

Interim financial report

for the six months period
ended 30 june 2026

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Management report

A Stronger Foundation for Further Growth

During the first half of 2026, Industra Bank continued to implement its strategy as a specialised business bank focused on financing Latvian small and medium-sized enterprises. Particular attention remained on supporting ambitious, growing companies, including exporters, by providing financing and banking solutions tailored to their business needs.

Following the significant expansion achieved in 2025, the first six months of 2026 combined continued lending growth with further improvements in the Bank's capital position, funding base and asset quality, creating a solid foundation for the next stage of development.

The Group maintained a robust capital adequacy position, with a capital adequacy ratio of 19.9% as at the end of June 2026, providing ample capacity to support further business development while maintaining prudent capital buffers.

The Group's loan portfolio grew by EUR 24 million during the first half of 2026, and we remain committed to growing it sustainably to further expand financing for Latvian businesses.

During the reporting period, the Bank took an important step towards diversifying its funding base by launching deposit attraction in international markets. Access to a broader depositor base enhances the Bank's funding capacity, reduces concentration and supports its ability to provide more financing to Latvian businesses.

Another significant development during the reporting period was the successful resolution of a significant non-performing exposure. This improved the Bank's asset quality and financial position, while the resulting positive impact on its Tier 1 capital base provides additional capacity to future lending growth while maintaining prudent capitalisation and financial stability.

Development of the Industra Group

Following the acquisition of a controlling interest in MC Finance in 2025, the subsidiary's lending operations stabilised during the first half of 2026 and continued to develop in line with the Group's strategy. MC Finance broadens the Group's lending capabilities and contributes to greater diversification of its customer base, loan portfolio and income streams, while maintaining prudent credit standards.

The Group continued to expand its lending activities during the first half of the year. The gross loan portfolio increased by 14%, from EUR 175 million at the end of 2025 to EUR 199 million at the end of June 2026.

Outlook

The progress achieved during the first half of 2026 has positioned Industra Bank well for its next stage of development. Robust capitalisation, improving asset quality, a more diversified funding base and the continued development of the Group provide a sound platform for sustainable and profitable growth.

For the remainder of 2026, our priorities remain clear: to continue expanding lending to Latvian businesses while maintaining disciplined credit standards, sound asset quality and capital adequacy, and further developing a resilient and diversified funding base.

Our long-term ambition remains to reinforce Industra Bank's position as one of the leading locally owned business banks and a reliable financial partner for Latvian entrepreneurs and companies with the ambition to grow.

On behalf of the Council and the Board of the Bank

Jurijs Adamovičs
Chairman of the Council

Raivis Kakānis
Chairman of the Board

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Information on the bank's management

INFORMATION ON THE BANK’S MANAGEMENT

Council members as of the date of signing these interim condensed financial statements

Name, surname	Position	Date of appointment
Jurijs Adamovičs	Chairman of the Council	28 December 2018
Andis Kļaviņš	Deputy Chairman of the Council	04 April 2020
Ivars Grunte	Member of the Council	10 December 2018
Aleksejs Prokofjevs	Member of the Council	06 February 2024
Mihails Šafro	Member of the Council	28 March 2024

Board members as of the date of signing these interim condensed financial statements

Name, surname	Position	Date of appointment
Raivis Kakānis	Chairman of the Board	06 April 2020
Artūrs Veics	Member of the Board	12 June 2020
Kristaps Zaķis	Member of the Board	21 March 2024
Klāvs Poriķis	Member of the Board	16 December 2025

Statement of responsibility of the bank's management

STATEMENT OF RESPONSIBILITY OF THE BANK'S MANAGEMENT

The management of AS Industra Bank is responsible for the preparation of interim condensed financial statements of the Bank and of the Bank and its subsidiaries AS Industra Invest and AS MC Finance (hereinafter – the Group).

The interim condensed financial statements presented are prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union on a going concern basis. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgements and estimates have been made by the Management in the preparation of the Group's consolidated and the Bank's separate interim condensed financial statements.

The interim condensed financial statements are prepared in accordance with the source documents and present the financial position of the Bank and the Group as of 30 June 2026 and the comparative date 31 December 2025 and the results of their operations, changes in shareholders' equity and cash flows for the six months periods ended 30 June 2026 and the comparative period 30 June 2025 in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The management report presents fairly the financial results of the reporting period and future prospects of the Bank and the Group.

The management of the Bank is responsible for the maintenance of a proper accounting system, safeguarding the Group's and the Bank's assets, and the detection and prevention of fraud and other irregularities in the Group and the Bank. Management is also responsible for operating the Group and the Bank in compliance with the Law on Credit Institutions, regulations of Latvijas Banka and other legislation of the Republic of Latvia applicable to credit institutions.

On behalf of the Council and the Board of the Bank

Jurijs Adamovičs
Chairman of the Council

Raivis Kakānis
Chairman of the Board

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The bank's separate and the group's consolidated interim condensed financial statements

The Bank's separate and the Group's consolidated interim condensed statements of financial position

EUR'000	Note	30/06/26 Group	30/06/26 Bank	31/12/25 Group	31/12/25 Bank
ASSETS					
Cash and balances due from Latvijas Banka	7	97,747	97,747	119,501	119,501
Demand deposits with credit institutions		60	13	90	14
Financial assets at fair value through profit or loss	9	1,276	2,806	1,279	2,753
Financial assets at fair value through other comprehensive income	9	42	42	37	37
Financial assets at amortised cost		195,553	191,258	171,435	166,875
<i>Term deposits due from credit institutions</i>		100	100	-	-
<i>Loans and receivables</i>	10	195,453	191,158	171,435	166,875
Investment in subsidiaries		-	10,375	-	10,375
Intangible assets		59	1	29	1
Property and equipment		9,037	8,840	8,827	8,617
Investment properties	11	27,809	13,546	15,623	1,026
Other assets		4,380	3,735	6,177	5,739
Total assets		335,963	328,363	322,998	314,938
LIABILITIES AND EQUITY					
Financial liabilities at amortised cost:	12	289,872	290,832	282,411	283,130
<i>Deposits</i>		283,867	284,827	276,397	277,116
<i>Subordinated liabilities</i>		6,005	6,005	6,014	6,014
Preference shares at amortised cost		1,209	-	1,209	-
Other liabilities		6,899	4,512	8,199	5,297
Provisions		490	156	197	199
Total liabilities		298,470	295,500	292,016	288,626
Shareholders' equity					
Share capital		20,000	20,000	20,000	20,000
Fair value reserve		42	42	37	37
Accumulated profit		14,826	12,821	8,364	6,275
Non-controlling interest		2,625	-	2,581	-
Total Shareholders' equity		37,493	32,863	30,982	26,312
Total liabilities and equity		335,963	328,363	322,998	314,938

Jurijs Adamovičs
Chairman of the Council

Raivis Kakānis
Chairman of the Board

The interim condensed report was prepared by AS Industra Bank chief accountant Liene Podniece.
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The Bank's separate and the Group's consolidated interim condensed statements of profit or loss and other comprehensive income

EUR'000	Note	30/06/26 Group	30/06/26 Bank	30/06/25 Group	30/06/25 Bank
Interest income	6; 13	9,051	8,180	5,729	5,703
Interest expenses	14	(1,613)	(1,680)	(1,480)	(1,480)
Net interest income		7,438	6,500	4,249	4,223
Commission and fee income	15	3,249	3,250	4,406	4,407
Commission and fee expense	16	(779)	(779)	(988)	(989)
Net commission income		2,470	2,471	3,418	3,418
Gain on trading with financial instruments	17	90	145	36	80
Net gain/ (loss) on revaluation of financial assets measured at fair value through profit or loss		(42)	(42)	140	140
Other operating income		543	428	149	179
Other operating expenses		(319)	(228)	(255)	(147)
Net operating income		10,180	9,274	7,737	7,893
Administrative expenses	18	(6,482)	(5,679)	(5,562)	(5,419)
Depreciation of property and equipment		(216)	(179)	(395)	(388)
Revaluation of investment property	11	4,529	4,529	(590)	-
Loan expected credit loss allowance net result		(174)	(83)	81	236
Profit before taxation		7,837	7,862	1,271	2,322
Income tax expenses	24	(1,317)	(1,316)	(264)	(264)
Profit after taxation for the reporting period		6,520	6,546	1,007	2,058
<i>Profit Attributable to non-controlling interest</i>		58	-	-	-
<i>Profit Attributable to Equity holders of the Bank</i>		6,462	6,546	1,007	2,058
Other comprehensive income					
Items that could be reclassified to profit or loss					
Net gain on financial assets (debt instruments) at fair value through other comprehensive income		5	5	5	5
Other comprehensive income for the reporting		5	5	5	5
Total comprehensive income		6,525	6,551	1,012	2,063
<i>Attributable to non-controlling interest</i>		58	-	-	-
<i>Attributable to Equity holders of the Bank</i>		6,467	6,551	1,012	2,063

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The Bank's separate and the Group's consolidated interim condensed statements of changes in shareholder's equity

