>1,040</b>	<b>1,323</b>	<b>Net service fee and commission income</b>	<b>1,127</b>	<b>1,411</b>
758	1,150	Net foreign currency exchange gain	758	1,150
(7)	(42)	Net result from operations with derivatives	(7)	(42)
-	-	Net result on operations on investment property	-	-
13	10	Other income	11	11
<b>8,092</b>	<b>6,571</b>	<b>Total operating income</b>	<b>7,513</b>	<b>6,245</b>
(214)	229	Impairment of loans and other financial assets	232	241
<b>7,878</b>	<b>6,800</b>	<b>Operating income after impairment</b>	<b>7,281</b>	<b>6,486</b>
(3,198)	(2,758)	Salaries and benefits	(3,096)	(2,639)
(243)	(245)	Depreciation	(239)	(231)
(99)	(100)	Amortisation	(90)	(97)
(2,216)	(1,251)	Other operating expenses	(2,167)	(1,222)
<b>(5,756)</b>	<b>(4,354)</b>	<b>Total operating expenses</b>	<b>(5,592)</b>	<b>(4,189)</b>
<b>2,122</b>	<b>2,446</b>	<b>Operating profit (loss)</b>	<b>1,689</b>	<b>2,297</b>
<b>(440)</b>	<b>(508)</b>	<b>Income tax</b>	<b>(375)</b>	<b>(487)</b>
<b>1,682</b>	<b>1,938</b>	<b>Profit (loss) for the year</b>	<b>1,314</b>	<b>1,810</b>
<b>1,682</b>	<b>1,938</b>	<b>Attributable to: shareholders of the Bank</b>	<b>1,314</b>	<b>1,810</b>

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Chairman of the Board and Head of  
Administration

M. Arlauskas

Director of Accounting and Reporting  
Department, Chief Accountant

L. Bertašienė

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<b>The Bank</b>	<u>31 December 2023</u>	<u>31 December 2023</u>
<b>Items that will never be reclassified to profit or loss</b>		
Change in PPE revaluation	419	5
Transfer of depreciation for PPE net of tax	-	(4)
Other	-	-
<b>Items that will never be reclassified to profit or loss</b>	<u>419</u>	<u>1</u>
<b>Other comprehensive income (expenses), net tax result</b>	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	8,238	5,228
<b>Total comprehensive income</b>	<u>8,657</u>	<u>5,229</u>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>8,657</b>	<b>5,229</b>
<b>The Group</b>	<u>31 December 2023</u>	<u>31 December 2023</u>
<b>Items that will never be reclassified to profit or loss</b>		
Change in PPE revaluation	419	5
Transfer of depreciation for PPE net of tax	-	(4)
Other	-	-
	<u>419</u>	<u>1</u>
<b>Other comprehensive income (expenses), after tax</b>	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	8,751	5,454
<b>Total comprehensive income</b>	<u>9,170</u>	<u>5,455</u>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>9,170</b>	<b>5,455</b>

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M. Arlauskas



Director of Accounting and Reporting Department, Chief Accountant

L. Bertašienė



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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER**

<b>The Bank</b>	<b>2023-10-01-2023-12-31</b>	<b>2022-10-01-2022-12-31</b>
<b>Items that will never be reclassified to profit or loss</b>		
Change in PPE revaluation	-	5
Transfer of depreciation for PPE net of tax	-	(4)
Other		
<b>Items that will never be reclassified to profit or loss</b>	<b>-</b>	<b>1</b>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
<b>Other comprehensive income (expenses), net of tax</b>	<b>-</b>	<b>-</b>
Profit (loss) at the end of the reporting period	1,314	1,810
<b>Total comprehensive income</b>	<b>1,314</b>	<b>1,811</b>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>1,314</b>	<b>1,811</b>
<b>The Group</b>	<b>2023-10-01-2023-12-31</b>	<b>2022-10-01-2022-12-31</b>
<b>Items that will never be reclassified to profit or loss</b>		
Change in PPE revaluation	-	5
Transfer of depreciation for PPE net of tax	-	(4)
Other	-	-
<b>Items that will never be reclassified to profit or loss</b>	<b>-</b>	<b>1</b>
Related tax	-	-
<b>Other comprehensive income (expenses), net of tax</b>	<b>-</b>	<b>-</b>
Profit (loss) at the end of the reporting period	1,682	1,938
<b>Total comprehensive income</b>	<b>1,682</b>	<b>1,939</b>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>1,682</b>	<b>1,939</b>

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L. Bertašienė





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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY****The Bank**

	Share capital	Retained earnings	Revaluation reserve of property and equipment	Other reserves	Total
<b>As at 31 December 202</b>	<b>19,948</b>	<b>11,690</b>	<b>322</b>	<b>10,886</b>	<b>42,846</b>
Profit or loss	-	3,418	-	-	3,418
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(584)	-	584	-
<b>As at 30 September 2022</b>	<b>19,948</b>	<b>14,524</b>	<b>322</b>	<b>11,470</b>	<b>46,264</b>
Profit or loss	-	1,810	-	-	1,810
Other comprehensive income (expense)	-	5	(4)	-	1
Transfer to reserves	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>19,948</b>	<b>16,339</b>	<b>318</b>	<b>11,470</b>	<b>48,075</b>
Profit or loss	-	6,924	-	-	6,924
Other comprehensive income (expense)	-	-	419	-	419
Elimination of revaluation reserve of PPE	-	737	(737)	-	-
Share capital increase	15,520	(15,520)	-	-	-
Transfer to reserves	-	(817)	-	817	-
<b>As at 31 September 2023</b>	<b>35,468</b>	<b>7,663</b>	<b>-</b>	<b>12,287</b>	<b>55,418</b>
Profit or loss	-	1,314	-	-	1,314
<b>As at 31 December 2023</b>	<b>35,468</b>	<b>8,977</b>	<b>-</b>	<b>12,287</b>	<b>56,732</b>

*(continued on the next page)*

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)****The Group**

	Share capital	Retained earnings	Revaluation reserve of property and equipment	Other reserves	Total
<b>As at 31 December 2021</b>	<b>19,948</b>	<b>11,429</b>	<b>322</b>	<b>10,905</b>	<b>42,604</b>
Profit or loss	-	3,516	-	-	3,516
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(584)	-	584	-
<b>As at 30 September 2022</b>	<b>19,948</b>	<b>14,361</b>	<b>322</b>	<b>11,489</b>	<b>46,120</b>
Profit or loss	-	1,938	-	-	1,938
Other comprehensive income (expense)	-	5	(4)	-	1
Transfer to reserves	-	-	-	-	-
<b>As at 31 December 2022</b>	<b>19,948</b>	<b>16,304</b>	<b>318</b>	<b>11,489</b>	<b>48,059</b>
Profit or loss	-	7,069	-	-	7,069
Other comprehensive income (expense)	-	-	-419	-	419
Elimination of revaluation reserve of PPE	-	737	(737)	-	-
Share capital increase	15,520	(15,520)	-	-	-
Transfer to reserves	-	(823)	-	823	-
<b>As at 31 December 2023</b>	<b>35,468</b>	<b>7,767</b>	<b>--</b>	<b>12,312</b>	<b>55,547</b>
Profit or loss	-	1,682	-	-	1,682
<b>As at 31 December 2023</b>	<b>35,468</b>	<b>9,449</b>	<b>--</b>	<b>12,312</b>	<b>57,229</b>

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Chairman of the Board and Head  
of Administration

M. Arlauskas

Director of Accounting and  
Reporting Department, Chief  
Accountant

L. Bertašienė



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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS**

