

# UAB MEDICINOS BANKAS

BANK'S SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED  
FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30<sup>TH</sup>  
SEPTEMBER 2021 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

(All amounts in EUR thousand unless otherwise stated)

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**UAB MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

| <b>The Group</b>         |                         |   |              | <b>The Bank</b>          |                         |
|--------------------------|-------------------------|---|--------------|--------------------------|-------------------------|
| <b>30 September 2021</b> | <b>31 December 2020</b> | <b>Assets</b>   | <b>Notes</b> | <b>30 September 2021</b> | <b>31 December 2020</b> |
|                          |                         | Cash and due from central bank                        |              |                          |                         |
| 25,417                   | 29,442                  | <i>Cash</i>   |              | 25,417                   | 29,442                  |
| 69,449                   | 79,238                  | <i>Placements with the central bank</i>               |              | 69,449                   | 79,238                  |
| 94,866                   | 108,680                 |   |              | 94,866                   | 108,680                 |
| 16,839                   | 11,556                  | Placements with banks and other credit institutions   | 3            | 16,807                   | 11,321                  |
|                          |                         | Financial assets at fair value through profit or loss |              |                          |                         |
| 45                       | 6                       | <i>Derivative financial instruments</i>               |              | 45                       | 6                       |
| 45                       | 6                       |   |              | 45                       | 6                       |
| 57,647                   | 54,584                  | Debt securities                                       | 4            | 57,647                   | 54,584                  |
|                          |                         | Loans and receivables                                 | 5            |                          |                         |
| 205,837                  | 191,176                 | <i>Loans to customers</i>                             |              | 198,869                  | 186,494                 |
| 14,656                   | 13,530                  | <i>Finance lease receivable</i>                       |              | 14,656                   | 13,530                  |
| 220,493                  | 204,706                 |   |              | 213,525                  | 200,024                 |
| -                        | -                       | Investments in subsidiaries                           | 6            | 7,342                    | 6,406                   |
| 27                       | -                       | Other equity instruments                              |              | 27                       | -                       |
| 234                      | 528                     | Investment property                                   |              | 232                      | 217                     |
| 6,164                    | 6,206                   | Property and equipment                                |              | 6,160                    | 6,185                   |
| 416                      | 464                     | Intangible assets                                     |              | 393                      | 429                     |
|                          |                         | Tax assets  |              |                          |                         |
| 325                      | 176                     | <i>Current taxes</i>                                  |              | 325                      | 176                     |
| 294                      | 825                     | <i>Deferred taxes</i>                                 |              | 294                      | 825                     |
| 619                      | 1,001                   |   |              | 619                      | 1,001                   |
| 923                      | 673                     | Other assets  |              | 781                      | 665                     |
| <b>398,273</b>           | <b>388,404</b>          | <b>Total assets</b>                                   |              | <b>398,444</b>           | <b>389,518</b>          |

(continued on the next page)

The accompanying notes on pages 13 to 43 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

| The Group         |                  |   |       | The Bank          |                  |
|-------------------|------------------|---|-------|-------------------|------------------|
| 30 September 2021 | 31 December 2020 | Liabilities                                       | Notes | 30 September 2021 | 31 December 2020 |
| 501               | 1                | Due to banks and other credit institutions        |       | 501               | 1                |
| 23                | 61               | Derivative financial instruments                  |       | 23                | 61               |
| 343,830           | 341,647          | Due to customers                                  | 7     | 344,109           | 343,028          |
| 1,000             | 1,000            | Subordinated loans                                | 8     | 1,000             | 1,000            |
| 2,175             | 2,201            | Debt securities issued                            | 8     | 2,175             | 2,201            |
| 56                | 74               | Impairment  |       | 67                | 108              |
| 382               | -                | Tax liabilities                                   |       | 382               | -                |
|                   | -                | Current taxes                                     |       |                   | -                |
|                   | -                | Deferred taxes                                    |       |                   | -                |
| 382               | -                |   |       | 382               | -                |
| 8,719             | 5,208            | Other liabilities                                 | 9     | 8,411             | 4,921            |
| <b>356,686</b>    | <b>350,192</b>   | <b>Total liabilities</b>                          |       | <b>356,668</b>    | <b>351,320</b>   |
|                   |                  | <b>Equity</b>                                     |       |                   |                  |
| 19,948            | 19,948           | Share capital                                     | 10    | 19,948            | 19,948           |
| 10,408            | 7,622            | Retained earnings                                 |       | 10,616            | 7,608            |
| 326               | 326              | Revaluation reserve of property and equipment     |       | 326               | 326              |
| 10,905            | 10,316           | Other reserves                                    | 10    | 10,886            | 10,316           |
| <b>41,587</b>     | <b>38,212</b>    | <b>Total shareholders' equity</b>                 |       | <b>41,776</b>     | <b>38,198</b>    |
| <b>398,273</b>    | <b>388,404</b>   | <b>Total liabilities and shareholders' equity</b> |       | <b>398,444</b>    | <b>389,518</b>   |

The accompanying notes on pages 13 to 43 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS**

| <b>The Group</b>         |                          |   |              | <b>The Bank</b>          |                          |
|--------------------------|--------------------------|---|--------------|--------------------------|--------------------------|
| <b>30 September 2021</b> | <b>30 September 2020</b> |   | <b>Notes</b> | <b>30 September 2021</b> | <b>30 September 2020</b> |
| 9,954                    | 9,109                    | Interest income                                   | 11           | 9,088                    | 8,207                    |
| (1,419)                  | (1,357)                  | Interest expenses                                 | 11           | (1,419)                  | (1,356)                  |
| <b>8,535</b>             | <b>7,752</b>             | <b>Net interest income</b>                        |              | <b>7,669</b>             | <b>6,851</b>             |
| 3,964                    | 4,068                    | Service fee and commission income                 | 12           | 4,258                    | 4,359                    |
| (746)                    | (565)                    | Service fee and commission expenses               | 12           | (631)                    | (482)                    |
| <b>3,218</b>             | <b>3,503</b>             | <b>Net service fee and commission income</b>      |              | <b>3,627</b>             | <b>3,877</b>             |
| -                        | -                        | Net result on equity securities trading           |              | 200                      | -                        |
| 3,749                    | 3,069                    | Net foreign exchange gain                         | 13           | 3,749                    | 3,069                    |
| (348)                    | 479                      | Net result from operations with derivatives       |              | (348)                    | 479                      |
| -                        | -                        | Impairment of investments into subsidiaries       |              | (64)                     | (254)                    |
| 36                       | (159)                    | Net result on operations on investment property   |              | (4)                      | (17)                     |
| 85                       | 32                       | Other income                                      |              | 95                       | 49                       |
| <b>15,275</b>            | <b>14,676</b>            | <b>Total operating income</b>                     |              | <b>14,924</b>            | <b>14,054</b>            |
| (489)                    | (926)                    | Impairment of loans and other financial assets    |              | (327)                    | (857)                    |
| <b>14,786</b>            | <b>13,750</b>            | <b>Operating income after impairment</b>          |              | <b>14,597</b>            | <b>13,197</b>            |
| (6,334)                  | (6,305)                  | Salaries and benefits                             |              | (6,075)                  | (6,081)                  |
| (834)                    | (852)                    | Depreciation                                      |              | (830)                    | (848)                    |
| (172)                    | (129)                    | Amortisation                                      |              | (160)                    | (116)                    |
| (3,012)                  | (2,642)                  | Other operating expenses                          | 14           | (2,895)                  | (2,483)                  |
| <b>(10,352)</b>          | <b>(9,928)</b>           | <b>Total operating expenses</b>                   |              | <b>(9,960)</b>           | <b>(9,528)</b>           |
| <b>4,434</b>             | <b>3,822</b>             | <b>Operating profit (loss)</b>                    |              | <b>4,637</b>             | <b>3,669</b>             |
| <b>(1,059)</b>           | <b>(558)</b>             | <b>Income tax</b>                                 |              | <b>(1,059)</b>           | <b>(550)</b>             |
| <b>3,375</b>             | <b>3,264</b>             | <b>Profit (loss) for the year</b>                 |              | <b>3,578</b>             | <b>3,119</b>             |
| <b>3,375</b>             | <b>3,264</b>             | <b>Attributable to equity holders of the Bank</b> |              | <b>3,578</b>             | <b>3,119</b>             |

The accompanying notes on pages 13 to 43 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

| <b>The Group</b>                  |                                   |   | <b>The Bank</b>                   |                                   |
|-----------------------------------|-----------------------------------|---|-----------------------------------|-----------------------------------|
| <b>01-07-2021-<br/>30-09-2021</b> | <b>01-07-2020-<br/>30-09-2020</b> |   | <b>01-07-2021-<br/>30-09-2021</b> | <b>01-07-2020-<br/>30-09-2020</b> |
|                                   |                                   |   | <b>Notes</b>                      |                                   |
| 3,643                             | 3,075                             | Interest income   | 3,365                             | 2,721                             |
| (485)                             | (453)                             | Interest expenses                                       | (485)                             | (452)                             |
| <b>3,158</b>                      | <b>2,622</b>                      | <b>Net interest income</b>                              | <b>2,880</b>                      | <b>2,269</b>                      |
| 1,453                             | 1,412                             | Service fee and commission income                       | 1,543                             | 1,521                             |
| (294)                             | (292)                             | Service fee and commission expenses                     | (248)                             | (236)                             |
| <b>1,159</b>                      | <b>1,120</b>                      | <b>Net service fee and commission income</b>            | <b>1,295</b>                      | <b>1,285</b>                      |
| -                                 | -                                 | Net result on equity securities trading                 | -                                 | -                                 |
| 1,500                             | 1,294                             | Net foreign exchange gain                               | 1,500                             | 1,294                             |
| (16)                              | 261                               | Net result from operations with derivatives             | (16)                              | 261                               |
| -                                 | -                                 | Impairment of investments into subsidiaries             | -                                 | (54)                              |
| 1                                 | 16                                | Net result on operations on investment property         | -                                 | -                                 |
| 5                                 | 13                                | Other income  | 6                                 | 18                                |
| <b>5,807</b>                      | <b>5,326</b>                      | <b>Total operating income</b>                           | <b>5,665</b>                      | <b>5,073</b>                      |
| (73)                              | (15)                              | Impairment of loans and other financial assets          | (11)                              | (107)                             |
| <b>5,734</b>                      | <b>5,311</b>                      | <b>Operating income after impairment</b>                | <b>5,654</b>                      | <b>4,966</b>                      |
| (2,086)                           | (2,130)                           | Salaries and benefits                                   | (2,013)                           | (2,054)                           |
| (276)                             | (279)                             | Depreciation  | (275)                             | (277)                             |
| (60)                              | (48)                              | Amortisation  | (57)                              | (43)                              |
| (1,319)                           | (866)                             | Other operating expenses                                | (1,288)                           | (796)                             |
| <b>(3,741)</b>                    | <b>(3,323)</b>                    | <b>Total operating expenses</b>                         | <b>(3,633)</b>                    | <b>(3,170)</b>                    |
| <b>1,993</b>                      | <b>1,988</b>                      | <b>Operating profit (loss)</b>                          | <b>2,021</b>                      | <b>1,796</b>                      |
| <b>(477)</b>                      | <b>(230)</b>                      | <b>Income tax expense</b>                               | <b>(477)</b>                      | <b>(230)</b>                      |
| <b>1,516</b>                      | <b>1,758</b>                      | <b>Profit (loss) at the end of the reporting period</b> | <b>1,544</b>                      | <b>1,566</b>                      |
| <b>1,516</b>                      | <b>1,758</b>                      | <b>Attributable to equity holders of the Bank</b>       | <b>1,544</b>                      | <b>1,566</b>                      |

The accompanying notes on pages 13 to 43 are an integral part of these financial statements.

