

UAB MEDICINOS BANKAS

BANK'S SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED
FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30TH JUNE
2020 PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

UAB MEDICINOS BANKAS

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

SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30TH JUNE 2020

(All amounts in EUR thousand unless otherwise stated)

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(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<u>The Group</u>				<u>The Bank</u>	
<u>30 June 2020</u>	<u>31 December 2019</u>	Assets	Notes	<u>30 June 2020</u>	<u>31 December 2019</u>
		Cash and due from central bank			
26,714	29,650	<i>Cash</i>		26,714	29,650
<u>57,474</u>	<u>45,534</u>	<i>Placements with the central bank</i>		<u>57,474</u>	<u>45,534</u>
84,188	75,184			84,188	75,184
11,173	11,183	Placements with banks and other credit institutions	3	11,151	11,164
		Financial assets at fair value through profit or loss			
95	10	<i>Derivative financial instruments</i>		95	10
<u>95</u>	<u>10</u>			<u>95</u>	<u>10</u>
47,135	50,004	Debt securities	4	47,135	50,004
		Loans and receivables	5		
187,897	192,409	<i>Loans to customers</i>		183,389	188,010
<u>15,450</u>	<u>15,875</u>	<i>Finance lease receivable</i>		<u>15,450</u>	<u>15,875</u>
203,347	208,284			198,839	203,885
-	-	Investments in subsidiaries	8	6,487	6,687
1,107	1,423	Investment property	6	252	283
6,726	6,726	Property and equipment	7	6,704	6,703
427	364	Intangible assets		411	341
		Tax assets			
19	19	<i>Current taxes</i>		19	19
<u>1,228</u>	<u>1,400</u>	<i>Deferred taxes</i>		<u>1,228</u>	<u>1,400</u>
1,247	1,419			1,247	1,419
662	737	Other assets	9	633	691
<u>356,107</u>	<u>355,334</u>	Total assets		<u>357,142</u>	<u>356,371</u>

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(All amounts in EUR thousand unless otherwise stated)

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

The Group				The Bank	
30 June 2020	31 December 2019	Liabilities	Notes	30 June 2020	31 December 2019
37	3,036	Due to banks and other credit institutions	10	37	3,036
3	59	Derivative financial instruments		3	59
310,069	310,431	Due to customers	11	311,079	311,398
1,000	1,000	Subordinated loans	12	1,000	1,000
2,192	2,184	Debt securities issued	12	2,192	2,184
58	35	Impairment		65	66
94	234	Tax assets		94	234
-	-	Current taxes		-	-
94	234	Deferred taxes		94	234
6,775	3,982	Other liabilities	13	6,529	3,804
320,228	320,961	Total liabilities		320,999	321,781
		Equity			
19,948	19,948	Share capital	14	19,948	19,948
5,285	3,779	Retained earnings		5,549	3,996
330	330	Revaluation reserve of property and equipment		330	330
10,316	10,316	Other reserves	14	10,316	10,316
35,879	34,373	Total shareholders' equity		36,143	34,590
356,107	355,334	Total liabilities and shareholders' equity		357,142	356,371

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Acting Chairman of the Board and Chief Executive Officer

D. Klišauskienė

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

D. Prievelytė

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SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30TH JUNE 2020

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS

The Group				The Bank	
30 June 2020	30 June 2019		Notes	30 June 2020	30 June 2019
6,034	5,069	Interest income	15	5,486	4,873
(904)	(877)	Interest expenses	15	(904)	(877)
5,130	4,192	Net interest income		4,582	3,996
2,656	3,282	Service fee and commission income	16	2,838	3,367
(273)	(225)	Service fee and commission expenses	16	(246)	(192)
2,383	3,057	Net service fee and commission income		2,592	3,175
-	-	Net result on equity securities trading		-	-
1,775	2,183	Net foreign exchange gain	17	1,775	2,183
218	(143)	Net result from operations with derivatives		218	(143)
-	-	Impairment of investments into subsidiaries		(200)	(320)
(175)	(202)	Net result on operations on investment property	6, 18	(17)	(15)
19	47	Other income		31	127
9,350	9,134	Total operating income		8,981	9,003
(911)	(445)	Impairment of loans and other financial assets		(750)	(398)
8,439	8,689	Operating income after impairment		8,231	8,605
(4,175)	(4,322)	Salaries and benefits		(4,027)	(4,145)
(573)	(553)	Depreciation		(571)	(551)
(81)	(61)	Amortisation		(73)	(46)
(1,776)	(1,998)	Other operating expenses	19	(1,687)	(1,928)
(6,605)	(6,934)	Total operating expenses		(6,358)	(6,670)
1,834	1,755	Operating profit (loss)		1,873	1,935
(328)	(377)	Income tax expense		(320)	(377)
1,506	1,378	Profit (loss) for the year		1,553	1,558
1,506	1,378	Attributable to equity holders of the Bank		1,553	1,558

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SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30TH JUNE 2020

(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED INCOME STATEMENTS FOR QUARTER

The Group			The Bank	
01-04-2020- 30-06-2020	01-04-2019- 30-06-2019		01-04-2020- 30-06-2020	01-04-2019- 30-06-2019
		Notes		
2,967	2,690	Interest income	2,681	2,571
(447)	(443)	Interest expenses	(447)	(443)
2,520	2,247	Net interest income	2,234	2,128
1,202	1,736	Service fee and commission income	1,290	1,791
(133)	(116)	Service fee and commission expenses	(120)	(95)
1,069	1,620	Net service fee and commission income	1,170	1,696
-	-	Net result on equity securities trading	-	-
1,021	1,098	Net foreign exchange gain	1,021	1,098
(92)	10	Net result from operations with derivatives	(92)	10
-	-	Impairment of investments into subsidiaries	(200)	(273)
(174)	(182)	Net result on operations on investment property	(17)	(3)
11	16	Other income	16	101
4,355	4,809	Total operating income	4,132	4,757
(334)	(336)	Impairment of loans and other financial assets	(256)	(315)
4,021	4,473	Operating income after impairment	3,876	4,442
(1,976)	(2,264)	Salaries and benefits	(1,891)	(2,164)
(288)	(285)	Depreciation	(287)	(283)
(44)	(36)	Amortisation	(40)	(26)
(688)	(1,033)	Other operating expenses	(645)	(982)
(2,996)	(3,618)	Total operating expenses	(2,863)	(3,455)
1,025	855	Operating profit (loss)	1,013	987
(182)	(234)	Income tax expense	(183)	(234)
843	621	Profit (loss) at the end of the reporting period	830	753
843	621	Attributable to equity holders of the Bank	830	753

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(All amounts in EUR thousand unless otherwise stated)

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

	<u>30 June 2020</u>	<u>30 June 2019</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	1,553	1,558
Total comprehensive income	<u><u>1,553</u></u>	<u><u>1,558</u></u>
Attributable to:		
Equity holders of the Bank	1,553	1,558

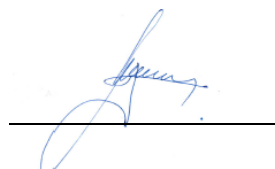
The Group

	<u>30 June 2020</u>	<u>30 June 2019</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	1,506	1,378
Total comprehensive income	<u><u>1,506</u></u>	<u><u>1,378</u></u>
Attributable to:		
Equity holders of the Bank	1,506	1,378

