Saldo Bank

Set of annual financial reports

Saldo Bank, UAB

2026 04 03

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Information about the company

Name	Saldo Bank, UAB	**Telephone**	+370 604 45179
Legal form	Public Limited Liability Company	**Email address**	info@saldo.com
Country of incorporation	Lithuania	**Website**	https://www.saldo.com/lt-lt/
Registration No.	305334925	**Financial year**	January 1st, 2025 – December 31st, 2025
VAT code	LT100013731816	**License**	Specialized Bank license No 8, issued October 26th, 2021
Address	Žalgirio g. 94-1, Vilnius	**Audit Company**	BDO auditas ir apskaita UAB

(All amount in thousands EUR, unless indicated otherwise)

2025 – Sustained Growth and Foundations for Further

Saldo Bank UAB (further in the text – the Bank) maintained strong financial momentum throughout 2025. The loanbook reached nearly EUR 124 million, representing a 19% YoY growth. This was complemented by total revenuereaching EUR 28 million (+24% YoY) and operating profit expanding to EUR 10 million (+43% YoY). Ultimately, thisyielded a net profit of EUR 1 million, marking the Bank's first year of positive annual results and a successful transitionto self-sustained growth only in its 2nd full operating year (the Bank started operations in 2023).

Strengthened financial position and operational maturity supported the Bank's continued geographical and product expansion in 2025. Beyond the existing cross-border operations in Sweden, where the lending portfolio continued to expand, and Germany, which remained a stable deposit market, the Bank secured additional passporting authorizations in 2025 for lending services in Germany and for both lending and deposit services in the Netherlands. Ongoing investments in technology and digital banking will support further scaling in these markets, primarily through partnership-based and embedded solutions, several of which were in development or deployment at the end of 2025. To reflect this expanded geographical footprint and the associated growth opportunities, the Bank updated its 2025-2027 business plan during the reporting year.

The credit card product launched in Finland in 2024 maintained its growth trajectory throughout the year. Additionally, the Bank introduced an SME collateralized loan product in Finland in 2025, with plans to scale this offering across other markets.

The enhancement of the Bank's IT infrastructure has extended beyond new product launches to include substantial investments into integration systems, end-to-end secure data lineage, scalable instant onboarding and scoring engines, sophisticated anti-money laundering protocols, automated deposit products, and the continuous evolution of its online banking services.

In 2026, the Bank will focus on the sustainable expansion of its product and partnership portfolio. A key objective will be to ensure that the infrastructure developed over the initial years of operations translates into increased efficiency and seamless customer experience across all active markets. This next phase will be supported by the further operationalization of the platform banking model. This ecosystem is central to the Bank's mission of democratizing access to credit, enabling the delivery of flexible B2C and B2B financing through a diverse network of digital channels and partners. By aligning the automated processes with the deepened geographical footprint, the Bank is well-positioned to drive sustainable growth and deliver on its commitment to accessible, technology-first financial services.

The Bank maintained strict compliance with all applicable prudential requirements during 2025. The Bank of Lithuania imposed no sanctions throughout the reporting period, although a planned full-scope on-site inspection was carried out in Q4 2025. As of December 31, 2025, the Bank's total capital adequacy ratio stood at 19.8%, the CET1 capital ratio at 14.9%, and the leverage ratio at 7.5%, i.e. all figures comfortably exceed the target levels. A comprehensive discussion of the risks encountered by the Bank, along with the corresponding risk management processes, is detailed in the explanatory notes accompanying the financial statements.

The Bank does not use financial hedging instruments and does not apply hedge accounting. For risk assessment, see Note 1 to Part 3 of the financial statements.

The Bank also adheres to the prevention of bribery and corruption, and accordingly, employees are prohibited from directly or indirectly offering or receiving gifts of any value to any government official in order to obtain personal benefit or benefit for the Bank, including bribing foreign officials when concluding international business transactions.

The Bank strives to adhere to high ethical standards in areas such as combating corruption, avoiding conflicts of interest, and promoting the values of equality, respect and professionalism.

At the close of 2025, the Bank employed 86 dedicated professionals.

No research and development activities were undertaken during the year.

Assessment of the impact of the external factors

The Bank reports no material direct impact from the ongoing war in Ukraine, as our operations and lending exposures are concentrated outside the affected regions. While 2025 saw a shift in interest rate policies from the ECB and the Swedish Riksbank, the Bank effectively neutralized potential margin pressure by reducing average funding costs in parallel with rate movements.

Despite persistent inflationary pressures on consumer purchasing power in the Bank's core markets, its data-driven underwriting models have ensured that asset quality remains resilient.

Furthermore, the Bank remained proactive in adapting to the evolving EU regulatory landscape, specifically through the implementation of the Digital Operational Resilience Act (DORA), ensuring that our technological growth remains aligned with the highest standards of institutional security.

Operationally, the Bank's digital-only delivery model has ensured uninterrupted service and efficient customer onboarding. The Bank continues to utilize a hybrid work model, which has proven effective in maintaining high productivity while supporting the cross-border expansion strategy.

Information about the share capital

As of December 31, 2025, the Bank's share capital was equal to EUR 16 779 000. The share capital is divided into 16 779 000 thousand ordinary registered shares with EUR 1 par value each. All the issued shares provide equal rights for the shareholders.

During the reporting period, the Bank did not acquire or transfer any treasury shares. At the end of the reporting period, the Bank did not hold any treasury shares.

Information About Branches

The Bank provides services in Lithuania, Finland, where it operates through an established branch, and in Germany and Sweden where services are provided without a branch.

Management bodies of the Bank

The General Meeting of Shareholders.

The General Meeting of Shareholders is the highest body of the Bank that reviews and approves the annual accounts (including allocation of profit and distribution of dividends), decides on amending the Articles of Association, and decides other questions stipulated by the laws and the Articles of Association.

The Supervisory Council.

The Supervisory Council carries out the function of supervision of the Bank´s activities. The Supervisory Council consists of three members elected for the period of four years.

During the reporting period, the Supervisory Board consisted of:

Name, Surname	Position on the Supervisory Board	Other management positions
Olli Juhana Kiuru	Chairman	Waselius & Wist law firm (Partner) – main workplace
Šarūnas Nedzinskas	Member	UAB Būsto paskolų draudimas (Chairman of Management Board) UAB Demivolt (CEO) – main workplace UAB LTk Capital (Board member) MB Nedisa (CEO)
Aušra Čepelienė	Member	AB Via Lietuva (Head of Organizational Development) – main workplace

The main tasks of the Supervisory Council include electing and recalling the Members of the Management Board, monitoring the Bank's business activities and their compliance with the law, the Articles of Association and the decisions of its shareholders, supervising the activities of the Management Board, approve transactions between the Bank and members of the Management Board, the Bank's auditors or related persons, examine and approve the Bank's annual accounts before submitting to the General Meeting of Shareholders and other questions stipulated by the laws and the Articles of Association. Notably, Aušra Čepelienė joined the Supervisory Council during the reporting year.

The Management Board

The Management Board is a collegial management body elected for 4-year term by the Supervisory Council of the Bank. At the end of 2025 The Management Board consisted of 6 members: Sigitas Skuodas (Chairman), Vytautas Naruševičius, Mindaugas Varnas, Mindaugas Grigas, Lauri Pitkänen, Augustas Glinskis. Management board members were not participating in any other companies' management bodies as of December 31, 2025 and their main workplace is Saldo Bank, UAB, except for Lauri Pitkänen, whose main workplace is Tact Finance OY.

The Management Board is responsible for, among other things, supervising the general and day-to-day management of the Bank´s business, ensuring proper organization of the business, preparing plans and budgets for the activities, ensuring that activities, accounts, and asset management are subject to adequate controls, representing the Bank's interests, and bears liability for the financial performance in accordance with the law.