Acting Chairman of the  
Board and Chief Executive  
Officer

D. Kliškauskienė

Deputy Director of  
Accounting and Reporting  
Department, acting Director,  
Chief Accountant

L. Bertašienė

**UAB MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

|  | <u>30 September 2021</u> | <u>30 September 2020</u> |
|--|--------------------------|--------------------------|
| <b>Items that will never be reclassified to profit or loss</b>                 |                          |                          |
| Change in PPE revaluation  | -                        | -                        |
| Transfer of depreciation for PPE net of tax                                    | -                        | -                        |
| Other  |                          |                          |
| <b>Items that are or may be reclassified to profit or loss</b>                 | <u>-</u>                 | <u>-</u>                 |
| Net amount transferred to profit or loss (available-for-sale financial assets) | -                        | -                        |
| Related tax  | -                        | -                        |
| <b>Other comprehensive income (expenses), after tax</b>                        |                          |                          |
| Profit (loss) at the end of the reporting period                               | <u>3,578</u>             | <u>3,119</u>             |
| <b>Total comprehensive income</b>  | <u><u>3,578</u></u>      | <u><u>3,119</u></u>      |
| <b>Attributable to:</b>  |                          |                          |
| <b>Equity holders of the Bank</b>  | <b>3,578</b>             | <b>3,119</b>             |

**The Group**

|  | <u>30 September 2021</u> | <u>30 September 2020</u> |
|--|--------------------------|--------------------------|
| <b>Items that will never be reclassified to profit or loss</b> |                          |                          |
| Change in PPE revaluation                                      | -                        | -                        |
| Transfer of depreciation for PPE net of tax                    | -                        | -                        |
| Other  | -                        | -                        |
| <b>Items that are or may be reclassified to profit or loss</b> | <u>-</u>                 | <u>-</u>                 |
| Related tax  | -                        | -                        |
| <b>Other comprehensive income (expenses), after tax</b>        | <u>-</u>                 | <u>-</u>                 |
| Profit (loss) at the end of the reporting period               | <u>3,375</u>             | <u>3,264</u>             |
| <b>Total comprehensive income</b>                              | <u><u>3,375</u></u>      | <u><u>3,264</u></u>      |
| <b>Attributable to:</b>  |                          |                          |
| <b>Equity holders of the Bank</b>                              | <b>3,375</b>             | <b>3,264</b>             |

The accompanying notes on pages 13 to 43 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**

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(All amounts in EUR thousand unless otherwise stated)

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

|  | <u>01-07-2021 – 30-09-2021</u> | <u>01-07-2020 – 30-09-2020</u> |
|--|--------------------------------|--------------------------------|
| <b>Items that will never be reclassified to profit or loss</b>                 |                                |                                |
| Change in PPE revaluation  | -                              | -                              |
| Transfer of depreciation for PPE net of tax                                    | -                              | -                              |
| Other  | -                              | -                              |
| <b>Items that are or may be reclassified to profit or loss</b>                 | <u>-</u>                       | <u>-</u>                       |
| Net amount transferred to profit or loss (available-for-sale financial assets) | -                              | -                              |
| Related tax  | -                              | -                              |
| <b>Other comprehensive income (expenses), net of tax</b>                       | <u>-</u>                       | <u>-</u>                       |
| Profit (loss) at the end of the reporting period                               | 1,544                          | 1,566                          |
| <b>Total comprehensive income</b>  | <u><u>1,544</u></u>            | <u><u>1,566</u></u>            |
| <b>Attributable to:</b>  |                                |                                |
| <b>Equity holders of the Bank</b>  | <b>1,544</b>                   | <b>1,566</b>                   |

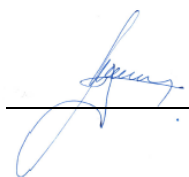
**The Group**

|  | <u>01-07-2021 – 30-09-2021</u> | <u>01-07-2020 – 30-09-2020</u> |
|--|--------------------------------|--------------------------------|
| <b>Items that will never be reclassified to profit or loss</b> |                                |                                |
| Change in PPE revaluation                                      | -                              | -                              |
| Transfer of depreciation for PPE net of tax                    | -                              | -                              |
| Other  | -                              | -                              |
| <b>Items that are or may be reclassified to profit or loss</b> | <u>-</u>                       | <u>-</u>                       |
| Related tax  | -                              | -                              |
| <b>Other comprehensive income (expenses), net of tax</b>       | <u>-</u>                       | <u>-</u>                       |
| Profit (loss) at the end of the reporting period               | 1,516                          | 1,758                          |
| <b>Total comprehensive income</b>                              | <u><u>1,516</u></u>            | <u><u>1,758</u></u>            |
| <b>Attributable to:</b>  |                                |                                |
| <b>Equity holders of the Bank</b>                              | <b>1,516</b>                   | <b>1,758</b>                   |

The accompanying notes on pages 13 to 43 are an integral part of these financial statements.

Acting Chairman of the  
Board and Chief Executive  
Officer

D. Klišauskienė

Deputy Director of  
Accounting and Reporting  
Department, acting Director,  
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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

|   | <u>Share capital</u> | <u>Retained earnings (restated)</u> | <u>Revaluation reserve of property and equipment</u> | <u>Other reserves</u> | <u>Total</u>  |
|---|----------------------|-------------------------------------|--|-----------------------|---------------|
| <b>As at 31 December 2019</b>               | <b>19,948</b>        | <b>3,996</b>                        | <b>330</b>   | <b>10,316</b>         | <b>34,590</b> |
| Profit or loss                              | -                    | 3,119                               | -  | -                     | 3,119         |
| Other comprehensive income (expense)        | -                    | -                                   | -  | -                     | -             |
| <b>Transactions with owners of the Bank</b> |                      |                                     |  |                       |               |
| Transfer to reserves                        | -                    | -                                   | -  | -                     | -             |
| <b>As at 30 September 2020</b>              | <b>19,948</b>        | <b>7,115</b>                        | <b>330</b>   | <b>10,316</b>         | <b>37,709</b> |
| Profit or loss                              | -                    | 488                                 | -  | -                     | 488           |
| Other comprehensive income (expense)        | -                    | 5                                   | (4)  | -                     | 1             |
| <b>Transactions with owners of the Bank</b> |                      |                                     |  |                       |               |
| Transfer to reserves                        | -                    | -                                   | -  | -                     | -             |
| <b>As at 31 December 2020</b>               | <b>19,948</b>        | <b>7,608</b>                        | <b>326</b>   | <b>10,316</b>         | <b>38,198</b> |
| Profit or loss                              | -                    | 3,578                               | -  | -                     | 3,578         |
| Other comprehensive income (expense)        | -                    | -                                   | -  | -                     | -             |
| <b>Transactions with owners of the Bank</b> |                      |                                     |  |                       |               |
| Transfer to reserves                        | -                    | (570)                               | -  | 570                   | -             |
| <b>As at 30 September 2021</b>              | <b>19,948</b>        | <b>10,616</b>                       | <b>326</b>   | <b>10,886</b>         | <b>41,776</b> |

*(continued on the next page)*

The accompanying notes on pages 13 to 43 are an integral part of these financial statements.

**UAB MEDICINOS BANKAS**

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(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 (restated) | Revaluation reserve of property and equipment | Other reserves | Total         |
|---|---------------|------------------------------|---|----------------|---------------|
| <b>As at 31 December 2019</b>               | <b>19,948</b> | <b>3,779</b>                 | <b>330</b>                                    | <b>10,316</b>  | <b>34,373</b> |
| Profit or loss                              | -             | 3,264                        | -   | -              | 3,264         |
| Other comprehensive income (expense)        | -             | -                            | -   | -              | -             |
| <b>Transactions with owners of the Bank</b> |               |                              |   |                |               |
| Transfer to reserves                        | -             | -                            | -   | -              | -             |
| <b>As at 30 September 2020</b>              | <b>19,948</b> | <b>7,043</b>                 | <b>330</b>                                    | <b>10,316</b>  | <b>37,637</b> |
| Profit or loss                              | -             | 574                          | -   | -              | 574           |
| Other comprehensive income (expense)        | -             | 5                            | (4)   | -              | 1             |
| <b>Transactions with owners of the Bank</b> |               |                              |   |                |               |
| Transfer to reserves                        | -             | -                            | -   | -              | -             |
| <b>As at 31 December 2020</b>               | <b>19,948</b> | <b>7,622</b>                 | <b>326</b>                                    | <b>10,316</b>  | <b>38,212</b> |
| Profit or loss                              | -             | 3,375                        | -   | -              | 3,375         |
| Other comprehensive income (expense)        | -             | -                            | -   | -              | -             |
| <b>Transactions with owners of the Bank</b> |               |                              |   |                |               |
| Transfer to reserves                        | -             | (589)                        | -   | 589            | -             |
| <b>As at 30 September 2021</b>              | <b>19,948</b> | <b>10,408</b>                | <b>326</b>                                    | <b>10,905</b>  | <b>41,587</b> |

The accompanying notes on pages 13 to 43 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

**CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS**

| <b>Group</b>                           |  |  | <b>Bank</b>                            |  |
|--|--|--|--|--|
| <b>As at 30<br/>September<br/>2021</b> | <b>As at 30<br/>September<br/>2020</b> |  | <b>As at 30<br/>September<br/>2021</b> | <b>As at 30<br/>September<br/>2020</b> |
|  |  |  | <b>Notes</b>                           |  |
|  |  | <b>Cash flows from operating activities</b>  |  |  |
| 3,375                                  | 3,264                                  | Profit (loss) for the year   | 3,578                                  | 3,119                                  |
|  |  | <b>Non-cash Revenue and Cost Recovery:</b>   |  |  |
| 1,006                                  | 981                                    | Depreciation and amortisation  | 990                                    | 964                                    |
| 36                                     | (9)                                    | Loss, gain on the sale of tangible, intangible and investment property                       | 61                                     | 9                                      |
| 489                                    | 926                                    | Impairment of loans  | 327                                    | 857                                    |
| -                                      | -                                      | Impairment of investments in subsidiaries  | 64                                     | 254                                    |
| -                                      | 176                                    | Impairment of investment property  | -                                      | 17                                     |
| (77)                                   | (152)                                  | Derivatives revaluation  | (77)                                   | (152)                                  |
| (53)                                   | 14                                     | Elimination of accrued vacation pay  | (36)                                   | 13                                     |
| 1,059                                  | 558                                    | Income tax expenses  | 1,059                                  | 550                                    |
| (55)                                   | (94)                                   | Elimination of other non-cash items  | 80                                     | (120)                                  |
| 5,780                                  | 5,664                                  | Cash flows from (to) operating activities before changes in operating assets and liabilities | 6,046                                  | 5,511                                  |
|  |  | <b>Changes in operating assets and liabilities:</b>  |  |  |
| (43)                                   | (93)                                   | Changes in compulsory reserves   | (43)                                   | (93)                                   |
| (799)                                  | -                                      | Changes in bank's balances   | (799)                                  | -                                      |
| (15,168)                               | (1,070)                                | Loans to customers   | (12,744)                               | (924)                                  |
| (1,182)                                | 1,072                                  | Finance lease receivable   | (1,182)                                | 1,072                                  |
| 500                                    | 3                                      | Changes in due to banks and other credit institutions  | 500                                    | 3                                      |
| 433                                    | 13,600                                 | Changes in due to customers  | (669)                                  | 13,914                                 |
| 3,996                                  | 3,107                                  | Changes in other assets and liabilities  | 3,948                                  | 3,004                                  |
| (6,483)                                | 22,283                                 | Net cash flows from operating activities before income tax                                   | (4,943 )                               | 22,487                                 |
| (440)                                  | (210)                                  | Income tax (paid)  | (440)                                  | (208)                                  |
| <b>(6,923)</b>                         | <b>22,073</b>                          | <b>Net cash flows from operating activities after income tax</b>                             | <b>(5,383)</b>                         | <b>22,279</b>                          |
|  |  | <b>Investing activities</b>  |  |  |
| (1,516)                                | (949)                                  | (Acquisitions) of intangible assets and property and equipment                               | (1,514 )                               | (916)                                  |
| -                                      | -                                      | (Acquisitions) of investment property  | -                                      | -                                      |
| 864                                    | 435                                    | Proceeds from sale of property and equipment and investment property                         | 515                                    | 163                                    |
| -                                      | -                                      | Investments in subsidiaries  | (1,000)                                | -                                      |
| (27)                                   | -                                      | Other equity instruments   | (27)                                   | -                                      |
| (432)                                  | (412)                                  | Part of the main amount of rent payments   | (422)                                  | (402)                                  |
| 14,468                                 | 32,496                                 | Redemption of debt-securities  | 14,468                                 | 32,496                                 |
| (17,531)                               | (32,671)                               | (Acquisitions) of of debt-securities   | (17,531)                               | (32,671)                               |
| <b>(4,174)</b>                         | <b>(1,101)</b>                         | <b>Net cash flows to investing activities</b>  | <b>(5,511)</b>                         | <b>(1,330)</b>                         |

*(continued on the next page)*

The accompanying notes on pages 13 to 43 are an integral part of these financial statements.

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

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

| <b>Group</b>                           |  |   | <b>Bank</b>                            |  |
|--|--|---|--|--|
| <b>As at 30<br/>September<br/>2021</b> | <b>As at 30<br/>September<br/>2020</b> |   | <b>As at 30<br/>September<br/>2021</b> | <b>As at 30<br/>September<br/>2020</b> |
|  |  | <b>Notes</b>  |  |  |
|  |  |   |  |  |
|  |  | <b>Financing activities</b>                                   |  |  |
| -                                      | -                                      | Bonds issued  | -                                      | -                                      |
| (26)                                   | (26)                                   | Bonds (redeemed)  | (26)                                   | (26)                                   |
| -                                      | (3,000)                                | Loans received according to Eurosystem Open market operations | -                                      | (3 000)                                |
| 7,105                                  | 3,435                                  | Loans (received)  | 7,105                                  | 3,435                                  |
| (5,632)                                | (5,131)                                | Loans (repaid)  | (5,632)                                | (5,131)                                |
| <b>1,447</b>                           | <b>(4,722)</b>                         | <b>Net cash flows from (to) financing activities</b>          | <b>1,447</b>                           | <b>(4,722)</b>                         |
|  |  |   |  |  |
| 277                                    | (642)                                  | Effect of exchange rate changes on cash and cash equivalents  | 277                                    | (642)                                  |
| <b>(9,373)</b>                         | <b>15,608</b>                          | <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>(9,170)</b>                         | <b>15,585</b>                          |
| 117,700                                | 84,146                                 | Cash and cash equivalents at 1 January                        | 117,465                                | 84,127                                 |
| <b>108,327</b>                         | <b>99,754</b>                          | <b>Cash and cash equivalents at 30 September</b>              | <b>108,295</b>                         | <b>99,712</b>                          |
|  |  | 15  |  |  |
|  |  |   |  |  |
|  |  | <b>Additional information to operating cash flows</b>         |  |  |
| 9,221                                  | 8,386                                  | Interest received   | 8,465                                  | 7,514                                  |
| (1,275)                                | (1,249)                                | Interest paid   | (1,275)                                | (1,248)                                |

The accompanying notes on pages 13 to 43 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 NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

(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 third quarter of 2021 the Bank had 42 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).

As at 30 September 2021 the Bank employed 296 employees (310 employees as at 31 December 2020). As at 30 September 2021 the Group employed 306 employees (321 employees as at 31 December 2020).

As at 30 September 2021 the shareholders of the Bank were as follows:

|                          | <b>Ordinary shares held</b> | <b>Per cent 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>                |

As at 31 December 2020 the shareholders of the Bank were as follows:

|                          | <b>Ordinary shares held</b> | <b>Per cent 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>                |

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 50percent 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

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### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

(All amounts in EUR thousand unless otherwise stated)

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#### Note 1 Background information (cont'd)

As at 6 May 2020 K. Karosas and Western Petroleum Limited entered into an agreement to sell 100 percent of Medicinos Bankas shares to Nitin Shelke, founder and chairman of the Growmore Group. In the 1st quarter of 2021, UAB Medicinos Bankas was informed that the share purchase and sale agreement between Mr. Konstantinas Karosas, Western Petroleum Limited (Sellers) and Mr. Nitin Prabhakar Shelke (Buyer) was terminated.

Termination of the share purchase and sale agreement will not affect the operations and further strategy of the UAB Medicinos bankas.

The issued share capital consists of 137,750 ordinary shares with the par value of EUR 144.81 each. As at 30 September 2021 and 31 December 2020, all shares were fully paid.

Capital and liquidity positions remain strong and prudential standards comply with regulations with a reserve. As at 2021 September 30, 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 2020. 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 2020 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 2020.

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 2021</u> | <u>31 December 2020</u> |
|-----|--------------------------|-------------------------|
| USD | 1.1654                   | 1.2281                  |

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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

**Note 3 Placements with banks and other credit institutions**

| The Group         |                  |  | The Bank          |                  |
|-------------------|------------------|--|-------------------|------------------|
| 30 September 2021 | 31 December 2020 |  | 30 September 2021 | 31 December 2020 |
| 11,860            | 7,718            | Cash in correspondent accounts                             | 11,828            | 7,483            |
| 4,979             | 3,838            | Term deposits  | 4,979             | 3,838            |
| <b>16,839</b>     | <b>11,556</b>    | <b>Placements with banks and other credit institutions</b> | <b>16,807</b>     | <b>11,321</b>    |

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

|   | 30 September 2021 | 31 December 2020 |
|---|-------------------|------------------|
| Government bonds of the Republic of Lithuania | 40,910            | 43,725           |
| Government bonds of the Republic of Croatia   | 4,864             | 3,063            |
| Government bonds of of Romania                | 4,574             | 2,172            |
| Government bonds of the Republic of Slovenia  | 3,654             | -                |
| Government bonds of the Republic of Poland    | 1,901             | 2,357            |
| Government bonds of Hungary                   | 1,744             | 822              |
| Government bonds of the Republic of Latvia    | -                 | 2,445            |
| <b>Total</b>                                  | <b>57,647</b>     | <b>54,584</b>    |

**Note 5 Loans and receivables**

Loans to customers and receivables comprise of:

|  | The Bank          |                  |
|--|-------------------|------------------|
|  | 30 September 2021 | 31 December 2020 |
| Loans to customers, including short-term bills of exchange | 200,081           | 187,746          |
| Overdrafts   | 509               | 234              |
| Factoring  | 800               | 650              |
| Leasing  | 15,029            | 13,923           |
|  | <b>216,419</b>    | <b>202,553</b>   |
| Less: impairment   | (2,894)           | (2,529)          |
| <b>Loans and receivables, net</b>                          | <b>213,525</b>    | <b>200,024</b>   |
|  | The Group         |                  |
|  | 30 September 2021 | 31 December 2020 |
| Loans to customers, including short-term bills of exchange | 207,415           | 192,655          |
| Overdrafts   | 509               | 234              |
| Factoring  | 800               | 650              |
| Leasing  | 15,029            | 13,923           |
|  | <b>223,753</b>    | <b>207,462</b>   |
| Less: impairment   | (3,260)           | (2,756)          |
| <b>Loans and receivables, net</b>                          | <b>220,493</b>    | <b>204,706</b>   |

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### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

(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     |              |
|---|--------------|--------------|
|   | 2021         | 2020         |
| <b>Balance at the beginning of the year</b>         | <b>6,406</b> | <b>6,687</b> |
| Acquisitions  | 1,000        | -            |
| Additional impairment of investment in subsidiaries | (64)         | (281)        |
| <b>Balance at the end of the reporting period</b>   | <b>7,342</b> | <b>6,406</b> |

| Balance as at 30 September 2021 | Ownership | Direct    | Nominal      | Impairment     | Carrying     |
|---------------------------------|-----------|-----------|--------------|----------------|--------------|
|                                 | (percent) | ownership | amount       |                | value        |
|                                 |           | (percent) |              |                |              |
| UAB TG Invest-1                 | 100       | 100       | 3,033        | (1,261)        | 1,772        |
| UAB Saugus Kreditas             | 100       | 100       | 5,601        | (31)           | 5,570        |
| <b>Total</b>                    |           |           | <b>8,634</b> | <b>(1,292)</b> | <b>7,342</b> |
| Balance as at 31 December 2020  | Ownership | Direct    | Nominal      | Impairment     | Carrying     |
|                                 | (percent) | ownership | amount       |                | value        |
|                                 |           | (percent) |              |                |              |
| UAB TG Invest-1                 | 100       | 100       | 3,033        | (1,197)        | 1,836        |
| UAB Saugus Kreditas             | 100       | 100       | 4,601        | (31)           | 4,570        |
| <b>Total</b>                    |           |           | <b>7,634</b> | <b>(1,228)</b> | <b>6,406</b> |

#### Note 7 Amounts due to customers

Amounts due to customers comprise of:

| The Group         |                  |   | The Bank          |                  |
|-------------------|------------------|---|-------------------|------------------|
| 30 September 2021 | 31 December 2020 |   | 30 September 2021 | 31 December 2020 |
| 163,514           | 172,994          | Term deposits   | 163,514           | 172,994          |
| 170,413           | 160,224          | Current accounts  | 170,692           | 161,605          |
| 9,903             | 8,429            | Loans from funds  | 9,903             | 8,429            |
| <b>343,830</b>    | <b>341,647</b>   | <b>Total</b>  | <b>344,109</b>    | <b>343,028</b>   |
| <b>32,889</b>     | <b>34,718</b>    | <b>Out of which held as security against guarantees and loans</b> | <b>32,889</b>     | <b>34,718</b>    |

#### 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 September 2021 net value of issued debt securities is 2,175 thous. EUR (as of 31 December 2020 2,201 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 – 7percent, with a payment twice a year. Maturity date – 24 July 2025.