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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>01-04-2020 – 30-06-2020</u>	<u>01-04-2019 – 30-06-2019</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Net amount transferred to profit or loss (available-for-sale financial assets)	-	-
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	830	753
Total comprehensive income	<u><u>830</u></u>	<u><u>753</u></u>
Attributable to:		
Equity holders of the Bank	830	753

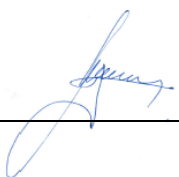
The Group

	<u>01-04-2020 – 30-06-2020</u>	<u>01-04-2019 – 30-06-2019</u>
Items that will never be reclassified to profit or loss		
Change in PPE revaluation	-	-
Transfer of depreciation for PPE net of tax	-	-
Other	-	-
Items that are or may be reclassified to profit or loss	<u>-</u>	<u>-</u>
Related tax	-	-
Other comprehensive income (expenses), net of tax	<u>-</u>	<u>-</u>
Profit (loss) at the end of the reporting period	843	621
Total comprehensive income	<u><u>843</u></u>	<u><u>621</u></u>
Attributable to:		
Equity holders of the Bank	843	621

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

	Share capital	Retained earnings (restated)	Revaluation reserve of property and equipment	Other reserves	Total
At 31 December 2018	19,948	2,138	335	8,178	30,599
Profit or loss	-	1,558	-	-	1,558
Other comprehensive income (expense)	-	-	-	-	-
Transactions with owners of the Bank					
Transfer to reserves	-	(2,138)	-	2,138	-
At 30 June 2019	19,948	1,558	335	10,318	32,157
Profit or loss	-	2,433	-	-	2,433
Other comprehensive income (expense)	-	5	(5)	-	-
Transactions with owners of the Bank					
Transfer to reserves	-	-	-	-	-
At 31 December 2019	19,948	3,996	330	10,316	34,590
Profit or loss	-	1,553	-	-	1,553
Transactions with owners of the Bank					
Transfer to reserves	-	-	-	-	-
At 30 June 2020	19,948	5,549	330	10,316	36,143

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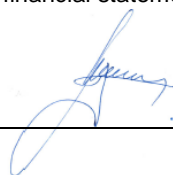
CONDENSED SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**The Group**

	<u>Share capital</u>	<u>Retained earnings (restated)</u>	<u>Revaluation reserve of property and equipment</u>	<u>Other reserves</u>	<u>Total</u>
At 31 December 2018	19,948	2,064	335	8,178	30,525
Profit or loss	-	1,378	-	-	1,378
Other comprehensive income (expense)	-	-	-	-	-
Transactions with owners of the Bank					
Transfer to reserves	-	(2,138)	-	2,138	-
At 30 June 2019	19,948	1,304	335	10,316	31,903
Profit or loss	-	2,470	-	-	2,470
Other comprehensive income (expense)	-	5	(5)	-	-
Transactions with owners of the Bank					
Transfer to reserves	-	-	-	-	-
At 31 December 2019	19,948	3,779	330	10,316	34,373
Profit or loss	-	1,506	-	-	1,506
Other comprehensive income (expense)	-	-	-	-	-
Transactions with owners of the Bank					
Transfer to reserves	-	-	-	-	-
At 30 June 2020	19,948	5,285	330	10,316	35,879

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(All amounts in EUR thousand unless otherwise stated)

CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS

Group			Bank	
30 June 2020	30 June 2019	Notes	30 June 2020	30 June 2019
		Cash flows from operating activities		
1,506	1,378	Profit (loss) for the year	1,553	1,558
		Non-cash Revenue and Cost Recovery:		
654	614	Depreciation and amortisation	644	597
22	44	Loss, gain on the sale of tangible, intangible and investment property	22	44
911	369	Impairment of loans	750	352
-	-	Impairment of investments in subsidiaries	200	320
176	187	Impairment of investment property	17	-
(141)	54	Derivatives revaluation	(141)	54
63	127	Elimination of accrued vacation pay	52	112
328	234	Income tax expenses	320	234
(201)	(1,721)	Elimination of other non-cash items	(203)	(1,704)
3,318	1,286	Cash flows from (to) operating activities before changes in operating assets and liabilities	3,214	1,567
		Changes in operating assets and liabilities:		
(46)	85	Changes in compulsory reserves	(46)	85
-	-	Changes in amounts due from banks	-	-
3,601	(26,294)	Loans to customers	3,871	(23,869)
437	(3,255)	Finance lease receivable	437	(3,255)
1	5,806	Changes in due to banks and other credit institutions	1	5,806
1,172	(1,682)	Changes in due to customers	1,215	(2,285)
3,060	7,783	Changes in other assets and liabilities	2,970	5,912
11,543	(16,271)	Net cash flows from operating activities before income tax	11,662	(16,039)
(62)	-	Income tax (paid)	(53)	-
11,481	(16,271)	Net cash flows from operating activities after income tax	11,609	(16,039)
		Investing activities		
(798)	(649)	(Acquisitions) of intangible assets and property and equipment	(796)	(623)
(9)	-	(Acquisitions) of investment property	(9)	-
176	611	Proceeds from sale of tangible, intangible and equipment and investment property	43	384
-	-	Investments in subsidiaries	-	(2,335)
-	-	Sold subsidiaries	-	1,781
-	-	Part of the main amount of rent payments	-	526
(245)	(283)	Redemption of debt-securities	(245)	(283)
29,651	38,194	(Acquisitions) of debt-securities	29,651	38,194
(26,782)	(24,129)		(26,782)	(24,129)
1,993	13,744	Net cash flows to investing activities	1,862	13,515

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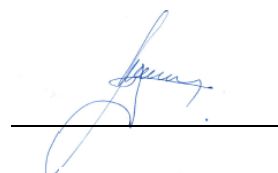
CONDENSED SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS (CONT'D)

Group			Bank	
30 June 2020	30 June 2019	Notes	30 June 2020	30 June 2019
		Financing activities		
8	7	Bonds issued	8	7
-	-	Bonds (redeemed)	-	-
(3,000)	-	Loans received according to Eurosystem Open market operations	(3,000)	-
2,616	4,130	Loans received	2,616	4,130
(3,840)	(4,369)	Loans (repaid)	(3,840)	(4,369)
(4,216)	(232)	Net cash flows from (to) financing activities	(4,216)	(232)
(310)	127	Effect of exchange rate changes on cash and cash equivalents	(310)	127
8,948	(2,632)	Net increase (decrease) in cash and cash equivalents	8,945	(2,629)
84,146	68,374	Cash and cash equivalents at 1 January	84,127	68,333
93,094	65,742	Cash and cash equivalents at 30 June	93,072	65,704
		Additional information to operating cash flows		
5,171	5,407	Interest received	4,643	5,236
(883)	(639)	Interest (paid)	(883)	(639)

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SEPARATE AND CONSOLIDATED CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD AS AT 30TH JUNE 2020

(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 first half of the year of 2020 the Bank had 48 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 companies – real estate management and development) and UAB Saugus Kreditas (main activity of the company – granting of consumer credit to natural persons).