Notably, a key leadership transition occurred during the reporting period: Mr. Sigitas Skuodas was appointed CEO, while the outgoing CEO, Mr. Jarkko Mäensivu, transitioned to the role of President and Advisor to the Management Board; in this capacity, Mr. Mäensivu focuses on enabling the Bank's mission; democratizing access to credit through group level capital and resource allocation strategies, building strategic partnerships and investor relations, ensuring business succession and leveraging his expertise for the Bank's further scalability and profitable growth.

The Director

The Director of the Bank is the Head of Administration. The Head of Administration organizes daily activities of the Bank, leads and operates the business, hires and dismisses employees, concludes and terminates employment contracts therewith, and performs other functions. The Director (CEO) is Mr. Sigitas Skuodas.

Sigitas Skuodas was not participating in any other companies' management bodies as of December 31, 2025 and his main workplace is Saldo Bank, UAB.

Significant Events in the Bank Since the end of the Reporting Period

Building on prior proof-of-concept implementations, the first B2B embedded partnership was rolled out in early 2026 with Finland's Vauraus, with a similar partnership pending in Germany.

Subsequent to the end of the financial year, a change of creditor occurred under the subordinated loan agreement. On 2 January 2026, the lender (Tact Finance Oy) assigned the claim rights to the direct shareholders of the Bank.

This change has no impact on the Company's financial position, assets, or the amount of liabilities, as the loan terms and conditions (principal amount, maturity, and interest rate) remain unchanged. This event is considered a nonadjusting event after the reporting period; therefore, no adjustments were made to the financial statements as of 31 December 2025.

The military conflict in the Middle East had a limited impact on the Bank's operations, as the Bank does not operate in the countries of that region and has no related positions.

There were no other material subsequent events after the statement of financial position date that would require adjustments to the Bank's financial statements for the year 2025.

Sigitas Skuodas

CEO

Statement of Financial Position

December 31, 2025

	Note	2025	2024
ASSETS			
Cash and cash equivalents in central bank	2	41 674	26 280
Cash and cash equivalents in credit institutions	2	3 153	8 020
Deposits and debt securities	3	1 935	1 800
Credit portfolio	4	113 493	95 436
Property, plant and equipment	5	78	61
Intangible asset	6	42	-
Assets held under right of use	7	103	189
Other assets	8	2 430	1 784
TOTAL ASSETS		**162 908**	**133 570**
LIABILITIES			
Retail deposits	14	136 907	110 034
Lease liabilities	10	79	176
Provisions	13	220	130
Trade and other short-term liabilities	9	777	672
Other liabilities	11	2 675	1 270
Subordinated loan	12	6 000	6 000
TOTAL LIABILITIES		**146 658**	**118 282**
EQUITY			
Share capital	15	16 779	16 779
Share premium		-	-
Reserve capital	15	900	900
Retained earnings (loss)	15	(1 429)	(2 391)
TOTAL EQUITY		**16 250**	**15 288**
TOTAL LIABILITIES AND EQUITY		**162 908**	**133 570**

The accompanying notes are on pages 20 to 42 are an integral part of these financial statements.

(All amount in thousands EUR, unless indicated otherwise)

Statement of Profit and Loss and other Comprehensive Income

For the year ended December 31, 2025

Article	Note	2025	2024
Interest income		22 898	19 075
Interest expense		(5 073)	(4 920)
NET INTEREST INCOME	**16**	**17 825**	**14 155**
Commissions and fees income		5 085	3 490
Commissions and fees expense		(231)	(243)
NET COMMISIONS AND FEES INCOME	**17**	**4 854**	**3 247**
Other income	18	297	284
TOTAL NET INCOME		**22 976**	**17 686**
Personnel expense	19	(6 360)	(4 922)
IT expenses	20	(900)	(1 160)
Marketing expenses		(942)	(926)
Provisions for unused revolving credit facilities / reversal of provisions		(88)	58
Administrative and other costs	21	(4 283)	(3 995)
TOTAL OPERATING EXPENSES		**(12 573)**	**(10 945)**
OPERATING PROFIT BEFORE IMPAIRMENT LOSSES		**10 403**	**6 741**
Impairment losses	4	(9 364)	(9 132)
PROFIT (LOSS) BEFORE TAXES		**1 039**	**(2 391)**
Profit tax		(77)	-
NET PROFIT (LOSS)		**962**	**(2 391)**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME, NET OF TAX		**962**	**(2 391)**

The accompanying notes are on pages 20 to 42 are an integral part of these financial statements.

(All amount in thousands EUR, unless indicated otherwise)

Statement of Changes in Equity

December 31, 2025

Article	Note	Paid Share capital	Share premium	Mandatory reserve	Reserve capital	Retained earnings (loss)	Total
Balance at 31st December 2023		**16 779**	-	**-**	**9 221**	**(9 024)**	**16 976**
Transfers from inventory reserves	15	-	-	-	(9 024)	9 024	-
Profit (loss) for the year		-	-	-	-	(2 391)	(2 391)
Other comprehensive income (loss)		-	-	-	-	-	-
Formation of reserve capital	15	-	-	-	703	-	703
Balance at 31st December 2024		**16 779**	-	**-**	**900**	**(2 391)**	**15 288**
Profit (loss) for the year		-	-	-	-	962	962
Other comprehensive income (loss)		-	-	-	-	-	-
Formation of reserve capital		-	-	-	-	-	-
Transfer from reserve capital		-	-	-	-	-	-
Balance at 31st December 2025		**16 779**	-	**-**	**900**	**(1 429)**	**16 250**

The accompanying notes are on pages 20 to 42 are an integral part of these financial statements.

(All amount in thousands EUR, unless indicated otherwise)

Statement of Cash Flows

December 31, 2025

Article	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit (loss)		962	(2 391)
Adjustments:			
Depreciation and amortization	5, 6, 7	117	102
Impairment loss on loans	4	1 276	5 621
Accrued interest on customer deposits	14	519	2 393
Other non-cash adjustments	5, 10	14	8
Changes in:			
Decrease (increase) in loans to customers	4	(12 687)	(29 798)
Decrease (increase) in loans from purchase portfolio	4	(6 646)	(23 916)
Decrease (increase) in prepayments	8	(9)	(30)
Decrease (increase) in trade receivables	8	(253)	(1 255)
Decrease (increase) in other receivables	3, 8	(71)	(1 764)
Decrease (increase) in deferred expenses and accrued income	8	(448)	(105)
Increase (decrease) in short-term debt to suppliers and advances received	9	105	274
Increase (decrease) in liabilities related to employment relations	11	36	18
Increase (decrease) in customer deposits	14	26 404	45 050
Increase (decrease) in other liabilities	10, 11	916	360
Increase (decrease) in accrued expenses and deferred income	11	493	505
NET CASH FLOWS FROM OPERATING ACTIVITIES		**10 728**	**(4 929)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	5	(50)	(16)
Purchase of intangible asset	6	(46)	
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(96)**	**(16)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease payments	10	(105)	(102)
Formation of reserve capital	13	-	703
Long term liability	12	-	6 000
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(105)**	**6 601**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**10 527**	**1 656**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**34 300**	**32 644**
CASH FLOWS FROM OPERATING ACTIVITIES	**2**	**44 827**	**34 300**

The accompanying notes are on pages 20 to 42 are an integral part of these financial statements.

(All amount in thousands EUR, unless indicated otherwise)

Explanatory Notes

I. General information

Saldo Bank UAB code: 305334925, registered on 13 November 2019, Žalgirio g. 94-1, Vilnius, the data is collected and stored in the Register of Legal Entities. 26 October 2021 The company has been issued Specialized Bank License No. 8. The Bank's main activity is the provision of financial services. The Bank provides consumer loans, financing for small and medium-sized enterprises, and savings services for individuals.

