

**UAB BENDRAS FINANSAVIMAS****RULES ON CREDITWORTHINESS ASSESSMENT AND RESPONSIBLE LENDING****I. GENERAL PROVISIONS**

1. These Rules on Creditworthiness Assessment and Responsible Lending (hereinafter – the **Rules**) set out the provisions, criteria and principles which UAB Bendras finansavimas, legal entity code 303259527 (hereinafter – the **Company**), shall follow when assessing the creditworthiness of consumer credit recipients while administering the peer-to-peer lending platform SAVY and/or acting as a consumer credit provider. These Rules apply only to consumer credit relationships governed by the Law on Consumer Credit of the Republic of Lithuania (hereinafter – the **Law**).
2. Definitions used in these Rules:
  - 2.1. **Consumer credit recipient (or Client)** means a natural person who has applied to the Company for the granting of consumer credit and/or with whom the Company has concluded a consumer credit agreement, and to whom the Investors have invested and/or lent;
  - 2.2. **Co-debtor** – a natural person who, together with the Consumer credit recipient, seeks to obtain credit, has assumed an obligation towards the creditor under the same obligation and is jointly and severally liable for its performance, and whose income, expenses and financial obligations to financial institutions are assessed jointly with the data of the Consumer credit recipient when assessing creditworthiness; the status of co-debtor is not contingent upon the parties' marital or any other personal status, as established by the Civil Code of the Republic of Lithuania;
  - 2.3. **Family** – married persons (spouses);
  - 2.4. **Provisions** – Resolution of the Board of the Bank of Lithuania No. 03-62 of 19 March 2013 "On the Approval of the Provisions on the Assessment of Creditworthiness of Consumer Credit Recipients and Responsible Lending", including all subsequent amendments thereto;
  - 2.5. **Consumer credit** – as defined in the Law;
  - 2.6. **Personal consumer credit** is granted following an assessment of solely the Client's personal income and the Client's financial obligations, where the Client seeks to conclude or concludes a consumer credit agreement for personal needs. The Client shall be personally liable for the obligations arising from a personal consumer credit;
  - 2.7. **Platform** means the website (portal) [www.gosavy.com](http://www.gosavy.com) administered by the Company, where Clients may register and, upon submitting an application, borrow from the Investors of the Platform, and where the Investors of the Platform may invest and/or lend to Clients;
  - 2.8. **Investor** means a natural or legal person who has registered on the Platform, accepted its Terms of Use, and who may, at their own discretion and/or risk, invest and/or lend to Clients;
  - 2.9. **Client** means a natural person who has registered on the Platform, accepted its Terms of Use, and to whom the Investors of the Platform have lent, or who has applied to the Company for the granting of Consumer credit;
  - 2.10. **Financial obligations** mean the monthly instalments payable each month under the financial obligations to financial or credit institutions held jointly by the Client and the members of his/her family (co-debtors). In the case of personal consumer credit, the financial obligations of the Consumer credit recipient comprise the sum of the instalments under personal and joint family financial obligations relating to consumer credits and all other obligations to financial institutions held by the Consumer credit recipient;

- 2.11. **Sustainable income** – such income of the Consumer credit recipient as can be reasonably expected to be received throughout the period for which the Consumer credit is granted. The conclusion as to the Client’s sustainable income shall be based on the average of the Client’s sustainable income history covering at least four months, and an assessment shall be made as to whether the sustainable income to be received during the consumer credit repayment period set out in the agreement will be sufficient to service all financial obligations to financial institutions.
- 2.11.1. Four-month sustainable income from employment remuneration (length of service) is deemed established where:
- 2.11.1.1. the person has been employed by the same employer during the last four months;
  - 2.11.1.2. if the place of employment was changed within the last four months and the person had worked at the previous place of employment for less than one year, and commences work at the new place of employment on the next working day or within an interruption of no more than 14 days that can be substantiated by objective evidence, and the new employment contract is without a probationary period or the probationary period has expired;
  - 2.11.1.3. if the place of employment was changed within the last four months and the person had worked at the previous place of employment for more than one year, and commences work at the new place of employment on the next working day or within an interruption of no more than 14 days that can be substantiated by objective evidence;
- 2.11.2. Four-month sustainable income shall also be deemed established where, during such period, the Client was on unpaid leave, except where the Client was on unpaid leave during the last month of the period under assessment.
- 2.11.3. Sustainable income shall also be deemed established where income is received from regular benefits (pensions). In such case the four-month sustainable income period shall not apply, except where the benefit is of fixed term, in which case:
- 2.11.3.1. the term of the consumer credit to be granted may not exceed the end of the term of the benefit being paid;
  - 2.11.3.2. if the benefit is of indefinite term, the term of the consumer credit to be granted shall not be limited;
  - 2.11.3.3. if a childcare benefit is received and 18 months of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit;
  - 2.11.3.4. if a childcare benefit is received and two years of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit for the second year;
  - 2.11.3.5. if a childcare benefit is received and three years of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit for the second year, and the term of the loan to be granted may not exceed the end of the second-year benefit payment period.
- 2.11.4. Income from the leasing of property or daily allowances may be assessed only as supplementary income.
- 2.12. The amount of sustainable monthly income shall be calculated as a simple average by dividing the total income of the assessed months by the number of months taken into account at the time of assessment.
- 2.12.1. Where the Client changed the place of employment during the period under assessment, the amount of sustainable monthly income shall be calculated as follows:

- 2.12.1.1. where the Client's income increased at the new place of employment, income shall be calculated as a simple average taking into account the last four months;
- 2.12.1.2. where the Client's income decreased at the new place of employment, income shall be calculated using the average of the lower income received at the new place of employment.
- 2.13. **Evidence** – documented information on the basis of which conclusions may be drawn as to the actual financial position of the Client, including but not limited to: the Client's bank account statements; information available in the State Social Insurance Fund Board (SODRA) database concerning the Client's place of employment, remuneration received and length of service; information available in the databases of UAB "Creditinfo Lietuva" / UAB "Scorify" or other databases concerning the Client's existing agreements with other financial institutions; the Client's annual income tax returns submitted to the State Tax Inspectorate; and other potential evidence;
- 2.14. **Instalment** – a periodic monthly payment which the Consumer credit recipient is obliged to pay under the concluded Consumer credit agreement. The Instalment consists of the portion of the Consumer credit being repaid, the interest payable for the use of the Consumer credit under the relevant Consumer credit agreement, and the monthly intermediation fee. The Instalment is determined on the assumption that the Consumer credit recipient will duly and timely perform its obligations under the Consumer credit agreement, and does not include the amount of any default interest that may actually be applied;
- 2.15. **DSTI** – the debt service-to-income ratio;
- 2.16. **Refinancing** – the replacement of a credit obligation with a new obligation, where the previous loan is repaid in full or in part on the basis of a new credit agreement;
- 2.17. **PR** – the Population Register, a state information system in which data on the residents of the Republic of Lithuania are accumulated and processed;
- 2.18. **NASIS** – an information system listing persons in respect of whom requests have been submitted not to allow the conclusion of consumer credit agreements with them.

## II. RESPONSIBLE LENDING PRINCIPLES AND PROVISIONS

3. The Company's policy on the granting of Consumer credits is based on the assumption that the Consumer credit will be repaid in the ordinary manner of Instalment payments, and not by means of debt recovery (pre-trial / judicial).
4. When assessing the Client's creditworthiness, an employee of the Company shall be guided by the principle of responsible lending. The principle of responsible lending shall be deemed to have been duly observed where all of the following aspects are implemented:
- 4.1. an employee of the Company shall, on each occasion before taking a decision to grant a consumer credit to the Client, on the basis of sufficient information, assess the Client's creditworthiness in the Loan Risk Database administered by the Bank of Lithuania (including, inter alia, the databases of UAB "Scorify" and/or UAB "Creditinfo Lietuva"), and verify the Client in the PR and NASIS registers as well as in the SODRA database. In addition, the Company shall be entitled to verify other databases / public sources of information (e.g. the Bailiffs' Information System, the Register of Incapacitated and Limited-Capacity Persons), where it is deemed necessary for a proper assessment of creditworthiness;
- 4.2. an employee of the Company shall assess all objectively foreseeable material factors which may affect the Client's solvency, having regard to the information provided by the Client and otherwise available to the Company, in particular such factors as the Client's sustainable income, credit history, and the potential for variation (increase or decrease) of income;

- 4.3. lending shall be based (taking into account historical data and the cyclicity of the economy) on the limitation of the ratio between the average Instalment under all of the Client's financial obligations under the Consumer credit and other agreements with financial institutions and the Client's income (debt-to-income);
- 4.4. the assessment of the Client's creditworthiness, on the basis of the information available at the time, shall be founded on the assumption that the Client will be able to perform the financial obligations assumed throughout the term of the Consumer credit agreement;
- 4.5. where, when assessing the creditworthiness of the Consumer credit recipient, it is established that, on the basis of the information available at the time, the Consumer credit recipient is unable to perform the financial obligations throughout the term of the consumer credit agreement, the consumer credit shall not be granted to the Consumer credit recipient.

