

UAB MEDICINOS BANKAS

BANK'S SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED
FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30ST JUNE
2022 PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONTENTS OF FINANCIAL STATEMENTS

CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS	5
CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS FOR QUARTER	6
CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	7
CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER	8
CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	9
CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS	11
Note 1 Background information	13
Note 2 Basis of preparation and significant accounting policies	14
Note 3 Placements with banks and other credit institutions	15
Note 4 Debt securities	15
Note 5 Loans and receivables	15
Note 6 Investment in subsidiaries	16
Note 7 Amounts due to customers	16
Note 8 Subordinated loans and issued debt securities (the Bank)	16
Note 9 Other liabilities	17
Note 10 Shareholders' equity	17
Note 11 Net interest income	18
Note 12 Net service fee and commission income	18
Note 13 Net foreign exchange gain	19
Note 14 Operating expenses	19
Note 15 Cash and cash equivalents	20
Note 16 Fair values of financial instruments	20
Note 17 Related party transactions	25
Note 18 Segment information	27
Note 19 Risk management	29
Note 20 Capital	43
Note 21 Quality of financial assets, profitability rates and other information	44
Note 22 Events after the reporting date	45
CONFIRMATION OF RESPONSIBLE PERSONS	45

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The Group				The Bank	
30 June 2022	31 December 2021	Assets	Notes	30 June 2022	31 December 2021
		Cash and due from central bank			
24,681	30,803	<i>Cash</i>		24,681	30,803
51,354	78,962	<i>Placements with the central bank</i>		51,354	78,962
<u>76,035</u>	<u>109,765</u>			<u>76,035</u>	<u>109,765</u>
11,082	12,809	Placements with banks and other credit institutions	3	11,077	12,537
		Financial assets at fair value through profit or loss			
22	-	<i>Derivative financial instruments</i>		22	-
<u>22</u>	<u>-</u>			<u>22</u>	<u>-</u>
58,856	59,177	Debt securities	4	58,856	59,177
		Loans and receivables	5		
232,703	203,359	<i>Loans to customers</i>		224,874	196,036
15,799	14,516	<i>Finance lease receivable</i>		15,799	14,516
<u>248,502</u>	<u>217,875</u>			<u>240,673</u>	<u>210,552</u>
-	-	Investments in subsidiaries	6	8,342	8,342
27	27	Other equity instruments		27	27
247	234	Investment property		245	232
5,956	6,097	Property and equipment		5,953	6,093
787	740	Intangible assets		774	720
		Tax assets			
139	-	<i>Current taxes</i>		139	-
6	156	<i>Deferred taxes</i>		6	156
<u>145</u>	<u>156</u>			<u>145</u>	<u>156</u>
1,482	1,073	Other assets		1,119	849
<u>403,141</u>	<u>407,953</u>	Total assets		<u>403,268</u>	<u>408,450</u>

(continued on the next page)

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

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

30 June 2022	31 December 2021	Liabilities and shareholders' equity	Notes	The Bank	
				30 June 2022	31 December 2021
		Liabilities			
175	101	Due to banks and other credit institutions		175	101
28	87	Derivative financial instruments		28	87
344,000	355,454	Due to customers	7	344,325	355,985
1,000	1,000	Subordinated loans	8	1,000	1,000
2,226	2,218	Debt securities issued	8	2,226	2,218
117	57	Impairment		126	108
231	163	Tax liabilities		208	163
-	-	Current taxes		-	-
231	163	Deferred taxes		208	163
10,912	6,269	Other liabilities	9	10,505	5,942
358,689	365,349	Total liabilities		358,593	365,604
		Shareholders' equity			
19,948	19,948	Share capital	10	19,948	19,948
12,693	11,429	Retained earnings		12,935	11,690
322	322	Revaluation reserve of property and equipment		322	322
11,489	10,905	Other reserves	10	11,470	10,886
44,452	42,604	Total shareholders' equity		44,675	42,846
403,141	407,953	Total liabilities and shareholders' equity		403,268	408,450

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

Acting Chairman of the Board and Chief Executive Officer

D. Klišauskienė

Director of Accounting and Reporting Department, Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS

The Group				The Bank	
30 June 2022	30 June 2021		Notes	30 June 2022	30 June 2021
6,752	6,311	Interest income	11	6,037	5,723
(1,001)	(934)	Interest expenses	11	(1,001)	(934)
5,751	5,377	Net interest income		5,036	4,789
2,595	2,511	Service fee and commission income	12	2,728	2,715
(458)	(452)	Service fee and commission expenses	12	(330)	(383)
2,137	2,059	Net service fee and commission income		2,398	2,332
-	-	Net result on equity securities trading		-	200
1,997	2,249	Net foreign exchange gain	13	1,997	2,249
291	(332)	Net result from operations with derivatives		291	(332)
-	-	Impairment of investments into subsidiaries		-	(64)
(3)	35	Net result on operations on investment property		(3)	(4)
38	80	Other income		40	89
10,211	9,468	Total operating income		9,759	9,259
(496)	(416)	Impairment of loans and other financial assets		(368)	(316)
9,715	9,052	Operating income after impairment		9,391	8,943
(4,753)	(4,248)	Salaries and benefits		(4,585)	(4,062)
(493)	(558)	Depreciation		(492)	(555)
(192)	(112)	Amortisation		(185)	(103)
(2,041)	(1,693)	Other operating expenses	14	(1,940)	(1,607)
(7,479)	(6,611)	Total operating expenses		(7,202)	(6,327)
2,236	2,441	Operating profit (loss)		2,189	2,616
(388)	(582)	Income tax		(360)	(582)
1,848	1,859	Profit (loss) for the year		1,829	2,034
1,848	1,859	Attributable to shareholders of the Bank		1,829	2,034

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

Acting Chairman of the
Board and Chief Executive
Officer

D. Klišauskienė

Director of Accounting and
Reporting Department,
Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS FOR QUARTER

The Group			The Bank	
01-04-2022- 30-06-2022	01-04-2021- 30-06-2021		01-04-2022- 30-06-2022	01-04-2021- 30-06-2021
			Notes	
3,487	3,258	Interest income	3,111	2,988
(500)	(448)	Interest expenses	(500)	(448)
2,987	2,810	Net interest income	2,611	2,540
1,266	1,294	Service fee and commission income	1,339	1,386
(251)	(231)	Service fee and commission expenses	(181)	(196)
1,015	1,063	Net service fee and commission income	1,158	1,190
-	-	Net result on equity securities trading	-	-
1,102	1,055	Net foreign exchange gain	1,102	1,055
238	8	Net result from operations with derivatives	238	8
-	-	Impairment of investments into subsidiaries	-	(31)
-	32	Net result on operations on investment property	-	(4)
17	20	Other income	16	23
5,359	4,988	Total operating income	5,125	4,781
(270)	(288)	Impairment of loans and other financial assets	(190)	(280)
5,089	4,700	Operating income after impairment	4,935	4,501
(2,504)	(2,183)	Salaries and benefits	(2,409)	(2,119)
(228)	(274)	Depreciation	(227)	(273)
(98)	(55)	Amortisation	(95)	(51)
(1,088)	(916)	Other operating expenses	(1,032)	(871)
(3,918)	(3,428)	Total operating expenses	(3,763)	(3,314)
1,171	1,272	Operating profit (loss)	1,172	1,187
(197)	(338)	Income tax expense	(184)	(338)
974	934	Profit (loss) at the end of the reporting period	988	849
974	934	Attributable to shareholders of the Bank	988	849

The accompanying notes on pages 13 to 45 are an integral part of these financial statements.