The Bank's parent (holding) company is Saldo Finance Oy., registration number: 3246453-9, registered office at PL 2, 00581, Helsinki, Finland.

The bank provides services in Lithuania, Finland, where it operates through an established branch, and in Germany and Sweden where services are provided without a branch.

At the end of 2025, the Bank had a total of 86 employees (December 31, 2024: 76 employees).

The average number of employees on the Bank's roster was 76 in 2025 and 74 in 2024.

The Bank has no subsidiaries as of December 31, 2025.

The Bank does not hold any shares of its own and did not acquire or dispose of any shares during the reporting period.

Accounting policy

Basis of preparation of the financial statements

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Republic of Lithuania in accordance with the laws and regulations applicable in the European Union and the Republic of Lithuania relating to accounting and financial reporting. These financial statements have been prepared on a going concern basis. The Bank's financial statements are prepared on the historical cost basis.

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

Functional Currency and Foreign Currency Transactions

The Bank maintains its accounts and presents all amounts in these financial statements in euro.

Foreign currency transactions are translated into the functional currency using the official exchange rates by the European Central Bank (ECB) prevailing at the dates of the transactions. Gains and losses arising from the settlement of these transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the rates ruling at the reporting date are recorded in the Statement of Comprehensive Income, in the Income and Expenditure accounts.

Significant Accounting Policy Principles

Property, Plant and Equipment (IAS 16)

Property, plant and equipment, or tangible fixed assets, are assets that have a useful life of more than one year, have an acquisition cost of more than EUR 1 000 and can be measured reliably, and it is probable that future economic benefits associated with the asset will flow to the Bank. Tangible fixed assets are carried at cost less accumulated depreciation and estimated impairment losses when indicators of possible impairment exist. The cost of property, plant and equipment comprises the acquisition cost, including non-refundable acquisition taxes and any directly attributable costs incurred in bringing the asset to the point of use or to the point of transfer to the place of use. Depreciation of tangible assets is calculated using the straight-line method, by writing off the cost of each individual asset over its estimated useful life. The residual values and useful lives of assets are reviewed at each reporting date and adjusted as necessary.

Depreciation is provided for major items of property, plant and equipment using the estimated useful lives set out below: Depreciation of property, plant and equipment is based on the depreciation rates established by the Bank:

- Computing and communication equipment (computers, their networks and equipment) - 3 years;
- Furniture - 6 years;
- Other tangible assets - 4 years.

When an asset is sold or written off, its cost and accumulated depreciation are eliminated in the accounts and the gain or loss on sale is recorded in profit or loss. Expenses, such as repairs and maintenance, incurred after the property, plant and equipment is placed in service, are normally charged to profit or loss in the period in which they are incurred.

Financial Instruments (IFRS 9)

Financial assets and liabilities are recognized when the Bank becomes a party to the contractual provisions of the financial instrument. Loans and receivables from customers are recognized when funds are transferred to customer accounts.

Financial assets and financial liabilities are measured at fair value on initial recognition. Transaction costs directly attributable to financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

On initial recognition, financial assets are classified as at amortized cost, fair value through profit or loss or fair value through other profit or loss.

The Bank classifies financial assets in a particular category based on the business model used to manage the assets and the terms of the contract:

- Amortized cost is measured at;
- Fair value through profit or loss, with changes in value recognized in the statement of comprehensive income;
- Fair value through profit or loss.

All or part of a financial asset is written off when the Bank does not expect to recover the financial asset.

On 31.12.2025 and 31.12.2024, the Bank held only financial assets measured at amortized cost.

Effective Interest Rate Method

The effective interest rate method is a method of calculating amortized cost and allocating interest over the relevant period. The effective interest rate is the interest rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability (or to the date of repricing) to the net carrying amount ofthe financial asset or amortized cost of the financial liability. The method excludes expected credit losses and includes any fees, other premiums or discounts paid or received that are an integral part of the effective interest rate, such as issue fees. When the Bank revises its estimates of future cash flows, the carrying amount of the financial asset or financial liability is adjusted to reflect the new estimate discounted at the original effective interest rate. Any change in value is recognized in profit or loss.

Impairment of Financial Assets

Impairment of financial assets is assessed at each statement of financial position date. The assessment is based on an expected credit loss model, (see Note 1 Risk management), which depends on whether there has been a significant increase in credit risk since initial recognition.

Cash and Cash Equivalents

Cash consists of cash in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible into a known amount of cash.

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, deposits in current accounts and other short-term highly liquid investments with an original maturity of three months or less.

Financial Liabilities

All financial liabilities are classified as financial liabilities measured at amortized cost. Financial liabilities are derecognized when they are settled, canceled, or expire. Fair values are close to carrying amounts.

Share Capital and Reserves

Share capital is accounted for in accordance with the Bank's Articles of Association. The amount paid by which the selling price of shares exceed their nominal value is accounted for as share premium.

Reserves are created by the distribution of the profit for the year under review by decision of the General Meeting of Shareholders, in accordance with the laws of the Republic of Lithuania, sub-statutory acts and the Bank's Articles of Association.

Pursuant to the Law on Joint Stock Companies of the Republic of Lithuania, the Bank is obliged to transfer 5% of its net profit annually to the statutory reserve until the reserve reaches 10% of the Bank's authorized capital. The statutory reserves are non-distributable and may only be used to cover losses.

Employee Benefits

Short-term employee benefits are recognized as current expenses in the period in which the employees render services. Benefits include salaries, social security benefits, bonuses and holiday pay.

The Bank offers an employee stock option program designed to attract and retain key professionals and align their interests with the Bank's long-term value creation goals. The program is available to executives and key employees.

Revenue

Revenue is recognized on an accrual basis. It is recorded when earned. Services are deemed to be rendered when all the following conditions are met:

- The amount of revenue can be measured reliably;
- The transaction is complete or the degree of completion can be measured reliably to the balance sheet date;
- It is probable that the economic benefits associated with the service transaction will flow.

The Bank's core income includes income from the Bank's specialized services. In accordance with IFRS 9, interest income is recognized using the effective interest rate for financial assets measured at amortized cost. Interest expense is also calculated using the effective interest rate for all financial liabilities measured at amortized cost. The effective interest rate is the rate at which the value of future cash flows is discounted to the present value of financial assets and financial liabilities over their expected lives or, if applicable, shorter periods. Interest income and interest expenses include any amounts allocated to a period related to fees received and transaction costs that are included in the effective interest rate.

The Bank recognizes interest income using the interest rate that best reflects the return expected to be received over the expected life of the loan.

Net interest income comprises interest income and interest expense calculated using the effective interest rate and other methods. Such interest is disclosed separately in the income statement in order to provide clear comparative information.

Bank recognizes reminder fees, withdrawal fees, other fees as commissions and fees income. Commissions and fees' income is recognized in profit and loss in the period it is earned. Commission and fees expense are expenses attributable to payment services.

Other income is recognized on an accrual basis, i.e. it is recorded when earned, irrespective of when cash is received. Advances and other prepayments are not recognized as revenue. Receipts received during the reporting period that are not considered as revenue are shown as liabilities of the Bank in the balance sheet. Other income is defined as variable income earned from transactions with related parties in accordance with agreed and approved pricing.

Revenue is considered to be only the increase in the Bank's economic activity, whether in the form of an increase in assets or a decrease in liabilities (excluding additional contributions from owners). Amounts collected on behalf of third parties, including value added tax, reimbursements or refunds, should not be recognized as revenue as they do not constitute an economic benefit to the Bank and do not add to equity.

Foreign exchange gains or losses on financial assets and financial liabilities are presented net as finance income or expense, depending on whether the foreign exchange movements are in the net profit or net loss position.