### **III. COLLECTION AND PROVISION OF INFORMATION**

- 5. Acting in accordance with the principle of responsible lending, prior to concluding a Consumer credit agreement, the Company shall assess the creditworthiness of the Consumer credit recipient on the basis of information received from the Consumer credit recipient and information collected from databases. When examining an application for the granting of a consumer credit, the Company shall carefully assess the information collected concerning the personal circumstances and financial position of the Consumer credit recipient and, where it appears necessary, shall request additional data or documents.
- 6. The Company shall inform Consumer credit recipients of their obligation to provide the Company with accurate and comprehensive information necessary for the assessment of the Consumer credit recipient's creditworthiness.
- 7. When assessing the Client's creditworthiness, the following information shall be obligatorily collected from the Client:
  - 7.1. where personal consumer credit is selected – the average sustainable income of the Client over the last 4 months; in all other cases – the average sustainable income of the Client and his/her spouse / co-debtor over the last 4 months;
  - 7.2. where personal consumer credit is selected – the personal sustainable income sources of the Client; in all other cases – the sustainable income sources of the Client and his/her spouse / co-debtor, together with documents substantiating the receipt of sustainable income:
    - 7.2.1. where income is received under an employment contract – information from the SODRA database or a bank account statement, or a certificate from the place of employment (signed by a responsible person and stamped, where the employer has a stamp) attesting to the remuneration paid;
    - 7.2.2. where income is received from the leasing of property – the lease agreement and a bank account statement. Where the Client has declared the income, the income tax return for the previous calendar year;
    - 7.2.3. where income is received from individual activity – information from the SODRA database, the income tax return for the previous calendar year, documents evidencing income and expenses for the current and previous years (bank account statements evidencing the movement of funds, the income and expenses ledger), the certificate of individual activity and documents evidencing the continuity of the activity (contracts, orders);
    - 7.2.4. where income is received from activity carried on under a business certificate – the business certificate, the income tax return for the previous calendar year, documents evidencing the continuity of the activity (contracts, orders), documents evidencing income and expenses for the current and previous years (bank account statements evidencing the movement of funds, the income and expenses ledger);

- 7.2.5. where income is received in the form of regular benefits – information from the SODRA database or a bank account statement and/or copies of documents substantiating the receipt of the regular benefits;
  - 7.2.6. where income is received from a small partnership – information on the Client’s declared income shall be assessed; a bank account statement (the income must be received into the Client’s account, not into the small partnership’s account); the small partnership’s establishment minutes or registration certificate or the shareholders’ resolution on admission to the small partnership;
  - 7.2.7. where income is received from daily allowances – a bank account statement;
  - 7.2.8. any other income sources not specified above and the documents substantiating them.
8. When carrying on self-employed activity (individual activity, civil services agreement, business certificate) or in other cases where necessary, the following shall be taken into account:
    - 8.1. where it is apparent that the income received is sustainable and stable, income shall be assessed for the last 6 months;
    - 8.2. where fluctuation of income is observed, income shall be assessed over a longer period – the last 12 months.
  9. In all cases where income is received from self-employed activity (individual activity, civil services agreement, business certificate), the expenses incurred and the taxes prescribed by law for the relevant activity shall be deducted.
  10. Where personal consumer credit is selected – the monthly amount of personal financial obligations of the Client and joint financial obligations of the family to financial institutions and other persons; in all other cases – the monthly amount of financial obligations of the Client and (separately) of his/her family, and (separately) of his/her spouse (co-debtor), to financial institutions and other persons. The amount of such financial obligations shall be collected separately by category:
    - 10.1. obligations under consumer credit agreements;
    - 10.2. obligations under housing credit agreements;
    - 10.3. obligations under leasing (i.e. linked consumer credit) agreements;
    - 10.4. other financial obligations not specified above to financial institutions and other persons providing financial services.
  11. A Client whose income may vary significantly (e.g. dividend income, share income, income from investment activity, etc.) or whose income gives rise to doubts as to its sustainability shall be assessed more conservatively.
  12. The Client’s credit history covering at least the last 6 months and information on whether the Client is improperly performing or has improperly performed financial obligations, as provided by UAB “Creditinfo Lietuva” / UAB “Scorify” / the Loan Risk Database of the Bank of Lithuania.
  13. The Client shall indicate whether his/her or his/her family’s income will decrease throughout the term of the Consumer credit agreement. Where the Client confirms that his/her or his/her family’s (co-debtor’s) income will decrease throughout the term of the Consumer credit agreement, or where, in the case of personal consumer credit, the Client confirms that his/her personal income will decrease during the term of the Consumer credit agreement, information shall be collected as to the change anticipated and how it will affect the Client’s ability to perform the obligations under the Consumer credit agreement.
  14. Where the Company and the Consumer credit recipient agree to amend the total amount of consumer credit, the Company shall update the available information on the Consumer credit recipient and reassess the Consumer credit recipient’s creditworthiness, and shall calculate the Consumer credit recipient’s instalment-to-income ratio in accordance with the procedure laid down in these Rules.