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**SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021**

(All amounts in EUR thousand unless otherwise stated)

**Note 9 Other liabilities**

Other liabilities comprise of:

| <b>The Group</b>                 |                                 |  | <b>The Bank</b>                  |                                 |
|----------------------------------|---------------------------------|--|----------------------------------|---------------------------------|
| <b>30<br/>September<br/>2021</b> | <b>31<br/>December<br/>2020</b> |  | <b>30<br/>September<br/>2021</b> | <b>31<br/>December<br/>2020</b> |
| 1,872                            | 1,585                           | Accrued payments to employees                        | 1,801                            | 1,495                           |
| 176                              | 135                             | Prepayments (advance payments)                       | -                                | 3                               |
| 2,323                            | 1,433                           | Accrued expenses                                     | 2,323                            | 1,433                           |
| 1,542                            | 1,464                           | AML suspended funds                                  | 1,542                            | 1,464                           |
| 1,956                            | -                               | Verification of AML documents                        | 1,956                            | -                               |
| 131                              | 24                              | Sales VAT  | 131                              | 24                              |
| 65                               | 79                              | Deferred income                                      | 65                               | 79                              |
| 123                              | -                               | Liabilities to the State Tax Inspectorate            | 120                              | -                               |
| 140                              | 1                               | Liabilities to The State Social Insurance Fund Board | 135                              | 1                               |
|                                  |                                 | Payable to the Latvian and Estonian Road             |                                  |                                 |
| 30                               | 25                              | Transport Administration                             | 30                               | 25                              |
| 76                               | 233                             | Debt to suppliers                                    | 32                               | 173                             |
| 285                              | 229                             | Other  | 276                              | 224                             |
| <b>8,719</b>                     | <b>5,208</b>                    | <b>Total</b>   | <b>8,411</b>                     | <b>4,921</b>                    |

**Note 10 Shareholders' equity**

As at 30 September 2021 and 31 December 2020, 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:

|  | <b>The Bank</b>              |                             |
|--|------------------------------|-----------------------------|
|  | <b>30 September<br/>2021</b> | <b>31 December<br/>2020</b> |
| Special reserve to cover possible losses | 2,528                        | 2,528                       |
| Legal reserve                            | 861                          | 291                         |
| Reserve capital                          | 7,497                        | 7,497                       |
| <b>Total other reserves</b>              | <b>10,886</b>                | <b>10,316</b>               |

|  | <b>The Group</b>             |                             |
|--|------------------------------|-----------------------------|
|  | <b>30 September<br/>2021</b> | <b>31 December<br/>2020</b> |
| Special reserve to cover possible losses | 2,528                        | 2,528                       |
| Legal reserve                            | 880                          | 291                         |
| Reserve capital                          | 7,497                        | 7,497                       |
| <b>Total other reserves</b>              | <b>10,905</b>                | <b>10,316</b>               |

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**Note 11 Net interest income**

| The Group         |                   |  | The Bank          |                   |
|-------------------|-------------------|--|-------------------|-------------------|
| 30 September 2021 | 30 September 2020 |  | 30 September 2021 | 30 September 2020 |
| 8,785             | 7,955             | On loans to customers  | 7,932             | 7,069             |
| 176               | 100               | On impaired loans to customers including interest on arrears           | 163               | 84                |
| 598               | 633               | Leasing including interest on arrears                                  | 598               | 633               |
| 86                | 76                | Other Interest on arrears (not including leasing's and impaired loans) | 86                | 76                |
| 211               | 324               | On debt securities   | 211               | 324               |
| 98                | 21                | On placements with the banks and other credit institutions             | 98                | 21                |
| <b>9,954</b>      | <b>9,109</b>      | <b>Interest revenue</b>  | <b>9,088</b>      | <b>8,207</b>      |
| (856)             | (839)             | On obligations to customers, including letters of credit               | (856)             | (838)             |
| (197)             | (208)             | Deposit insurance  | (197)             | (208)             |
| (15)              | (15)              | On subordinated loans  | (15)              | (15)              |
| (129)             | (129)             | For debt securities  | (129)             | (129)             |
| (183)             | (124)             | On obligations to banks and other credit institutions                  | (183)             | (124)             |
| (39)              | (42)              | Lease of property  | (39)              | (42)              |
| <b>(1,419)</b>    | <b>(1,357)</b>    | <b>Interest expenses</b>   | <b>(1,419)</b>    | <b>(1,356)</b>    |
| <b>8,535</b>      | <b>7,752</b>      | <b>Net interest income</b>   | <b>7,669</b>      | <b>6,851</b>      |

**Note 12 Net service fee and commission income**

Net fee and commission income comprises:

| The Group         |                   |  | The Bank          |                   |
|-------------------|-------------------|--|-------------------|-------------------|
| 30 September 2021 | 30 September 2020 |  | 30 September 2021 | 30 September 2020 |
| 1,574             | 1,678             | Payment services                             | 1,574             | 1,678             |
| 122               | 149               | Income from currency exchange                | 122               | 149               |
| 604               | 561               | Administration of bank accounts              | 604               | 561               |
| 950               | 994               | Collection of payments                       | 950               | 994               |
| 10                | 72                | Brokerage income                             | 304               | 363               |
| 464               | 371               | Cash operations                              | 464               | 371               |
| 240               | 243               | Other  | 240               | 243               |
| <b>3,964</b>      | <b>4,068</b>      | <b>Service fee and commission income</b>     | <b>4,258</b>      | <b>4,359</b>      |
| (392)             | (292)             | Cash operations                              | (392)             | (292)             |
| (354)             | (273)             | Other  | (239)             | (190)             |
| <b>(746)</b>      | <b>(565)</b>      | <b>Service fee and commission expense</b>    | <b>(631)</b>      | <b>(482)</b>      |
| <b>3,218</b>      | <b>3,503</b>      | <b>Net service fee and commission income</b> | <b>3,627</b>      | <b>3,877</b>      |

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**Note 13 Net foreign exchange gain**

|  | <b>The Bank (Group)</b>      |                              |
|--|------------------------------|------------------------------|
|  | <b>30 September<br/>2021</b> | <b>30 September<br/>2020</b> |
| Gain on dealing in foreign currencies                        | 3,472                        | 3,711                        |
| Revaluation of items in statement of financial position, net | 277                          | (642)                        |
| <b>Net foreign exchange gain</b>                             | <b>3,749</b>                 | <b>3,069</b>                 |

**Note 14 Operating expenses**

Operating expenses are as follows:

| <b>The Group</b>                 |                                  | <b>The Bank</b>                  |                                  |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| <b>30<br/>September<br/>2021</b> | <b>30<br/>September<br/>2020</b> | <b>30<br/>September<br/>2021</b> | <b>30<br/>September<br/>2020</b> |
| (191)                            | (184)                            | (177)                            | (174)                            |
| (621)                            | (641)                            | (607)                            | (608)                            |
| (234)                            | (261)                            | (234)                            | (261)                            |
| (498)                            | (216)                            | (470)                            | (181)                            |
| (164)                            | (172)                            | (160)                            | (171)                            |
| (199)                            | (217)                            | (198)                            | (215)                            |
| (7)                              | (24)                             | (7)                              | (3)                              |
| (77)                             | (77)                             | (77)                             | (77)                             |
| (202)                            | (239)                            | (200)                            | (239)                            |
| (52)                             | (45)                             | (37)                             | (40)                             |
| (14)                             | (21)                             | (14)                             | (21)                             |
| (14)                             | (29)                             | (14)                             | (28)                             |
| (63)                             | (82)                             | (63)                             | (82)                             |
| (11)                             | -                                | (11)                             | -                                |
| (2)                              | (24)                             | (2)                              | (24)                             |
| (23)                             | (31)                             | (23)                             | (31)                             |
| (11)                             | (13)                             | (11)                             | (13)                             |
| (106)                            | (110)                            | (104)                            | (108)                            |
| (16)                             | (19)                             | (16)                             | (19)                             |
| (38)                             | -                                | (38)                             | -                                |
| (97)                             | (90)                             | (61)                             | (54)                             |
| (300)                            | -                                | (300)                            | -                                |
| (72)                             | (147)                            | (71)                             | (134)                            |
| <b>(3,012)</b>                   | <b>(2,642)</b>                   | <b>(2,895)</b>                   | <b>(2,483)</b>                   |

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#### Note 15 Cash and cash equivalents

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

| The Group            |                      |  | The Bank             |                      |
|----------------------|----------------------|--|----------------------|----------------------|
| 30 September<br>2021 | 30 September<br>2020 |  | 30 September<br>2021 | 30 September<br>2020 |
| 25,417               | 23,190               | Cash on hand   | 25,417               | 23,190               |
| 66,870               | 66,991               | Current accounts with the Bank of Lithuania          | 66,870               | 66,991               |
| 11,860               | 9,343                | Current accounts with other credit institutions      | 11,828               | 9,301                |
| 4,180                | 230                  | Term deposits with credit institutions up to 90 days | 4,180                | 230                  |
| <b>108,327</b>       | <b>99,754</b>        | <b>Cash and cash equivalents</b>                     | <b>108,295</b>       | <b>99,712</b>        |

#### 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 approximate 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 2021 third quarter.

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**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 2021 |                | 31 December 2020 |                |
|---|-------------------|----------------|------------------|----------------|
|   | Carrying value    | Fair value     | Carrying value   | Fair value     |
| <b>Financial assets</b>                             |                   |                |                  |                |
| Cash and due from central bank                      | 94,866            | 94,866         | 108,679          | 108,679        |
| Placements with banks and other credit institutions | 16,807            | 16,807         | 11,321           | 11,321         |
| Debt securities                                     | 57,647            | 57,922         | 54,584           | 55,136         |
| Loans and receivables                               | 213,525           | 216,016        | 200,024          | 203,295        |
| Other assets  | -                 | -              | -                | -              |
| <b>Total financial assets</b>                       | <b>382,845</b>    | <b>385,611</b> | <b>374,608</b>   | <b>378,431</b> |
| <b>Financial liabilities</b>                        |                   |                |                  |                |
| Due to banks and other credit institutions          | 501               | 501            | 1                | 1              |
| Due to customers, including letters of credit       | 344,109           | 345,813        | 343,028          | 345,082        |
| Debt securities issued                              | 2,175             | 2,634          | 2,201            | 2,471          |
| Subordinated loans                                  | 1,000             | 1,000          | 1,000            | 1,000          |
| Other liabilities                                   | 8,411             | 8,411          | 4,921            | 4,921          |
| <b>Total financial liabilities</b>                  | <b>356,196</b>    | <b>358,359</b> | <b>351,151</b>   | <b>353,475</b> |
| <b>The Group</b>                                    |                   |                |                  |                |
|   |                   |                |                  |                |
| <b>Financial assets</b>                             |                   |                |                  |                |
| Cash and due from central bank                      | 94,866            | 94,866         | 108,679          | 108,679        |
| Placements with banks and other credit institutions | 16,839            | 16,839         | 11,556           | 11,556         |
| Debt securities                                     | 57,647            | 57,922         | 54,584           | 55,136         |
| Loans and receivables                               | 220,493           | 218,716        | 204,706          | 205,097        |
| Other assets  | -                 | -              | -                | -              |
| <b>Total financial assets</b>                       | <b>389,550</b>    | <b>388,102</b> | <b>379,525</b>   | <b>380,468</b> |
| <b>Financial liabilities</b>                        |                   |                |                  |                |
| Due to banks and other credit institutions          | 501               | 501            | 1                | 1              |
| Due to customers, including letters of credit       | 343,830           | 345,535        | 341,647          | 343,701        |
| Debt securities issued                              | 2,175             | 2,634          | 2,201            | 2,471          |
| Subordinated loans                                  | 1,000             | 1,000          | 1,000            | 1,000          |
| Other liabilities                                   | 8,719             | 8,719          | 5,208            | 5,208          |
| <b>Total financial liabilities</b>                  | <b>356,225</b>    | <b>358,389</b> | <b>350,057</b>   | <b>352,381</b> |

