

UAB SME Bank

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION, PRESENTED TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT



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INDEPENDENT AUDITOR'S REPORT

To the shareholders of SME Bank UAB:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SME bank UAB (hereafter – „the Bank“), which comprise the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements set out in Regulation (EU) No 537/2014 of the European Parliament and of the Council (hereinafter – Regulation) on specific requirements regarding statutory audit of public-interest entities applicable to the statutory audit of public-interest entities, the Law on Audit of the Financial Statements and Other Assurance Services of the Republic of Lithuania applicable to the audit of financial statements in the Republic of Lithuania, and International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is applicable to the audit of public-interest entities, and we have fulfilled our other ethical responsibilities in accordance with Regulation (EU) No 537/2014 and the Law on Audit of the Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

| Key Audit Matter | How the matter was addressed in our audit |
|---|--|
| Valuation of loans and receivables (see note 9 to the financial statements and the accounting policy note “Provisions for Impairment Due to Credit Risk”) | |
| <p>The impairment allowance for the Group’s loans and receivables (hereinafter – the loans), which as at 31 December 2025, after impairment loss, amounted to EUR 144,181 thousand, is calculated by dividing the Bank’s loans into homogeneous groups and risk levels. The Bank’s loans are divided into 3 risk levels, where the 1st risk level is the lowest and the 3rd risk level is the highest.</p> <p>Impairment allowances for loans are calculated by estimating expected credit losses based on historical information and economic indicators. Expected credit losses are determined based on the value of collateral and debtor’s credit rating.</p> | <p>We have conducted these audit procedures:</p> <p>We have assessed whether the Bank’s accounting policy for calculating the impairment of loans and receivables meets the requirements of the International Financial Reporting Standards as adopted by the European Union.</p> <p>We have identified loan approval process and tested controls and their effectiveness: regarding loan risk monitoring, including client rating estimation and risk level allocation, identification of loss events, timely collateral revaluation.</p> |

(continued)

For individually rated loans, the provisions are mainly related to significant loan exposures or loans with higher risk levels. Calculation of allowances for loans valued by the Bank is related to estimations and decision making, including assessment of collateral value, the recovery period and other assumptions.

In our opinion, these estimates and assumptions made by the Bank (interest rate, risk group, rating assignment, value of the collateral and its realization period) both in relation to the expected losses of groups of loans and the individual loans for which repayment cash flows are being calculated, have a significant effect on the value of the Bank's amounts and loans. Based on these reasons, we believe that this area is a key audit matter.

For the risk assessment and provisioning exercise, we have selected higher-risk loans (including individually significant loans, loans with a recorded loss event, or loans otherwise assigned to risk level 3).

We have tested the selected loan sample and identified whether the loan is assigned to the appropriate risk level (i.e. whether the assumptions made while evaluating loss events, discount rate and the value of collateral are reasonable) and if estimated credit losses are calculated appropriately.

We have reviewed the collateral used to calculate the loan provisions and identified whether the methods and assumptions used for the valuations were appropriate and logical, whether market conditions had changed between the date of the valuation and 31 December 2025, and whether the valuation should be updated.

We have reviewed the methodology for impairment allowance calculations and tested whether impairment calculations were made in accordance with the Bank's methodology. We have also tested whether historic and prospective information used in the valuation model is appropriate.

We have evaluated the sufficiency and appropriateness of disclosures related to loans and receivables in the financial statements of the Bank.

Other information

The other information comprises the information included in the Bank's management report, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Banks's management report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Banks's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Bank's management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

By decision of the Shareholders meeting on 26 June 2024 we were appointed for the first time to audit the financial statements of the Bank. The total uninterrupted term of the audit of the financial statements is 2 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Bank and its Audit Committee.

We confirm that to the best of our knowledge and belief, we have not provided any prohibited non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

The engagement partner on the audit resulting in this independent auditor's report is Romanas Skrebnevskis.

Auditor Romanas Skrebnevskis
Auditor's certificate No. 000471

ROSK Consulting UAB
Audit company's certificate No. 001514

Vilnius, Lithuania
21 April 2026

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report.

MANAGEMENT REPORT

GENERAL

UAB SME Bank (hereinafter – the Bank), established in 2021 and recognised in the market as the first digital Lithuanian-capital neobank for business, consistently continues its mission to strengthen the small and medium-sized enterprise (SME) segment. From the very beginning, the Bank's development was driven by an evident lack of financing in Lithuania, and to this day the primary focus remains on addressing limited access to capital.

The Bank ensures that companies operating both in major cities and in regions have access to top-level banking services and full-scale financing, which historically has been difficult to obtain in the market. By nurturing a digital banking model, the Bank promptly provides flexible lending solutions, helps businesses manage working capital and invest in growth. In order to respond even more effectively to growing customer needs, during 2025 the Bank not only expanded its product range with a new product – leasing – but also introduced more flexible everyday banking solutions, thereby successfully narrowing the gap between traditional banking offerings and real business expectations.

The Bank, which holds a specialised bank licence, offers its services in Lithuania, Latvia, Estonia, Finland and the Netherlands. Since the start of operations, the Bank has attracted more than 2,500 clients, of whom approximately 75% (as of 31 December 2025) used lending services and/or held an account. The Bank's loan portfolio nearly doubled in 2025, reaching EUR 148 million, despite more challenging lending conditions. The Bank paid significant attention to the growth of non-interest income – net fee and commission income increased by almost three times.

The consistently growing client base confirms the increasing SME demand for both targeted financing and efficient everyday banking. Personalised solutions are critically important for SME-sector companies, enabling them to adapt more flexibly to the market, strengthen their negotiating positions with suppliers and partners, and ensure continuity of the business cycle. By providing these services, the Bank helps businesses not only stabilise cash flows but also effectively protect themselves against typical business risks and external threats.

SME Bank Clients and Financing Structure

In 2025, the Bank's client structure was characterised by great sector diversity, dominated by services (30%), trade (22%) and construction (14%) companies, with significant shares also held by manufacturing (12%), agriculture (10%) and transport and warehousing (10%) companies. This distribution shows that the Bank's services are relevant to all key sectors of the economy, and the flexible approach to the specifics of different business models allows effective servicing of both production cycles and seasonally-dependent areas. The growing client base and the diversity of their activities confirm that digital banking solutions are being successfully adapted to the individual needs of various types of companies.

In terms of the financing structure, the largest portion of the portfolio was directed towards sustainable growth and day-to-day operations: working capital loans accounted for 40%, while investment loans accounted for 37% of the total portfolio. The remaining portion consisted of credit lines (19%), overdrafts (2%) and leasing (2%), which was added to the product range in 2025, giving clients even broader opportunities to optimise asset management. These figures reflect the Bank's balanced strategy – to provide companies with the liquidity needed for daily operations while also becoming the primary partner in implementing long-term modernisation and development projects.

SME Bank Strategic Partnerships

In 2025, the Bank successfully continued and developed strategic cooperation with the national development bank ILTE (hereinafter – ILTE), the European Investment Fund (hereinafter – EIF) and the Finnish state financial institution Finnvera Oyj (hereinafter – Finnvera). These partnerships allow SMEs to be offered more favourable lending conditions, reduce their financial burden and promote sustainable regional development.

Cooperation with ILTE provided SME entities with the opportunity to compensate up to 95% of interest paid and to use individual and portfolio guarantees (under the PG3 instrument). Special attention was paid to the stability of the agricultural sector: the Bank continued to administer concessional loans to farmers and companies affected by Russia's war in Ukraine. In December 2025, following the transfer of a EUR 5.4 million portfolio from another bank, the total number of clients who had used this instrument exceeded 250, and the total outstanding balance of concessional loans administered at year-end reached EUR 13.1 million.

The partnership with the EIF opened paths to finance high value-added areas and ensure access to capital for the smallest businesses. The Bank provides guarantees for loans directed towards sustainability, innovation, digitalisation and the cultural and creative sectors, and also actively carries out microfinancing (loans up to EUR 50,000). At year-end, the outstanding balance of loans with EIF guarantees exceeded EUR 16.6 million. Together with ILTE instruments (the PG3 portfolio amounted to EUR 25.6 million, and individual guarantees to EUR 7.8 million), these instruments allowed at least 400 companies to secure better financing and faster growth.

(All amounts in EUR thousands unless otherwise stated)

The Bank also consolidated its position in the international market: following the agreement concluded with Finnvera in 2024, the first loan with a guarantee from this institution was issued to a Finnish business at the beginning of 2025. This marks the continuation of the Bank's active expansion in Finland, integrating local guarantee instruments into the digital banking model. Through all partnerships, the Bank contributes to the promotion of sustainable business by financing projects focused on pollution reduction, research, innovation and other socially responsible initiatives.

SME Bank Digital Banking and Service Development

During the 2025 reporting year, the Bank implemented a consistent investment programme encompassing both the product portfolio and IT infrastructure development. In pursuing strategic improvement works, the Bank aimed not only to optimise existing solutions but also to create new added value – to expand the range of everyday banking services and introduce innovative financial products. Responding to the growing needs of business clients, the Bank significantly expanded the variety of account types available and fundamentally improved customer service processes, ensuring their flexibility and compliance with modern security requirements.

In the area of technological transformation, priority was given to the digitisation and automation of internal business processes. The changes implemented enabled a fundamental shortening of decision-making cycles and created conditions for prompt and precise responses to client expectations. The payment services infrastructure was modernised to ensure high standards of transaction speed and security – parameters that are today essential foundations of quality and competitive everyday banking.

In the area of lending, the Bank continued the systematic improvement of financial tools and purposefully introduced innovations enabling smooth and efficient onboarding of new clients. Internal information systems were modernised to provide access to relevant real-time data, which significantly increased operational efficiency and the quality of decisions. Additional protective measures were also implemented, fully compliant with anti-money laundering and terrorist financing prevention and other applicable regulatory requirements.

SME Bank Operating Results and Capital Structure

During 2025, the Bank formed a loan portfolio of EUR 148 million (2024: EUR 83 million). The amount of deposits attracted also grew accordingly – as of 31 December 2025, it amounted to EUR 428 million (2024: EUR 170 million). To diversify funding sources, the Bank continued to actively attract funds from retail individuals in Germany, the Netherlands and Spain via the Raisin platform, and from Q3 2025 began offering deposits to individuals in Finland. Additionally, in 2025 a cooperation agreement was signed with one of Europe's largest comparison platforms – Check24 – opening up opportunities to reach an even wider audience of retail clients in Germany. Significant attention was also paid to the local market – attracting funds from SME companies operating in Lithuania. During 2025, the Bank commenced active cooperation with companies holding electronic money and payment institution licences, for whom it began providing safeguarding account solutions.

To effectively manage liquidity, the Bank invested in liquid debt securities – as of 31 December 2025, this portfolio amounted to EUR 58 million (2024: EUR 54 million). From securities transactions, the Bank earned EUR 574 thousand in realised profit in 2025 (2024: EUR 397 thousand), reflected in the statement of profit or loss.

The Bank's interest income grew by 35% during 2025, reaching EUR 14.6 million (2024: EUR 10.8 million), testifying to solid business model growth and growing client confidence. This revenue growth was achieved while simultaneously investing in team strengthening, modernisation of technological systems, expansion of the product portfolio and new European markets. The results of these investments are also reflected in the loss dynamics – the 2025 net loss decreased by 22% to EUR 954 thousand, compared to EUR 1.2 million in 2024.

The Bank regards 2025 as a significant step in the direction of sustainable growth. The investments made form a solid foundation that will enable continued improvement in financial results and operational efficiency in the coming years.

Alongside business growth, the Bank ensured compliance with all prudential requirements applicable to credit institutions throughout the entire 2025 reporting period. During the reporting period, the Bank did not hold, acquire or dispose of its own shares. The Bank has also not established any subsidiaries, branches or representative offices, and did not carry out research activities.

In 2025, the Bank's share capital was doubled – at year-end it amounted to EUR 7 million (2024: EUR 3.5 million). The capital is divided into 7,000,000 ordinary registered shares with a nominal value of EUR 1 each. The reserve capital was additionally increased by EUR 7.53 million during the reporting period, so the total reserve capital as of 31 December 2025 amounted to EUR 14.75 million (2024: EUR 7.22 million).

On 9 July 2025, the Board of the Bank of Lithuania decided to conclude an administrative settlement with the Bank and imposed a fine of EUR 78 thousand for deficiencies in anti-money laundering and terrorist financing prevention (AML/TF) requirements identified during the inspection period from July 2022 to December 2023. The Bank responded promptly to the observations noted during the inspection – all identified deficiencies were remedied, and no operational restrictions have been imposed on the Bank.

Following the end of the 2025 financial year, no significant events occurred that could affect the Bank's activities or plans, except for the circumstances referred to in Note 23 of the financial statements.

(All amounts in EUR thousands unless otherwise stated)

Information on sustainability

Given the challenges of climate change and its negative impact on the environment, the transition to an ecologically sustainable and inclusive economy is inevitable. The Bank recognises that environmental, social and governance (ESG) risks have a direct impact on the financial and non-financial risk profile, long-term operational sustainability and capital requirements. Therefore, integrating these risks into the Bank's risk management process is a strategic priority.

The Bank conducts its activities in strict compliance with the laws of the Republic of Lithuania and the EU, applying the highest standards of professional conduct. In accordance with the Capital Requirements Regulation (CRR III), the Capital Requirements Directive (CRD VI) and the requirements of the European Banking Authority (EBA) guidelines, ESG risks are integrated into strategic planning, the risk management system and all key decision-making processes, becoming an integral part of the Risk Appetite Framework.

The Bank has already successfully implemented a comprehensive ESG management system, encompassing an approved ESG policy, a developed materiality assessment procedure and methodology, a strengthened data collection and reporting structure, and an implemented organisational governance model.

The double materiality assessment revealed that ESG factors have a significant impact on credit, operational, reputational and strategic risks. It was also identified that the largest portfolio concentrations are in the wholesale and retail trade, vehicle repair, construction and manufacturing sectors. Based on the materiality analysis, six priority ESG risk areas were identified, to which specialised key risk indicators (KRIs) apply. These areas cover cybersecurity and data protection, conduct and ethics standards, systemic resilience, pollution and climate transition risks, employee risks and transparency of disclosure.