Acting Chairman of the
Board and Chief Executive
Officer

D. Kliškauskienė

Director of Accounting and
Reporting Department,
Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**The Bank**

	<u>30 June 2022</u>	<u>30 June 2021</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other		
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), after tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	1,829	2,034
Total comprehensive income	<u><u>1,829</u></u>	<u><u>2,034</u></u>
Attributable to:		
Shareholders of the Bank	1,829	2,034

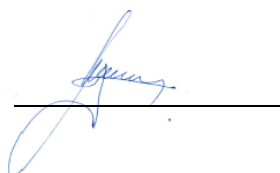
The Group

	<u>30 June 2022</u>	<u>30 June 2021</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), after tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	1,848	1,859
Total comprehensive income	<u><u>1,848</u></u>	<u><u>1,859</u></u>
Attributable to:		
Shareholders of the Bank	1,848	1,859

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

Acting Chairman of the
Board and Chief Executive
Officer

D. Klišauskienė

Director of Accounting and
Reporting Department,
Chief Accountant

L. Bertašienė



UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER**The Bank**

	<u>01-04-2022 – 30-06-2022</u>	<u>01-04-2021 – 30-06-2021</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	988	849
Total comprehensive income	<u><u>988</u></u>	<u><u>849</u></u>
Attributable to:		
Shareholders of the Bank	988	849

The Group

	<u>01-04-2022 – 30-06-2022</u>	<u>01-04-2021 – 30-06-2021</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	974	934
Total comprehensive income	<u><u>974</u></u>	<u><u>934</u></u>
Attributable to:		
Shareholders of the Bank	974	934

The accompanying notes on pages 13 to 45 are an integral part of these financial statements.

Acting Chairman of the
Board and Chief Executive
Officer

D. Klišauskienė

Director of Accounting and
Reporting Department,
Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

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

	Share capital	Retained earnings	Revaluation reserve of property and equipment	Other reserves	Total
As at 31 December 2020	19,948	7,608	326	10,316	38,198
Profit or loss	-	2 034	-	-	2,034
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(570)	-	570	-
As at 30 June 2021	19,948	9,072	326	10,886	40,232
Profit or loss	-	2,613	-	-	2,613
Other comprehensive income (expense)	-	5	(4)	-	1
Transfer to reserves	-	-	-	-	-
As at 31 December 2021	19,948	11,690	322	10,886	42,846
Profit or loss	-	1,829	-	-	1,829
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(584)	-	584	-
As at 30 June 2022	19,948	12,935	322	11,470	44,675

(continued on the next page)

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED 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
As at 31 December 2020	19,948	7,622	326	10,316	38,212
Profit or loss	-	1 859	-	-	1,859
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(589)	-	589	-
As at 30 June 2021	19,948	8,892	326	10,905	40,071
Profit or loss	-	2,532	-	-	2,532
Other comprehensive income (expense)	-	5	(4)	-	1
Transfer to reserves	-	-	-	-	-
As at 31 December 2021	19,948	11,429	322	10,905	42,604
Profit or loss	-	1,848	-	-	1,848
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(584)	-	584	-
As at 30 June 2022	19,948	12,693	322	11,489	42,452

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

Acting Chairman of the Board and Chief Executive Officer

D. Klišauskienė

Director of Accounting and Reporting Department, Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS

Group			Bank	
30 June 2022	30 June 2021		30 June 2022	30 June 2021
			Notes	
		Cash flows from operating activities		
1,848	1,859	Profit (loss) for the year	1,829	2,034
		Non-cash Revenue and Cost Recovery		
685	670	Depreciation and amortisation	677	658
3	20	Loss, gain on the sale of tangible, intangible and investment property	3	60
496	416	Impairment of loans	368	316
-	-	Impairment of investments in subsidiaries	-	64
(81)	(72)	Derivatives revaluation	(81)	(72)
206	111	Elimination of accrued vacation pay	195	129
388	582	Income tax expenses	360	582
(374)	(241)	Elimination of other non-cash items	(235)	(160)
3,171	3,345	Cash flows from (to) operating activities before changes in operating assets and liabilities	3,116	3,611
		Changes in operating assets and liabilities		
85	26	Changes in compulsory reserves	85	26
(370)	(370)	Changes in bank's balances	(370)	(370)
(29,780)	(11,299)	Loans to customers	(29,188)	(9,085)
(1,283)	(1,020)	Finance lease receivable	(1,283)	(1,202)
74	-	Changes in due to banks and other credit institutions	74	-
(11,311)	(10,671)	Changes in due to customers	(11,517)	(11,667)
4,831	1,623	Changes in other assets and liabilities	4,760	1,649
(34,583)	(18,366)	Net cash flows from operating activities before income tax	(34,323)	(17,038)
(304)	(238)	Income tax paid	(304)	(238)
(34,887)	(18,604)	Net cash flows from operating activities after income tax	(34,627)	(17,276)
		Investing activities		
(669)	(884)	Acquisitions of intangible assets and property and equipment	(669)	(883)
27	591	Proceeds from sale of property and equipment and investment property	27	434
-	-	Investments in subsidiaries	-	(1,000)
-	(27)	Other equity instruments	-	(27)
(399)	(282)	Part of the main amount of rent payments	(392)	(276)
9,702	14,147	Redemption of debt-securities	9,702	14,147
(9,381)	(15,573)	Acquisitions of of debt-securities	(9,381)	(15,573)
(720)	(2,028)	Net cash flows to investing activities	(713)	(3,178)

(continued on the next page)

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30 JUNE 2022

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

Group			Bank	
30 June 2022	30 June 2021		30 June 2022	30 June 2021
		Notes		
		Financing activities		
8	8	Bonds issued	8	8
-	-	Bonds redeemed	-	-
3,608	5,090	Loans received	3,608	5,090
(3,395)	(4,346)	Loans repaid	(3,395)	(4,346)
221	752	Net cash flows from (to) financing activities	221	752
(356)	311	Effect of exchange rate changes on cash and cash equivalents	(356)	311
(35,742)	(19,569)	Net increase (decrease) in cash and cash equivalents	(35,475)	(19,391)
119,893	117,700	Cash and cash equivalents at 1 January	119,621	117,465
84,151	98,131	Cash and cash equivalents at 30 June	84,146	98,074
		15		
		Additional information to operating cash flows		
7,117	5,527	Interest received	6,386	5,039
(920)	(859)	Interest paid	(920)	(859)

The accompanying notes on pages 11 to 45 are an integral part of these financial statements.