Group EUR'000	Share capital	Fair value reserve	Accumulated profit / (loss)	Non- controlling interest	Total equity
As at 31 December 2024	20,000	32	5,267	-	25,299
<i>Acquisition of assets June 30, 2025</i>	-	-	-	2,813	2,813
<i>Profit for the reporting year</i>	-	-	4,750	(232)	4,518
<i>Other comprehensive income</i>	-	5	-	-	5
Total comprehensive income	-	5	4,750	2,581	7,336
<i>Dividends paid</i>	-	-	(1,653)	-	(1,653)
Total other changes in equity	-	-	(1,653)	-	(1,653)
As at 31 December 2025	20,000	37	8,364	2,581	30,982
<i>Profit for the reporting year</i>	-	-	6,462	44	6,506
<i>Other comprehensive income</i>	-	5	-	-	5
Total comprehensive income	-	5	6,462	44	6,511
As at 30 June 2026	20,000	42	14,826	2,625	37,493

Bank EUR'000	Share capital	Fair value reserve	Accumulated profit/ (loss)	Total equity
As at 31 December 2024	20,000	32	5,291	25,323
<i>Profit for the reporting year</i>	-	-	2,638	2,638
<i>Other comprehensive income</i>	-	5	-	5
Total comprehensive income	-	5	2,638	2,643
<i>Dividends paid</i>	-	-	(1,654)	(1,654)
Total other changes in equity	-	-	(1,654)	(1,654)
As at 31 December 2025	20,000	37	6,275	26,312
<i>Profit for the reporting year</i>	-	-	6,546	6,546
<i>Other comprehensive income</i>	-	5	-	5
Total comprehensive income	-	5	6,546	6,551
As at 30 June 2026	20,000	42	12,821	32,863

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Chairman of the Council

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Chairman of the Board

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The Bank's separate and the Group's consolidated interim condensed statements of cash flows

EUR'000	Note	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Cash flows from operating activities					
Profit before taxation		7,837	7,862	1,271	2,322
Depreciation of property and equipment		216	179	395	388
Loan impairment allowance (decrease)/ increase		199	83	(81)	(236)
Change in fair value of investment property		(4,529)	(4,529)	590	-
Interest income		(9,051)	(8,180)	(5,729)	(5,703)
Interest expense		1,613	1,680	1,480	1,480
Other changes		5	5	5	5
Decrease in cash and cash equivalents used in operating activities before changes in operating assets and liabilities		(3,710)	(2,900)	(2,069)	(1,744)
Increase in loans and advances to customers		(29,130)	(29,206)	(14,005)	(14,491)
Increase/(decrease) in financial assets at amortised cost - debt securities		-	-	(17)	(17)
(Increase)/ decrease in other financial assets		(2)	(58)	14	14
Decrease/ (increase) in other assets		(761)	(891)	(2,051)	(1,775)
Increase/ (decrease) in deposits		7,470	7,711	(3,217)	(3,145)
Decrease in other liabilities		(999)	(828)	223	205
Interest received		7,242	6,371	5,774	5,748
Interest paid		(1,613)	(1,680)	(1,480)	(1,480)
Net cash flows from operating activities before tax		(21,503)	(21,481)	(16,828)	(16,685)
Corporate income tax paid		(8)	(7)	(8)	(8)
Net cash from operating activities		(21,511)	(21,488)	(16,836)	(16,693)
Cash flow from investing activities					
Purchase of property, equipment and intangible assets		30	-	(205)	(348)
Sale of investment property		(36)	-	-	-
Cash paid net of cash acquired in a asset acquisition		(258)	(258)	-	-
Net cash flow from investing activities		(264)	(258)	(205)	(348)
Cash flow from financing activities					
Increase/(decrease) in subordinated liabilities		(9)	(9)	7	7
Dividends (paid)		-	-	(1,654)	(1,654)
Net cash flows from financing activities		(9)	(9)	(1,647)	(1,647)
Net increase/ (decrease) in cash and cash equivalents		(21,784)	(21,755)	(18,688)	(18,688)
Cash and cash equivalents at the beginning of the year		119,591	119,515	153,618	153,618
Cash and cash equivalents at the end of the year	8	97,807	97,760	134,930	134,930

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Notes to the bank's separate and the group's consolidated interim condensed financial statements

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**1 GENERAL INFORMATION****Information on the Bank**

AS Industra Bank (hereinafter – the Bank, Industra Bank) is established as joint stock company in Republic of Latvia in 1994, in Riga and is licensed as a bank offering a wide range of financial services to enterprises and individuals. The legal address of the Bank is Muižas iela 1, Rīga, Latvia. The Bank has one client service centre in Riga, and client service centres in Liepāja, Ventspils, Daugavpils and Jelgava.

These interim condensed financial statements include the Group's consolidated and the Bank's separate interim condensed financial statements. The consolidated interim condensed financial statements for the six month period ended 30 June 2026 include the financial statements of the Bank and its subsidiaries AS Industra Invest and AS MC Finance (hereinafter - the Group).

The legal address of AS Industra Invest is Muižas iela 1, Rīga, Latvia. AS Industra Invest manages investment properties portfolio and provides leasing services.

AS "Industra Invest" (reg.No.40003471282) owns 100% shares of:

- SIA "Talsu Grants" (reg.No.40203271851) in Latvia, Rīga, Dzirnau iela 62 - 20, LV-1050
- SIA "Jāņogu iela" (reg.No 40103514535) in Latvia, Rīga, Dzirnau iela 62 - 20, LV-1050
- SIA "Slokas 60" (reg.No 40203445579) in Latvia, Rīga, Muižas iela 1, LV- 1010
- SIA "Brīvības 439" (reg.No. 50203493551) in Latvia, Rīga, Muižas iela 1, LV- 1010
- SIA "Pirmais Industriālais Parks" (reg.No. 40203501217) in Latvia, Rīga, Muižas iela 1, LV- 1010

AS MC Finance legal address is Bauskas iela 58A-8, LV-1004. AS MC Finance is a non-bank licensed lender, provides consumer lending, car leasing, and mortgage financing services for private individuals and businesses in Latvia.

The accompanying notes on pages 14 to 45 form an integral part of these Bank's separate and Group's consolidated interim condensed financial statements.

These interim condensed financial statements were approved for issue by the Council and the Board on 24 September 2026.

Legislation regulating the Bank's operations

The Bank's operations are governed by the law "On Credit Institutions", "Commercial Law" and regulations issued by the EU and Latvijas Banka. The above regulations govern capital adequacy, minimum equity, liquidity, foreign exchange positions, risk transaction restrictions with respect to one counterparty, group of related customers and related parties of the Bank, as well as other applicable requirements.

2 BASIS OF PREPARATION**Statement of Compliance**

These interim condensed financial statements are prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as adopted by European Union (EU) on a going concern basis. The interim condensed financial statements do not contain all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group consolidated and the Bank separate financial statements for the year ended 31 December 2025. The financial information in these interim condensed financial statements is presented to a material extent in the same format as in the Group consolidated and the Bank separate financial statements for the year ended 31 December 2025.

Functional and Presentation Currency

The interim condensed financial statements are presented in euros and all figures are rounded to thousands of euros unless indicated otherwise. Euro is functional currency of the Bank and its subsidiaries.

3 MATERIAL ACCOUNTING POLICIES

The accounting policies have not changed from those used in the preparation of the financial statements for the year ended 31 December 2025.

Fair value measurement principles for financial instruments

The management of the Group and the Bank makes the following significant estimates and judgements.

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**3 MATERIAL ACCOUNTING POLICIES (continued)**

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date. Fair values reflect the non-performance risk, including credit risk, where applicable. Fair value estimates obtained using valuation techniques are adjusted for factors that market participants would take into account when pricing the asset or liability, including, where relevant, liquidity risk, model uncertainty and other valuation adjustments.

A number of the Group's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities carried at fair value or disclosures on their fair value should be made in the financial statements.

The Group and the Bank have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Specific controls include:

- verification of observable pricing;
- re-performance of model valuations;
- a review and approval process for new models against observed market transactions;
- analysis and investigation of significant daily valuation movements;
- review of significant unobservable inputs, valuation adjustments and significant changes to the fair value measurement of Level 3 instruments compared to previous month.

The methods described below have been used for the determination of fair values.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions with the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognised in the statement of profit or loss depending on the individual facts and circumstances of the transaction but not later than when the valuation is supported wholly by observable market data or the transaction is closed out. When available, the Group and the Bank measure the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the fair value is established by the Group and the Bank using a valuation technique. Valuation techniques include recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique should make maximum use of market inputs, rely as little as possible on estimates specific to the Group and the Bank, incorporate all factors that market participants would consider in setting a price, and be consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The Group and the Bank calibrate valuation techniques and test them for validity using prices from observable current market transactions in the same instrument or based on other available observable market data.

Where third-party information, such as broker quotes or pricing services, are used to measure fair value, the Group and the Bank assess and document the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS accounting standards. This includes:

- Verifying that equity broker or pricing service is approved by the Group and the Bank for use in pricing the relevant type of financial instrument;
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- When prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement.

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

3 MATERIAL ACCOUNTING POLICIES (continued)

In determining the fair value of assets or liabilities the Group and the Bank use observable market data to the extent possible. Fair value is classified into different levels of the fair value hierarchy based on the inputs used in the measurement techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. For further analysis of the basis for fair value refer to Note 23.

