

# UAB MEDICINOS BANKAS

CONDENSED INTERIM SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE 9 MONTHS PERIOD ENDED 30 SEPTEMBER 2023  
PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING STANDARD 34 *INTERIM FINANCIAL REPORTING*, AS ADOPTED BY THE EUROPEAN UNION PRESENTED TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

# UAB MEDICINOS BANKAS

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

## SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

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## INDEPENDENT AUDITOR'S REPORT

To the shareholders of Medicinos bankas UAB:

### **Report on the Audit of the Condensed Interim Separate and Consolidated Financial Statements**

#### **Opinion**

We have audited the condensed interim separate financial statements of Medicinos Bankas UAB (hereinafter – „the Bank“) and the condensed interim consolidated financial statements of Medicinos Bankas UAB and its subsidiaries (hereinafter – „the Group“) (pages from 5 to 46), which comprise the condensed interim separate and consolidated statement of financial position of the Bank and the Group as at 30 September 2023, the condensed interim separate and consolidated income statement, the condensed interim separate and consolidated statement of changes in equity, the condensed interim separate and consolidated statement of cash flows for the 9 months period then ended 30 September 2023, and the notes to the condensed interim separate and consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying condensed interim separate and consolidated financial statements present fairly, in all material respects, the stand-alone financial position of the Bank and the consolidated financial position of the Group as at 30 September 2023, and their respective stand-alone and consolidated financial performance and their respective stand-alone and consolidated cash flows for the 9 months period then ended 30 September 2023 in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Condensed Interim Separate and Consolidated Financial Statements section of our report. We are independent of the Bank and the Group in accordance with the International Ethics Standards Board for Accountants Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of the Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Condensed Interim Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the condensed interim separate and consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of condensed interim separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the condensed interim separate and consolidated financial statements, management is responsible for assessing the Bank's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and the Group's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's and the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Condensed Interim Separate and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the condensed interim separate and condensed interim consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the condensed interim separate and condensed interim consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed interim separate and condensed interim consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the condensed interim separate and condensed interim consolidated financial statements, including the disclosures, and whether the condensed interim separate and condensed interim consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the condensed interim consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Auditor Arūnas Užbalis  
Auditors' certificate No. 000543

ROSK Consulting UAB  
Audit company certificate No. 001514

Vilnius, Lithuania  
21 December 2023

*The auditors' electronic signature is used herein to sign only the Independent Auditor's Report.*

**UAB MEDICINOS BANKAS**

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

**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

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

<u>The Group</u>		<u>Assets</u>	<u>Notes</u>	<u>The Bank</u>	
<u>30 September 2023</u>	<u>31 December 2022</u>			<u>30 September 2023</u>	<u>31 December 2022</u>
		Cash and due from central bank			
16,611	21,134	<i>Cash</i>		16,611	21,134
		<i>Placements with the central bank</i>			
99,324	48,067			99,324	48,067
<u>115,935</u>	<u>69,201</u>			<u>115,935</u>	<u>69,201</u>
		Placements with banks and other credit institutions		15,031	11,143
15,036	11,156				
		Financial assets at fair value through profit or loss			
		<i>Derivative financial instruments</i>			
7	54			7	54
<u>7</u>	<u>54</u>			<u>7</u>	<u>54</u>
		Debt securities	3	33,522	59,218
33,522	59,218				
		Loans and receivables	4		
		<i>Loans to customers</i>		285,768	232,577
297,474	241,543	<i>Finance lease</i>		27,677	22,194
<u>27,677</u>	<u>22,194</u>			<u>313,445</u>	<u>254,771</u>
<u>325,151</u>	<u>263,737</u>				
		Investments in subsidiaries	5	12,342	9,342
-	-	Other equity instruments		27	37
27	37				
47	84	Investment property		47	84
		Property, plant and equipment (PPE)		2,498	5,688
2,500	5,701				
679	671	Intangible assets		601	665
		Tax assets			
		<i>Current taxes</i>		-	-
-	-	<i>Deferred taxes</i>		24	95
<u>24</u>	<u>95</u>			<u>24</u>	<u>95</u>
24	95				
4,801	-	Assets held for sale	6	4,801	-
		Other assets		1,525	1,223
2,274	1,750				
<u>500,003</u>	<u>411,704</u>	<b>Total assets</b>		<u>499,805</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)

**UAB MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

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

<u>The Group</u>		<b>Liabilities and shareholders' equity</b>	<b>Notes</b>	<u>The Bank</u>	
<b>30 September 2023</b>	<b>31 December 2022</b>			<b>30 September 2023</b>	<b>31 December 2022</b>
		<b>Liabilities</b>			
33	33	Due to banks and other credit institutions		33	33
31	3	Derivative financial instruments		31	3
433,514	354,227	Due to customers	7	433,967	354,569
1,000	1,000	Subordinated loans	8	1,000	1,000
2,209	2,235	Debt securities issued	8	2,209	2,235
120	71	Impairment		133	133
		Tax liabilities			
1,111	856	Current taxes		1,042	789
-	-	Deferred taxes		-	-
1,111	856			1,042	789
6,438	5,220	Other liabilities	9	5,972	4,684
<b>444,456</b>	<b>363,645</b>	<b>Total liabilities</b>		<b>444,387</b>	<b>363,446</b>
		<b>Shareholders' equity</b>			
35,468	19,948	Share capital	10	35,468	19,948
7,767	16,304	Retained earnings		7,663	16,339
-	318	Revaluation reserve of property, plant and equipment	6	-	318
12,312	11,489	Other reserves	10	12,287	11,470
<b>55,547</b>	<b>48,059</b>	<b>Total shareholders' equity</b>		<b>55,418</b>	<b>48,075</b>
<b>500,003</b>	<b>411,704</b>	<b>Total liabilities and shareholders' equity</b>		<b>499,805</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