Environmental risk is managed by analysing transition period and physical climate risks. The Bank collects data on pledged and financed assets, assesses their sensitivity to physical risk, monitors the green asset ratio and its alignment with the EU taxonomy. Social risk is assessed by analysing employee wellbeing, diversity, inclusion, customer protection and working condition aspects both within the Bank and in client companies. Governance risk is managed by strengthening AML/CTF, data protection, conduct, ethics and transparency standards.

Since 2025, ESG principles are being practically applied in the lending process, risk-based pricing, stress testing methodologies and portfolio management. Climate scenarios are integrated into ICAAP assessments, and ESG criteria are incorporated into loan origination rules, client risk profile determination and business model analysis.

The Bank is implementing a phased ESG integration plan and regularly reviews its ESG risk profile to ensure that the assessment remains relevant and reflects the views of stakeholders.

Information on Employees and Remuneration Policy

In 2025, the Bank recorded consistent team growth – the number of employees grew to ensure even more effective expansion and quality service delivery. The management team is currently fully formed, and the optimal number of specialists allows the stated objectives to be successfully achieved. The Bank paid special attention to developing employee competencies, aiming not only to strengthen professional knowledge but also to ensure the highest standards of management of activity-related risks.

The remuneration system at the Bank is governed by an internal remuneration policy, which is aligned with the laws of the Republic of Lithuania and the guidelines of EU institutions (including Directive 2013/36/EU and EBA guidelines EBA/GL/2021/04 and EBA/GL/2016/06). Detailed information on remuneration principles is publicly available in the Pillar 3 reports on the Bank's website.

The Bank adheres to the principle of zero tolerance for corruption and bribery. This provision strictly prohibits any direct or indirect bribery of foreign officials in order to gain an advantage in international activities. An Ethics Code and an Anti-Bribery and Anti-Corruption Policy have been implemented to ensure ethical conduct. Employees are continuously familiarised with these standards during annual training, thereby forming a transparent and responsible organisational culture.

SME Bank Operating Plans and Strategic Directions

The Bank's primary objective is to remain a reliable partner for small and medium-sized businesses (SMEs), providing growth opportunities for companies regardless of their field of activity, location or turnover. In pursuit of this goal, the Bank focuses its activities on four essential directions:

- Sustainable growth and revenue diversification, focusing on consistent loan portfolio growth and increasing operational efficiency. Sustainability here is understood as the ability to maintain financial stability and promptly adapt to market changes, while simultaneously reducing dependence on individual revenue sources.
- Further international expansion beyond the local market. Geographic expansion allows not only diversification of revenue streams and attraction of new client segments, but also the maximum utilisation of accumulated digital banking competencies in new markets.
- Risk management and effective compliance function. As a responsible market participant, the Bank regards these processes as an inseparable part of daily operations, guaranteeing security and stability.

(All amounts in EUR thousands unless otherwise stated)

- Team professionalism and innovation, strengthening human resources as a key competitive factor. The Bank assembles a team of professionals capable of implementing new solutions and ensuring the long-term achievement of strategic goals.

The Bank's competitive advantage will continue to be shaped by fully digitised operations, individual solutions tailored to specific business needs and prompt availability of services. This model enables extremely fast decision-making, which is critically important for the dynamic SME sector.

GOVERNANCE BODIES

The Bank's management and supervisory system consists of complementary elements ensuring transparent and effective operations: the supreme decision-making body – the **General Meeting of Shareholders**, the strategically supervising **Supervisory Board**, the collegial management body – the **Management Board** and the **Head of Administration** leading the day-to-day operational management. This structure is designed to ensure the appropriate balance of interests, to separate supervisory and management functions, and to guarantee sustainable development of the Bank.

General Meeting of Shareholders

The General Meeting of Shareholders (GMS) is the highest governance body of the Bank, with exclusive rights to make key decisions on the foundations of the Bank's activities. The meeting annually reviews and approves the audited set of annual financial statements and decides on the distribution of net profit (or coverage of losses). In addition to these functions, the GMS forms the Bank's supervisory structure by electing Supervisory Board members, initiates amendments to the Articles of Association and resolves other matters of strategic importance assigned to the competence of the general meeting of shareholders and/or provided for in the laws of the Republic of Lithuania and the Bank's Articles of Association.

Supervisory Board

The Supervisory Board performs an essential supervisory function of the Bank's activities, ensuring compliance with the highest governance standards and the implementation of strategic objectives. The collegial body consists of 4 members elected by the GMS for a four-year term. The main responsibility of the Board is to form a competent Management Board, to elect and remove its members, and to carry out ongoing oversight of their activities. The Supervisory Board assesses the Bank's business model's compliance with applicable laws, Articles of Association and decisions taken by shareholders. In addition, the Board analyses business plans and budgets, and before the annual set of financial statements is submitted to shareholders, carries out a detailed assessment and approval of it.

The members of the Bank's Supervisory Board are Marius Svidinskas, Sven Oliver Hein, Irmantas Kamienas and Jurgita Šaučiūnienė. Their other positions held are provided below.

Management Board

The Management Board is the collegial management body of the Bank, whose members are elected by the Supervisory Board for a four-year term. Representing the Bank's interests and assuming full responsibility for the transparency of financial services provision, the Board ensures integrated and effective management of day-to-day operations. Its competence includes the proper organisation of business processes, formation of a rational organisational structure and clear distribution of functions. In addition, the Board implements and oversees internal control systems, ensuring that the Bank's activities, financial accounting and asset management are conducted in compliance with the highest control standards.

As of the date of signing of the financial statements, the Bank's Management Board consists of 6 members: Audrius Milukas, Marijana Romanova, Thorsten Seeger, Raimondas Berniūnas, Asta Lygnugarytė and Paulius Žabinskas. Their other positions held are provided below.

Chief Executive Officer

Chief Executive Officer (hereinafter – CEO) is the sole management body of the Bank, appointed and dismissed by the Bank's Management Board. CEO assumes direct responsibility for the prompt organisation of the Bank's day-to-day operations and the implementation of strategic objectives approved by the Board. His/her competence includes effective management of internal resources, consistent execution of business processes and representation of the Bank in relations with third parties, state institutions and clients. CEO shapes the Bank's personnel policy: hires and dismisses employees, concludes employment contracts and ensures a motivating and safe working environment. In addition, the CEO ensures that all Bank activities are conducted in strict compliance with the laws of the Republic of Lithuania, the Bank's Articles of Association and internal ethics and control standards.

Until 1 November 2025, the position of hereinafter – the Bank was held by Ieva Naudžiūnaitė, after which Audrius Milukas temporarily assumed the role, and from 2 February 2026 the position of CEO is held by Raimondas Berniūnas.

(All amounts in EUR thousands unless otherwise stated)

Information on other management positions held by the CEO, members of the Management Board, and members of the Supervisory Board

- Supervisory Board Chairman – Marius Svidinskas
 - Primary workplace: None
 - Other positions:
 - UAB “Uniquim Capital” (305033516) – Board member;
 - UAB “SME Finance” (304254910) – Board member;
 - UAB “Easy Debt Service” (304406834) – Board member.
- Supervisory Board member– Sven Oliver Hein
 - Primary workplace: Technische Hochschule Mittelhessen University of Applied Sciences – professor.
 - Other positions:
 - OTRS AG – Supervisory Board member.
- Supervisory Board member – Irmantas Kamienas
 - Primary workplace: UAB SME Bank (305223469) – Supervisory Board member.
 - Other positions: none.
- Supervisory Board member – Jurgita Šaučiūnienė
 - Primary workplace: UAB BLUE EMI LT (305682465) – Chief Financial Officer.
 - Other positions:
 - UAB SME Bank (305223469) – Supervisory Board member.
- Management Board Chairman, Deputy CEO – Audrius Milukas
 - Primary workplace: UAB “SME Finance” (304254910) – Board Chairman and Strategic Advisor.
 - Other positions:
 - UAB “AM Investments” (304584089) – Director;
 - UAB “Open Circle Capital GP” (304230368) – Director;
 - UAB “Uniquim Capital” (305033516) – Board Chairman;
 - UAB “Uniquim Investments” (304724872) – Board Chairman;
 - UAB “Whatagraph” (304106776) – Board member;
 - UAB “AKM Finance” (304234701) – Director;
 - UAB “Magma solutions” (302649385) – Board member.
- Management Board member – Marijana Romanova
 - Primary workplace: UAB SME Bank (305223469) – Chief Risk Officer.
 - Other positions: none.
- Management Board member – Thorsten Seeger
 - Primary workplace: UAB SME Bank (305223469) – Chief International Business Officer.
 - Other positions:
 - Seeger Advisory Services – self-employment.
- Management Board member, CEO – Raimondas Berniūnas
 - Primary workplace: UAB SME Bank (305223469) – Chief Executive Officer.
 - Other positions:
 - UAB “Axiology DLT” (306440582) – Independent Board member;
 - AS “Bondora Group” (14794392) – Supervisory Board member;
 - AS “Bondora Finance” (16700863) – Supervisory Board member;
 - UAB “Decentralized” (303423510) - Independent board member.
- Management Board member – Asta Lygnugarytė
 - Primary workplace: UAB SME Bank (305223469) – Chief Legal Officer.
 - Other positions: none.
- Management Board member – Paulius Žabinskas
 - Primary workplace: UAB SME Bank (305223469) – Deputy Chief Operation Officer.
 - Other positions: none.

Committees

The Bank has established four committees: the Audit, Credit, Client Relations and Executive Risk Committees.

The Audit Committee is established by the Supervisory Board for the Bank's supervisory function. The Committee's responsibilities include the preparation of strategic and annual internal audit plans and monitoring their implementation. The Committee also evaluates internal audit findings, provides recommendations on the selection of an external audit firm, decides on the need for additional audit services and examines other governance matters set out in its regulations.

(All amounts in EUR thousands unless otherwise stated)

The Credit Committee is a body established by the Bank's Management Board, responsible for the management and control of the most essential risk – credit risk. Acting within its granted powers, the Committee makes decisions on the provision of financing, analyses non-standard loan projects and evaluates changes in borrowers' creditworthiness. The Committee's competence also includes decision-making regarding specific action plans for managing problem positions or responding to changes in borrowers' financial condition.

The Customer Relations Committee is responsible for assessing client acceptability and managing the associated reputational risk. The Committee's competence includes decision-making on establishing, restricting or terminating business relationships, ensuring that clients' activities comply with the Bank's defined risk appetite. The Committee systematically analyses matters related to client reputation and compliance standards, thereby ensuring the transparency of the Bank's operations.

The Executive Risk Committee is responsible for the ongoing monitoring of all risks arising in the Bank's operations and ensuring their control at the operational level. The Committee assesses the Bank's risk profile's compliance with the defined risk appetite, oversees adherence to risk-limiting thresholds and approves risk assessment methodologies. The Committee's primary objective is to ensure an integrated approach to risk management, responding promptly to market changes and guaranteeing the stable maintenance of the Bank's capital and liquidity positions.

RISK MANAGEMENT

The Bank's risk management system is a structured and continuous process which, based on the Bank's approved policies, procedures and established limits, ensures the identification, assessment, monitoring and control of all risks inherent in the Bank's operations. The primary objective of the risk management strategy is to ensure capital adequacy, taking into account incurred and potential losses. Using advanced, forward-looking methodologies and analysing historical data, the Bank assesses its actual risk profile and potential positions under adverse scenario conditions.

The main types of risks and uncertainties faced by the Bank include: credit risk - the probability that borrowers will fail to meet their financial obligations, which is the most significant risk faced by the Bank and is directly related to the strategy of expanding the loan portfolio; liquidity risk - the risk that the Bank may become unable to meet its financial obligations in a timely manner, particularly in light of the rapid growth of the deposit base and geographic diversification; market risk, primarily interest rate risk - arising from the matching of assets and liabilities by maturity; and operational risk - the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events, including cyber threats, legal risk, and compliance risk. In addition to financial risks, the Bank faces uncertainties related to changes in the regulatory environment, the execution of geographic expansion into new markets, and general macroeconomic fluctuations that may affect the financial condition of SME sector clients.

In its operations, the Bank prioritises four main risk groups: credit, market, operational and liquidity. The Bank's risk management strategy allows risks to be avoided, accepted, mitigated or transferred. The Bank does not use derivative financial instruments for risk hedging in its operations. Detailed information on the nature of these risks and the principles of their management is provided in the notes to these financial statements: credit risk - notes 9 and 10, market risk - in the Risk Management section of the explanatory notes; operational risk – in the Risk Management section of the explanatory notes; liquidity risk – in the Risk Management section of the explanatory notes. An effective internal control system allows return to be optimised while strictly adhering to the defined risk appetite and regulatory requirements. Specific tolerance levels and early warning indicators that activate enhanced monitoring are embedded in the Bank's internal Risk Management policies, procedures and processes.

CEO

Raimondas Berniūnas

signed electronically

April 21, 2026

(All amounts in EUR thousands unless otherwise stated)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

| Items | Notes | Reporting period | Prior period |
|---|----------|------------------|----------------|
| Interest income recognised using the effective interest method | | 14 570 | 10 788 |
| Interest expense | | (6 205) | (4 939) |
| Net interest income | 1 | 8 365 | 5 849 |
| Fee and commission income | | 1 237 | 752 |
| Fee and commission expense | | (310) | (425) |
| Net fee and commission income | 2 | 927 | 327 |
| Net result from securities transactions | 3 | 574 | 397 |
| Result from derecognition of financial assets | | (15) | (9) |
| Other operating result | 4 | (8) | (43) |
| Net other operating income | | 551 | 345 |
| Personnel expenses | 5 | (5 779) | (4 363) |
| Administrative expenses | 6 | (2 688) | (2 017) |
| Depreciation and amortisation | 11, 12 | (1 399) | (972) |
| LOSS BEFORE IMPAIRMENT | | (23) | (831) |
| Impairment allowance for credit risk | 10 | (1 279) | (684) |
| Other impairment allowances | 10 | (116) | (3) |
| LOSS BEFORE INCOME TAX | | (1 418) | (1 518) |
| Income tax | 14 | 464 | 298 |
| NET LOSS | | (954) | (1 220) |
| Other comprehensive income | | | |
| Items that may subsequently be reclassified to profit or loss: | | | |
| Debt securities measured at fair value through other comprehensive income: | | | |
| Fair value change during the year | | 52 | 1 082 |
| Reclassification to profit or loss | | (574) | (397) |
| Related deferred income tax | | 81 | (110) |
| Other comprehensive income, net of deferred income tax | 3 | (441) | 575 |
| TOTAL COMPREHENSIVE INCOME | | (1 395) | (645) |

The notes on the following pages form an integral part of these financial statements.