Adoption of new and/or amended IFRSs accounting standards and IFRIC interpretations

The following amended standards became effective for the first time for the annual periods beginning 1 January 2026, but did not have any material impact on the Group's and the Bank's interim condensed financial statements:

- **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, not yet endorsed by the EU).
- **Annual Improvements to IFRS Accounting Standards.** (Issued in July 2024 and effective from 1 January 2026, not yet endorsed by the EU).
- **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7** (effective for annual periods beginning on or after 1 January 2026, not yet endorsed by the EU).
- **IFRS 18 Presentation and Disclosure in Financial Statements** (effective for annual periods beginning on or after 1 January 2027).
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

The Group and the Bank are assessing impact of new standards and amendments on their financial statements.

4 RISK MANAGEMENT

4.1. Risk management framework

The Management Board of the Bank has developed a system for the identification, supervision and management of the key financial risks. The Bank's Council has approved this risk management system. This system is being constantly updated to consider market conditions and the development of the Group's and the Bank's main operations. The following policies have been approved and regularly reviewed in order to achieve the Group's and the Bank's objectives related to capital adequacy, liquidity risk, credit risk, market risk, operational risk management, reputation risk, conflict of interest prevention activities, personal data protection and processing activities, internal control, anti-money laundering and counter-terrorism and proliferation financing and sanctions risk management:

1. Liquidity risk management policy;
2. Credit policy;
3. Credit risk management policy;
4. Risk transactions and risk control policy for large transactions;
5. Currency risk management policy;
6. Country risk management policy;
7. Interest rate risk and Credit risk spread risk management policy;
8. Internal control policy;
9. Anti-money laundering and counterterrorism and proliferation financing and sanctions risk management policy;
10. Compliance risk management policy;
11. Capital adequacy and liquidity assessment policy;
12. Operational risk management policy;

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

4 RISK MANAGEMENT (continued)

13. Conflicts of interest prevention policy;
14. Reputation risk management policy;
15. Personal data protection and processing policy;
16. Information disclosure policy;
17. ICT safety policy;
18. Corporate governance policy;
19. ESG policy.

The Management Board of the Bank is responsible for the implementation of the risk management policies approved by the Supervisory Board of the Bank.

Comprehensive management of the risk control functions at the Bank is ensured by Chief Risk Officer (CRO). The CRO ensures that the following functions are performed:

- Set-up, supervision and timely improvement of the Group's risk management system;
- Providing comprehensive and clear information on the Group's overall risk profile, key risks and compliance with the risk strategy to the Bank's Supervisory Board, Management Board and heads of relevant units on a regular basis;
- Advising and supporting the Bank's Supervisory Board and Management Board in the development of risk strategies and in making other decisions related to the Group's risks.

To promote independence, the CRO's duties exclude such functions that relate to the performance of the activities to be controlled.

4.2. Financial risks arising from financial instruments

4.2.1. Credit risk

Credit risk is the risk that a counterparty, or borrower, fails or refuses to meet contractual obligations to the Group and the Bank.

The main objective of the Group's and the Bank's credit risk management is to ensure an optimal level of profit, financial stability of the Group and the Bank in a long term by adhering to the set credit risk appetite and tolerance limits across various categories, ensuring effective credit risk identification, measurement, monitoring and evaluation system, risk forecasting, estimation of its probable volumes and consequences, identifying, developing and implementing risk mitigation measures.

Compared to the situation on 31.12.2025. The Bank's approach and models applied for the ECL calculations have not been changed. As a result of the validation of the collective provisions model, parameters were adjusted, and forward-looking information was updated in the ECL calculations as of 30.06.2026.

4.2.2. Liquidity risk

Liquidity risk is defined as the risk that the Group and the Bank may be unable to sustain its current and future cash flows and secure funding to prevent threats to the Bank's daily operations or overall financial position of the Bank (liquidity risk of financing) and risk that the Group and the Bank may be unable to sell its financial assets in the desired term without material losses due to a market collapse or insufficient market depth (market liquidity risk).

The Group and the Bank maintains adequate amounts of liquid assets to ensure compliance with liquidity ratio required by the normative acts of the Republic of Latvia and European Union. According to the requirement set by Bank of Latvia, during 2025 and 6 months 2026 the Bank was required to maintain liquidity coverage ratio (LCR) of at least 100% and net stable funding ratio (NSFR) of at least 100%. The Bank has fulfilled this requirement.

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Liquidity coverage ratio, %	118%	122%	159%	164%
Net stable funding ratio, %	127%	128%	148%	154%

The Group and the Bank have approved internal limits for liquidity net position of the term structures of assets and liabilities in all currencies, EUR and USD. Internal limits for liquidity are used for risk analysis and control of

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**4 RISK MANAGEMENT (continued)**

liquidity and desirable structure of financing sources. An early warning system is developed in order to help identify exposure of the Bank's and the Group's liquidity position and necessity to attract additional sources. Based on data from early notification signals the Group and the Bank identify adverse trends impacting liquidity, analyse these trends and assess whether any hedging measures are required for liquidity risk. The Bank's Treasury Division organises and manages the daily process of resource management in order to ensure solvency, liquidity and profitability of the Bank. The Risk Management Division of the Bank evaluates and plans the term structure of assets and liabilities on a regular basis and carries out control over liquidity risk management, including monitoring compliance with the required liquidity norms and internal limits defined by the Group and the Bank.

Liquidity stress testing is performed using multiple scenarios. Scenarios include both internal and external factors. Stress testing is performed to the following stress levels: internal and typical to the Bank unfavourable events, changes of general market conditions, banking crisis and general market crisis at the same time. The impact of various shock scenarios on the liquidity ratio, liquidity coverage ratio, net stable funding ratio and the Bank's income is analysed. The reverse stress testing is also carried out.

The Management Board develops and the Supervisory Board approves a Business Continuity Plan for liquidity crises that specifies preventive measures for the reduction of the likelihood of liquidity crisis, methods and activities of timely identification of liquidity crisis and risk assessment, measures that have to be taken immediately in order to overcome liquidity crisis. The Business Continuity Plan is tested on a regular basis.

4.2.3. Market risks*Interest rate risk Banking Book (IRRBB)*

IRRBB is represented by possible negative influence on the Group's and the Bank's net interest income and economic value of equity that can result from possible changes of interest rates. The gap risk analysis is used for measurement of IRRBB. Assets, liabilities, guarantees and contingent liabilities, subjected to IRRBB, are divided in accordance with minimum period, left till possible repricing dates of interest rates.

To assess the impact of adverse changes in interest rates on profitability and economic value in market emergencies, the Bank performs IRRBB stress testing.

4.2.4. Currency risk

Currency risk represents the potential losses from revaluation of balance sheet and off-balance-sheet items denominated in foreign currencies due to movements in foreign exchange rates.

The Group and the Bank performs daily controls of compliance with limits defined in Currency risk management policy, for transactions with foreign currency.

4.2.5. Other price and fair value risk

The Group and the Bank are exposed to the risk that the fair value of financial instruments measured at fair value may fluctuate as a result of changes in market prices and other relevant valuation inputs.

The exposure arises primarily from financial instruments measured at fair value through profit or loss. The Group and the Bank monitor these exposures as part of the overall market risk management framework.

Information on the fair value hierarchy, valuation techniques and significant inputs used in determining the fair value of financial instruments, including sensitivity of Level 3 measurements to changes in significant unobservable inputs, is disclosed in Note 23.

4.3. Capital management

Capital adequacy and the use of regulatory capital compliance with regulation No 575/2013 are monitored by the Bank's management on a regular basis, employing techniques based on the guidelines developed by the Basel Committee and the European Union directives, as implemented by Bank of Latvia.

For the calculation of capital adequacy refer to Note 22.

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**4 RISK MANAGEMENT (continued)****4.4. Non-financial risks***4.4.1. Country risk*

Country risk is represented by possible losses in cases, where a debtor of the Group and the Bank, being non-resident, will not be able to meet its liabilities against the Group and the Bank, due to political, social or economic circumstances of the country of residency of the debtor. Based on analysis of economic, political and social conditions of each country, limits are determined for geographic concentration of assets, liabilities and off-balance sheet items, for the purpose of management of country risk. The evaluation provided by international rating agencies is considered when assessing country risk. Country risk is managed by the Banks Risk Management division.

4.4.2. Anti-money laundering and counter-terrorism and proliferation financing and sanctions risk management

The Bank's objective in anti-money laundering and counter-terrorism and proliferation financing (hereinafter referred to as - AML/CTF/CPF) and sanctions risk management is to safeguard the Bank's reputation and stability in relationships with customers and in the society as a whole, to cooperate and provide financial services to trustworthy customers and business partners, the business activity of which is understandable to the Bank to prevent the Bank from being involved in ML/TF/PF in breach of sanctions, so that to prevent losses related to loss of customers and trust.

Ensuring efficient Money Laundering and Terrorism Financing and Proliferation Financing and sanctions risk management process is one of the Bank's priorities. The Bank is constantly improving the ML/TF/PF and sanctions risk management system to ensure adequate monitoring of its customers' operations and services.

Within the framework of ML/TF/PF and sanctions risk management, the sufficiency of the necessary resources is ensured, including ensuring the amount of capital necessary to cover the risks related to the bank's operations.