Acting Chairman of the
Board and Chief Executive
Officer

D. Klišauskienė

Director of Accounting and
Reporting Department,
Chief Accountant

L. Bertašienė

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(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 reorganised to UAB Medicinos Bankas. The address of its registered office is as follows:

Pamėnkalnio St. 40,
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 second quarter of 2022 the Bank had 38 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 of 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 30 June 2022 the Bank employed 296 employees (296 employees as at 31 December 2021). As at 30 June 2022 the Group employed 307 employees (307 employees as at 31 December 2021).

As at 30 June 2022 the shareholders of the Bank were as follows:

	Ordinary shares held	Per cent of ownership
Mr. Konstantinas Karosas	124,150	90.13
Western Petroleum Ltd.	13,600	9.87
Total	137,750	100.00

As at 31 December 2021 the shareholders of the Bank were as follows:

	Ordinary shares held	Per cent of ownership
Mr. Konstantinas Karosas	124,150	90.13
Western Petroleum Ltd.	13,600	9.87
Total	137,750	100.00

Konstantinas Karosas has acquired 89,91 percent of the Bank's shares by inheritance. Till the decision of the supervisory authority, Konstantinas Karosas didn't have voting rights attaching to the shares at the Bank's General Meeting of Shareholders.

As at 15 March 2021 shareholders of UAB Medicinos Bankas (hereafter - the Bank) Mr. Konstantinas Karosas and Western Petroleum Ltd. informed the Bank that on 5 March 2021, the European Central Bank (hereafter the ECB) has adopted a decision regarding the acquisition of a qualifying holding of the Bank's shares by Konstantinas Karosas and Western Petroleum Ltd. (hereinafter 'Decision I'). According to the Decision I ECB has decided not to raise any objections to the following actions:

- Mr. Konstantinas Karosas will acquire the Bank's qualified share of the Bank's authorized capital and voting rights, exceeding 50 percent ;
- Western Petroleum Ltd. (company is owned by Mr. Konstantinas Karosas) would acquire a qualified share of the Bank's authorized capital and voting rights (to have the right of significant influence).

Decision I is valid with the condition, that both p. Konstantinas Karosas and Western Petroleum Limited will transfer all voting rights at the General Meeting of Shareholders of the Bank to UAB MB valdymas, legal entity code 305663422, registered office address Vokiečių st. 28-24, Vilnius, Republic of Lithuania (company is owned by Mr. Konstantinas Karosas).

Also in 5 March 2021 The ECB adopted a decision regarding the proposed acquisition of the qualified voting rights of UAB MB valdymas at the General Meeting of Shareholders of the Bank (hereafter - Decision II). According to Decision II, the ECB decided not to oppose the acquisition by the UAB MB valdymas of a qualifying holding in excess of 50 percent of the voting rights at the General Meeting of Shareholders of the Bank due to the above-mentioned transfer of voting rights.

On 12 March 2021 Konstantinas Karosas and Western Petroleum Limited, according to the agreement, transferred all voting rights at the General Meeting of Shareholders of the Bank to UAB MB Valdymas.

Upon the transfer of voting rights, UAB MB Valdymas will have the right to vote with all the shares of the Bank at General Meeting of Shareholders.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 1 Background information (cont'd)

On 15th December, 2021, Konstantinas Karosas and Western Petroleum Limited have entered into an agreement to sell 137,750 (one hundred thirty seven thousand seven hundred fifty) ordinary registered shares, constituting 100% of the share capital of Medicinos bankas UAB to the purchaser AAA Capital, UAB which is controlled by the Open-ended investment company with variable capital intended for informed investors "Mūsų ateities investicijos" and the ultimate key investor of which is Marius Jakulis Jason.

The issued share capital consists of 137,750 ordinary shares with the par value of EUR 144.81 each. As at 30 June 2022 and 31 December 2021, all shares were fully paid.

Capital and liquidity positions remain strong and prudential standards comply with regulations with a reserve. As at 30 June 2022, the Bank complied with the established prudential standards.

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 2021. 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 2021 in the annual financial statements.

New and modified standards and interpretations

Board of the Bank and Group don't expect that newly published standards which are mandatory for accounting periods from 1 January 2021 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 2021 and which might have noticeable impact for financial information.

While preparing interim separate and consolidated financial statements according to IFRS some assumptions and estimations are applied. They have impact for accounted assets, amounts of liabilities and uncertain assets, liabilities at the day of report and also have impact for amount of income and costs at reporting period. Despite the fact that all these estimations are based on the knowledge of Board in the end results can be different. While preparing interim separate and consolidated financial statements there was applied the same assumptions and estimations which were used while preparing annual separate and consolidated financial statements for 31 December 2021.

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>30 June 2022</u>	<u>31 December 2021</u>
USD	1.0517	1.1334

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 3 Placements with banks and other credit institutions

The Group			The Bank	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
6,682	8,859	Cash in correspondent accounts	6,677	8,587
4,400	3,950	Term deposits	4,400	3,950
11,082	12,809	Placements with banks and other credit institutions	11,077	12,537

Note 4 Debt securities**The Bank (Group)**

	30 June 2022	31 December 2021
Government bonds of the Republic of Lithuania	35,393	41,037
Government bonds of the Republic of Slovenia	7,027	4,251
Government bonds of the Republic of Croatia	5,082	4,923
Government bonds of the Republic of Romania	5,681	5,421
Government bonds of the Republic of Hungary	2,769	2,626
Government bonds of the Republic of Poland	2,904	919
Debt securities	58,856	59,177

Note 5 Loans and receivables

Loans to customers and receivables comprise of:

	The Bank	
	30 June 2022	31 December 2021
Loans to customers, including short-term bills of exchange	225,893	196,903
Overdrafts	728	372
Factoring	904	1,169
Leasing	16,282	14,887
	243,807	213,331
Less: impairment	(3,134)	(2,779)
Loans and receivables, net	240,673	210,552

	The Group	
	30 June 2022	31 December 2021
Loans to customers, including short-term bills of exchange	234,216	204,639
Overdrafts	728	372
Factoring	904	1,169
Leasing	16,282	14,887
	252,130	221,067
Less: impairment	(3,628)	(3,192)
Loans and receivables, net	248,502	217,875

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 6 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	
	2022	2021
Balance at the beginning of the year	8,342	6,406
Acquisitions	-	2,000
Additional impairment of investment in subsidiaries	-	(64)
Balance at the end of the reporting period	8,342	8,342

Balance as at 30 June 2022	Ownership	Direct	Nominal	Impairment	Carrying
	(percent)	ownership	amount		value
UAB TG Invest-1	100	100	3,033	(1,261)	1,772
UAB Saugus Kreditas	100	100	6,601	(31)	6,570
Total			9,634	(1,292)	8,342
Balance as at 31 December 2021	Ownership	Direct	Nominal	Impairment	Carrying
	(percent)	ownership	amount		value
UAB TG Invest-1	100	100	3,033	(1,261)	1,772
UAB Saugus Kreditas	100	100	6,601	(31)	6,570
Total			9,634	(1,292)	8,342

Note 7 Amounts due to customers

Amounts due to customers comprise of:

The Group			The Bank	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
157,936	165,753	Term deposits	157,936	165,753
173,320	177,170	Current accounts	173,645	177,701
12,744	12,531	Loans from funds	12,744	12,531
344,000	355,454	Total	344,325	355,985
29,012	37,261	Out of which held as security against guarantees and loans	29,012	37,261

Note 8 Subordinated loans and issued debt securities (the Bank)

Subordinated loans

In November 2016 the Bank received a subordinated loan of 1 mln EUR from the major shareholder of the Bank. The term of the subordinated loan is until 1 December 2023 with a fixed 2 percent annual interest rate.