**UAB MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED INTERIM SEPARATE AND CONSOLIDATED INCOME STATEMENTS**

<u>The Group</u>			<u>The Bank</u>		
<u>30 September 2023</u>	<u>30 September 2022</u>		<u>30 September 2023</u>	<u>30 September 2022</u>	
19,602	10,592	Interest income	11	18,144	9,485
(2,898)	(1,462)	Interest expenses	11	(2,898)	(1,462)
<b>16,704</b>	<b>9,130</b>	<b>Net interest income</b>		<b>15,246</b>	<b>8,023</b>
4,065	3,925	Service fee and commission income	12	4,238	4,123
(551)	(730)	Service fee and commission expenses	12	(320)	(533)
<b>3,514</b>	<b>3,195</b>	<b>Net service fee and commission income</b>		<b>3,918</b>	<b>3,590</b>
2,460	3,619	Net foreign currency exchange gain	13	2,460	3,619
86	193	Net result from operations with derivatives		86	193
(21)	56	Net result on operations on investment property		(21)	56
27	64	Other income		36	67
<b>22,770</b>	<b>16,257</b>	<b>Total operating income</b>		<b>21,725</b>	<b>15,548</b>
(550)	(672)	Impairment of loans and other financial assets		(134)	(534)
<b>22,220</b>	<b>15,585</b>	<b>Operating income after impairment</b>		<b>21,591</b>	<b>15,014</b>
(7,933)	(7,276)	Salaries and benefits		(7,694)	(7,010)
(739)	(722)	Depreciation		(727)	(720)
(306)	(299)	Amortisation		(277)	(289)
(4,468)	(2,967)	Other operating expenses	14	(4,351)	(2,823)
<b>(13,446)</b>	<b>(11,264)</b>	<b>Total operating expenses</b>		<b>(13,049)</b>	<b>(10,842)</b>
<b>8,774</b>	<b>4,321</b>	<b>Operating profit (loss)</b>		<b>8,542</b>	<b>4,172</b>
<b>(1,705)</b>	<b>(805)</b>	<b>Income tax</b>		<b>(1,618)</b>	<b>(754)</b>
<b>7,069</b>	<b>3,516</b>	<b>Profit (loss) for the year</b>		<b>6,924</b>	<b>3,418</b>
<b>7,069</b>	<b>3,516</b>	<b>Attributable to: shareholders of the Bank</b>		<b>6,924</b>	<b>3,418</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 MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

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

<b>The Bank</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
Change in PPE revaluation	419	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
<b>Items that will never be reclassified to profit or loss</b>	<b>419</b>	<b>-</b>
<b>Other comprehensive income (expenses), net tax result</b>	<b>-</b>	<b>-</b>
Profit (loss) at the end of the reporting period	6,924	3,418
<b>Total comprehensive income</b>	<b>7,343</b>	<b>3,418</b>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>7,343</b>	<b>3,418</b>
<b>The Group</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
<b>Items that will never be reclassified to profit or loss</b>		
Change in PPE revaluation	419	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
	<b>419</b>	<b>-</b>
<b>Other comprehensive income (expenses), after tax</b>	<b>-</b>	<b>-</b>
Profit (loss) at the end of the reporting period	7,069	3,516
<b>Total comprehensive income</b>	<b>7,488</b>	<b>3,516</b>
<b>Attributable to:</b>		
<b>Shareholders of the Bank</b>	<b>7,488</b>	<b>3,516</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 AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 2021</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 30 September 2023</b>	<b>35,468</b>	<b>7,663</b>	<b>-</b>	<b>12,287</b>	<b>55,418</b>

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 30 September 2023</b>	<b>35,468</b>	<b>7,767</b>	<b>-</b>	<b>12,312</b>	<b>55,547</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 AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

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

<b>Group</b>			<b>Bank</b>	
<b>30 September 2023</b>	<b>30 September 2022</b>	<b>Notes</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
		<b>Cash flows from operating activities</b>		
7,069	3,516	Profit (loss) for the reporting period	6,924	3,418
		<b>Non-cash revenue and cost recovery</b>		
1,045	1,021	Depreciation and amortisation	1,004	1,009
11	(56)	Loss (gain) on the sale of tangible, intangible and investment property	11	(56)
550	672	Impairment of loans	134	534
(17,683)	(9,235)	Interest income on loans granted to customers	(16,225)	(9,235)
2,898	1,462	Interest expense on liabilities to depositors	2,898	1,462
75	(149)	Derivatives revaluation	75	(149)
(59)	18	Elimination of accrued vacation pay	(62)	16
1,705	805	Income tax expenses	1,618	754
208	40	Elimination of other non-cash items	209	40
<b>(4,181)</b>	<b>(1,906)</b>	<b>Cash flows from (to) operating activities before changes in operating assets and liabilities</b>	<b>(3,414)</b>	<b>(2,207)</b>
		<b>Changes in operating assets and liabilities</b>		
(356)	156	Changes in compulsory reserves	(356)	156
-	(370)	Changes in bank's balances	-	(370)
(55,792)	(38,226)	Loans to customers	(52,752)	(36,745)
(5,428)	(2,881)	Finance lease receivable	(5,428)	(2,881)
-	(1)	Changes in due to banks and other credit institutions	-	(1)
78,121	(4,040)	Changes in due to customers	78,232	(3,720)
1,324	3,885	Changes in other assets and liabilities	1,607	3,986
<b>17,869</b>	<b>(41,477)</b>	<b>Change</b>	<b>21,303</b>	<b>(39,575)</b>
16,988	9,098	Received interest on loans granted to customers	15,598	9,075
(1,697)	(1,296)	Interest paid on liabilities to depositors	(1,697)	(1,628)
(1,443)	(490)	Income tax paid	(1,358)	(490)
<b>27,536</b>	<b>(36,071)</b>	<b>Net cash flows from main operating activities after income tax</b>	<b>30,432</b>	<b>(34,825)</b>
		<b>Cash flows from investments</b>		
(2,385)	(778)	Acquisitions of investment property, property and equipment and intangible assets	(2,284)	(777)
43	310	Proceeds from sale of investment property, property and equipment and intangible assets	43	308
-	-	Investments in subsidiaries	(3,000)	(1,000)
-	(10)	Other equity instruments	-	(10)
27,649	11,672	Redemption of debt-securities	27,649	11,672
(1,953)	(10,845)	Acquisitions of debt-securities	(1,953)	(10,845)
<b>23,354</b>	<b>349</b>	<b>Net cash flows from investing activities</b>	<b>20,455</b>	<b>(652)</b>