The Bank ensures the management of the ML/TF/PF risk and sanctions risk in compliance with:

- the requirements of regulatory enactments in force in the Republic of Latvia;
- the Bank's business development strategy;
- the ML/TF risk management strategy;
- the ML/TF/PF risk and sanctions risk management policy;
- the internal procedures and instructions governing the field of the Bank's ML/TF/PF risk and sanctions risk management.

An independent audit of the Bank's AML/CFT internal control system was conducted in 2025, confirming that the Bank's due diligence and monitoring requirements comply with the applicable regulatory framework, and that the Bank is able to manage risks effectively.

4.4.3. Operational risk

Operational risk is the risk of losses resulting from inadequate or improper internal processes, human and systems error, or the impact of external events, including legal risk but excluding strategic and reputational risk. Aiming to set up a system for the management of operational risk that would reduce the frequency of risk occurrences and the amount of loss to a level acceptable to the Bank and to safeguard the Bank's assets and capital, the Supervisory Board has approved an appropriate policy. In order to implement this policy, the Management Board has approved a procedure that specifies the methods for identification, assessment, regular monitoring, control and mitigation of operational risk. Operational risk is managed by the Bank employing the following approaches: reporting of operational risk events; maintaining a data base of operational risk; establishing and controlling changes of operational risk indicators which may indicate an increased likelihood of risk; self-assessing operational risk; and stress testing using both internal data and information on external operational risk events. The Bank uses insurance to reduce risk. Operational risk is managed by Risk Management Division.

To support the Bank's business continuity and to decrease operational losses due to *force majeure* circumstances the Management Board drafts and the Supervisory Board approves and improves the business continuity plan and the information system recovery plan.

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

4 RISK MANAGEMENT (continued)

4.4.4. Operational compliance risk

Operational compliance risk is the risk that the Bank may incur losses or legal obligations, be subject to sanctions (penalties) or suffer impairment of reputation because of a failure to comply or a breach of compliance requirements.

Operational compliance risk is inherent in all operations of the Bank. Management of operational compliance risk is effected according to a policy approved by the Council, using the following measures and approaches: compliance legislation changes monitoring; implementation of the appropriate changes to internal normative documents of the Bank; providing the information on the recent changes in external regulation to the Bank's employees; systemic compliance reviews of the Bank's structural units, operational processes, normative documents and informative materials; assessment of innovations; identification of operational compliance risks caused by external conditions; analysis of reports of internal and external auditors and regulator or other parties; performance of quality assurance controls; analysis of the Bank client's complaints; maintenance of an operational compliance risk data base and control over due prevention of identified risks or decreasing such risks to an acceptable level. The operational compliance function is performed by the Compliance Control Division which regularly informs the management about the Bank's compliance risk level, as well as the planned and implemented measures to enhance the management of operational compliance risk.

5 ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS accounting standards as adopted by the EU requires management to make judgments, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Although these estimates are based on management's best knowledge of current events and actions, the actual results ultimately may differ from those estimates. There are no significant changes in principles applied to financial statements since the year ended 31 December 2025.

6 SIGNIFICANT EVENTS AND TRANSACTIONS

Since the end of the last annual reporting period, the Bank has successfully resolved a significant non-performing loan exposure, resulting in the recognition of interest income for 1.5 m EUR and additional investment property, as described in Note 11.

The acquisition and direct management of repossessed real estate exposes the Group to additional operational and property-related risks, including vacancy, tenant default, unexpected maintenance and capital expenditure, as well as fluctuations in rental income and property values. These risks are managed through active property management, tenant monitoring and regular assessment of the condition and market value of the properties.

The resolution of this legacy exposure represents an important improvement in the Bank's asset quality and provides a stronger foundation for further lending growth, that is the primary reason for the preparation of these condensed interim financial statements.

Another important step was launching deposit attraction from international markets. Access to a broader depositor base further diversifies the Bank's funding structure and supports its planned lending growth.

7 CASH AND BALANCES DUE FROM LATVIJAS BANKA

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Cash	1,551	1,551	1,347	1,347
Due from the Latvijas Banka (including obligatory reserve)	96,196	96,196	118,154	118,154
Total	97,747	97,747	119,501	119,501

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

7 CASH AND BALANCES DUE FROM LATVIJAS BANKA (continued)

Due from the Latvijas Banka represents the EUR nominated balance on the correspondent account with the Latvijas Banka.

The obligatory reserve is compared to the Bank's average monthly balance on the correspondent account with the Latvijas Banka. The Bank's average cash and correspondent account balance should exceed the compulsory reserve requirement and as at 30 June 2026 and 31 December 2025 the Bank was in compliance with the above requirements.

8 CASH AND CASH EQUIVALENTS

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Cash	1,551	1,551	1,347	1,347
Current placements with the Latvijas Banka	96,196	96,196	118,154	118,154
Demand deposits and term deposits with other credit institutions with initial maturity of less than three months	60	13	90	14
Total	97,807	97,760	119,591	119,515

9 FINANCIAL ASSETS

By category

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Financial assets at amortised cost:				
<i>Loans and receivables</i>	195,553	191,258	171,435	166,875
<i>Term deposits due from credit institutions</i>	100	100	-	-
Financial assets at fair value through profit or loss:				
<i>Equity securities (Visa Inc. Class C convertible participating preferred stock)</i>	1,276	1,276	1,279	1,279
<i>MC Finance preference shares (Note 11)</i>	-	1,530	-	1,474
Financial assets at fair value through other comprehensive income				
<i>SWIFT shares</i>	42	42	37	37

10 LOANS AND RECEIVABLES

The Bank loan portfolio increased significantly due to attraction of new customers and issue new loans with professional ability to assess risk and structure transactions of varying complexity.

(a) Loans by groups:

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Individuals	30,382	9,737	29,539	10,409
Legal entities	168,852	184,416	145,079	159,466
Total loans, gross	199,234	194,153	174,618	169,875
Allowance for expected credit losses	(3,781)	(2,995)	(3,183)	(3,000)
Total loans, net	195,453	191,158	171,435	166,875

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements
10 LOANS AND RECEIVABLES (continued)
(b) Loans by type:

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Loans	145,477	150,176	132,368	135,667
Credit lines	24,385	27,574	16,084	19,673
Finance lease	29,345	16,376	26,129	14,498
Overdrafts	27	27	37	37
Loans, gross	199,234	194,153	174,618	169,875
Allowance for expected credit losses	(3,781)	(2,995)	(3,183)	(3,000)
Total loans, net	195,453	191,158	171,435	166,875

(c) Loans issued by industry, gross :

EUR'000	30/06 2026		30/06 2026		31/12 2025		31/12 2025	
	Group	%	Bank	%	Group	%	Bank	%
Legal entities								
Agriculture, forestry and fishing	44,795	27%	44,790	24%	34,920	24%	34,914	22%
Real estate	37,148	22%	37,102	20%	45,757	32%	45,757	29%
Financial intermediation, support services and leasing	24,168	14%	39,914	22%	12,109	8%	26,608	17%
Industrial markets	20,301	12%	20,301	11%	16,780	12%	16,780	11%
Transport, warehousing and communications	18,080	11%	18,036	10%	15,611	11%	15,561	10%
Wholesale and retail trade	11,906	7%	11,865	6%	9,422	6%	9,421	5%
Others	12,454	7%	12,408	7%	10,480	7%	10,425	6%
Total	168,852	100%	184,416	100%	145,079	100%	159,466	100%
Individuals								
Mortgage loans	16,781	55%	8,967	92%	17,521	60%	9,963	96%
Finance lease	12,841	43%	10	0%	11,572	39%	-	0%
Business loans	56	0%	56	1%	65	0%	65	1%
Consumer loans	2	0%	2	0%	16	0%	16	0%
Credit cards	14	0%	14	0%	32	0%	32	0%
Others	688	2%	688	7%	333	1%	333	3%
Total	30,382	100%	9,737	100%	29,539	100%	10,409	100%

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(d) Loans by geographical classification:

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Residents of Latvia	197,182	192,101	173,173	168,430
Residents of OECD countries	1,655	1,655	1,445	1,445
Residents of non-OECD countries	397	397	-	-
Loans and advances to non-banking customers, gross	199,234	194,153	174,618	169,875
Allowance for expected credit losses	(3,781)	(2,955)	(3,183)	(3,000)
Loans and advances to customers, net	195,453	191,158	171,435	166,875

(e) Movements in the allowances for expected credit losses:

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Balance at the beginning of the year	3,183	3,000	2,835	2,721
Increase in allowance for expected credit losses	1,533	845	1,693	1,395
Release of prior periods' expected credit losses	(929)	(845)	(1,231)	(1,112)
Write-off of prior periods' expected credit losses	(6)	(5)	(114)	(4)
Balance at the end of the reporting period	3,781	2,955	3,183	3,000

(f) Loans and accrued interest allocation, depending on delay of payments:

Group EUR'000		Overdue term of loans						
		Total	Not Overdue	Up to 30 days	30-60 days	61-90 days	91-180 days	181- 360 days
30 June 2026								
Gross loans	199,234	175,112	16,843	4,139	867	795	454	1,024
Allowance for expected credit losses	(3,781)	(2,259)	(514)	(196)	(103)	(279)	(346)	(84)
31 December 2025								
Gross loans	174,618	155,178	10,523	1,501	547	596	259	6,014
Allowance for expected credit losses	(3,183)	(2,228)	(378)	(68)	(33)	(152)	(28)	(296)

