



URBO BANKAS UAB

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED
FINANCIAL STATEMENTS OF THE BANK FOR THE TWELVE MONTHS
PERIOD ENDING 31 DECEMBER 2024
PREPARED IN ACCORDANCE WITH INTERNATIONAL ACCOUNTING
STANDARD 34 *INTERIM FINANCIAL REPORTING* AS ADOPTED BY THE
EUROPEAN UNION.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONTENTS OF FINANCIAL STATEMENTS

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	3
CONDENSED INTERIM SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNTS	5
CONDENSED INTERIM SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR QUARTER	6
CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	7
CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER	8
CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	9
CONDENSED INTERIM SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS	11
Note 1 Background information	13
Note 2 Basis of preparation and significant accounting policies	14
Note 3 Debt securities	15
Note 4 Loans and receivables	15
Note 5 Investments in subsidiaries	16
Note 6 Other assets	17
Note 7 Liabilities to customers	17
Note 8 Other liabilities	18
Note 9 Shareholders' equity	18
Note 10 Net interest income	19
Note 11 Net fee and commission income	19
Note 12 Net profit on foreign currency transactions	20
Note 13 Operating costs	20
Note 14 Cash and cash equivalents	21
Note 15 Fair values of financial instruments	21
Note 16 Related party transactions	26
Note 17 Segment information	28
Note 18 Risk management	30
Note 19 Capital	44
Note 20 Financial asset quality, profitability ratios and other information	45
Note 21 Events after the reporting period	46
CONFIRMATION BY RESPONSIBLE PERSONS	46

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<u>Group</u>		Assets	Notes	<u>Bank</u>	
<u>31 December 2024</u>	<u>31 December 2023</u>			<u>31 December 2024</u>	<u>31 December 2023</u>
		Cash, cash balances at central bank			
16,450	19,357	<i>Cash</i>		16,450	19,357
<u>112,787</u>	<u>117,990</u>	<i>Cash balances at central bank</i>		<u>112,787</u>	<u>117,990</u>
129,237	137,347			129,237	137,347
		Cash balances with banks and other credit, financial institutions			
16,407	14,541			16,407	14,538
<u>7</u>	<u>9</u>	<i>Derivatives at fair value through profit or loss</i>		<u>7</u>	<u>9</u>
61,639	55,952	Debt securities	3	61,639	55,952
393,747	304,329	Loans and receivables	4	393,747	292,128
<u>20,802</u>	<u>25,257</u>	<i>Loans to customers</i>		<u>20,802</u>	<u>25,257</u>
414,549	329,586	<i>Finance lease</i>		414,549	317,385
-	-	Investments in subsidiaries	5	1,773	12,342
27	27	Other equity instruments		27	27
-	47	Investment property		-	47
2,908	532	Tangible fixed assets		2,908	531
252	632	Intangible fixed assets		252	521
6,488	2,076	Leased assets		6,488	2,065
1	-	Tax assets		-	-
<u>175</u>	<u>101</u>	<i>Current tax</i>		<u>175</u>	<u>101</u>
176	101	<i>Deferred tax</i>		175	101
-	4,801	Assets held for sale	6	-	4,801
1,320	3,126	Other assets		1,324	2,404
<u>633,010</u>	<u>548,777</u>	Total assets		<u>634,786</u>	<u>548,070</u>

The explanatory notes on pages 13 to 46 are an integral part of these financial statements.

(continued on the next page)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

Group		Liabilities and shareholders' equity	Notes	Bank	
31 December 2024	31 December 2023			31 December 2024	31 December 2023
		Liabilities			
-	33	Liabilities to banks and other credit institutions		-	33
3	44	Derivatives		3	44
555,241	481,171	Liabilities to customers	7	557 285	481,609
2,269	2,252	Debt securities issued		2 269	2,252
191	164	Provisions		191	218
320	1,385	Tax liabilities		320	1,268
-	-	<i>Current tax</i>		-	-
320	1,385	<i>Deferred tax</i>		320	1,268
10,464	6,499	Other liabilities	8	10 427	5,914
568,488	491,548	Total liabilities		570 495	491,338
		Shareholders' equity			
43,492	35,468	Registered share capital	1, 9	43 492	35,468
8,294	9,449	Retained earnings (loss)		8 063	8,977
12,736	12,312	Other reserves	9	12 736	12,287
64,522	57,229	Total shareholders' equity		64 291	56,732
633,010	548,777	Total liabilities and shareholders' equity		634 786	548,070

The explanatory notes on pages 13 to 46 are an integral part of these financial statements.

Chairman of the Board and Head of Administration

M. Arlauskas



Director of Accounting and Reporting Department, Chief Financial Officer

L. Bertašienė



CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNTS

Group				Bank	
31 December 2024	31 December 2023		Notes	31 December 2024	31 December 2023
37,464	28,284	Interest income	10	35,796	26,162
(12,802)	(5,292)	Interest expense	10	(12,845)	(5,292)
24,662	22,992	Net interest income		22,951	20,870
3,909	5,274	Fee and commission income	11	3,914	5,458
(578)	(720)	Fee and commission expense	11	(376)	(413)
3,331	4,554	Net fee and commission income		3,538	5 045
2,461	3,218	Net profit on foreign currency transactions	12	2,461	3,218
(36)	79	Net result from transactions in derivatives		(36)	79
16	(21)	Net result from transactions in investment property		16	(21)
-	-	Dividends from subsidiaries		452	-
979	40	Other revenue	6	981	47
31,413	30,862	Total operating income		30,363	29,238
(1,001)	(764)	Change in value of loans and other financial assets		(624)	(366)
30,412	30,098	Operating income after impairment		29,739	28,872
(11,716)	(11,141)	Salaries and benefits		(11,728)	(10,790)
(594)	(280)	Depreciation		(593)	(278)
(380)	(405)	Amortisation		(348)	(367)
(1,224)	(702)	Depreciation of leased assets		(1,220)	(688)
(6,729)	(6,674)	Other operating expenses	13	(6,608)	(6,518)
(20,643)	(19,202)	Total operating expenses		(20,497)	(18,641)
9,769	10,896	Operating profit (loss)		9,242	10,231
(1,973)	(2,145)	Corporate income tax expenses		(1,861)	(1,993)
7,796	8,751	Profit (loss) for the reporting period		7,381	8,238
7,796	8,751	Attributable to: shareholders of the Bank		7,381	8,238

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR QUARTER

Group			Bank	
2024-10-01- 2024-12-31	2023-10-01- 2023-12-31		2024-10-01- 2024-12-31	2023-10-01- 2023-12-31
9,578	8,682	Interest income	9,534	8,018
(3,314)	(2,394)	Interest expense	(3,330)	(2,394)
6,264	6,288	Net interest income	6,204	5,624
888	1,209	Fee and commission income	891	1,220
(90)	(169)	Fee and commission expense	(79)	(93)
798	1,040	Net fee and commission income	812	1,127
671	758	Net profit on foreign currency transactions	671	758
(18)	(7)	Net result from transactions in derivatives	(18)	(7)
-	-	Net result from transactions in investment property	-	-
-	-	Dividends from subsidiaries	-	-
1	13	Other revenue	1	11
7,716	8,092	Total operating income	7,670	7,513
(720)	(214)	Change in value of loans and other financial assets	(532)	232
6,996	7,878	Operating income after impairment	7,138	7,281
(3,293)	(3,198)	Salaries and benefits	(3,290)	(3,096)
(180)	(64)	Depreciation	(180)	(64)
(83)	(99)	Amortisation	(80)	(90)
(321)	(179)	Depreciation of leased assets	(321)	(175)
(2,094)	(2,216)	Other operating expenses	(2,082)	(2,167)
(5,971)	(5,756)	Total operating expenses	(5,953)	(5,592)
1,025	2,122	Operating profit (loss)	1,185	1,689
(314)	(440)	Corporate income tax expenses	(303)	(375)
711	1,682	Profit (loss) for the reporting period	882	1,314
711	1,682	Attributable to: shareholders of the Bank	882	1,314

