

UAB MEDICINOS BANKAS

**UNAUDITED BANKS'S SEPARATE AND CONSOLIDATED FINANCIAL
STATEMENTS AS OF 31 December, 2017**

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 December 2017
(All amounts in EUR thousand unless otherwise stated)

BALANCE SHEET

The Group		Assets	The Bank	
31.12.2017	31.12.2016		31.12.2017	31.12.2016
		Cash and due from central bank		
24,478	21,588	<i>Cash</i>	24,478	21,588
29,042	21,058	<i>Placements with the central bank</i>	29,042	21,058
53,520	42,646		53,520	42,646
11,539	11,983	Placements with banks	11,496	11,982
		Financial assets at fair value through profit or loss		
7	30	<i>Financial derivatives</i>	7	30
-	7,763	<i>Debt securities</i>	-	7,763
-	-	<i>Equity securities</i>	-	-
7	7,793		7	7,793
		Available-for-sale financial assets		
-	-	<i>Debt securities</i>	-	-
-	-	<i>Equity securities</i>	-	-
-	-		-	-
-	-	Assets held for sale	-	-
39,860	33,660	Held-to-maturity investments	39,860	33,660
		Loans and receivables (including finance lease receivable)		
151,839	135,019	<i>Loans</i>	151,615	133,967
11,839	10,572	<i>Finance lease receivable</i>	11,839	10,572
163,678	145,591		163,454	144,539
-	-	Investments in subsidiaries	6,439	14,494
6,213	8,354	Investment properties	1,370	913
5,343	4,389	Property and equipment	5,338	4,389
264	383	Intangible assets	243	383
		Tax assets		
15	-	<i>Current taxes</i>	15	-
1,897	1,897	<i>Deferred taxes</i>	1,897	1,897
1,912	1,897		1,912	1,897
2,849	2,572	Other assets	2,529	2,401
285,185	259,268	Total assets	286,168	265,097

(Continued on the next page)

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 December 2017
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BALANCE SHEET (CONT'D)

The Group		Liabilities and shareholders' equity	The Bank	
31.12.2017	31.12.2016		31.12.2017	31.12.2016
		Liabilities		
31	19	Due to derivative financial instruments	31	19
3,600	4,435	Due to banks and other credit institutions	3,600	4,435
251,855	226,809	Due to customers	252,920	232,702
-	-	Debt securities issued	-	-
-	-	Finance lease liabilities	-	-
-	-	Paid in but not registered capital	-	-
1,000	1,000	Subordinated loans	1,000	1,000
		Tax liabilities		
-	21	<i>Current taxes</i>	-	21
-	-	<i>Deferred taxes</i>	-	-
-	21		-	21
1,258	1,169	Other liabilities	1,152	1,103
-	-	Provisions	-	-
257,744	233,453	Total liabilities	258,703	239,280
		Shareholders' equity		
19,948	19,948	Issued capital	19,948	19,948
6,326	5,243	Reserve capital and legal reserve	6,326	5,243
828	281	Retained earnings	852	283
339	343	Revaluation reserve of property and equipment	339	343
-	-	Revaluation reserve of financial assets	-	-
27,441	25,815	Total shareholders' equity	27,465	25,817
285,185	259,268	Total liabilities and shareholders' equity	286,168	265,097

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(All amounts in EUR thousand unless otherwise stated)

INCOME STATEMENT

The Group			The Bank	
31.12.2017	31.12.2016		31.12.2017	31.12.2016
8,224	7,652	Interest revenue	8,161	7,642
(1,558)	(1,603)	Interest expenses	(1,558)	(1,603)
6,666	6,049	Net interest income	6,603	6,039
3,742	3,293	Service fee and commission revenue	3,746	3,293
(450)	(524)	Service fee and commission expenses	(435)	(524)
3,292	2,769	Net service fee and commission income	3,311	2,769
-	-	Dividend revenue	-	-
-	-	Net income on equity securities trading	(29)	-
9	602	Net income on securities trading	9	602
3,822	3,180	Net foreign exchange gain	3,822	3,180
100	226	Net result of derivative financial instruments transactions	100	226
-	-	Impairment of investments into subsidiaries	(1,140)	(1,611)
(974)	(1,216)	Net result on operations on investment property	(56)	(153)
333	372	Other income	186	353
13,248	11,982	Total operating income	12,806	11,405
(233)	(1,817)	Impairment of loans and other financial assets ("+" reversal of impairment)	(186)	(1,548)
-	-	Provision expenses	-	-
13,015	10,165	Operating income after impairment and provision expenses	12,620	9,857
(6,777)	(6,292)	Salaries and benefits	(6,618)	(6,189)
(382)	(312)	Depreciation	(382)	(312)
(200)	(184)	Amortisation	(190)	(184)
(4,023)	(3,120)	Other operating expenses	(3,776)	(2,912)
(11,382)	(9,908)	Total operating expenses	(10,966)	(9,597)
1,633	257	Profit (loss)	1,654	260
(7)	263	Income tax expense	(7)	263
1,626	520	Operating profit (loss)	1,647	523
		Basic and diluted earnings per share (in EUR)		

Assets Quality and Other Information

Provisions for the Loan Portfolio (including financial lease)	
Provisions for loans (EUR thousands)	5,706
Provisions to loans portfolio ratio (%)	3.37

Compliance with the Regulatory Requirements

Ratio	Actual proportion
Own funds requirements:	
- common equity Tier 1 capital ratio (%)	13.91
- Tier 1 capital adequacy ratio (%)	13.91
- total capital ratio (%)	14.59
Liquidity requirements - the value of the liquidity coverage ratio (LCR) (%)	772.53
Maximum exposure to a single borrower (the highest position) (%)	22.57

Measures of Effect Applied to the Bank

During the fourth quarter 2017 any measures of effect were not applied to the Medicinos bankas.

Main Profitability Showings	
Return on assets (%)	0.61
Return on equity (%)	6.03