As at 30 June 2020 the Bank employed 323 employees (342 employees as at 31 December 2019). As at 30 June 2020 the Group employed 333 employees (352 employees as at 31 December 2019).

As at 30 June 2020 the shareholders of the Bank were as follows:

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

As at 31 December 2019 the shareholders of the Bank were as follows:

	Ordinary shares held	Per cent of ownership
Mr. Konstantinas Karosas	123,850	89.91
Western Petroleum Ltd.	13,600	9.87
Vytenis Rasutis	300	0.22
Total	137,750	100.00

Konstantinas Karosas has acquired 90,13% of the Bank's shares by inheritance. Till the decision of the supervisory authority, Konstantinas Karosas may not have voting rights attaching to the shares at the Bank's general meeting.

The issued share capital consists of 137,750 ordinary shares with the par value of EUR 144.81 each. As at 30 June 2020 and 31 December 2019, all shares were fully paid.

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 Financial Reporting Standards (IFRS) 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 2019. Financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting policies applied in the preparation of this condensed intermediate financial information are consistent with the accounting policies applied by the Bank in 2019 in the annual financial statements.

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Note 2 Basis of preparation and significant accounting policies (cont'd)

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

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

Functional and presentation currency

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

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

	<u>30 June 2020</u>	<u>31 December 2019</u>
USD	1.1284	1.1189

Note 3 Placements with banks and other credit institutions

<u>The Group</u>			<u>The Bank</u>	
<u>30 June 2020</u>	<u>31 December 2019</u>		<u>30 June 2020</u>	<u>31 December 2019</u>
10,168	8,236	Funds in correspondent accounts	10,146	8,217
1,005	2,947	Term deposits	1,005	2,947
<u>11,173</u>	<u>11,183</u>	Funds in banks and other credit institutions	<u>11,151</u>	<u>11,164</u>

Note 4 Debt securities, net

	<u>The Bank (Group)</u>	
	<u>30 June 2020</u>	<u>31 December 2019</u>
Government bonds of the Republic of Lithuania	34,727	37,069
Government bonds of the Republic of Latvia	3,714	6,036
Government bonds of the Republic of Poland	2,453	1,555
Government bonds of the Republic of Romania	2,022	2,006
Government bonds of the Republic of Iceland	1,536	1,525
Government bonds of the Kingdom of Sweden	897	-
Government bonds of the Republic of Croatia	640	660
Financial company bonds	886	893
Non-financial company bonds	260	260
Total	<u>47,135</u>	<u>50,004</u>

Debt securities outstanding in 30 June 2020 decreased due to redemption at maturity.

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Note 5 Loans and receivables

Loans to customers and receivables comprise:

	The Bank	
	30 June 2020	31 December 2019
Loans to customers, including short-term bills of exchange	183,666	187,356
Overdrafts	705	837
Factoring	434	763
Leasing	15,887	16,002
	200,692	204,958
Less: impairment	(1,853)	(1,073)
Loans and receivables, net	198,839	203,885

	The Group	
	30 June 2020	31 December 2019
Loans to customers, including short-term bills of exchange	188,488	191,866
Overdrafts	705	837
Factoring	434	763
Leasing	15,887	16,002
	205,514	209,468
Less: impairment	(2,167)	(1,184)
Loans and receivables, net	203,347	208,284

Note 6 Investment property

	The Bank	
	30 June 2020	31 December 2019
Balance at the beginning of year	283	1,050
Additions	9	532
Disposals	(23)	(995)
Changes in fair value	(17)	(304)
Balance at the end of year	252	283

	The Group	
	30 June 2020	31 December 2019
Balance at the beginning of year	1,423	3,018
Additions	9	603
Disposals	(149)	(1,577)
Changes in fair value	(176)	(621)
Balance at the end of year	1,107	1,423

The fair value of investment properties owned by subsidiaries:

	30 June 2020	31 December 2019
UAB TG Invest-1	855	1,140
Total	855	1,140

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Note 7 Property and equipment

Non-current material assets for Bank as at 2020 June 30 amounted to 6,704 thousand EUR including usage rights assets worth 1,511 thousand EUR (As of 31 December 2019 amounted to 6,703 thousand EUR including usage rights assets worth 1,261 thousand EUR).

As of 2019 January 1st The Group adopted IFRS 16 and recognized the right-of-use assets as part of property. The Group chose the option to apply the simplified transition method and did not restate comparative amounts for the year prior to first adoption financial information for the year before the adoption of the standard.

The value of the right to use the asset is determined based on the discounted lease payments (liabilities) over the lease term planned by management. The depreciation period for these assets corresponds to the lease term for the asset. Group 2019 Recognized as of January 1, 2019 the value of usage rights assets worth 1,911 thousand EUR. Short-term or low-value leases are recognized on a straight-line basis over the income statement.

Note 8 Investment in subsidiaries

The main activities of established subsidiaries are real estate management and development.

	The Bank	
	30 June 2020	31 December 2019
Balance at the beginning of the year	6,687	7,521
Additions	-	2,335
Disposal (nominal value)	-	(2,752)
Liquidation of SIA „Nida capital“	-	(526)
Additional impairment of investment in subsidiaries	(200)	109
	-	(834)
Balance at the end of the report period	6,487	6,687

Balance as at 30 June 2020	Ownership (%)	Direct ownership (%)	Nominal amount	Impairment	Carrying value
	UAB TG Invest-1	100	100	3,033	(1,116)
UAB Saugus Kreditas	100	100	4,601	(31)	4,570
Total			7,634	(1,147)	6,487

Balance as at 31 December 2019	Ownership (%)	Direct ownership (%)	Nominal amount	Impairment	Carrying value
	UAB TG Invest-1	100	100	3,033	(916)
UAB Saugus Kreditas	100	100	4,601	(31)	4,570
Total			7,634	(947)	6,687

Note 9 Other assets, net

Other assets comprise:

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
262	310	Prepayments	254	306
11	14	Buyers' debts	1	4
77	31	VAT receivable	77	30
282	314	Costs for future periods	280	313
55	103	Other	46	73
687	772		658	726
(25)	(35)	Deducted: Impairment losses on receivables	(25)	(35)
662	737	Other assets	633	691

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Note 10 Due to banks and other credit institutions

	The Bank (Group)	
	30 June 2020	31 December 2019
Loans received according to Eurosystem Open market operations	-	3,000
Current accounts and overnight deposits	37	36
Amounts due to banks and other credit institutions	37	3,036

2020 June 30 the Bank didn't have loans with the Bank of Lithuania for Eurosystem monetary policy operations. 2019 December 31 the Bank has loans transactions with the Bank of Lithuania worth 3,000 thousand EUR. Eurosystem monetary policy operations maturing in 2019.

Note 11 Due to customers

Amounts due to customers comprise:

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
162,916	169,615	Term deposits	162,916	169,615
138,402	130,841	Current accounts	139,412	131,808
8,751	9,975	Loans from funds	8,751	9,975
310,069	310,431	Amounts due to customers	311,079	311,398
21,087	25,936	Out of which held as security against guarantees and loans	21,087	25,936

Note 12 Subordinated loans and issued debt securities (the Bank)

Subordinated loans

In November 2016 the Bank received a subordinated loan of EUR 1 million 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. Subordinated loan is amortized in accordance with Article 64 of CRR 575 Regulation.