These financial statements were prepared on April 21, 2026.

signed electronically

CEO
Raimondas Berniūnas

signed electronically

CFO
Reda Šiožinytė

(All amounts in EUR thousands unless otherwise stated)

STATEMENT OF FINANCIAL POSITION

| Items | Notes | Reporting period | Prior period |
|---|-------|------------------|----------------|
| ASSETS | | | |
| Cash and cash equivalents | 7 | 232 052 | 44 053 |
| Debt securities measured at fair value through other comprehensive income | 8 | 57 923 | 54 402 |
| Debt securities measured at amortised cost | 8 | 16 015 | 1 526 |
| Loans to customers | 9 | 144 181 | 80 963 |
| Intangible assets | 11 | 1 903 | 2 172 |
| Property and equipment | 11 | 111 | 68 |
| Right-of-use assets | 12 | 644 | 693 |
| Deferred income tax asset | 14 | 777 | 257 |
| Other assets | 15 | 1 136 | 361 |
| TOTAL ASSETS | | 454 742 | 184 495 |
| LIABILITIES | | | |
| Customer deposits | 16 | 428 095 | 169 883 |
| Debt securities liabilities | 17 | 1 966 | 1 957 |
| Lease liabilities | 12 | 707 | 715 |
| Provisions for off-balance commitments | | 1 | 3 |
| Other liabilities | 13 | 2 997 | 1 816 |
| TOTAL LIABILITIES | | 433 766 | 174 374 |
| EQUITY | | | |
| Share capital | 18 | 7 000 | 3 500 |
| Reserve capital | 18 | 14 754 | 7 224 |
| Financial instruments revaluation reserve | | 176 | 617 |
| Retained earnings (losses) | 18 | (954) | (1 220) |
| TOTAL EQUITY | | 20 976 | 10 121 |
| TOTAL EQUITY AND LIABILITIES | | 454 742 | 184 495 |

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(All amounts in EUR thousands unless otherwise stated)

STATEMENT OF CHANGES IN EQUITY

| Items | Share capital | Reserve capital | Legal reserve | Share option reserve | Retained earnings (losses) | Financial instruments revaluation reserve | Total equity |
|--|---------------|-----------------|---------------|----------------------|----------------------------|---|----------------|
| 31 December 2023 | 3 500 | 3 800 | 22 | 90 | (49) | 42 | 7 405 |
| Reserve capital | - | 3 450 | - | - | - | - | 3 450 |
| Use of reserve capital to cover losses | - | (26) | - | - | 26 | - | - |
| Legal reserve | - | - | (22) | - | 22 | - | - |
| Share option reserve | - | - | - | (90) | - | - | (90) |
| Net loss | - | - | - | - | (1 220) | - | (1 220) |
| Other comprehensive income | - | - | - | - | - | 575 | 575 |
| Total Comprehensive income | - | - | - | - | (1 220) | 575 | (645) |
| 31 December 2024 | 3 500 | 7 224 | - | - | (1 220) | 617 | 10 121 |
| Reserve capital | 3 500 | 8 750 | - | - | - | - | 12 250 |
| Use of reserve capital to cover losses | - | (1 220) | - | - | 1 220 | - | - |
| Net loss | - | - | - | - | (954) | - | (954) |
| Other comprehensive income | - | - | - | - | - | (441) | (441) |
| Total Comprehensive income | - | - | - | - | (954) | (441) | (1 395) |
| 31 December 2025 | 7 000 | 14 754 | - | - | (954) | 176 | 20 976 |

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CFO
Reda Šiožinytė

(All amounts in EUR thousands unless otherwise stated)

STATEMENT OF CASH FLOWS

| Items | Notes | Reporting period | Prior period |
|--|--------|------------------|-----------------|
| Net loss before income tax | | (1 418) | (1 518) |
| Adjustments: | | | |
| Impairment allowance for credit risk | 10 | 1 279 | 684 |
| Other impairment allowances | | 116 | 3 |
| Interest income | 1 | (12 989) | (10 788) |
| Interest expense | 2, 16 | 6 205 | 4 939 |
| Share options (increase)/decrease | | - | (90) |
| Depreciation and amortisation | 11, 12 | 1 399 | 972 |
| ROU contract modification | 12 | 156 | (9) |
| Result from derecognition of financial assets | | (15) | 9 |
| Income tax | | - | - |
| Other non-cash transactions | | (510) | (477) |
| Total operating adjustments | | (4 359) | (4 757) |
| (Increase)/decrease in loans to customers | | (64 375) | (1 603) |
| Increase/(decrease) in customer deposits | | 256 797 | 63 360 |
| (Increase)/decrease in other assets | | (774) | (88) |
| Increase/(decrease) in other payables | | 1 120 | 941 |
| Finance lease receivables decrease/(increase) | | (88) | (466) |
| CHANGES IN OPERATING ASSETS AND LIABILITIES | | 192 680 | 62 144 |
| Interest received | | 12 398 | 10 991 |
| Interest paid | | (4 581) | (4 109) |
| NET CASH FROM OPERATING ACTIVITIES | | 194 720 | 62 751 |
| INVESTING ACTIVITIES | | | |
| Acquisition of intangible and tangible assets | | (988) | (962) |
| Proceeds from disposal of assets | | 19 | 5 |
| Acquired debt securities | | (50 595) | (51 063) |
| Proceeds from disposal of debt securities | | 33 000 | 24 550 |
| NET CASH USED IN INVESTING ACTIVITIES | | (18 564) | (27 470) |
| FINANCING ACTIVITIES | | | |
| Reserve capital contributions | 18 | 12 250 | 3 450 |
| Lease liabilities paid, including interest | | (207) | (152) |
| Interest paid | 12 | (200) | (200) |
| NET CASH FROM FINANCING ACTIVITIES | | 11 843 | 3 098 |
| Net increase in cash and cash equivalents | | 187 999 | 38 379 |
| Cash at beginning of year | | 44 053 | 5 675 |
| Cash at end of year | 7 | 232 052 | 44 053 |

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These financial statements were prepared on April 21, 2026.

signed electronically

 CEO
 Raimondas Berniūnas

signed electronically

 CFO
 Reda Šiožinytė

(All amounts in EUR thousands unless otherwise stated)

NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION

UAB SME Bank (hereinafter – the Bank) is a private limited liability company registered in the Register of Legal Entities of the Republic of Lithuania on 5 August 2019, company code 305223469. The Bank holds a specialised bank licence issued by the Bank of Lithuania on behalf of the European Central Bank, accepts deposits and other repayable funds, engages in lending and the provision of other financial services. Licence No. 7 was issued to the Bank on 12 February 2022.

On 31 May 2021, the Bank registered the Bank's Articles of Association, changed its former name UAB "SME Digital Financing" to UAB SME Bank. The Bank's head office is located in Vilnius, at the address Antano Tumėno g. 4-15, LT-01109.

The Bank's team growth directly reflects the growth in operating volumes: as of 31 December 2025, the Bank employed 112 staff members (compared to 82 employees at the end of 2024). The average headcount during 2025 reached 90 (2024: 79).

The Bank's shareholder structure is as follows:

- UAB "Magnus Investments", company code 304724648, registered address Antano Tumėno str. 4, 01110 Vilnius, Republic of Lithuania;
- UAB "AKM Finance", company code 304234701, registered address Antano Tumėno str. 4-15, 01110 Vilnius, Republic of Lithuania;
- UAB "AR Finance", company code 304747351, registered address Antano Tumėno str. 4-108, 01110 Vilnius, Republic of Lithuania.

The full shareholder list and their ownership interests are presented in the table below:

| Shareholder | 2025-12-31 | | 2024-12-31 | |
|--------------------------|------------------|--------------|------------------|--------------|
| | No. of shares | Ownership, % | No. of shares | Ownership, % |
| UAB „Magnus Investments“ | 2 698 850 | 38,56% | 1 559 425 | 44,555% |
| UAB „AKM Finance“ | 2 698 850 | 38,56% | 1 559 425 | 44,555% |
| UAB „AR Finance“ | 622 300 | 8,89% | 346 150 | 9,89% |
| Shareholder A | 210 000 | 3% | - | - |
| Shareholder B | 140 000 | 2% | - | - |
| Shareholder C | 140 000 | 2% | - | - |
| Shareholder D | 70 000 | 1% | 35 000 | 1% |
| Shareholder E | 70 000 | 1% | - | - |
| Shareholder F | 70 000 | 1% | - | - |
| Shareholder G | 70 000 | 1% | - | - |
| Shareholder H | 70 000 | 1% | - | - |
| Shareholder I | 70 000 | 1% | - | - |
| Shareholder J | 70 000 | 1% | - | - |
| Total: | 7 000 000 | 100% | 3 500 000 | 100% |

The ultimate controlling shareholders of the Bank are Marius Svidinskas (38.56% of shares) and Kamilė Milukė (38.56% of shares).

The Bank's management is confident in the stable and well-balanced outlook for the Bank's operations and has prepared these financial statements on a going concern basis. In 2025 and 2024, the Bank did not hold any of its own shares, did not establish any subsidiaries or associate companies, and had no branches.

The key accounting principles applied in the preparation of these financial statements are described below

SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the laws on financial accounting and financial reporting of the Republic of Lithuania. In addition, the financial statements are prepared in accordance with the Law on Banks of the Republic of Lithuania, the Law on Financial Statements of Entities and Company Groups of the Republic of Lithuania, taking into account other regulations and decisions of the Bank of Lithuania.

The preparation of financial statements in conformity with IFRSs requires management to make 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 expense during the reporting period. Although these estimates are based on the management's knowledge of the current situation and actions, actual results ultimately may differ from those estimates.

The financial statements are prepared on the going concern basis. The Bank's financial year coincides with the calendar year.

Adoption of new and/or amended IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations

a) *New and/or amended standards applicable from 1 January 2025:*

The following revised standards, amendments to existing standards, and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU were applied by the Bank during the current year:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

The application of the above standards, amendments and interpretations did not have a material impact on the Bank's financial statements.

b) *Standards, Amendments and Interpretations Issued by the IASB, Adopted by the EU, but Not Yet Effective;*

As at the date of signing these financial statements, the Bank has not early adopted the following new and revised IFRS standards, amendments and interpretations that have been endorsed but are not yet effective:

- annual Improvements to IFRS Standards — Volume 11 (effective for annual periods beginning on or after 1 January 2026);
- contracts Referencing Nature-dependent Electricity: Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- amendments to the Classification and Measurement of Financial Instruments: Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).

Management is currently assessing the potential impact of IFRS 18 on the presentation of the Bank's financial statements. For all other new and revised standards listed above, Management does not anticipate that their application will have a material impact on the Bank's financial statements in the period of initial application.

c) *Standards, Amendments and Interpretations Not Yet Effective and Not Yet Endorsed by the EU:*

IFRS as adopted by the EU does not currently differ materially from standards issued by the IASB, except for the following standards, amendments and interpretations that had not yet been endorsed by the EU as at the reporting date (effective dates refer to full IFRS):

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (effective for annual periods beginning on or after 1 January 2027);
- Amendments to IFRS 19 Subsidiaries without Public Accountability (effective for annual periods beginning on or after 1 January 2027).

Management does not expect the application of these standards, amendments and interpretations to have a material impact on the Bank's financial statements in the period of initial application.

Currency of all financial statements

The Bank keeps its accounting records and all amounts in these financial statements have been recorded and presented in euros, which is a national currency of the Republic of Lithuania.

Transactions in foreign currencies are initially recorded in the functional currency as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange as at the date of the statement of financial position. Monetary assets and liabilities measured at acquisition cost are translated using the exchange rate prevailing at the date of the transaction. Foreign exchange gain or loss resulting from that translation and from retranslation of assets and liabilities denominated in a foreign currency into a functional currency using the exchange rate prevailing at the reporting date are recorded in income or expense in the period in which they arise.

These financial statements are presented in thousands of euros, unless stated otherwise.

Financial instruments

Financial instruments make up the majority of the Bank's assets on the balance sheet. Financial instrument: a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Cash and a contractual right to receive cash are classified as financial assets, meanwhile a contractual obligation to pay cash or deliver other financial assets are classified as financial liabilities. A derivative is a financial instrument whose value changes in response to the change in an underlying variable such as a foreign exchange, interest rate or share prices, requires little or no initial investment and is settled at a future date.

Classification of financial instruments in specific balance sheet items takes into account the nature of a financial instrument and its counterparty. A financial instrument without a specific counterparty or listed on a stock exchange is classified as a security in the balance sheet statement.

Financial assets

In both 2025 and 2024, the Bank's financial assets consisted of cash and cash equivalents, debt securities, and assets classified within the category of loans and other receivables. These instruments represent the primary source of the Bank's income and a key tool for ensuring continuous liquidity and the stable fulfillment of its obligations. The Bank continuously monitors the quality and structure of these assets in order to maintain an optimal balance between profitability and the risks assumed.

Cash and cash equivalents

Cash includes cash balances held with the Bank of Lithuania and commercial banks of the Republic of Lithuania, and other financial institutions. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Such investments mature in less than three months and are subject to insignificant risk of change in value.

Since 2025, the Bank has been providing safeguarding account services to electronic money institutions and payment institutions. The Bank accepts these funds as deposits under standard banking terms—they are recognized as a financial liability of the Bank and disclosed under "Customer deposits" (Note 16). The corresponding funds received are held within the Bank's cash and cash equivalents.

Classification and measurement

Financial assets are classified into the following three categories:

- financial assets at amortised cost.
- financial assets at fair value through other comprehensive income;
- financial assets at fair value through profit or loss;

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Bank's business model for managing them. The Bank initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs (refer to paragraph "Transaction costs" for more details).

Financial asset is classified and measured at amortised cost or fair value through other comprehensive income, where cash flows arising from financial asset are solely payments of principal and interest (SPPI) on the principal amount outstanding. This measurement is referred to as the SPPI test and is performed at a financial instrument level. This assessment takes into account whether contractual cash flows are consistent with a basic lending arrangement. The principal loan amount is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk, for other basic lending risks, as well as a profit margin that is consistent with a basic lending arrangement. Where the risk or variability specified in contractual terms are not consistent with a basic lending arrangement, the related financial assets are not considered consisting of solely payments of principal and interest.

(All amounts in EUR thousands unless otherwise stated)

A financial asset is measured at amortized cost if the following two conditions are met and has not been classified as at fair value through other comprehensive income:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows;
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

All other financial assets are classified as at fair value through profit or loss.