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**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)**

| <b>30 September 2021</b>         | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|----------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial assets</b>          |                |                |                |              |
| Derivative financial instruments | -              | 45             | -              | 45           |
| <b>Financial liabilities</b>     |                |                |                |              |
| Derivative financial instruments | -              | 23             | -              | 23           |

**The Bank (Group)**

| <b>As at 31 December 2020</b>    | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
|----------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial assets</b>          |                |                |                |              |
| Derivative financial instruments | -              | 6              | -              | 6            |
| <b>Financial liabilities</b>     |                |                |                |              |
| Derivative financial instruments | -              | 61             | -              | 61           |

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**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 2021</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                    | 111,673        | -              | -              | 111,673                      |
| Debt securities                            | 57,647         | -              | -              | 57,647                       |
| Loans to customers                         | -              | -              | 198,869        | 198,869                      |
| Receivables from leasing                   | -              | -              | 14,656         | 14,656                       |
| Other assets                               | -              | -              | -              | -                            |
| <b>Total financial assets</b>              | <b>169,320</b> | <b>-</b>       | <b>213,525</b> | <b>382,845</b>               |
| <b>Liabilities</b>                         |                |                |                |                              |
| Due to banks and other credit institutions | -              | 501            | -              | 501                          |
| Due to customers                           | -              | 344,109        | -              | 344,109                      |
| Debt securities issued                     | -              | 2,175          | -              | 2,175                        |
| Subordinated loan                          | -              | -              | 1,000          | 1,000                        |
| Other liabilities                          | -              | -              | 8,411          | 8,411                        |
| <b>Total financial liabilities</b>         | <b>-</b>       | <b>346,785</b> | <b>9,411</b>   | <b>356,196</b>               |

**The Bank**

| <b>31 December 2020</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                    | 120,001        | -              | -              | 120,001                      |
| Debt securities                            | 54,584         | -              | -              | 54,584                       |
| Loans to customers                         | -              | -              | 186,494        | 186,494                      |
| Receivables from leasing                   | -              | -              | 13,530         | 13,530                       |
| Other assets                               | -              | -              | -              | -                            |
| <b>Total financial assets</b>              | <b>174,585</b> | <b>-</b>       | <b>200,024</b> | <b>374,609</b>               |
| <b>Liabilities</b>                         |                |                |                |                              |
| Due to banks and other credit institutions | -              | 1              | -              | 1                            |
| Due to customers                           | -              | 343,028        | -              | 343,028                      |
| Debt securities issued                     | -              | 2,201          | -              | 2,201                        |
| Subordinated loans                         | -              | -              | 1,000          | 1,000                        |
| Other liabilities                          | -              | -              | 4,921          | 4,921                        |
| <b>Total financial liabilities</b>         | <b>-</b>       | <b>345,230</b> | <b>5,921</b>   | <b>351,151</b>               |

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

| <b>30 September 2021</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                    | 111,705        | -              | -              | 111,705                      |
| Debt securities                            | 57,647         | -              | -              | 57,647                       |
| Loans to customers                         | -              | -              | 205,837        | 205,837                      |
| Receivables from leasing                   | -              | -              | 14,656         | 14,656                       |
| Other assets                               | -              | -              | -              | -                            |
| <b>Total financial assets</b>              | <b>169,352</b> | <b>-</b>       | <b>220,493</b> | <b>389,845</b>               |
| <b>Liabilities</b>                         |                |                |                |                              |
| Due to banks and other credit institutions | -              | 501            | -              | 501                          |
| Due to customers                           | -              | 343,830        | -              | 343,830                      |
| Debt securities issued                     | -              | 2,175          | -              | 2,175                        |
| Subordinated loan                          | -              | -              | 1,000          | 1,000                        |
| Other liabilities                          | -              | -              | 8,719          | 8,719                        |
| <b>Total financial liabilities</b>         | <b>-</b>       | <b>346,506</b> | <b>9,719</b>   | <b>356,225</b>               |

**The Group**

| <b>31 December 2020</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                    | 120,236        | -              | -              | 120,236                      |
| Debt securities                            | 54,584         | -              | -              | 54,584                       |
| Loans to customers                         | -              | -              | 191,176        | 191,176                      |
| Receivables from leasing                   | -              | -              | 13,530         | 13,530                       |
| Other assets                               | -              | -              | -              | -                            |
| <b>Total financial assets</b>              | <b>174,820</b> | <b>-</b>       | <b>204,706</b> | <b>379,526</b>               |
| <b>Liabilities</b>                         |                |                |                |                              |
| Due to banks and other credit institutions | -              | 1              | -              | 1                            |
| Due to customers                           | -              | 341,647        | -              | 341,647                      |
| Debt securities issued                     | -              | 2,201          | -              | 2,201                        |
| Subordinated loans                         | -              | -              | 1,000          | 1,000                        |
| Other liabilities                          | -              | -              | 5,208          | 5,208                        |
| <b>Total financial liabilities</b>         | <b>-</b>       | <b>343,849</b> | <b>6,208</b>   | <b>350,057</b>               |



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**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 31 December 2020 and 30 September 2021 and related expense and income, included in the profit and loss statement, are set out below:

| <b>The Bank</b>  | <b>Shareholders</b> | <b>Subsidiaries</b> | <b>Supervisory Board and Key Management Personnel</b> | <b>Other*</b> |
|--|---------------------|---------------------|---|---------------|
| Loans outstanding as at 30 September 2021, net         | -                   | 17,430              | 22  | 340           |
| Interest rate, percent                                 | -                   | 9.0                 | 4.0   | 4.0           |
| Impairment of loans                                    | -                   | (200)               | -   | (3)           |
| Term deposits as at 30 September 2021                  | -                   | -                   | 12  | 2,133         |
| Interest rate, percent                                 | -                   | -                   | 0.3   | 0.05–0.35     |
| Demand accounts as at 30 September 2021                | 72                  | 278                 | 136   | 4,072         |
| Bonds issued as at 30 September 2021                   | 100                 | -                   | -   | -             |
| Interest rate, percent                                 | 7                   | -                   | -   | -             |
| Subordinated loans as at 30 September 2021             | 1,000               | -                   | -   | -             |
| Interest rate, percent                                 | 2                   | -                   | -   | -             |
| For nine month period which ended at 30 September 2021 |                     |                     |   |               |
| Interest income on loans                               | -                   | 949                 | 1   | 48            |
| Interest expense on deposits                           | -                   | -                   | -   | (3)           |
| Interest expense on bonds                              | (5)                 | -                   | -   | -             |
| Interest expense on subordinated loans                 | (15)                | -                   | -   | -             |
| Service fee and commission revenue                     | -                   | 300                 | -   | 7             |
| Service fee and commission expenses                    | -                   | -                   | -   | -             |

| <b>The Bank</b>  | <b>Shareholders</b> | <b>Subsidiaries</b> | <b>Supervisory Board and Key Management Personnel</b> | <b>Other*</b> |
|--|---------------------|---------------------|---|---------------|
| Loans outstanding as at 31 December 2020, net          | -                   | 11,902              | 30  | 3,493         |
| Interest rate, percent                                 | -                   | 4.2                 | 6.58  | 2.0-4.3       |
| Impairment of loans                                    | -                   | (136)               | -   | (18)          |
| Term deposits as at 31 December 2020                   | -                   | -                   | 12  | 1,201         |
| Interest rate, percent                                 | -                   | -                   | 0.3   | 0.3–0.35      |
| Demand accounts as at 31 December 2020                 | 29                  | 1,381               | 224   | 5,652         |
| Bonds issued as at 31 December 2020                    | 100                 | -                   | -   | -             |
| Interest rate, percent                                 | 7                   | -                   | -   | -             |
| Subordinated loans as at 31 December 2020              | 1,000               | -                   | -   | -             |
| Interest rate, percent                                 | 2                   | -                   | -   | -             |
| For nine month period which ended at 30 September 2021 |                     |                     |   |               |
| Interest income on loans                               | -                   | 245                 | 1   | 74            |
| Interest expense on deposits                           | -                   | -                   | -   | (3)           |
| Interest expense on bonds                              | (5)                 | -                   | -   | -             |
| Interest expense on subordinated loans                 | (15)                | -                   | -   | -             |
| Service fee and commission revenue                     | 1                   | 298                 | -   | 10            |
| Service fee and commission expenses                    | -                   | -                   | -   | -             |

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**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 September 2021, net         | -  | 22   | 340       |
| Interest rate, percent                                 | -  | 4.0  | 4.0       |
| Impairment of loans                                    | -  | -  | (3)       |
| Term deposits as at 30 September 2021                  | -  | 12   | 2,33      |
| Interest rate, percent                                 | -  | 0.3  | 0.05–0.35 |
| Demand accounts as at 30 September 2021                | 72   | 200  | 4,008     |
| Bonds issued as at 30 September 2021                   | 100  | -  | -         |
| Interest rate, percent                                 | 7  | -  | -         |
| Subordinated loans as at 30 September 2021             | 1,000  | -  | -         |
| Interest rate, percent                                 | 2  | -  | -         |
| For nine month period which ended at 30 September 2021 |  |  |           |
| Interest income on loans                               |  |  |           |
| Interest expense on deposits                           | -  | 1  | 48        |
| Interest expense on bonds                              | -  | -  | (3)       |
| Interest expense on subordinated loans                 | (5)  | -  | -         |
| Service fee and commission revenue                     | (15)   | -  | -         |
| Service fee and commission expenses                    | -  | -  | 7         |

| The Group  | Supervisory Board and Key Management Personnel |  |          |
|--|--|--|----------|
|  | Shareholders                                   | Supervisory Board and Key Management Personnel | Other*   |
| Loans outstanding as at 31 December 2020, net          | -  | 30   | 3,493    |
| Interest rate, percent                                 | -  | 6.58   | 2.0-4.3  |
| Impairment of loans                                    | -  | -  | (18)     |
| Term deposits as at 31 December 2020                   | -  | 12   | 1,201    |
| Interest rate, percent                                 | -  | 0.3  | 0.3–0.35 |
| Demand accounts as at 31 December 2020                 | 29   | 224  | 5,652    |
| Bonds issued as at 31 December 2020                    | 100  | -  | -        |
| Interest rate, percent                                 | 7  | -  | -        |
| Subordinated loans as at 31 December 2020              | 1,000  | -  | -        |
| Interest rate, percent                                 | 2  | -  | -        |
| For nine month period which ended at 30 September 2021 |  |  |          |
| Interest income on loans                               | -  | 1  | 74       |
| Interest expense on deposits                           | -  | -  | (3)      |
| Interest expense on bonds                              | (5)  | -  | -        |
| Interest expense on subordinated loans                 | (15)   | -  | -        |
| Service fee and commission revenue                     | 1  | -  | 10       |
| 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 2021 and in the Statement of comprehensive income as at 30 September 2021 is presented in the table below:

|  | 30 September 2021                          |                |                  |                |                |
|--|--|----------------|------------------|----------------|----------------|
|  | Traditional banking operations and lending | Treasury       | Other activities | Eliminations   | Total          |
| Internal   | 1,005                                      | -              | -56              | (949)          | -              |
| External   | 9,589                                      | 309            | 56               | -              | 9,954          |
| <b>Interest income</b>   | <b>10,594</b>                              | <b>309</b>     | <b>-</b>         | <b>(949)</b>   | <b>9,954</b>   |
| Internal   | (1,005)                                    | -              | -                | 1 005          | -              |
| External   | (1,101)                                    | (318)          | -                | -              | (1,419)        |
| <b>Interest expenses</b>   | <b>(2,106)</b>                             | <b>(318)</b>   | <b>-</b>         | <b>1 005</b>   | <b>(1,419)</b> |
| Internal   | -  | -              | (56)             | 56             | -              |
| External   | 8,488                                      | (9)            | 56               | -              | 8,535          |
| <b>Net interest income</b>   | <b>8,488</b>                               | <b>(9)</b>     | <b>-</b>         | <b>56</b>      | <b>8,535</b>   |
| Internal   | -  | -              | -                | -              | -              |
| External   | 3,371                                      | -              | (1)              | (152)          | 3,218          |
| <b>Net fee and commission income</b>                                     | <b>3,371</b>                               | <b>-</b>       | <b>(1)</b>       | <b>(152)</b>   | <b>3,218</b>   |
| Internal   | -  | -              | (56)             | 56             | -              |
| External   | 11,859                                     | (9)            | 55               | (152)          | 11,753         |
| <b>Net interest, fee and commissions income</b>                          | <b>11,859</b>                              | <b>(9)</b>     | <b>(1)</b>       | <b>(96)</b>    | <b>11,753</b>  |
| Internal   | -  | -              | (64)             | 64             | -              |
| External   | (9,228)                                    | (154)          | 36               | -              | (9,346)        |
| <b>Operating expenses</b>  | <b>(9,228)</b>                             | <b>(154)</b>   | <b>(28)</b>      | <b>64</b>      | <b>(9,346)</b> |
| Amortisation charges   | (172)                                      | -              | -                | -              | (172)          |
| Depreciation charges   | (834)                                      | -              | -                | -              | (834)          |
| Internal   | -  | -              | -                | -              | -              |
| External   | (489)                                      | -              | -                | -              | (489)          |
| <b>Impairment expenses</b>   | <b>(489)</b>                               | <b>-</b>       | <b>-</b>         | <b>-</b>       | <b>(489)</b>   |
| Internal   | -  | -              | -                | -              | -              |
| External   | 2,922                                      | 480            | 120              | -              | 3,522          |
| <b>Net other income</b>  | <b>2,922</b>                               | <b>480</b>     | <b>120</b>       | <b>-</b>       | <b>3,522</b>   |
| <b>Profit (loss) before tax</b>  | <b>4,058</b>                               | <b>317</b>     | <b>91</b>        | <b>(32)</b>    | <b>4,434</b>   |
| Income tax   | (1,059)                                    | -              | -                | -              | (1,059)        |
| <b>Profit (loss) per segment after tax</b>                               | <b>2,999</b>                               | <b>317</b>     | <b>91</b>        | <b>(32)</b>    | <b>(3,375)</b> |
| Non-controlling interest   | -  | -              | -                | -              | -              |
| <b>Profit (loss) for the year attributable to the owners of the Bank</b> | <b>2,999</b>                               | <b>317</b>     | <b>91</b>        | <b>(32)</b>    | <b>(3,375)</b> |
| Total segment assets   | 260,756                                    | 162,971        | 1,831            | (27,285)       | 398,273        |
| Total segment liabilities  | 366,783                                    | 9,440          | 41               | (19,578)       | 356,686        |
| <b>Net segment assets (shareholders equity)</b>                          | <b>(106,027)</b>                           | <b>153,531</b> | <b>1,790</b>     | <b>(7,707)</b> | <b>41,587</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 2020 and in the Statement of comprehensive income as at 30 September 2020 is presented in the table below:

|  | <b>30 September 2020</b>                                      |                 |                             |                     |                |
|--|---|-----------------|-----------------------------|---------------------|----------------|
|  | <b>Traditional<br/>banking<br/>operations and<br/>lending</b> | <b>Treasury</b> | <b>Other<br/>activities</b> | <b>Eliminations</b> | <b>Total</b>   |
| Internal   | 245   | -               | -                           | (245)               | -              |
| External   | 8,805   | 301             | 3                           | -                   | 9,109          |
| <b>Interest income</b>   | <b>9,050</b>  | <b>301</b>      | <b>3</b>                    | <b>(245)</b>        | <b>9,109</b>   |
| Internal   | (245)   | -               | -                           | 245                 | -              |
| External   | (1,143)   | (214)           | -                           | -                   | (1,357)        |
| <b>Interest expenses</b>   | <b>(1,388)</b>  | <b>(214)</b>    | <b>-</b>                    | <b>245</b>          | <b>(1,357)</b> |
| Internal   | -   | -               | -                           | -                   | -              |
| External   | 7,662   | 87              | 3                           | -                   | 7,752          |
| <b>Net interest income</b>   | <b>7,662</b>  | <b>87</b>       | <b>3</b>                    | <b>-</b>            | <b>7,752</b>   |
| Internal   | -   | -               | -                           | -                   | -              |
| External   | 3,722   | -               | (4)                         | (215)               | 3,503          |
| <b>Net fee and commission income</b>                                     | <b>3,722</b>  | <b>-</b>        | <b>(4)</b>                  | <b>(215)</b>        | <b>3,503</b>   |
| Internal   | -   | -               | -                           | -                   | -              |
| External   | 11,384  | 87              | (1)                         | (215)               | 11,255         |
| <b>Net interest, fee and commissions income</b>                          | <b>11,384</b>   | <b>87</b>       | <b>(1)</b>                  | <b>(215)</b>        | <b>11,255</b>  |
| Internal   | -   | -               | (254)                       | 254                 | -              |
| External   | (8,641)   | (147)           | (159)                       | -                   | (8,947)        |
| <b>Operating expenses</b>  | <b>(8,641)</b>  | <b>(147)</b>    | <b>(413)</b>                | <b>254</b>          | <b>(8,947)</b> |
| Amortisation charges   | (129)   | -               | -                           | -                   | (129)          |
| Depreciation charges   | (852)   | -               | -                           | -                   | (852)          |
| Internal   | -   | -               | -                           | -                   | -              |
| External   | (926)   | -               | -                           | -                   | (926)          |
| <b>Impairment expenses</b>   | <b>(926)</b>  | <b>-</b>        | <b>-</b>                    | <b>-</b>            | <b>(926)</b>   |
| Internal   | -   | -               | -                           | -                   | -              |
| External   | 3,028   | 521             | (128)                       | -                   | 3,421          |
| <b>Net other income</b>  | <b>3,028</b>  | <b>521</b>      | <b>(128)</b>                | <b>-</b>            | <b>3,421</b>   |
| <b>Profit (loss) before tax</b>  | <b>3,864</b>  | <b>461</b>      | <b>(542)</b>                | <b>39</b>           | <b>3,822</b>   |
| Income tax   | (558)   | -               | -                           | -                   | (558)          |
| <b>Profit (loss) per segment after tax</b>                               | <b>3,306</b>  | <b>461</b>      | <b>(542)</b>                | <b>39</b>           | <b>3,264</b>   |
| Non-controlling interest   | -   | -               | -                           | -                   | -              |
| <b>Profit (loss) for the year attributable to the owners of the Bank</b> | <b>3,306</b>  | <b>461</b>      | <b>(542)</b>                | <b>39</b>           | <b>3,264</b>   |
| Total segment assets   | 244,403   | 142,158         | 1,954                       | (19,022)            | 369,493        |
| Total segment liabilities  | 335,145   | 8,952           | 106                         | (12,347)            | 331,856        |
| <b>Net segment assets (shareholders equity)</b>                          | <b>(90,742)</b>   | <b>133,206</b>  | <b>1,848</b>                | <b>(6,675)</b>      | <b>37,637</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 can not exceed 25 % 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 2021 | 31 December 2020 |   | 30 September 2021 | 31 December 2020 |
| 9,071             | 6,510            | Maximum exposure to a single customer or group of connected customers | 9,071             | 6,510            |
| 36,309            | 39,189           | Eligible capital  | 36,492            | 39,210           |
| <b>24.98</b>      | <b>16.61</b>     | <b>Maximum exposure ratio, %</b>                                      | <b>24.86</b>      | <b>16.60</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 2021 | 31 December 2020 |  | 30 September 2021 | 31 December 2020 |
|                   |                  | <b>Statement of financial position items, other than trading and investment activities</b>     |                   |                  |
| 69,449            | 79,238           | Balances with the Bank of Lithuania  | 69,449            | 79,238           |
| 16,839            | 11,556           | Due from banks   | 16,807            | 11,321           |
| 205,837           | 191,176          | Loans to customers   | 198,869           | 186,494          |
| 14,656            | 13,530           | Receivables from leasing   | 14,656            | 13,530           |
| <b>306,781</b>    | <b>295,500</b>   |  | <b>299,781</b>    | <b>290,583</b>   |
|                   |                  | <b>Off balance sheet items</b>   |                   |                  |
| 2,541             | 2,839            | Guarantees   | 2,541             | 2,839            |
| 9,679             | 13,096           | Loan commitments   | 10,648            | 16,062           |
| <b>319,001</b>    | <b>311,435</b>   | <b>Total balance and off balance sheet items, other than trading and investment activities</b> | <b>312,970</b>    | <b>309,484</b>   |
|                   |                  | <b>Trading and investment activities</b>   |                   |                  |
|                   |                  | Financial assets at fair value through profit or loss  |                   |                  |
| 23                | 67               | Derivative financial instruments   | 23                | 6                |
| -                 | -                | Held-to-maturity investments   | -                 | -                |
| 57,647            | 54,584           | Debt securities  | 57,647            | 54,584           |
| <b>57,670</b>     | <b>54,590</b>    | <b>Total trading and investment activities</b>   | <b>57,670</b>     | <b>54,590</b>    |
| <b>376,671</b>    | <b>366,025</b>   | <b>Total credit exposure</b>   | <b>370,640</b>    | <b>364,074</b>   |

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

##### Maximum exposure to credit risk without taking into account any collateral and other credit enhancement (cont.)

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

|                  | The Bank (Group)  |                  |
|------------------|-------------------|------------------|
|                  | 30 September 2021 | 31 December 2020 |
| Government bonds | 57,647            | 54,584           |
| Derivatives      | 45                | 6                |
| <b>Total</b>     | <b>57,692</b>     | <b>54,590</b>    |

| Bonds exposure by rating grade | The Bank (Group)  |                  |
|--------------------------------|-------------------|------------------|
|                                | 30 September 2021 | 31 December 2020 |
| High grade (AAA-A)             | 46,465            | 49,349           |
| Standard grade (B-BBB+)        | 11,182            | 5,235            |
| Not rated                      | -                 | -                |
| <b>Total</b>                   | <b>57,647</b>     | <b>54,584</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 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.