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Bank	31 December 2024	31 December 2023
Items that will never be reclassified to profit or loss		
Change in revaluation of tangible fixed assets	-	419
Carry forward of depreciation of tangible fixed assets net of tax	-	-
Other	-	-
Items that will never be reclassified to profit or loss	-	419
Other comprehensive income (expense), net tax result	-	-
Profit (loss) for the reporting period	7,381	8,238
Total comprehensive income for the reporting period	7,381	8,657
Attributable to:		
Shareholders of the Bank	7,381	8,657
 Group	 31 December 2024	 31 December 2023
Items that will never be reclassified to profit or loss		
Change in revaluation of tangible fixed assets	-	419
Carry forward of depreciation of tangible fixed assets net of tax	-	-
Other	-	-
Items that will never be reclassified to profit or loss	-	419
Other comprehensive income (expense), net tax result	-	-
Profit (loss) for the reporting period	7,796	8,751
Total comprehensive income for the reporting period	7,796	8,657
Attributable to:		
shareholders of the Bank	7,796	8,657

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR QUARTER

Bank	2024-10-01- 2024-12-31	2023-10-01- 2023-12-31
Items that will never be reclassified to profit or loss		
Change in revaluation of tangible fixed assets	-	-
Carry forward of depreciation of tangible fixed assets net of tax	-	-
Other	-	-
Items that will never be reclassified to profit or loss	-	-
Other comprehensive income (expense), net tax result	-	-
Profit (loss) for the reporting period	882	1,314
Total comprehensive income for the reporting period	882	1,314
Attributable to:		
Shareholders of the Bank	882	1,314
Group	2024-10-01- 2024-12-31	2023-10-01- 2023-12-31
Items that will never be reclassified to profit or loss		
Change in revaluation of tangible fixed assets	-	-
Carry forward of depreciation of tangible fixed assets net of tax	-	-
Other	-	-
Items that will never be reclassified to profit or loss	-	-
Other comprehensive income (expense), net tax result	-	-
Profit (loss) for the reporting period	711	1,682
Total comprehensive income for the reporting period	711	1,682
Attributable to:		
shareholders of the Bank	711	1,682

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Bank

	Registered share capital	Retained earnings (loss)	Revaluation reserve of tangible fixed assets	Other reserves	Total
Balance as of 31 December 2022	19,948	16,339	318	11,470	48,075
Profit (loss)	-	6,924	-	-	6,924
Other comprehensive income (expense)	-	-	419	-	419
Reversal of revaluation reserve of tangible fixed assets		737	(737)		-
Share capital increase	15,520	(15,520)	-	-	-
Transfers to reserves	-	(817)	-	817	-
Balance as of 30 October 2023	35,468	7,663	-	12,287	55,418
Profit (loss)	-	1,314	-	-	1,314
Other comprehensive income (expense)	-	-	-	-	-
Balance as of 31 December 2023	35,468	8,977	-	12,287	56,732
Profit (loss)	-	6,499	-	-	6,499
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(449)	-	449	-
Payment of dividends	-	(503)	-	-	(503)
Share capital increase	8,024	(8,024)	-	-	-
Balance as of 30 September 2024	43,492	6,500	-	12,736	62,728
Profit (loss)	-	882	-	-	882
Other comprehensive income (expense)	-	-	-	-	-
Impact of merger	-	681	-	-	681
Balance as of 31 December 2024	43,492	8,063	-	12,736	64,291

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
Group

	Registered share capital	Retained earnings (loss)	Revaluation reserve of tangible fixed assets	Other reserves	Total
Balance as of 31 December 2022	19,948	16,304	318	11,489	48,059
Profit (loss)	-	7,069	-	-	7,069
Other comprehensive income (expense)	-	-	419	-	419
Reversal of revaluation reserve of tangible fixed assets	-	737	(737)	-	-
Share capital increase	15,520	(15,520)	-	-	-
Transfers to reserves	-	(823)	-	823	-
Balance as of 30 October 2023	35,468	7,767	--	12,312	55,547
Profit (loss)	-	1,682	-	-	1,682
Other comprehensive income (expense)	-	-	-	-	-
Balance as of 31 December 2023	35,468	9,449	-	12,312	57,229
Profit (loss)	-	7,085	-	-	7,085
Other comprehensive income (expense)	-	-	-	-	-
Transfer to reserves	-	(468)	-	468	-
Payment of dividends	-	(503)	-	-	(503)
Share capital increase	8,024	(8,024)	-	-	-
Balance as of 30 September 2024	43,492	7,539	-	12,780	63,811
Profit (loss)	-	711	-	-	711
Other comprehensive income (expense)	-	-	-	-	-
Impact of merger	-	43	-	(43)	-
Balance as of 31 December 2024	43,492	8,294	-	12,736	64,522

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 Chairman of the Board and Head
of Administration

M. Arlauskas



 Director of Accounting and
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Financial Officer

L. Bertašienė



CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
			Notes	
		Cash flows from operating activities		
7,796	8,751	Profit (loss) for the reporting period	7,381	8,238
		Reversals of non-cash income and expenses		
2,198	1,387	Depreciation and amortisation	2,161	1,333
(969)	11	Gain (loss) on sale of tangible fixed assets, intangible fixed assets, assets held for sale and investment property	(969)	11
-	-	Dividends from subsidiaries	(452)	-
-	-	Impact of merger	681	-
1,001	764	Impairment of loans	624	366
(30,622)	(24,999)	Interest income on loans to customers	(28,954)	(22,877)
12,802	5,292	Interest expense on liabilities	12,845	5,292
(39)	86	Revaluation of derivatives	(39)	86
36	(13)	Elimination of accrued holiday pay	41	(36)
1,973	2,145	Corporate income tax expenses	1,861	1,993
(104)	721	Elimination of other non-cash items	(12)	721
(5,928)	(5,855)	Cash flow from (to) operating activities before changes in working capital and liabilities	(4,832)	(4,873)
		Change in working capital and liabilities		
(904)	(865)	Changes in statutory reserves	(904)	(865)
(649)	-	Changes of funds in financial institutions	(649)	-
(89,979)	(62,731)	Loans to customers	(101,857)	(59,145)
4,424	(3,013)	Finance lease receivables	4,424	(3,013)
(33)	-	Changes in liabilities to banks and other credit institutions	(33)	-
72,507	123,681	Changes in liabilities to customers	74,113	123,777
1,582	687	Changes in other assets and liabilities	1,399	842
(13,052)	57,759	Change	(23,507)	61,596
30,240	24,223	Interest received on loans to customers and finance lease	28,572	22,140
(10,496)	(2,626)	Interest paid on liabilities	(10,539)	(2,626)
(3,113)	(1,686)	Corporate income tax paid	(2,919)	(1,584)
(2,349)	71,815	Net cash flow from operating activities after corporate income tax	(13,225)	74, 653
		Cash flows from investing activities		
(3,047)	(3,301)	Acquisition of long-term investment property, tangible and intangible fixed assets	(3,189)	(3,143)
5,840	43	Proceeds from the sale of investment, tangible and intangible fixed assets	5,840	43
-	-	Investments in subsidiaries	10,569	(3,000)
-	-	Dividends from subsidiaries	452	-
21,171	29,935	Redemption of debt securities	21,171	29,935
(26,858)	(26,669)	Acquisition of debt securities	(26,858)	(26,669)
(2,894)	8	Net cash flows from investing activities	7,985	(2,834)

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CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED CASH FLOW STATEMENTS (CONTINUED)

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
			Notes	
		Cash flow from financing activities		
(503)	-	Dividends paid	(503)	-
-	-	Bonds issued	-	-
17	17	Bonds redeemed	17	17
(1,325)	(771)	Part of the principal amount of lease payments	(1,325)	(757)
-	(1,000)	Subordinated loan repaid	-	(1,000)
8,891	9,702	Loans received	8,891	9,702
(9,603)	(8,946)	Loans repaid	(9,603)	(8,946)
(2,523)	(998)	Net cash flows from financing activities	(2,523)	(984)
(31)	(159)	Effect of exchange rate changes on balance of cash and cash equivalents	(31)	(159)
(7,797)	70,666	Net increase (decrease) in cash and cash equivalents	(7,794)	70,676
148,411	77,745	Cash and cash equivalents at 1 January	148,408	77,732
140,614	148,411	Cash and cash equivalents at 31 December	140,614	148,408

The explanatory notes on pages 13 to 46 are an integral part of these financial statements.

 Chairman of the Board and Head
of Administration

M. Arlauskas



 Director of Accounting and
Reporting Department, Chief
Financial Officer

L. Bertašienė



CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 1 Background information

Urbo Bankas UAB (hereinafter referred to as the Bank) was established on 24 November 1992 (as KB Ancorobank) and on 16 January 1997 was reorganised into Medicinos Bankas.UAB On 1 February 2024, Medicinos Bankas UAB changed its name to Urbo Bankas UAB.