*(continued on the next page)*

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

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

<b>Group</b>			<b>Bank</b>	
<b>30</b>	<b>30</b>		<b>30</b>	<b>30</b>
<b>September</b>	<b>September</b>		<b>September</b>	<b>September</b>
<b>2023</b>	<b>2022</b>		<b>2023</b>	<b>2022</b>
		<b>Notes</b>		
		<b>Cash flows from financing activities</b>		
-	-	Bonds issued	-	-
(26)	(26)	Bonds redeemed	(26)	(26)
(571)	(574)	Part of the main amount of rent payments	(560)	(563)
5,955	5,094	Loans received	5,955	5,094
(5,860)	(4,656)	Loans repaid	(5,860)	(4,656)
<b>(502)</b>	<b>(162)</b>	<b>Net cash flows from (to) financing activities</b>	<b>(491)</b>	<b>(151)</b>
(130)	(267)	Effect of exchange rate changes on cash and cash equivalents	(130)	(267)
<b>50,258</b>	<b>(36,151)</b>	<b>Net increase (decrease) in cash and cash equivalents</b>	<b>50,266</b>	<b>(35,895)</b>
77,745	119,893	Cash and cash equivalents at 1 January	77,732	119,621
<b>128,003</b>	<b>83,742</b>	<b>Cash and cash equivalents at 30 September</b>	<b>127,998</b>	<b>83,726</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 MEDICINOS BANKAS

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

### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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. 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 third quarter of 2023 the Bank had 36 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 30 September 2023 the Bank employed 302 employees (296 employees as at 31 December 2022). As at 30 September 2023 the Group employed 312 employees (306 employees as at 31 December 2022).

As at 30 September 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 30 September 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 30 September 2023 and December 31, 2022 all shares were fully paid.

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 30 September 2023 remain strong and prudential standards comply with regulations with a reserve.

# UAB MEDICINOS BANKAS

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## SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

Changes in the management of the Bank

In August 16, 2023 at the meeting of Supervisory Board, Andrius Bernotas was elected as the fourth member of the Bank's Board. Permission to act as a Board member from Bank of Lithuania was received in September 2023. Since then, the Bank's Board consists of the Chairman of the Board Marius Arlauskas, Board members Igor Kovalčuk, Snieguolė Kudrevičienė and newly elected Board member Andrius Bernotas.

### 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*

Interim income tax is accrued using income tax rate, that would be applied to the expected annual profit. 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>30 September 2023</u>	<u>31 December 2022</u>
USD	1.0594	1.0666

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### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 3 Debt securities

##### The Bank (Group)

	<u>30 September 2023</u>	<u>31 December 2022</u>
Government bonds of the Republic of Lithuania	16,518	36,444
Government bonds of the Republic of Slovenia	6,079	6,789
Government bonds of the Republic of Croatia	3,846	4,946
Government bonds of the Republic of Romania	4,468	5,524
Government bonds of the Republic of Hungary	2,611	2,671
Government bonds of the Republic of Poland	-	2,844
<b>Total</b>	<b><u>33,522</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>30 September 2023</u>	<u>31 December 2022</u>
Loans to customers, including short-term bills of exchange	287,089	233,498
Overdrafts	654	462
Factoring	638	1,142
Finance lease	28,204	22,722
	<b>316,585</b>	<b>257,824</b>
Impairment	(3,140)	(3,053)
<b>Loans and receivables, net</b>	<b><u>313,445</u></b>	<b><u>254,771</u></b>

	<b>The Group</b>	
	<u>30 September 2023</u>	<u>31 December 2022</u>
Loans to customers, including short-term bills of exchange	299,725	243,031
Overdrafts	654	462
Factoring	638	1,142
Finance lease	28,204	22,722
	<b>329,221</b>	<b>267,357</b>
Impairment	(4,070)	(3,620)
<b>Loans and receivables, net</b>	<b><u>325,151</u></b>	<b><u>263,737</u></b>

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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.