Subsequent to initial recognition financial assets are not reclassified unless the Bank changes its business model for managing those financial assets.

Trade receivables that do not have a significant financing component are measured at the transaction price identified under IFRS 15.

Subsequent measurement

Loans to customers, the provision of which is the basic strategic line of the Bank's business, constitute the majority of the Bank's assets and are classified as financial assets measured at amortised cost (as well as other qualifying assets such as cash equivalents, receivables from banks, other financial assets).

Amortised cost is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus accrued interest, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and adjusted for any credit loss allowance.

Assets at amortised cost may be sold, but sales (other than sales low in volume or sales as part of problem debt recovery activities) are rare and infrequent.

Securities in the Bank's financial statements are classified and measured based on their business model for holding them and the characteristics of their cash flows. Some securities are measured at amortized cost when held with the objective of collecting contractual cash flows that solely represent payments of principal and interest. Other securities, held for liquidity management purposes under a business model aimed at both collecting contractual cash flows and selling the securities, are measured at fair value through other comprehensive income. Changes in fair value are recognized in the other comprehensive income statement and only transferred to the profit or loss statement upon disposal of the instrument.

Expected lifetime of financial instruments

The lifetime of a financial instrument is relevant for both the assessment of significant increase in credit risk, which considers changes in the probability of default over the expected lifetime, and the measurement of lifetime ECL. The expected lifetime is generally limited by the maximum contractual period over which the Bank is exposed to credit risk, even if a longer period is consistent with business practice. All contractual terms are considered when determining the expected lifetime, including prepayment options and extension and rollover options that are binding to the Bank.

Presentation of credit loss allowance

For financial assets measured at amortised cost, credit loss allowance reduces the gross carrying amount of the assets in the statement of financial position. Such credit loss allowance and write-offs are recognised in the Bank's statement of profit or loss and other comprehensive income, under "Credit loss allowance". Write-offs are recognised when the amount of loss is ultimately determined and represent the amount before the utilisation of any previous allowances. Any subsequent recoveries of write-offs or impairment provisions are recognised as gains under "Credit loss allowance".

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from financial assets have expired or
- the Bank has transferred its rights to receive cash flows from the financial asset;
- The Bank has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and
 - the Bank has transferred substantially all the risks and rewards of the asset, or
 - the Bank has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

(All amounts in EUR thousands unless otherwise stated)

Transaction costs

In applying the effective interest method, the Bank identifies fees that are an integral part of the effective interest rate of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognised in profit or loss. In those cases, the fees are recognised as revenue when the instrument is initially recognised.

The Bank amortises any fees, points paid or received, transaction costs and other premiums or discounts included in the calculation of the effective interest rate over the expected life of the instrument.

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs.

Fees that are an integral part of the effective interest rate are treated as an adjustment to the effective interest rate:

- origination fees received by the Bank relating to the creation or acquisition of a financial asset.
- commitment fees received to originate a loan, when the loan commitment is not measured at fair value through profit or loss, and it is probable that the Bank will enter a specific lending arrangement.
- origination fees paid on issuing financial liabilities measured at amortised cost.

The Bank attributes the collected loan administration fees to the adjustment of the effective interest rate, as the fee covers the administration of the credit agreement throughout the entire term of the credit. This, in turn, constitutes an integral part of the financial instrument. Accordingly, the fees are recognised over the life of the financial instrument.

Fees that are not an integral part of the effective interest rate for a financial instrument include:

- fees charged for servicing a loan. These are recognised as revenue as the services are provided.
- commitment fees to originate a loan when the loan commitment is not measured at FVPL, and it is unlikely that a specific loan will be made. These are recognised on a time basis over the commitment period.
- loan syndication fees received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part of the same effective interest rate for comparable risk as other participants).
- investment management fees;
- placement fee (assessment of the borrower's financial condition, evaluation and registration of guarantees, collateral and other security, arrangements, negotiations of the terms of financial instruments, and preparation and processing of documentation).

Fees received that are not part of the effective interest rate are accounted for in accordance with IFRS 15.

Financial liabilities

The Bank's financial liabilities consist of those designated at fair value through profit or loss and those carried at amortized cost.

As of December 31, 2025, and December 31, 2024, the Bank did not classify any financial liabilities as measured at fair value through profit or loss.

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. These are deposits from banks or customers, debt securities in issue, and other various financial liabilities. Initially they are recognised at fair value, and subsequently stated at amortised cost, with any difference between net proceeds and the redemption value recognised in the statement of profit or loss over their period using the effective interest method. After initial recognition, financial assets are measured at amortised cost.

Financial liabilities are derecognised once the liabilities are discharged, cancelled or expired. When one current financial liability is replaced with another financial liability to the same creditor but under other terms, or when the current liability's terms are significantly changed, this change is considered as a termination of the initial liability and signing of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

If the Bank measures an asset or a liability initially at fair value and the transaction price differs from fair value, the difference is recognised in profit or loss.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

(All amounts in EUR thousands unless otherwise stated)

In the absence of any directly observable input data, i.e. quoted prices (unadjusted) in active markets for identical assets or liabilities which the Bank can access at measurement date, the fair value is determined on the basis of the adjusted directly observable inputs.

In the case when the observable (directly or indirectly) inputs are not available, fair value is measured on the basis of unobservable inputs developed by the Bank using appropriate valuation techniques, such as income and market approach.

Assets and liabilities that are measured at fair value in the statement of financial position or are not measured at fair value, but information about them is disclosed, are categorised by the Bank into a three-level fair value hierarchy based on the availability of the inputs:

- level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date;
- level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- level 3 inputs are unobservable inputs for the asset or liability.

Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance, which are going to be used longer than one year with their acquisition cost amounting to not less than EUR 300.

Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Bank and the cost of asset can be measured reliably. This requirement applies whether an intangible asset is acquired externally or generated internally.

Research costs are expensed, and development costs are capitalised and recognised in the balance sheet, if they can be reliably measured and it is probable that the future economic benefits that are associated with the asset will flow to the Bank. In other cases, development costs are expensed as they are incurred. If the Bank cannot distinguish the research phase from the development phase of an internal project to create an intangible asset, the Bank treats the expenditure on that project as if it were incurred in the research phase only.

Intangible assets are recognised initially at acquisition cost. Subsequent to the initial recognition, intangible assets are recognised at acquisition cost less accumulated amortisation and impairment loss, if any. The cost of intangible asset comprises its purchase price, including non-refundable purchase taxes and any directly attributable costs. Intangible assets are amortized on a straight-line basis over the estimated useful lives.

- basic software: 3–5 years
- other intangible assets: 5 years..

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use.

Amortisation periods for intangible assets with finite useful lives are reviewed at each financial year-end.

Property and equipment

Property, plant and equipment are such assets, which are going to be used longer than one year with their acquisition cost amounting to not less than EUR 300. Property, plant and equipment is stated at cost less accumulated depreciation and estimated impairment losses, if any.

When assets are sold or written-off, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the profit or loss. The cost of property, plant and equipment comprises its purchase price, including non-refundable acquisition taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repair and maintenance costs incurred after property, plant and equipment is brought into use are usually recognised in the statement of profit or loss in the period when such costs arise. Where it can be clearly demonstrated that those costs will lead to an increase in the economic benefits embodied in the use and/or an increase in the estimated economic life of the asset, costs are capitalised by adding them to the cost of the property, plant and equipment.

Depreciation is provided on a straight-line basis to write off proportionally the cost of each asset over its estimated useful life. The assets' book values and useful lives are reviewed, and adjusted, if appropriate, at each reporting date. For the main types of property, plant and equipment, depreciation is calculated using the following estimated useful lives of the assets:

- computer hardware and communication equipment (computers, computer networks and equipment): 3 years;
- cars: 5 years;
- equipment and other assets not listed above: 4 years.

(All amounts in EUR thousands unless otherwise stated)

The useful lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items in property, plant and equipment.

Lease (the Bank as a lessee)

Under leases, the liabilities and related right-of-use assets are recognised when the Bank may start to exercise the right to use assets. Each lease payment is allocated between the lease liability and interest expenses. Interest expenses are recognised over the lease term. Lease payments are discounted using the Bank's incremental borrowing rate. The Bank applies a single recognition and measurement approach for all leases, except for current leases and leases of low-value assets. The Bank recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial measurement of the lease liability, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, lease payments are discounted using the Bank's incremental borrowing rate, which is reviewed periodically. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Bank's lease liabilities are accounted for under the caption "Right-of-use assets and Lease liabilities" (Note 12).

Short-term leases and leases of low-value assets

The Bank applies the short-term lease recognition exemption to its short-term leases. Short-term leases are assessed on the basis of a renewal probability. If the leases have a remaining lease term of less than 12 months at the reporting date, the possibility of extending the leases is then assessed. Extension options are only included in the lease term if the lease is reasonably certain to be extended, an assumption that it will be extended for the planned period is adopted. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Current and deferred income tax

Income tax on the profit for the year comprises current and deferred tax. Calculation of income tax is based on requirements of the Lithuanian regulatory legislation on taxation.

The income tax rate in the Republic of Lithuania is 16% (from 2026 – 17%).

Tax losses can be carried forward for unlimited consecutive years in Lithuania. As from 1 January 2014, tax loss carry forward that is deducted cannot exceed 70% of the taxable profit of the current financial year. The losses from disposal of securities and (or) derivative financial instruments can be carried forward for five consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature.

Deferred tax is recognised, providing for temporary differences between the carrying values of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets have been recognised in the statement of financial position to the extent the Bank's management believes it will be realised in the foreseeable future, based on taxable profit forecasts. When it is probable that future taxable profit will not be available against which the deferred income tax will be utilised, such deferred income tax is not recognized in the financial statements.

Net interest income

Interest income on financial assets and interest expenses on financial liabilities include interest payments received or paid and changes in accrued interest during the period and any difference between initial amount and the maturity amount over the life of a financial instrument, which produces a constant rate of return over the instrument's life, referred to as the effective interest rate. The effective interest rate is the rate that discounts future cash flows to the gross carrying amount of a financial instrument or amortised cost of financial liabilities, taking into account transaction costs, premiums or discounts and fees paid or received that are an integral part of the return.

Interest income on financial assets is calculated by applying the effective interest rate to the gross carrying amount, with two exceptions. Where financial assets measured at amortised cost have become credit-impaired subsequent to initial recognition (Stage 3 financial assets), interest income is calculated by applying the effective interest rate to the amortised cost, which is the gross carrying amount less credit loss allowance. If such financial assets are no longer credit-impaired, the calculation of interest income reverts to the gross carrying amount basis. Where financial assets measured at amortised cost are credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost until the financial asset is derecognised from the balance sheet. The credit-adjusted effective interest rate is calculated based on the amortised cost of the financial asset rather than the gross carrying amount, and incorporates the impact of ECL in estimated future cash flows.

Net fee and commission income

Revenue from contracts with customers consists of service-related fees and is reported in the statement of profit or loss and other comprehensive income, under Fee and commission income. Fee and commission income consist mainly of fees related to services: income from payment services, service plans, operation of accounts, etc. This amount reflects the consideration that the Bank expects to receive for the services rendered. Their recognition in the statement of comprehensive income depends on the fulfilment of the Bank's obligations. The total consideration received is allocated to each performance obligation, depending on whether they are satisfied either at a point in time or over time.

Revenue is recognized based on the nature of the performance obligations.

Interest received on late payments and other liabilities related to loans are recognized as income on cash basis, upon receipt of cash from the clients.

Expense recognition

Interest on deposits are recognised on an accrual basis taking into account the amount of deposit and by using the interest rate applicable to the deposit agreement. Other operating expenses are recognised in accordance with the principles of accrual and comparability in the accounting period in which the related income is earned regardless of the time of the issue. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

Expenses are usually measured at amount paid or payable, including non-deductible VAT. In cases where a long settlement period is foreseen and no interest is deducted, the cost amount is estimated by discounting the settlement amount at the market rate.

Employee benefits

The Bank does not have any contribution and benefit plans, but in 2023 has introduced shared based payments using equity instruments. There were no such transactions performed during the year 2025. In order to reflect the stock options granted by the Bank, the Bank recognizes employee benefits as an expense in the statement of profit (loss) and other comprehensive income and, accordingly, the same amount as an increase in the share option reserve in equity. The fair value of such granted equity instruments is determined at the time of grant, i.e. on the day of grant. The grant date is the day on which the contract was concluded and the parties agreed on the terms of payment in shares. On the date of the grant, employees are granted rights to payment in shares. Since the rights to the granted equity instruments are not transferred until the employee met the service condition, it is assumed that the services are provided during the period of the transfer of rights. This means that cost and the corresponding increase in equity are recognized over the vesting period. Non-market vesting conditions, such as the requirement that the employee remain with the company, are taken into account when deciding how much of the equity instruments to be vested will be vested.

Short-term employee benefits are recognized as an expense in the current period when employees provide services. Benefits include wages, social security benefits, bonuses, paid vacations, and more.

Use of judgements and estimates in the preparation of financial statements

Based on IFRS as adopted by the European Union, the management, when preparing the financial statements, has to make certain estimates and assumptions that affect the disclosure of assets, liabilities, income, expenses and contingencies. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future, are discussed below.

Estimating expected credit losses for loans granted to customers

The Bank regularly reviews its portfolio of loans to determine whether they are credit-impaired. In determining whether loan impairment loss should be recorded in profit or loss, the Bank uses estimates whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the Bank's debtors with similar risk characteristics. This estimate is based on the analysis of historical data about the group of debtors with similar risk characteristics and related future information. The probability of default is established for each group of debtors with similar risk characteristics and is used to determine impairment. Assumptions used are reviewed regularly to reduce any differences between loss estimate and actual loss incurred. More detailed information about the included amounts is provided in the credit risk disclosure.

Deferred tax assets

Deferred tax assets are recognized on temporary differences to the extent that it is probable that tax benefits will be utilized against the future taxable profit. Management judgement is required to determine the amount of deferred tax assets to be recognized based on the likely timing and amount of future taxable profits together with future tax planning strategies. Deferred income tax assets are recognized with reference to the Bank's projections of its operations results and taxable profit. Future events may occur which will cause the assumptions used for estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable. For more information see Note 14.