<b>Group</b>			<b>Bank</b>	
<b>31 December 2023</b>	<b>31 December 2022</b>	<b>Notes</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
		<b>Cash flows from operating activities</b>		
8,751	5,454	Profit (loss) for the reporting period	8,238	5,228
		<b>Non-cash revenue and cost recovery</b>		
1,387	1,366	Depreciation and amortisation	1,333	1,337
11	(83)	Loss (gain) on the sale of tangible, intangible and investment property	11	(83)
764	443	Impairment of loans	366	293
(24,999)	(14,650)	Interest income on loans granted to customers	(22,877)	(13,127)
5,292	1,938	Interest expense on liabilities to depositors	5,292	1,938
86	(138)	Derivatives revaluation	86	(138)
(13)	60	Elimination of accrued vacation pay	(36)	68
2,145	1,313	Income tax expenses	1,993	1,241
721	120	Elimination of other non-cash items	721	119
<b>(5,855)</b>	<b>(4,177)</b>	<b>Cash flows from (to) operating activities before changes in operating assets and liabilities</b>	<b>(4,873)</b>	<b>(3,124)</b>
		<b>Changes in operating assets and liabilities</b>		
(865)	69	Changes in compulsory reserves	(865)	69
-	(370)	Changes in bank's balances	-	(370)
(62,731)	(38,317)	Loans to customers	(59,145)	(36,474)
(3,013)	(7,640)	Finance lease receivable	(3,013)	(7,640)
-	(68)	Changes in due to banks and other credit institutions	-	(68)
123,681	(1,982)	Changes in due to customers	123,777	(2,171)
687	(1,020)	Changes in other assets and liabilities	842	(943)
<b>57,759</b>	<b>(49,328)</b>	<b>Change</b>	<b>61,596</b>	<b>(47,597)</b>
24,223	14,316	Received interest on loans granted to customers	22,140	12,754
(2,626)	(1,749)	Interest paid on liabilities to depositors	(2,626)	(1,749)
(1,686)	(564)	Income tax paid	(1,584)	(564)
<b>71,815</b>	<b>(41,502)</b>	<b>Net cash flows from main operating activities after income tax</b>	<b>74,653</b>	<b>(40,280)</b>
		<b>Cash flows from investments</b>		
(3,301)	(1,101)	Acquisitions of investment property, property and equipment and intangible assets	(3,143)	(1,076)
43	312	Proceeds from sale of investment property, property and equipment and intangible assets	43	310
-	-	Investments in subsidiaries	(3,000)	(1,000)
-	(10)	Other equity instruments	-	(10)
29,935	13,287	Redemption of debt-securities	29,935	13,287
(26,669)	(13,328)	Acquisitions of debt-securities	(26,669)	(13,328)
<b>8</b>	<b>(840)</b>	<b>Net cash flows from investing activities</b>	<b>(2,834)</b>	<b>(1,817)</b>

*(continued on the next page)*

The accompanying notes on pages 13 to 46 are an integral part of these financial statements.



## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 1 Background information

UAB Medicinos Bankas (hereinafter referred to as the Bank) was established on 24 November 1992 (as KB Ancorobank) and on 16 January 1997 was reorganized to UAB Medicinos Bankas. In 1 February 2024 Medicinos bankas has changed its name to Urbo Bankas. The address of its registered office is as follows:

Konstitucijos Ave. 18B,  
Vilnius, Lithuania.

The Bank accepts deposits, grants loans, performs monetary and documentary settlements, exchanges currencies and issues guarantees for its clients. The Bank also trades in securities, provides consulting and custody services. The Bank provides services to both corporate and retail sectors.

At the end of fourth quarter of 2023 the Bank had 32 customer service units in different regions of Lithuania.

The consolidated financial statements of the Group include the financial statements of the Bank and its fully owned subsidiaries UAB TG Invest-1 (main activity of the company – real estate management and development) and UAB Saugus kreditas (main activity of the company – granting consumer loans to private persons). UAB TG Invest-1 has been acquired on 17 May 2013, while UAB Saugus kreditas on 17 October 2017.

As at 31 December 2023 the Bank employed 299 employees (296 employees as at 31 December 2022). As at 31 December 2023 the Group employed 309 employees (306 employees as at 31 December 2022).

As at 31 December 2023 the shareholders of the Bank were as follows:

	<b>Ordinary shares held</b>	<b>Percent of ownership</b>
Mr. Konstantinas Karosas	63,932,284	90.13
Western Petroleum Ltd.	7,003,456	9.87
<b>Total</b>	<b>70,935,740</b>	<b>100.00</b>

As at 31 December 2022 the shareholders of the Bank were as follows:

	<b>Ordinary shares held</b>	<b>Percent of ownership</b>
Mr. Konstantinas Karosas	124,150	90.13
Western Petroleum Ltd.	13,600	9.87
<b>Total</b>	<b>137,750</b>	<b>100.00</b>

In 2023, by the shareholders' decision, the procedures for increasing the Bank's share capital from retained earnings and thus changing the nominal value and number of shares, were started.

As at 31 December 2023 the Bank's share capital consisted of 70,935,740 ordinary shares, each with a nominal value of 0.50 EUR (as at 31 December 2022, there were 137,750 ordinary shares with a nominal value of 144.81 each).

As at 31 December 2023 and December 31, 2022 all shares were fully paid.

As per 12 March 2021 contract, including 24 November 2023 amendment, Konstantinas Karosas and Western Petroleum Limited transferred all voting rights at the Bank's general meeting of shareholders to UAB MB valdymas.

After the transfer of voting rights, UAB MB valdymas has the right to vote all the Bank's shares at the Bank's general meeting of shareholders.

Capital and liquidity positions as at 31 December 2023 remain strong and prudential standards comply with regulations with a reserve.

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 2 Basis of preparation and significant accounting policies

##### *Statement of compliance*

The separate and consolidated financial statements have been prepared in accordance with International Reporting Standards IRS 34 as adopted by the European Union (EU). The condensed intermediate separate financial statements and consolidated financial statements should be read in conjunction with the annual separate and consolidated financial statements for the year ended at 2022. Financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Despite the principles mentioned below, the accounting policies applied in the preparation of this condensed intermediate financial information, are consistent with the accounting policies applied by the Bank in 2022 for the annual financial statements.

##### *Temporary solidarity contribution*

Seimas of the Republic of Lithuania adopted the Temporary solidarity contribution Law No XIV-1936, according to which as of May 16, 2023, credit institutions, operating in Lithuania, will pay temporary solidarity contributions. This contribution is calculated on the excess of the net interest income earned in 2023 and 2024. The Bank and the Group disclose the amount of contribution in the line of the profit (loss) statement called "Other operating expenses".

##### *New and modified standards and interpretations*

Bank and Group management does not expect that newly published standards which are mandatory for accounting periods from 1 January 2023 or later will have major impact to the Bank and Group financial information. Also, there is no any new standards which should be mandatory for the Bank and Group from year 2023 and which might have noticeable impact on financial information.

When preparing condensed interim separate and consolidated financial statements in accordance with IFRS, assumptions and estimates are applied that affect the amounts of recorded assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the amounts of income and expenses recorded during the reporting period.. Although these estimates are based on management's current knowledge of current conditions and actions, actual results may ultimately differ from these estimates. In the preparation of the condensed interim separate and consolidated financial statements, the same significant assumptions and estimates were used as in the preparation of the annual separate and consolidated financial statements for the year ended 31 December 2022.

These condensed interim financial statements include the Bank's separate financial statements and the consolidated financial statements of the Group.

There are no significant amounts of income and expenses of the Bank and the Group that would be characterized by significant seasonality.

##### *Functional and presentation currency*

These financial statements are presented in EUR, which is the Bank's and the Group functional currency unless otherwise stated.

The official exchange rates of the main currencies, used for the revaluation of the items in the statement of financial position as at the end of report period were as follows (EUR units to currency unit):

	<u>31 December 2023</u>	<u>31 December 2022</u>
USD	1.105	1.0666

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 3 Debt securities

##### The Bank (Group)

	<u>31 December 2023</u>	<u>31 December 2022</u>
Government bonds of the Republic of Lithuania	41,219	36,444
Government bonds of the Republic of Slovenia	5,841	6,789
Government bonds of the Republic of Croatia	3,742	4,946
Government bonds of the Republic of Romania	4,317	5,524
Government bonds of the Republic of Hungary	833	2,671
Government bonds of the Republic of Poland	-	2,844
<b>Total</b>	<b><u>55,952</u></b>	<b><u>59,218</u></b>

#### Note 4 Loans and receivables

Loans to customers and receivables comprise of:

	<b>The Bank</b>	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Loans to customers, including short-term bills of exchange	294,065	233,498
Overdrafts	412	462
Factoring	360	1,142
Finance lease	25,819	22,722
	<b><u>320,656</u></b>	<b><u>257,824</u></b>
Impairment	(3,271)	(3,053)
<b>Loans and receivables, net</b>	<b><u>317,385</u></b>	<b><u>254,771</u></b>

	<b>The Group</b>	
	<u>31 December 2023</u>	<u>31 December 2022</u>
Loans to customers, including short-term bills of exchange	307,218	243,031
Overdrafts	412	462
Factoring	360	1,142
Finance lease	25,819	22,722
	<b><u>333,809</u></b>	<b><u>267,357</u></b>
Impairment	(4,223)	(3,620)
<b>Loans and receivables, net</b>	<b><u>329,586</u></b>	<b><u>263,737</u></b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 5 Investment in subsidiaries**

The main activities of established subsidiaries are real estate management and development and granting of consumer loans to private persons.