Expenses

Costs are recognized on an accrual and comparative basis. Interest expense is recognized using the effective interest rate method. Fees and commissions are recognized when the service is rendered. Costs that do not relate to the generation of specific revenue are recognized as an expense in the period in which they are incurred. Amortization and depreciation expense includes the amortization and depreciation of tangible (including right-of-use) and intangible fixed assets incurred during the reporting period.

Financial operating expenses comprise management fees on investment securities, interest on borrowings and other servicing costs for the administration of receivables and the effect of exchange rate movements. Such interest expense is recognized using the effective interest rate method.

Bank as Tenant

The determination of whether a contract is a lease is based on the date on which the contract was signed. It is assessed whether the contract relates to the use of a specific asset and whether the contract confers a right to use the asset.

The Bank accounts for leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased asset at the inception of the lease or the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate on the lease payments when it is distinguishable, otherwise the Bank's general borrowing rate. Direct initial costs are included in the value of the asset. Lease payments are split between interest expense and reduction of outstanding liabilities. Interest is determined so that its percentage of the outstanding balance of the lease liability at the time of each payment is constant over the lease term.

Leasehold properties and lease liabilities held are depreciated and finance charges are incurred each period in respect of leases. The depreciation treatment for assets acquired under leases is similar to that for own assets, but such assets may not be depreciated over the term of the lease unless the lease agreement provides for the transfer of ownership to the Bank at the expiry of the lease term.

If the sale and leaseback transaction results in a finance lease, any gain on the sale in excess of the carrying amount is not recognized immediately as income. It is deferred and amortized over the term of the finance lease.

Taxation

Corporate Income Tax

The calculation of corporation tax is based on the annual profit for the year, after taking into account deferred corporation tax. Corporate income tax is calculated in accordance with the requirements of the tax laws of the Republic of Lithuania.

Tax losses can be carried forward indefinitely, except for losses resulting from the disposal of securities and/or derivatives. Such carry-forward shall cease if the Bank ceases to carry on the business which gave rise to such losses, unless the Bank ceases to carry on the business for reasons beyond its control. Losses on the transfer of securities and/or derivatives may be incurred for a period of 5 years and shall only be covered by profits from transactions of the same nature.

As from 1 January 2014, tax loss carryforwards can cover a maximum of 70% of the taxable profits for the current tax year.

Deferred Income Tax

Deferred tax reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the asset is realized or the liability settled, considering tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax assets and liabilities are offset when they relate to taxes imposed by the same authorities and the Bank expects to settle the taxes payable on a net basis.

Profit and Deferred Tax for the Period

Income tax and deferred tax expense or benefit is accounted for through profit or loss, except to the extent that they relate to items accounted for outside profit or loss (either in profit or loss and other comprehensive income or directly in equity).

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to the financial statements when it is probable that revenue or economic benefits will flow to them.

In accordance with the applicable laws, the State Tax Inspectorate may, at any time, inspect the Bank's books and records for the 5 years preceding the tax period under review and may assess additional taxes and penalties. The Bank's management is not aware of any circumstances that could result in the imposition of significant additional tax liabilities on the company.

Subsequent events

Events after the date of the financial statements that provide additional information about the Bank's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are described in the notes to the financial statements when material.

Related parties

A related party is a natural or legal person who meets at least one of the following conditions:

a. the person or a close relative of the person is considered to be related to the Bank if the person:

- controls the Bank, either alone or jointly with other parties;
- is in a position to exercise significant influence over the Bank;
- or a member of the Bank's or its parent company's senior management;

b. an undertaking is considered to be affiliated with the Bank if at least one of the following conditions applies:

- both undertakings belong to the same group of undertakings (i.e. each subsidiary of the group is considered to be related to each other);
- associates or joint venture partners of enterprises in the same group and enterprises of which enterprises in the same group are regarded as associates;
- the joint venture partners of a joint venture partner;
- associates of a joint venture partner;
- an undertaking which provides for the accrual and payment of pensions and other post-employment benefits to employees of the Bank or of an affiliated legal entity. If the Bank itself administers such benefit plans, the related entities are those that subsidies' such benefit plans;
- an entity controlled by or controlling a person referred to in (a);
- a person referred to in (a) who is in a position to exercise significant influence over the Bank or who is an executive officer of the Bank or its parent company.

Persons Related to the Bank During the Reporting Year

Bank's Controlling Shareholder:

Saldo Finance Oy, registration code: 3246453-9, Address: PB 2, 00581 Helsinki, Finland.

Controlled part – 100 percent.

Tact Finance Oy and Tact Finance AB are not part of the Bank's Group and operate separately from the Bank, but for tax purposes, they are considered to be related because they share the same beneficiaries.

Offsetting

Assets and liabilities and income and expenses are not offset in the preparation of the financial statements, unless a separate IFRS requires or permits such offsetting.

Use of evaluations and decisions

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make estimates based on assumptions that affect the choice of accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates made. Estimates and related assumptions are reviewed regularly.

The effect of a change in estimates is recognized in the period in which the estimate is revised and in future periods if the estimate affects future periods. An estimate may need to be revised if the circumstances on which the estimate was based change or if new information or experience becomes available.

Significant Accounting Estimates

Under IFRS, many of the reported financial ratios are based on accounting-related estimates made by the governing bodies, which affect the value of assets and liabilities, and the income and expenses reported in the financial statements. Although these estimates are based on management's best knowledge and judgement of current events, actual results may not ultimately agree with them and may differ significantly from these estimates. Management consistently reviews such judgements and estimates, including those that affect the fair value of financial instruments, other and deferred assets. The estimation of the allowance for expected credit losses on loans measured at amortized cost is an area that requires the use of complex models and significant assumptions about future economic conditions and customer behavior. The inputs, assumptions and valuation techniques used in the estimation of expected credit losses are described in detail in the note 1 "Credit Management" section. A number of significant judgements are also evaluated in applying the accounting requirements for determining significant increases in credit risk, selecting appropriate assumptions for estimating expected credit losses, and determining the number of future scenarios and the relative weights..

Application of New and Revised International Financial Reporting Standards

a. New and/or amended standards and interpretations effective from January 1, 2025:

The following revised standards, amendments to existing standards, and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are currently effective and have been applied by the Bank in the reporting period:

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability.** These amendments specify the requirements for assessing whether a currency is exchangeable into another currency and when it is not. The amendments require an entity to estimate the spot exchange rate when it determines that a currency is not exchangeable into another currency.

The adoption of the above-mentioned standards, amendments, and interpretations did not have a significant impact on the Bank's financial statements; therefore, they have not been disclosed in detail in the notes to the financial statements.

b. Standards, amendments to existing standards, and interpretations issued by the IASB and adopted by the EU, but not yet effective and not early adopted:

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

- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – Classification and Measurement of Financial Instruments** amend the requirements of IFRS 9 and IFRS 7 regarding the derecognition of financial liabilities, and the classification and disclosure of financial assets (effective for annual reporting periods beginning on or after 1 January 2026);

- **Annual Improvements to IFRS Accounting Standards – Volume 11** introduced minor improvements to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 7 "Financial Instruments: Disclosures", IFRS 9 "Financial Instruments", IFRS 10 "Consolidated Financial Statements", and IAS 7 "Statement of Cash Flows" (effective for annual reporting periods beginning on or after 1 January 2026);

- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" – Renewable Electricity Carefree Contracts (officially often referred to as Contracts for Renewable Electricity)** were developed to improve the disclosure of such arrangements in the financial statements. The standards were supplemented with new disclosure requirements aimed at helping investors understand the impact of such arrangements on performance and cash flows (effective for annual reporting periods beginning on or after 1 January 2026);

- **IFRS 18 "Presentation and Disclosure in Financial Statements"** replaces IAS 1 "Presentation of Financial Statements". IFRS 18 sets out significant new requirements for the presentation and disclosure in financial statements (effective for annual reporting periods beginning on or after 1 January 2027).