Going concern

In accordance with IAS 1 "Presentation of Financial Statements," management is required to assess the Bank's ability to continue as a going concern for at least 12 months from the date of the financial statements. In evaluating the going concern assumption, management considers all available information regarding future performance, liquidity, capital adequacy, and other significant factors, such as projected cash flows, obligations, market changes, and the impact of the regulatory environment. If management identifies significant doubts about the Bank's ability to continue as a going concern, these circumstances and their effects are clearly disclosed in the explanatory notes to the financial statements, along with the key assumptions and actions taken by management to address these issues. Further information is provided in Note 22.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements, but disclosed when an inflow or economic benefits are probable.

Offsetting

While preparing the financial statements assets and liabilities, and income and expenses are not offset, except cases, when an individual international financial reporting standard requires such offset.

Subsequent events

Events after the reporting period that provide additional information about the Bank's position at the statement of financial position date (adjusting events) are disclosed in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

RISK MANAGEMENT

Risks are inherent in the Bank's activities. Risk management at the Bank is an ongoing process designed to ensure that the risks incurred by the Bank are identified and understood, their consequences are anticipated and measures are taken to mitigate the potential adverse effects of risk events.

The Bank's risk management encompasses the process of continuous recognition, assessment and control, taking into account on risk limits and other controls. The risk management process is important for the Bank's continued profitability and each individual within the Bank is responsible for managing risks related to their responsibilities.

(All amounts in EUR thousands unless otherwise stated)

The Bank is exposed to a credit risk, liquidity risk, market risk, operational risk, regulatory capital risk, etc.

Credit Risk

Credit risk is defined as the probability of loss arising from clients' failure to meet their financial obligations to the Bank. As this risk is directly linked to the Bank's core operations, it is considered the most significant business risk, for which a comprehensive and continuously evolving management system has been implemented. This system includes a lending policy, an established risk limits framework, effective internal control measures, and regular internal audits.

The Bank's Board-approved credit risk policy and related procedures set out the key management principles and define the acceptable level of risk. This ensures a consistent application of risk acceptance principles that align with the nature and complexity of the Bank's operations, as well as with the requirements of supervisory authorities. In pursuit of the highest management quality, the Bank adheres to best international banking practices, and employees consistently analyze risk management trends and solutions applied in both local and international markets.

The table below discloses the maximum credit risk of the Bank. These figures are presented at their gross value, without considering the impact of collateral agreements or other security instruments.

| | 2025-12-31 | 2024-12-31 |
|--|----------------|----------------|
| Cash and cash equivalents: | | |
| Balances with the Bank of Lithuania, gross | 231 072 | 44 025 |
| Balances with commercial banks, gross | 980 | 28 |
| Loans and receivables from customers | 144 181 | 80 963 |
| Debt securities | 73 938 | 55 928 |
| Credit risk exposures relating to off-balance sheet commitments | | |
| Obligations to provide loans | 18 308 | 5 656 |
| TOTAL: | 468 479 | 186 600 |

Provisions for Impairment Due to Credit Risk

The Bank applies a three-stage model to calculate Expected Credit Losses (ECL), in accordance with IFRS 9. Financial instruments are classified into risk stages based on changes in credit risk since initial recognition:

- **Stage 1** – positions where credit risk has not increased significantly since initial recognition and where there are no objective signs of impairment. These positions are considered to be performing adequately, with no significant payment delays, and the counterparty's ability to meet contractual obligations is assessed as sufficient.
- **Stage 2** – positions where a significant increase in credit risk has been identified since initial recognition. A significant increase in credit risk may be determined when, for example, the borrower's credit quality deteriorates, payments are delayed by more than 30 days, restructuring due to financial difficulties occurs, or other indicators defined by the Bank's internal policies are identified.
- **Stage 3** – non-performing positions. This includes cases where payments are delayed by more than 90 days, forced debt recovery is undertaken, restructuring procedures are applied, or in cases of bankruptcy.

Transfers between risk stages occur progressively, based on changes in credit risk and the Bank's established criteria. A position is transferred to a higher risk stage when a significant increase in credit risk is identified or signs of impairment occur. A transfer to a lower risk stage is only possible when credit risk significantly decreases, and the position performs adequately over a certain period (without significant delays or breaches).

TECL for each risk stage is calculated differently, depending on the assigned risk stage and the assessment of credit risk:

- **Stage 1** positions are subject to 12-month ECL calculation. This means that provisions are created based on the expected losses that could arise within the next 12 months, assuming a credit default occurs.
- **Stage 2** positions are subject to lifetime ECL calculation.
- **Stage 3** positions are subject to lifetime ECL calculation.

ECL is calculated using key risk parameters: Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). PD represents the likelihood that the borrower will fail to meet their financial obligations within the next 12 months or the remaining term of the obligation. EAD represents the size of the position at the time of default. LGD reflects the portion of the ECL if the obligation is not fulfilled.

For LGD assessment, conservative methods are used, including evaluating the value of collateral, potential reductions in collateral value, and recovery costs. PD is determined based on data from external rating agencies and is adjusted for expected macroeconomic conditions. The Bank applies a forward-looking methodology based on macroeconomic scenarios when assessing ECL. Two scenarios—baseline and pessimistic—are used to ensure a balanced and conservative credit risk assessment.

(All amounts in EUR thousands unless otherwise stated)

The following table presents the Bank's loan portfolio structure according to risk stages:

| 2025-12-31 | | | | | |
|---------------|-----------------------|-----------------------------|---------------------------|---------------------------|----------------|
| | Gross carrying amount | | | | |
| | Carrying amount | Deferred administration fee | Deferred transaction cost | Provisions for Impairment | Amortized cost |
| Stage 1 | 110 748 | (1 125) | 95 | (340) | 109 378 |
| Stage 2 | 31 406 | (184) | 34 | (717) | 30 539 |
| Stage 3 | 6 005 | (15) | 2 | (1 728) | 4 264 |
| TOTAL: | 148 159 | (1 324) | 131 | (2 785) | 144 181 |

| 2024-12-31 | | | | | |
|---------------|-----------------------|-----------------------------|---------------------------|---------------------------|----------------|
| | Gross carrying amount | | | | |
| | Carrying amount | Deferred administration fee | Deferred transaction cost | Provisions for Impairment | Amortized cost |
| Stage 1 | 66 291 | (667) | 262 | (318) | 65 568 |
| Stage 2 | 12 928 | (125) | 43 | (266) | 12 580 |
| Stage 3 | 3 703 | (28) | 5 | (865) | 2 815 |
| TOTAL: | 82 922 | (820) | 310 | (1 449) | 80 963 |

The table below provides a breakdown of the Bank's loan portfolio, before loss allowance, by stages and days past due:

| Days past due | 2025-12-31 | | | | 2024-12-31 | | | |
|-------------------|----------------|---------------|--------------|----------------|---------------|---------------|--------------|---------------|
| | Stage | | | TOTAL: | Stage | | | TOTAL: |
| | 1 | 2 | 3 | | 1 | 2 | 3 | |
| 0-4 days | 106 752 | 17 397 | - | 124 149 | 63 213 | 6 975 | 36 | 70 224 |
| 5-30 days | 2 966 | 7 748 | 711 | 11 425 | 2 616 | 2 324 | 97 | 5 037 |
| 31-60 days | - | 4 300 | 1 131 | 5 431 | 2 | 1 322 | 444 | 1 768 |
| 61-90 days | - | 1 811 | 992 | 2 803 | 1 | 2 225 | 609 | 2 835 |
| More than 90 days | - | - | 3 158 | 3 158 | 54 | - | 2 494 | 2 548 |
| TOTAL: | 109 718 | 31 256 | 5 992 | 146 966 | 65 886 | 12 846 | 3 680 | 82 412 |

The movement of loan impairment provisions is presented in the table below:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--------------|-------------|--------------|--------------|
| Provisions for impairment as of December 31, 2024: | 318 | 266 | 865 | 1 449 |
| Transfers between stages: | | | | |
| From Stage 1 to Stage 2 | (82) | 201 | - | 119 |
| From Stage 1 to Stage 3 | (7) | - | 195 | 188 |
| From Stage 2 to Stage 1 | - | - | - | - |
| From Stage 2 to Stage 3 | - | (72) | 295 | 223 |
| From Stage 3 to Stage 1 | - | - | - | - |
| From Stage 3 to Stage 2 | - | - | - | - |
| New loans or increases of loan amounts | 258 | 264 | 210 | 732 |
| Loan repayments | (44) | (38) | (66) | (148) |
| Loan write-offs | - | - | (16) | (16) |
| Other | (103) | 96 | 245 | 238 |
| Provisions for impairment as of December 31, 2025: | 340 | 717 | 1 728 | 2 785 |

(All amounts in EUR thousands unless otherwise stated)

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|-------------|-------------|-------------|--------------|
| Provisions for impairment as of December 31, 2023: | 273 | 191 | 301 | 765 |
| Transfers between stages: | | | | |
| From Stage 1 to Stage 2 | (51) | 204 | - | 153 |
| From Stage 1 to Stage 3 | (3) | - | 211 | 208 |
| From Stage 2 to Stage 1 | - | (7) | - | (7) |
| From Stage 2 to Stage 3 | - | (53) | 306 | 253 |
| From Stage 3 to Stage 1 | - | - | - | - |
| From Stage 3 to Stage 2 | - | - | (15) | (15) |
| New loans or increases of loan amounts | 195 | 19 | 21 | 235 |
| Loan repayments | (48) | (65) | (43) | (156) |
| Loan write-offs | - | - | - | - |
| Other | (48) | (23) | 84 | 13 |
| Provisions for impairment as of December 31, 2024: | 318 | 266 | 865 | 1 449 |

Collateral and Other Credit Risk Mitigation Instruments

The Bank's credit risk management policy provides for a wide range of acceptable collateral instruments, including real and movable property pledges, restrictions on property rights, as well as guarantees and warranties. To maintain a sound risk profile, the Bank consistently diversifies its loan portfolio by sectors and loan sizes.

All pledged assets are assessed based on strict internal standards, relying on independent appraiser reports, data from the State Enterprise "Register Center," acquisition cost, or book value. Bank specialists perform quality control of external appraisals, and positions exceeding EUR 300,000 undergo an additional review by the Credit Risk Department. The value of collateral is periodically reviewed, considering the type of asset, the borrower's condition, and market changes. If a significant deterioration in the collateral condition is identified or if a loan becomes non-performing, a revaluation is conducted immediately.

The Bank actively cooperates with international and local institutions (EIF, ILTE, Finnvera). For financing small and medium-sized enterprises, the European Guarantee Fund (EGF), ILTE individual and portfolio (PG3) guarantees, and Finnish Finnvera individual guarantees are used, with the value determined based on the maximum possible payouts and guarantee intensity.

The table below presents the distribution of the Bank's loan portfolio in relation to the discounted value of collateral by risk stages:

| Loan coverage by collateral, % | 2025-12-31 | | | | 2024-12-31 | | | |
|--------------------------------|----------------|---------------|--------------|----------------|---------------|---------------|--------------|---------------|
| | Stage | | | TOTAL: | Stage | | | TOTAL: |
| | 1 | 2 | 3 | | 1 | 2 | 3 | |
| Without collateral | 3 | 5 | 59 | 67 | 347 | 3 | 551 | 901 |
| Less than 10% | 84 | 14 | 921 | 1 019 | 191 | - | - | 191 |
| from 10% to 49% | 703 | 238 | 231 | 1 172 | 14 682 | 924 | 998 | 16 604 |
| from 50% to 59% | 1 343 | - | - | 1 343 | 11 529 | 1 033 | 42 | 12 604 |
| from 60% to 69% | 736 | 36 | 214 | 986 | 10 034 | 3 608 | 849 | 14 491 |
| from 70% to 79% | 1 829 | 31 | 579 | 2 439 | 5 833 | 1 361 | 97 | 7 291 |
| from 80% to 89% | 3 825 | 2 351 | 711 | 6 887 | 5 949 | 3 943 | - | 9 892 |
| from 90% to 100% | 5 802 | 3 495 | 599 | 9 896 | 3 565 | 369 | 20 | 3 954 |
| More than 100% | 95 393 | 25 086 | 2 678 | 123 157 | 13 756 | 1 605 | 1 123 | 16 484 |
| TOTAL: | 109 718 | 31 256 | 5 992 | 146 966 | 65 886 | 12 846 | 3 680 | 82 412 |

Concentration risk

In order to avoid excessive concentration of credit risk, the Bank applies a strict concentration limit system, which includes controls at both the individual client (and their groups) level, as well as at the level of specific economic activity sectors. Priority is given to complying with the supervisory requirements set by the Bank of Lithuania: as of December 31, 2025, the largest single borrower position accounted for 17.29%, maintaining a safe distance from the established limits.

In accordance with the regulations for large exposures, no position for a client or a group of related parties exceeded 25% of the Bank's Tier 1 capital. Positions for financial institutions are also strictly monitored to ensure that they do not exceed the higher of two thresholds: 25% of Tier 1 capital or EUR 150 million. By applying the EUR 150 million limit for financial institutions, the Bank ensures that the position does not exceed 100% of Tier 1 capital.