	The Bank	
	2023	2022
<b>Balance at the beginning of the year</b>	<b>9,342</b>	<b>8,342</b>
Acquisitions	3,000	1,000
Change in impairment of investment in subsidiaries	-	-
<b>Balance at the end of the reporting period</b>	<b>12,342</b>	<b>9,342</b>

Balance as at 31 December 2023	Ownership (percent)	Direct ownership (percent)	Nominal amount	Carrying value	
				Impairment	
UAB „TG Invest-1“	100	100	3,033	(1,261)	1,772
UAB „Saugus kreditas“	100	100	10,601	(31)	10,570
<b>Total</b>			<b>13,634</b>	<b>(1,292)</b>	<b>12,342</b>

Balance as at 31 December 2022	Ownership (percent)	Direct ownership (percent)	Nominal amount	Carrying value	
				Impairment	
UAB „TG Invest-1“	100	100	3,033	(1,261)	1,772
UAB „Saugus kreditas“	100	100	7,601	(31)	7,570
<b>Total</b>			<b>10,634</b>	<b>(1,292)</b>	<b>9,342</b>



## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 6 Assets held for sale

In 2023 the management decided to begin preparations for sale of land and buildings, owned by the Bank and located in Vilnius and Kaunas. Under these circumstances those real estate objects were revaluated by internal auditor. According to internal valuation, value of buildings has been increased by 493 thousand EUR through revaluation reserve of property and equipment. Buildings in the statement of financial position were reclassified to assets held for sale. As at 31 December 2023 fair value of these objects was 4,801 thousand EUR. Consequently, revaluation reserve of 737 thousand EUR has been restored (as at 31 December 2022, 318 thousand EUR).

#### Note 7 Amounts due to customers

Amounts due to customers comprise of:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
303,422	156,271	Term deposits	303,422	156,271
160,060	181,616	Current accounts	160,498	181,958
3,576	3,035	Customer funds in transit accounts	3,576	3,035
14,113	13,305	Loans from funds	14,113	13,305
<b>481,171</b>	<b>354,227</b>	<b>Total</b>	<b>481,609</b>	<b>354,569</b>
<b>40,566</b>	<b>34,289</b>	<b>Out of which held as security against guarantees and loans</b>	<b>40,566</b>	<b>34,289</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 8 Other liabilities

Other liabilities comprise of:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
2,462	2,026	Accrued payments to employees	2,373	1,917
431	352	Prepayments	-	-
		Accrued expenses and property lease obligations	2,369	1,787
2,381	1,799	Liabilities to the State Tax Inspectorate	357	-
357	-	Sales VAT	-	265
-	265	Deferred income	91	80
91	80	Payable to the Latvian and Estonian Road Transport Administration	28	42
28	42	Debt to suppliers	365	319
418	382	Advances received	200	-
200	-	Other	131	274
131	274			
<b>6,499</b>	<b>5,220</b>	<b>Total</b>	<b>5,914</b>	<b>4,684</b>

#### Note 9 Shareholders' equity

In 2023, by the shareholders' decision, the procedures for increasing the Bank's share capital from retained earnings and thus changing the nominal value and number of shares, were started.

As at 31 December 2023 the Bank's share capital consisted of 70,935,740 ordinary shares, each with a nominal value of 0.50 EUR (as at 31 December 2022, there were 137,750 ordinary shares with a nominal value of 144.81 each).

As at 31 December 2023 and 31 December 2022 all shares were fully paid.

Each share is entitled to equal voting rights, dividends and participation in distribution of residual assets in the event of a winding-up.

##### *Mandatory capital reserve*

As at 31 December 2023, mandatory reserve of the Bank was 2,262 thousand EUR (as at 31 December 2022 – 1,445 thousand EUR). Mandatory reserve of the Group as at 31 December 2023 was 2.287 thousand EUR (as at 31 December 2022 – 1.464 thousand EUR). During 2023, the Bank has transferred 817 thousand EUR to the mandatory reserve.

Mandatory reserve is mandatory according to the legislation of the Republic of Lithuania. Each year the Bank is obliged to transfer not less than 5 percent of the net profit, until it reaches 10 percent of the share capital. This mandatory reserve might be used to cover losses of operating activities or increase of share capital.

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 10 Net interest income**

Net interest income comprises:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
22,599	13,388	For loans to customers	20,514	11,895
143	269	For impaired loans to customers including interest on arrears	106	239
2,182	940	For finance lease including interest on arrears	2,182	940
75	53	Other interest on arrears (not including finance lease and impaired loans)	75	53
428	301	On debt securities	428	301
2,425	174	On cash at central banks	2,425	174
432	74	On placements with the banks and other credit institutions	432	74
<b>28,284</b>	<b>15,199</b>	<b>Interest revenue</b>	<b>26,162</b>	<b>13,676</b>
(4,717)	(1,235)	On obligations to customers, including letters of credit	(4,717)	(1,234)
(330)	(316)	Deposit and guarantee insurance	(330)	(316)
(18)	(20)	On subordinated loans	(18)	(20)
(172)	(172)	On debt securities issued	(172)	(172)
-	(142)	On obligations to banks and other credit institutions	-	(142)
(55)	(54)	Lease of property	(55)	(54)
<b>(5,292)</b>	<b>(1,939)</b>	<b>Interest expenses</b>	<b>(5,292)</b>	<b>(1,938)</b>
<b>22,992</b>	<b>13,260</b>	<b>Total</b>	<b>20,870</b>	<b>11,738</b>

**Note 11 Net service fee and commission income**

Net fee and commission income comprises:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
1,942	1,887	Payment services	1,942	1,887
164	217	Income from currency exchange	164	217
709	820	Administration of bank accounts	709	820
1,122	1,293	Collection of payments	1,122	1,293
259	89	Brokerage income	443	321
743	782	Cash operations	743	782
335	369	Other	335	369
<b>5,274</b>	<b>5,457</b>	<b>Service fee and commission income</b>	<b>5,458</b>	<b>5,689</b>
(32)	(61)	Rent fee according to agreements	(32)	(61)
(227)	(420)	Cash operations	(227)	(420)
(80)	(129)	Money transfer operations	(80)	(129)
(305)	(249)	Brokerage costs	-	-
(76)	(80)	Other	(74)	(78)
<b>(720)</b>	<b>(939)</b>	<b>Service fee and commission expense</b>	<b>(413)</b>	<b>(688)</b>
<b>4,554</b>	<b>4,518</b>	<b>Total</b>	<b>5,045</b>	<b>5,001</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 12 Net foreign exchange gain**

	<b>The Bank (Group)</b>	
	<b>31 December 2023</b>	<b>31 December 2022</b>
Gain from operations with foreign currency	3,343	4,925
Unrealised foreign currency exchange gain	(125)	(156)
<b>Net foreign currency exchange gain</b>	<b>3,218</b>	<b>4,769</b>

**Note 13 Operating expenses**

Operating expenses are as follows:

<b>The Group</b>		<b>The Bank</b>	
<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
(320)	(352)	(320)	(339)
(1,246)	(961)	(1,219)	(961)
(419)	(384)	(419)	(384)
(640)	(583)	(589)	(554)
(1,344)	-	(1,344)	-
(290)	(272)	(286)	(265)
(118)	(110)	(118)	(110)
(227)	(285)	(227)	(285)
(769)	(359)	(769)	(315)
(57)	(28)	(38)	(20)
(69)	(53)	(69)	(53)
(80)	(72)	(79)	(70)
(99)	(38)	(99)	(38)
(28)	(54)	(28)	(54)
(16)	(18)	(16)	(18)
(54)	(35)	(54)	(35)
(20)	(25)	(20)	(25)
(238)	(189)	(234)	(186)
(68)	(26)	(68)	(26)
(72)	(68)	(72)	(68)
(167)	(156)	(119)	(108)
(117)	-	(117)	-
(216)	(150)	(214)	(131)
<b>(6,674)</b>	<b>(4,218)</b>	<b>(6,518)</b>	<b>(4,045)</b>
	<b>Total</b>		

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 14 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise of:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
19,357	21,134	Cash on hand	19,357	21,134
114,513	45,455	Current accounts with the Bank of Lithuania	114,513	45,455
6,437	10,556	Current accounts with other credit institutions	6,434	10,543
8,104	230	Term deposits with credit institutions up to 90 days	8,104	230
<b>148,411</b>	<b>77,375</b>	<b>Total</b>	<b>148,408</b>	<b>77,362</b>

#### Note 15 Fair values of financial instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties on arm's length condition, other than in a forced transaction, involuntary liquidation or distress sale. As no readily available market exists for a large part of the Bank's and the Group's financial instruments, judgment is necessary in arriving at a fair value, based on current economic conditions and the specific risks attributable to the instrument.

For financial assets and financial liabilities that have a short-term maturity (less than three months) it is assumed that the carrying amounts approximates their fair value. This assumption is also applied to variable rate financial instruments, as the Group and the Bank did not identify significant increases in credit spreads.

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest-bearing loans and deposits is based on discounted cash flow using prevailing market interest rates for debts with similar credit risk and maturity.

The following describes the methodologies and assumptions used to determine the fair value for those financial instruments:

**Cash.** Represents cash on hand for which the carrying amount is its fair value.

**Amounts due from and to credit institutions.** For assets maturing within three months, the carrying amount approximates the fair value due to the relatively short-term maturity of these financial instruments. For longer-term deposits, due to the re-pricing of assets to the market interest rates, the interest rates applicable approximate market rates and, consequently, the fair value approximate the carrying amounts.

**Debt securities.** Fair value of debt securities was calculated in accordance to the market value.

**Loans to customers.** The valuation was done by discounting the future cash flows for each loan over its entire term, using the market's 12 months average interest rates at the end of the year.