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(f) Loans and accrued interest allocation, depending on delay of payments:

Bank EUR'000								
	Overdue term of loans							
	Total	Not Overdue	Up to 30 days	30-60 days	61-90 days	91-180 days	181- 360 days	More than 360 days
30 June 2026								
Gross loans and advances	194,153	177,744	12,385	2,721	375	214	178	536
Allowance for expected credit losses	(2,995)	(2,267)	(369)	(95)	(6)	(22)	(168)	(68)
31 December 2025								
Gross loans and advances	169,875	157,512	5,909	528	-	285	2	5,639
Allowance for expected credit losses	(3,000)	(2,322)	(344)	(23)	-	(14)	(1)	(296)

(g) Breakdown of loan collateral by types and LTV (Loan-to-Value):

The amounts shown in the table represent the gross carrying amount of the loans by type of collateral and do not necessarily represent the fair value of the underlying security:

	30/06 2026 Group		30/06 2026 Bank		31/12 2025 Group		31/12 2025 Bank	
	EUR '000	%	EUR '000	%	EUR '000	%	EUR '000	%
Commercial buildings	113,705	57%	113,912	59%	95,956	55%	96,163	57%
Mortgage on residential properties	45,540	23%	37,679	19%	43,185	25%	35,575	21%
Finance lease	28,808	14%	16,376	9%	26,129	15%	14,498	8%
Commercial assets pledge	8,318	5%	15,480	8%	6,039	3%	11,546	7%
Deposit	1,941	1%	1,941	1%	2,175	1%	2,175	1%
Guarantee	171	0%	171	0%	173	0%	173	0%
Other	152	0%	152	0%	841	1%	841	1%
No collateral	599	0%	8,442	4%	120	0%	8,904	5%
<i>Incl.: credit card limits</i>	14	-	14	-	32	-	32	-
<i>Consumer loans</i>	585	-	48	-	88	-	88	-
<i>Loans to Consolidated subsidiaries</i>	-	-	8,380	-	-	-	8,784	-
Total	199,234	100%	194,153	100%	174,618	100%	169,875	100%

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(g) Breakdown of loan collateral by types and LTV (Loan-to-Value):

The amounts in the table below represent the estimated gross carrying value of loan collateral that exceed the carrying value of the asset (LTV <100%) and where collateral are equal to or less than the carrying value of the asset (LTV >=100%):

Group EUR'000	30/06 2026		30/06 2026		31/12 2025		31/12 2025	
	LTV < 100%		LTV >= 100%		LTV < 100%		LTV >= 100%	
	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral
Commercial buildings	113,141	301,599	563	380	95,833	269,193	123	708
Mortgage on residential properties	45,102	108,739	438	374	42,608	57,032	577	523
Finance lease	26,874	44,703	1,934	1,850	14,498	24,628	10,941	10,752
Commercial assets pledge	6,073	46,209	2,244	12	5,785	37,880	254	-
Deposit	1,299	1,299	643	642	2,175	2,175	-	-
Other	152	679	173	13	832	2,792	182	7
No collateral	-	-	598	-	-	-	810	-
Total gross loans	192,641	509,593	6,593	3,271	161,731	393,700	12,887	11,990
Allowance for expected credit losses	(2,998)	-	(783)	-	(2,640)	-	(543)	-
Total	189,643	509,593	5,810	3,271	159,091	393,700	12,344	11,990

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(g) Breakdown of loan collateral by types and LTV (Loan-to-Value):

Bank EUR'000	30/06 2026		30/06 2026		31/12 2025		31/12 2025	
	LTV < 100%		LTV >= 100%		LTV < 100%		LTV >= 100%	
	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral	Carrying value of assets	Estimated fair value of collateral
Commercial buildings	113,349	301,991	563	380	96,040	269,586	123	227
Mortgage on residential properties	37,287	90,342	393	341	34,950	82,701	625	631
Finance lease	16,367	31,295	8	2	14,498	24,628	-	-
Commercial assets pledge	13,235	60,545	2,244	12	11,292	-	254	-
Deposit	1,299	7,664	643	642	2,175	2,175	-	-
Other	152	679	-	-	832	2,792	182	7
No collateral	-	-	8,613	-	-	-	8,904	-
Total gross loans	181,689	492,516	12,464	1,377	159,787	381,882	10,088	865
Allowance for expected credit losses	(2,508)	-	(487)	-	(2,627)	-	(373)	-
Total	179,181	492,516	11,977	1,377	157,160	381,882	9,715	865

(h) Breakdown of the Group's and the Bank's loans by their qualitative assessment:

EUR'000	30 June 2026		31 December 2025	
	Group	Bank	Group	Bank
Credit risk has not increased significantly (Stage 1)	181,898	180,186	153,359	151,432
Credit risk has increased significantly (Stage 2)	13,464	11,672	12,641	11,186
Loans in default or with evidence of impairment (Stage 3)	2,265	1,291	6,801	6,203
Loans purchased or originated credit-impaired financial assets (POCI)	1,607	1,004	1,817	1,054
Total gross loans	199,234	194,153	174,618	169,875
Allowance for expected credit losses	(3,781)	(2,995)	(3,183)	(3,000)
Total net loans	195,453	191,158	171,435	166,875

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(h) Breakdown of the Group's and the Bank's loan impairment allowance:

Group EUR'000	Allowances for expected credit losses					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
On 31 December 2025	1,715	713	736	19	3,183	153,359	12,641	6,801	1,817	174,618
Movements between stages:										
to lifetime ECL (from Stage 1 to Stage 2)	(93)	167	-	-	74	(3,997)	3,852	-	-	(145)
to lifetime ECL with credit impairment (from Stage 1 and Stage 2 to Stage 3)	(10)	(45)	326	-	271	(560)	(633)	1,019	-	(174)
to lifetime ECL without credit impairment (from Stage 3 to Stage 2)	-	1	(25)	-	(24)	-	168	(171)	-	(3)
to 12-months ECL (from Stage 2 to Stage 1)	34	(79)	(17)	-	(62)	1,866	(1,950)	(73)	-	(157)
New originated or purchased	607	21	79	-	707	28,211	296	147	-	28,654
Movements of allowances for expected credit losses in the period without impact on stage :										
De-recognized	(52)	(23)	(212)	-	(287)	(5,306)	(516)	(5,336)	(74)	(11,232)
Total movements for the period	664	(141)	86	(6)	603	28,539	823	(4,532)	(208)	24,622
Write-offs	-	-	(5)	-	(5)	-	-	(5)	(1)	(6)
On 30 June 2026	2,279	572	817	13	3,781	181,898	13,464	2,264	1,608	199,234

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(h) Breakdown of the Group's and the Bank's loan impairment allowance :

Bank EUR'000	Allowances for expected credit losses					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
On 31 December 2025	1,791	664	527	18	3,000	151,432	11,186	6,203	1,054	169,875
Movements between stages:										
to lifetime ECL (from Stage 1 to Stage 2)	(89)	88	-	-	(1)	(2,838)	2,768	-	-	(70)
to lifetime ECL with credit impairment (from Stage 1 and Stage 2 to Stage 3)	(7)	(32)	22	-	(17)	(252)	(222)	431	-	(43)
to lifetime ECL without credit impairment (from Stage 3 to Stage 2)	-	-	(21)	-	(21)	-	152	(155)	-	(3)
to 12-months ECL (from Stage 2 to Stage 1)	23	(55)	-	-	(32)	1,361	(1,474)	-	-	(113)
New originated or purchased	537	5	-	-	542	24,331	100	-	-	24,431
Movements of allowances for expected credit losses in the period without impact on stage:										
De-recognized	(51)	(23)	(185)	-	(259)	(4,521)	(467)	(5,076)	(3)	(10,067)
Total movements for the period	475	(219)	(251)	(5)	0	28,753	487	(4,907)	(50)	24,283
Write-offs	-	-	(5)	-	(5)	-	-	(5)	-	(5)
On 30 June 2026	2,266	445	271	13	2,995	180,185	11,673	1,291	1,004	194,153

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(h) Breakdown of the Group's and the Bank's loan impairment allowance:

Group EUR'000	Allowances for expected credit losses					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
31 December 2024	1,510	549	763	13	2,835	86,205	12,775	7,146	1,025	107,151
Movements between stages:										
to lifetime ECL (from Stage 1 to Stage 2)	(171)	297	-	-	126	(5,789)	5,614	-	-	(175)
to lifetime ECL with credit impairment (from Stage 1 and Stage 2 to Stage 3)	-	(37)	208	-	171	(261)	(568)	610	-	(219)
to lifetime ECL without credit impairment (from Stage 3 to Stage 2)	-	-	(12)	-	(12)	-	81	(88)	-	(7)
to 12-months ECL (from Stage 2 to Stage 1)	4	(25)	(15)	-	(36)	1,359	(1,513)	(44)	-	(198)
New originated or purchased	935	133	19	-	1,087	63,350	1,293	280	165	65,088
New asset acquisition with fair value adjustment	-	-	-	-	-	16,451	1,727	-	1,123	19,301
Movements of allowances for expected credit losses in the period without impact on stages:										
De-recognized	(238)	(83)	(144)	-	(465)	(10,683)	(5,413)	(1,051)	(108)	(17,255)
Total movements for the period	205	164	(23)	6	352	67,154	(134)	(341)	902	67,581
Write-offs	-	-	(4)	-	(4)	-	-	(4)	(110)	(114)
31 December 2025	1,715	713	736	19	3,183	153,359	12,641	6,801	1,817	174,618