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

| <b>The Bank</b>                    | <b>Not<br/>overdue</b> | <b>1 to 59<br/>days</b> | <b>60 to 89<br/>days</b> | <b>More than 90<br/>days</b> | <b>Total</b>   |
|------------------------------------|------------------------|-------------------------|--------------------------|------------------------------|----------------|
| <b>30 September 2021</b>           |                        |                         |                          |                              |                |
| <b>Stage 1</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 157,552                | 1,409                   | -                        | -                            | 158,961        |
| Placements with LB and other banks | 86,256                 | -                       | -                        | -                            | 86,256         |
| Debt securities                    | 57,647                 | -                       | -                        | -                            | 57,647         |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>301,455</b>         | <b>1,409</b>            | <b>-</b>                 | <b>-</b>                     | <b>302,864</b> |
| <b>Stage 2</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 48,563                 | 1,327                   | 1                        | -                            | 49,891         |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>48,563</b>          | <b>1,327</b>            | <b>1</b>                 | <b>-</b>                     | <b>49,891</b>  |
| <b>Stage 3</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 3,539                  | 450                     | 284                      | 400                          | 4,673          |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>3,539</b>           | <b>450</b>              | <b>284</b>               | <b>400</b>                   | <b>4,673</b>   |
| <b>Total</b>                       | <b>353,557</b>         | <b>3,186</b>            | <b>285</b>               | <b>400</b>                   | <b>357,428</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 Bank</b>                    | <b>Not<br/>overdue</b> | <b>1 to 59<br/>days</b> | <b>60 to 89<br/>days</b> | <b>More than 90<br/>days</b> | <b>Total</b>   |
|------------------------------------|------------------------|-------------------------|--------------------------|------------------------------|----------------|
| <b>31 December 2020</b>            |                        |                         |                          |                              |                |
| <b>Stage 1</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 149,074                | 565                     | -                        | -                            | <b>149,639</b> |
| Placements with LB and other banks | 90,559                 | -                       | -                        | -                            | <b>90,559</b>  |
| Debt securities                    | 54,584                 | -                       | -                        | -                            | <b>54,584</b>  |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>294,217</b>         | <b>565</b>              | <b>-</b>                 | <b>-</b>                     | <b>294,782</b> |
| <b>Stage 2</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 43,200                 | 957                     | 30                       | -                            | <b>44,187</b>  |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>43,200</b>          | <b>957</b>              | <b>30</b>                | <b>-</b>                     | <b>44,187</b>  |
| <b>Stage 3</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 3,894                  | 602                     | 25                       | 1,677                        | <b>6,198</b>   |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>3,894</b>           | <b>602</b>              | <b>25</b>                | <b>1,677</b>                 | <b>6,198</b>   |
| <b>Total</b>                       | <b>341,311</b>         | <b>2,124</b>            | <b>55</b>                | <b>1,677</b>                 | <b>345,167</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 Group</b>                   | <b>Not<br/>overdue</b> | <b>1 to 59<br/>days</b> | <b>60 to 89<br/>days</b> | <b>More than 90<br/>days</b> | <b>Total</b>   |
|------------------------------------|------------------------|-------------------------|--------------------------|------------------------------|----------------|
| <b>30 September 2021</b>           |                        |                         |                          |                              |                |
| <b>Stage 1</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 162,907                | 1,913                   | -                        | -                            | <b>164,820</b> |
| Placements with LB and other banks | 86,288                 | -                       | -                        | -                            | <b>86,288</b>  |
| Debt securities                    | 57,647                 | -                       | -                        | -                            | <b>57,647</b>  |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>306,842</b>         | <b>1,913</b>            | <b>-</b>                 | <b>-</b>                     | <b>308,755</b> |
| <b>Stage 2</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 49,076                 | 1,792                   | 33                       | -                            | 50,901         |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>49,076</b>          | <b>1,792</b>            | <b>33</b>                | <b>-</b>                     | <b>50,901</b>  |
| <b>Stage 3</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 3,545                  | 461                     | 290                      | 476                          | 4,772          |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>3,545</b>           | <b>461</b>              | <b>290</b>               | <b>476</b>                   | <b>4,772</b>   |
| <b>Total</b>                       | <b>359,463</b>         | <b>4,166</b>            | <b>323</b>               | <b>476</b>                   | <b>364,428</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<br/>overdue</b> | <b>1 to 59<br/>days</b> | <b>60 to 89<br/>days</b> | <b>More than 90<br/>days</b> | <b>Total</b>   |
|------------------------------------|------------------------|-------------------------|--------------------------|------------------------------|----------------|
| <b>31 December 2020</b>            |                        |                         |                          |                              |                |
| <b>Stage 1</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 152,964                | 894                     | -                        | -                            | <b>153,858</b> |
| Placements with LB and other banks | 90,794                 | -                       | -                        | -                            | <b>90,794</b>  |
| Debt securities                    | 54,584                 | -                       | -                        | -                            | <b>54,584</b>  |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>298,342</b>         | <b>894</b>              | <b>-</b>                 | <b>-</b>                     | <b>299,236</b> |
| <b>Stage 2</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 43,348                 | 1,170                   | 61                       | -                            | 44,579         |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>43,348</b>          | <b>1,170</b>            | <b>61</b>                | <b>-</b>                     | <b>44,579</b>  |
| <b>Stage 3</b>                     |                        |                         |                          |                              |                |
| Loans and receivables              | 3,899                  | 611                     | 26                       | 1,733                        | 6,269          |
| Placements with LB and other banks | -                      | -                       | -                        | -                            | -              |
| Debt securities                    | -                      | -                       | -                        | -                            | -              |
| Other financial assets             | -                      | -                       | -                        | -                            | -              |
| <b>Total</b>                       | <b>3,899</b>           | <b>611</b>              | <b>26</b>                | <b>1,733</b>                 | <b>6,269</b>   |
| <b>Total</b>                       | <b>345,589</b>         | <b>2,675</b>            | <b>87</b>                | <b>1,733</b>                 | <b>350,084</b> |



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**Note 19 Risk management (cont'd)**Change of impairment during reporting period

| <b>The Group</b>             |                              |                           |                   |              | <b>The Bank</b>                                |                              |                              |                           |                   |              |
|------------------------------|------------------------------|---------------------------|-------------------|--------------|--|------------------------------|------------------------------|---------------------------|-------------------|--------------|
| <b>Collective impairment</b> | <b>Individual impairment</b> | <b>Credit commitments</b> | <b>Guarantees</b> | <b>Total</b> |  | <b>Collective impairment</b> | <b>Individual impairment</b> | <b>Credit commitments</b> | <b>Guarantees</b> | <b>Total</b> |
| <b>30 September 2021</b>     |                              |                           |                   |              |  |                              |                              |                           |                   |              |
| <b>Stage 1</b>               |                              |                           |                   |              |  |                              |                              |                           |                   |              |
| <b>111</b>                   | <b>-</b>                     | <b>(11)</b>               | <b>(1)</b>        | <b>99</b>    |  | <b>79</b>                    | <b>-</b>                     | <b>(34)</b>               | <b>(1)</b>        | <b>44</b>    |
| 104                          | -                            | (11)                      | (1)               | 92           | Loans and receivables                          | 72                           | -                            | (34)                      | (1)               | 37           |
| 6                            | -                            | -                         | -                 | 6            | Placements with LB and other banks             | 6                            | -                            | -                         | -                 | 6            |
| 1                            | -                            | -                         | -                 | 1            | Debt securities                                | 1                            | -                            | -                         | -                 | 1            |
| <b>371</b>                   | <b>(49)</b>                  | <b>(6)</b>                | <b>-</b>          | <b>316</b>   | <b>Stage 2</b>                                 |                              |                              |                           |                   |              |
| 371                          | (49)                         | (6)                       | -                 | 316          | Loans and receivables                          | 342                          | (49)                         | (6)                       | -                 | 287          |
| <b>-</b>                     | <b>78</b>                    | <b>-</b>                  | <b>-</b>          | <b>78</b>    | <b>Stage 3</b>                                 |                              |                              |                           |                   |              |
| -                            | 78                           | -                         | -                 | 78           | Loans and receivables                          | -                            | -                            | -                         | -                 | -            |
| <b>482</b>                   | <b>29</b>                    | <b>(17)</b>               | <b>(1)</b>        | <b>493</b>   |  | <b>421</b>                   | <b>(49)</b>                  | <b>(40)</b>               | <b>(1)</b>        | <b>331</b>   |
| -                            | -                            | -                         | -                 | -            | Write-offs                                     | -                            | -                            | -                         | -                 | -            |
| -                            | -                            | -                         | -                 | (4)          | Income on loans written off in earlier periods | -                            | -                            | -                         | -                 | (4)          |
| <b>-</b>                     | <b>-</b>                     | <b>-</b>                  | <b>-</b>          | <b>489</b>   | <b>Total change of impairment</b>              | <b>-</b>                     | <b>-</b>                     | <b>-</b>                  | <b>-</b>          | <b>327</b>   |

Bank, together with other Lithuanian credit companies, signed a moratorium on postponement of credit liabilities in April 2020, in order to alleviate the situation of customers facing difficulties with COVID-19.

By the moratorium on assistance to corporate customers the bank undertook to defer loan payments to companies for up to 6 months without changing contract terms and interest (the moratorium applies to corporate loans totaling up to EUR 5 million per group of companies and which have not had significant delays last year).

Under this Moratorium all private individuals properly fulfilling payments prior to the quarantine, however facing financial difficulties due to the coronavirus situation, and having lost their jobs or part of their income, can, after informing their financial and credit institutions in writing, have the repayment of the principal part of their mortgage postponed for up to 12 months. For consumer credit and leasing, institutions will apply postponements for up to half a year during the moratorium period.

In the context of the uncertainty related to COVID-19 pandemic and its impact on business in 2020, the loans to the most COVID-19 pandemic affected industry sectors have been reclassified as a separate homogeneous subgroup assigned to Stage 2. As of 30 September 2021, this portfolio amounted to net value of EUR 8.87 million, and provisions EUR 0.219 million.