Its head office address is Konstitucijos pr. 18B, Vilnius, Lithuania.

The Bank accepts deposits, issues loans, carries out monetary and documentary settlements, exchanges currency and provides guarantees to its customers. The Bank also offers trading securities, advisory and custody services. The Bank provides services to both corporate and private customers.

At the end of the fourth quarter of 2024, the Bank had 25 customer service units in various regions of Lithuania.

The consolidated financial statements of the Group comprise the financial statements of the Bank and its subsidiaries TG Invest-1 UAB (active in real estate management and development) and Saugus Kreditas UAB (active in the issuing of consumer loans to private customers). TG Invest-1 UAB was acquired on 17 May 2013 and Saugus Kreditas UAB was acquired on 17 October 2017. Saugus kreditas UAB was merged with Urbo bankas UAB through reorganization, which took over all the rights and obligations of Saugus kreditas UAB according to the agreements concluded.

As at 31 December 2024, the Bank had 280 employees (299 employees as at 31 December 2023). As at 31 December 2024, the Group had 281 employees (309 employees as at 31 December 2023).

As at 31 December 2024, the Bank's shareholders were:

	Number of ordinary shares held	Ownership interest (%)
Konstantinas Karosas	78,395,759	90.13
Western Petroleum Ltd.	8,587,856	9.87
Total	86,983,615	100.00

As at 31 December 2023, the Bank's shareholders were:

	Number of ordinary shares held	Ownership interest (%)
Konstantinas Karosas	63,932,284	90.13
Western Petroleum Ltd.	7,003,456	9.87
Total	70,935,740	100.00

At 30 September 2024 the Bank's share capital comprised 86,983,615 ordinary shares with a nominal value EUR 0.5 each (as at 31 December 2023: 70,935,740 ordinary shares with a nominal value EUR 0.5 each).

At 30 September 2024 and 31 December 2023, all shares were fully paid up.

By an agreement dated 12 March 2021, including amendment No. 1 dated 24 November 2023, Mr Konstantinas Karosas and Western Petroleum Limited transferred all voting rights at the Bank's General Meeting of Shareholders to MB Valdymas UAB. Following the transfer of voting rights, MB Valdymas UAB has the right to vote in respect of all of the Bank's shares at the Bank's General Meeting of Shareholders.

The capital and liquidity positions as at 30 September 2024 remain strong and prudential ratios are met with a buffer.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 2 Basis of preparation and significant accounting policies**Statement of compliance**

The separate and consolidated financial statements are prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union (EU). The condensed interim separate and consolidated financial statements should be read in conjunction with the annual separate and consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. Except as disclosed below, the accounting policies applied in the preparation of this condensed interim financial information are consistent with those applied in the Bank's annual financial statements for 2023.

New and amended standards and interpretations

Management of the Bank and the Group does not expect that newly published standards, amendments and interpretations that will be mandatory for the Bank for reporting periods beginning on or after 1 January 2024 will have a material impact on the Bank's and the Group's financial information, nor there are any newly published standards, amendments and interpretations that are mandatory for the Bank and the Group from 2024 and that would have a material impact on the financial information of the Bank and the Group.

The preparation of condensed interim separate and consolidated financial statements in accordance with IFRSs involves making assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. While these estimates are based on management's knowledge of the current situation and actions, actual results may ultimately differ from these estimates. The significant assumptions and estimates used in the preparation of the condensed interim separate and consolidated financial statements are the same as those used in the preparation of the annual separate and consolidated financial statements for the year ended 31 December 2023.

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

There are no significant amounts of income or expenses of the Bank and the Group that are subject to significant seasonality.

Functional and presentation currency

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

The official exchange rates of the main currencies used for the revaluation of the items in the statement of financial position at the end of the reporting period are presented below (the ratio of EUR to the unit of the original currency):

	31 December 2024	31 December 2023
USD	1.0444	1.105

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 3 Debt securities

	Bank / Group	
	<u>31 December 2024</u>	<u>31 December 2023</u>
Government bonds of the Republic of Lithuania	51,714	41,219
Government bonds of the Republic of Romania	5,058	4,317
Government bonds of the Republic of Poland	3,840	-
Government bonds of the Republic of Croatia	1,027	3,742
Government bonds of the Republic of Slovenia	-	5,841
Government bonds of the Republic of Hungary	-	833
Total	<u>61,639</u>	<u>55,952</u>

Note 4 Loans and receivables

Loans to customers and receivables consist of:

	Bank	
	<u>31 December 2024</u>	<u>31 December 2023</u>
Loans to customers, including short-term discounted bills	397 675	294,065
Overdrafts	553	412
Factoring	599	360
Finance lease	20,905	25,819
	<u>419,732</u>	<u>320,656</u>
Provisions	(5,183)	(3,271)
Loans and receivables, net	<u>414,549</u>	<u>317,385</u>

	Group	
	<u>31 December 2024</u>	<u>31 December 2023</u>
Loans to customers, including short-term discounted bills	397 675	307,218
Overdrafts	553	412
Factoring	599	360
Finance lease	20,905	25,819
	<u>419,732</u>	<u>333,809</u>
Provisions	(5,183)	(4,223)
Loans and receivables, net	<u>414,549</u>	<u>329,586</u>

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 5 Investments in subsidiaries

The subsidiaries' main activities are the management and development of real estate and the issuing of consumer loans to private customers.

	Bank	
	2024	2023
Balance at the beginning of the year	12,342	9,342
Acquisitions	-	3,000
Investments in subsidiaries	(10,569)	-
Balance at the end of the reporting period	1,773	12,342

	Ownership (%)	Direct ownership (%)	Nominal value	Impairment	Value shown in the statement of financial position
31 December 2024					
TG Invest-1 UAB	100	100	3,033	(1,260)	1,773
Total			3 033	(1 260)	1 773

	Ownership (%)	Direct ownership (%)	Nominal value	Impairment	Value shown in the statement of financial position
31 December 2023					
TG Invest-1 UAB	100	100	3,033	(1,261)	1,772
Saugus kreditas UAB	100	100	10,601	(31)	10,570
Total			13,634	(1,292)	12,342

In 2024, dividends in amount of EUR 452 thousand have been received from subsidiary Saugus kreditas UAB.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 6 Other assets

Other assets comprise of:

The Group			The Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
352	1,365	Prepayments	352	1,358
27	11	Debtors	27	11
-	246	Receivable value added tax	-	246
917	1,485	Deferred expenses	917	772
24	19	Other	28	17
<u>1,320</u>	<u>3,126</u>		<u>1,324</u>	<u>2,404</u>
-		Impairment	-	-
<u>1,320</u>	<u>3,126</u>	Total	<u>1,324</u>	<u>2,404</u>

Note 7 Liabilities to customers

Liabilities to customers consist of:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
362,310	303,422	Term deposits	364,153	303,422
166,317	160,060	Current accounts	166,518	160,498
13,226	3,576	Customer funds in transit accounts	13,226	3,576
13,388	14,113	Loans from funds	13,388	14,113
<u>555,241</u>	<u>481,171</u>	Total:	<u>557,285</u>	<u>481,609</u>
21,426	40,566	Of which held as collateral for guarantees and loans granted	21,426	40,566

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 8 Other liabilities

Other liabilities consist of:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
2,717	2,462	Accrued payments to employees	2,716	2,373
-	431	Prepayments	-	-
6,668	2,228	Lease obligations	6,668	2,216
225	153	Accrued expenses	225	153
-	357	Liabilities to the State Tax Inspectorate	-	357
-	-	Liabilities to the Board of the State Social Fund	-	-
84	-	Output VAT	84	-
141	91	Deferred income	141	91
-	28	Payable to the Latvian and Estonian Road Administration	-	28
360	418	Debts to suppliers	323	365
-	200	Advances received	-	200
269	131	Other	270	131
10,464	6,499	Total:	10,427	5,914

Note 9 Shareholders' equity

At 31 December 2024 the Bank's share capital comprised 86,983,615 ordinary shares with a nominal value EUR 0.5 each (as at 31 December 2023: 70,935,740 ordinary shares with a nominal value EUR 0.5 each). At 31 December 2024 and 31 December 2023, all shares were fully paid up.

Each share carries the same right to vote, to receive dividends and to participate in the distribution of residual assets in the event of liquidation.

