

INDEXO¹

AS INDEXO BANKA

Unaudited public quarterly report
January – June 2025

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Information on the Bank, Bank's management, shareholders and equity participation

AS INDEXO Bank is a subsidiary of IPAS INDEXO.

As of June 30, 2025, the registered and paid-up share capital was divided into 21 117 945 single-category shares with equal voting rights. All shares of the Bank have a nominal value of EUR 1.00 (one euro, 00 cents). The sole shareholder of AS INDEXO Banka on June 30, 2025, was IPAS INDEXO, which owns 100% of the Bank's paid-up share capital.

Shareholder	Paid-up share capital, EUR	% of all paid-up share capital
IPAS INDEXO	21 117 945	100%
Total	21 117 945	100%

Members of the Bank's supervisory board

Name, Surname	Position held
Valdis Vancovičs	Chairman of the Supervisory Board
Svens Dinsdorfs	Deputy Chairman of the Supervisory Board
Ramona Miglāne	Member of the Supervisory Board
Renāts Lokomets	Member of the Supervisory Board
Mārtiņš Jaunarājs	Member of the Supervisory Board (from 10.01.2025)

Members of the Bank's management board

Name, Surname	Position held
Valdis Siksnis	Chairman of the Management Board
Jānis Mūrnieks	Member of the Management Board (from 04.07.2025)
Evija Stūrmane	Member of the Management Board (from 01.04.2025)
Ieva Bauma	Member of the Management Board
Gints Ozoliņš	Member of the Management Board
Ivita Asare	Member of the Management Board

Management report

The second quarter of 2025 was marked by significant additions to the range of services offered by INDEXO Bank.

In April 2025, we introduced the ability to use INDEXO-issued payment cards with Google Pay and Apple Pay. This reflects our commitment to providing modern and convenient services for our clients. With the integration of these digital wallets, clients can now make secure, fast, and convenient transactions using their mobile devices in stores, online, and within applications.

The mortgage refinancing service was launched at the end of May 2025. It is the first fully digital financial service of its kind in Latvia. Our clients can obtain for more suitable loan repayment terms and also access for additional financing for a variety of purposes. Within the first few weeks, the service gained significant popularity, and by the end of the reporting period, INDEXO Bank had issued refinancing offers to more than 1 000 clients, totaling EUR 86.6 million.

While we will continue to expand our range of services, we believe that INDEXO Bank already provides all the essential banking services required by individual clients.

During the second quarter, work continued on the implementation of the custody service, which we plan to offer to IPAS INDEXO in the fourth quarter of this year and during the next year for other asset managers.

During the second quarter, INDEXO Bank's net client count increased by 5.7 thousand, reaching a total of 37.3 thousand clients by the end of June.

Driven by the continued successful issuance of consumer loans and the launch of the mortgage refinancing product, the bank's total loan portfolio before expected credit losses and accrued interest increased by EUR 5.60 million compared to the first quarter, reaching EUR 12.38 million by the end of the second quarter.