**Amounts due to customers.** For balances maturing within three months the carrying amount approximates the fair value due to the relatively short maturity of these financial instruments. For longer term fixed interest-bearing deposits and other borrowings the estimated fair value is based on discounted cash flows using interest rates for new debts with similar remaining maturity and credit quality.

**Debt securities issued and subordinated loan.** The fair value is calculated by discounting of scheduled future cash flows using current market rates.

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 15 Fair values of financial instruments (cont'd)**

In the table below the carrying amounts and fair values of financial instruments which are not carried at fair value in the financial statements are presented. This table does not include the fair values of non-financial assets and non-financial liabilities.

The Bank	31 December 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and due from central bank	137,347	137,347	69,201	69,201
Placements with banks and other credit institutions	14,538	14,538	11,143	11,143
Debt securities	55,952	55,568	59,218	57,422
Loans and receivables	317,385	302,291	254,771	269,902
Other assets	-	-	-	-
<b>Total</b>	<b>525,222</b>	<b>509,744</b>	<b>394,333</b>	<b>407,668</b>
<b>Financial liabilities</b>				
Due to banks and other credit institutions	33	33	33	33
Due to customers, including letters of credit	481,609	491,533	354,569	357,318
Debt securities issued	2,252	2,405	2,235	2,557
Subordinated loans	-	-	1,000	1,000
Other liabilities	5,914	5,914	4,684	4,684
<b>Total</b>	<b>489,808</b>	<b>499,885</b>	<b>362,521</b>	<b>365,592</b>
<b>The Group</b>				
<b>Financial assets</b>				
Cash and due from central bank	137,347	137,347	69,201	69,201
Placements with banks and other credit institutions	14,541	14,541	11,156	11,156
Debt securities	55,952	55,568	59,218	57,422
Loans and receivables	329,586	312,133	263,737	276,221
Other assets	-	-	-	-
<b>Total</b>	<b>537,426</b>	<b>519,590</b>	<b>403,312</b>	<b>414,000</b>
<b>Financial liabilities</b>				
Due to banks and other credit institutions	33	33	33	33
Due to customers, including letters of credit	481,171	491,171	354,227	356,976
Debt securities issued	2,252	2,405	2,235	2,557
Subordinated loans	-	-	1,000	1,000
Other liabilities	6,499	6,499	5,220	5,220
<b>Total</b>	<b>489,955</b>	<b>500,032</b>	<b>362,715</b>	<b>365,786</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 15 Fair values of financial instruments (cont'd)

Financial instruments which are carried at fair value in the financial statements are distributed by three levels:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable in the market, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair values that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by the level of the fair value hierarchy:

#### The Bank (Group)

As at 31 December 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative financial instruments	-	9	-	9
<b>Financial liabilities</b>				
Derivative financial instruments	-	44	-	44

#### The Bank (Group)

As at 31 December 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative financial instruments	-	54	-	54
<b>Financial liabilities</b>				
Derivative financial instruments	-	3	-	3

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 15 Fair values of financial instruments (cont'd)**

The following table sets out financial instruments not measured at fair value and analyses them by the level in the fair value hierarchy.

**The Bank**

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total carrying amount</b>
<b>Assets</b>				
Cash and due from banks	151,885	-	-	151,885
Debt securities	55,952	-	-	55,952
Loans to customers	-	-	292,128	292,128
Finance lease	-	-	25,257	25,257
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>207,837</b>	<b>-</b>	<b>317,385</b>	<b>525,222</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	481,609	-	481,609
Debt securities issued	-	2,252	-	2,252
Subordinated loan	-	-	-	-
Other liabilities	-	-	5,914	5,914
<b>Total financial liabilities</b>	<b>-</b>	<b>483,894</b>	<b>5,914</b>	<b>489,808</b>

**The Bank**

<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total carrying amount</b>
<b>Assets</b>				
Cash and due from banks	80,344	-	-	80,344
Debt securities	59,218	-	-	59,218
Loans to customers	-	-	232,577	232,577
Finance lease	-	-	22,194	22,194
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>139,562</b>	<b>-</b>	<b>254,771</b>	<b>394,333</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	354,569	-	354,569
Debt securities issued	-	2,235	-	2,235
Subordinated loans	-	-	1,000	1,000
Other liabilities	-	-	4,684	4,684
<b>Total financial liabilities</b>	<b>-</b>	<b>356,837</b>	<b>5,684</b>	<b>362,521</b>



**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 15 Fair values of financial instruments (cont'd)****The Group**

<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total carrying amount</b>
<b>Assets</b>				
Cash and due from banks	151,888	-	-	151,888
Debt securities	55,952	-	-	55,952
Loans to customers	-	-	304,329	304,329
Finance lease	-	-	25,257	25,257
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>207,840</b>	<b>-</b>	<b>329,586</b>	<b>537,426</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	481,171	-	481,171
Debt securities issued	-	2,252	-	2,252
Subordinated loan	-	-	-	-
Other liabilities	-	-	6,499	6,499
<b>Total financial liabilities</b>	<b>-</b>	<b>483,456</b>	<b>6,499</b>	<b>489,955</b>

**The Group**

<b>31 December 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total carrying amount</b>
<b>Assets</b>				
Cash and due from banks	80,357	-	-	80,357
Debt securities	59,218	-	-	59,218
Loans to customers	-	-	241,543	241,543
Finance lease	-	-	22,194	22,194
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>139,562</b>	<b>-</b>	<b>263,737</b>	<b>403,312</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	354,227	-	354,227
Debt securities issued	-	2,235	-	2,235
Subordinated loans	-	-	1,000	1,000
Other liabilities	-	-	5,220	5,220
<b>Total financial liabilities</b>	<b>-</b>	<b>356,495</b>	<b>6,220</b>	<b>362,715</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 16 Related party transactions**

Transactions among the Group and the Bank and their related parties, respectively, were affected on normal commercial terms and conditions as transactions with unrelated parties.

The outstanding balances of loans, term deposits and bonds issued in between 31 December 2023 and 31 December 2022 and expense and income, related to that, and which are included in the December 31 2023 and December 31 2022 profit and loss statements, are set out below:

<b>The Bank</b>	<b>Supervisory Board and Key Management Personnel</b>			
<b>2023</b>	<b>Shareholders</b>	<b>Subsidiaries</b>	<b>Supervisory Board and Key Management Personnel</b>	<b>Other*</b>
Loans outstanding as at 31 December 2023, net	-	22,238	-	1,729
Interest rate, percent	-	7.00	-	7.66-8.66
Impairment of loans	-	(297)	-	(7)
Term deposits as at 31 December 2023	-	-	160	2 121
Interest rate, percent	-	-	0.85-4.5	0.45-4.25
Current accounts as at 31 December 2023	1,225	438	118	2,975
Bonds issued as at 31 December 2023	100	-	-	-
Interest rate, percent	7.0	-	-	-
Subordinated loans as at 31 December 2023	-	-	-	-
Interest rate, percent	-	-	-	-
For twelve month period as at 31 December 2023				
Interest income on loans	-	1,953	-	77
Interest expense on deposits	-	-	(2)	(27)
Interest expense on bonds	(7)	-	-	-
Interest expense on subordinated loans	(18)	-	-	-
Service fee and commission revenue	-	201	-	9
Service fee and commission expenses	-	-	-	-
<b>The Bank</b>	<b>Supervisory Board and Key Management Personnel</b>			
<b>2022</b>	<b>Shareholders</b>	<b>Subsidiaries</b>	<b>Supervisory Board and Key Management Personnel</b>	<b>Other*</b>
Loans outstanding as at 31 December 2022, net	-	21,377	-	402
Interest rate, percent	-	8.55	-	4.33-5.08
Impairment of loans	-	(268)	-	(3)
Term deposits as at 31 December 2022	-	-	-	1,194
Interest rate, percent	-	-	-	0.05-1.00
Current accounts as at 31 December 2022	2,124	342	186	4,007
Bonds issued as at 31 December 2022	100	-	-	-
Interest rate, percent	7.0	-	-	-
Subordinated loans as at 31 December 2022	1,000	-	-	-
Interest rate, percent	2.0	-	-	-
For twelve month period as at 30 September 2022				
Interest income on loans	-	1,779	1	36
Interest expense on deposits	-	-	-	(4)
Interest expense on bonds	(7)	-	-	-
Interest expense on subordinated loans	(20)	-	-	-
Service fee and commission revenue	-	232	-	8
Service fee and commission expenses	-	-	-	-

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 16 Related party transactions (cont'd)****The Group**