	<b>The Bank</b>	
	<b>2023</b>	<b>2022</b>
<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>

<b>Balance as at 30 September 2023</b>	<b>Ownership (percent)</b>	<b>Direct ownership (percent)</b>	<b>Nominal amount</b>	<b>Impairment</b>		<b>Carrying value</b>
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>

<b>Balance as at 31 December 2022</b>	<b>Ownership (percent)</b>	<b>Direct ownership (percent)</b>	<b>Nominal amount</b>	<b>Impairment</b>		<b>Carrying value</b>
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 MEDICINOS BANKAS

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### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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 Bank and located in Vilnius and Kaunas. Under these circumstances those real estate objects were revaluated. 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 30 September 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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
252,823	156,271	Term deposits	252,823	156,271
165,079	181,616	Current accounts	165,532	181,958
2,160	3,035	Customer funds in transit accounts	2,160	3,035
13,452	13,305	Loans from funds	13,452	13,305
<b>433,514</b>	<b>354,227</b>	<b>Total</b>	<b>433,967</b>	<b>354,569</b>
<b>46,208</b>	<b>34,289</b>	<b>Out of which held as security against guarantees and loans</b>	<b>46,208</b>	<b>34,289</b>

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### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

#### Note 8 Other liabilities

Other liabilities comprise of:

The Group			The Bank	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
2,125	2,026	Accrued payments to employees	2,085	1,917
340	352	Prepayments	-	-
		Accrued expenses and property lease obligations	2,222	1,787
2,227	1,799			
719	-	Liabilities to the State Tax Inspectorate	714	-
		Liabilities to the Board of the State Social Fund	166	-
172	-			
140	265	Sales VAT	140	265
67	80	Deferred income	67	80
		Payable to the Latvian and Estonian Road Transport Administration	39	42
39	42			
234	382	Debt to suppliers	164	319
150	-	Advances received	150	-
225	274	Other	225	274
<b>6,438</b>	<b>5,220</b>	<b>Total</b>	<b>5,972</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 30 September 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 30 September 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 30 September 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 30 September 2023 was 2.262 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.

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 10 Net interest income**

Net interest income comprises:

The Group			The Bank	
30 September 2023	30 September 2022		30 September 2023	30 September 2022
15,962	9,414	For loans to customers	14,533	8,389
82	185	For impaired loans to customers including interest on arrears	53	162
1,589	598	For finance lease including interest on arrears	1,589	642
50	86	Other interest on arrears (not including finance lease and impaired loans)	50	42
266	211	On debt securities	266	219
1,349	2	On cash at central banks	1,349	2
304	98	On placements with the banks and other credit institutions	304	31
<b>19,602</b>	<b>10,592</b>	<b>Interest revenue</b>	<b>18,144</b>	<b>9,485</b>
(2,471)	(911)	On obligations to customers, including letters of credit	(2,471)	(911)
(244)	(224)	Deposit and guarantee insurance	(244)	(224)
(15)	(15)	On subordinated loans	(15)	(15)
(129)	(129)	On debt securities issued	(129)	(129)
-	(142)	On obligations to banks and other credit institutions	-	(142)
(39)	(41)	Lease of property	(39)	(41)
<b>(2,898)</b>	<b>(1,462)</b>	<b>Interest expenses</b>	<b>(2,898)</b>	<b>(1,462)</b>
<b>16,704</b>	<b>9,130</b>	<b>Total</b>	<b>15,246</b>	<b>8,023</b>

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

Net fee and commission income comprises:

The Group			The Bank	
30 September 2023	30 September 2022		30 September 2023	30 September 2022
1,482	1,250	Payment services	1,482	1,250
132	170	Income from currency exchange	132	170
535	626	Administration of bank accounts	535	626
883	974	Collection of payments	883	974
221	41	Brokerage income	394	239
566	593	Cash operations	566	593
246	271	Other	246	271
<b>4,065</b>	<b>3,925</b>	<b>Service fee and commission income</b>	<b>4,238</b>	<b>4,123</b>
(27)	(49)	Rent fee according to agreements	(27)	(49)
(182)	(327)	Cash operations	(182)	(327)
(59)	(103)	Money transfer operations	(59)	(103)
(230)	(198)	Brokerage costs	-	-
(53)	(53)	Other	(52)	(54)
<b>(551)</b>	<b>(730)</b>	<b>Service fee and commission expense</b>	<b>(320)</b>	<b>(533)</b>
<b>3,514</b>	<b>3,195</b>	<b>Total</b>	<b>3,918</b>	<b>3,590</b>

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**SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023**

(All amounts in EUR thousand unless otherwise stated)

**Note 12 Net foreign exchange gain**

	<b>The Bank (Group)</b>	
	<b>30 September 2023</b>	<b>30 September 2022</b>
Gain from operations with foreign currency	2,589	3,887
Unrealised foreign currency exchange gain	(129)	(268)
<b>Net foreign currency exchange gain</b>	<b>2,460</b>	<b>3,619</b>

**Note 13 Operating expenses**

Operating expenses are as follows:

<b>The Group</b>		<b>The Bank</b>	
<b>30 September 2023</b>	<b>30 September 2022</b>	<b>30 September 2023</b>	<b>30 September 2022</b>
(238)	(251)	(238)	(234)
(850)	(672)	(844)	(670)
(284)	(251)	(284)	(251)
(1,349)	(429)	(1,308)	(381)
(215)	(207)	(212)	(202)
(87)	(79)	(87)	(79)
(171)	(220)	(171)	(220)
(466)	(219)	(466)	(211)
(41)	(17)	(27)	(4)
(37)	(25)	(37)	(25)
(32)	(34)	(31)	(34)
(90)	(30)	(90)	(30)
(18)	(50)	(18)	(50)
(8)	(10)	(8)	(10)
(22)	(28)	(22)	(28)
(15)	(16)	(15)	(16)
(132)	(102)	(129)	(100)
(52)	(20)	(52)	(20)
(72)	(68)	(72)	(68)
(130)	(123)	(94)	(87)
(159)	(116)	(146)	(103)
<b>(4,468)</b>	<b>(2,967)</b>	<b>(4,351)</b>	<b>(2,823)</b>

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### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 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	
30 September 2023	30 September 2022		30 September 2023	30 September 2022
16,611	24,968	Cash on hand	16,611	24,968
96,356	50,576	Current accounts with the Bank of Lithuania	96,356	50,576
4,613	5,910	Current accounts with other credit institutions	4,608	5,894
10,423,	2,288	Term deposits with credit institutions up to 90 days	10,423,	2,288
<b>128,003</b>	<b>83,742</b>	<b>Total</b>	<b>127,998</b>	<b>83,726</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.