Debt securities issued

In July 2018 bank have issued subordinated debt securities emission. As of 31 December 2019 net value of issued debt securities is 2 184 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. Coupon – 7%, coupon payment twice a year. Maturity date – 24 July 2025.

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Note 13 Other liabilities

Other liabilities comprise:

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
1,470	1,264	Accrued payments to employees	1,406	1,206
22	68	Prepayments (advance payments)	-	2
1,672	1,408	Accrued expenses	1,672	1,408
2,900	414	AML suspended funds	2,900	414
57	-	Sales VAT	57	-
3	218	Receipts from sale of loan portfolio (claims)	3	218
112	97	Deferred income	84	97
110	-	Liabilities to the State Tax Inspectorate	106	-
141	-	Liabilities to the Board of the State Social Fund Payable to the Latvian and Estonian Road Transport Administration	135	-
24	17	Debt to customers	24	17
161	297	Other	85	263
103	199		57	179
6,775	3,982	Other liabilities	6,529	3,804

Note 14 Shareholders' equity

As at 30 June 2020 and 31 December 2019, the share capital of the Group and the Bank consisted of 137,750 ordinary shares with the par value of EUR 144.81 each. All shares are issued, authorised and fully paid. The shares are not listed.

Each share has the right, equally, to vote, to dividends and to participate in residual assets in the event of a winding-up.

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

	The Bank (Group)	
	30 June 2020	31 December 2019
Special reserve to cover possible losses	2,528	2,528
Legal reserve	291	291
Reserve capital	7,497	7,497
Total other reserves	10,316	10,316

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Note 15 Net interest income

The Group			The Bank	
30 June 2020	30 June 2019		30 June 2020	30 June 2019
5,242	4,274	On loans to customers	4,703	4,078
65	70	On impaired loans to customers	56	70
433	313	Leasing	433	313
60	79	Delinquency	60	79
216	289	On held-to-maturity investments	216	289
18	44	On placements with the banks and other credit institutions	18	44
6,034	5,069	Interest revenue	5,486	4,873
(562)	(556)	On obligations to customers, including letters of credit	(562)	(556)
(145)	(136)	Deposit insurance	(145)	(136)
(10)	(10)	On subordinated loans	(10)	(10)
(85)	(85)	For Debt securities	(85)	(85)
-	(8)	Loan portfolio guarantee insurance	-	(8)
(73)	(48)	On obligations to banks and other credit institutions	(73)	(48)
(29)	(34)	Lease of property	(29)	(34)
(904)	(877)	Interest expenses	(904)	(877)
5,130	4,192	Net interest income	4,582	3,996

Note 16 Net service fee and commission income

Net fee and commission income comprises:

The Group			The Bank	
30 June 2020	30 June 2019		30 June 2020	30 June 2019
1,073	1,175	Payment services	1,073	1,175
89	188	Commission income from currency exchange	89	188
376	387	Administration of bank accounts	376	387
633	846	Collection of payments	633	846
69	275	Brokerage income	251	275
243	285	Cash operations	243	285
173	126	Other	173	211
2,656	3,282	Service fee and commission income	2,838	3,367
(20)	(33)	Rent fee according to agreements	(20)	(33)
(125)	(121)	Cash operations	(125)	(121)
(128)	(71)	Other	(101)	(38)
(273)	(225)	Service fee and commission expense	(246)	(192)
2,383	3,057	Net service fee and commission income	2,592	3,175

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Note 17 Net foreign exchange gain

	The Bank (Group)	
	30 June 2020	30 June 2019
Gain on dealing in foreign currencies	2,085	2,056
Revaluation of items in statement of financial position, net	(310)	127
Net foreign exchange gain	1,775	2,183

Note 18 Net result on operations with investment property

The Group			The Bank	
30 June 2020	30 June 2019		30 June 2020	30 June 2019
1	(15)	Realised gain (loss)	-	(15)
(176)	(187)	Changes in fair value	(17)	-
(175)	(202)	Net result on operations on investment property	(17)	(15)

Note 19 Operating expenses

Operating expenses are as follows:

The Group			The Bank	
30 June 2020	30 June 2019		30 June 2020	30 June 2019
		Other operating expenses		
(107)	(198)	Occupancy and rent	(98)	(189)
(421)	(364)	Office supplies	(403)	(364)
(246)	(123)	Expenses for service providers for the bank	(246)	(123)
(76)	(371)	Taxes other than income tax	(58)	(361)
(115)	(115)	Communication	(114)	(114)
(5)	(1)	Debt recovery costs	(5)	(1)
(132)	(166)	Transportation expenses	(131)	(165)
(9)	(22)	Expenses related with investment property	-	(13)
(52)	(56)	Security	(52)	(56)
(147)	(143)	Marketing and advertising	(147)	(137)
(65)	(18)	Legal and consultancy	(60)	(14)
(19)	(4)	Personnel training	(19)	(4)
(22)	(16)	Representation	(22)	(16)
(61)	(26)	Building repair costs	(61)	(26)
-	(4)	Charity and support costs	-	(4)
(24)	(30)	Business travel and related	(23)	(30)
(11)	(23)	Disposable items	(11)	(23)
(9)	(13)	Stationary supplies	(9)	(13)
(76)	(72)	Insurance expenses	(74)	(70)
(13)	(13)	Participation fees	(13)	(13)
-	(40)	Team building expenses	-	(40)
(52)	-	Accounting and brokerage services	(32)	-
(114)	(180)	Other	(109)	(152)
(1,776)	(1,998)	Total other operating expenses	(1,687)	(1,928)

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Note 20 Cash and cash equivalents

Cash and cash equivalents for the purpose of the statement of cash flows comprise:

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
26,714	29,650	Cash on hand	26,714	29,650
55,207	43,313	Current accounts with the Bank of Lithuania	55,207	43,313
10,288	8,236	Current accounts with other credit institutions	10,266	8,217
885	2,947	Term deposits with credit institutions up to 90 days	885	2,947
93,094	84,146	Cash and cash equivalents	93,072	84,127

Note 21 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 2020 second quarter.

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Note 21 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 discounting of scheduled future cash flows using current market rates.