Debt securities issued

In July 2018 the Bank have issued subordinated debt securities emission. As of 30 June 2022 net value of issued debt securities is 2,226 thous. EUR (as of 31 December 2021 2,218 thous. EUR). From 1 August 2018 debt securities of UAB Medicinos bankas are listed in Nasdaq stock exchange – ISIN code LT0000432114 (ticker: OPMB070025A).

UAB Medicinos bankas debt securities issue value – 2 210 000 EUR. Nominal value – 1000 EUR. Interest rate – 7 percent, with a payment twice a year. Maturity date – 24 July 2025.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 9 Other liabilities

Other liabilities comprise of:

The Group			The Bank	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
1,850	1,895	Accrued payments to employees	1,791	1,856
257	216	Prepayments	-	-
1,833	1,997	Accrued expenses	1,833	1,997
5,503	1,585	AML suspended funds	5,503	1,585
134	-	Liabilities to the State Tax Inspectorate	130	-
149	-	Liabilities to the Board of the State Social Fund	143	-
376	1	Sales VAT	376	1
97	77	Deferred income	97	77
		Payable to the Latvian and Estonian Road		
53	33	Transport Administration	53	33
242	265	Debt to suppliers	180	204
418	200	Other	399	189
10,912	6,269	Total	10,505	5,942

Note 10 Shareholders' equity

As at 30 June 2022 and 31 December 2021, the share capital of the Group and the Bank consisted of 137,750 ordinary shares with the par value of 144.81 EUR each. All shares are issued, authorised and fully paid. The shares are not listed.

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

Other reserves of the Group and the Bank were as follows:

	The Bank	
	30 June 2022	31 December 2021
Special reserve to cover possible losses	2,528	2,528
Legal reserve	1,445	861
Reserve capital	7,497	7,497
Total other reserves	11,470	10,886

	The Group	
	30 June 2022	31 December 2021
Special reserve to cover possible losses	2,528	2,528
Legal reserve	1,464	880
Reserve capital	7,497	7,497
Total other reserves	11,489	10,905

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 11 Net interest income

The Group			The Bank	
30 June 2022	30 June 2021		30 June 2022	30 June 2021
6,024	5,521	On loans to customers	5,327	4,942
125	120	On impaired loans to customers including interest on arrears	107	111
414	397	Leasing including interest on arrears	414	397
25	74	Other Interest on arrears (not including leasing's and impaired loans)	25	74
142	148	On debt securities	142	148
22	51	On placements with the banks and other credit institutions	22	51
6,752	6,311	Interest revenue	6,037	5,723
(600)	(557)	On obligations to customers, including letters of credit	(600)	(557)
(153)	(131)	Deposit and guarantee insurance	(153)	(131)
(10)	(10)	On subordinated loans	(10)	(10)
(86)	(85)	For debt securities issued	(86)	(85)
(124)	(126)	On obligations to banks and other credit institutions	(124)	(126)
(28)	(25)	Lease of property	(28)	(25)
(1,001)	(934)	Interest expenses	(1,001)	(934)
5,751	5,377	Net interest income	5,036	4,789

Note 12 Net service fee and commission income

Net fee and commission income comprises:

The Group			The Bank	
30 June 2022	30 June 2021		30 June 2022	30 June 2021
806	1,028	Payment services	806	1,028
106	57	Income from currency exchange	106	57
427	390	Administration of bank accounts	427	390
648	636	Collection of payments	648	636
18	4	Brokerage income	151	208
389	266	Cash operations	389	266
201	130	Other	201	130
2,595	2,511	Service fee and commission income	2,728	2 715
(23)	(11)	Rent cost under contracts	(23)	(11)
(198)	(243)	Cash operations	(198)	(243)
(76)	(96)	Money transfer operations	(76)	(96)
(127)	(68)	Brokerage costs	-	-
(34)	(34)	Other	(33)	(33)
(458)	(452)	Service fee and commission expense	(330)	(383)
2,137	2,059	Net service fee and commission income	2,398	2,332

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 13 Net foreign exchange gain

	The Bank (Group)	
	31 June 2022	30 June 2021
Gain on dealing in foreign currencies	2,348	1,938
Revaluation of items in statement of financial position, net	(351)	311
Net foreign exchange gain	<u>1,997</u>	<u>2,249</u>

Note 14 Operating expenses

Operating expenses are as follows:

The Group		The Bank	
30 June 2022	30 June 2021	30 June 2022	30 June 2021
(170)	(130)	(160)	(123)
(435)	(409)	(431)	(407)
(163)	(149)	(163)	(149)
(303)	(296)	(270)	(276)
(142)	(113)	(139)	(110)
(136)	(124)	(136)	(123)
(54)	(50)	(54)	(50)
(165)	(103)	(165)	(101)
(10)	(45)	(1)	(31)
(17)	(4)	(17)	(4)
(20)	(5)	(20)	(5)
(23)	(20)	(23)	(20)
(50)	(1)	(50)	(1)
(6)	(2)	(6)	(2)
(22)	(16)	(22)	(16)
(10)	(6)	(10)	(6)
(69)	(72)	(68)	(70)
(13)	(11)	(13)	(11)
(68)	(-)	(68)	-
(70)	(83)	(46)	(59)
(95)	(54)	(78)	(43)
<u>(2,041)</u>	<u>(1,693)</u>	<u>(1,940)</u>	<u>(1,607)</u>
	Total other operating expenses		

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 15 Cash and cash equivalents

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

The Group			The Bank	
30 June 2022	30 June 2021		30 June 2022	30 June 2021
24,681	28,114	Cash on hand	24,681	28,114
48,758	55,020	Current accounts with the Bank of Lithuania	48,758	55,020
6,682	10,975	Current accounts with other credit institutions	6,677	10,918
4,030	4,022	Term deposits with credit institutions up to 90 days	4,030	4,022
84,151	98,131	Cash and cash equivalents	84,146	98,074

Note 16 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 conditions, 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.

Loans to customers. The estimate was made by discounting of scheduled future cash flows of the individual loans through the estimated maturity using prevailing market rates as at the respective end of 2022 second quarter.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 16 Fair values of financial instruments (cont'd)

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.