The Bank is currently assessing the impact of these new accounting standards and amendments. The Bank's management does not expect that the adoption of these standards, amendments, and interpretations will have a material impact on the Bank's financial statements in the period of initial application.

c. Standards, amendments to existing standards, and interpretations that are not yet effective and have not yet been endorsed by the EU:

The amendments to existing standards and interpretations that have not yet been endorsed by the EU (the effective dates below apply to IFRS as issued by the IASB) are presented below:

- **IFRS 19 "Subsidiaries without Public Accountability: Disclosures"** permits reduced disclosure requirements while complying with the recognition, measurement, and presentation requirements of other IFRS standards for subsidiaries that do not have public accountability, but whose parent company applies IFRS Accounting Standards in its consolidated financial statements (effective for annual reporting periods beginning on or after 1 January 2027);

- **Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures"** reduce (where applicable) the disclosure requirements resulting from amendments and improvements to IFRS Accounting Standards issued between February 2021 and May 2024 (effective for annual reporting periods beginning on or after 1 January 2027);

- **Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" – Translation to a Hyperinflationary Presentation Currency** require an entity translating financial statements from a functional currency that is not hyperinflationary into a hyperinflationary presentation currency to translate all amounts (including comparatives) using the closing rate at the date of the most recent statement of financial position (effective for annual reporting periods beginning on or after 1 January 2027).

The Bank is currently assessing the impact of these new accounting standards and amendments. The Bank's management does not expect that the adoption of these standards, amendments, and interpretations will have a material impact on the Bank's financial statements in the period of initial application.

III. Notes

Note 1 Risk Management

The Bank's business aims to balance the rewards of risk-taking with the ability to generate income while minimizing losses. Risk is defined as the probability of an adverse deviation from the expected financial performance and has a negative impact on the Bank's performance and value. One of the consequences of risk taking is the exposure to loss. In order to avoid potential losses, the Bank has implemented a risk management system that ensures that all material risks are identified, assessed, monitored and controlled.

The Bank is exposed to the following main risks: capital risk, credit risk, liquidity risk, market risk, concentration risk and operational risk. In addition to the risks listed above, the Bank is exposed to other risks or uncertainties which it seeks to manage or avoid in order to minimize potential adverse effects, such as Money Laundering and Terrorist Financing risks.

The acceptable risks, their level and nature, as well as the consistency of the acceptable level of risk with the Bank's business model and strategic objectives are defined as part of the risk appetite statement established by the Bank's Supervisory Board. Risk management principles, measurement techniques, limits, monitoring of risk levels and other requirements and responsibilities are described in relevant internal documents. In accordance with the established risk management principles, the Bank must have sufficient own funds to cover risks in order to implement the Bank's strategic plan. The Management Board is responsible for the development and implementation of the risk management framework. The Bank aims to create a disciplined and constructive risk management environment in which all employees are aware of their roles and responsibilities. The Bank has established a Risk Working Group as a forum for monitoring the Bank's risk profile, escalating breaches of risk limits or approving risk mitigation measures.

The Bank's risk management is based on the concept of three lines of defense: the first line of defense consists of the business units, which are responsible for accepting and managing risks within the limits set in the Bank's dayto- day operations. The second line of defense consists of the Risk Management Department, the Anti-Money Laundering Department, the compliance function of the Legal and Compliance Department and the Information Security Officer. The third line of defense includes Internal Audit, which audits the entire organization, including the units that fall under the second line of defense.

Credit Risk Management

Credit risk is the risk that the Bank will incur financial losses if another party fails to meet its obligations. The Bank's core business is lending and therefore credit risk is one of the most important risks and its proper assessment is essential. The Bank applies measures to ensure that the risk assessment is as accurate as possible on an ongoing basis, and to continuously improve the models and techniques used for risk assessment purposes.

The Bank conducts credit risk assessments using a variety of analytical and modelling methodologies based on extensive historical portfolio data. Based on market best practice, internal experience and IFRS 9, the key risk estimate, the Expected Credit Losses (ECL), consists of three main components:

- Loss Given Default (LGD) is the potential loss a bank incurs when a customer defaults on its obligations. The Bank determines LGD based on actual historical and current loan sales/recovery data.
- Probability of Default (PD) - the probability that a customer will default on its obligations. A customer is considered to be in default if he/she is 90 days or more late in paying a monthly instalment.
- The amount of credit outstanding, exposure at default (EAD), is the amount of credit that the customer still owes.

In order to ensure an accurate and up-to-date risk assessment, the methodology and parameters for calculating the ECL are periodically reviewed and updated. In accordance with IFRS 9, the Bank applies a 3-level loss measurement model. At the inception of the liabilities, all customers are classified as Level 1. Under IFRS 9, for customers in tier 1, the probability of default and expected loss for customers in tier 1 are calculated over a 12-month period (or until the end of the commitment if less than 12 months remain). If the probability of default increases significantly, the customer is moved to Tier 2. In this case, both the probability of default and the expected credit losses are calculated for the entire remaining commitment period. The Bank considers that the probability of default increases significantly if the customer is 30 days or more late in paying the monthly instalment. If the payment delay reaches 90 days, the customer shall be considered default, the probability of default shall be 100% and the credit loss shall be calculated for the entire remaining period of default.

The 3-level loss measurement model and IFRS 9 in general define two possible measurement horizons (i.e. 12 months and the rest of the credit period) for the measurement of expected losses and probability of default (PD). The Bank calculates the PD using regression analysis and incorporating data on the customer's existing and past liabilities, credit rating, information gathered at the time of loan application and financial situation. The Bank's internal models for estimating the probability of default assess the latter on a month-by-month basis during the life of the loan. The monthly estimates are then aggregated accordingly to obtain the estimates required for each tier depending on the required estimation horizon.

In accordance with IFRS 9, the assessment of expected credit losses (ECL) includes the expected changes in the macroeconomic situation of the country. Macroeconomic forecasts are used to obtain a forward-looking forecast. Macroeconomic factors such as gross domestic product, unemployment rate and inflation are taken into account. The assessment is based on historical data and regression analysis.

The macroeconomic assessment includes three scenarios: baseline, pessimistic and optimistic. Credit risk and losses are assessed under each of these scenarios. The Bank's scenario probabilities for 2025 are shown in Table 1:

Table 1. Probabilities of Macroeconomic Scenarios

Scenario	Pessimistic	Basic	Optimistic
Probability	25%	65%	10%

(All amount in thousands EUR, unless indicated otherwise)

The baseline scenario and estimates are taken from International Monetary Fund data. Meanwhile, estimates for the pessimistic and optimistic scenarios are based on historical macroeconomic indicators. The macroeconomic forecasts and scenario probabilities are regularly revised in order to reflect the current economic situation as accurately as possible and, consequently, to always estimate expected credit losses as accurately as possible (see Table 2):

Table 2. Macroeconomic Projections for Each Scenario

	Macroeconomic factors	Year	Estimate		
			Finland	Sweden	Lithuania
Basic	Inflation, annual percentage change	2025	1.97	2.11	3.46
		2026	2.00	2.00	2.77
		2027	2.00	2.05	2.57
	Gross domestic product, annual percentage change	2025	0.96	1.86	2.79
		2026	1.41	2.17	2.46
		2027	1.38	1.88	2.55
	Unemployment rate as a percentage of the total workforce	2025	8.13	8.23	6.60
		2026	7.60	8.00	6.10
		2027	7.55	7.85	6.00
Optimistic	Inflation, annual percentage change	2025	0.97	1.11	2.46
		2026	4.30	4.30	5.07
		2027	5.00	5.05	5.57
	Gross domestic product, annual percentage change	2025	3.71	4.61	5.54
		2026	4.26	5.02	5.31
		2027	2.15	2.66	3.32
	Unemployment rate as a percentage of the total workforce	2025	5.75	5.85	4.23
		2026	5.20	5.60	3.70
		2027	5.70	6.00	4.15
Pessimistic	Inflation, annual percentage change	2025	9.20	9.34	10.69
		2026	1.63	1.63	2.40
		2027	4.05	4.10	4.62
	Gross domestic product, annual percentage change	2025	-5.84	-4.94	-4.01
		2026	-14.22	-13.46	-13.17
		2027	0.30	0.81	1.47
	Unemployment rate as a percentage of the total workforce	2025	11.55	11.65	10.03
		2026	12.55	12.95	11.05
		2027	17.83	18.13	16.28

Table 3 shows the estimates of the expected loss (ECL) and the differences from the current scenario by changing the probabilities of the scenarios.