(All amounts in EUR thousands unless otherwise stated)

The Bank's credit risk concentration by economic activity sector is disclosed in the table below, before ECL.

| 2025-12-31 | | |
|---|----------------|---------------|
| Economic activity sector | Gross value | Proportion, % |
| Manufacturing | 27 461 | 19% |
| Wholesale trade | 23 891 | 16% |
| Construction | 22 601 | 15% |
| Retail trade | 19 769 | 14% |
| Transportation and storage | 10 384 | 7% |
| Real estate | 8 044 | 6% |
| Administration and consulting services | 6 265 | 4% |
| Arts, entertainment, recreation, healthcare | 6 254 | 4% |
| Rent and leasing | 4 406 | 3% |
| Other | 17 891 | 12% |
| Total: | 146 966 | 100% |

| 2024-12-31 | | |
|---|---------------|---------------|
| Economic activity sector | Gross value | Proportion, % |
| Manufacturing | 18 676 | 23% |
| Wholesale trade | 14 017 | 17% |
| Construction | 9 987 | 12% |
| Retail trade | 9 734 | 12% |
| Transportation and storage | 6 254 | 8% |
| Real estate | 5 790 | 7% |
| Administration and consulting services | 4 216 | 5% |
| Arts, entertainment, recreation, healthcare | 3 466 | 4% |
| Rent and leasing | 3 485 | 4% |
| Other | 6 786 | 8% |
| Total: | 82 411 | 100% |

Liquidity risk

Liquidity risk is the risk that the Bank will not be able to meet its financial liabilities as they fall due. To manage liquidity risk, the Bank's policy provides for the maintenance of a sufficient amount of cash and cash equivalents to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The following table discloses the Bank's maximum liquidity risk exposure at carrying value (without taking into account any collateral):

| 2025-12-31 | | | | | | |
|--------------------------------------|----------------|--------------------|---------------------|-------------------|-------------------|----------------|
| | On demand | Less than 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | Total: |
| Assets | | | | | | |
| Cash and cash equivalents | 232 052 | - | - | - | - | 232 052 |
| Loans and receivables from customers | 3 266 | 4 524 | 38 641 | 81 470 | 19 065 | 146 966 |
| Debt securities | 57 923 | - | 1 258 | 14 757 | - | 73 938 |
| Total: | 293 241 | 4 524 | 39 899 | 96 227 | 19 065 | 452 956 |
| Liabilities | | | | | | |
| Payables to customers | 217 970 | 39 489 | 149 327 | 25 068 | - | 431 854 |
| Debt securities issued (bonds) | - | - | - | 2 761 | - | 2 761 |
| Lease liability | - | 52 | 152 | 635 | - | 839 |
| Other liabilities | 1 318 | 1 190 | 39 | 450 | - | 2 997 |
| Total: | 219 288 | 40 731 | 149 518 | 28 914 | - | 438 451 |

(All amounts in EUR thousands unless otherwise stated)

| 2024-12-31 | | | | | | |
|--------------------------------------|----------------|--------------------|---------------------|-------------------|-------------------|----------------|
| | On demand | Less than 3 months | From 3 to 12 months | From 1 to 5 years | More than 5 years | Total: |
| Assets | | | | | | |
| Cash and cash equivalents | 44 053 | - | - | - | - | 44 053 |
| Loans and receivables from customers | 3 703 | 4 971 | 24 096 | 44 835 | 4 807 | 82 412 |
| Debt securities | 55 928 | - | - | - | - | 55 928 |
| Total: | 103 684 | 4 971 | 24 096 | 44 835 | 4 807 | 182 393 |
| Liabilities | | | | | | |
| Payables to customers | 61 142 | 11 474 | 71 701 | 28 422 | - | 172 739 |
| Debt securities issued (bonds) | - | - | - | - | 2 963 | 2 963 |
| Lease liability | - | 47 | 140 | 721 | - | 908 |
| Other liabilities | 754 | 1 062 | - | - | - | 1 816 |
| Total: | 61 896 | 12 583 | 71 841 | 29 143 | 2 963 | 178 426 |

In order to ensure resilience against potential market shocks, the Bank maintains an adequate reserve of high-quality liquid assets. In accordance with regulatory requirements, the Liquidity Coverage Ratio (LCR) must be no less than 100%. This means that the Bank's liquidity reserves must be sufficient to cover the projected net cash outflows over a 30-day period, even in the event of extremely unfavorable operating conditions (stress scenario).

As of December 31, 2025, the Bank's LCR stood at 136.08% (compared to 187.37% as of December 31, 2024). The Bank's Net Stable Funding Ratio (NSFR) as of December 31, 2025, was 224.04% (compared to 216.05% as of December 31, 2024). Meanwhile, the Leverage Ratio (LR) stood at 4.19% as of December 31, 2025 (compared to 4.35% as of December 31, 2024).

Market risk

Market Risk is defined as the probability of losses due to unfavorable fluctuations in market prices, such as exchange rates or interest rates, that could affect the Bank's assets or financial results. The Bank aims to maintain an optimal balance between risk-taking and return generation. In 2025, the Bank's market risk profile was primarily composed of the interest rate component. This is because the Bank does not invest in securities related to equity price fluctuations, and all operations and balance sheet positions are denominated in euros, thus eliminating currency exchange rate risk.

Interest Rate Risk

As of December 31, 2025, the Bank had no derivative financial instruments in place for managing interest rate risk. The interest rate risk faced by the Bank is related to positions in the banking book and their sensitivity to changes in market interest rates. The Bank monitors and assesses the interest rate gap to maintain a balance between interest-generating assets and interest-bearing liabilities over different time periods.

| 2025-12-31 | | | | | | | | | | | |
|---|------------|-----------|------------|------------|-------------|-----------|-----------|-----------|-----------|-----------|----------------|
| | Over night | < 1 month | 1-3 months | 3-6 months | 3-12 months | 1-2 years | 2-3 years | 3-4 years | 4-5 years | > 5 years | Total |
| EFFECT NII* if interest rate increase by 2p.p. | 232 | (57) | 361 | (83) | (218) | - | - | - | - | - | 235 |
| EFFECT NII* if interest rate decrease by 2p.p. | (232) | 57 | (361) | 83 | 218 | - | - | - | - | - | (235) |
| EFFECT EVE** if interest rate increase by 2p.p. | (1) | (1) | (110) | (23) | 522 | (17) | (889) | (94) | (160) | (298) | (1 071) |
| EFFECT EVE** if interest rate decrease by 2p.p. | 1 | 1 | 112 | 24 | (542) | 21 | 953 | 103 | 178 | 338 | 1 189 |

*NII – net interest income

**EVE – economic value of equity

(All amounts in EUR thousands unless otherwise stated)

Foreign currency exchange risk

The Bank adheres to a conservative foreign exchange risk management policy, based on matching cash flows in each foreign currency. To avoid the impact of exchange rate fluctuations, the Bank does not engage in derivative transactions. The Bank's main operations are focused on euros: both loans provided to customers and the financing raised are denominated in this currency. As a result, no significant open currency positions are created. Any incidental and immaterial foreign exchange risk may only arise during the short-term conversion of customer payments, while the funds are being exchanged into the Bank's base currency.

Operational risk

Operational risk is the risk to incur losses due to inadequate internal control processes or incorrect process implementation, people, systems or external incidents. Within the Bank, operational risk management focuses on the risks arising from the people, systems and processes in which the Bank operates. This also includes other risks such as fraud, legal risks, physical or environmental risks.

In addition to calculating the capital requirement for operational risk based on the Basic Indicator Approach, it will be assessed whether the Bank's use of outsourcing requires additional Pillar 2 requirements. In calculating the minimum required capital requirement for operational risk, the Bank applies the Basic Indicator Approach. The calculation of the operational risk also makes part of the internal capital adequacy assessment process. The risk appetite, risk tolerance, and early warning limit for operational risk are implemented accordingly.

Regulatory capital

The Bank is required to maintain sufficient capital to cover unexpected losses, ensuring the Bank's ability to comply with capital adequacy requirements and maintain an optimal capital level to support portfolio growth and safeguard against potential risks. Based on the results of the Bank's supervisory review and evaluation process (SREP), the Bank must meet the following own funds requirements: a Tier 1 capital ratio of 11.12%, a Tier 1 capital adequacy ratio of 13.66%, and a total capital adequacy ratio of 17.05%.

In addition to the minimum capital requirement, which remains subject to the 8% standard, banks are required to meet additional capital buffer requirements, including a 2.5% capital conservation buffer and a special counter-cyclical capital buffer. As of the reporting date, the Bank of Lithuania has set an additional 1% reserve requirement. The Bank has not issued capital instruments classified as additional Tier 1 instruments, meaning the Bank's total Tier 1 capital is equivalent to its Tier 1 capital.

As of December 31, 2025, the Bank met all own funds and additional capital reserve requirements, and the total capital adequacy ratio stood at 19.95% (compared to 18.61% as of December 31, 2024). Further information on the Bank's compliance with these ratios is available in the publicly disclosed Pillar 3 report on the Bank's website at <https://smebank.lt/veiklos-ataskaitos>.

The table below presents the key performance indicators of the Bank as of December 31, 2025:

| 2025-12-31 | | |
|------------------------------|---------|--------|
| Indicator | Amount | % |
| Common Equity Tier 1 capital | 19 045 | 18,50% |
| Tier 1 capital | 19 045 | 18,50% |
| Tier 2 capital | 1 499 | - |
| Total Own Funds | 20 545 | 19,95% |
| Risk weight amount | 102 968 | |

The table below presents the key performance indicators of the Bank as of December 31, 2024:

| 2024-12-31 | | |
|------------------------------|--------|--------|
| Indicator | Amount | % |
| Common Equity Tier 1 capital | 7 949 | 15,02% |
| Tier 1 capital | 7 949 | 15,02% |
| Tier 2 capital | 1 900 | - |
| Total Own Funds | 9 849 | 18,61% |
| Risk weight amount | 52 913 | |

(All amounts in EUR thousands unless otherwise stated)

NOTE 1: Net interest income

| | 2025-12-31 | 2024-12-31 |
|---|----------------|----------------|
| Interest income | | |
| Loans to legal persons | 10 765 | 9 358 |
| Balances with central banks | 1 944 | 687 |
| Debt securities measured at amortised cost | 203 | 50 |
| Debt securities measured at fair value through other comprehensive income | 1 379 | 537 |
| Loans to households | 279 | 134 |
| Loans to financial institutions | - | 6 |
| Deposits in credit institutions | - | 16 |
| Total interest income: | 14 570 | 10 788 |
| Interest expense | | |
| Customer deposits | (5 932) | (4 695) |
| Issued bonds | (211) | (201) |
| Lease liabilities | (62) | (43) |
| Total interest expense: | (6 205) | (4 939) |
| Net interest income | 8 365 | 5 849 |

NOTE 2: Net fee and commission income

| | 2025-12-31 | 2024-12-31 |
|---|--------------|--------------|
| Fee and commission income | | |
| Penalty interest income | 424 | 375 |
| Commission income from payment services | 373 | 220 |
| Commission income from lending and leasing services | 403 | 126 |
| Other commission income | 37 | 31 |
| Total fee and commission income: | 1 237 | 752 |
| Fee and commission expense | | |
| Commission expenses related to lending and leasing services | (189) | (263) |
| Commission expenses related to investment activity | (58) | (50) |
| Commission expenses related to payment services | (25) | (19) |
| Other commission expenses | (38) | (93) |
| Total fee and commission expense: | (310) | (425) |
| Net fee and commission income | 927 | 327 |

NOTE 3: Net result from securities transactions and other comprehensive income

| | 2025-12-31 | 2024-12-31 |
|--|--------------|------------|
| Realized gains from debt securities measured at fair value | 574 | 397 |
| Realized (losses) from debt securities measured at fair value | - | - |
| Net result from debt securities transactions | 574 | 397 |
| Change in fair value during the year | 52 | 1 082 |
| Reclassification to profit (loss) | (574) | (397) |
| Unrealized gains (losses) from debt securities measured at fair value | (522) | 685 |
| Deferred income tax | 81 | (110) |
| Total comprehensive income | (441) | 575 |

(All amounts in EUR thousands unless otherwise stated)

NOTE 4: Other operating result

| | 2025-12-31 | 2024-12-31 |
|--|------------|-------------|
| Foreign exchange results | 67 | 25 |
| Result of sale of non-financial assets | (106) | - |
| Other operating result | 31 | (68) |
| Total: | (8) | (43) |

NOTE 5: Personnel expenses

| | 2025-12-31 | 2024-12-31 |
|--|--------------|--------------|
| Wages, salaries and related social charges | 5 675 | 4 340 |
| Employee insurance expenses | 51 | 23 |
| Vacation accruals | 30 | (15) |
| Other personnel expenses | 23 | 15 |
| Total: | 5 779 | 4 363 |

NOTE 6: Administrative expenses

| | 2025-12-31 | 2024-12-31 |
|---|--------------|--------------|
| IT expenses | 536 | 446 |
| VAT and other taxes | 445 | 412 |
| Legal expenses | 328 | 258 |
| Contributions to resolution and deposit guarantee funds | 275 | 199 |
| Consultation services | 210 | 177 |
| Compliance expenses | 114 | 70 |
| Office rent and maintenance expenses | 91 | 110 |
| Transportation expenses | 89 | 70 |
| Bank of Lithuania supervisory fine | 78 | - |
| Marketing expenses | 61 | 29 |
| Accounting related expenses | 51 | 4 |
| Statutory audit expenses | 46 | 25 |
| Staff recruitment expenses | 46 | 28 |
| Travel and representation expenses | 40 | 6 |
| Telecommunication expenses | 37 | 4 |
| Membership fees | 36 | 17 |
| Other expenses | 205 | 162 |
| Total: | 2 688 | 2 017 |

NOTE 7: Cash and cash equivalents

| | 2025-12-31 | 2024-12-31 |
|---|----------------|---------------|
| Balances with the Bank of Lithuania | | |
| Balances with the Bank of Lithuania | 227 726 | 42 670 |
| Minimum reserve in local currency, gross | 3 352 | 1 359 |
| Loss allowance | (6) | (4) |
| Balances with the Bank of Lithuania, net carrying amount | 231 072 | 44 025 |
| Balances with commercial banks | | |
| Gross value | 1 044 | 29 |
| Loss allowance | (64) | (1) |
| Balances with commercial banks, net carrying amount | 980 | 28 |
| Total: | 232 052 | 44 053 |

Mandatory reserves in accordance with Eurosystem requirements amounted to 1% in 2025 and 2024 of the balances of current accounts and term deposits with a maturity of up to two years, calculated based on the Bank's balance sheet data prior to each

(All amounts in EUR thousands unless otherwise stated)

new reserve maintenance period. As at 31 December 2025, the Bank's mandatory reserves amounted to EUR 3,352 thousand (31 December 2024: EUR 1,359 thousand).

Funds held with commercial banks and the central bank are classified as Level 1 financial assets. The composition of cash balances held with commercial banks by banks' credit rating is presented below:

| Rating | 2025-12-31 | 2024-12-31 |
|---|--------------|------------|
| From A- to A+ | 33 | 14 |
| Cash balances at banks without external rating (internal rating – Standard risks) | 1 011 | 15 |
| Total: | 1 044 | 29 |

NOTE 8: Debt securities

| | 2025-12-31 | 2024-12-31 |
|---|---------------|---------------|
| Debt securities measured at fair value through other comprehensive income | | |
| Nominal value of debt securities | 57 317 | 53 821 |
| Change in fair value | (36) | 130 |
| Accrued coupon interest on debt securities | 648 | 457 |
| Impairment of debt securities | (6) | (6) |
| Total value of debt securities measured at fair value through other comprehensive income | 57 923 | 54 402 |
| Debt securities measured at amortised cost | | |
| Nominal value of debt securities | 15 720 | 1 500 |
| Change in amortised value of debt securities | 87 | 1 |
| Accrued coupon interest on debt securities | 212 | 33 |
| Impairment of debt securities | (4) | (8) |
| Total value of debt securities valued at amortised cost | 16 015 | 1 526 |
| Total debt securities: | 73 938 | 55 928 |

As at 31 December 2025, securities measured at fair value through other comprehensive income consisted solely of government securities of the Republic of Lithuania:

| | 2025-12-31 | 2024-12-31 |
|--|---------------|---------------|
| Government securities of the Republic of Lithuania | 57 923 | 31 499 |
| Government securities of EU countries | - | 22 903 |
| Total: | 57 923 | 54 402 |

The fair value of debt securities measured at fair value through other comprehensive income was determined based on the mid-market prices of official bid and ask quotations as at 31 December 2025 and 31 December 2024.