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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:

| <b>The Group</b>         |                         |  | <b>The Bank</b>          |                         |
|--------------------------|-------------------------|--|--------------------------|-------------------------|
| <b>30 September 2021</b> | <b>31 December 2020</b> |  | <b>30 September 2021</b> | <b>31 December 2020</b> |
| 151,717                  | 163,815                 | Liquid assets                          | 151,717                  | 163,815                 |
| 26,739                   | 30,811                  | Short-term (up to 30 days) obligations | 27,364                   | 33,215                  |
| <b>567</b>               | <b>532</b>              | <b>LCR, %</b>                          | <b>554</b>               | <b>493</b>              |

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

| <b>The Bank</b>                      | <b>30 September 2021</b> |                   |                 |                    |               |               |                  |                |
|--------------------------------------|--------------------------|-------------------|-----------------|--------------------|---------------|---------------|------------------|----------------|
|                                      | On demand                | Less than 1 month | 1 to 3 months   | 3 months to 1 year | 1 to 3 years  | Over 3 years  | Without maturity | Total          |
| Assets                               | 106,693                  | 12,124            | 7,290           | 37,704             | 121,824       | 97,001        | 15,808           | <b>398,444</b> |
| Liabilities and shareholders' equity | 174,897                  | 15,796            | 21,057          | 70,945             | 50,454        | 23,423        | 41,872           | <b>398,444</b> |
| <b>Net gap</b>                       | <b>(68,204)</b>          | <b>(3,672)</b>    | <b>(13,767)</b> | <b>(33,241)</b>    | <b>71,370</b> | <b>73,578</b> | <b>(26,064)</b>  | -              |
| Credit commitments                   | -                        | 10,648            | -               | -                  | -             | -             | -                | <b>10,648</b>  |

| <b>The Bank</b>                      | <b>31 December 2020</b> |                   |                |                    |               |               |                  |                |
|--------------------------------------|-------------------------|-------------------|----------------|--------------------|---------------|---------------|------------------|----------------|
|                                      | On demand               | Less than 1 month | 1 to 3 months  | 3 months to 1 year | 1 to 3 years  | Over 3 years  | Without maturity | Total          |
| Assets                               | 116,162                 | 12,955            | 12,249         | 38,869             | 105,509       | 89,320        | 16,454           | <b>389,518</b> |
| Liabilities and shareholders' equity | 163,252                 | 26,877            | 16,873         | 75,652             | 46,653        | 21,903        | 38,308           | <b>389,518</b> |
| <b>Net gap</b>                       | <b>(47,090)</b>         | <b>(13,922)</b>   | <b>(4,624)</b> | <b>(38,783)</b>    | <b>58,856</b> | <b>67,417</b> | <b>(21,854)</b>  | -              |
| Credit commitments                   | -                       | 16,062            | -              | -                  | -             | -             | -                | <b>16,062</b>  |

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

##### Liquidity risk (cont.)

| The Group                           | 30 September 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                              | 106,725           | 12,474            | 8,086           | 41,189             | 112,558       | 108,516       | 8,725            | <b>398,273</b> |
| Liabilities and shareholders equity | 174,618           | 16,104            | 21,057          | 70,945             | 50,454        | 23,423        | 41,672           | <b>398,273</b> |
| <b>Net gap</b>                      | <b>(67,893)</b>   | <b>(3,630)</b>    | <b>(12,971)</b> | <b>(29,756)</b>    | <b>62,104</b> | <b>85,093</b> | <b>(32,947)</b>  | -              |
| Credit commitments                  | -                 | 9,679             | -               | -                  | -             | -             | -                | <b>9,679</b>   |

| The Group                           | 31 December 2020 |                   |                |                    |               |               |                  | 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                              | 116,397          | 13,254            | 12,791         | 39,186             | 98,972        | 97,338        | 10,466           | <b>388,404</b> |
| Liabilities and shareholders equity | 161,871          | 27,164            | 16,873         | 75,652             | 46,653        | 21,903        | 38,288           | <b>388,404</b> |
| <b>Net gap</b>                      | <b>(45,474)</b>  | <b>(13,910)</b>   | <b>(4,082)</b> | <b>(36,466)</b>    | <b>52,319</b> | <b>75,435</b> | <b>(27,822)</b>  | -              |
| Credit commitments                  | -                | 13,096            | -              | -                  | -             | -             | -                | <b>13,096</b>  |

Overdue loans are disclosed under column "Without maturity".

The circumstances of the Covid-19 pandemic had no significant impact on the liquidity level of the Bank during the third quarter of 2021.

#### **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 2021 and 31 December 2020. 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 2021</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                     | 41,846                   | 63,604               | 105,618              | 10,583                    | 40,941              | 5,519               | 268,111      |
| Non-sensitive assets to interest rate fluctuation                 |                          |                      |                      |                           |                     |                     | 130,333      |
| <b>Liabilities:</b>   |                          |                      |                      |                           |                     |                     |              |
| Sensitive liabilities to interest rate fluctuation                | 10,235                   | 20,187               | 30,958               | 39,901                    | 48,113              | 17,320              | 166,714      |
| Non-sensitive liabilities and equity to interest rate fluctuation |                          |                      |                      |                           |                     |                     | 231,730      |
| <b>Interest sensitivity gap</b>                                   | <b>31,611</b>            | <b>43,417</b>        | <b>74,660</b>        | <b>(29,318)</b>           | <b>(7,172)</b>      | <b>(11,801)</b>     | <b>-</b>     |

| <b>The Bank</b>   | <b>31 December 2020</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                     | 41,813                   | 60,326               | 104,079              | 4,145                     | 37,559              | 5,024               | 252,946      |
| Non-sensitive assets to interest rate fluctuation                 |                          |                      |                      |                           |                     |                     | 136,572      |
| <b>Liabilities:</b>   |                          |                      |                      |                           |                     |                     |              |
| Sensitive liabilities to interest rate fluctuation                | 12,899                   | 27,514               | 21,987               | 51,532                    | 45,184              | 17,140              | 176,256      |
| Non-sensitive liabilities and equity to interest rate fluctuation |                          |                      |                      |                           |                     |                     | 213,262      |
| <b>Interest sensitivity gap</b>                                   | <b>28,914</b>            | <b>32,812</b>        | <b>82,092</b>        | <b>(47,387)</b>           | <b>(7,625)</b>      | <b>(12,116)</b>     | <b>-</b>     |

| <b>The Group</b>  | <b>30 September 2021</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                     | 42,323                   | 64,400               | 89,282               | 12,876                    | 48,988              | 17,032              | 274,901      |
| Non-sensitive assets to interest rate fluctuation                 |                          |                      |                      |                           |                     |                     | 123,372      |
| <b>Liabilities:</b>   |                          |                      |                      |                           |                     |                     |              |
| Sensitive liabilities to interest rate fluctuation                | 10,235                   | 20,187               | 30,958               | 39,901                    | 48,113              | 17,320              | 166,714      |
| Non-sensitive liabilities and equity to interest rate fluctuation |                          |                      |                      |                           |                     |                     | 231,559      |
| <b>Interest sensitivity gap</b>                                   | <b>32,088</b>            | <b>44,213</b>        | <b>58,324</b>        | <b>(27,025)</b>           | <b>875</b>          | <b>(288)</b>        | <b>-</b>     |

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**Note 19 Risk management (cont'd)**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   |          |
| <b>Assets:</b>  |                   |               |               |                    |                |                |          |
| Sensitive assets to interest rate fluctuation                     | 42,155            | 60,881        | 92,886        | 5,693              | 42,948         | 13,043         | 257,606  |
| Non-sensitive assets to interest rate fluctuation                 |                   |               |               |                    |                |                | 130,798  |
| <b>Liabilities:</b>   |                   |               |               |                    |                |                |          |
| Sensitive liabilities to interest rate fluctuation                | 12,899            | 27,514        | 21,987        | 51,532             | 45,184         | 17,140         | 176,265  |
| Non-sensitive liabilities and equity to interest rate fluctuation |                   |               |               |                    |                |                | 212,148  |
| <b>Interest sensitivity gap</b>                                   | <b>29,256</b>     | <b>33,367</b> | <b>70,899</b> | <b>(45,839)</b>    | <b>(2,236)</b> | <b>(4,097)</b> | <b>-</b> |

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 September 2021 | 31 December 2020 |   | 30 September 2021 | 31 December 2020 |
| 217               | 327              | Long positions                          | 217               | 327              |
| (284)             | (131)            | Short positions                         | (284)             | (131)            |
| 38,401            | 39,189           | Eligible capital                        | 38,584            | 39,210           |
| <b>0.74</b>       | <b>0.83</b>      | <b>Overall net currency position, %</b> | <b>0.74</b>       | <b>0.83</b>      |

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

|                             | 30 September 2021 | 31 December 2020 |
|-----------------------------|-------------------|------------------|
| Increase in FX rates by 10% | 7                 | 20               |
| Decrease in FX rates by 10% | (7)               | (20)             |



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

### SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTH PERIOD AS AT 30 SEPTEMBER 2021

(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 percentage from generally evaluated risk amount.

Additional own funds requirement (Pillar II) has remained at the same level of 1,8% after 2020 supervisory review by the Bank of Lithuania and evaluation process (SREP).

New Regulation 2019/876, partly amending CRR, came into effect June 28, 2021 and had an impact on the Group's and the Bank's calculations of own funds and capital requirements for credit risk.

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

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

| <b>The Group</b>             |                             |                        | <b>The Bank</b>              |                             |
|------------------------------|-----------------------------|------------------------|------------------------------|-----------------------------|
| <b>30 September<br/>2021</b> | <b>31 December<br/>2020</b> |                        | <b>30 September<br/>2021</b> | <b>31 December<br/>2020</b> |
| 19.24                        | 20.24                       | CET 1 Capital ratio    | 18.72                        | 19.57                       |
| 19.24                        | 20.24                       | Tier 1 Capital ratio   | 18.72                        | 19.57                       |
| <b>20.35</b>                 | <b>21.68</b>                | Capital adequacy ratio | <b>19.80</b>                 | <b>20.95</b>                |

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

Financial assets quality indicators as at 30 September 2021 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) |
| 2,888                      | 1.38   | Loans to customers       | 2,522                      | 1.25   |
| 372                        | 2.48   | Finance lease receivable | 372                        | 2.48   |
| 35                         | 0.06   | Debt securities          | 35                         | 0.06   |
| 17                         | 0.10   | Placements with banks    | 17                         | 0.10   |
| <b>3,312</b>               | <b>1.11</b>                                    | <b>Total:</b>            | <b>2,946</b>               | <b>1.01</b>                                    |

Financial assets quality indicators as at 31 December 2020:

| The Group                  |  |                          | The Bank                   |  |
|----------------------------|--|--------------------------|----------------------------|--|
| Provisions (EUR) thousands | Provisions to financial assets ratio (percent) |                          | Provisions (EUR) thousands | Provisions to financial assets ratio (percent) |
| 2,362                      | 1.22   | Loans to customers       | 2,135                      | 1.13   |
| 394                        | 2.83   | Finance lease receivable | 394                        | 2.83   |
| 33                         | 0.06   | Debt securities          | 33                         | 0.06   |
| 11                         | 0.10   | Placements with banks    | 11                         | 0.10   |
| <b>2,800</b>               | <b>1.02</b>                                    | <b>Total:</b>            | <b>2,573</b>               | <b>0.96</b>                                    |

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

| The Group         |                   |                        | The Bank          |                   |
|-------------------|-------------------|------------------------|-------------------|-------------------|
| 30 September 2021 | 30 September 2020 |                        | 30 September 2021 | 30 September 2020 |
| 1.13              | 1.19              | Return on assets (ROA) | 1.20              | 1.15              |
| 11.04             | 11.87             | Return on equity (ROE) | 11.62             | 11.23             |

#### Action applied to the Bank

The Bank of Lithuania (BL) has carried out a planned inspection of the Bank's compliance with the procedures for the prevention of money laundering and terrorist financing (ML/TF). After reviewing the inspection report, the Board of the Bank of Lithuania stated and adopted a resolution that the Bank did not ensure adequate internal control procedures related to the implementation of international financial sanctions, and, therefore, obliged the Bank to correct the deficiencies identified in the field of the AML/TF prevention requirements, and imposed a penalty of EUR 300,000 on the Bank. The Bank informs that a significant part of the deficiencies identified by the BL were corrected before the results of the inspection were discussed by the BL Board. The Bank also informs that it is continuing the actions to strengthen its procedures for the prevention of ML/TF, which were initiated prior to the examination by the BL. Medicinos Bankas has not identified any cases where the weaknesses identified by the BL have affected the Bank's clients or the Bank has been used for the purposes of ML/TF.

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(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 during the third quarter of year 2021 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 third quarter of 2021 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