The current scenario has a 65% probability of the baseline scenario, a 10% probability of the optimistic scenario and a 25% probability of the pessimistic scenario.

Baseline - 100% probability of the baseline scenario. Optimistic and Pessimistic - 100% probability of the optimistic and pessimistic scenarios respectively. probability of the optimistic and pessimistic scenarios respectively.

For example, in the optimistic scenario, credit losses in Finland would decrease 2.4%, while in the pessimistic scenario they would increase by more than 2.5%.

Table 3. ECL Estimates Under Different Macroeconomic Scenarios

Country	Current (thous. EUR)	Basic (thous. EUR)		Optimistic (thous. EUR)		Pessimistic (thous. EUR)	
Finland	6 483	6 445	-0.59%	6 331	-2.36%	6 645	2.49%
Sweden	3 182	3 167	-0.47%	3 111	-2.25%	3 250	2.14%
Lithuania	841	839	-0.31%	830	-1.36%	853	1.34%
TOTAL	**10 507**	**10 451**	**-0.53%**	**10 271**	**-2.25%**	**10 748**	**2.29%**

The Bank's core business is to provide consumer credit to private individuals and business loans. In order to know the credit quality behavior of a customer, the Bank looks at the customer's previous payment history, income and liabilities.

After loans are granted, credit risk of loan portfolio is managed by closely monitoring delinquencies and other characteristics for timely behavior and credit quality evaluation, including recognition of non-preforming loans The bank has agreements in each country with debt collection companies regarding the sale of distressed consumer loans, as well as a debt collection process for its SME portfolio. Aged non-performing loans with clear indications unlikely to pay and the Bank does not expect to recover the loan through debt collection are written off.

(All amount in thousands EUR, unless indicated otherwise)

Liquidity Risk Management

Liquidity risk is the risk that the Bank may be unable to meet its financial obligations as they fall due or may be unable to secure sufficient funding in the short to medium term, whether through borrowing or the sale of assets, without incurring unacceptable losses.

The Bank manages liquidity risk to ensure that all contractual and regulatory obligations are met at all times, including under stressed conditions. Liquidity risk management is governed by the Liquidity Risk Management Policy approved by the Bank's Management Board.

Liquidity risk is monitored and assessed through the analysis of key regulatory and internal liquidity metrics, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). These indicators are regularly reviewed to ensure compliance with regulatory requirements and internal risk appetite limits.

To evaluate resilience under stressed scenarios, the Bank applies to a liquidity survival horizon (LSH) metric, which measures the period during which the Bank can continue to meet its obligations under severe but plausible stress conditions.

Liquidity risk management is structured into short-term and long-term components. Short-term liquidity risk is managed through daily monitoring of liquidity positions and compliance with established limits. Long-term liquidity risk management is based on projected balance sheet developments, preparation of a funding plan, and forward-looking cash flow analysis, taking into account expected growth in the deposit and loan portfolios.

Internal liquidity limits are set conservatively, exceeding the minimum LCR and NSFR thresholds required by law (at least 100%). In accordance with Regulation (EU) No. 575/2013 (CRR) and related legislation, the LCR is calculated as the ratio of high-quality liquid assets to cash outflows over a 30-day period, while the NSFR is calculated as the ratio of available stable funding to required stable funding.

The Bank's key liquidity ratios on December 31, 2025:

Indicator	Overall	EUR	SEK
LCR	1 236%	523%	1 004%
NSFR	170%	171%	174%
LSH (months.) (not audited)	6.3	-	-

The Bank's key liquidity ratios on December 31, 2024:

Indicator	Overall	EUR	SEK
LCR	1 511%	1 499%	1 803%
NSFR	163%	162%	169%
LSH (months.) (not audited)	6.5	-	-

The high LCR levels are primarily attributable to the specific nature of the Bank's business model and the characteristics of its funding structure, in particular the historical focus on irrevocable term deposits, which have a favorable impact on the LCR. During the reporting period, the Bank introduced revocable term deposits; however, these currently represent a relatively small share of total funding and therefore have not materially affected the overall liquidity profile.

The Bank aims to ensure efficient liquidity management by optimizing and balancing its liquidity metrics in line with its risk appetite. Due to the structure of the Bank's liabilities and the specific assumptions applied in stress scenarios, the liquidity survival horizon (LSH) remains the primary internal constraint within the liquidity risk management framework.

The structure of the Bank's assets and liabilities and equity by time to maturity is presented in the tables below:

(All amount in thousands EUR, unless indicated otherwise)

Table 4. Assets and Liabilities and Equity by Time to Maturity on December 31, 2025

December 31st, 2025		Contractual cash flows					
Article	**Total**	**On demand**	**Up to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**Over 5 years**	**Undefined terms**
Asset							
Cash and cash equivalents	46 786	44 827	1 247	712	-	-	-
Loans (gross)	123 070	3 928	9 875	25 931	70 928	12 408	-
Right-of-use assets	103	-	34	69	-	-	-
Other receivables	2 430	-	2 430	-	-	-	-
Balance at 31st December 2025	**173 383**	**48 755**	**14 580**	26 712	**70 928**	**12 408**	**-**
Liabilities							
Customer fixed-term deposits	140 920	0	20 967	75 590	44 363	-	-
Lease liabilities	78	-	26	52	-	-	-
Trade and other payables	671	-	671	-	-	-	-
Other liabilities	6 242	-	242	-	-	6 000	-
Balance at 31st December 2025	**144 871**	**123**	**22 928**	**75 830**	**44 463**	**6 000**	**-**
Off-balance sheet commitments	34 479	-	-	-	-	-	34 479

Table 5. Assets and Liabilities and Equity by Time to Maturity on December 31, 2024

December 31st, 2024		Contractual cash flows					
Article	**Total**	**On demand**	**Up to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**Over 5 years**	**Undefined terms**
Asset							
Cash and cash equivalents	36 116	34 300	491	1 325	-	-	-
Loans (gross)	103 190	2 391	7 363	19 156	62 889	11 391	-
Right-of-use assets	189	-	18	81	90	-	-
Other receivables	1 784	-	1 784	-	-	-	-
Balance at 31st December 2024	**141 280**	**36 691**	**9 656**	20 563	**62 979**	**11 391**	**-**
Liabilities							
Customer fixed-term deposits	110 277	50	16 756	59 720	33 751	-	-
Lease liabilities	176	-	24	72	80	-	-
Trade and other payables	644	-	644	-	-	-	-
Other liabilities	6 302	-	302	-	-	6 000	-
Balance at 31st December 2024	**117 399**	**50**	**17 726**	**59 792**	**33 831**	**6 000**	**-**
Off-balance sheet commitments	25 873	-	-	-	-	-	25 873

Assets and liabilities are presented according to their contractual maturities, representing the expected timing of cash flows under a no-default scenario, unless behavioral adjustments or other relevant information indicates a different expected maturity profile.