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	30 June 2022		31 December 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and due from central bank	76,035	76,035	109,765	109,765
Placements with banks and other credit institutions	11,077	11,077	12,537	12,537
Debt securities	58,856	57,258	59,177	59,221
Loans and receivables	240,673	245,406	210,552	213,486
Other assets	-	-	-	-
Total financial assets	386,641	389,777	392,031	395,009
Financial liabilities				
Due to banks and other credit institutions	175	175	101	101
Due to customers, including letters of credit	344,325	346,527	355,985	358,173
Debt securities issued	2,226	2,469	2,218	2,656
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	10,505	10,505	5,942	5,942
Total financial liabilities	358,231	360,676	365,246	367,872
The Group				
Financial assets				
Cash and due from central bank	76,036	76,036	109,765	109,765
Placements with banks and other credit institutions	11,082	11,082	12,809	12,809
Debt securities	58,855	57,258	59,177	59,221
Loans and receivables	248,502	250,025	217,875	216,737
Other assets	-	-	-	-
Total financial assets	394,475	394,401	399,626	398,532
Financial liabilities				
Due to banks and other credit institutions	175	175	101	101
Due to customers, including letters of credit	344,000	346,202	355,454	357,642
Debt securities issued	2,226	2,469	2,218	2,656
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	10,912	10,912	6,269	6,269
Total financial liabilities	358,313	360,758	365,042	367,668

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 16 Fair values of financial instruments (cont'd)

Financial instruments which are carried at fair value in the financial statements are distributed by 3 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 30 June 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	22	-	22
Financial liabilities				
Derivative financial instruments	-	28	-	28

The Bank (Group)

As at 31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	-	-	-
Financial liabilities				
Derivative financial instruments	-	87	-	87

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 16 Fair values of financial instruments (cont'd)**Financial instruments not measured at fair value**

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

30 June 2022	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	87,112	-	-	87,112
Debt securities	58,856	-	-	58,856
Loans to customers	-	-	224,874	224,874
Receivables from leasing	-	-	15,799	15,799
Other assets	-	-	-	-
Total financial assets	145,968	-	240,673	386,641
Liabilities				
Due to banks and other credit institutions	-	175	-	175
Due to customers	-	344,325	-	344,325
Debt securities issued	-	2,226	-	2,226
Subordinated loan	-	-	1,000	1,000
Other liabilities	-	-	10,505	10,505
Total financial liabilities	-	347,726	11,505	358 231

The Bank

31 December 2021	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	122,302	-	-	122,302
Debt securities	59,177	-	-	59,177
Loans to customers	-	-	196,036	196,036
Receivables from leasing	-	-	14,516	14,516
Other assets	-	-	-	-
Total financial assets	181,479	-	210,552	392,031
Liabilities				
Due to banks and other credit institutions	-	101	-	101
Due to customers	-	355,985	-	355,985
Debt securities issued	-	2,218	-	2,218
Subordinated loans	-	-	1,000	1,000
Other liabilities	-	-	5,942	5,942
Total financial liabilities	-	358,304	6,942	365,246

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 16 Fair values of financial instruments (cont'd)**The Group**

30 June 2022	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	87,117	-	-	87,117
Debt securities	58,856	-	-	58,856
Loans to customers	-	-	232,703	232,703
Receivables from leasing	-	-	15,799	15,799
Other assets	-	-	-	-
Total financial assets	145,973	-	248,502	394,475
Liabilities				
Due to banks and other credit institutions	-	175	-	175
Due to customers	-	344,000	-	344,000
Debt securities issued	-	2,226	-	2,226
Subordinated loan	-	-	1,000	1,000
Other liabilities	-	-	10,912	10,912
Total financial liabilities	-	346,401	11,912	358,313

The Group

31 December 2021	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	122,574	-	-	122,574
Debt securities	59,177	-	-	59,177
Loans to customers	-	-	203,359	203,359
Receivables from leasing	-	-	14,516	14,516
Other assets	-	-	-	-
Total financial assets	181,751	-	217,875	399,626
Liabilities				
Due to banks and other credit institutions	-	101	-	101
Due to customers	-	355,454	-	355,454
Debt securities issued	-	2,218	-	2,218
Subordinated loans	-	-	1,000	1,000
Other liabilities	-	-	6,269	6,269
Total financial liabilities	-	357,773	7,269	365,042

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 17 Related party transactions

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

The outstanding balances of loans, term deposits and bonds issued in between 30 June 2022 and 31 December 2021 and related expense and income, included in the profit and loss statement, are set out below:

	Supervisory Board and Key Management Personnel			
	Shareholders	Subsidiaries	Supervisory Board and Key Management Personnel	Other*
The Bank				
Loans outstanding as at 30 June 2022, net	-	21,579	15	441
Interest rate, percent	-	8.0	4.0	4.0-4.7
Impairment of loans	-	(247)	-	(4)
Term deposits as at 30 June 2022	-	-	10	1,189
Interest rate, percent	-	-	0.3	0.05-0.35
Current accounts as at 30 June 2022	784	325	244	2,865
Bonds issued as at 30 June 2022	100	-	-	-
Interest rate, percent	7.0	-	-	-
Subordinated loans as at 30 June 2022	1,000	-	-	-
Interest rate, percent	2.0	-	-	-
For six month period which ended at 30 June 2022				
Interest income on loans	-	811	-	10
Interest expense on deposits	-	-	-	(2)
Interest expense on bonds	(4)	-	-	-
Interest expense on subordinated loans	(10)	-	-	-
Dividend revenue from subsidiaries	-	-	-	-
Service fee and commission revenue	-	137	-	3
Service fee and commission expenses	-	-	-	-
The Bank				
	Shareholders	Subsidiaries	Supervisory Board and Key Management Personnel	Other*
Loans outstanding as at 31 December 2021, net	-	17,855	19	313
Interest rate, percent	-	9.0	4.0	4.0
Impairment of loans	-	(205)	-	(2)
Term deposits as at 31 December 2021	-	-	10	2,135
Interest rate, percent	-	-	0.3	0.05-0.35
Current accounts as at 31 December 2021	40	531	196	3,373
Bonds issued as at 31 December 2021	100	-	-	-
Interest rate, percent	7.0	-	-	-
Subordinated loans as at 31 December 2021	1,000	-	-	-
Interest rate, percent	2.0	-	-	-
For six month period which ended at 30 June 2021				
Interest income on loans	-	571	1	40
Interest expense on deposits	-	-	-	(2)
Interest expense on bonds	(4)	-	-	-
Interest expense on subordinated loans	(10)	-	-	-
Dividend revenue from subsidiaries	-	-	-	-
Service fee and commission revenue	-	208	-	5
Service fee and commission expenses	-	-	-	-

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 17 Related party transactions (cont'd)