15. Where the Client fails to provide all or part of the information, the Consumer credit shall not be granted to the Client. The Company shall retain the information collected (assessed) during the creditworthiness assessment for 10 years from the date of performance of the obligations under the consumer credit agreement, unless other legal acts prescribe a longer retention period for such information, data and documents, so that the Company is, where necessary, able to provide evidence that it duly assessed the creditworthiness of the Consumer credit recipient.

#### **IV. CREDITWORTHINESS ASSESSMENT OF THE CONSUMER CREDIT RECIPIENT**

16. Upon the conclusion of a Consumer credit agreement, the average monthly instalment to all financial institutions (including the Company) shall not exceed 40 per cent of the sustainable income received by the Consumer credit recipient and his/her family.
17. Where personal consumer credit is selected, the Consumer credit recipient shall confirm that the consumer credit is being taken to satisfy personal needs.
18. Where personal consumer credit is selected, the personal income and personal financial obligations of the spouse of the Consumer credit recipient shall not be assessed, and the average monthly instalment of the Consumer credit recipient under all financial obligations of the Consumer credit recipient and joint family obligations to financial institutions, established by collecting and verifying information solely concerning the Consumer credit recipient, shall amount to no more than 40 per cent of the sustainable income of the Consumer credit recipient.
19. The ratio of the average instalment to income shall be determined in accordance with the Provisions approved by the Bank of Lithuania. The sustainable income ratio may be applied differently from that established in the Provisions and may vary in the light of any amendments to those Provisions (including their repeal) and/or (final and binding) court interpretations of the Provisions. Following any such amendments, the Company shall continue to comply with the mandatory requirements of the new legal acts concerning the sustainable income ratio. The Company shall not follow any provisions of the Provisions which are held to conflict with a legal act of higher legal force.
20. Sustainable income shall be deemed to be such income of the Consumer credit recipient and his/her family as can reasonably be expected to be received throughout the period for which the consumer credit is granted.
21. Consumer credit recipients whose income may vary substantially (i.e. income from dividends, shares, income from real estate, income from investment activity or the sale of real estate, etc.), or income whose sustainability gives rise to doubts, shall be assessed more conservatively.
22. When taking the decision on the granting of a Consumer credit, the average sustainable income history of the Consumer credit recipient covering at least four months shall be taken into account, and an assessment shall be made as to whether the sustainable income to be received during the consumer credit repayment period set out in the agreement will be sufficient to service all financial obligations to financial institutions.
23. The average instalment of credit repayment and interest shall be calculated by dividing the total amount of all credit repayments and interest, as well as other charges, by the term of the consumer credit agreement.
24. When calculating the instalment payable by the Consumer credit recipient, the Company shall assess the expenses of the Consumer credit recipient known and/or capable of being known to it, relating not only to the repayment of the consumer credit, but also to other financial obligations to financial institutions held by the Consumer credit recipient and his/her spouse (other credits, financial leasing, etc.), and shall take into account the income remaining after payment of the instalment payable by the Consumer credit recipient.