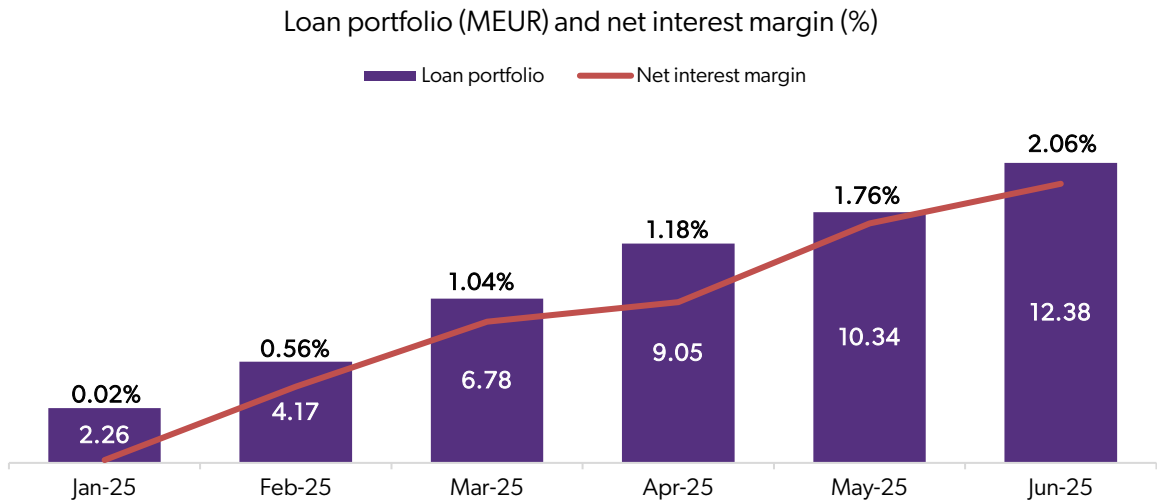
Q2 2025 compared to Q1 2025

Indicator	Q2 2025, EUR	Q1 2025, EUR	Changes
Net profit/ loss, million	(2.63)	(2.42)	8.7%
Total revenue, thousand	206.2	62.8	228.3%
Net interest income, thousand	210.7	60.0	251.2%
Net commission income, thousand	(52.2)	(51.1)	2.2%
Administrative expenses, million	(1.06)	(0.94)	12.8%
Depreciation, thousand	(459.0)	(378.2)	21.4%
IT investments (investments + expenses), million	(1.53)	(1.54)	-0.6%
Provisions for expected credit losses, thousand	(336.7)	(296.2)	13.7%
New consumer loans, million	6.28	6.16	1.9%
Refinanced mortgage loans, million	0.39	0.05	680%
Net deposit growth, million	2.48	12.81	-80.6%
Client growth, thousand	5.7	10.5	-45.7%
Cost of risk, %	5.8%	5.6%	3.6%
Net interest margin, %	2.06%	1.04%	98.1%

To implement the ambitious product development plans mentioned earlier, IT investments in the second quarter of 2025 remained at the same level as in the first quarter, amounting to EUR 1.53 million. Meanwhile, the Bank's

administrative expenses increased by EUR 0.12 million, or 12.8%, primarily due to the recruitment of new employees for client-related roles and one-off costs.

Thanks to the growth of the consumer loan portfolio and the decrease in deposit interest rates following the ECB rate cuts, the bank significantly increased its net interest income, which reached EUR 210.7 thousand in the second quarter. The growth in the loan portfolio also contributed to a substantial increase in the net interest margin during the first half of the year, reaching 2.06% in June.



However, a more rapid increase in revenue during the second quarter was limited by lower-than-expected customer activity, which is reflected in the slower growth of deposits and still negative net commission income. Compared to the more enthusiastic supporters who joined INDEXO Bank in the early months of operations, newer clients require more time to shift their daily banking habits to INDEXO Bank. One of our main priorities remains increasing the share of active clients and enhancing their incoming cash flows.

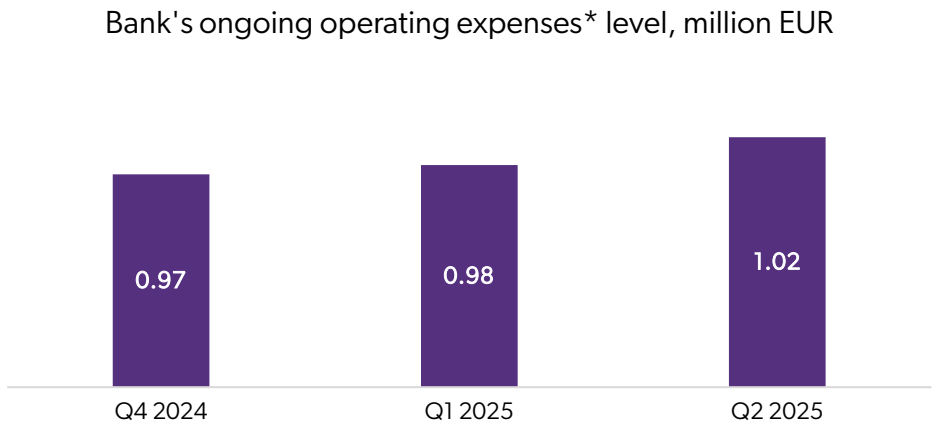
In the second quarter of 2025, INDEXO Bank's total revenue reached EUR 206.2 thousand, an increase of 228.3% compared to the previous quarter. During the second quarter, net interest income amounted to EUR 210.7 thousand, while net commission income remained negative at EUR (52.2) thousand. Achieving positive net commission income requires a larger active client base to cover fixed costs, primarily related to maintaining payment card infrastructure. Other core operating income totaled EUR 47.7 thousand.