Legal reserve

As at 31 December 2024, the Bank's legal reserve was EUR 2,711 thousand (EUR 2,262 thousand at 31 December 2023). That of the Group was EUR 2,711 thousand as at 31 December 2024 (EUR 2,287 thousand as at 31 December 2023).

Legal reserve is mandatory according to the legislation of the Republic of Lithuania. At least 5% of net profits must be transferred to it each year until the reserve reaches 10% of the share capital. This legal reserve can be used to cover the Bank's operating losses and to increase share capital.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 10 Net interest income

Net interest income consists of:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
28,588	22,817	On loans granted to customers	26,920	20,695
2,034	2,182	On finance lease	2,034	2,182
1,902	428	On debt securities	1,902	428
4,423	2,425	On balances with central banks	4,423	2,425
517	432	On balances with banks and other credit institutions	517	432
37,464	28,284	Interest income	35,796	26,162
(11,846)	(4,702)	On liabilities to depositors, including letters of credit	(11,889)	(4,702)
(611)	(330)	Deposit and portfolio guarantee insurance	(611)	(330)
-	(18)	On subordinated loans	-	(18)
(172)	(172)	On debt securities issued	(172)	(172)
(10)	(15)	On liabilities to banks and other credit institutions	(10)	(15)
(163)	(55)	Lease right	(163)	(55)
(12,802)	(5,292)	Interest expense	(12,845)	(5,292)
24,662	22,992	Total	22,951	20,870

Note 11 Net fee and commission income

Net fee and commission income consist of:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
1,628	1,942	Payment services	1,628	1,942
86	164	Income from foreign currency exchange	86	164
751	709	Servicing of bank accounts	751	709
334	1,122	Collection of payments	334	1,122
47	259	Brokerage income	52	443
729	743	Cash operations	729	743
334	335	Other	334	335
3,909	5,274	Fee and commission income	3,914	5,458
(159)	(227)	Cash transactions	(159)	(227)
(89)	(80)	Money transfer transactions	(89)	(80)
(200)	(305)	Brokerage costs	-	-
(130)	(108)	Other	(128)	(106)
(578)	(720)	Fee and commission expense	(376)	(413)
3,331	4,554	Total	3,538	5,045

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 12 Net profit on foreign currency transactions

	Bank / Group	
	31 December 2024	31 December 2023
Profit from foreign currency transactions	2,497	3,343
Unrealised exchange rate gains (losses)	(36)	(125)
Total	2,461	3,218

Note 13 Operating costs

Operating costs are as follows:

Group		Bank	
31 December 2024	31 December 2023	31 December 2024	31 December 2023
(545)	(537)	(542)	(537)
(391)	(368)	(389)	(364)
(225)	(227)	(225)	(227)
(1,739)	(1,246)	(1,712)	(1,219)
(1,255)	(877)	(1,254)	(877)
(958)	(2,015)	(931)	(1,964)
(586)	(439)	(578)	(420)
(157)	(167)	(111)	(119)
(251)	(237)	(251)	(234)
(136)	(169)	(136)	(169)
(486)	(392)	(479)	(388)
(6,729)	(6,674)	(6,608)	(6,518)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 14 Cash and cash equivalents

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

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
16,450	19,357	Cash in hand	16,450	19,357
108,406	114,513	Current account with Central bank*	108,406	114,513
9,118	6,437	Current accounts with other credit institutions	9,118	6,434
6,640	8,104	Term deposits with credit institutions up to 90 days	6,640	8,104
140,614	148,411	Total	140,614	148,408

*Current account with Central bank is presented without the amount for legal reserve requirement, which in 2024 December 31 amounted to EUR 4,381 thousand (2023 December 31 EUR 3,477 thousand).

Note 15 Fair values of financial instruments

Fair value is defined as the amount for which an instrument could be exchanged in a current transaction between willing parties under arm's length condition, excluding forced sale, involuntary liquidation, or speculative sale transactions. As trading in the majority of the financial assets and liabilities held by the Bank and the Group is not well-developed, fair value measurements require the use of assumptions based on current economic conditions and the risks inherent in the specific instrument.

The carrying amounts of financial assets and financial liabilities with short maturities (less than three months) are considered to approximate their fair values. This assumption also applies to floating rate financial instruments as the Group and the Bank have not identified any significant change in credit spreads.

The fair value of fixed rate assets and liabilities carried at amortised cost is estimated by comparing market interest rates with the interest rates offered for similar financial instruments at the time of initial recognition. The estimated fair value of fixed rate loans and deposits is based on discounted cash flows using interest rates prevailing in the market for debt with similar credit risk and maturity.

The following methods and assumptions were used to determine the fair value of these financial instruments:

Cash. This is cash in hand with a carrying amount equal to its fair value.

Cash balances and debts to credit institutions. The carrying amount of an asset with a maturity of less than 3 months approximates fair value because of the relatively short maturity of this financial instrument. For deposits with longer maturities, the prevailing interest rates reflect market rates (due to re-fixing of interest on assets based on market interest rates) and therefore the fair value approximates the carrying amount.

Debt securities. Their fair value was estimated based on the market price.

Loans to customers. The valuation was carried out by discounting the future cash flows for each loan over its life using 12-month average interest rates on the market at year-end.

Liabilities to customers. The carrying amount of balances with a maturity of less than 3 months approximates fair value because of the relatively short maturity of this financial instrument. The fair value of deposits and other liabilities with longer-term fixed interest rates was calculated by discounting the cash flows using interest rates applicable to new debt with similar maturities and credit quality.

Debt securities issued and subordinated loans. Fair value is calculated by discounting the estimated future cash flows using current market interest rates.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 15 Fair values of financial instruments (continued)

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

Bank	31 December 2024		31 December 2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash, cash balances at central bank	129,237	129,237	137,347	137,347
Cash balances with banks and other credit, financial institutions	16,407	16,407	14,538	14,538
Debt securities	61,639	62,055	55,952	55,568
Loans and receivables	414,549	424,713	317,385	338,958
Other assets	-	-	-	-
Total	621,832	632,412	525,222	546,411
Financial liabilities				
Liabilities to banks and other credit institutions	-	-	33	33
Liabilities to customers, including letters of credit	557,285	566,835	481,609	491,533
Debt securities issued	2,269	2,326	2,252	2,405
Other liabilities	10,427	10,427	5,914	5,914
Total	569,981	579,588	489,808	499,885
Group				
	31 December 2024	31 December 2023		
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash, cash balances at central bank	129,237	129,237	137,347	137,347
Cash balances with banks and other credit, financial institutions	16,407	16,407	14,541	14,541
Debt securities	61,639	62,055	55,952	55,568
Loans and receivables	414,549	424,713	329,586	350,767
Other assets	-	-	-	-
Total	621,832	632,412	537,426	519,589
Financial liabilities				
Liabilities to banks and other credit institutions	-	-	33	33
Liabilities to customers, including letters of credit	555,241	564,790	481,171	491,171
Debt securities issued	2,269	2,326	2,252	2,405
Other liabilities	10,464	10,464	6,499	6,499
Total	567,974	577,580	489,955	500,108

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 15 Fair values of financial instruments (continued)

Financial instruments measured at fair value are presented in these financial statements at three fair value levels:

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

Level 2: fair value estimated using valuation techniques, where all variables that have a significant effect on the recorded fair value are either directly or indirectly observable in the market;

Level 3: fair value estimated using valuation techniques for which the variables that have a significant effect on the recorded fair value are not based on observable market data.

A breakdown of financial instruments carried at fair value by fair value levels:

Bank / Group

31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	-	7	-	7
Financial liabilities				
Derivatives	-	3	-	3

Bank / Group

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives	-	9	-	9
Financial liabilities				
Derivatives	-	44	-	44

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 15 Fair values of financial instruments (continued)

The table below shows the financial instruments that are not measured at fair value and their analysis by level of the fair value hierarchy.