Securities measured at amortised cost consisted solely of securities issued by EU credit institutions:

| | 2025-12-31 | 2024-12-31 |
|---|---------------|--------------|
| Debt securities of institutions of EU countries | 16 015 | 1 526 |
| Total: | 16 015 | 1 526 |

The interest rate on securities measured at amortised cost was determined as the weighted average interest rate of the investment portfolio, which amounted to 3.06% as at 31 December 2025.

(All amounts in EUR thousands unless otherwise stated)

NOTE 9: Loans to customers

| | 2025-12-31 | 2024-12-31 |
|--|----------------|---------------|
| Investment loans | 51 265 | 29 885 |
| Working capital loans | 62 381 | 22 671 |
| Credit lines | 28 996 | 26 574 |
| Overdrafts | 1 670 | 3 223 |
| Leasing | 2 597 | - |
| Technical overdrafts | 57 | 59 |
| Gross carrying amount | 146 966 | 82 412 |
| Allowances for impairment due to credit risk | (2 785) | (1 449) |
| Total: | 144 181 | 80 963 |

The Bank has granted loans to customers in Lithuania, Latvia, Estonia, Finland, and the Netherlands. Loans granted to customers in other countries consisted of overdrafts on technical settlement accounts due to insufficient funds to cover monthly account package fees. The geographical distribution of loans granted in 2025 and 2024 is presented in the tables below:

| | 2025-12-31 | | | | | | Total |
|--|----------------|--------------|--------------|---------------|--------------|----------|----------------|
| | Lithuania | Latvia | Estonia | Finland | Netherlands | Other | |
| Investment loans | 40 612 | 1 391 | 2 004 | 1 416 | 5 842 | - | 51 265 |
| Working capital loans | 41 495 | 2 976 | 1 692 | 13 266 | 2 952 | - | 62 381 |
| Credit lines | 28 584 | 287 | - | - | 125 | - | 28 996 |
| Overdrafts | 1 449 | - | 221 | - | - | - | 1 670 |
| Leasing | 2 597 | - | - | - | - | - | 2 597 |
| Technical overdrafts | 54 | 2 | - | - | - | 1 | 57 |
| Gross carrying amount | 114 791 | 4 656 | 3 917 | 14 682 | 8 919 | 1 | 146 966 |
| Allowances for impairment due to credit risk | (2 456) | (194) | - | (93) | (41) | (1) | (2 785) |
| Total: | 112 335 | 4 462 | 3 917 | 14 589 | 8 878 | - | 144 181 |

| | 2024-12-31 | | | | | | Total |
|--|---------------|--------------|------------|----------|-------------|----------|---------------|
| | Lithuania | Latvia | Estonia | Finland | Netherlands | Other | |
| Investment loans | 28 293 | 1 260 | 332 | - | - | - | 29 885 |
| Working capital loans | 19 759 | 2 912 | - | - | - | - | 22 671 |
| Credit lines | 26 323 | 251 | - | - | - | - | 26 574 |
| Overdrafts | 3 139 | - | 84 | - | - | - | 3 223 |
| Leasing | - | - | - | - | - | - | - |
| Technical overdrafts | 57 | 2 | - | - | - | - | 59 |
| Gross carrying amount | 77 571 | 4 425 | 416 | - | - | - | 82 412 |
| Allowances for impairment due to credit risk | (1 318) | (130) | (1) | - | - | - | (1 449) |
| Total: | 76 253 | 4 295 | 415 | - | - | - | 80 963 |

(All amounts in EUR thousands unless otherwise stated)

NOTE 10: Allowances

The table below presents the Bank's impairment allowances for credit risk:

| | 2025-12-31 | 2024-12-31 |
|-------------------------------------|--------------|--------------|
| Impairment as at 1 January | 1 449 | 765 |
| Recognised | 732 | 235 |
| Financial assets derecognised | (147) | (156) |
| Transfers between stages | 530 | 593 |
| Loan write-offs | (16) | - |
| Other | 237 | 12 |
| Impairment as at 31 December | 2 785 | 1 449 |

The total change in impairment of financial assets is presented in the table below:

| | 2025-12-31 | 2024-12-31 |
|--|--------------|------------|
| Credit loss allowance on loans granted | 1 279 | 684 |
| Credit loss allowance on technical overdrafts | 57 | - |
| Credit loss allowance on loan commitments | (2) | (9) |
| Credit loss allowance on cash and cash equivalents | 64 | 4 |
| Credit loss allowance on debt securities | (3) | 8 |
| Net credit loss allowance charge for the year | 1 395 | 687 |

NOTE 11: Intangible assets and Property and equipment

| Intangible assets for 2025 | Core software | Supplementary software | Under development | Total intangible assets |
|--|---------------|------------------------|-------------------|-------------------------|
| Net book value at the end of the prior financial year | 2 000 | 22 | 150 | 2 172 |
| a) Intangible assets at acquisition cost | | | | |
| At the end of the prior reporting period | 3 643 | 50 | 150 | 3 843 |
| Changes in current reporting period: | | | | |
| - Additions | 546 | 74 | 279 | 899 |
| - Disposals | - | - | - | - |
| At the end of the reporting period | 4 189 | 124 | 429 | 4 742 |
| b) Amortisation | | | | |
| At the end of the prior reporting period | 1 643 | 28 | - | 1 671 |
| Changes in current reporting period: | | | | |
| - Amortisation charge for the year | 1 157 | 11 | - | 1 168 |
| At the end of the reporting period | 2 800 | 39 | - | 2 839 |
| (c) Net book value at the end of the financial year (a)-(b) | 1 389 | 85 | 429 | 1 903 |

(All amounts in EUR thousands unless otherwise stated)

| Intangible assets for 2024 | Core software | Supplementary software | Under development | Total intangible assets |
|--|---------------|------------------------|-------------------|-------------------------|
| Net book value at the end of the prior financial year | 1 936 | 9 | 145 | 2 090 |
| a) Intangible assets at acquisition cost | | | | |
| At the end of the prior reporting period | 2 762 | 31 | 145 | 2 938 |
| Changes in current reporting period: | | | | |
| - Additions | 881 | 19 | 45 | 945 |
| - Disposals | - | - | (40) | (40) |
| At the end of the reporting period | 3 643 | 50 | 150 | 3 843 |
| b) Amortisation | | | | |
| At the end of the prior reporting period | 826 | 22 | - | 848 |
| Changes in current reporting period: | | | | |
| - Amortisation charge for the year | 817 | 6 | - | 823 |
| At the end of the reporting period | 1 643 | 28 | - | 1 671 |
| (c) Net book value at the end of the financial year (a)-(b) | 2 000 | 22 | 150 | 2 172 |

| Tangible assets in 2025 | Equipment | Computer hardware | Machinery and equipment | Total property and equipment |
|--|-----------|-------------------|-------------------------|------------------------------|
| Net book value at the end of the prior financial year | 18 | 45 | 5 | 68 |
| a) Tangible assets at acquisition cost | | | | |
| At the end of the prior reporting period | 34 | 108 | 6 | 148 |
| Changes in current reporting period: | | | | |
| - Additions | 21 | 68 | - | 89 |
| - Disposals | (1) | (18) | - | (19) |
| At the end of the reporting period | 54 | 158 | 6 | 218 |
| b) Depreciation | | | | |
| At the end of the prior reporting period | 16 | 63 | 1 | 80 |
| Changes in current reporting period: | | | | |
| - Depreciation charge for the year | 12 | 30 | 2 | 44 |
| - Depreciation reversal | (1) | (16) | - | (17) |
| At the end of the reporting period | 27 | 77 | 3 | 107 |
| (c) Net book value at the end of the financial year (a)-(b) | 27 | 81 | 3 | 111 |

| Tangible assets in 2024 | Equipment | Computer hardware | Machinery and equipment | Total property and equipment |
|--|-----------|-------------------|-------------------------|------------------------------|
| Net book value at the end of the prior financial year | 13 | 34 | 3 | 50 |
| a) Tangible assets at acquisition cost | | | | |
| At the end of the prior reporting period | 22 | 72 | 4 | 98 |
| Changes in current reporting period: | | | | |
| - Additions | 12 | 38 | 5 | 55 |
| - Disposals | - | (2) | (3) | (5) |
| At the end of the reporting period | 34 | 108 | 6 | 148 |
| b) Depreciation | | | | |
| At the end of the prior reporting period | 8 | 38 | 1 | 47 |
| Changes in current reporting period: | | | | |
| - Depreciation charge for the year | 8 | 26 | 1 | 35 |
| - Depreciation reversal | - | (1) | (1) | (2) |
| At the end of the reporting period | 16 | 63 | 1 | 80 |
| (c) Net book value at the end of the financial year (a)-(b) | 18 | 45 | 5 | 68 |

(All amounts in EUR thousands unless otherwise stated)

As of 31 December 2025, the Bank had fully amortized intangible assets (acquisition cost in 2025 – 27.8 thousand of EUR, in 2024 – 24.8 thousand of EUR) and tangible assets (acquisition cost in 2025 – 42.7 thousand of EUR, in 2024 – 30.4 thousand of EUR) but still in use.

NOTE 12: Right-of-use assets and Lease liabilities

The carrying value of right-of-use assets as at 31 December 2025 and 2024 and its movement throughout the year is disclosed in the tables below:

| Right-of-use assets in 2025 | Vehicles | Premises | Total |
|---|------------|------------|------------|
| Net book value at the end of the prior financial year | 307 | 386 | 693 |
| a) Carrying amount of the right-of-use assets | | | |
| At the end of the prior reporting period | 345 | 428 | 773 |
| Changes in current reporting period: | | | |
| - Additions | - | - | - |
| - Disposals | (23) | - | (23) |
| - Remeasurement on modification of lease terms | - | 156 | 156 |
| At the end of the reporting period | 322 | 584 | 906 |
| b) Depreciation | | | |
| At the end of the prior reporting period | 38 | 42 | 80 |
| Changes in current reporting period: | | | |
| - Depreciation charge for the year | 68 | 120 | 188 |
| - Derecognition on modification of lease terms | (6) | - | (6) |
| At the end of the reporting period | 100 | 162 | 262 |
| c) Net book value at the end of the financial year (a)-(b) | 222 | 422 | 644 |
| <i>Discount rate</i> | 12,9% | 5,7% | |
| <i>Lease term</i> | 3,5 years | 5 years | |

| Right-of-use assets in 2024 | Vehicles | Premises | Total |
|---|------------|------------|------------|
| Net book value at the end of the prior financial year | 74 | 260 | 334 |
| a) Carrying amount of the right-of-use assets | | | |
| At the end of the prior reporting period | 84 | 420 | 504 |
| Changes in current reporting period: | | | |
| - Additions | 341 | 408 | 749 |
| - Disposals | (83) | (405) | (488) |
| - Remeasurement on modification of lease terms | 3 | 5 | 8 |
| At the end of the reporting period | 345 | 428 | 773 |
| b) Depreciation | | | |
| At the end of the prior reporting period | 10 | 160 | 170 |
| Changes in current reporting period: | | | |
| - Depreciation charge for the year | 49 | 86 | 135 |
| - Derecognition on modification of lease terms | (21) | (204) | (225) |
| At the end of the reporting period | 38 | 42 | 80 |
| c) Net book value at the end of the financial year (a)-(b) | 307 | 386 | 693 |
| <i>Discount rate</i> | 7,4% | 5,7% | |
| <i>Lease term</i> | 3 years | 5 years | |

(All amounts in EUR thousands unless otherwise stated)

Right-of-use assets and lease liabilities

| | 2025-12-31 | 2024-12-31 |
|-----------------------------------|------------|------------|
| As at 1 January | 715 | 326 |
| Additions | - | 750 |
| Increase in interest | 66 | 42 |
| Payments | (207) | (152) |
| Payment and contract modification | 156 | 9 |
| Terminations | (23) | (259) |
| As at 31 December | 707 | 715 |
| <i>Current liabilities</i> | <i>141</i> | <i>151</i> |
| <i>Non-current liabilities</i> | <i>566</i> | <i>564</i> |

Undiscounted lease payments and lease liabilities

| 2025-12-31 | Vehicles | Premises | Total |
|--|------------|------------|------------|
| Total undiscounted lease payments | | | |
| Within 1 year | 67 | 137 | 204 |
| 1–5 years | 290 | 345 | 635 |
| Total (undiscounted): | 357 | 482 | 839 |
| Future finance charges | (86) | (46) | (132) |
| Lease liabilities (carrying amount) | 271 | 436 | 707 |

NOTE 13: Other liabilities

| | 2025-12-31 | 2024-12-31 |
|--|--------------|--------------|
| Amounts due to loans under preferential loan programme | 1 025 | 1 062 |
| Trade payables | 726 | 104 |
| Payables to related parties | 424 | 2 |
| Vacation accruals | 231 | 201 |
| Transit account balance for external payments | 202 | 16 |
| Accrued expenses | 120 | 102 |
| Payable VAT | 86 | 23 |
| Payable EIF and ILTE guarantee fee | 66 | 186 |
| Employee-related liabilities | 9 | 3 |
| Other liabilities | 108 | 117 |
| Total: | 2 997 | 1 816 |

Repayable amount from preferential loans include obligations to ILTE – specifically, the amounts to be reimbursed from preferential loans and interest recovered from clients under the state aid program “Loans to ensure the liquidity of economic entities operating in the agricultural and fisheries product production, processing, and marketing sectors in response to Russia’s aggression against Ukraine.” Further information on off-balance sheet commitments is provided in Note 19.