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

The Bank	30 June 2020		31 December 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and due from central bank	84,188	84,188	75,183	75,183
Placements with banks and other credit institutions	11,151	11,151	11,164	11,164
Debt securities	47,135	47,654	50,004	50,691
Loans and receivables	198,839	201,288	203,884	208,152
Other assets	11	11	691	691
Total financial assets	341,324	344,292	340,926	345,881
Financial liabilities				
Due to banks and other credit institutions	37	37	3,036	3,036
Due to customers, including letters of credit	311,079	313,158	311,398	316,385
Debt securities issued	2,192	2,482	2,184	2,266
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	6,529	6,529	3,804	3,804
Total financial liabilities	320,837	323,206	321,422	326,491

The Group	30 June 2020		31 December 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and due from central bank	84,188	84,188	75,183	75,183
Placements with banks and other credit institutions	11,173	11,173	11,183	11,183
Debt securities	47,135	47,654	50,004	50,691
Loans and receivables	203,347	205,797	208,284	212,551
Other assets	11	11	737	733
Total financial assets	345,854	348,823	345,391	350,341
Financial liabilities				
Due to banks and other credit institutions	37	37	3,036	3,036
Due to customers, including letters of credit	310,069	312,148	310,431	315,418
Debt securities issued	2,192	2,482	2,184	2,266
Subordinated loans	1,000	1,000	1,000	1,000
Other liabilities	6,775	6,775	3,982	3,982
Total financial liabilities	320,073	322,442	320,633	325,702

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Note 21 Fair values of financial instruments (cont'd)

Financial instruments which are carried at fair value in the financial statements are distributed by 3 levels:

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

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

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

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

The Bank (Group)

As at 30 June 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	95	-	95
Financial liabilities				
Derivative financial instruments	-	3	-	3

The Bank (Group)

As at 31 December 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial instruments	-	10	-	10
Financial liabilities				
Derivative financial instruments	-	59	-	59

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Note 21 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

As at 30 June 2020	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	84,188	11,151	-	95,339
Debt securities	-	47,135	-	47,135
Loans to customers	-	182,280	1,109	183,389
Receivables from leasing	-	14,143	1,307	15,450
Other assets	-	11	-	11
Total financial assets	84,188	254,720	2,416	341,324
Liabilities				
Due to banks and other credit institutions	-	37	-	37
Due to customers	-	311,079	-	311,079
Debt securities issued	-	2,192	-	2,192
Subordinated loan	-	1,000	-	1,000
Other liabilities	-	6,529	-	6,529
Total financial liabilities	-	320,837	-	320,837

The Bank

31 December 2019	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	75,184	11,164	-	86,348
Debt securities	-	50,004	-	50,004
Loans to customers	-	186,825	1,185	188,010
Receivables from leasing	-	14,464	1,411	15,875
Other assets	-	691	-	691
Total financial assets	75,184	263,148	2,596	340,928
Liabilities				
Due to banks and other credit institutions	-	3,036	-	3,036
Due to customers	-	311,398	-	311,398
Debt securities issued	-	2,184	-	2,184
Subordinated loans	-	1,000	-	1,000
Other liabilities	-	3,803	-	3,803
Total financial liabilities	-	321,421	-	321,421

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Note 21 Fair values of financial instruments (cont'd)**The Group**

As at 30 June 2020	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	84,188	11,173	-	95,361
Debt securities	-	47,135	-	47,135
Loans to customers	-	186,691	1,206	187,897
Receivables from leasing	-	14,143	1,307	15,450
Other assets	-	11	-	11
Total financial assets	84,188	259,153	2,513	345,854
Liabilities				
Due to banks and other credit institutions	-	37	-	37
Due to customers	-	310,069	-	310,069
Debt securities issued	-	2,192	-	2,192
Subordinated loan	-	1,000	-	1,000
Other liabilities	-	6,775	-	6,775
Total financial liabilities	-	320,073	-	320,073

The Group

31 December 2019	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and due from banks	75,184	11,164	-	86,348
Debt securities	-	50,004	-	50,004
Loans to customers	-	191,139	1,270	192,409
Receivables from leasing	-	14,464	1,411	15,875
Other assets	-	733	-	733
Total financial assets	75,184	267,504	2,681	345,369
Liabilities				
Due to banks and other credit institutions	-	3,036	-	3,036
Due to customers	-	310,431	-	310,431
Debt securities issued	-	2,184	-	2,184
Subordinated loans	-	1,000	-	1,000
Other liabilities	-	3,803	-	3,803
Total financial liabilities	-	320,454	-	320,454

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Note 22 Related party transactions

Transactions between 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 31 December 2019 and 30 June 2020 and related expense and income are included in the profit and loss account is set out below:

The Bank

	<u>Shareholders</u>	<u>Subsidiaries</u>	<u>Key management personnel</u>	<u>Other*</u>
Loans outstanding as at 30 June 2020, net	-	8,246	32	3,780
Interest rate,%	-	4.2	6.58	2.0-4.5
Impairment of loans	-	(78)	-	(23)
Term deposits as at 30 June 2020	-	-	20	1,200
Interest rate,%	-	-	0.3	0.3-0.45
Demand accounts as at 30 June 2020	33	1,010	93	3,560
Bonds issued as at 30 June 2020	100	-	-	-
Interest rate,%	7	-	-	-
Subordinated loans as at 30 June 2020	1,000	-	-	-
Interest rate,%	2	-	-	-
For six month period which ended at 30 June 2020				
Interest income on loans	-	136	-	50
Interest expense on deposits	-	-	-	(2)
Interest expense on bonds	(4)	-	-	-
Interest expense on subordinated loans	(10)	-	-	-
Service fee and commission revenue	-	186	-	6
Service fee and commission expenses	-	-	-	-

The Bank

	<u>Shareholders</u>	<u>Subsidiaries</u>	<u>Key management personnel</u>	<u>Other*</u>
Loans outstanding as at 31 December 2019, net	34	3,935	-	3,962
Interest rate,%	6.58	4.2	-	2.0-4.5
Impairment of loans	-	(25)	-	(12)
Term deposits as at 31 December 2019	21	-	13	1,956
Interest rate,%	6.5	-	0.05-0.3	0-0.45
Demand accounts as at 31 December 2019	65	967	97	2,427
Bonds issued as at 31 December 2019	100	-	-	-
Interest rate,%	7	-	-	-
Subordinated loans as at 31 December 2019	1,000	-	-	-
Interest rate,%	2	-	-	-
For six month period which ended at 30 June 2019				
Interest income on loans	1	1	-	55
Interest expense on deposits	-	-	-	(1)
Interest expense on bonds	(4)	-	-	-
Interest expense on subordinated loans	(10)	-	-	-
Service fee and commission revenue	-	88	-	7
Service fee and commission expenses	-	-	-	-

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Note 22 Related party transactions (cont'd)**The Group**

	<u>Shareholders</u>	<u>Key management personnel</u>	<u>Other*</u>
Loans outstanding as at 30 June 2020, net	-	32	3,780
Interest rate,%	-	6.58	2.0-4.5
Impairment of loans	-	-	(23)
Term deposits as at 30 June 2020	-	20	1,200
Interest rate,%	-	0.3	0.3–0.45
Demand accounts as at 30 June 2020	33	93	3,560
Bonds issued as at 30 June 2020	100	-	-
Interest rate,%	7	-	-
Subordinated loans as at 30 June 2020	1,004	-	-
Interest rate,%	2	-	-
For six month period which ended at 30 June 2020			
Interest income on loans			
Interest expense on deposits	-	-	50
Interest expense on bonds	-	-	(2)
Interest expense on subordinated loans	(4)	-	-
Service fee and commission revenue	(10)	-	-
Service fee and commission expenses	-	-	6

The Group

	<u>Shareholders</u>	<u>Key management personnel</u>	<u>Other*</u>
Loans outstanding as at 31 December 2019, net	34	-	3,962
Interest rate,%	6.58	-	2.0-4.5
Impairment of loans	-	-	(12)
Term deposits as at 31 December 2019	21	13	1,956
Interest rate,%	6.5	0.05-0.3	0–0.45
Demand accounts as at 31 December 2019	65	97	2,427
Bonds issued as at 31 December 2019	100	-	-
Interest rate,%	7	-	-
Subordinated loans as at 31 December 2019	1,000	-	-
Interest rate,%	2	-	-
For six month period which ended at 30 June 2019			
Interest income on loans	1	-	55
Interest expense on deposits	-	-	(1)
Interest expense on bonds	(4)	-	-
Interest expense on subordinated loans	(10)	-	-
Service fee and commission revenue	-	-	7
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. Key management personnel include members of the board and administration and management of subsidiaries.