Bank

31 December 2024	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and balances at banks and other credit, financial institutions	145,644	-	-	145,644
Debt securities	61,639	-	-	61,639
Loans to customers	-	-	393,747	393,747
Finance lease	-	-	20,802	20,802
Other assets	-	-	-	-
Total financial assets	207,283	-	414,549	621,832
Liabilities				
Liabilities to banks and other credit institutions	-	-	-	-
Liabilities to customers	-	557,285	-	557,285
Debt securities issued	-	2,269	-	2,269
Other liabilities	-	-	10,427	10,427
Total financial liabilities	-	559,554	10,427	569,981

Bank

31 December 2023	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and balances at banks and other credit, financial institutions	151,885	-	-	151,885
Debt securities	55,952	-	-	55,952
Loans to customers	-	-	292,128	292,128
Finance lease	-	-	25,257	25,257
Other assets	-	-	-	-
Total financial assets	207,837	-	317,385	525,222
Liabilities				
Liabilities to banks and other credit institutions	-	33	-	33
Liabilities to customers	-	481,609	-	481,609
Debt securities issued	-	2,252	-	2,252
Other liabilities	-	-	5,914	5,914
Total financial liabilities	-	483,894	5,914	489,808

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 15 Fair values of financial instruments (continued)
Group

31 December 2024	Level 1	Level 2	Level 3	Total carrying amount
Cash and balances at banks and other credit, financial institutions	145,644	-	-	145,644
Debt securities	61,639	-	-	61,639
Loans to customers	-	-	393,747	393,747
Finance lease	-	-	20,802	20 802
Other assets	-	-	-	-
Total financial assets	207,283	-	414,549	621,832
Liabilities				
Liabilities to banks and other credit institutions	-	-	-	-
Liabilities to customers	-	555,241	-	555,241
Debt securities issued	-	2,269	-	2,269
Other liabilities	-	-	10,464	10,464
Total financial liabilities	-	557,510	10,464	567,974

Group

31 December 2023	Level 1	Level 2	Level 3	Total carrying amount
Assets				
Cash and balances at banks and other credit, financial institutions	151,888	-	-	151,888
Debt securities	55,952	-	-	55,952
Loans to customers	-	-	304,329	304,329
Finance lease	-	-	25,257	25,257
Other assets	-	-	-	-
Total financial assets	207,840	-	329,586	537,426
Liabilities				
Liabilities to banks and other credit institutions	-	33	-	33
Liabilities to customers	-	481,171	-	481,171
Debt securities issued	-	2,252	-	2,252
Other liabilities	-	-	6,499	6,499
Total financial liabilities	-	483,456	6,499	489,955

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 16 Related party transactions

Transactions between the Group and the Bank and their related parties were conducted at arm's length, i.e., as transactions with unrelated parties.

The balances of loans, term deposits and bonds issued at 31 December 2024 and 31 December 2023 and the related income and expenses included in the profit and loss accounts at 31 December 2024 and 31 December 2023 are shown below:

Bank

	<u>Shareholders</u>	<u>Subsidiaries</u>	<u>Supervisory board and key management personnel</u>	<u>Other*</u>
2024				
Loans outstanding as at 31 December 2024, net	-	-	-	1,798
Interest rate, %	-	-	-	7.29-8.38
Impairment of loans	-	-	-	(7)
Term deposits as at 31 December 2024	-	1,843	367	1,850
Interest rate, %	-	3.5-3.8	2.5-4.3	3.0-3.8
Demand accounts as at 31 December 2024	352	201	162	1,999
Bonds issued as at 31 December 2024	100	-	-	-
Interest rate, %	7.0	-	-	-
Subordinated loans as at 31 December 2024	-	-	-	-
Interest rate, %	(503)	-	-	-
Dividends paid				
For the nine month period ending 31 December 2024				
Interest income on loans	-	1,225	-	143
Interest expense on deposits	-	(43)	(9)	(59)
Interest expense on bonds	(7)	-	-	-
Interest expense on subordinated loans	-	-	-	-
Dividend income	-	452	-	-
Fee and commission income	-	10	-	11
Fee and commission expense	-	-	-	1,798

Bank

	<u>Shareholders</u>	<u>Subsidiaries</u>	<u>Supervisory board and key management personnel</u>	<u>Other*</u>
2023				
Loans outstanding as at 31 December 2023, net	-	22,238	-	1,729
Interest rate, %	-	7.00	-	7.66-8.66
Impairment of loans	-	(297)	-	(7)
Term deposits as at 31 December 2023	-	-	160	2 121
Interest rate, %	-	-	0.85-4.5	0.45-4.25
Demand accounts as at 31 December 2023	1,225	438	118	2,975
Bonds issued as at 31 December 2023	100	-	-	-
Interest rate, %	7.0	-	-	-
Subordinated loans as at 31 December 2023	-	-	-	-
Interest rate, %	-	-	-	-
Dividends paid	-	-	-	-
For the nine period ending 30 September 2023				
Interest income on loans	-	1,513	-	42
Interest expense on deposits	-	-	(1)	(14)
Interest expense on bonds	(5)	-	-	-
Interest expense on subordinated loans	(15)	-	-	-
Dividend income	-	-	-	-
Fee and commission income	-	186	-	7
Fee and commission expense	-	-	-	-

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 16 Related party transactions (continued)

Group, 2024	Shareholders	Supervisory board and key management personnel	Other*
Loans outstanding as at 31 December 2024, net	-	-	1,798
Interest rate, %	-	-	7.29-8.38
Impairment of loans	-	-	(7)
Term deposits as at 31 December 2024	-	367	1,850
Interest rate, %	-	2.5-4.3	3.0–3.8
Demand accounts as at 31 December 2024	352	182	1,979
Bonds issued as at 31 December 2024	100	-	-
Interest rate, %	7.0	-	-
Subordinated loans as at 31 December 2024	-	-	-
Interest rate, %	(503)	-	-
Dividends paid			
For nine-month period ending 31 December 2024	-	-	143
Interest income on loans	-	(9)	(59)
Interest expense on deposits	(7)	-	-
Interest expense on bonds	-	-	-
Interest expense on subordinated loans	-	-	11
Fee and commission income	-	-	-
Fee and commission expense	-	-	1,798
Group, 2023	Shareholders	Supervisory board and key management personnel	Other*
Loans outstanding as at 31 December 2023, net	-	-	1,729
Interest rate, %	-	-	7.66-8.66
Impairment of loans	-	-	(7)
Term deposits as at 31 December 2023	-	160	2,121
Interest rate, %	-	0.85-4.5	0.45–4.25
Demand accounts as at 31 December 2023	1 225	173	2,920
Bonds issued as at 31 December 2023	100	-	-
Interest rate, %	7.0	-	-
Subordinated loans as at 31 December 2023	-	-	-
Interest rate, %	-	-	-
Dividends oaid	-	-	-
For the nine-month period ending 30 September 2024			
Interest income on loans	-	-	42
Interest expense on deposits	-	(1)	(14)
Interest expense on bonds	(5)	-	-
Interest expense on subordinated loans	(15)	-	-
Fee and commission income	-	-	7
Fee and commission expense	-	-	-

* Other related parties are companies controlled by members of the Bank's and Group's management or by the Bank's shareholders and other related parties.

15 October 2024 the subsidiary of the Bank was merged into UAB Urbo bankas by the way of reorganization. The Bank accounted EUR 681 thousand of profit in equity as the impact of merger.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 17 Segment information

The key indicators of the Group's business segments included in the profit and loss account as at 31 December 2024 and the statement of financial position as at 31 December 2023 are summarised below.

	31 December 2024				
	Traditional banking and lending	Treasury	Other activities	Eliminations	Total
Internal	1,320	-	(95)	(1,225)	-
External	30,590	6,779	95	-	37,464
Interest income	31,910	6,779	-	(1,225)	37,464
Internal	(1,320)	-	-	1,320	-
External	(12,621)	(181)	-	-	(12,802)
Interest expense	(13,941)	(181)	-	1,320	(12,802)
Internal	-	-	(95)	95	-
External	17,969	6,598	95	-	24,662
Net interest income	17,969	6,598	-	95	24,662
Internal	-	-	-	-	-
External	2,765	-	-	566	3,331
Net fee and commission income	2,765	-	-	566	3,331
Internal	-	-	(95)	95	-
External	20,734	6,598	95	566	27,993
Net interest, fee and commission income	20,734	6,598	-	661	27,993
Internal	-	-	-	-	-
External	(18,177)	(284)	16	-	(18,445)
Operating costs	(18,177)	(284)	16	-	(18,445)
Amortisation	(380)	-	-	-	(380)
Depreciation	(1,818)	-	-	-	(1,818)
Internal	-	-	-	-	-
External	(1,001)	-	-	-	(1,001)
Impairment charges	(1,001)	-	-	-	(1,001)
Internal	-	-	-	-	-
External	1,768	656	996	-	3,420
Other net income	1,768	656	996	-	3,420
Profit (loss) before tax	1,126	6,970	1,012	661	9,769
Corporate tax	(1,965)	-	(8)	-	(1,973)
Profit (loss) per segment after tax	(839)	6,970	(1,004)	661	7,796
Non-controlling interest	-	-	-	-	-
Profit (loss) attributable to shareholders of the Bank	(839)	6,970	(1,004)	661	7,796
Total assets per segment	443,952	190,834	2,045	(3,821)	633,010
Total liabilities per segment	566,937	3,557	42	(2,048)	568,488
Net assets per segment (shareholders' equity)	(122,985)	187,277	2,003	(1,773)	64,522

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 17 Segment information (continued)

The key indicators of the Group's business segments included in the profit and loss account as at 31 December 2023 and the statement of financial position as at 31 December 2023 are summarised below.