<b>2023</b>	<b>Shareholders</b>	<b>Supervisory Board and Key Management Personnel</b>	<b>Other*</b>
Loans outstanding as at 31 December 2023, net	-	-	1,729
Interest rate, percent	-	-	7.66-8.66
Impairment of loans	-	-	(7)
Term deposits as at 31 December 2023	-	160	2,121
Interest rate, percent	-	0.85-4.5	0.45-4.25
Current accounts as at 31 December 2023	1,225	173	2,920
Bonds issued as at 31 December 2023	100	-	-
Interest rate, percent	7.0	-	-
Subordinated loans as at 31 December 2023	-	-	-
Interest rate, percent	-	-	-
For twelve month period as at 31 December 2023			
Interest income on loans	-	-	77
Interest expense on deposits	-	(2)	(27)
Interest expense on bonds	(7)	-	-
Interest expense on subordinated loans	(18)	-	-
Service fee and commission revenue	-	-	9
Service fee and commission expenses	-	-	-

**The Group**

<b>2022</b>	<b>Shareholders</b>	<b>Supervisory Board and Key Management Personnel</b>	<b>Other*</b>
Loans outstanding as at 31 December 2022, net	-	-	402
Interest rate, percent	-	-	4.33-5.08
Impairment of loans	-	-	(3)
Term deposits as at 31 December 2022	-	-	1,194
Interest rate, percent	-	-	0.05-1.00
Current accounts as at 31 December 2022	2,124	228	3,965
Bonds issued as at 31 December 2022	100	-	-
Interest rate, percent	7.0	-	-
Subordinated loans as at 31 December 2022	1,000	-	-
Interest rate, percent	2.0	-	-
For twelve month period as at 30 September 2022			
Interest income on loans	-	1	36
Interest expense on deposits	-	-	(4)
Interest expense on bonds	(7)	-	-
Interest expense on subordinated loans	(20)	-	-
Service fee and commission revenue	-	-	8
Service fee and commission expenses	-	-	-

\* Other related parties are entities, controlled by the members of the Management of the Group and the Bank or Shareholders of the Bank and other related parties.

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 17 Segment information

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 31 December 2023 and in the Statement of comprehensive income as at 31 December 2023 is presented in the table below:

	31 December 2023				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	2,098	-	(145)	(1,953)	-
External	24,932	3,207	145	-	28,284
<b>Interest income</b>	<b>27,030</b>	<b>3,207</b>	<b>-</b>	<b>(1,953)</b>	<b>28,284</b>
Internal	(2,098)	-	-	2,098	-
External	(5,105)	(187)	-	-	(5,292)
<b>Interest expenses</b>	<b>(7,203)</b>	<b>(187)</b>	<b>-</b>	<b>2,098</b>	<b>(5,292)</b>
Internal	-	-	(145)	145	-
External	19,827	3,020	145	-	22,992
<b>Net interest income</b>	<b>19,827</b>	<b>3,020</b>	<b>-</b>	<b>145</b>	<b>22,992</b>
Internal	-	-	-	-	-
External	4,510	-	-	44	4,554
<b>Net fee and commission income</b>	<b>4,510</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>4,554</b>
Internal	-	-	(145)	145	-
External	24,337	3,020	145	44	27,546
<b>Net interest, fee and commissions income</b>	<b>24,337</b>	<b>3,020</b>	<b>-</b>	<b>189</b>	<b>27,546</b>
Internal	-	-	-	-	-
External	(17,548)	(267)	-	-	(17,815)
<b>Operating expenses</b>	<b>(17,548)</b>	<b>(267)</b>	<b>-</b>	<b>-</b>	<b>(17,815)</b>
Amortisation	(405)	-	-	-	(405)
Depreciation	(982)	-	-	-	(982)
Internal	-	-	-	-	-
External	(764)	-	-	-	(764)
<b>Impairment expenses</b>	<b>(764)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(764)</b>
Internal	-	-	-	-	-
External	2,678	619	19	-	3,316
<b>Net other income</b>	<b>2,678</b>	<b>619</b>	<b>19</b>	<b>-</b>	<b>3,316</b>
<b>Profit (loss) before tax</b>	<b>7,316</b>	<b>3,372</b>	<b>19</b>	<b>189</b>	<b>10,896</b>
Income tax	(2,130)	-	(15)	-	(2,145)
<b>Profit (loss) per segment after tax</b>	<b>5,186</b>	<b>3,372</b>	<b>4</b>	<b>189</b>	<b>8,751</b>
Non-controlling interest	-	-	-	-	-
<b>Profit (loss) for the year attributable to the shareholders of the Bank</b>	<b>5,186</b>	<b>3,372</b>	<b>4</b>	<b>189</b>	<b>8,751</b>
Total segment assets	395,502	188,483	1,992	(37,200)	548,777
Total segment liabilities	511,620	4,537	56	(24,665)	491,548
<b>Net segment assets (shareholders equity)</b>	<b>(116,118)</b>	<b>183,946</b>	<b>1,936</b>	<b>(12,535)</b>	<b>57,229</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 17 Segment information (cont'd)

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 31 December 2022 and in the Statement of comprehensive income as at 31 December 2022 is presented in the table below:

	31 December 2022				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	1,876	-	(97)	(1,779)	-
External	14,552	550	97	-	15,199
<b>Interest income</b>	<b>16,428</b>	<b>550</b>	<b>-</b>	<b>(1,179)</b>	<b>15,199</b>
Internal	(1,876)	-	-	1,876	-
External	(1,687)	(252)	-	-	(1,939)
<b>Interest expenses</b>	<b>(3,563)</b>	<b>(252)</b>	<b>-</b>	<b>1,876</b>	<b>(1,939)</b>
Internal	-	-	(97)	97	-
External	12,865	298	97	-	13,260
<b>Net interest income</b>	<b>12,865</b>	<b>298</b>	<b>-</b>	<b>97</b>	<b>13,260</b>
Internal	-	-	-	-	-
External	4,538	-	-	(20)	4,518
<b>Net fee and commission income</b>	<b>4,538</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>4,518</b>
Internal	-	-	(97)	97	-
External	17,403	298	97	(20)	17,778
<b>Net interest, fee and commissions income</b>	<b>17,403</b>	<b>298</b>	<b>-</b>	<b>77</b>	<b>17,778</b>
Internal	-	-	-	-	-
External	(14,097)	(211)	56	-	(14,252)
<b>Operating expenses</b>	<b>(14,097)</b>	<b>(211)</b>	<b>56</b>	<b>-</b>	<b>(14,252)</b>
Amortisation	(413)	-	-	-	(413)
Depreciation	(953)	-	-	-	(953)
Internal	-	-	-	-	-
External	(443)	-	-	-	(443)
<b>Impairment expenses</b>	<b>(443)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(443)</b>
Internal	-	-	-	-	-
External	3,859	1,062	129	-	5,050
<b>Net other income</b>	<b>3,859</b>	<b>1,062</b>	<b>129</b>	<b>-</b>	<b>5,050</b>
<b>Profit (loss) before tax</b>	<b>5,356</b>	<b>1,149</b>	<b>185</b>	<b>77</b>	<b>6,767</b>
Income tax	(1,313)	-	-	-	(1,313)
<b>Profit (loss) per segment after tax</b>	<b>4,043</b>	<b>1,149</b>	<b>185</b>	<b>77</b>	<b>5,454</b>
Non-controlling interest	-	-	-	-	-
<b>Profit (loss) for the year attributable to the shareholders of the Bank</b>	<b>4,043</b>	<b>1,149</b>	<b>185</b>	<b>77</b>	<b>5,454</b>
Total segment assets	302,337	140,762	1,896	(33,291)	411,704
Total segment liabilities	380,356	6,937	41	(23,689)	363,645
<b>Net segment assets (shareholders equity)</b>	<b>(78,019)</b>	<b>133,825</b>	<b>1,855</b>	<b>(9,602)</b>	<b>48,059</b>

#### Distribution of the Group's assets and revenues by geographical segments

All the Group's long-term assets, except financial assets, are in Lithuania. The Group did not earn revenue in other countries.

# UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

## SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

### Note 18 Risk management

#### Credit risk

Credit risk is the risk that the Group and the Bank will incur loss because their customers or counterparties failed to discharge their contractual obligations. The Group and the Bank manage and control credit risk by setting limits on the amount of risk they are willing to accept for individual counterparties and for industry concentrations, and by monitoring exposures in relation to such limits. The Group and the Bank have established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revision. The credit quality review process allows the Group and the Bank to assess the potential loss to which it is exposed and to take corrective action. The Bank makes available to its customers guarantees which may require that the Bank makes payments on their behalf. They expose the Bank to similar risks as loans and these are mitigated by the same control processes and policies. In cases, when cash flows of nonperforming loans are based on expected cash flows to be recovered from sale of collateral, value of the collateral is an important estimate in calculating impairment losses for loans and receivables.

The Bank and the Group have to comply with the limit to large exposures (maximum exposure to single customer) set in Regulation (EU) No 575/2013 of the European Parliament and of the Council. Exposure to a customer or group of connected customers cannot exceed 25 percent of the Bank's and Group's eligible capital. According to Regulation (EU) No 876/2019, effective since 28 June 2021, the maximum exposure ratio is calculated based on Tier 1 capital.