NOTE 14: Income tax and deferred tax

| | 2025-12-31 | 2024-12-31 |
|---|------------|------------|
| Income tax expenses for the reporting period | 254 | 286 |
| Income tax expenses for the previous reporting period | 210 | 12 |
| INCOME TAX BENEFIT (EXPENSES) | 464 | 298 |

(All amounts in EUR thousands unless otherwise stated)

| | 2025-12-31 | 2024-12-31 |
|---|----------------|----------------|
| Profit (loss) before income tax | (1 418) | (1 518) |
| Tax at the applicable statutory rate | 241 | 243 |
| Non-taxable income | 72 | 60 |
| Non-deductible expenses | (45) | (17) |
| Change in deferred income tax of the previous reporting year | 210 | 12 |
| Deferred income tax on other comprehensive income | 89 | (110) |
| Income tax expenses for the previous reporting period | (22) | - |
| Income tax benefits (expenses) related to other comprehensive income | 545 | 188 |

The recognised income tax benefit can be reconciled with income tax expense amount, resulted from the application of statutory income tax rate to profit before tax as follows:

| | 2025-12-31 | 2024-12-31 |
|---|----------------|----------------|
| Profit (loss) before income tax | (1 418) | (1 518) |
| Non-taxable income | (424) | (375) |
| Non-deductible expenses | 265 | 76 |
| Total taxable profit (loss) | (1 577) | (1 817) |
| Tax rate | 17% | 16% |
| Deferred tax on tax losses | 268 | 291 |
| Deferred tax from tax losses of the previous reporting period | 210 | - |
| Deferred tax on right-of-use assets | (109) | (111) |
| Deferred tax on lease liability | 75 | 114 |
| Deferred tax on accrued expenses of the previous reporting period | (1) | (1) |
| Deferred tax on accrued expenses | - | - |
| Deferred tax on non-current assets | (12) | 5 |
| Deferred tax on other comprehensive income | 89 | (110) |
| Total deferred tax assets | 520 | 188 |
| Deferred tax assets at the beginning of the period | 257 | 68 |
| Deferred tax assets at the end of the period | 777 | 257 |

NOTE 15: Other assets

| | 2025-12-31 | 2024-12-31 |
|--------------------------|--------------|------------|
| Customer cash collateral | 450 | - |
| Deferred expenses | 406 | 163 |
| Advances paid to vendors | 139 | 52 |
| Deposits paid to vendors | 41 | - |
| Accrued income | 7 | 12 |
| Other assets | 93 | 134 |
| Total: | 1 136 | 361 |

NOTE 16: Customer deposits

Deposits at the Bank are accepted both through the local market and via third-party service providers. All collected deposits are recorded in the Bank's core system and are subject to fixed interest rates.

| | 2025-12-31 | | | Total |
|-------------------------------|------------------------|-----------------------|--------------------|----------------|
| | Deposits via platforms | Lithuanian depositors | Foreign depositors | |
| Term deposits | 204 416 | 2 510 | - | 206 926 |
| Deposits on demand | - | 213 030 | 4 942 | 217 972 |
| Accrued interest to customers | 3 329 | 203 | 1 | 3 533 |
| Transaction costs | (336) | - | - | (336) |
| Total: | 207 409 | 215 743 | 4 943 | 428 095 |

(All amounts in EUR thousands unless otherwise stated)

| | 2024-12-31 | | | Total |
|-------------------------------|------------------------|-----------------------|--------------------|----------------|
| | Deposits via platforms | Lithuanian depositors | Foreign depositors | |
| Term deposits | 106 163 | 684 | - | 106 847 |
| Deposits on demand | - | 59 694 | 1 386 | 61 080 |
| Accrued interest to customers | 2 040 | 78 | - | 2 118 |
| Transaction costs | (162) | - | - | (162) |
| Total: | 108 041 | 60 456 | 1 386 | 169 883 |

In accordance with the Republic of Lithuania Law on Deposit and Investor Insurance, the Bank is required to make annual contributions to the Deposit and Investor Compensation Fund. In 2025, these expenses amounted to 275 thousand of EUR (in 2024 – 199 thousand of EUR) and are classified as administrative expenses in the statement of comprehensive income. Since 2015, all deposits that fall under the scope of deposit insurance, as defined by legal regulations, and do not exceed 100 thousand of EUR, are covered by the deposit insurance scheme.

NOTE 17: Issued debt securities

As at 31 December 2025, the Bank's liabilities related to the bonds consisted of the following:

| | 2025-12-31 | 2024-12-31 |
|-------------------|--------------|--------------|
| Issued bonds | 2 000 | 2 000 |
| Transaction costs | (34) | (43) |
| Total: | 1 966 | 1 957 |

All bonds issued by the Bank are not subject to pledge.

NOTE 18: Equity

| | Nominal amount, EUR | 2025-12-31 | 2024-12-31 |
|--|---------------------|---------------|---------------|
| Structure of authorised share capital at the end of prior reporting period: | | | |
| Ordinary shares | 1 | 3 500 | 3 500 |
| Reserve capital | | 7 224 | 3 800 |
| Total: | | 10 724 | 7 300 |
| Structure of authorised share capital at the end of reporting period: | | | |
| Ordinary shares | 1 | 7 000 | 3 500 |
| Reserve capital | | 14 754 | 7 224 |
| Total: | | 21 754 | 10 724 |

The Bank has no classes of shares other than the ordinary registered shares mentioned above. As of 31 December 2025, the Bank's share capital was fully paid up.

The Bank did not acquire or transfer any of its own shares during 2025, and held no treasury shares as of 31 December 2025 or 31 December 2024.

(All amounts in EUR thousands unless otherwise stated)

Reserve capital

To ensure the Bank's financial stability, shareholders have consistently increased reserve capital through cash contributions. As of 31 December 2025, a total of 19 500 thousand of EUR in reserve capital (reserve fund) had been formed from shareholder cash contributions. The purpose of the reserve capital is to ensure the financial stability of the Bank. The history of capital formation is presented below:

| Year | Reserve capital contributions | Reserve capital at the end of the period |
|---------------|-------------------------------|--|
| 2021 | 500 | 500 |
| 2022 | 1 500 | 2 000 |
| 2023 | 1 800 | 3 800 |
| 2024 | 3 450 | 7 224 |
| 2025 | 12 250 | 14 754 |
| Total: | 19 500 | 14 754 |

Legal reserve

The Bank is obliged to form a legal reserve under the legislation of the Republic of Lithuania. The Bank is required to make annual transfers comprising 5% of the net profit calculated in accordance with the requirements of the legislation on financial accounting of the Republic of Lithuania until the reserve reaches 10% of the issued capital.

The Bank's performance and the use of reserves in recent years were approved at the general meetings of shareholders. By decision of 29 April 2024, the undistributed loss of 48,7 thousand euros was covered by using the funds of the statutory reserve (22,4 thousand of EUR) and the reserve capital (26,3 thousand of EUR). At the meeting of 30 April 2025, a decision was made to cover the undistributed loss of 1,220 thousand of EUR from the Bank's reserve capital.

Profit (loss) distribution proposal

| | 2025 | 2024 |
|--|--------------|----------------|
| Profit (loss) brought forward from the prior reporting period | - | - |
| Net loss for the reporting period | (954) | (1 220) |
| Retained earnings (losses) | (954) | (1 220) |
| Transfers to legal reserve | - | - |
| Retained earnings (losses): | (954) | (1 220) |

NOTE 19: Off-balance sheet assets, liabilities and contingencies

As of 31 December 2025, the Bank had outstanding loan commitments totaling 18 308 thousand of EUR (compared to 5 656 thousand of EUR as of 31 December 2024).

The Bank operates as a financial intermediary, lending funds received from ILTE to farmers and agricultural companies affected by the war in Ukraine. This classification is based on the agreement with ILTE, which specifies that the Bank acts solely as a financial intermediary: it lends the funds received from ILTE but does not make final lending decisions, and bears no financial or non-financial responsibility in the event of borrower default. In December 2025, the Bank took over the administration of preferential loans with a total value of EUR 5.4 million from another bank. Since the Bank acts as an intermediary under this financial instrument, in accordance with IFRS requirements, neither the funds received from the fund nor the repayments collected from borrowers are recognized in the Bank's accounting records or disclosed in its financial statements. Under this arrangement, the Bank had distributed EUR 14 million in loans. As of 31 December 2025, the outstanding balance of such loans amounted to EUR 13.1 million.

In September–December 2025, the Bank of Lithuania conducted a targeted inspection of the Bank in the areas of internal governance and control and credit and liquidity risk management, covering the period from 30 June 2024 to 30 June 2025. As of the date of publication of the financial statements, the Bank has not received information about possible sanctions, therefore no relevant costs have been accrued.

NOTE 20: Fair value

The carrying amounts of the Bank's cash balances, debt securities, and financial liabilities are close to their fair values. The fair value of loans was determined by discounting the expected future cash flows for each loan over its full term using the average market interest rates applicable at the end of the reporting period. The accompanying tables present the carrying amounts and fair values of the Bank's financial assets and liabilities, as well as their classification within the fair value hierarchy levels. For financial assets and liabilities not measured at fair value, the carrying amount is a reasonable approximation of fair value.

(All amounts in EUR thousands unless otherwise stated)

| | Fair value | Carrying amount | Level 1 | Level 2 | Level 3 |
|--|------------|-----------------|---------|---------|---------|
| Financial assets as at 31 December 2025 | | | | | |
| Cash and cash equivalents | 232 052 | 232 052 | 232 052 | - | - |
| Loans to customers | 149 027 | 144 181 | - | 149 027 | - |
| Debt securities | 73 919 | 73 938 | 57 923 | 15 996 | - |

| | | | | | |
|---|---------|---------|---|---------|-------|
| Financial liabilities as at 31 December 2025 | | | | | |
| Payables to customers | 431 854 | 428 095 | - | 431 854 | - |
| Debt securities issued | 2 761 | 1 966 | - | 2 761 | - |
| Finance lease liabilities | 707 | 707 | - | - | 707 |
| Other liabilities | 2 997 | 2 997 | - | - | 2 997 |

| | Fair value | Carrying amount | Level 1 | Level 2 | Level 3 |
|--|------------|-----------------|---------|---------|---------|
| Financial assets as at 31 December 2024 | | | | | |
| Cash and cash equivalents | 44 053 | 44 053 | 44 053 | - | - |
| Loans to customers | 83 806 | 80 963 | - | 83 806 | - |
| Debt securities | 55 928 | 55 928 | 54 402 | 1 526 | - |

| | | | | | |
|---|---------|---------|---|---------|-------|
| Financial liabilities as at 31 December 2024 | | | | | |
| Payables to customers | 172 739 | 169 883 | - | 172 739 | - |
| Debt securities issued | 2 963 | 1 957 | - | 2 963 | - |
| Finance lease liabilities | 715 | 715 | - | - | 715 |
| Other liabilities | 1 816 | 1 816 | - | - | 1 816 |

NOTE 21: Related party transactions

Related parties are defined as shareholders, employees, members of the Board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Bank, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

During 2025 and 2024, a number of transactions with related parties took place in the course of normal activities. These transactions are disclosed in the tables below:

| 2025 | Purchases | Sales | Receivables | Payables |
|-------------------------|---------------|----------|-------------|------------|
| Shareholders | - | - | - | - |
| Company A | 2 | - | - | - |
| Company B | 56 828 | - | - | 424 |
| Other related companies | 351 | - | - | 9 |
| Total: | 57 181 | - | - | 433 |

| 2024 | Purchases | Sales | Receivables | Payables |
|-------------------------|------------|------------|-------------|----------|
| Shareholders | - | - | - | - |
| Company A | 202 | 24 | - | 2 |
| Company B | 2 | - | - | - |
| Other related companies | 266 | 91 | - | 7 |
| Total: | 470 | 115 | - | 9 |

In 2025, transactions with related parties consisted of purchases under receivables assignment agreements (RTPS), as well as brokerage, rental of premises, cars and parking spaces and related utility expenses. In 2024, the majority of purchases consisted of intermediary and consultation expenses. All services received and provided were estimated by observing arm's length principle.

(All amounts in EUR thousands unless otherwise stated)

| 2025 | Loans/leases granted | Interest and other income | Loans received | Interest expenses |
|-------------------------|----------------------|---------------------------|----------------|-------------------|
| Shareholders | 2 199 | 183 | - | - |
| Company A | - | - | - | - |
| Company B | - | - | - | - |
| Other related companies | 5 682 | 569 | - | - |
| Total: | 7 881 | 752 | - | - |

| 2024 | Loans granted | Interest and other income | Loans received | Interest expenses |
|-------------------------|---------------|---------------------------|----------------|-------------------|
| Shareholders | - | - | - | - |
| Company A | - | 101 | - | - |
| Company B | - | 199 | - | - |
| Other related companies | 1 300 | 103 | - | - |
| Total: | 1 300 | 403 | - | - |

Remuneration of the Bank's management

Information about payments to members of the Board, Chief Administrative Officer and key management personnel in 2025 and 2024 is disclosed in the table below:

| | 2025 | 2024 |
|--|--------------|--------------|
| Remuneration payable to the Board members and key management personnel: | | |
| Board members | 521 | 308 |
| Other key management personnel | 2 215 | 1 675 |
| Total: | 2 736 | 1 983 |

In 2025, the average number of management employees was 25 (in 2024: 19).

NOTE 22: Going concern

The Bank's management has performed an assessment of the going concern assumption and is not aware of any facts that would raise doubt about the Bank's ability to continue its operations in the foreseeable future. The Bank maintains sufficient capital to support its activities, continuously monitors key liquidity, capital adequacy, and other financial ratios. Particular attention is paid to the management of direct and indirect risks, including cybersecurity, anti-money laundering and terrorist financing prevention, and compliance with international sanctions.

The Bank's financial forecasts for 2026–2029 foresee stable and sustainable growth, supported by strong capital, planned profitability and an effective risk management model. These projections take into account current economic and market challenges, however, the chosen strategy ensures the Bank's financial sustainability and the ability to respond to potential adverse conditions.

NOTE 23: Subsequent events

In February 2026, the Bank's Board appointed Raimondas Berniūnas as the Chief Executive Officer (CEO).

Between the end of the financial year and the date of approval of these financial statements, no other subsequent events have occurred that would impact the financial statements or require disclosure as of 31 December 2025.

These financial statements were prepared on April 21, 2026.

e-signed electronically

CEO

Raimondas Berniūnas

signed electronically

CFO

Reda Šiožinytė