	31 December 2023				
	Traditional banking and lending	Treasury	Other activities	Eliminations	Total
Internal	2,098	-	(145)	(1,953)	-
External	24,932	3,207	145	-	28,284
Interest income	27,030	3,207	-	(1,953)	28,284
Internal	(2,098)	-	-	2,098	-
External	(5,105)	(187)	-	-	(5,292)
Interest expense	(7,203)	(187)	-	2,098	(5,292)
Internal	-	-	(145)	145	-
External	19,827	3,020	145	-	22,992
Net interest income	19,827	3,020	-	145	22,992
Internal	-	-	-	-	-
External	4,510	-	-	44	4,554
Net fee and commission income	4,510	-	-	44	4,554
Internal	-	-	(145)	145	-
External	24,337	3,020	145	44	27,546
Net interest, fee and commission income	24,337	3,020	-	189	27,546
Internal	-	-	-	-	-
External	(17,548)	(267)	-	-	(17,815)
Operating costs	(17,548)	(267)	-	-	(17,815)
Amortisation	(405)	-	-	-	(405)
Depreciation	(982)	-	-	-	(982)
Internal	-	-	-	-	-
External	(764)	-	-	-	(764)
Impairment charges	(764)	-	-	-	(764)
Internal	-	-	-	-	-
External	2,678	619	19	-	3,316
Other net income	2,678	619	19	-	3,316
Profit (loss) before tax	7,316	3,372	19	189	10,896
Corporate tax	(2,130)	-	(15)	-	(2,145)
Profit (loss) per segment after tax	5,186	3,372	4	189	8,751
Non-controlling interest	-	-	-	-	-
Profit (loss) attributable to shareholders of the Bank	5,186	3,372	4	189	8,751
Total assets per segment	395,502	188,483	1,992	(37,200)	548,777
Total liabilities per segment	511,620	4,537	56	(24,665)	491,548
Net assets per segment (shareholders' equity)	(116,118)	183,946	1,936	(12,535)	57,229

Breakdown of the Group's assets and income by geographical segments

All fixed assets of the Group, other than financial assets, are located in Lithuania. The Bank did not earn income in other countries.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management
Credit risk

Credit risk is the risk that the Group and the Bank will incur losses as a result of the failure by their customers or other parties to meet their contractual obligations. The Group and the Bank manage and control credit risk by setting acceptable risk limits for individual borrowers and sectors of the economy, and by monitoring the potential for breaches of these limits. The Group and the Bank have credit quality review procedures in place to identify changes in the creditworthiness of counterparties in advance, including regular review of collateral. The credit quality review process allows the Group and the Bank to assess the potential losses that may occur and take appropriate action. The Bank issues guarantees to customers that require the Bank to make payments on their behalf. These create similar risks for the Bank as loans and these risks are mitigated using the same control processes and policies. Where the expected cash flow from problem loans is expected to come from the sale of collateral, the value of the collateral held is an important estimate in calculating loan impairment losses and receivables.

The Bank and the Group are also required to comply with the limit to large exposures (maximum exposure to a single customer) set out in Regulation (EU) No. 575/2013 of the European Parliament and of the Council. The exposure to a single customer or group of related customers may not exceed 25% of the eligible capital. According to the provisions of Regulation (EU) No. 2019/876 of the European Parliament and of the Council effective as of 28 June 2021, the maximum exposure ratio is calculated based on Tier 1 capital. Compliance to this requirement is disclosed in the table below:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
10,676	10,367	Maximum exposure to a single customer or group of related customers	10,676	10,367
59,844	53,195	Eligible capital	59,391	53,850
17.84	19.49	Maximum exposure ratio, %	17.98	19.25

Maximum credit risk excluding collateral or other credit protection

The table below shows the maximum credit risk. The maximum risk is disclosed on a net basis before the impact of collateral agreements.

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
		Items in the statement of financial position other than trading and investing activities		
112,787	117,990	Balances with the Bank of Lithuania	112,787	117,990
16,407	14,541	Balances with banks and other credit, financial institutions	16,407	14,538
393,747	304,329	Loans granted to customers	393,747	292,128
20,802	25,257	Finance lease	20,802	25,257
543,743	462,117		543,743	449,913
		Off-balance-sheet items		
2,482	2,292	Guarantees	2,482	2,292
37,839	24,121	Loan commitments	37,839	28,167
584,064	488,530	Total on-balance-sheet and off-balance-sheet items other than trading and investing activities	584,064	480,372
		Trading and investing activities		
		Financial assets at fair value through profit or loss		
7	9	Derivatives	7	9
		Held-to-maturity investments		
61,639	55,952	Debt securities	61,639	55,952
61,646	55,961	Trading and investing activities, total	61,646	55,961
645,710	544,491	Total credit risk	645,710	536,333

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Credit risk (continued)

The tables below provide a breakdown of trading and investing activities by type and grade:

	Bank / Group	
	31 December 2024	31 December 2023
Government bonds	61,639	55,952
Derivatives	7	9
Total	61,646	55,961

Bonds by rating class

	Bank / Group	
	31 December 2024	31 December 2023
High grade (AAA-A)	56,581	47,060
Standard grade (B-BBB+)	5,058	8,892
Not rated	-	-
Total	61,639	55,952

The debt securities held are purchased for investment purposes and are carried at amortised cost. The Group and the Bank did not have any overdue or impaired amounts in their investing activities.

The Group and the Bank have assigned to the high rating class debt securities whose issuers have a combined credit default rating of 'AAA' to 'A' according to the ratings of recognised international rating agencies (Moody's, Standard & Poor's or Fitch Ratings), and to the standard rating class bonds whose issuers have a rating between 'BBB' and 'B'.

Credit risk assessment

In assessing financial instruments, the Group and the Bank apply specific criteria and procedures for assessing debtors. Financial instruments are classified into three stages of credit risk based on the change in credit risk since initial recognition:

- Stage 1 includes performing financial instruments for which no significant increase in credit risk has been identified since the initial recognition of the loan and the borrower is expected to be able to meet its contractual obligations.
- Stage 2 includes financial instruments for which a significant increase in credit risk is identified after the initial recognition of the loan.
- Stage 3 includes all non-performing financial instruments with a recognised loss event and POCI (purchased or originated credit-impaired) financial instruments.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Credit risk (continued)

Credit risk assessment of financial instruments other than trading activities and off-balance-sheet items:

Bank 31 December 2024	Not overdue	1 to 59 days overdue	60 to 89 days overdue	More than 90 days overdue	Total
Stage 1					
Loans and receivables	364,622	3,246	-	-	367,868
Balances with the Bank of Lithuania and other banks, credit, financial institutions	129,194	-	-	-	129,194
Debt securities	61,639	-	-	-	61,639
	-	-	-	-	-
Total	555,455	3,246	-	-	558,701
Stage 2					
Loans and receivables	29,850	3,119	281	-	33,250
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
	-	-	-	-	-
Total	29,850	3,119	281	-	33,250
Stage 3					
Loans and receivables	7,017	4,457	1,131	826	13,431
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
	-	-	-	-	-
Total	7,017	4,457	1,131	826	13,431
Total	592,322	10,822	1,412	826	605,382

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Credit risk (continued)

Bank 31 December 2023	Not overdue	1 to 59 days overdue	60 to 89 days overdue	More than 90 days overdue	Total
Stage 1					
Loans and receivables	262,878	3,091	-	-	265,969
Balances with the Bank of Lithuania and other banks, credit, financial institutions	132,528	-	-	-	132,528
Debt securities	55,952	-	-	-	55,952
	-	-	-	-	-
Total	451,358	3,091	-	-	454,449
Stage 2					
Loans and receivables	41,970	1,661	81	-	43,712
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
	-	-	-	-	-
Total	41,970	1,661	81	-	43,712
Stage 3					
Loans and receivables	6,807	436	0	461	7,704
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
	-	-	-	-	-
Total	6,807	436	0	461	7,704
Total	500,135	5,188	81	461	505,865

