

UAB MEDICINOS BANKAS

**UNAUDITED BANKS'S SEPARATE AND CONSOLIDATED FINANCIAL
STATEMENTS AS OF 31 March, 2018**

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 March 2018

(All amounts in EUR thousand unless otherwise stated)

BALANCE SHEET

The Group		Assets	The Bank	
31.03.2018	31.12.2017		31.03.2018	31.12.2017
		Cash and due from central bank		
23,259	24,478	<i>Cash</i>	23,259	24,478
66,113	29,042	<i>Placements with the central bank</i>	66,113	29,042
89,372	53,520		89,372	53,520
		Financial assets held for trading		
29	7	<i>Financial derivatives</i>	29	7
29	7		29	7
		Financial assets at amortised cost		
44,692	39,860	<i>Debt securities</i>	44,692	39,860
11,831	11,539	<i>Placements with banks</i>	11,813	11,496
155,863	151,839	<i>Loans</i>	155,472	151,615
11,664	11,839	<i>Finance lease receivable</i>	11,664	11,839
224,050	215,077		223,641	214,810
-	-	Investments in subsidiaries	6,933	6,439
5,990	6,213	Investment properties	1,383	1,370
5,343	5,343	Property and equipment	5,339	5,338
240	264	Intangible assets	213	243
		Tax assets		
10	15	<i>Current taxes</i>	10	15
1,897	1,897	<i>Deferred taxes</i>	1,897	1,897
1,907	1,912		1,907	1,912
2,451	2,849	Other assets	2,355	2,529
329,382	285,185	Total assets	331,172	286,168

(Continued on the next page)

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 March 2018

(All amounts in EUR thousand unless otherwise stated)

BALANCE SHEET (CONT'D)

The Group		Liabilities and shareholders' equity	The Bank	
31.03.2018	31.12.2017		31.03.2018	31.12.2017
		Liabilities		
4	31	Due to derivative financial instruments	4	31
		Financial liabilities measured at amortised cost		
3,400	3,600	<i>Due to banks and other credit institutions</i>	3,400	3,600
288,766	251,855	<i>Due to customers</i>	290,682	252,920
-	-	<i>Paid in but not registered capital</i>	-	-
1,000	1,000	<i>Subordinated loans</i>	1,000	1,000
293,166	256,455		295,082	257,520
		Tax liabilities		
-	-	<i>Current taxes</i>	-	-
-	-	<i>Deferred taxes</i>	-	-
-	-		-	-
8,779	1,258	Other liabilities	8,570	1,152
30	-	Provisions	30	-
301,979	257,744	Total liabilities	303,686	258,703
		Shareholders' equity		
19,948	19,948	Issued capital	19,948	19,948
7,178	6,326	Reserve capital and legal reserve	7,178	6,326
(62)	828	Retained earnings	21	852
339	339	Revaluation reserve of property and equipment	339	339
27,403	27,441	Total shareholders' equity	27,486	27,465
329,382	285,185	Total liabilities and shareholders' equity	331,172	286,168

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(All amounts in EUR thousand unless otherwise stated)

INCOME STATEMENT

The Group			The Bank	
31.03.2018	31.03.2017		31.03.2018	31.03.2017
2,226	1,811	Interest revenue	2,206	1,802
(429)	(452)	Interest expenses	(429)	(452)
1,797	1,359	Net interest income	1,777	1,350
1,080	842	Service fee and commission revenue	1,080	842
(112)	(94)	Service fee and commission expenses	(103)	(94)
968	748	Net service fee and commission income	977	748
-	7	Net income on securities trading	-	7
951	813	Net foreign exchange gain	951	813
(65)	(13)	Net result of derivative financial instruments transactions	(65)	(13)
-	-	Impairment of investments into subsidiaries	(207)	-
(168)	(12)	Net result on operations on investment property	(22)	(6)
19	8	Other income	15	10
3,502	2,910	Total operating income	3,426	2,909
(254)	(22)	Impairment of loans and other financial assets ("+" reversal of impairment)	(255)	(22)
-	-	Provision expenses	-	-
3,248	2,888	Operating income after impairment and provision expenses	3,171	2,887
(1,828)	(1,576)	Salaries and benefits	(1,740)	(1,545)
(116)	(85)	Depreciation	(116)	(85)
(47)	(45)	Amortisation	(44)	(45)
(980)	(957)	Other operating expenses	(934)	(812)
(2,971)	(2,663)	Total operating expenses	(2,834)	(2,487)
277	225	Operating profit (loss)	337	400
(13)	(7)	Income tax expense	(13)	(7)
264	218	Profit (loss)	324	393

Financial Assets Quality and Other Information

Financial assets	Provisions (EUR thousands)	Provisions to financial assets ratio (%)
Loans to customers	6,156	3.81
Finance lease receivable	66	0.56
Debt securities	27	0.06
Placements with banks	6	0.05
Other financial assets	32	1.32
Total:	6,287	2.71

Compliance with the Regulatory Requirements

Ratio	Actual proportion
Own funds requirements:	
- common equity Tier 1 capital ratio (%)	16.14
- Tier 1 capital adequacy ratio (%)	16.14
- total capital ratio (%)	16.81
Liquidity requirements - the value of the liquidity coverage ratio (LCR) (%)	468.94
Maximum exposure to a single borrower (the highest position) (%)	19.08

Measures of Effect Applied to the Bank

During the first quarter 2018 any measures of effect were not applied to the Medicinos Bankas.

Main Profitability Showings

Return on assets (%)	0.40
Return on equity (%)	4.46