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## SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(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 September 2023		31 December 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>				
Cash and due from central bank	115,935	115,935	69,201	69,201
Placements with banks and other credit institutions	15,031	15,031	11,143	11,143
Debt securities	33,522	32,632	59,218	57,422
Loans and receivables	313,445	307,160	254,771	269,902
Other assets	-	-	-	-
<b>Total</b>	<b>477,933</b>	<b>470,758</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	433,967	442,072	354,569	357,318
Debt securities issued	2,209	2,382	2,235	2,557
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	5,972	5,972	4,684	4,684
<b>Total</b>	<b>443,181</b>	<b>484,426</b>	<b>362,521</b>	<b>365,592</b>
<b>The Group</b>				
<b>Financial assets</b>				
Cash and due from central bank	115,935	115,935	69,201	69,201
Placements with banks and other credit institutions	15,036	15,036	11,156	11,156
Debt securities	33,522	32,632	59,218	57,422
Loans and receivables	325,151	316,348	263,737	276,221
Other assets	-	-	-	-
<b>Total</b>	<b>489,644</b>	<b>479,951</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	433,514	441,619	354,227	356,976
Debt securities issued	2,209	2,382	2,235	2,557
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	6,438	6,438	5,220	5,220
<b>Total</b>	<b>443,194</b>	<b>484,439</b>	<b>362,715</b>	<b>365,786</b>

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(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 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)**

<b>As at 30 September 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Derivative financial instruments	-	7	-	7
<b>Financial liabilities</b>				
Derivative financial instruments	-	31	-	31

**The Bank (Group)**

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

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(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**

<b>30 September 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	130,966	-	-	130,966
Debt securities	33,522	-	-	33,522
Loans to customers	-	-	285,768	285,768
Finance lease	-	-	27,677	27,677
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>164,488</b>	<b>-</b>	<b>313,445</b>	<b>477,933</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	433,967	-	433,967
Debt securities issued	-	2,209	-	2,209
Subordinated loan	-	-	1,000	1,000
Other liabilities	-	-	5,972	5,972
<b>Total financial liabilities</b>	<b>-</b>	<b>436,209</b>	<b>6,972</b>	<b>443,181</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>

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

<b>30 September 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	130,971	-	-	130,971
Debt securities	33,522	-	-	33,522
Loans to customers	-	-	297,474	297,474
Finance lease	-	-	27,677	27,677
Other assets	-	-	-	-
<b>Total financial assets</b>	<b>164,493</b>	<b>-</b>	<b>325,151</b>	<b>489,644</b>
<b>Liabilities</b>				
Due to banks and other credit institutions	-	33	-	33
Due to customers	-	433,514	-	433,514
Debt securities issued	-	2,209	-	2,209
Subordinated loan	-	-	1,000	1,000
Other liabilities	-	-	6,438	6,438
<b>Total financial liabilities</b>	<b>-</b>	<b>435,756</b>	<b>7,438</b>	<b>443,194</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>

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**Note 17 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 30 September 2023 and 31 December 2022 and expense and income, related to that, and which are included in the September 30 2023 and September 30 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 30 September 2023, net	-	25,329	-	1,784
Interest rate, percent	-	7.0	-	7.66-8.66
Impairment of loans	-	(313)	-	(9)
Term deposits as at 30 September 2023	-	-	84	1,074
Interest rate, percent	-	-	0.3-3.85	1.00-3.85
Current accounts as at 30 September 2023	775	453	124	3 647
Bonds issued as at 30 September 2023	100	-	-	-
Interest rate, percent	7,0	-	-	-
Subordinated loans as at 30 September 2023	1,000	-	-	-
Interest rate, percent	2.0	-	-	-
For nine month period as at 30 September 2023				
Interest income on loans	-	1,513	-	42
Interest expense on deposits	-	-	(1)	(14)
Interest expense on bonds	(5)	-	-	-
Interest expense on subordinated loans	(15)	-	-	-
Service fee and commission revenue	-	186	-	7
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 nine month period as at 30 September 2022				
Interest income on loans	-	1,293	1	16
Interest expense on deposits	-	-	-	(3)
Interest expense on bonds	(5)	-	-	-
Interest expense on subordinated loans	(15)	-	-	-
Service fee and commission revenue	-	205	-	5
Service fee and commission expenses	-	-	-	-

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**Note 17 Related party transactions (cont'd)**

<b>The Group</b>	<b>Supervisory Board and Key Management Personnel</b>		
	<b>Shareholders</b>		<b>Other*</b>
<b>2023</b>			
Loans outstanding as at 30 September 2023, net	-	-	1,784
Interest rate, percent	-	-	7.66-8.66
Impairment of loans	-	-	(9)
Term deposits as at 30 September 2023	-	84	1,074
Interest rate, percent	-	0.3-3.85	1.00-3.85
Current accounts as at 30 September 2023	775	149	3,622
Bonds issued as at 30 September 2023	100	-	-
Interest rate, percent	7.0	-	-
Subordinated loans as at 30 September 2023	1,000	-	-
Interest rate, percent	2.0	-	-
For nine month period as at 30 September 2023			
Interest income on loans	-	-	42
Interest expense on deposits	-	(1)	(14)
Interest expense on bonds	(5)	-	-
Interest expense on subordinated loans	(15)	-	-
Service fee and commission revenue	-	-	7
Service fee and commission expenses	-	-	-
<b>The Group</b>		<b>Supervisory Board and Key Management Personnel</b>	
<b>2022</b>	<b>Shareholders</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 nine month period as at 30 September 2022			
Interest income on loans	-	1	16
Interest expense on deposits	-	-	(3)
Interest expense on bonds	(5)	-	-
Interest expense on subordinated loans	(15)	-	-
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.