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

10 LOANS AND RECEIVABLES (continued)

(h) Breakdown of the Group's and the Bank's loan impairment allowance:

Bank EUR'000	Allowances for expected credit losses					Gross carrying amount				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
On 31 December 2024	1,532	513	664	12	2,721	91,233	12,503	6,548	1,025	111,309
Movements between stages:										
to lifetime ECL (from Stage 1 to Stage 2)	(170)	254	-	-	84	(4,835)	4,721	-	-	(114)
to lifetime ECL with credit impairment (from Stage 1 and Stage 2 to Stage 3)	-	-	3	-	3	(1)	(22)	19	-	(4)
to lifetime ECL without credit impairment (from Stage 3 to Stage 2)	-	-	(11)	-	(11)	-	34	(36)	-	(2)
to 12-months ECL (from Stage 2 to Stage 1)	4	(25)	(15)	-	(36)	794	(861)	(44)	-	(111)
New originated or purchased	999	126	13	-	1,138	70,185	1,241	273	165	71,864
Movements of allowances for expected credit losses in the period without impact on stages:	(344)	(121)	(78)	6	(537)	3,981	(1,290)	(48)	(15)	2,628
De-recognized	(230)	(83)	(45)	-	(358)	(9,925)	(5,140)	(505)	(121)	(15,691)
Total movements for the period	259	151	(133)	6	283	60,199	(1,317)	(341)	29	58,570
Write-offs	-	-	(4)	-	(4)	-	-	(4)	-	(4)
On 31 December 2025	1,791	664	527	18	3,000	151,432	11,186	6,203	1,054	169,875

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

11 INVESTMENT PROPERTIES

In assessing the fair value of investment property, management relies on external experts, independent certified property appraisers who have appropriate and recognised professional qualifications and recent experience in valuing the same category of property in the same place. External evaluations use the income method or the comparative method (or both). The income method is based on the discounted estimated future cash flows of the property. The comparative method is based on recent transactions with similar properties.

98% of the property values accounted on balance sheet are evaluated at their fair value based on valuation reports prepared by independent external valuation companies. The fair value measurement for investment property is categorised as Level 3 in the fair value hierarchy.

Investment property consists of land, residential properties and commercial properties.

During the reporting period, the Bank acquired a real estate property as a result of a loan recovery process. The property had previously served as collateral for a credit-impaired loan. As a result of the repossession, the Bank obtained legal title to the respective property, derecognised the related loan receivable and also recognised interest income for 1,522 thousand EUR accrued in respect of prior periods.

Following the repossession, the property is leased to third parties and is held to earn rental income and for capital appreciation. Accordingly, the property has been classified as investment property in accordance with IAS 40 *Investment Property*.

The repossessed real estate property was initially recognised at 7,991 thousand EUR, based on the price determined in a public bailiff auction in which other market participants actively participated. However, as the auction represented a distressed sale, the transaction price is not considered representative of property's value in the principal market under normal market conditions. Auction participation fees amounting to 1.4 million EUR were paid in November 2025.

As at the reporting date, the repossessed real estate property included within investment property had a fair value of 12,520 thousand EUR, based on valuation performed by an independent external valuer. The independent valuer applied both the income approach and the market approach. The income approach was based on the property's expected future income, while the market approach was based on comparable market transactions and provided an indication of the price that could potentially be achieved in a market transaction. In determining the final market value of the property, the valuer assigned equal weight to the results of both valuation approaches, applying a weighting of 50% to the value indicated by the income approach and 50% to the value indicated by the market approach.

The property comprises a commercial and industrial real estate complex situated on more than 11 hectares of land, with a total building area of approximately 22.5 thousand square metres.

Group EUR'000	Land	Buildings	Total
Cost			
As at 31 December 2024	9,003	8,352	17,355
Disposed	-	(192)	(192)
Acquired	-	293	293
31 December 2025	9,003	8,453	17,456
Disposed	(84)	(456)	(540)
Acquired	-	8,197	8,197
30 June 2026	8,919	16,194	25,113
Change in fair value			
As at 31 December 2024	(1,627)	(1,808)	(3,435)
Revaluation impact	621	981	1,602
31 December 2025	(1,006)	(827)	(1,833)
Revaluation impact	-	4,529	4,529
30 June 2026	(1,006)	3,702	2,696

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

11 INVESTMENT PROPERTIES (continued)

Balance			
As at 31 December 2024	7,376	6,544	13,920
As at 31 December 2025	7,997	7,626	15,623
As at 30 June 2026	7,913	19,896	27,809

Bank EUR'000	Buildings	Total
Cost		
As at 31 December 2024	1,020	1,020
Disposed	(192)	(192)
31 December 2025	828	828
Acquired	7,991	7,991
30 June 2026	8,819	8,819

Change in fair value

As at 31 December 2024	146	146
Revaluation impact	52	52
31 December 2025	198	198
Revaluation impact	4,529	4,529
30 June 2026	4,727	4,727

Balance		
As at 31 December 2024	1,166	1,166
As at 31 December 2025	1,026	1,026
As at 30 June 2026	13,546	13,546

12 FINANCIAL LIABILITIES AT AMORTISED COST

EUR'000	30/06 2025 Group	30/06 2025 Bank	31/12 2025 Group	31/12 2025 Bank
Sector profile:				
Non-banking deposits				
Legal entities	170,729	171,689	172,535	173,254
Individuals	119,102	119,102	109,697	109,697
State institutions	41	41	179	179
Total non-banking deposits:	289,872	290,832	282,411	283,130
Total deposits and subordinated liabilities	289,872	290,832	282,411	283,130
Geographical profile:				
Residents	206,375	207,335	194,389	195,108
Residents of OECD countries	42,151	42,151	56,181	56,181
Residents of non-OECD countries	41,346	41,346	31,841	31,841
Total deposits and subordinated liabilities	289,872	290,832	282,411	283,130

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

12 FINANCIAL LIABILITIES AT AMORTISED COST (continued)

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Demand deposits				
Legal entities	157,932	158,892	158,747	159,466
Private individuals	71,915	71,915	66,379	66,379
State institutions	41	41	179	179
Total demand deposits	229,888	230,848	225,305	226,024
Term deposits				
Legal entities	12,797	12,797	13,788	13,788
Private individuals	47,187	47,187	43,318	43,318
Total term deposits	59,984	59,984	57,106	57,106
Total current accounts and deposits from non-banking customers	289,872	290,832	282,411	283,130

13 INTEREST INCOME

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Interest income calculated using effective interest rate:				
Interest income on assets at amortised cost:	9,051	8,180	5,712	5,686
<i>Loans and receivables from customers</i>	7,957	7,086	4,085	4,059
<i>Loans and receivables from banks</i>	1,094	2,909	1,627	1,627
Interest income from financial assets at fair value through profit or loss	-	-	17	17
Total	9,051	8,180	5,729	5,703

14 INTEREST EXPENSES

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Interest expenses on liabilities at amortised cost:				
Current accounts and deposits of customers	1,415	1,482	1,282	1,282
Other interest expense	198	198	198	198
Total	1,613	1,680	1,480	1,480

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

15 COMMISSION AND FEE INCOME

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Commissions from money transfers, cash operations and servicing accounts	2,065	2,066	2,372	2,373
Fees from e-commerce	229	229	1,118	1,118
Fees from cards services	325	325	370	370
Fees from POS services	107	107	98	98
Commissions from lending services and guarantees	415	415	354	354
Other commission income	108	108	94	94
Total	3,249	3,250	4,406	4,407

16 COMMISSION AND FEE EXPENSE

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Commissions paid to correspondent banks	35	35	35	36
Commissions for payment card, POS and e-commerce servicing	727	727	940	940
Other commission expense	17	17	13	13
Total	779	779	988	989

17 GAIN ON TRADING WITH FINANCIAL INSTRUMENTS, NET

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Profit from foreign currency transactions	84	84	52	52
(Loss)/profit from revaluation of foreign currencies	2	2	(20)	24
Profit/(Loss) on the revaluation of financial assets measured at fair value through profit or loss	(42)	(42)	140	140
Income from dividends	4	59	4	4
Total	48	103	176	220

18 ADMINISTRATIVE EXPENSES

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Salaries to members of the Council and the Board	635	525	534	506
Personnel salaries	3,283	2,984	2,902	2,846
State compulsory social insurance contributions	850	757	735	718
Professional services	1,076	963	900	900
Office supplies and maintenance expenses	213	171	148	150
Advertising and marketing	105	77	53	53
Other expenses	320	202	290	246
Total	6,482	5,679	5,562	5,419

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

19 RELATED PARTY TRANSACTIONS

Related parties are defined as shareholders of the Bank who have a significant influence over the Bank, members of the Council and the Board, head of the Internal Audit Service, CRO, compliance controller, their close relatives and companies in which they have a controlling interest. In line with Section 43 of the Credit Institution Law, risk transactions with related parties must not exceed 20% of the Bank's equity, applicable to limiting large exposures according to Regulation No 575/2013.