Compliance to this requirement is disclosed in the table below:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
10,367	8,035	Maximum exposure to a single customer or group of connected customers	10,367	8,035
53,195	44,471	Eligible capital	53,850	45,130
<b>19.49</b>	<b>18.07</b>	<b>Maximum exposure ratio, percent</b>	<b>19.25</b>	<b>17.80</b>

#### Maximum exposure to credit risk without taking into account any collateral and other credit enhancement

The table below shows the maximum exposure to credit risk. The maximum exposure is shown in net value, before the effect of collateral agreements.

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
		<b>Statement of financial position items, other than trading and investment activities</b>		
117,990	48,067	Balances with the Bank of Lithuania Due from banks	117,990	48,067
14,541	11,156		14,538	11,143
304,329	241,543	Loans to customers	292,128	232,577
25,257	22,194	Finance lease	25,257	22,194
<b>462,117</b>	<b>322,960</b>		<b>449,913</b>	<b>313,981</b>
		<b>Off balance sheet items</b>		
2,292	2,231	Guarantees	2,292	2,231
24,121	12,706	Loan commitments	28,167	17,644
<b>488,530</b>	<b>337,897</b>	<b>Total balance and off balance sheet items, other than trading and investment activities</b>	<b>480,372</b>	<b>333,856</b>
		<b>Trading and investment activities</b>		
		Financial assets at fair value through profit or loss		
9	54	Derivative financial instruments	9	54
		- Held-to-maturity investments		-
55,952	59,218	Debt securities	55,952	59,218
<b>55,961</b>	<b>59,272</b>	<b>Total trading and investment activities</b>	<b>55,961</b>	<b>59,272</b>
<b>544,491</b>	<b>397,169</b>	<b>Total credit exposure</b>	<b>536,333</b>	<b>393,128</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 18 Risk management (cont'd)

Credit risk (cont'd)

Tables below present the breakdown of trading and investment activities by type and grade:

	The Bank (Group)	
	31 December 2023	31 December 2022
Government bonds	55,952	59,218
Derivatives	9	54
<b>Total</b>	<b>55,961</b>	<b>59,272</b>

Bonds exposure by rating grade	The Bank (Group)	
	31 December 2023	31 December 2022
High grade (AAA-A)	47,060	46,077
Standard grade (B-BBB+)	8,892	13,141
Not rated	-	-
<b>Total</b>	<b>55,952</b>	<b>59,218</b>

Debt securities are held-to-maturity and are measured at amortised cost. The Group and the Bank have no impaired or overdue amounts within investment activities.

The Group and the Bank assigned to the high rating class debt securities, whose issuers combined credit rating, according to the assessments of recognized international rating agencies (Moody's, Standard&Poor's or Fitch Ratings), is from „AAA“ to „A“, when bonds with issuer's ratings from „BBB“ to „B“ are assigned to the standard rating class.

#### Credit risk assessment

When evaluating financial instruments, the Group and the Bank apply specific valuation criteria and procedures on the clients. Due to the change in credit risk since initial recognition loans are divided into three stages:

- Stage 1 – all performing loans, unless there has been a significant increase in credit risk since the initial recognition, and it's expected that the borrower has strong capacity to meet contractual future cash flows.
- Stage 2 – loans when there has been a significant increase in credit risk since initial recognition.
- Stage 3 – all defaulted loans with recognized loss events and POCI (purchased or originated credit-impaired) assets.

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Credit risk (cont'd)

<b>The Bank</b>	<b>Not overdue</b>	<b>1 to 59 days</b>	<b>60 to 89 days</b>	<b>More than 90 days</b>	<b>Total</b>
<b>31 December 2023</b>					
<b>Stage 1</b>					
Loans and receivables	262,878	3,091	-	-	<b>265,969</b>
Placements with LB and other banks	132,528	-	-	-	<b>132,528</b>
Debt securities	55,952	-	-	-	<b>55,952</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>451,358</b>	<b>3,091</b>	-	-	<b>454,449</b>
	,	,	,	,	,
<b>Stage 2</b>					
Loans and receivables	41,970	1,661	81	-	<b>43,712</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>41,970</b>	<b>1,661</b>	<b>81</b>	-	<b>43,712</b>
	,	,	,	,	,
<b>Stage 3</b>					
Loans and receivables	6,807	436	0	461	<b>7,704</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>6,807</b>	<b>436</b>	<b>0</b>	<b>461</b>	<b>7,704</b>
	,	,	,	,	,
<b>Total</b>	<b>500,135</b>	<b>5,188</b>	<b>81</b>	<b>461</b>	<b>505,865</b>



**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Credit risk (cont'd)

Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

<b>The Bank</b>	<b>Not overdue</b>	<b>1 to 59 days</b>	<b>60 to 89 days</b>	<b>More than 90 days</b>	<b>Total</b>
<b>31 December 2022</b>					
<b>Stage 1</b>					
Loans and receivables	201,310	1,160	-	-	<b>202,470</b>
Placements with LB and other banks	59,210	-	-	-	<b>59,210</b>
Debt securities	59,218	-	-	-	<b>59,218</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>319,738</b>	<b>1,160</b>	<b>-</b>	<b>-</b>	<b>320,898</b>
<b>Stage 2</b>					
Loans and receivables	48,603	745	-	-	<b>49,348</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>4,603</b>	<b>745</b>	<b>-</b>	<b>-</b>	<b>49,348</b>
<b>Stage 3</b>					
Loans and receivables	2,301	324	200	128	<b>2,953</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>2,301</b>	<b>324</b>	<b>200</b>	<b>128</b>	<b>2,953</b>
<b>Total</b>	<b>370,642</b>	<b>2,229</b>	<b>200</b>	<b>128</b>	<b>373,199</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Credit risk (cont'd)

Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

<b>The Group</b>	<b>Not overdue</b>	<b>1 to 59 days</b>	<b>60 to 89 days</b>	<b>More than 90 days</b>	<b>Total</b>
<b>31 December 2023</b>					
<b>Stage 1</b>					
Loans and receivables	271,087	3,651	-	-	<b>274,738</b>
Placements with LB and other banks	132,531	-	-	-	<b>132,531</b>
Debt securities	55,952	-	-	-	<b>55,952</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>459,570</b>	<b>3,651</b>	<b>-</b>	<b>-</b>	<b>463,221</b>
	,	,	,	,	,
<b>Stage 2</b>					
Loans and receivables	44,211	2,577	148	-	<b>46,936</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>44,211</b>	<b>2,577</b>	<b>148</b>	<b>-</b>	<b>46,936</b>
	,	,	,	,	,
<b>Stage 3</b>					
Loans and receivables	6,845	492	24	551	<b>7,912</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>6,845</b>	<b>492</b>	<b>24</b>	<b>551</b>	<b>7,912</b>
	,	,	,	,	,
<b>Total</b>	<b>510,626</b>	<b>6,720</b>	<b>172</b>	<b>551</b>	<b>518,069</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Credit risk (cont'd)

Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

<b>The Group</b>	<b>Not overdue</b>	<b>1 to 59 days</b>	<b>60 to 89 days</b>	<b>More than 90 days</b>	<b>Total</b>
<b>31 December 2022</b>					
<b>Stage 1</b>					
Loans and receivables	208,125	1,758	-	-	<b>209,883</b>
Placements with LB and other banks	59,223	-	-	-	<b>59,223</b>
Debt securities	59,218	-	-	-	<b>59,218</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>326,566</b>	<b>1,758</b>	<b>-</b>	<b>-</b>	<b>328,324</b>
<b>Stage 2</b>					
Loans and receivables	49,293	1,411	40	-	<b>50,744</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>49,293</b>	<b>1,411</b>	<b>40</b>	<b>-</b>	<b>50,744</b>
<b>Stage 3</b>					
Loans and receivables	2,322	341	226	221	<b>3,110</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>2,322</b>	<b>341</b>	<b>226</b>	<b>221</b>	<b>3,110</b>
<b>Total</b>	<b>378,181</b>	<b>3,510</b>	<b>266</b>	<b>221</b>	<b>382,178</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 18 Risk management (cont'd)

Breakdown of impairment for financial instruments by stages:

	31 December 2023					31 December 2022				
	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
<b>The Bank</b>										
<b>Stage 1</b>	<b>1,304</b>	-	<b>201</b>	<b>10</b>	<b>1,515</b>	<b>1,067</b>	-	<b>125</b>	<b>8</b>	<b>1,200</b>
Loans and receivables	1,255	-	201	10	1,466	1,020	-	125	8	1,153
Placements with LB and other banks	15	-	-	-	15	11	-	-	-	11
Debt securities	34	-	-	-	34	36	-	-	-	36
<b>Stage 2</b>	<b>703</b>	-	<b>7</b>	-	<b>710</b>	<b>851</b>	-	-	-	<b>851</b>
Loans and receivables	703	-	7	-	710	851	-	-	-	851
<b>Stage 3</b>	-	<b>1,312</b>	-	-	<b>1,312</b>	-	<b>1,182</b>	-	-	<b>1,182</b>
Loans and receivables	-	1,312	-	-	1,312	-	1,182	-	-	1,182
<b>Total</b>	<b>2,007</b>	<b>1,312</b>	<b>208</b>	<b>10</b>	<b>3,537</b>	<b>1,918</b>	<b>1,182</b>	<b>125</b>	<b>8</b>	<b>3,233</b>
<b>The Group</b>										
<b>Stage 1</b>	<b>1,525</b>	-	<b>147</b>	<b>10</b>	<b>1,682</b>	<b>1,288</b>	-	<b>63</b>	<b>8</b>	<b>1,359</b>
Loans and receivables	1,475	-	147	10	1,632	1,241	-	63	8	1,312
Placements with LB and other banks	16	-	-	-	16	11	-	-	-	11
Debt securities	34	-	-	-	34	36	-	-	-	36
<b>Stage 2</b>	<b>1,031</b>	-	<b>7</b>	-	<b>1,038</b>	<b>970</b>	-	-	-	<b>970</b>
Loans and receivables	1,031	-	7	-	1,038	970	-	-	-	970
<b>Stage 3</b>	-	<b>1,716</b>	-	-	<b>1,716</b>	-	<b>1,409</b>	-	-	<b>1,409</b>
Loans and receivables	-	1,716	-	-	1,716	-	1,409	-	-	1,409
<b>Total</b>	<b>2,556</b>	<b>1,716</b>	<b>154</b>	<b>10</b>	<b>4,436</b>	<b>2,258</b>	<b>1,409</b>	<b>63</b>	<b>8</b>	<b>3,738</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 18 Risk management (cont'd)

Change of impairment during reporting period

The Group					The Bank					
Collective impairment	Individual impairment	Credit commitments	Guarantees	Total		Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
<b>31 December 2023</b>										
<b>237</b>	<b>-</b>	<b>84</b>	<b>2</b>	<b>323</b>	<b>Stage 1</b>	<b>238</b>	<b>-</b>	<b>77</b>	<b>2</b>	<b>317</b>
234	-	84	2	320	Loans and receivables	235	-	77	2	314
5	-	-	-	5	Placements with LB and other banks	5	-	-	-	5
(2)	-	-	-	(2)	Debt securities	(2)	-	-	-	(2)
<b>62</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>69</b>	<b>Stage 2</b>	<b>(148)</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>(141)</b>
62	-	7	-	69	Loans and receivables	(148)	-	7	-	(141)
<b>-</b>	<b>307</b>	<b>-</b>	<b>-</b>	<b>307</b>	<b>Stage 3</b>	<b>-</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>130</b>
-	307	-	-	307	Loans and receivables	-	130	-	-	130
-	-	-	-	-	Other financial assets	-	-	-	-	-
<b>299</b>	<b>307</b>	<b>91</b>	<b>2</b>	<b>699</b>	<b>Total</b>	<b>90</b>	<b>130</b>	<b>84</b>	<b>2</b>	<b>306</b>
-	68	-	-	68	Write-offs	-	64	-	-	64
-	(4)	-	-	(4)	Income on loans written off in earlier periods	-	(4)	-	-	(4)
<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>764</b>	<b>Total change of impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>366</b>

The credit risk assessment of individual clients, in order to determine their dependence on war-affected countries and the impact on credit risk, did not show increased credit risk. In 2023, enhanced monitoring is applied to the clients included in the list of monitored clients.

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 18 Risk management (cont'd)

##### Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments associated with financial instruments as they actually fall due. In order to manage liquidity risk, the Group and the Bank perform daily monitoring of future expected cash flows on clients' and banking operations, which is a part of assets/liabilities management process. The Board of Directors sets limits on the minimum level of assets of different level of liquidity that should be in place to cover withdrawals at unexpected levels of demand.

The Bank and the Group is required to satisfy the minimum requirement of liquidity coverage ratio according to Regulation (EU) No 575/2013 of the European Parliament and of the Council. Liquidity coverage ratio (LCR) refers to highly liquid assets held by the Bank or the Group in order to meet short-term obligations. The Bank or the Group is required to hold an amount of highly-liquid assets, such as cash, funds in Central bank, highly rated treasury bonds and other liquid financial instruments, equal to or greater than net cash outflow over a 30-day period, i.e. liquidity coverage ratio cannot be lower than 100 percent. Liquidity coverage ratios of the Bank and the Group are as follows:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
183,643	125,833	Liquid assets	183,643	125,833
39,144	30,060	Short-term (up to 30 days) obligations	41,146	32,316
<b>469</b>	<b>419</b>	<b>LCR, percent</b>	<b>446</b>	<b>389</b>

Furthermore, according to the Regulation (EU) No 2019/876 of the European Parliament and of the Council, the net stable funding ratio should be at least of 100% starting from 28 June 2021. Net stable funding ratios of the Bank and the Group are as follows:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
480,252	362,288	Available stable funding	480,608	362,791
287,160	223,162	Required stable funding	283,449	229,968
<b>167</b>	<b>162</b>	<b>NSFR, percent</b>	<b>170</b>	<b>158</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Liquidity risk (cont'd)

The following tables provide an analysis of carrying amounts of all assets and all liabilities grouped on the basis of the remaining period from the date of the statement of financial position to the contractual maturity date:

<b>The Bank</b>	<b>31 December 2023</b>							<b>Total</b>
	<b>On demand</b>	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 3 years</b>	<b>Over 3 years</b>	<b>Without maturity</b>	
Assets	36,745	127,646	15,611	63,700	108,304	172,796	23,268	<b>548,070</b>
Liabilities	164,133	20,550	32,441	180,887	64,566	28,464	296	<b>491,337</b>
<b>Net gap</b>	<b>(127,388)</b>	<b>107,096</b>	<b>(16,830)</b>	<b>(117,187)</b>	<b>43,738</b>	<b>144,332</b>	<b>22,972</b>	<b>56,733</b>
Credit commitments	-	28,167	-	-	-	-	-	<b>28,167</b>

	<b>31 December 2022</b>							<b>Total</b>
	<b>On demand</b>	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 months to 1 year</b>	<b>1 to 3 years</b>	<b>Over 3 years</b>	<b>Without maturity</b>	
Assets	38,739	46,018	12,465	57,207	120,599	119,225	17,268	<b>411,521</b>
Liabilities	185,251	16,323	17,399	66,296	48,102	29,872	203	<b>363,446</b>
<b>Net gap</b>	<b>(146,512)</b>	<b>29,695</b>	<b>(4,934)</b>	<b>(9,089)</b>	<b>72,497</b>	<b>89,353</b>	<b>17,065</b>	<b>48,075</b>
Credit commitments	-	17,644	-	-	-	-	-	<b>17,644</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Liquidity risk (cont'd)

The Group	31 December 2023							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Without maturity	
Assets	36,748	128,310	16,938	47,401	121,657	185,833	11,890	<b>548,777</b>
Liabilities	163,695	21,136	32,441	180,887	64,566	28,464	359	<b>491,548</b>
<b>Net gap</b>	<b>(126,947)</b>	<b>107,174</b>	<b>(15,503)</b>	<b>(133,486)</b>	<b>57,091</b>	<b>157,369</b>	<b>11,531</b>	<b>57,229</b>
Credit commitments	-	24,121	-	-	-	-	-	<b>24,121</b>

The Group	31 December 2022							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Without maturity	
Assets	38,752	46,516	13,563	61,961	110,489	131,835	8,588	<b>411,704</b>
Liabilities	184,909	16,859	17,399	66,296	48,102	29,872	208	<b>363,645</b>
<b>Net gap</b>	<b>(146,157)</b>	<b>29,657</b>	<b>(3,836)</b>	<b>(4,335)</b>	<b>62,387</b>	<b>101,963</b>	<b>8,380</b>	<b>48,059</b>
Credit commitments	-	12,706	-	-	-	-	-	<b>12,706</b>

Overdue loans are disclosed under column "Without maturity".

**Market risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables, such as interest rates, foreign exchange rates and equity prices. The market risk is managed and controlled by continuous market monitoring and analysis of forecasted market changes.

**Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board has established internal limits, monitors compliance with the required limits are monitored at the intervals set by the Bank. Interest rate risk is managed by forecasting the market interest rates and managing the mismatches between assets and liabilities from re-pricing maturities. The Group and the Bank apply the interest rate risk management methods allowing to measure the Bank's and the Group's sensitivity to interest rate changes by computing the impact to yearly net interest income in case of parallel shift in the yield curve.

The table below summarises the Group's and the Bank's exposure to interest rate risk as of 31 December 2023 and 31 December 2022. The table below includes the Group's and the Bank's assets and liabilities at carrying amounts, classified by the earlier of contractual re-pricing or maturity dates.