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Note 23 Segment information

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 30 June 2020 and in the Statement of comprehensive income as at 30 June 2020 is presented in the table below:

	30 June 2020				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	136	-	-	(136)	-
External	5,797	235	2	0	6,034
Interest income	5,933	235	2	(136)	6,034
Internal	(136)	-	-	136	-
External	(754)	(159)	-	-	(904)
Interest expenses	(881)	(159)	-	136	(904)
Internal	-	-	-	-	-
External	5,052	76	2	-	5,130
Net interest income	5,052	76	2	-	5,130
Internal	-	-	-	-	-
External	2,525	-	(3)	(139)	2,383
Net fee and commission income	2,525	-	(3)	(139)	2,383
Internal	-	-	-	-	0
External	7,577	76	(1)	(139)	7,513
Net interest, fee and commissions income	7,577	76	(1)	(139)	7,513
Internal	-	-	-	-	-
External	(5,188)	(98)	(663)	-	(5,949)
Operating expenses	(5,188)	(98)	(663)	-	(5,949)
Amortisation charges	(81)	-	-	-	(81)
Deprecation charges	(573)	-	-	-	(573)
Internal	-	-	-	-	-
External	(911)	-	-	-	(911)
Impairment expenses	(911)	-	-	-	(911)
Internal	-	-	-	-	-
External	1,653	340	(157)	-	1,836
Net other income	1,653	340	(157)	-	1,836
Profit (loss) before tax	2,477	318	(821)	(139)	1,834
Income tax	(328)	-	-	-	(328)
Profit (loss) per segment after tax	2,148	318	(821)	(139)	1,506
Non-controlling interest	-	-	-	-	-
Profit (loss) for the year attributable to the owners of the Bank	2,148	318	(821)	(139)	1,506
Total segment assets	243,848	126,385	1,993	(16,119)	356,107
Total segment liabilities	320,601	8,904	107	(9,384)	320,228
Net segment assets (shareholders equity)	(76,753)	117,481	1,886	(6,735)	35,879

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Note 23 Segment information (cont'd)

A summary of major indicators for the main business segments of the Group included in the Statement of financial position as at 30 June 2020 and in the Statement of comprehensive income as at 30 June 2020 is presented in the table below:

	30 June 2019				
	Traditional banking operations and lending	Treasury	Other activities	Eliminations	Total
Internal	-	-	-	-	-
External	4,902	165	3	(1)	5,069
Interest income	4,902	165	3	(1)	5,069
Internal	-	-	-	-	-
External	(810)	(68)	-	1	(877)
Interest expenses	(810)	(68)	-	1	(877)
Internal	-	-	-	-	-
External	4,092	97	3	-	4,192
Net interest income	4,092	97	3	-	4,192
Internal	-	-	-	-	-
External	3,140	-	(7)	(76)	3,057
Net fee and commission income	3,140	-	(7)	(76)	3,057
Internal	-	-	-	-	-
External	7,232	97	(4)	(76)	7,249
Net interest, fee and commissions income	7,232	97	(4)	(76)	7,249
Internal	-	-	(7,839)	7,839	-
External	(8,132)	(112)	1,925	-	(6,319)
Operating expenses	(8,132)	(112)	(5,914)	7,839	(6,319)
Amortisation charges	(553)	-	-	-	(553)
Deprecation charges	(61)	-	-	-	(61)
Internal	-	-	-	-	-
External	(463)	-	-	18	(445)
Impairment expenses	(463)	-	-	18	(445)
Internal	-	-	-	-	-
External	1,845	195	(156)	-	1,884
Net other income	1,845	195	(156)	-	1,884
Profit (loss) before tax	(132)	180	(6,074)	7,781	1,755
Income tax	(377)	-	-	-	(377)
Profit (loss) per segment after tax	(509)	180	(6,074)	7,781	1,378
Non-controlling interest	-	-	-	-	-
Profit (loss) for the year attributable to the owners of the Bank	(509)	180	(6,074)	7,781	1,378
Total segment assets	240,787	103,233	4,553	(10,382)	338,191
Total segment liabilities	298,196	9,270	93	(1,271)	306,288
Net segment assets (shareholders equity)	(57,409)	93,963	4,460	(9,111)	31,903

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 24 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. Compliance to this requirement is disclosed in the table below:

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
6,662	6,986	Maximum exposure to a single customer or group of connected customers	6,662	6,986
34,142	33,076	Eligible capital	34,446	33,331
19.51	21.12	Maximum exposure ratio, %	19.34	20.96

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

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

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
Statement of financial position items, other than trading and investment activities				
57,474	45,534	Balances with the Bank of Lithuania	57,474	45,534
11,173	11,183	Due from banks	11,151	11,164
187,897	192,409	Loans to customers	183,389	188,010
15,450	15,875	Receivables from leasing	15,450	15,875
271,994	265,001		267,464	260,583
Off balance sheet items				
2,771	2,088	Guarantees	2,771	2,088
13,227	10,782	Loan commitments	13,920	15,801
287,992	277,871	Total balance and off balance sheet items, other than trading and investment activities	284,155	278,472
Trading and investment activities				
Financial assets at fair value through profit or loss				
95	10	Derivative financial instruments	95	10
-	-	Held-to-maturity investments	-	-
47,135	50,004	Debt securities	47,135	50,004
47,230	50,014	Total trading and investment activities	47,230	50,014
11	41	Other financial assets	11	41
335,233	327,926	Total credit exposure	331,396	328,527

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Note 24 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 June 2020	31 December 2019
Government bonds	45,988	48,851
Regional government bonds	-	-
Multilateral Development Banks Bonds	886	893
Corporate bonds	261	260
Derivatives	95	10
Total	47,230	50,014

Bonds exposure by rating grade	The Bank (Group)	
	30 June 2020	31 December 2019
High grade (AAA-A)	44,212	47,078
Standard grade (B-BBB+)	2,923	2,926
Not rated	-	-
Total	47,135	50,004

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

The Bank	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
30 June 2020					
Stage 1					
Loans and receivables	168,304	5,434	-	-	173,738
Placements with LB and other banks	68,625	-	-	-	68,625
Debt securities	47,135	-	-	-	47,135
Other financial assets	11	-	-	-	11
Total	284,075	5,434	-	-	289,509
Stage 2					
Loans and receivables	15,528	1,353	95	-	16,976
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	15,528	1,353	95	-	16,976
Stage 3					
Loans and receivables	3,514	1,979	299	2,332	8,124
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,514	1,979	299	2,332	8,124
Total	303,117	8,766	394	2,332	314,609