As at 30 June 2026 and 31 December 2025 the Bank was in compliance with this requirement.

The transactions carried out with subsidiaries were as follows:

EUR'000	30/06 2026 Bank	Average weighted rate	31/12 2025 Bank	Average weighted rate
Loans issued to the Bank's subsidiaries	15,784	8.09%	14,484	7.89%
Deposits from the Bank's subsidiaries	960	-	719	-

The Bank's and the Group's assets and liabilities from transactions with related parties:

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Credit exposures to other related parties, net				
Loans				
- Consolidated subsidiaries	-	15,784	-	14,484
- Management	-	-	-	-
- Companies related to the shareholders	3,481	3,481	3,564	3,564
Impairment	(45)	(45)	(54)	(54)
Credit exposures to related parties, net	3,436	19,220	3,510	17,994

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Liabilities to other related parties				
Deposits				
- Consolidated subsidiaries	-	960	-	719
- Management	263	263	341	341
- Companies related to the shareholders	14,637	14,637	25,007	25,007
- Subordinated liabilities	1,000	1,000	1,000	1,000
Liabilities to related parties	15,900	16,619	26,348	27,067

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

19 RELATED PARTY TRANSACTIONS (continued)

The Bank's and the Group's operating income and expenses from transactions with related parties:

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
<i>Interest and commission income</i>				
- Consolidated subsidiaries	-	593	-	189
- Management	2	2	3	3
- Companies related to shareholders	206	206	110	110
<i>Interest expense</i>				
- Consolidated subsidiaries	-	-	-	-
- Management	1	1	3	3
- Companies related to shareholders	117	117	170	170

The total amount of related party loans the year end:

EUR'000	30/06 2026 Bank	Weighted average rate	31/12 2025 Bank	Weighted average rate
Loans to other related parties				
Opening balance	3,564		1,651	
Issued loans in current year (net)	-		2,014	
Repaid loans in current year	(83)		(101)	
The relationship with the bank ended in the reporting year	-		-	
Loans to other related parties	3,481	4,34%	3,564	4,34%

20 CONTINGENT LIABILITIES AND COMMITMENTS

At any time the Bank has outstanding commitments to extend credit. These commitments take the form of approved loans, credit card limits and overdraft facilities.

The Bank provides financial guarantees and letters of credit to guarantee the performance of customers to third parties. These agreements have fixed limits and generally extend for a period of up to ten years. The Bank also provides guarantees by acting as settlement agent in transactions with securities.

The contractual amounts of commitments are set out in the following table by category. The amounts reflected in the table for commitments assume that amounts are fully advanced. The amounts reflected in the table for guarantees and letters of credit represent the maximum exposure that would be recognised in the statement of comprehensive income if counterparties failed to honour their contracted liabilities to any extent.

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
Loans and credit line liabilities	7,491	8,791	10,402	10,702
Guarantees and letters of credit	614	614	746	746
Total	8,105	9,405	11,148	11,448
Impairment allowance	(156)	(156)	(197)	(199)

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**21 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES****30 June 2026**

Group EUR'000	Financial assets at amortised cost	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Liabilities at amortised cost	Total
Financial assets					
Cash and balances due from the Latvijas Banka	97,747	-	-	-	97,747
Demand deposits with credit institutions	60	-	-	-	60
Financial assets at fair value through profit or loss	-	1,276	-	-	1,276
Financial assets at fair value through other comprehensive income	-	-	42	-	42
Loans and receivables	195,453	-	-	-	195,453
Other financial assets	3,192	-	-	-	3,192
Total financial assets	296,452	1,276	42	-	297,770
Financial liabilities					
Deposits	-	-	-	283,867	283,867
Subordinated liabilities	-	-	-	6,005	6,005
Preference shares at amortised cost	-	-	-	1,209	1,209
Other financial liabilities	-	-	-	4,125	4,125
Total financial liabilities	-	-	-	295,206	295,206

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements**21 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES (continued)****30 June 2026**

Bank EUR'000	Financial assets at amortised cost	Financial assets and liabilities designated at fair value through profit or loss	Financial assets and liabilities designated at fair value through other comprehensive income	Liabilities at amortised cost	Total
Financial assets					
Cash and balances due from the Latvijas Banka	97,747	-	-	-	97,747
Demand deposits with credit institutions	13	-	-	-	13
Financial assets at fair value through profit or loss	-	2,806	-	-	2,806
Financial assets at fair value through other comprehensive income	-	-	42	-	42
Loans and receivables	191,258	-	-	-	191,258
Other financial assets	2,725	-	-	-	2,725
Total financial assets	291,643	2,806	42	-	294,491
Financial liabilities					
Deposits	-	-	-	284,827	284,827
Subordinated liabilities	-	-	-	6,005	6,005
Other financial liabilities	-	-	-	1,884	1,884
Total liabilities	-	-	-	292,716	292,716

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

21 FINANCIAL ASSETS AND LIABILITIES BY CATEGORIES (continued)

31 December 2025

Group EUR'000	Financial assets at amortised cost	Financial assets and liabilities at fair value through profit or loss	Financial assets and liabilities at fair value through other comprehensive income	Liabilities at amortised cost	Total
Financial assets					
Cash and balances due from the Latvijas Banka	119,501	-	-	-	119,501
Demand deposits with credit institutions	90	-	-	-	90
Financial assets at fair value through profit or loss	-	1,279	-	-	1,279
Financial assets at fair value through other comprehensive income	-	-	37	-	37
Loans and receivables	171,435	-	-	-	171,435
Other financial assets	3,575	-	-	-	3,575
Total financial assets	294,601	1,279	37	-	295,917
Financial liabilities					
Deposits	-	-	-	276,397	276,397
Subordinated liabilities	-	-	-	6,014	6,014
Preference shares at amortised cost	-	-	-	1,209	1,209
Other financial liabilities	-	-	-	6,383	6,383
Total financial liabilities	-	-	-	290,003	290,003

31 December 2025

Bank EUR'000	Financial assets at amortised cost	Financial assets and liabilities designated at fair value through profit or loss	Financial assets and liabilities designated at fair value through other comprehensive income	Liabilities at amortised cost	Total
Financial assets					
Cash and balances due from the Latvijas Banka	119,501	-	-	-	119,501
Demand deposits with credit institutions	14	-	-	-	14
Financial assets at fair value through profit or loss	-	2,753	-	-	2,753
Financial assets at fair value through other comprehensive income	-	-	37	-	37
Loans and receivables	166,875	-	-	-	166,875
Other financial assets	3,554	-	-	-	3,554
Total financial assets	289,944	2,753	37	-	292,734
Financial liabilities					
Deposits	-	-	-	277,116	277,116
Subordinated liabilities	-	-	-	6,014	6,014
Other financial liabilities	-	-	-	3,769	3,769
Total liabilities	-	-	-	286,899	286,899

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

22 CAPITAL ADEQUACY

The capital requirement for the Group and the Bank is set and monitored by Latvijas Banka.

Capital is defined by the Group and the Bank as items defined by statutory regulation as capital. Under the current capital requirements set by Latvijas Banka, banks must maintain a ratio of capital to risk weighted assets ("statutory capital ratio") above the prescribed minimum level. Furthermore, according to Section 35.25 of the Credit Institution Law, the Bank is required to ensure that its Tier 1 basic capital is sufficient to meet the total capital buffer requirement which given the provisions of Section 35.3(1) of the Credit Institution Law is comprised of a capital conservation buffer of 2.50% of total exposures calculated according to Article 92(3) of the Regulation and, as required in Section 35.4(1) of the Credit Institutions Law, of the specific countercyclical capital buffer (CCyB) calculated by multiplying the total value of exposures as required by capital buffer 0.99% (CCyB) calculated by multiplying the total value of exposures as required by Article 92(3) of the Regulation and the CCyB rate specific for the particular credit institution.

As at 30 June 2026 the individual minimum level is set 10.30% which is increased by the total capital buffer requirement of 3.49% calculated as the sum of the capital buffer and the countercyclical capital buffer specific for the particular credit institution (31 December 2025: 10.95% which is increased by the total capital buffer requirement of 3.49% calculated as the sum of the capital buffer and the countercyclical capital buffer specific for the particular credit institution).

The actual capital adequacy ratio of the Group and the Bank was above the individual capital adequacy ratio set by Latvijas Banka as at the 30 June 2026 and above the individual capital adequacy ratio set by Latvijas Banka in the reporting year ended 31 December 2025.