With the increase in the volume of loans issued, we expect a continued strong growth in net interest income in the upcoming quarters.

During the second quarter, total expenses increased by 14% compared to the previous quarter, totaling EUR 2.50 million. The rapid growth of the loan portfolio also contributed to an increase in provisions for expected credit losses, which rose by EUR 336.6 thousand in the second quarter. The quality of the Bank's loan portfolio remains high, with model-based provisions for expected credit losses accounting for 5.8% of the total portfolio. Total net losses before provisions for expected credit losses in Q2 2025 amounted to EUR 2.29 million, representing a 7.5% increase compared to the first quarter. The total net losses for Q2 2025 reached EUR 2.63 million, while the total losses for the first half of 2025 amounted to EUR 5.05 million.

Since its launch on August 28, 2024, the Bank has made significant investments in infrastructure development and the creation of necessary products. These investments provide a stable foundation for future operations, and it is expected that the Bank's ongoing operating expenses will no longer increase significantly, as has been observed

in the past three quarters. To further improve profitability, the priority will be to increase revenue, which will be driven by the growth in business volume and client numbers.



*- Ongoing expenses are based on the bank's internal calculations. One-off, IT, and marketing expenses are not included in the calculation of ongoing expenses.

As of the end of June 2025, the total assets of INDEXO Bank amounted to EUR 58.5 million, reflecting a 5% increase during the quarter. The total loan portfolio before expected credit losses and accrued interest grew by EUR 5.60 million during the quarter, reaching EUR 12.38 million, while customer deposits increased by EUR 2.48 million, reaching EUR 48.31 million.

During the second quarter, the parent company IPAS INDEXO increased the Bank's capital by EUR 3.01 million. As of the end of June, the Bank's capital adequacy ratio stands at 26.8%, the LCR at 821.3%, and the NSFR at 320.7%.

Although the Bank managed to significantly increase net interest income during the second quarter, the overall revenue growth has been slower than expected. Therefore, in the upcoming quarters of this year, to drive revenue growth and achieve breakeven at the Group level before provisions for expected credit losses, the Bank will reassess its product development priorities and reduce overall IT spent.

To support INDEXO Bank's strategic objectives and continue the growth of its loan portfolio, INDEXO Bank will raise additional capital in the second half of 2025, potentially also considering issuance of Tier 2 capital or Additional Tier 1 capital instruments.

You can learn about the INDEXO group's history, values, mission, and vision here: indexo.lv/en/values-and-history/

Events after the reporting period

The following strategically important events occurred after the end of the reporting period:

- As of the end of July 2025, INDEXO Bank's number of clients has grown to 39.9 thousand, deposit volumes increased to EUR 49.9 million, while the amount of loan portfolio has reached EUR 18.8 million.
- On August 6 2025 INDEXO Bank received approval from Bank of Latvia to provide custodian bank services.
- On August 6 2025 IPAS INDEXO subsidiary announced a voluntary share buyback offer to DelfinGroup shareholders. To proceed, IPAS INDEXO will seek approval from their own shareholders at a general meeting to issue new INDEXO shares, which will be offered to existing DelfinGroup shareholders in exchange for their shares. You can find the announcement here: [INDEXO | Market News — Nasdaq Baltic](#)

Signed on behalf of the Management Board of AS INDEXO Banka:

Valdis Siksnis, Chairman of the Management Board

Ivita Asare, Member of the Management Board

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Financial statements

Profit and loss statement

	Bank 01/01/2025 – 31/06/2025 EUR	Consolidated Group 01/01/2025 – 31/06/2025 EUR	Bank 01/01/2025 – 31/03/2025 EUR	Consolidated Group 01/01/2025 – 31/03/2025 EUR
Interest income	881 880	892 035	365 353	371 168
Interest expense (-)	(611 166)	(604 975)	(305 310)	(301 864)
Dividend income				-
Commission income	151 293	2 585 538	59 959	1 281 380
Commission expense (-)	(254 623)	(258 160)	(111 036)	(113 029)
Net profit/loss from derecognition of financial assets and financial liabilities not measured at fair value through profit or loss (+/-)	-	-	-	-
Net profit/loss from financial assets and financial liabilities measured at fair value through profit or loss (+/-)	-	-	-	-
Net profit/loss from hedge accounting (+/-)	-	-	-	-
Net foreign exchange difference profit/loss (+/-)	(218)	(275)	(216)	(224)
Net profit/loss from derecognition of non-financial assets (+/-)	-	-	-	-
Other operating income	101 577	74 449	53 856	55 725
Other operating expenses (-)	(333 481)	(824 470)	(157 546)	(404 643)
Administrative expenses (-)	(3 516 822)	(4 648 872)	(1 653 750)	(2 231 639)
Depreciation (-)	(837 225)	(880 096)	(378 205)	(390 117)
Profit/loss recognized due to changes in the contractual cash flows of a financial asset (+/-)	-	-	-	-
Provisions made or reversed (-/+)	-	-	-	-
Impairment or reversal of impairment (-/+)	(632 829)	(631 518)	(296,159)	(296 118)
Negative goodwill recognized in the income statement	-	-	-	-
Profit/loss from investments in subsidiaries, joint ventures, and associates recognized using the equity method (+/-)	-	-	-	-
Profit/loss from long-term assets and disposal groups classified as held for sale (+/-)	-	-	-	-
Profit/loss before corporate income tax (+/-)	(5 051 614)	(4 296 344)	(2 423 054)	(2 029 361)
Corporate income tax	2 027	3 400	1 039	1 086
Profit/loss for the reporting period (+/-)	(5 053 641)	(4 299 744)	(2 424 093)	(2 030 447)
Other comprehensive income for the reporting period (+/-)	(5 053 641)	(4 299 744)	(2 424 093)	(2 030 447)
Return on Equity (ROE) %	(69.88)	(39.67)	(35.37)	(19.92)
Return on Assets (ROA) %	(8.63)	(6.93)	(4.35)	(3.45)

The financial statements have been authorised for issue on 6 August 2025 and signed on behalf of the AS INDEXO Banka Management Board by:

Valdis Siksnis, Chairman of the Management Board

Ivita Asare, Member of the Management Board

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Balance sheet statement

	Bank 30/06/2025 EUR	Consolidated Group 30/06/2025 EUR	Bank 31/03/2025 EUR	Consolidated Group 31/03/2025 EUR
Cash and demand deposits with central banks	27 261 844	27 261 844	30 523 540	30 523 540
Demand deposits with credit institutions	4 817	240 350	608 801	926 642
Financial assets measured at fair value through profit or loss	-	-	-	-
including loans	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	22 328 270	23 094 822	15,989,460	16 454 767
including debt securities	10 342 354	10 342 354	9,315,264	9 315 264
including loans	11 985 916	12 752 468	6,674,196	7 139 504
Derivative financial instruments – hedge accounting	-	-	-	-
Changes in fair value of hedged items for portfolio hedge of interest rate risk	-	-	-	-
Investments in subsidiaries, joint ventures, and associates	-	269 833	-	269 833
Tangible assets	2 484 329	2 557 828	2,599,093	2 681 944
Intangible assets	5 437 836	5 556 182	5,014,982	5 102 545
Tax assets	-	-	-	-
Other assets	1 008 514	3 030 493	946,699	2 932 492
Non-current assets and disposal groups classified as held for sale	-	-	-	-
Total assets	58 525 609	62 011 352	55,682,574	58 891 763
Liabilities to central banks	-	-	-	-
Demand liabilities to credit institutions	-	-	-	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-
including deposits	-	-	-	-
Financial liabilities measured at amortized cost	48 399 513	47 726 543	45 935 713	45 262 223
including deposits	48 399 513	47 726 543	45 935 713	45 262 223
Derivative financial instruments – hedge accounting	-	-	-	-
Changes in fair value of hedged items for portfolio hedge of interest rate risk	-	-	-	-
Provisions	193 582	594 465	166 941	413 262
Tax liabilities	221 625	225 150	185 125	192 953
Other liabilities	2 479 240	2 626 783	2 542 099	2 831 410
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total liabilities	51 293 960	51 172 941	48 829 877	48 699 848
Capital and reserves	7 231 649	10 838 411	6 852 697	10 191 915
Total equity and liabilities	58 525 609	62 011 352	55 682 574	58 891 763
Off-balance sheet items	2 286 194	2 286 194	-	-
Contingent liabilities	-	-	-	-
Off-balance sheet commitments to clients	-	-	-	-