The Group	Supervisory Board and Key Management Personnel		
	Shareholders	Supervisory Board and Key Management Personnel	Other*
Loans outstanding as at 30 June 2022, net	-	15	441
Interest rate, percent	-	4.0	4.0-4.7
Impairment of loans	-	-	(4)
Term deposits as at 30 June 2022	-	10	1,189
Interest rate, percent	-	0.3	0.05-0.35
Current accounts as at 30 June 2022	784	299	2,810
Bonds issued as at 30 June 2022	100	-	-
Interest rate, percent	7.0	-	-
Subordinated loans as at 30 June 2022	1,000	-	-
Interest rate, percent	2.0	-	-
For six month period which ended at 30 June 2022			
Interest income on loans	-	-	10
Interest expense on deposits	-	-	(2)
Interest expense on bonds	(4)	-	-
Interest expense on subordinated loans	(10)	-	-
Service fee and commission revenue	-	-	3
Service fee and commission expenses	-	-	-
The Group		Supervisory Board and Key Management Personnel	Other*
	Shareholders		
Loans outstanding as at 31 December 2021, net	-	19	313
Interest rate, percent	-	4.0	4.0
Impairment of loans	-	-	(2)
Term deposits as at 31 December 2021	-	10	2,135
Interest rate, percent	-	0.3	0.05-0.35
Current accounts as at 31 December 2021	40	253	3,317
Bonds issued as at 31 December 2021	100	-	-
Interest rate, percent	7.0	-	-
Subordinated loans as at 31 December 2021	1,000	-	-
Interest rate, percent	2.0	-	-
For six month period which ended at 30 June 2021			
Interest income on loans	-	1	40
Interest expense on deposits	-	-	(2)
Interest expense on bonds	(4)	-	-
Interest expense on subordinated loans	(10)	-	-
Service fee and commission revenue	-	-	5
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 MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 18 Segment information

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 30 June 2022 and in the Statement of comprehensive income as at 30 June 2022 is presented in the table below:

	30 June 2022				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	859	-	(48)	(811)	-
External	6,540	164	48	-	6,752
Interest income	7,399	164	-	(811)	6,752
Internal	(859)	-	-	859	-
External	(778)	(223)	-	-	(1,001)
Interest expenses	(1,637)	(223)	-	859	(1,001)
Internal	-	-	(48)	48	-
External	5,762	(59)	48	-	5,751
Net interest income	5,762	(59)	-	48	5,751
Internal	-	-	-	-	-
External	2,166	-	-	(29)	2,137
Net fee and commission income	2,166	-	-	(29)	2,137
Internal	-	-	(48)	48	-
External	7,928	(59)	48	(29)	7,888
Net interest, fee and commissions income	7,928	(59)	-	19	7,888
Internal	-	-	-	-	-
External	(6,685)	(106)	(3)	-	(6,794)
Operating expenses	(6,685)	(106)	(3)	-	(6,794)
Amortisation charges	(192)	-	-	-	(192)
Depreciation charges	(493)	-	-	-	(493)
Internal	-	-	-	-	-
External	(496)	-	-	-	-
Impairment expenses	(496)	-	-	-	-
Internal	-	-	-	-	-
External	1,853	434	35	-	2,322
Net other income	1,853	434	35	-	2,322
Profit (loss) before tax	1,916	269	32	19	2,236
Income tax	(388)	-	-	-	(388)
Profit (loss) per segment after tax	1,528	269	32	19	1,848
Non-controlling interest	-	-	-	-	-
Profit (loss) for the year attributable to the owners of the Bank	1,528	269	32	19	1,848
Total segment assets	289,720	144,053	1,871	(32,503)	403,141
Total segment liabilities	377,408	5,054	42	(23,815)	358,689
Net segment assets (shareholders equity)	(87,688)	138,999	1,829	(8,688)	44,452

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 18 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 30 June 2021 and in the Statement of comprehensive income as at 30 June 2021 is presented in the table below:

	30 June 2021				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	602	-	(31)	(571)	-
External	6,081	199	31	-	6,311
Interest income	6,683	199	0	(571)	6,311
Internal	(602)	-	-	602	-
External	(720)	(214)	-	-	(934)
Interest expenses	(1,322)	(214)	-	602	(934)
Internal	-	-	(31)	31	-
External	5,361	(15)	31	-	5,377
Net interest income	5,361	(15)	-	31	5,377
Internal	-	-	-	-	-
External	2,169	-	(1)	(109)	2,059
Net fee and commission income	2,169	-	(1)	(109)	2,059
Internal	-	-	(31)	31	-
External	7,530	(15)	30	(109)	7,436
Net interest, fee and commissions income	7,530	(15)	(1)	(78)	7,436
Internal	-	-	(64)	64	-
External	(5,875)	(101)	35	-	(5,941)
Operating expenses	(5,875)	(101)	(29)	64	(5,941)
Amortisation charges	(112)	-	-	-	(112)
Depreciation charges	(558)	-	-	-	(558)
Internal	-	-	-	-	-
External	(416)	-	-	-	(416)
Impairment expenses	(416)	-	-	-	(416)
Internal	-	-	-	-	-
External	1,649	269	115	-	2,033
Net other income	1,649	269	115	-	2,033
Profit (loss) before tax	2,217	153	85	(14)	2,441
Income tax	(582)	-	-	-	(582)
Profit (loss) per segment after tax	1,635	153	85	(14)	1,859
Non-controlling interest	-	-	-	-	-
Profit (loss) for the year attributable to the owners of the Bank	1,635	153	85	(14)	1,859
Total segment assets	259,659	145,512	1,822	(24,790)	382,203
Total segment liabilities	348,475	10,738	45	(17,126)	342,132
Net segment assets (shareholders equity)	(88,816)	134,774	1,777	(7,664)	40,071

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 MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management

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 can not 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	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
8,457	8,941	Maximum exposure to a single customer or group of connected customers	8,457	8,941
41,675	36,322	Eligible capital	41,675	36,640
20.50	24.62	Maximum exposure ratio, percent	20.29	24.40

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	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
		Statement of financial position items, other than trading and investment activities		
51,354	78,962	Balances with the Bank of Lithuania	51,354	78,962
11,082	12,809	Due from banks	11,077	12,537
232,703	203,359	Loans to customers	224,874	196,036
15,799	14,516	Receivables from leasing	15,799	14,516
310,938	309,646		303,104	302,051
		Off balance sheet items		
1,852	2,548	Guarantees	1,852	2,548
23,136	9,616	Loan commitments	23,927	14,125
335,926	321,810	Total balance and off balance sheet items, other than trading and investment activities	328,883	318,724
		Trading and investment activities		
		Financial assets at fair value through profit or loss		
22	-	- Derivative financial instruments	22	-
-	-	- Held-to-maturity investments	-	-
58,856	59,177	Debt securities	58,856	59,177
58,878	59,177	Total trading and investment activities	58,878	59,177
-	-	Other financial assets	-	-
394,804	380,987	Total credit exposure	387,761	377,901

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)

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

	The Bank (Group)	
	30 June 2022	31 December 2021
Government bonds	58,856	59,177
Derivatives	22	-
Total	58,878	59,177

Bonds exposure by rating grade	The Bank (Group)	
	30 June 2022	31 December 2021
High grade (AAA-A)	45,324	46,207
Standard grade (B-BBB+)	13,532	12,970
Not rated	-	-
Total	58,856	59,177

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 have assigned bonds with ratings from international rating agencies from „AAA“ to „A“ to high grade, „BBB“ to „B“ rating bonds – to standard grade.