Based on information provided internally to key management personnel the following table shows the composition of the Group's capital position, Tier 1 capital, Tier 2 capital and capital adequacy ratio as at 30 June 2026 and 31 December 2025:

Group EUR'000	30 June 2026	31 December 2025
Equity	37,573	28,402
Tier 1 capital	32,859	26,256
Tier 2 capital	5,120	5,120
Total risk weighted assets	190,565	168,529
Total capital as a percentage of risk weighted assets (total capital ratio)	19,93%	18,62%
Total tier 1 capital expressed as a percentage of risk-weighted assets ("tier 1 capital ratio")	17,24%	15,58%
Minimum capital adequacy ratio set by the Latvijas Banka	10,30%	10,95%
Minimum capital adequacy ratio set by the Latvijas Banka including the total capital buffer requirement	13,79%	14,44%

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

22 CAPITAL ADEQUACY (continued)

The following table shows the composition of the Bank's capital position as at 30 June 2026 and 31 December 2025:

Bank EUR'000	30 June 2026	31 December 2025
Equity	32,863	26,312
Tier 1 capital	32,576	26,026
Tier 2 capital	5,120	5,120
Total risk weighted assets	176,088	166,802
Total capital as a percentage of risk weighted assets (total capital ratio)	21,41%	18,67%
Total tier 1 capital expressed as a percentage of risk-weighted assets ("tier 1 capital ratio")	18,50%	15,60%
Minimum capital adequacy ratio set by the Latvijas Banka	10,30%	10,95%
Minimum capital adequacy ratio set by the Latvijas Banka including the total reserve requirement	13,79%	14,44%

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment with some adjustments is adopted for off-balance sheet exposure to reflect the more contingent nature of the potential losses. The additional value adjustment was calculated according to the simplified approach based on European Commission Delegated Regulation (EU) 2016/101.

23 FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER ASSETS

(a) Financial instruments and assets measured at fair value

The table below analyses the financial instruments and assets of the Group and the Bank measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

30 June 2026 Group EUR'000	Level 1:	Level 2:	Level 3:	Total
Financial instruments carried at fair value through profit or loss	1,276	-	-	1,276
Investment property at fair value through profit or loss	-	-	27,809	27,809
Financial assets at fair value through other comprehensive income	-	42	-	42
Total	1,276	42	27,809	29,127

30 June 2026 Bank EUR'000	Level 1:	Level 2:	Level 3:	Total
Financial instruments carried at fair value through profit or loss	1,276	-	1,530	2,806
Investment property at fair value through profit or loss	-	-	13,546	13,546
Financial assets at fair value through other comprehensive income	-	42	-	42
Total	1,276	42	15,076	16,394

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements
23 FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER ASSETS (continued)

31 December 2025				
Group	Level 1:	Level 2:	Level 3:	Total
EUR'000				
Financial instruments carried at fair value through profit or loss	1,279	-	-	1,279
Investment property at fair value through profit or loss	-	-	15,623	15,623
Financial assets at fair value through other comprehensive income	-	37	-	37
Total	1,279	37	15,623	16,939

31 December 2025				
Bank	Level 1:	Level 2:	Level 3:	Total
EUR'000				
Financial instruments carried at fair value through profit or loss	1,278	-	1,475	2,753
Investment property at fair value through profit or loss	-	-	1,026	1,026
Financial assets at fair value through other comprehensive income	-	37	-	37
Total	1,278	37	2,501	3,816

(b) Financial assets and liabilities not measured at fair value

The table below analyses the fair values of the financial assets and liabilities of the Group and the Bank other than measured at fair value by the level in the fair value hierarchy into which each fair value measurement is categorised.

Banks management has made estimates and believes that the fair value is substantially consistent with the balance sheet value based on ratio of the variable rates of loans and the average remaining maturity of deposits.

The carrying amounts of financial assets and liabilities approximate their fair value.

30 June 2026	Level 1:	Level 2:	Level 3:	Total fair value	Total carrying amount
Group					
EUR'000					
Financial assets					
Cash and due from central banks	155	97,592	-	97,747	97,747
Demand deposits with credit institutions	-	60	-	60	60
Loans and receivables	-	-	195,224	195,224	195,553
Other financial assets	-	-	3,192	3,192	3,192
Financial liabilities					
Deposits	-	280,328	-	280,328	283,867
Subordinated liabilities	-	-	5,988	5,988	6,005
Preference shares at amortised cost	-	-	1,209	1,209	1,209
Other financial liabilities	-	-	4,125	4,125	4,125

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements
23 FAIR VALUE OF FINANCIAL INSTRUMENTS AND OTHER ASSETS (continued)
(b) Financial assets and liabilities not measured at fair value (continued)

30 June 2026	Level 1:	Level 2:	Level 3:	Total fair value	Total carrying amount
Bank					
EUR'000					
Financial assets					
Cash and due from central banks	155	97,592	-	97,747	97,747
Demand deposits with credit institutions	-	13	-	13	13
Loans and advances to customers	-	-	166,638	166,638	191,258
Other financial assets	-	-	2,725	2,725	2,725
Financial liabilities					
Deposits	-	281,285	-	281,285	284,827
Subordinated liabilities	-	-	5,988	5,988	6,005
Other financial liabilities	-	-	1,884	1,884	1,884

31 December 2025	Level 1:	Level 2:	Level 3:	Total fair value	Total carrying amount
Group					
EUR'000					
Financial assets					
Cash and due from central banks	192	119,309	-	119,501	119,501
Demand deposits with credit institutions	-	90	-	90	90
Loans and receivables	-	-	171,146	171,146	171,435
Other financial assets	-	-	3,575	3,575	3,575
Financial liabilities					
Deposits	-	272,951	-	272,951	276,397
Subordinated liabilities	-	-	5,997	5,997	6,014
Preference shares at amortised cost	-	-	1,209	1,209	1,209
Other financial liabilities	-	-	6,383	6,383	6,383

31 December 2025	Level 1:	Level 2:	Level 3:	Total fair value	Total carrying amount
Bank					
EUR'000					
Financial assets					
Cash and due from central banks	192	119,309	-	119,501	119,501
Demand deposits with credit institutions	-	14	-	14	14
Loans and advances to customers	-	-	166,638	166,638	166,875
Other financial assets	-	-	3,554	3,554	3,554
Financial liabilities					
Deposits	-	273,670	-	273,670	277,116
Subordinated liabilities	-	-	5,997	5,997	6,014
Other financial liabilities	-	-	3,769	3,769	3,769

Notes to the Bank's separate and the Group's consolidated interim condensed financial statements

24 CORPORATE INCOME TAX

Corporate Income tax recognized in the profit or loss

EUR'000	30/06 2026 Group	30/06 2026 Bank	30/06 2025 Group	30/06 2025 Bank
Corporate income tax surcharge for the profit of the reporting year	1,309	1,309	256	256
Corporate income tax for the conditionally distributed profit	8	7	8	8
Total corporate income tax	1,317	1,316	264	264

Corporate Income tax liabilities

EUR'000	30/06 2026 Group	30/06 2026 Bank	31/12 2025 Group	31/12 2025 Bank
CITax liabilities at the beginning of the year	641	528	618	618
Accrual of corporate income tax	1,309	1,309	507	394
CITax paid for dividends and surplus tax	(10)	-	(484)	(484)
Total income tax liabilities	1,940	1,837	641	528

According to the Law on Corporate Income Tax of the Republic of Latvia adopted on 28 July 2017, and effective as of 1 January 2018, a 20% rate is only applied to distributed profits (except Corporate income tax surcharge for Credit institutions). Therefore, deferred tax assets and liabilities are recognisable at nil amount as of 30 June 2026 as the Group and the Bank have full discretion on the distribution decisions.

As of 1 January 2025, the Solidarity Contribution Law has entered into force in Latvia. The law introduces a solidarity contribution applicable to credit institutions operating in Latvia, calculated in accordance with the criteria and methodology defined therein.

Based on the assessment performed in accordance with the requirements of the Law, the Bank has achieved a sufficiently significant increase in its eligible loan portfolio. Consequently, the Bank qualifies for a 100% relief on the solidarity contribution for the reporting period.

25 SUBSEQUENT EVENTS

There have been no other events during the period since the end of the reference year which would need to be reflected in these interim condensed financial statements.



Independent Auditor's Report on Review of Bank's separate and Group's consolidated Interim condensed Financial Statements

To the Shareholders of AS Industra Bank

Introduction

We have reviewed the accompanying Bank's separate and the Group's consolidated interim condensed statements of financial position of AS Industra Bank (the "Bank") and its subsidiaries (together – the "Group") as at 30 June 2026 and the related Bank's separate and the Group's consolidated interim condensed statements of profit or loss and other comprehensive income, the Bank's separate and the Group's consolidated interim condensed statements of changes in shareholders' equity and the Bank's separate and the Group's consolidated interim condensed statements of cash flows for the six-month period then ended, and the related explanatory notes. Management is responsible for the preparation and presentation of the Bank's separate and the Group's consolidated interim condensed financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on the Bank's separate and the Group's consolidated interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the Bank's separate and the Group's consolidated interim condensed financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Bank's separate and the Group's consolidated interim condensed financial statements are not prepared,

in all material respects, in accordance with International Accounting Standard 34, “Interim Financial Reporting” as adopted by the European Union.

PricewaterhouseCoopers SIA
Certified audit company
Licence No. 5

Jegors Podosiņņikovs
Member of the Board
Certified auditor in charge
Certificate No. 238

Riga, Latvia
29 September 2026

Independent Auditor's Report on Review of Bank's separate and Group's consolidated Interim condensed Financial Statements is signed electronically with a secure electronic signature and contains a time stamp.