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Summary of equity capital and minimum capital requirements

	Bank 30/06/2025 EUR	Consolidated Group 30/06/2025 EUR	Bank 31/03/2025 EUR	Consolidated Group 31/03/2025 EUR
Equity capital	5 797 417	9 285 832	5 724 670	8 976 326
Tier 1 capital	5 797 417	9 285 832	5 724 670	8 976 326
Common Equity Tier 1 capital	5 797 417	9 285 832	5 724 670	8 976 326
Additional Tier 1 capital	-	-	-	-
Tier 2 capital	-	-	-	-
Total exposure measure	21 638 988	28 725 488	19 680 824	26 695 358
Risk-weighted exposure value for credit risk, counterparty credit risk, dilution risk, and unpaid delivery risk	16 674 788	19 292 913	14 216 574	16 762 733
Total exposure measure for settlement/delivery risk	-	-	-	-
Total exposure measure for position risk, foreign exchange risk, and commodities risk	-	-	-	-
Total exposure measure for operational risk	4 964 200	9 432 575	5 464 250	9 932 625
Total exposure measure for credit valuation adjustment	-	-	-	-
Total exposure measure related to large exposures in the trading portfolio	-	-	-	-
Other exposure measures	-	-	-	-
Capital ratios and levels				
Common Equity Tier 1 capital ratio (%)	26.79	32.33	29.09	33.63
Common Equity Tier 1 capital surplus (+)/deficit (-)	4 823 662	7 993 185	4 839 033	7 775 035
Tier 1 capital ratio (%)	26.79	32.33	29.09	33.63
Tier 1 capital surplus	4 499 077	7 562 303	4 543 821	7 374 604
Total capital ratio (%)	26.79	32.33	29.09	33.63
Total capital surplus (+)/deficit (-)	4 066 298	6 987 793	4 150 204	6 840 697
Combined capital buffer requirement	755 049	1 003 065	593 295	803 822
Capital conservation buffer	540 975	718 137	492 021	667 384
Conservation buffer due to macroprudential or systemic risk identified at the level of a member state	-	-	-	-
Institution-specific countercyclical capital buffer	214 744	284 928	101 275	136 438
Systemic risk capital buffer	-	-	-	-
Other systemically important institution buffer	-	-	-	-
Capital ratios taking into account adjustments				
Adjustment amount for prudential purposes	-	-	-	-
Common Equity Tier 1 capital ratio taking into account the adjustment amount mentioned in row 5.1 (%)	26.79	32.33	29.09	33.63
Tier 1 capital ratio taking into account the adjustment amount mentioned in row 5.1 (%)	26.79	32.33	29.09	33.63
Total capital ratio taking into account the adjustment amount mentioned in row 5.1 (%)	26.79	32.33	29.09	33.63

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Liquidity coverage ratio calculation

	Bank 30/06/2025 EUR	Consolidated Group 30/06/2025 EUR	Bank 31/03/2025 EUR	Consolidated Group 31/03/2025 EUR
Liquidity reserve	37 231 581	37 231 581	39 543 041	39 543 041
Net outflows	4 533 519	3 568 967	3 699 054	2 373 637
Liquidity coverage ratio (%)	821.25	1043.20	1 069.00	1 665.93

Risk management

Basic risk analysis principles of AS INDEXO Banka can be found in the Bank’s Annual report chapter Notes to the Financial Statements (Appendix No. 4. “Risk management”): [AS Indexo Banka 2024 annual report](#)

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