25. For credits under which partial repayments are not provided for, the average pro rata instalment of credit repayment and interest shall be assessed, calculated by dividing the sum of credit and interest instalments by the credit term.
26. Where personal or family-needs consumer credit is selected, the Consumer credit recipient shall indicate whether his/her income will decrease throughout the term of the Consumer credit agreement. Where the Client indicates that his/her income will decrease throughout the term of the Consumer credit agreement, information shall be collected as to the extent of, and the time from which, the decrease in income is anticipated.
27. When assessing the creditworthiness of the Consumer credit recipient, the Company shall assess:
  - 27.1. the financial position of the Consumer credit recipient (the sources of income of the Consumer credit recipient, their diversity, sustainability, potential variation in the future, etc.);
  - 27.2. the amount of the obligations of the Consumer credit recipient or his/her family (co-debtors) to other financial institutions (credits relating to real estate, financial leasing, consumer loans, etc.);
  - 27.3. the credit history of the Consumer credit recipient covering at least the last 6 months and information on whether the Consumer credit recipient is improperly performing or has performed financial obligations, as well as information on the indebtedness of the consumer credit recipient to financial institutions;
  - 27.4. the impact of circumstances indicated by the Consumer credit recipient or known to the Company on the economic and financial position of the Consumer credit recipient and on the ability of the Consumer credit recipient to duly perform financial obligations;
  - 27.5. other material circumstances.

#### **V. ASSESSMENT OF INCOME OF THE CONSUMER CREDIT RECIPIENT**

28. Pursuant to the procedure established in these Rules, where personal consumer credit is selected, the personal income of the Consumer credit recipient shall be assessed; in all other cases of consumer credit issuance, the income of the Consumer credit recipient and his/her spouse (co-debtor) shall be assessed.
29. Higher monthly income indicated in the consumer credit application may be assessed and taken into account only where the Company's creditworthiness assessment manager has obtained documents substantiating the receipt of the higher income of the Consumer credit recipient. Where the Consumer credit recipient is unable to submit the requested documents in support of specific higher income, such (higher) income shall not be assessed.
30. When assessing the income of the Consumer credit recipient, the following information shall be obligatorily collected from the recipient:
  - 30.1. where personal consumer credit is selected – the average sustainable income of the Consumer credit recipient over the last 4 months; in all other cases – the average sustainable income of the Consumer credit recipient and his/her spouse (co-debtor) over the last 4 months, together with documents substantiating the receipt of sustainable income:
    - 30.1.1. where income is received under an employment contract – information from the SODRA database or a bank account statement, or a certificate from the place of employment (signed by a responsible person and stamped, where the employer has a stamp) attesting to the remuneration paid, or other appropriate evidence;
    - 30.1.2. where income is received under copyright (royalty) contracts – a bank account statement or documents substantiating the payment of royalty remuneration (acceptance–delivery acts, etc.). Where income under a copyright contract is not transferred to a bank account: the copyright contract, the acceptance–delivery acts and the income tax return for the previous calendar year;

- 30.1.3. where income is received from the leasing of property – the lease agreement, a bank account statement or documents substantiating the payment of rental income, and the income tax return for the previous calendar year;
  - 30.1.4. where income is received from the activity of an individual enterprise – a copy of the registration of the enterprise, a bank account statement or documents substantiating the payment of income, and the corporate income tax return for the current year;
  - 30.1.5. where income is received from individual activity or activity carried on under a business certificate – a bank account statement, the certificate of individual activity or the business certificate (where income is from activity carried on under a business certificate), the income tax return for the previous calendar year, documents evidencing the continuity of the activity (contracts, orders), documents evidencing income and expenses for the current and previous years (bank account statements evidencing the movement of funds, the income and expenses ledger);
  - 30.1.6. where income is received by statutory officers – a bank account statement or documents substantiating the payment of remuneration, or other documents evidencing sustainable income;
  - 30.1.7. where income is received in the form of regular benefits – information from the SODRA database or a bank account statement and copies of documents substantiating the receipt of the regular benefits;
  - 30.1.8. where income is received from a small partnership – a bank account statement, the income tax return for the previous calendar year and copies of documents substantiating the receipt of regular benefits;
  - 30.1.9. where income is received from daily allowances – a bank account statement;
  - 30.1.10. any other income sources not specified above and the documents substantiating them.
31. Only the sustainable income and financial obligations of the Consumer credit recipient and his/her family (co-debtor) held at the time of the creditworthiness assessment shall be assessed. In the case of personal consumer credit, only the sustainable personal income of the Consumer credit recipient and the personal and joint family financial obligations held at the time of the creditworthiness assessment shall be assessed.
- 31.1. Sustainable income (including in the case of personal consumer credit issuance) shall be deemed to be income received on a regular basis for at least 4 months. Where any doubts arise concerning income visible in the SODRA database, the Company's creditworthiness assessment manager shall require documents substantiating the receipt of income, e.g. agreements, bank account statements, accounting documents, etc.
  - 31.2. Four-month sustainable income from employment remuneration (length of service) is deemed established where:
    - 31.2.1. the person has been employed by the same employer during the last four months;
    - 31.2.2. the place of employment was changed within the last four months and:
      - 31.2.2.1. the person had worked at the previous place of employment for less than one year, and commences work at the new place of employment on the next working day or within an interruption of no more than 14 days that can be substantiated by objective evidence, and the new employment contract is without a probationary period or the probationary period has expired; or
      - 31.2.2.2. the person had worked at the previous place of employment for more than one year, and commences work at the new place of employment on the next working day or within an interruption of no more than 14 days that can be substantiated by objective evidence.