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 MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)**Credit risk assessment of financial instruments, other than trading activities and off balance items**

The Bank	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
30 June 2022					
Stage 1					
Loans and receivables	184,617	997	-	-	185,614
Placements with LB and other banks	62,431	-	-	-	62,431
Debt securities	58,856	-	-	-	58,856
Other financial assets	-	-	-	-	-
Total	305,904	997	-	-	306,901
Stage 2					
Loans and receivables	50,389	686	4	-	51,079
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	50,389	686	,4	-	51,079
Stage 3					
Loans and receivables	2,692	964	-	324	3,980
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	2,692	964	-	324	3,980
Total	358,985	2,647	4	324	361,960

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Bank	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
31 December 2021					
Stage 1					
Loans and receivables	153,432	3,270	-	-	156,702
Placements with LB and other banks	91,499	-	-	-	91,499
Debt securities	59,177	-	-	-	59,177
Other financial assets	-	-	-	-	-
Total	304,108	3,270	-	-	307,378
Stage 2					
Loans and receivables	47,968	941	116	-	49,025
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	47,968	941	116	-	49,025
Stage 3					
Loans and receivables	3,930	144	340	411	4,825
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,930	144	340	411	4,825
Total	356,006	4,355	456	411	361,228

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Group	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
30 June 2022					
Stage 1					
Loans and receivables	190,449	1,598	-	-	192,047
Placements with LB and other banks	62,436	-	-	-	62,436
Debt securities	58,856	-	-	-	58,856
Other financial assets	-	-	-	-	-
Total	311,741	1,598	-	-	313,339
Stage 2					
Loans and receivables	51,077	1,286	23	-	52,386
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	51,077	1,286	23	-	52,386
Stage 3					
Loans and receivables	2,712	971	1	385	4,069
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	2,712	971	1	385	4,069
Total	365,530	3,855	24	385	369,794

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Group	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
31 December 2021					
Stage 1					
Loans and receivables	159,187	3,650	-	-	162,837
Placements with LB and other banks	91,771	-	-	-	91,771
Debt securities	59,177	-	-	-	59,177
Other financial assets	-	-	-	-	-
Total	310,135	3,650	-	-	313,785
Stage 2					
Loans and receivables	48,583	1,368	176	-	50,127
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	48,583	1,368	176	-	50,127
Stage 3					
Loans and receivables	3,934	150	344	483	4,911
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,934	150	344	483	4,911
Total	362,652	5,168	520	483	368,823

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)

Breakdown of impairment for financial instruments by stages:

	30 June 2022					31 December 2021				
	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
The Bank										
Stage 1	1 018	-	106	7	1,131	861	-	95	11	967
Loans and receivables	972	-	106	7	1,085	813	-	95	11	919
Placements with LB and other banks	11	-	-	-	11	13	-	-	-	13
Debt securities	35	-	-	-	35	35	-	-	-	35
	-	-	-	-	-	-	-	-	-	-
Stage 2	1,216	-	13	-	1,229	1,079	-	3	-	1,082
Loans and receivables	1,216	-	13	-	1,229	1,079	-	3	-	1,082
Stage 3	-	946	-	-	946	-	887	-	-	887
Loans and receivables	-	946	-	-	946	-	887	-	-	887
Total	2,234	946	119	7	3,306	1,940	887	98	11	2,936

	30 June 2022					31 December 2021				
	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
The Group										
Stage 1	1,292	-	97	7	1,396	1,104	-	43	11	1,158
Loans and receivables	1,246	-	97	7	1,350	1,056	-	43	11	1,110
Placements with LB and other banks	11	-	-	-	11	13	-	-	-	13
Debt securities	35	-	-	-	35	35	-	-	-	35
Stage 2	1,296	-	13	-	1,309	1,149	-	3	-	1,152
Loans and receivables	1,296	-	13	-	1,309	1,149	-	3	-	1,152
Stage 3		1,086			1,086		987			987
Loans and receivables	-	1,086	-	-	1,086	-	987	-	-	987
Total	2,588	1,086	110	7	3,791	2,253	987	46	11	3,297

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 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
30 June 2022										
190	-	54	(4)	240	Stage 1	157	-	11	(4)	164
191	-	54	(4)	241	Loans and receivables	158	-	11	(4)	165
(1)	-	-	-	(1)	Placements with LB and other banks	(1)	-	-	-	(1)
-	-	-	-	-	Debt securities	-	-	-	-	-
-	-	-	-	-	Other financial assets	-	-	-	-	-
147	-	10	-	157	Stage 2	137	-	10	-	147
147	-	10	-	157	Loans and receivables	137	-	10	-	147
-	99	-	-	99	Stage 3	-	59	-	-	59
-	99	-	-	99	Loans and receivables	-	59	-	-	(59)
-	-	-	-	-	Other financial assets	-	-	-	-	-
337	99	64	(4)	496		294	59	21	(4)	370
-	2	-	-	2	Write-offs	-	-	-	-	-
-	-	-	-	-	Out of which were written off by selling the portfolio	-	-	-	-	-
-	(2)	-	-	(2)	Income on loans written off in earlier periods	-	(2)	-	-	(2)
-	-	-	-	496	Total change of impairment	-	-	-	-	368

The Bank is monitoring the tense geopolitical situation in order to properly and timely assess and determine the potential impact of the Russian invasion in Ukraine on the loan portfolio due to the emerging risks to customers. The Bank does not operate in Russia, Belarus or Ukraine and does not have significant direct positions in these countries. During the first quarter of 2022, the Bank conducted a customer assessment to determine the customer' dependence on a war affected countries and impact on credit risk. The results showed that share of clients, related to war affected countries and having business transactions there, is 5 percent of the total portfolio of the Bank. During the second quarter of 2022, enhanced monitoring was applied to customers included on the Watch List.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 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	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
133,294	168,986	Liquid assets	133,294	168,986
29,520	29,639	Short-term (up to 30 days) obligations	30,103	32,159
452	570	LCR, percent	443	525

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	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
352,543	361,948	Available stable funding	353,020	362,398
212,627	190,683	Required stable funding	219,196	196,980
166	190	NSFR, percent	161	184

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (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:

The Bank	30 June 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	82,712	12,889	8,736	44,012	131,485	105,320	18,114	403,268
Liabilities and shareholders' equity	179,321	12,760	16,128	72,059	52,058	26,074	44,868	403,268
Net gap	(96,609)	129	(7,392)	(28,047)	79,427	79,246	(26,754)	-
Credit commitments	-	23,927	-	-	-	-	-	23,927

	31 December 2021							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	118,354	6,726	12,233	33,939	129,175	91,220	16,803	408,450
Liabilities and shareholders' equity	179,447	18,028	19,313	66,895	55,170	26,575	43,022	408,450
Net gap	(61,093)	(11,302)	(7,080)	(32,956)	74,005	64,645	(26,219)	-
Credit commitments	-	14,125	-	-	-	-	-	14,125

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)Liquidity risk (cont.)