(All amount in thousands EUR, unless indicated otherwise)

Market, Currency, Interest Rate and Credit Margin Risk Management

Market risk: Market risk is the risk of losses arising from adverse movements in market variables, including interest rates, foreign exchange rates and credit spreads, which may affect the value of on- and off-balance sheet positions.

The Bank maintains a low appetite for market risk. During 2025, the Bank did not hold trading positions and was therefore not exposed to market risk arising from trading activities. Market risk exposure primarily relates to banking book positions.

Currency risk: The expansion of operations in Sweden has increased the relevance of SEK exposures within the Bank's currency risk profile. Currency risk arises from open positions in foreign currencies and is managed within internally established limits.

The Bank actively manages its foreign exchange risk primarily through FX spot transactions. As at year-end, the Bank held a net short open position, anticipating a future decline in price, and amounted to EUR 116 100.

Interest rate risk: The Bank's primary market risk exposure arises from interest rate risk in the banking book (IRRBB). The risk is assessed using the Economic Value of Equity (EVE) and Net Interest Income (NII) approaches, applying standardized supervisory shock scenarios to measure the impact of adverse interest rate movements.

Credit margin risk: Credit spread risk in the banking book (CSRBB) remained immaterial during the reporting period. The Bank's debt securities portfolio consisted exclusively of Swedish government bonds with the highest credit quality (AAA rating). These instruments carry minimal credit spread risk, were primarily held to meet Liquidity Coverage Ratio (LCR) requirements and are intended to be held to maturity.

During the year, the Bank implemented a formal CSRBB measurement framework. The risk is assessed from an economic value perspective using internally defined stress scenarios. As at year-end, the maximum impact of stressed credit spread movements on economic value under the most adverse scenario amounted to EUR 23 900, which is considered immaterial. Given the size and composition of the portfolio, CSRBB is not deemed to pose a material risk to the Bank.

Table 6. Interest Rate Shock Scenarios and Shock Magnitudes December 31, 2025

Shock scenario December 31, 2025 (not audited)	Delta EVE	Delta EVE % relative to T1 capital	Delta NII	Delta NII % relative to T1 capital
Parallel shock up	(378)	(2.25)%	949	6.39%
Parallel shock down	386	2.60%	(662)	(4.46)%
Steepened shock	125	0.84%	-	-
Flattener shock	(196)	(1.32)%	-	-
Short rates shock up	(299)	(2.01)%	-	-
Short rates shock down	317	2.13%	-	-

Table 7. Interest Rate Shock Scenarios and Shock Magnitudes December 31, 2024

Shock scenario December 31, 2024 (not audited)	Delta EVE	Delta EVE % relative to T1 capital	Delta NII	Delta NII % relative to T1 capital
Parallel shock up	(175)	(1.14)%	146	0.96%
Parallel shock down	37	0.24%	(146)	(0.96)%
Steepened shock	(21)	(0.21)%	-	-
Flattener shock	(31)	(0.20)%	-	-
Short rates shock up	(71)	(0.46)%	-	-
Short rates shock down	(6)	(0.04)%	-	-

Concentration Risk Management

(All amount in thousands EUR, unless indicated otherwise)

Concentration risk is defined as a direct and/or indirect risk arising from the size of one or more exposures, which may cause significant losses to the Bank or may even threaten the Bank's financial condition. The Bank identifies Credit Concentration Risk as the risk that the Bank's financial performance will be adversely affected by a concentration of borrowers in a particular sector or geographic region. High concentration may make the Bank more vulnerable to changes in economic conditions. Other concentration risks include all other concentration risks, including concentration of funding sources/liquid assets, counterparty concentration.

The Bank manages concentration risk by setting limits at the product level, or by economic sector, and by monitoring counterparty compliance with the large exposure requirement. The Bank has set a limit on the size of the SME credit portfolio as a percentage of the total credit portfolio, limiting concentrations to sectors identified as most vulnerable to the transition to low-carbon technologies or to the strengthening of a climate resilient economy.

Capital Management

The Bank maintains and actively manages its capital base to cover the risks inherent in the business and to meet the minimum capital adequacy requirements calculated in accordance with the EU Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD) at all times.

The Bank applies a standardized approach in its capital adequacy calculations to estimate the amount of risk exposures for credit risk purposes. The amount of risk exposures for operational risk purposes was calculated using the Basic Indicator Approach (BIA) until the end of 2024. Since 2025 the bank transitioned to the new single and mandatory Standardized Operational risk approach.

In line with regulatory requirements, the Bank's capital is expected to be at least equal to the sum of the Minimum Total Capital Requirement (TCR), the Countercyclical Capital Buffer (CCyB), the Capital Conservation Buffer (CCoB), which together constitute the Pillar 1 requirement, the Pillar 2 requirement, which takes into account the Bank's individual characteristics and covers all the relevant risks, including the Pillar 1 contingency risk, and the Pillar 2 Guidance (P2G) buffer. The Bank's Tier 1 capital (T1) consists of the sum of fully paid-up capital instruments and share premium, reduced by retained earnings (losses) from previous years. The Bank's Tier 1 capital shall be equal to CET1 capital until there are no other eligible items, adjustments, liabilities, charges and deductions.

As the Bank commenced operations in 2023, the Bank has not yet undergone a Supervisory Review and Evaluation Process (SREP) to determine the Bank's capital adequacy ratios. The Bank has, prior to the commencement of its operations, carried out an Internal Capital Adequacy Assessment Process (ICAAP) to assess the internal capital adequacy ratio required to cover the risks it takes. In line with these requirements, the Bank has set limits for CET1 capital and total capital, which it monitors in the course of its operations. The Bank has not breached the capital adequacy ratios at any time, with a total capital ratio of 19.8% at year-end 2025, a CET1 ratio of 14.9% and a leverage ratio of 7.5% at year-end.

Table 8. Capital Adequacy Ratios

Capital adequacy ratios	2025	2024
Total capital ratio	19.8 %	25.4 %
CET1 ratio	14.9 %	19.0 %
Leverage ratio	7.5 %	9.5 %

Operational Risk Management

Operational risk is the risk of loss due to inadequate or unimplemented internal control processes, staff errors and/or malpractice, and information system failures, or due to the impact of external events. Operational risk, unlike other risks, is not taken purposefully in the expectation of gain but arises spontaneously during the Bank's business.

In 2025, in accordance with the Operational Risk Policy, the Bank implemented systems for recording operational risk events and complied with the requirements of the Rules on Informing the Bank's Governing Bodies of Operational Risk Events by informing the relevant governing bodies of the Bank of existing operational risk events. In 2025, significant attention was paid to the Bank's business continuity management, external fraud prevention, the management and monitoring of material outsourcing risks, the strengthening of the Bank's operational riskculture and the implementation of DORA requirements.

Information Technology Risk Management

Information technology risk is the likelihood that a particular threat related to information systems, information technology, or data processing could adversely affect the Bank's mission, functions, image, reputation, or assets.

(All amount in thousands EUR, unless indicated otherwise)

Legal Compliance Risk Management

Legal compliance risk is the risk arising from potential violations of external laws or internal regulations during the Bank's operations. This risk may have a significant negative financial, reputational, or legal impact on the Bank.

Environmental, Social, and Governance (ESG) Risk Management

ESG risk – risk related to the Bank's negative impact on the environment, the Bank's employees, customers, and communities, including the failure to ensure decent working conditions, the protection of human rights, and diversity, as well as inadequate governance structures and practices.