- 31.3. Where the Consumer credit recipient changed the place of employment during the period under assessment, the amount of sustainable monthly income shall be calculated as follows:
  - 31.3.1. where the income of the Consumer credit recipient increased at the new place of employment, income shall be calculated as a simple average taking into account the last four months;
  - 31.3.2. where the income of the Consumer credit recipient decreased at the new place of employment, income shall be calculated using the average of the lower income received at the new place of employment.
32. Four-month sustainable income shall also be deemed established where, during such period, the Client was on unpaid leave, except where the Client was on unpaid leave during the last month of the period under assessment.
33. Sustainable income shall also be deemed established where income from regular benefits is received for at least 4 months (in the case of pensions, the four-month sustainable income period shall not apply – the Consumer credit recipient must have received at least 1 month’s pension benefit):
  - 33.1. where the benefit is of fixed term, the term of the loan to be granted may not exceed the end of the term of the benefit being paid;
  - 33.2. where the benefit is of indefinite term, the term of the loan to be granted shall not be limited;
  - 33.3. where a childcare benefit is received and 18 months of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit;
  - 33.4. where a childcare benefit is received and two years of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit for the second year;
  - 33.5. where a childcare benefit is received and three years of childcare leave have been chosen, sustainable income shall be deemed to be the amount of the assigned monthly benefit for the second year, and the term of the loan to be granted may not exceed the end of the second-year benefit payment period.
34. Where the Consumer credit recipient submits an income tax return for the previous calendar year without enclosing any additional documents evidencing that the declared income of the Consumer credit recipient was earned over a period shorter than the full calendar year, it shall be presumed that the income earned relates to the entire previous calendar year, and the declared sum shall be divided by 12 (twelve) months in order to arrive at the average monthly income of the Consumer credit recipient for the declared year. Where the Consumer credit recipient submits evidence on the basis of which it can be established that the income earned relates to a period shorter than the entire previous calendar year, the declared income shall be divided by the number of months during which the declared income was actually earned.
35. Fixed-term employment contracts shall be assessed as open-ended contracts in the following cases:
  - 35.1. where an employment or service-relations contract has been concluded with a statutory officer and the probationary period has expired, or where no probationary period has been established, in which case the employment contracts of statutory officers shall be assessed as open-ended;
  - 35.2. in other cases (e.g. medical residents, heads of educational institutions, or representatives of other professions), the Company shall be entitled, having gathered additional evidence, to decide on assessing the contract as open-ended. The decision shall be taken following a comprehensive and full assessment of the credit recipient’s financial situation and individual circumstances (characteristics), where there is no sufficient ground to consider that, after the expiry of the existing fixed-term employment contract or term of office, the continuity of the credit recipient’s income may be discontinued.
36. Having regard to the specific situation and circumstances, the Company may, at its own discretion, decide which sources of information to use for the creditworthiness assessment of the Consumer credit recipient and which final sustainability coefficient to apply, provided that, in each case, such decision

shall be reasoned, based on specific circumstances and objective data, and the means and sources of information used by the Company shall be sufficient.

37. Where the Company collects conflicting data, i.e. data submitted in the application of the Consumer credit recipient does not coincide with data obtained from the databases used (in particular, where the application of the Consumer credit recipient indicates higher financial obligations than the databases), the Company shall be guided by the data showing the lowest income and the highest financial obligations, regardless of the source of information – the application, external databases and/or supporting documents – in which the data were collected<sup>1</sup>.
38. Income received from daily allowances may be assessed only as supplementary income.
39. The amount of sustainable monthly income shall be calculated as a simple average by dividing the total income of the assessed months by the number of months taken into account at the time of assessment.
40. Where the Client changed the place of employment during the period under assessment, the amount of sustainable monthly income shall be calculated as follows:
  - 40.1. where the Client's income increased at the new place of employment, income shall be calculated as a simple average taking into account the last four months;
  - 40.2. where the Client's income decreased at the new place of employment, income shall be calculated using the average of the lower income received at the new place of employment.