The Group	30 June 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	82,717	13,345	9,710	48,346	120,296	118,500	10,227	403,141
Liabilities and shareholders equity	178,996	13,167	16,128	72,059	52,058	26,074	44,659	403,141
Net gap	(96,279)	178	(6,418)	(23,713)	68,238	92,426	(34,432)	-
Credit commitments	-	23,136	-	-	-	-	-	23,136

The Group	31 December 2021							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	118,626	7,096	13,072	37,568	119,899	102,931	8,761	407,953
Liabilities and shareholders equity	178,916	18,357	19,313	66,895	55,170	26,575	42,727	407,953
Net gap	(60,290)	(11,261)	(6,241)	(29,327)	64,729	76,356	(33,966)	-
Credit commitments	-	9,616	-	-	-	-	-	9,616

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 30 June 2022 and 31 December 2021. 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 MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)Interest rate risk (cont'd)

The Bank	30 June 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	
Assets:							
Sensitive assets to interest rate fluctuation	76,605	68,282	90,282	17,004	40,252	2,839	295,264
Non-sensitive assets to interest rate fluctuation							108,004
Liabilities:							
Sensitive liabilities to interest rate fluctuation	7,459	15,743	24,902	46,699	50,485	28,789	174,077
Non-sensitive liabilities and equity to interest rate fluctuation							229,191
Interest sensitivity gap	69,146	52,539	65,380	(29,695)	(10,233)	(25,950)	-

The Bank	31 December 2021						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	
Assets:							
Sensitive assets to interest rate fluctuation	42,921	82,757	90,120	5,100	45,420	3,027	269,345
Non-sensitive assets to interest rate fluctuation							139,105
Liabilities:							
Sensitive liabilities to interest rate fluctuation	31,764	20,198	43,396	38,710	23,835	23,751	181,654
Non-sensitive liabilities and equity to interest rate fluctuation							226,796
Interest sensitivity gap	11,157	62,559	46,724	(33,610)	21,585	(20,724)	-

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)

The Group	30 June 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	
Assets:							
Sensitive assets to interest rate fluctuation	55,501	69,255	91,742	19,871	50,509	16,019	302,897
Non-sensitive assets to interest rate fluctuation							100,244
Liabilities:							
Sensitive liabilities to interest rate fluctuation	7,459	15,743	24,902	46,699	50,485	28,789	174,077
Non-sensitive liabilities and equity to interest rate fluctuation							229,064
Interest sensitivity gap	48,042	53,512	66,840	(26,828)	24	(12,770)	-

Interest rate risk (cont'd)

The Group	31 December 2020						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	
Assets:							
Sensitive assets to interest rate fluctuation	43,429	83,595	73,413	7,489	53,869	14,738	276,533
Non-sensitive assets to interest rate fluctuation							131,420
Liabilities:							
Sensitive liabilities to interest rate fluctuation	31,764	20,198	43,396	38,710	23,835	23,751	181,654
Non-sensitive liabilities and equity to interest rate fluctuation							226,299
Interest sensitivity gap	11,665	63,397	30,017	(31,221)	30,034	(9,013)	-

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 19 Risk management (cont'd)

Currency risk

The currency risk is managed by monitoring the risk exposure against the limits established for single open currency position. Positions are monitored on a daily basis. Our policy is to keep foreign exchange positions more or less closed.

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	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
233	187	Long positions	233	187
(511)	(364)	Short positions	(511)	(364)
42,904	38,286	Eligible capital	43,323	38,604
1.19	0.95	Overall net currency position, percent	1.18	0.94

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

	30 June 2022	31 December 2021
Increase in FX rates by 10 percent	28	18
Decrease in FX rates by 10 percent	(28)	(18)

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 20 Capital

The primary objectives of the Group's and the Bank's capital management are to ensure that the Group and the Bank comply with externally imposed capital requirements and that the Group and the Bank maintain healthy capital ratios in order to support their business and to maximize the shareholders' value.

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 accumulate addition conservation buffer reserve, which is equal to 2.5 percent from generally evaluated risk amount.

As per the European Banking Authority's (EBA) recommendation, the 3% leverage ratio requirement has become binding from 28 June 2021. As of 30 June 2022, the Bank's leverage ratio of 9.71 percent (the Group – 9.63 percentage) exceeded the minimum requirement.

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 12.2 percent. The Group and the Bank capital adequacy ratio exceeded the required minimum.

After the general meeting of shareholders, full-year 2021 profit was included in 31-12-2021 Common Equity Tier 1.

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

The Group			The Bank	
30 June 2022	31 December 2021		30 June 2022	31 December 2021
18.99	19.11	CET 1 Capital ratio	18.62	18.50
18.99	19.11	Tier 1 Capital ratio	18.62	18.50
19.75	20.14	Capital adequacy ratio	19.35	19.49

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 21 Quality of financial assets, profitability rates and other information

Financial assets quality indicators as at 30 June 2022 are given 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)
3,145	1.33	Loans to customers	2,651	1.17
483	2.97	Finance lease receivable	483	2.97
35	0.06	Debt securities	35	0.06
11	0.10	Placements with banks	11	0.10
3,674	1.14	Total:	3,180	1.01

Financial assets quality indicators as at 31 December 2021:

The Group			The Bank	
Provisions (EUR) thousands	Provisions to financial assets ratio (percent)		Provisions (EUR) thousands	Provisions to financial assets ratio (percent)
2,821	1.37	Loans to customers	2,408	1.21
371	2.49	Finance lease receivable	371	2.49
35	0.06	Debt securities	35	0.06
13	0.10	Placements with banks	13	0.10
3,240	1.10	Total:	2,827	0.99

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

The Group			The Bank		
30 June 2022	31 December 2021		30 June 2022	31 December 2021	
0.91	1.12	Return on assets (ROA)	0.90	1.18	
8.48	10.88	Return on equity (ROE)	8.35	11.44	

Action applied to the Bank

Bank of Lithuania (BoL) has carried out a planned targeted inspection of the Bank. After reviewing the inspection material, the Board of the Bank of Lithuania stated that the Bank failed to ensure adequate internal management and control, credit risk management and information and communication technology risk management, therefore warned the Bank regarding the identified irregularities and obliged to submit a revised plan of measures for elimination of irregularities to the BoL within 10 days and to eliminate the identified irregularities and deficiencies by 31 December 2022, and to inform BoL.

The Bank would also informed that some of the deficiencies identified by the BoL have been eliminated prior to the discussion of the results of the examination by the Board of the BoL, and other deficiencies will be eliminated within the timeframe set by the Board of the BoL.

UAB MEDICINOS BANKAS

Legal entity code 112027077, Pamėnkalnio St. 40, LT-01114 Vilnius

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 31 MARCH 2022

(All amounts in EUR thousand unless otherwise stated)

Note 22 Events after the reporting date

There were no material subsequent events during the second quarter of year 2022 that would require adjustment of or disclosure in those financial statements of the Group and the Bank.

CONFIRMATION OF RESPONSIBLE PERSONS

We, UAB Medicinos Bankas Chairman of the Board and Chief Executive Officer Dalia Klišauskienė and Director of Accounting and Reporting Department, Chief Accountant Lina Bertašienė, confirm that the financial statements for second quarter of 2022 have been prepared in accordance with the applicable accounting standard, represents reality and fairly shows the assets, liabilities, financial position, results of operations and cash flows of UAB Medicinos Bankas and the consolidated entities

Acting Chairman of the Board and Chief
Executive Officer


_____ D. Klišauskienė

Director of Accounting and Reporting
Department, Chief Accountant


_____ L. Bertašienė