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Credit risk (continued)

Group 31 December 2024	Not overdue	1 to 59 days overdue	60 to 89 days overdue	More than 90 days overdue	Total
Stage 1					
Loans and receivables	364,622	3,246	-	-	367,868
Balances with the Bank of Lithuania and other banks, credit, financial institutions	129,194	-	-	-	129,194
Debt securities	61,639	-	-	-	61,639
Other financial assets	-	-	-	-	-
Total	555,455	3,246	-	-	558,701
Stage 2					
Loans and receivables	29,850	3,119	281	-	33,250
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	29,850	3,119	281	-	33,250
Stage 3					
Loans and receivables	7,017	4,457	1,131	826	13,431
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	7,017	4,457	1,131	826	13,431
Total	592,322	10,822	1,412	826	605,382

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Credit risk (continued)

Group 31 December 2023	Not overdue	1 to 59 days overdue	60 to 89 days overdue	More than 90 days overdue	Total
Stage 1					
Loans and receivables	271,087	3,651	-	-	274,738
Balances with the Bank of Lithuania and other banks, credit, financial institutions	132,531	-	-	-	132,531
Debt securities	55,952	-	-	-	55,952
Other financial assets	-	-	-	-	-
Total	459,570	3,651	-	-	463,221
Stage 2					
Loans and receivables	44,211	2,577	148	-	46,936
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	44,211	2,577	148	-	46,936
Stage 3					
Loans and receivables	6,845	492	24	551	7,912
Balances with the Bank of Lithuania and other banks, credit, financial institutions	-	-	-	-	-
Debt securities	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	6,845	492	24	551	7,912
Total	510,626	6,720	172	551	518,069

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Estimated provisions by risk level

	31 December 2024					31 December 2023				
	Collectively assessed assets	Individually assessed assets	Loan commitments	Guarantees issued	Total	Collectively assessed assets	Individually assessed assets	Loan commitments	Guarantees issued	Total
Bank										
Stage 1	2,074	-	181	9	2,264	1,304	-	201	10	1,515
Loans and receivables	2,020	-	181	9	2,210	1,255	-	201	10	1,466
Balances with the Bank of Lithuania and other banks, credit, financial institutions	16	-	-	-	16	15	-	-	-	15
Debt securities	38	-	-	-	38	34	-	-	-	34
Stage 2	736	-	1	-	737	703	-	7	-	710
Loans and receivables	736	-	1	-	737	703	-	7	-	710
Stage 3	-	2,427	-	-	2,427	-	1,312	-	-	1,312
Loans and receivables	-	2,427	-	-	2,427	-	1,312	-	-	1,312
Total credit risk assets	2,810	2,427	182	9	5,428	2,007	1,312	208	10	3,537
Group										
Stage 1	2,074	-	181	9	2,264	1,525	-	147	10	1,682
Loans and receivables	2,020	-	181	9	2,210	1,475	-	147	10	1,632
Balances with the Bank of Lithuania and other banks, credit, financial institutions	16	-	-	-	16	16	-	-	-	16
Debt securities	38	-	-	-	38	34	-	-	-	34
Stage 2	736	-	1	-	737	1,031	-	7	-	1,038
Loans and receivables	736	-	1	-	737	1,031	-	7	-	1,038
Stage 3	-	2,427	-	-	2,427	-	1,716	-	-	1,716
Loans and receivables	-	2,427	-	-	2,427	-	1,716	-	-	1,716
Total credit risk assets	2,810	2,427	182	9	5,428	2,556	1,716	154	10	4,436

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Change in provisions during the reporting period

Group					Bank					
Collectively assessed assets	Individually assessed assets	Loan commitments	Guarantees issued	Total		Collectively assessed assets	Individually assessed assets	Loan commitments	Guarantees issued	Total
					31 December 2024					
(494)	-	(20)	(1)	(515)	Stage 1	(494)	-	(20)	(1)	(515)
(499)	-	(20)	(1)	(521)	Loans and receivables	(499)	-	(20)	(1)	(521)
1	-	-	-	2	Balances with the Bank of Lithuania and other banks, credit, financial institutions	1	-	-	-	2
4	-	-	-	4	Debt securities	4	-	-	-	4
33	-	(6)	-	27	Stage 2	33	-	(6)	-	27
33	-	(6)	-	27	Loans and receivables	33	-	(6)	-	27
-	1 115	-	-	1 115	Stage 3	-	1 115	-	-	1 115
-	1 115	-	-	1 115	Loans and receivables	-	1 115	-	-	1 115
-	-	-	-	-	Other financial assets	-	-	-	-	-
(461)	1 115	(26)	(1)	627	Total credit risk assets	(461)	1 115	(26)	(1)	627
-	-	-	-	-	Written off during the period	-	-	-	-	-
-	(3)	-	-	(3)	Received on repayment of loans written off during the period	-	(3)	-	-	(3)
-	-	-	-	377	Impact of merger	-	-	-	-	-
-	-	-	-	1,001	Total change in provisions	-	-	-	-	624

A credit risk assessment of individual customers to determine their dependence on war-affected countries and the impact on credit risk did not show any increase in credit risk. Enhanced monitoring is applied in 2024 in respect of customers on the watch list.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)**Liquidity risk**

Liquidity risk is the risk that sufficient funds will not be available to meet maturing obligations on deposits and other financial instruments. To manage liquidity risk, the Group and the Bank monitor future expected cash flows from customers and banking activities on a daily basis as part of the asset/liability management process. The Board sets limits on the minimum amount of maturing funds to ensure that sufficient funds are available to pay out deposits, and sets a minimum level of inter-bank and other debt obligations to be drawn upon in the event of an unexpected increase in repayment demands.

The Bank and the Group are also required to comply with the liquidity coverage ratio requirements under Regulation (EU) No. 575/2013 of the European Parliament and of the Council. The liquidity coverage ratio (LCR) refers to the Bank's or Group's highly liquid assets that are held to meet short-term liabilities. The Bank or the Group must hold highly liquid assets such as treasury bonds or other liquid financial instruments in an amount at least equal to the net cash outflows over a 30-day period, i.e., the liquidity coverage ratio must not be less than 100%. The liquidity coverage ratios of the Bank and the Group are as follows:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
186,861	183,643	Liquid assets	186,861	183,643
57,206	39,144	Short-term liabilities (up to 30 days)	58,024	41,146
327	469	LCR, %	322	446

As of 28 June 2021, the Bank and the Group are also required by Regulation (EU) No. 2019/876 of the European Parliament and of the Council to maintain a net stable funding ratio (NSFR) of at least 100%. The net stable funding ratios of the Bank and the Group are as follows:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
543,576	480,252	Stable funding available	544,146	480,608
357,335	287,160	Stable funding required	359,110	283,449
152	167	NSFR, %	152	170

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Liquidity risk (continued)

The table below presents an analysis of the carrying amounts of total assets and total liabilities grouped by the period from the date of the statement of financial position to the contractual maturity:

Bank	31 December 2024							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	31,320	120,219	10,977	54,427	160,581	243,145	14,117	634,786
Liabilities	179,878	25,047	41,230	237,759	67,192	19,098	291	570,495
Net gap	(148,558)	95,172	(30,253)	(183,332)	93,389	224,047	13,826	64,291
Loan commitments	-	37,839	-	-	-	-	-	37,839

	31 December 2023							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Without maturity	
Assets	36,745	127,646	15,611	63,700	108,304	172,796	23,268	548,070
Liabilities	164,133	20,550	32,441	180,887	64,566	28,464	296	491,337
Net gap	(127,388)	107,096	(16,830)	(117,187)	43,738	144,332	22,972	56,733
Loan commitments	-	28,167	-	-	-	-	-	28,167

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Liquidity risk (continued)

Group	31 December 2024							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	31,320	120,219	10,977	54,427	160,581	243,145	12,341	633,010
Liabilities	177,834	25,084	41,230	237,759	67,192	19,098	291	568,488
Net gap	(146,514)	95,135	(30,253)	(183,332)	93,389	244,047	12,050	64,522
Loan commitments	-	37,839	-	-	-	-	-	37,839

Group	31 December 2023							Total
	On demand	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 3 years	Over 3 years	Without maturity	
Assets	36,748	128,310	16,938	47,401	121,657	185,833	11,890	548,777
Liabilities	163,695	21,136	32,441	180,887	64,566	28,464	359	491,548
Net gap	(126,947)	107,174	(15,503)	(133,486)	57,091	157,369	11,531	57,229
Loan commitments	-	24,121	-	-	-	-	-	24,121

Overdue loans are disclosed under "Without maturity".