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**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 September 2023 and in the Statement of comprehensive income as at 30 September 2023 is presented in the table below:

	<b>30 September 2023</b>				
	<b>Traditional banking operations and lending</b>	<b>Treasury</b>	<b>Other activities</b>	<b>Eliminations</b>	<b>Total</b>
Internal	1,620	-	(107)	(1,513)	-
External	17,639	1,856	107	-	19,602
<b>Interest income</b>	<b>19,259</b>	<b>1,856</b>	<b>-</b>	<b>(1,513)</b>	<b>16,602</b>
Internal	(1,620)	-	-	1,620	-
External	(2,886)	(12)	-	-	(2,898)
<b>Interest expenses</b>	<b>(4,506)</b>	<b>(12)</b>	<b>-</b>	<b>1,620</b>	<b>(2,898)</b>
Internal	-	-	(107)	107	-
External	14,753	1,844	107	-	16,704
<b>Net interest income</b>	<b>14,753</b>	<b>1,844</b>	<b>-</b>	<b>107</b>	<b>16,704</b>
Internal	-	-	-	-	-
External	3,511	-	-	3	3,514
<b>Net fee and commission income</b>	<b>3,511</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3,514</b>
Internal	-	-	(107)	107	-
External	18,264	1,844	107	3	20,218
<b>Net interest, fee and commissions income</b>	<b>18,264</b>	<b>1,844</b>	<b>-</b>	<b>110</b>	<b>20,218</b>
Internal	-	-	-	-	-
External	(12,203)	(198)	-	-	(12,401)
<b>Operating expenses</b>	<b>(12,203)</b>	<b>(198)</b>	<b>-</b>	<b>-</b>	<b>(12,401)</b>
Amortisation	(306)	-	-	-	(306)
Depreciation	(739)	-	-	-	(739)
Internal	-	-	-	-	-
External	(550)	-	-	-	(550)
<b>Impairment expenses</b>	<b>(550)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(550)</b>
Internal	-	-	-	-	-
External	2,105	441	6	-	2,552
<b>Net other income</b>	<b>2,105</b>	<b>441</b>	<b>6</b>	<b>-</b>	<b>2,552</b>
<b>Profit (loss) before tax</b>	<b>6,571</b>	<b>2,087</b>	<b>6</b>	<b>110</b>	<b>8,774</b>
Income tax	(1,705)	-	-	-	(1,705)
<b>Profit (loss) per segment after tax</b>	<b>4,866</b>	<b>2,087</b>	<b>6</b>	<b>110</b>	<b>7,069</b>
Non-controlling interest	-	-	-	-	-
<b>Profit (loss) for the year attributable to the shareholders of the Bank</b>	<b>4,866</b>	<b>2,087</b>	<b>6</b>	<b>110</b>	<b>7,069</b>
Total segment assets	364,677	173,322	1,968	(40,383)	499,584
Total segment liabilities	466,730	5,445	53	(27,772)	444,456
<b>Net segment assets (shareholders equity)</b>	<b>(102,053)</b>	<b>167,877</b>	<b>1,915</b>	<b>(12,611)</b>	<b>55,128</b>

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#### 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 September 2022 and in the Statement of comprehensive income as at 30 September 2022 is presented in the table below:

	30 September 2022				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	1,366	-	(73)	(1,293)	-
External	10,267	252	73	-	10,592
<b>Interest income</b>	<b>11,633</b>	<b>252</b>	<b>-</b>	<b>(1,293)</b>	<b>10,592</b>
Internal	(1,366)	-	-	1,366	-
External	(1,215)	(247)	-	-	(1,462)
<b>Interest expenses</b>	<b>(2,581)</b>	<b>(247)</b>	<b>-</b>	<b>1,366</b>	<b>(1,462)</b>
Internal	-	-	(73)	73	-
External	9,052	5	73	-	9,130
<b>Net interest income</b>	<b>9,052</b>	<b>5</b>	<b>-</b>	<b>73</b>	<b>9,130</b>
Internal	-	-	-	-	-
External	3,232	-	-	(37)	3,195
<b>Net fee and commission income</b>	<b>3,232</b>	<b>-</b>	<b>-</b>	<b>(37)</b>	<b>3,195</b>
Internal	-	-	(73)	73	-
External	12,284	5	73	(37)	12,325
<b>Net interest, fee and commissions income</b>	<b>12,284</b>	<b>5</b>	<b>-</b>	<b>36</b>	<b>12,325</b>
Internal	-	-	-	-	-
External	,(10,140)	(158)	56	-	(10,242)
<b>Operating expenses</b>	<b>(10,140)</b>	<b>(158)</b>	<b>56</b>	<b>-</b>	<b>(10,242)</b>
Amortisation	(299)	-	-	-	(299)
Depreciation	(722)	-	-	-	(722)
Internal	-	-	-	-	-
External	(672)	-	-	-	(672)
<b>Impairment expenses</b>	<b>(672)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(672)</b>
Internal	-	-	-	-	-
External	3,025	787	120	-	3,933
<b>Net other income</b>	<b>3,025</b>	<b>787</b>	<b>120</b>	<b>-</b>	<b>3,933</b>
<b>Profit (loss) before tax</b>	<b>3,475</b>	<b>634</b>	<b>176</b>	<b>36</b>	<b>4,321</b>
Income tax	(805)	-	-	-	(805)
<b>Profit (loss) per segment after tax</b>	<b>2,670</b>	<b>634</b>	<b>176</b>	<b>36</b>	<b>3,516</b>
Non-controlling interest	-	-	-	-	-
<b>Profit (loss) for the year attributable to the shareholders of the Bank</b>	<b>2,670</b>	<b>634</b>	<b>176</b>	<b>36</b>	<b>3,516</b>
Total segment assets	301,415	143,148	1,886	(34,211)	412,238
Total segment liabilities	383,035	5,601	42	(24,560)	366,118
<b>Net segment assets (shareholders equity)</b>	<b>(83,620)</b>	<b>137,547</b>	<b>1,844</b>	<b>(9,651)</b>	<b>46,120</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.