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Note 24 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Bank	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
1 December 2019					
Stage 1					
Loans and receivables	185,032	1,588	-	-	186,620
Placements with LB and other banks	56,698	-	-	-	56,698
Debt securities	50,004	-	-	-	50,004
Other financial assets	41	-	-	-	41
Total	291,775	1,588	-	-	293,363
Stage 2					
Loans and receivables	6,989	1,540	1,374	-	9,903
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	6,989	1,540	1,374	-	9,903
Stage 3					
Loans and receivables	3,087	1,116	1,088	2,071	7,362
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,087	1,116	1,088	2,071	7,362
Total	301,851	4,244	2,462	2,071	310,628

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Note 24 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Group	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
30 June 2020					
Stage 1					
Loans and receivables	171,923	5,774	-	-	177,697
Placements with LB and other banks	68,647	-	-	-	68,647
Debt securities	47,135	-	-	-	47,135
Other financial assets	11	-	-	-	11
Total	287,716	5,774	-	-	293,490
Stage 2					
Loans and receivables	15,615	1,468	95	-	17,196
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	15,615	1,486	95	-	17,196
Stage 3					
Loans and receivables	3,525	2,004	363	2,562	8,454
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,525	2,004	363	2,562	8,454
Total	306,856	9,264	458	2,562	319,140

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Note 24 Risk management (cont'd)Credit risk assessment of financial instruments, other than trading activities and off balance items (cont.)

The Group	Not overdue	1 to 59 days	60 to 89 days	More than 90 days	Total
31 December 2019					
Stage 1					
Loans and receivables	188,846	1,779	-	-	190,625
Placements with LB and other banks	56,717	-	-	-	56,717
Debt securities	50,004	-	-	-	50,004
Other financial assets	41	-	-	-	41
Total	295,608	1,779	-	-	297,387
Stage 2					
Loans and receivables	7,022	1,645	1,374	-	10,041
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	7,022	1,645	1,374	-	10,041
Stage 3					
Loans and receivables	3,088	1,318	1,127	2,085	7,618
Placements with LB and other banks	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	3,088	1,318	1,127	2,085	7,618
Total	305,718	4,742	2,501	2,085	315,046

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Note 24 Risk management (cont'd)

Breakdown of impairment for financial instruments by stages:

		30 June 2020					31 December 2019				
		Collective impairment	Individual impairment	Credit commitments	Guarantees	Total	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
The Bank											
Stage 1		823	-	58	7	888	548		62	4	614
Loans and receivables		784	-	58	7	849	498	-	26	4	564
Placements with LB and other banks		11	-	-	-	11	11	-	-	-	11
Debt securities		28	-	-	-	28	39	-	-	-	39
Other financial assets		-	-	-	-	-	-	-	-	-	-
Stage 2		92	-	-	-	92	61	-	-	-	61
Loans and receivables		92	-	-	-	92	61	-	-	-	61
Stage 3		-	1,004	-	-	1,004	-	550	-	-	550
Loans and receivables		-	979	-	-	682	-	515	-	-	515
Other financial assets		-	25	-	-	25	-	35	-	-	35
Total		915	1,004	58	7	1,984	609	550	62	4	1,225
		30 June 2020					31 December 2019				
		Collective impairment	Individual impairment	Credit commitments	Guarantees	Total	Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
The Group											
Stage 1		948	-	51	7	1,006	620	-	30	4	654
Loans and receivables		909	-	51	7	967	570	-	30	4	604
Placements with LB and other banks		11	-	-	-	11	11	-	-	-	11
Debt securities		28	-	-	-	28	39	-	-	-	39
Other financial assets		-	-	-	-	-	-	-	-	-	-
Stage 2		103	-	-	-	103	66	-	-	-	66
Loans and receivables		103	-	-	-	103	66	-	-	-	66
Stage 3		-	1,103	-	-	1,103	-	583	-	-	583
Loans and receivables		-	1,078	-	-	1,078	-	548	-	-	548
Other financial assets		-	25	-	-	25	-	35	-	-	35
Total		1,051	1,103	51	7	2,212	686	583	30	4	1 303

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Note 24 Risk management (cont'd)

Change of impairment during reporting period

The Group					The Bank					
Collective impairment	Individual impairment	Credit commitments	Guarantees	Total		Collective impairment	Individual impairment	Credit commitments	Guarantees	Total
30 June 2020										
328					Stage 1	275				
329	-	21	3	363	Loans and receivables	286	-	(4)	3	285
-	-	-	-	-	Placements with LB and other banks	-	-	-	-	-
(11)	-	-	-	(11)	Debt securities	(11)	-	-	-	(11)
-	-	-	-	-	Other financial assets	-	-	-	-	-
37					Stage 2	31				
37	-	-	-	37	Loans and receivables	31	-	-	-	31
-					Stage 3	-				
-	520	-	-	520	Loans and receivables	-	454	-	-	454
-	530	-	-	530	Other financial assets	-	464	-	-	464
-	(10)	-	-	(10)		-	(10)	-	-	(10)
365					Total	306				
-	-	21	3	909	Write-offs	-	-	(4)	3	759
-	-	-	-	11	Income on loans written off in earlier periods	-	-	-	-	(9)
-	-	-	-	(9)		-	-	-	-	(9)
911					Total change of impairment	750				
-	-	-	-	911		-	-	-	-	750

During the first half of the year, uncertainty caused by COVID-19 reduced volumes of lending. In order to alleviate the situation of customers facing difficulties with COVID-19, Bank, together with other Lithuanian credit companies, signed a moratorium on postponement of credit liabilities in April.

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 home loan 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. During the postponement period, the client will only have to pay interest and other periodical payments.

Until 30th of June Bank have postponed of 219 clients loan repayments (Group – 286 clients), that meets the conditions of the moratorium, with net value of EUR 44.38 million (Group – EUR 44.73 million) or 22.32 % (Group – 22.00 %) of the total loan portfolio.

Credit deferrals were mainly requested by companies in the real estate, wholesale and retail trade, accommodation and catering, and manufacturing sectors.

A total of 206 applications have been approved for business customers, with the total net deferred amount EUR 43.64 million, 13 applications have been approved for private customers, with the total net deferred amount EUR 0.74 million.

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Note 24 Risk management (cont'd)**Liquidity risk**

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

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

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
131,481	123,647	Liquid assets	131,481	123,647
27,392	22,294	Short-term (up to 30 days) obligations	27,885	24,502
480	555	LCR, %	472	505

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

The Bank	30 June 2020							
	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	94,334	6,523	5,949	58,848	85,712	88,844	16,932	357,142
Liabilities and shareholders' equity	142,361	12,496	20,252	76,163	44,028	25,628	36,214	357,142
Net gap	(48,027)	(5,973)	(14,303)	(17,315)	41,684	63,216	(19,282)	-
Credit commitments	-	13,920	-	-	-	-	-	13,920

The Bank	31 December 2019							
	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	83,402	12,050	18,738	53,946	80,151	91,247	16,837	356,371
Liabilities and shareholders' equity	132,369	22,474	22,110	77,351	38,594	28,816	34,657	356,371
Net gap	(48,967)	(10,424)	(3,372)	(23,405)	41,557	62,431	(17,820)	-
Credit commitments	-	15,801	-	-	-	-	-	15,801

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Note 24 Risk management (cont'd)Liquidity risk (cont.)