**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Interest rate risk (cont'd)

<b>The Bank</b>	<b>31 December 2023</b>						<b>Total</b>
	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>Over 3 years</b>	
<b>Assets:</b>							
Sensitive assets to interest rate fluctuation	68,121	96,094	145,747	13,938	33,533	4,557	361,990
Non-sensitive assets to interest rate fluctuation							186,080
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	12,590	32,322	52,064	126,380	66,683	29,792	319,831
Non-sensitive liabilities and equity to interest rate fluctuation							228,239
<b>Interest sensitivity gap</b>	<b>55,531</b>	<b>63,772</b>	<b>93,683</b>	<b>(112,442)</b>	<b>(33,150)</b>	<b>(25,235)</b>	<b>-</b>

<b>The Bank</b>	<b>31 December 2022</b>						<b>Total</b>
	<b>Less than 1 month</b>	<b>1 to 3 months</b>	<b>3 to 6 months</b>	<b>6 months to 1 year</b>	<b>1 to 3 years</b>	<b>Over 3 years</b>	
<b>Assets:</b>							
Sensitive assets to interest rate fluctuation	57,557	101,573	106,570	15,532	31,035	1,522	313,789
Non-sensitive assets to interest rate fluctuation							97,732
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	10,315	18,126	20,573	43,685	49,615	30,497	172,811
Non-sensitive liabilities and equity to interest rate fluctuation							238,710
<b>Interest sensitivity gap</b>	<b>47,242</b>	<b>83,447</b>	<b>85,997</b>	<b>(28,153)</b>	<b>(18,580)</b>	<b>(28,975)</b>	<b>-</b>

**UAB URBO BANKAS**

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 18 Risk management (cont'd)**

Interest rate risk (cont'd)

The Group	31 December 2023						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
<b>Assets:</b>							
Sensitive assets to interest rate fluctuation	68,922	97,419	125,317	17,773	46,886	17,594	373,911
Non-sensitive assets to interest rate fluctuation							174,866
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	12,590	32,322	52,064	126,380	66,683	29,792	319,831
Non-sensitive liabilities and equity to interest rate fluctuation							228,946
<b>Interest sensitivity gap</b>	<b>56,332</b>	<b>65,097</b>	<b>73,253</b>	<b>(108,607)</b>	<b>(19,797)</b>	<b>(12,198)</b>	<b>-</b>

Interest rate risk (cont'd)

The Group	31 December 2022						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
<b>Assets:</b>							
Sensitive assets to interest rate fluctuation	58,213	81,169	108,182	18,666	42,154	14,132	322,516
Non-sensitive assets to interest rate fluctuation							89,188
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	10,315	18,126	20,573	43,685	49,615	30,497	172,811
Non-sensitive liabilities and equity to interest rate fluctuation							238,893
<b>Interest sensitivity gap</b>	<b>47,898</b>	<b>63,043</b>	<b>87,609</b>	<b>(25,019)</b>	<b>(7,461)</b>	<b>(16,365)</b>	<b>-</b>

## UAB URBO BANKAS

Legal entity code 112027077, Konstitucijos Ave. 18B, LT-09308 Vilnius

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 18 Risk management (cont'd)

##### Currency risk

Currency risk is managed by controlling the risk limits set for a separate currency position. The position is monitored daily. The Bank's policy is to keep the open currency position as low as possible..

The Group and the Bank are exposed to effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. The Board of Directors sets limits on the level of exposure by currencies, by branches, by subsidiaries and in total. These limits also comply with the minimum requirements of the Bank of Lithuania. The Bank's and the Group's exposure to foreign currency exchange rate risk is as follows:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
349	151	Long positions	349	151
(209)	(331)	Short positions	(209)	(331)
53,899	45,800	Eligible capital	54,554	46 459
<b>0.65</b>	<b>0.72</b>	<b>Overall net currency position, percent</b>	<b>0.64</b>	<b>0.71</b>

The impact of changes in currency rates calculated on linear basis is presented below:

	31 December 2023	31 December 2022
Increase in FX rates by 10 percent	14	18
Decrease in FX rates by 10 percent	(14)	(18)

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#### Note 19 Capital

The Group's and the Bank's capital management procedures are based on the regulatory capital requirements contained in the Capital Requirements Directive (CRD) and in the Capital Requirements Regulation (CRR) No. 575/2013. According to these requirements, there is a need to meet additional capital buffer requirements:

- accumulate addition conservation buffer reserve, which is equal to 2.5 percent from generally evaluated risk amount;
- as of 30 June 2023, requirement for sectoral systemic risk reserve was introduced. The amount of sectoral systemic risk reserve is 2 percent of risk-weighted retail exposures to natural persons, which are secured by residential real estate in the Republic of Lithuania;
- as of 1 October 2023, countercyclical capital buffer rate was set at 1 percent for Lithuania exposures.

On 15 March 2022, based on 2021 Supervisory Review and Evaluation Process (SREP), the Board of the Bank of Lithuania set an additional own funds requirement (Pillar II) of 1.7 percent.

Taking into consideration Regulation (EU) No. 575/2013 of the European Parliament and of the Council and capital adequacy requirements, the Bank's and the Group's total capital adequacy ratio should not be less than 13.34 percent. The Group and the Bank capital adequacy ratio exceeded the required minimum.

As per the European Banking Authority 's (EBA) recommendation, the 3 percent leverage ratio requirement has become binding from 28 June 2021. As of 31 December 2023, the Bank 's leverage ratio of 9.31 percent (the Group – 9.25 percent) exceeded the minimum requirement.

After permission issued by the Bank of Lithuania, part of 9 months financial profit (6,624 million EUR) was included in 31 December 2023 Common Equity Tier 1.

Capital adequacy ratio calculation summary is presented in the table below, percent:

	The Bank		The Group	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Capital adequacy ratio, percent	19.81	20.73	19.50	20.27

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#### Note 20 Quality of financial assets, profitability rates and other information

Financial assets quality indicators as at 31 December 2023 are provided in the table below:

The Group			The Bank	
Provisions (EUR) thousands	Provisions to financial assets ratio (percent)		Provisions (EUR) thousands	Provisions to financial assets ratio (percent)
3,362	1.19	Loans to customers	2,709	0.92
562	2.18	Finance lease	562	2.18
34	0.06	Debt securities	34	0.06
14	0.10	Placements with banks	14	0.10
<b>4,272</b>	<b>1.05</b>	<b>Total:</b>	<b>3,319</b>	<b>0.84</b>

Financial assets quality indicators as at 31 December 2022:

The Group			The Bank	
Provisions (EUR) thousands	Provisions to financial assets ratio (percent)		Provisions (EUR) thousands	Provisions to financial assets ratio (percent)
3,092	1.16	Loans to customers	2,525	0.98
528	2.32	Finance lease	528	2.32
36	0.06	Debt securities	36	0.06
11	0.10	Placements with banks	11	0.10
<b>3,667</b>	<b>1.01</b>	<b>Total:</b>	<b>3,100</b>	<b>0.88</b>

Main profitability rates of the Bank and Group are provided in the table below, percent:

The Group			The Bank	
31 December 2023	31 December 2022		31 December 2023	31 December 2022
1.87	1.34	Return on assets (ROA)	1.75	1.28
16.58	12.12	Return on equity (ROE)	15.47	11.62

#### Action applied to the Bank

During the 2023, no enforcement measures or actions were applied.

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#### Note 21 Events after the reporting date

##### Sale of buildings

The Bank sold its branch building in Kaunas, Donelaičio str. With consultations by the real estate service company „Colliers International Advisors“, purchase/sale agreement has been concluded in 9 January 2024.

The Bank also sold its long-standing headquarters in Vilnius, Pamėnkalnio str. With consultations by the real estate service company „NewSec Advisors“, more than 2 thousand square meter having building sale agreement has been concluded on 29 January 2024. The building will be handed over to the buyer after the closing conditions are met.

At the beginning of 2024, Urbo bank and Vilnius customer service office will move to the Artery business center on Konstitucijos Ave.

##### Change of Bank name and registered office address

Medicinos Bank, which has been operating for more than 30 years, changed its name and became Urbo Bank as of 1 February 2024. The official registered address of the Bank's headquarters also has changed from Pamėnkalnio str. 40 to Konstitucijos Ave. 18B, Vilnius.

There were no material subsequent events after the end of the fourth quarter of year 2023 that would require adjustment of or disclosure in the financial statements of the Group and the Bank.

#### CONFIRMATION OF RESPONSIBLE PERSONS

We, the Chairman of the Board and Head of Administration Marius Arlauskas and the Director of Accounting and Reporting Department and Chief Accountant Lina Bertašienė confirm that, to our knowledge, the financial statements for the 12 months period ended 31 December 2023 have been prepared in accordance with the applicable accounting standards, correspond to reality and fairly shows the total assets and liabilities, and financial results and cash flows of UAB Urbo bankas and its subsidiaries.

Chairman of the Board and Head of  
Administration

M. Arlauskas



Director of Accounting and Reporting  
Department, Chief Accountant

L. Bertašienė