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### Note 19 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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
10,502	8,035	Maximum exposure to a single customer or group of connected customers	10,502	8,035
46,123	44,471	Eligible capital	46,717	45,130
<b>22.77</b>	<b>18.07</b>	<b>Maximum exposure ratio, percent</b>	<b>22.48</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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
		<b>Statement of financial position items, other than trading and investment activities</b>		
99,324	48,067	Balances with the Bank of Lithuania Due from banks	99,324	48,067
15,036	11,156		15,031	11,143
297,475	241,543	Loans to customers	285,768	232,577
27,677	22,194	Finance lease	27,677	22,194
<b>439,512</b>	<b>322,960</b>		<b>427,800</b>	<b>313,981</b>
		<b>Off balance sheet items</b>		
2,208	2,231	Guarantees	2,208	2,231
20,392	12,706	Loan commitments	21,380	17,644
<b>462,112</b>	<b>337,897</b>	<b>Total balance and off balance sheet items, other than trading and investment activities</b>	<b>451,388</b>	<b>333,856</b>
		<b>Trading and investment activities</b>		
		Financial assets at fair value through profit or loss		
7	54	Derivative financial instruments	7	54
		- Held-to-maturity investments		-
33,522	59,218	Debt securities	33,522	59,218
<b>33,529</b>	<b>59,272</b>	<b>Total trading and investment activities</b>	<b>33,529</b>	<b>59,272</b>
<b>495,641</b>	<b>397,169</b>	<b>Total credit exposure</b>	<b>484,917</b>	<b>393,128</b>

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#### Note 19 Risk management (cont'd)

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

	The Bank (Group)	
	30 September 2023	31 December 2022
Government bonds	33,522	59,218
Derivatives	7	54
<b>Total</b>	<b>33,529</b>	<b>59,272</b>

Bonds exposure by rating grade	The Bank (Group)	
	30 September 2023	31 December 2022
High grade (AAA-A)	22,597	46,077
Standard grade (B-BBB+)	10,925	13,141
Not rated	-	-
<b>Total</b>	<b>33,522</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.

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(All amounts in EUR thousand unless otherwise stated)

**Note 19 Risk management (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>30 September 2023</b>					
<b>Stage 1</b>					
Loans and receivables	258,151	3,114	-	-	<b>261,265</b>
Placements with LB and other banks	114,355	-	-	-	<b>114,355</b>
Debt securities	33,522	-	-	-	<b>33,522</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>406,028</b>	<b>3,114</b>	<b>-</b>	<b>-</b>	<b>409,142</b>
		,	,	,	,
<b>Stage 2</b>					
Loans and receivables	38,211	5,812	-	-	<b>44,023</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>38,211</b>	<b>5,812</b>	<b>-</b>	<b>-</b>	<b>44,023</b>
		,	,	,	,
<b>Stage 3</b>					
Loans and receivables	7,059	707	9	382	<b>8,157</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>7,059</b>	<b>707</b>	<b>9</b>	<b>382</b>	<b>8,157</b>
<b>Total</b>	<b>451,298</b>	<b>9,633</b>	<b>9</b>	<b>382</b>	<b>461,322</b>

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(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.)

<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>

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**Note 19 Risk management (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>30 September 2023</b>					
<b>Stage 1</b>					
Loans and receivables	266,192	3,647	-	-	<b>269,839</b>
Placements with LB and other banks	114,360	-	-	-	<b>114,360</b>
Debt securities	33,522	-	-	-	<b>33,522</b>
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>414,074</b>	<b>3,647</b>	<b>-</b>	<b>-</b>	<b>417,721</b>
	,	,	,	,	,
<b>Stage 2</b>					
Loans and receivables	40,101	6,818	43	-	<b>46,962</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>40,101</b>	<b>6,818</b>	<b>43</b>	<b>-</b>	<b>46,962</b>
	,	,	,	,	,
<b>Stage 3</b>					
Loans and receivables	7,102	735	24	489	<b>8,350</b>
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total</b>	<b>7,102</b>	<b>735</b>	<b>24</b>	<b>489</b>	<b>8,350</b>
	,	,	,	,	,
<b>Total</b>	<b>461,277</b>	<b>11,200</b>	<b>67</b>	<b>489</b>	<b>473,033</b>

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**Note 19 Risk management (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>



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(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
<b>30 September 2023</b>										
<b>400</b>	-	<b>47</b>	<b>2</b>	<b>449</b>	<b>Stage 1</b>	<b>336</b>	-	<b>(4)</b>	<b>2</b>	<b>334</b>
411	-	47	2	460	Loans and receivables	347	-	(4)	2	345
5	-	-	-	5	Placements with LB and other banks	5	-	-	-	5
(16)	-	-	-	(16)	Debt securities	(16)	-	-	-	(16)
<b>4</b>	-	-	-	<b>4</b>	<b>Stage 2</b>	<b>(178)</b>	-	<b>1</b>	-	<b>(177)</b>
4	-	-	-	4	Loans and receivables	(178)	-	1	-	(177)
-	<b>34</b>	-	-	<b>34</b>	<b>Stage 3</b>	-	<b>(83)</b>	-	-	<b>(83)</b>
-	34	-	-	34	Loans and receivables	-	(83)	-	-	(83)
-	-	-	-	-	Other financial assets	-	-	-	-	-
<b>404</b>	<b>34</b>	<b>47</b>	<b>2</b>	<b>487</b>	<b>Total</b>	<b>158</b>	<b>(83)</b>	<b>(3)</b>	<b>2</b>	<b>74</b>
-	66	-	-	66	Write-offs	-	63	-	-	63
-	(3)	-	-	(3)	Income on loans written off in earlier periods	-	(3)	-	-	(3)
-	-	-	-	<b>550</b>	<b>Total change of impairment</b>	-	-	-	-	<b>134</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.