The Group	30 June 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	94,357	6,749	6,378	60,694	81,652	94,828	11,449	356,107
Liabilities and shareholders equity	141,351	12,741	20,252	76,163	44,028	25,628	35,944	356,107
Net gap	(46,994)	(5,992)	(13,874)	(15,469)	37,624	69,200	(24,495)	-
Credit commitments	-	13,227	-	-	-	-	-	13,227

The Group	31,December,2019							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	83,421	12,220	19,057	55,277	79,130	94,803	11,427	355,334
Liabilities and shareholders equity	131,402	22,652	22,110	77,351	38,594	28,816	34,409	355,334
Net gap	(47,981)	(10,432)	(3,053)	(22,074)	40,536	65,987	(22,982)	-
Credit commitments	-	10,782	-	-	-	-	-	10,782

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 second quarter of 2020.

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.

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Note 24 Risk management (cont'd)**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 on a monthly basis. 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 by 1 percentage point in the yield curve.

The following table demonstrates the sensitivity to change in interest rates, with all other variables held constant, on the Bank's and the Group's pre-tax income (which equals the effect on net interest income):

The Bank	Interest rate change	Effect on net interest income	
		30 June 2020	31 December 2019
EUR	+ 1 proc.	1,000	1,086
Other	+ 1 proc.	3	60
EUR	- 1 proc.	(1,000)	(1,086)
Other	- 1 proc.	(3)	(60)
The Group			
	Interest rate change	Effect on net interest income	
		30 June 2020	31 December 2019
EUR	+ 1 proc.	961	1,096
Other	+ 1 proc.	3	60
EUR	+ 1 proc.	(961)	(1,096)
Other	- 1 proc.	(3)	(60)

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Note 24 Risk management (cont'd)Interest rate risk (cont.)

The table below summarises the Group's and the Bank's exposure to interest rate risk as of 30 June 2020 and 31 December 2019. 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.

The Bank	30 June 2020						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Assets:							
Sensitive assets to interest rate fluctuation	37,990	56,092	106,570	20,458	18,842	5,155	245,107
Non-sensitive assets to interest rate fluctuation							112,035
Liabilities:							
Sensitive liabilities to interest rate fluctuation	8,549	19,977	29,037	46,250	44,624	17,671	166,108
Non-sensitive liabilities and equity to interest rate fluctuation							191,034
Interest sensitivity gap	29,441	36,115	77,533	(25,792)	(25,782)	(12,516)	-

The Bank	31 December 2019						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Assets:							
Sensitive assets to interest rate fluctuation	45,456	71,762	111,014	14,438	13,325	7,396	263,391
Non-sensitive assets to interest rate fluctuation							92,980
Liabilities:							
Sensitive liabilities to interest rate fluctuation	15,739	21,933	24,284	52,766	38,183	28,671	181,576
Non-sensitive liabilities and equity to interest rate fluctuation							174,576
Interest sensitivity gap	29,717	49,829	86,730	(38,328)	(24,858)	(21,275)	-

The Group	30 June 2020						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Assets:							
Sensitive assets to interest rate fluctuation	38,243	56,521	98,900	21,673	23,001	11,140	249,478
Non-sensitive assets to interest rate fluctuation							106,629
Liabilities:							
Sensitive liabilities to interest rate fluctuation	8,549	19,977	29,037	46,250	44,624	17,671	166,108
Non-sensitive liabilities and equity to interest rate fluctuation							189,999
Interest sensitivity gap	29,694	36,544	69,863	(24,577)	(21,623)	(6,531)	-

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Note 24 Risk management (cont'd)Interest rate risk (cont'd)

The Group	31 December 2019						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Assets:							
Sensitive assets to interest rate fluctuation	45,626	72,081	111,473	15,310	12,303	10,952	267,745
Non-sensitive assets to interest rate fluctuation							87,589
Liabilities:							
Sensitive liabilities to interest rate fluctuation	15,739	21,933	24,284	52,766	38,183	28,671	181,576
Non-sensitive liabilities and equity to interest rate fluctuation							173,758
Interest sensitivity gap	29,887	50,148	87,189	(37,456)	(25,880)	(17,719)	-

Currency risk

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

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

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
536	469	Long positions	536	469
(85)	(309)	Short positions	(85)	(309)
34,142	33,076	Eligible capital	34,446	33,331
1.57	1.42	Overall net currency position, %	1.56	1.41

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

	30 June 2020	31 December 2019
Increase in FX rates by 10%	45	16
Decrease in FX rates by 10%	(45)	(16)

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Note 25 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. From 2020 April 1 the need for a countercyclical capital buffer for Lithuanian positions was canceled. A countercyclical capital buffer set 0% from 2020 April for Lithuanian positions. Additional own fund requirement (Pillar II) is determined 1,8% from 31 December 2019.

Taking into consideration Regulation (EU) No. 575/2013 of the European Parliament and of the Council and capital adequacy requirements, the Bank's and the Group's total capital adequacy ratio should not be less than 13.30 percent. The Group and the Bank capital adequacy ratio exceeded the required minimum.

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

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
17.47	16.18	CET 1 Capital ratio	17.27	16.07
17.47	16.18	Tier 1 Capital ratio	17.27	16.07
19.08	17.76	Capital adequacy ratio	18.85	17.63

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Note 26 Quality of financial assets, profitability rates and other information

Financial assets quality indicators as at 30 June 2020 are given in the table below:

The Group			The Bank	
Provisions (EUR) thousands	Provisions to financial assets ratio (%)		Provisions (EUR) thousands	Provisions to financial assets ratio (%)
1,731	0.91	Loans to customers	1,417	0.77
437	2.75	Finance lease receivable	437	2.75
28	0.06	Debt securities	28	0.06
11	0.10	Placements with banks	11	0.10
25	3.64	Other assets	25	3.80
2,232	0.85	Total:	1,918	0.74

Financial assets quality indicators as at 31 December 2019:

The Group			The Bank	
Provisions (EUR) thousands	Provisions to financial assets ratio (%)		Provisions (EUR) thousands	Provisions to financial assets ratio (%)
1,057	0.55	Loans to customers	946	0.50
127	0.79	Finance lease receivable	127	0.79
39	0.08	Debt securities	39	0.08
11	0.10	Placements with banks	11	0.10
35	4.56	Other assets	35	4.82
1,269	0.47	Total:	1,158	0.43

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

The Group			The Bank	
30 June 2020	31 December 2019		30 June 2020	31 December 2019
0.86	1.11	Return on assets (ROA)	0.89	1.15
8.58	9.67	Return on equity (ROE)	8.72	10.03

Action applied to the Bank

During the second quarter 2020 any measures of effect were not applied to the Medicinos Bankas.

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Note 27 Events after the reporting date

There were no material subsequent events during the second quarter of year 2020 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 Deputy Director of Accounting and Reporting Department, temporary acting as Director and Chief Accountant Danutė Prievelytė, confirm that the financial statements for second quarters of 2020 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



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

D. Prievelytė