#### **VI. ASSESSMENT OF FINANCIAL OBLIGATIONS OF THE CONSUMER CREDIT RECIPIENT**

41. Financial obligations – the sum of monthly instalments under the financial obligations to financial institutions and other persons held by the Client, his/her spouse (co-debtor) and the family jointly. In the case of personal consumer credit, the financial obligations of the Consumer credit recipient comprise the sum of instalments under the personal and joint family financial obligations to financial institutions and other persons held by the Client. The sum of instalments shall be calculated by separately calculating the amount of each obligation to a financial institution and aggregating the amounts thus obtained.
42. Where personal consumer credit is selected – the monthly amount of financial obligations of the Client and joint family obligations (without assessing the data of the Client's spouse) to financial institutions and other persons.
43. The amount of financial obligations shall be collected separately by category:
  - 43.1. obligations under consumer credit agreements, excluding obligations under linked consumer credit agreements and credit card agreements;
  - 43.2. obligations under housing credit agreements;
  - 43.3. obligations under leasing (i.e. linked consumer credit) agreements;
  - 43.4. obligations under credit card agreements;
  - 43.5. other financial obligations not specified above to financial institutions and other persons providing financial services.
44. Where a consumer credit is not repaid in equal monthly instalments, the monthly indebtedness shall be calculated by assessing the average pro rata consumer credit repayment and interest instalment, calculated by dividing the total sum of consumer credit and interest instalments by the number of months of the consumer credit term.

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<sup>1</sup>Where the consumer credit recipient has manifestly made an error and the evidence collected (e.g. the Consumer credit recipient confirms in writing or orally the error and provides the precise amount of income) substantiates the receipt of higher income, the higher income shall be assessed.

45. Where the Client has obligations under a credit card agreement, the monthly obligation shall be calculated taking into account the credit card limit and the cost of utilising such limit.
46. The financial obligations of the Consumer credit recipient and his/her family shall be assessed not only on the basis of the data submitted in the Client's application, but also after gathering sufficient information and data to substantiate the objectivity of the information submitted.
47. Upon the conclusion of a Consumer credit agreement where the purpose of the credit is refinancing, the average monthly instalment to all financial institutions (including the Company) shall not exceed 50 per cent of the sustainable income of the Client and his/her spouse (co-debtor), or, where personal Consumer credit is selected, of the personal sustainable income received by the Client, and shall meet the following criteria:
  - 47.1. the total amount of the instalment is reduced;
  - 47.2. the total cost of the consumer credit is reduced;
  - 47.3. the DSTI, taking into account the financial obligations being refinanced, is lower after refinancing.
48. Where the Client and the Company agree that the purpose of the granting of the Consumer credit is the discharge of specific financial obligations of the Client to financial institutions, and the Company ensures that the funds of the Consumer credit will be used precisely for the discharge of those specific obligations (refinancing), such specific obligations shall not be included when calculating the sum of Financial obligations.
49. The Client shall indicate the financial obligations of the Client and his/her spouse (co-debtor) in the Consumer credit application, and the Company shall also collect such data from UAB "Creditinfo Lietuva" / UAB "Scorify" and from the Loan Risk Database.

#### **VII. TAKING THE DECISION ON THE GRANTING (NON-GRANTING) OF CONSUMER CREDIT**

50. Having gathered all the requisite information and/or documents, the Company shall analyse all the data collected, compare them and, on the basis of sufficient information, take the decision on the granting of the Consumer credit to the specific consumer credit recipient.
51. When taking the decision on the granting of the Consumer credit, the Company shall have regard to the ratio of financial obligations to sustainable income.
52. The Company shall be deemed to comply with the principle of responsible lending provided that the average instalment of partial credit repayment and interest of the Consumer credit recipient, calculated by dividing the total sum of all credit repayments and interest by the credit term, in respect of all financial obligations to financial institutions, amounts to no more than 40 per cent of the sustainable income of the Consumer credit recipient and his/her spouse (co-debtor). Where personal consumer credit is selected, the financial obligations under all of the consumer credit recipient's and joint family obligations (without assessing the data of the spouse) relating to consumer credits shall amount to no more than 40 per cent, save for the exception laid down in clause 48 of these Rules.
53. When assessing the Client's financial obligations, account shall be taken not only of the ratio of his/her existing financial obligations to sustainable income, but also of the requirement that the minimum income remaining for subsistence after the granting of the Consumer credit be no less than EUR 468 per month per person. The residual income for two persons shall be EUR 368 per month each, and for 3 or more persons – EUR 298 per month each. Where income falls short of the indicated amounts, an individual assessment of residual income shall be carried out, which may vary depending on:
  - 53.1. the nature of the income (benefits / remuneration);
  - 53.2. the place of residence of the Consumer credit recipient (rural / urban);
  - 53.3. whether the recipient owns or rents housing;
  - 53.4. whether the term of the Consumer credit is not being extended;