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#### 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 September 2023	31 December 2022		30 September 2023	31 December 2022
148,350	125,833	Liquid assets	148,350	125,833
41,132	30,060	Short-term (up to 30 days) obligations	41,958	32,316
<b>361</b>	<b>419</b>	<b>LCR, percent</b>	<b>354</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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
425,840	362,288	Available stable funding	426,172	362,791
276,175	223,162	Required stable funding	271,774	229,968
<b>154</b>	<b>162</b>	<b>NSFR, percent</b>	<b>157</b>	<b>158</b>

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**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 September 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	32,522	105,971	13,895	79,793	87,220	158,267	22,137	<b>499,805</b>
Liabilities	167,782	17,771	21,753	151,790	54,669	30,456	166	<b>444,387</b>
<b>Net gap</b>	<b>(135,260)</b>	<b>88,200</b>	<b>(7,858)</b>	<b>(71,997)</b>	<b>32,551</b>	<b>127,811</b>	<b>21,971</b>	<b>55,418</b>
Credit commitments	-	21,380	-	-	-	-	-	<b>21,380</b>

  

The Bank	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	38,739	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>

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**Note 19 Risk management (cont'd)**

Liquidity risk (cont.)

The Group	30 September 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	32,527	106,649	15,258	60,644	101,305	172,854	10,766	<b>500,003</b>
Liabilities	167,329	18,237	21,753	151,790	54,669	30,456	222	<b>444,456</b>
<b>Net gap</b>	<b>(134,802)</b>	<b>88,412</b>	<b>(6,495)</b>	<b>(91,146)</b>	<b>46,636</b>	<b>142,398</b>	<b>10,544</b>	<b>55,547</b>
Credit commitments	-	20,392	-	-	-	-	-	<b>20,392</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 30 September 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.

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

<b>The Bank</b>	<b>30 September 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	46,446	92,089	150,634	41,200	13,324	1,576	345,269
Non-sensitive assets to interest rate fluctuation							154,536
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	10,243	21,201	44,160	105,489	57,459	30,964	269,516
Non-sensitive liabilities and equity to interest rate fluctuation							230,289
<b>Interest sensitivity gap</b>	<b>36,203</b>	<b>70,888</b>	<b>106,474</b>	<b>(64,289)</b>	<b>(44,135)</b>	<b>(29,388)</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>

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**Note 19 Risk management (cont'd)**

The Group	30 September 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	47,271	67,950	152,675	45,193	27,409	16,163	356,661
Non-sensitive assets to interest rate fluctuation							143,342
<b>Liabilities:</b>							
Sensitive liabilities to interest rate fluctuation	10,243	21,201	44,160	105,489	57,459	30,964	269,516
Non-sensitive liabilities and equity to interest rate fluctuation							230,487
<b>Interest sensitivity gap</b>	<b>37,028</b>	<b>46,749</b>	<b>108,515</b>	<b>(60,296)</b>	<b>(30,050)</b>	<b>(14,801)</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>

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#### Note 19 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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
145	151	Long positions	145	151
(202)	(331)	Short positions	(202)	(331)
46,957	45,800	Eligible capital	47,552	46 459
<b>0.43</b>	<b>0.72</b>	<b>Overall net currency position, percent</b>	<b>0.42</b>	<b>0.71</b>

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

	30 September 2023	31 December 2022
Increase in FX rates by 10 percent	6	18
Decrease in FX rates by 10 percent	(6)	(18)

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#### 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 percent leverage ratio requirement has become binding from 28 June 2021. As of 30 September 2023, the Bank 's leverage ratio of 8.94 percent (the Group – 8.83 percent) exceeded the minimum requirement.

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

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 positions, which are secured by real estate of persons residing in the Republic of Lithuania.

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

	<b>The Bank</b>		<b>The Group</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Capital adequacy ratio, percent	<b>18.07</b>	<b>20.73</b>	<b>17.76</b>	<b>20.27</b>

## UAB MEDICINOS BANKAS

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

### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(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 September 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)
3,543	1.18	Loans to customers	2,613	0.91
527	1.87	Finance lease	527	1.87
20	0.06	Debt securities	20	0.06
15	0.10	Placements with banks	15	0.10
<b>4,105</b>	<b>1.08</b>	<b>Total:</b>	<b>3,175</b>	<b>0.87</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	
30 September 2023	31 December 2022		30 September 2023	31 December 2022
2.11	1.34	Return on assets (ROA)	2.06	1.28
18.24	12.12	Return on equity (ROE)	17.68	11.62

#### Action applied to the Bank

During the 9 months of 2023, no enforcement measures or actions were applied.

## UAB MEDICINOS BANKAS

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### SEPARATE AND CONSOLIDATED CONDENSED AUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2023

(All amounts in EUR thousand unless otherwise stated)

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#### Note 22 Events after the reporting date

There were no material subsequent events after the end of the third 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 9 months period ended 30 September 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 Medicinos bankas and its subsidiaries.

Chairman of the Board and Head of  
Administration

M. Arlauskas

Director of Accounting and Reporting  
Department, Chief Accountant

L. Bertašienė