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market variables such as interest rates, exchange rates and the prices of equity instruments. Market risk is managed and controlled through continuous market monitoring and analysis of forecast market developments.

Interest rate risk

Interest rate risk arises from a possible change in interest rates that would affect future cash flows or the fair values of financial instruments. The Board has set interest rate gap limits for specified periods. Exposures are monitored at a frequency determined by the Bank. Interest rate risk is forecasted using market interest rates and managed by matching the gap between assets and liabilities based on revaluation maturities. The Group and the Bank use interest rate risk management techniques that allow the sensitivity of the Bank and the Group to changes in interest rates to be determined by calculating the impact on annual net interest income if the yield curve changes.

The tables below summarise the Group's and the Bank's interest rate risk as at 30 September 2024 and 31 December 2023. The table includes the Group's and the Bank's assets and liabilities at their carrying amounts, broken down by the earlier of the interest rate reset or maturity date.

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Interest rate risk (continued)

	31 December 2024						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	
Bank							
Assets:							
Interest rate sensitive assets	54,876	120,510	184,310	23,790	68,182	24,157	475,825
Interest rate non-sensitive assets							158,961
Liabilities							
Interest rate sensitive liabilities	19,479	42,736	54,465	176,138	67,377	19,616	379,811
Interest rate non-sensitive liabilities and equity							254,975
Interest rate sensitivity gap	35,397	77,774	129,845	(152,348)	805	4,541	-

	31 December 2023						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Bank							
Assets:							
Interest rate sensitive assets	68,121	96,094	145,747	13,938	33,533	4,557	361,990
Interest rate non-sensitive assets							186,080
Liabilities							
Interest rate sensitive liabilities	12,590	32,322	52,064	126,380	66,683	29,792	319,831
Interest rate non-sensitive liabilities and equity							228,239
Interest rate sensitivity gap	55,531	63,772	93,683	(112,442)	(33,150)	(25,235)	-

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)

Interest rate risk (continued)

Group	31 December 2024						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:							
Interest rate sensitive assets	54,876	120,510	184,310	23,790	68,182	24,157	475,825
Interest rate non-sensitive assets							157,185
Liabilities							
Interest rate sensitive liabilities	19,479	42,736	54,465	176,138	67,377	19,616	379,811
Interest rate non-sensitive liabilities and equity							253,199
Interest rate sensitivity gap	35,397	77,774	129,845	(152,348)	805	4,541	-

Group	31 December 2023						Total
	Less than 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	Over 3 years	
Assets:							
Interest rate sensitive assets	68,922	97,419	125,317	17,773	46,886	17,594	373,911
Interest rate non-sensitive assets							174,866
Liabilities							
Interest rate sensitive liabilities	12,590	32,322	52,064	126,380	66,683	29,792	319,831
Interest rate non-sensitive liabilities and equity							228,946
Interest rate sensitivity gap	56,332	65,097	73,253	(108,607)	(19,797)	(12,198)	-

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 18 Risk management (continued)
Currency risk

Currency risk is managed by controlling the risk limits set for individual currency positions. The positions are monitored daily. The Bank's policy is to keep the open currency position exposure as low as possible.

The Group and the Bank are exposed to the risk of fluctuations in prevailing foreign exchange rates affecting their financial position and cash flows. The Board sets limits on currency position exposures, both for divisions, subsidiaries and overall. These limits are also in line with the Bank of Lithuania's minimum requirements. The Bank's and the Group's foreign exchange exposure is:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
326	349	Long positions	326	349
(167)	(209)	Short positions	(167)	(209)
60,099	53,899	Eligible capital	59,646	54,554
0.54	0.65	Total net foreign currency exposure, %	0.55	0.64

The impact of exchange rate changes, calculated on a linear basis, is shown below:

	31 December 2024	31 December 2023
Exchange rate appreciation of 10%	16	14
Exchange rate depreciation of 10%	(16)	(14)

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 19 Capital

The Bank's and the Group's capital is calculated and allocated to risks in accordance with the requirements of the EU Capital Requirements Directive (CRD) and the EU Capital Requirements Regulation (CRR) No. 575/2013. Additional capital buffers are required to be built up in line with these requirements:

- conservation buffer equal to 2.5% of the total assessed risk;
- as of 30 June 2023, requirement for sectoral systemic risk reserve was introduced. The sectoral systemic risk buffer is set at 2% of the sum of risk-weighted retail exposures secured by residential real estate of natural persons resident in Lithuania;
- as of 1 October 2023, a 1% countercyclical capital buffer requirement for exposures in Lithuania came into force.

On 31 October 2024, following the Supervisory Review and Evaluation Process (SREP) carried out for 2023, the Board of the Bank of Lithuania decided to set an additional minimum own funds requirement (Pillar 2) of 2.42%.

In line with the requirements of Regulation (EU) No. 575/2013 of the European Parliament and of the Council and the capital adequacy requirements, the Bank's and the Group's total capital ratio must not be less than 14.13%. The capital adequacy ratio of the Bank and the Group exceeded the required minimum.

A leverage ratio requirement of 3% applies as of 28 June 2021. As at 31 December 2024, the Bank's leverage ratio stood at 8.80 % (8.89 % for the Group), above the minimum requirement.

The total capital ratio is shown in the table below:

	Bank		Group	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Capital adequacy ratio, %	17.77	19.50	17.87	19.81

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 20 Financial asset quality, profitability ratios and other information

The quality indicators for financial assets as at 31 December 2024 are presented in the table below:

Group			Bank	
Impairment	Ratio of impairment to financial assets (%)		Impairment	Ratio of impairment to financial assets (%)
5,080	1.27	Loans to customers and receivables	5,080	1.27
103	0.49	Finance lease receivables	103	0.49
38	0.06	Debt securities	38	0.06
16	0.10	Balances with banks and other credit, financial institutions	16	0.10
5,237	1.05	Total	5,237	1.05

Financial asset quality indicators at 31 December 2023:

Group			Bank	
Impairment	Ratio of impairment to financial assets (%)		Impairment	Ratio of impairment to financial assets (%)
3,362	1.19	Loans to customers and receivables	2,709	0.92
562	2.18	Finance lease receivables	562	2.18
34	0.06	Debt securities	34	0.06
14	0.10	Balances with banks and other credit, financial institutions	14	0.10
4,272	1.05	Total	3,319	0.84

The Bank's and Group's key profitability indicators are shown in the table below in percentage:

Group			Bank	
31 December 2024	31 December 2023		31 December 2024	31 December 2023
1.34	1.87	Return on assets (ROA)	1.25	1.75
12.75	16.58	Return on equity (ROE)	12.10	15.47

Sanctions imposed on the Bank

During 2024, no sanctions were applied to Urbo bankas UAB..

CONDENSED INTERIM SEPARATE AND CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE TWELVE MONTH PERIOD ENDING 31 DECEMBER 2024

(All amounts are in EUR thousand, unless specified otherwise)

Note 21 Events after the reporting period

19 December 2024, the Board of the Bank decided to terminate operations of Vilnius, Kaunas, Panevėžys, Šiauliai, Lazdijai and Klaipėda branches as of 1 January 2025. The new organizational structure of the Bank came into effect as of 1 January 2025. Instead of branches, customer service centers were established for Vilnius, Kaunas, Klaipėda and Panevėžys regions.

The Bank and the Group did not have any material post-balance-sheet events in the first quarter of 2025 that would require adjustment to these financial statements or disclosure.

CONFIRMATION BY RESPONSIBLE PERSONS

We, Marius Arlauskas, Chairman of the Board and Head of Administration of Urbo Bankas UAB, and Lina Bertašienė, Chief Financial Officer and Director of Accounting and Reporting Department of Urbo Bankas UAB, hereby confirm that, to the best of our knowledge and belief, the financial statements as at the end of the fourth quarter of 2024 have been prepared in accordance with the applicable accounting standards and give a true and fair view of the separate and total consolidated assets, liabilities, financial position, results of operations and cash flows of Urbo Bankas UAB and its subsidiaries.

Chairman of the Board and Head of
Administration

M. Arlauskas



Director of Accounting and Reporting
Department, Chief Financial Officer

L. Bertašienė