- 53.5. whether the recipient has had no public debts in the last six months;
- 53.6. the purpose of the Consumer credit (e.g. refinancing).
54. Where applicable, child benefits shall also be included in residual income, the amount of which is indicated on the website of the Ministry of Social Security and Labour of the Republic of Lithuania at <https://socmin.lrv.lt/lt/veiklos-sritys/socialine-parama-kas-man-priklauso/auginu-vaika-naujas/ismokos/vaiko-pinigai/>.
55. In cases where, having assessed the income and financial obligations of the Consumer credit recipient, the Consumer credit may be granted, the Company shall be entitled to refuse to grant the consumer credit having regard to the reputation and credit history of the Consumer credit recipient.
56. Following the Company's decision to grant the Consumer credit to the Client, the Client shall be informed by e-mail of the Consumer credit offer prepared.
57. Where the Client fails to confirm the submitted Consumer credit offer within the period indicated in the Consumer credit offer, the Client shall submit a new application to the Company, and a new offer shall be prepared.
58. The credit amount shall be disbursed to the Client only following the conclusion of the Consumer credit agreement.

#### **VIII. CATEGORIES OF IMPERMISSIBLE LENDING**

59. The Company shall not grant consumer credits in the following cases:
- 59.1. to persons who are under the age of 18;
- 59.2. to legally incapacitated persons;
- 59.3. to persons who are imprisoned or awaiting sentencing;
- 59.4. where, through the fault of the Consumer credit recipient (whether as credit recipient, guarantor, co-debtor or spouse), the Company has previously incurred losses related to lending;
- 59.5. where the Consumer credit recipient fails to confirm his/her identity;
- 59.6. where, on the basis of publicly available information, it may reasonably be suspected that the Consumer credit recipient is connected with financial crime (smuggling, fraud, etc.);
- 59.7. where, during the call, the answers to the questions posed reasonably suggest that fraud is potentially being committed and/or that an attempt is being made to make use of another person's data.
60. Where the Company does not have all of the information necessary to assess the position of the Consumer credit recipient, or such information or data is incomplete or its reliability gives rise to serious doubts, the Consumer credit may not be granted to such Consumer credit recipient.

#### **IX. MONITORING**

61. The Company shall monitor on an ongoing basis whether the creditworthiness assessment process for Consumer credit recipients is appropriate and effective and, where the need is identified, shall improve it.
62. In verifying the appropriateness of the creditworthiness assessment process for the Consumer credit recipient, account shall be taken of such factors as the quality of the credit portfolio of the Consumer credit recipient, overdue instalments and credits written off.
63. The processes for taking decisions on the granting of credit shall be subject to ongoing monitoring and review by the Head of the Private Clients Department, in order to ensure that the processes are uninterrupted and free of deficiencies.

## **X. FINAL PROVISIONS**

64. The creditworthiness assessment managers of the Company shall be responsible for the correct entry of data into the computer systems used by the Company on the basis of the application completed by the Consumer credit recipient, the responses received from the databases, the information collected during calls / correspondence, and shall also be responsible for the correct assessment of the financial position of the Consumer credit recipient.
65. The Director of the Company shall be responsible for the overall control of the implementation of these Rules within the Company.
66. These Rules shall enter into force on the date of their approval and shall remain in force until repealed or amended by order of the Director of the Company.
67. The invalidity of any provision of these Rules shall not automatically render the other provisions of these Rules invalid. Any invalid provision shall be replaced by another lawful and legally effective provision having the meaning closest to that enshrined in the legal act.
68. These Rules shall be reviewed once a year and amended where mandatory legal-act requirements concerning creditworthiness assessment change, or where it transpires that the creditworthiness assessment process is ineffective.