Stress Testing

Stress testing covers risks identified as material in the self-assessment. The stress test assesses whether the Bank's capital would be sufficient to absorb potential losses from a deterioration in the Bank's financial position. In accordance with supervisory requirements, stress-testing of all risks is carried out once a year and is an integral part of the Bank's ICAAP and ILAAP process. Ad-hoc testing of individual risks may be carried out if there is a need to understand the potential impact of individual risk drivers.

Note 2 Cash and Cash Equivalents With the Central Bank of Lithuania and Credit Institutions

Article	2025	2024
Cash balances with the Central Bank of Lithuania	23 826	26 280
Cash balances with the Central Bank of Finland	17 848	-
Cash balances in commercial banks	3 153	8 020
Total	**44 827**	**34 300**

Counterparty risk for banks and financial institutions is managed in accordance with the Bank's internal limit per financial counterparty or group of related financial counterparties, which is linked to the Bank's capital. The limit does not apply to funds at the central bank.

The Bank is subject to minimum reserve requirements set by the ECB and local central banks in accordance with the applicable regulatory framework. These requirements are reviewed periodically in accordance with the calendar published by the ECB. During the reporting period, the Bank met the minimum reserve requirements for all periods for both its Lithuanian and Finnish entities. The Bank held the large majority of its EUR cash balances with the central banks. A minority of the Bank's EUR cash balances and cash balances in other currencies were held with four commercial banks. None of the commercial bank counterparties had a standalone external credit rating assigned directly to the respective legal entity. One counterparty is a wholly owned subsidiary of a banking group holding a long-term issuer credit rating corresponding to credit quality step 1. The remaining counterparties do not have publicly assigned external credit ratings. In the absence of an external rating, counterparties are assessed based on publicly available financial information, regulatory supervision, capital strength and overall market position.

Note 3 Deposits and Debt Securities

Article	2025	2024
Debt securities	1 410	1 309
Deposits	525	491
Total	**1 935**	**1 800**

In view of the operational needs in Sweden and the related liquidity requirements, the Bank invested in Swedish government bonds to ensure compliance with the Liquidity Coverage Ratio (LCR) in Swedish kronor (SEK). These bonds support the maintenance of the required liquidity buffer, generate additional interest income, and contribute to the effective management of interest rate risk in the banking book (IRRBB). In addition, the investments help to optimize the Bank's asset duration by reducing the proportion of short-term assets and increasing the share of longer-term assets.

(All amount in thousands EUR, unless indicated otherwise)

The bonds are classified as high-quality liquid assets and are intended to be held to maturity. Given their high liquidity and active market, they could be readily sold if necessary; however, such sales would be considered only in exceptional or severe liquidity stress scenarios.

The bonds held by the Bank on December 31, 2025, are available for sale:

Issue	Carrying amount (thou.)		Nominal amount (thou.)		Maturity
	EUR	SEK	EUR	SEK	
Swedish Government (AAA)	719	7 783	722	7 815	2026-03-18
Swedish Government (AAA)	700	7 574	712	7 710	2026-12-16
TOTAL	**1 419**	**15 357**	**1 435**	**15 525**	**-**

The bonds held by the Bank on December 31, 2024, are available for sale:

Issue	Carrying amount (thou.)		Nominal amount (thou.)		Maturity
	EUR	SEK	EUR	SEK	
Swedish Government (AAA)	665	7 625	655	7 500	2025-05-12
Swedish Government (AAA)	648	7 427	655	7 500	2025-06-18
TOTAL	**1 313**	**15 052**	**1 310**	**15 000**	**-**

The Bank also invests in short-term time deposits as an additional liquidity management tool. These deposits help to optimize the structure of short-term assets and earn additional interest income.

The Bank's term deposits as of December 31, 2025 are:

Start Date	Duration (days)	Maturity	Amount (SEK)	Amount (EUR)
2025-12-17	21	2026-01-07	5 681	525

The Bank's term deposits as of December 31, 2024 are:

Start Date	Duration (days)	Maturity	Amount (SEK)	Amount (EUR)
2024-12-18	21	2025-01-08	5 623	491

Note 4 Credit Portfolio

4. 1. Maturity Distribution of the Loan Portfolio in 2025:

Article	up to 1 year	1-2 years	2-3 years	3-4 years	4 years and more*	TOTAL
Value of loans granted	1 233	3 506	6 367	5 384	104 659	121 149
Of which from purchased portfolio	-	-	-	-	58 092	58 092
Value of interest accrued on loans granted	77	73	125	86	1 458	1 819
Of which from purchased portfolio	-	-	-	-	870	870
Value of administrative fees accrued for loans granted	16	(7)	(31)	(49)	(100)	**(171)**
Of which from purchased portfolio	-	-	-	-	144	**144**
Deferred brokerage fees	674	269	37	-	-	**980**
Credit portfolio (gross) TOTAL:	**2 000**	**3 841**	**6 498**	**5 421**	**106 017**	**123 777**
Impairment of loans granted (-)	(294)	(359)	(652)	(652)	(8 385)	(10 287)
Of which from purchased portfolio	-	-	-	-	(4 526)	(4 526)
TOTAL	**1 706**	**3 482**	**5 846**	**4 825**	**97 632**	**113 493**

Article	up to 1 year	1-2 years	2-3 years	3 -4 years	4 years and more*	TOTAL
Off-balance commitments (gross)	-	-	-	-	(34 479)	(34 479)
Provisions per off-balance	-	-	-	-	(220)	(220)

**Including revolving credits with no time limit*

(All amount in thousands EUR, unless indicated otherwise)

Distribution of loans by days overdue in 2025	Gross loan portfolio	Expected credit losses (ECL)			Net loan portfolio	Impairment coverage, %
		Stage 1	Stage 2	Stage 3		
Not overdue	92 947	(4 350)	(728)	(83)	87 785	5.55%
1-29 days	19 205	(1 020)	(592)	(63)	17 530	8.72%
30-89 days	8 111	(86)	(1 565)	(248)	6 211	23.42%
90 days and more	3 514	(16)	(115)	(1 419)	1 964	44.11%
TOTAL loans to customers	**123 777**	**(5 472)**	**(3 000)**	**(1 813)**	**113 490**	**8.31%**

Distribution of loans by days overdue in 2024	Gross loan portfolio	Expected credit losses (ECL)			Net loan portfolio	Impairment coverage, %
		Stage 1	Stage 2	Stage 3		
Not overdue	78 547	(4 282)	(665)	(8)	73 593	6.31%
1-29 days	17 034	(1 239)	(473)	(12)	15 310	10.12%
30-89 days	7 247	(259)	(1 339)	(44)	5 605	22.66%
90 days and more	1 615	-	(225)	(462)	927	42.60%
TOTAL loans to customers	**104 443**	(5 780)	**(2 702)**	**(526)**	**95 435**	**8.62%**

4. 2. Maturity Distribution of the Loan Portfolio in 2024:

Article	up to 1 year	1-2 years	2-3 years	3-4 years	4 years and more*	TOTAL
Value of loans granted	554	1 521	3 060	2 362	94 346	101 844
Of which from purchased portfolio	-	-	-	-	64 645	64 645
Value of interest accrued on loans granted	29	32	60	41	1 391	1 553
Of which from purchased portfolio	-	-	-	-	963	963
Value of administrative fees accrued for loans granted	14	9	14	8	107	151
Of which from purchased portfolio	-	-	-	-	144	144
Deferred brokerage fees	484	357	53	-	-	894
Credit portfolio (gross) TOTAL:	**1 081**	**1919**	**3 187**	**2 411**	**95 844**	**104 442**
Impairment of loans granted (-)	(125)	(173)	(353)	(278)	(8 079)	(9 008)
Of which from purchased portfolio	-	-	-	-	(5 620)	(5 620)
TOTAL	**956**	**1 746**	**2 834**	**2 133**	**87 765**	**95 434**

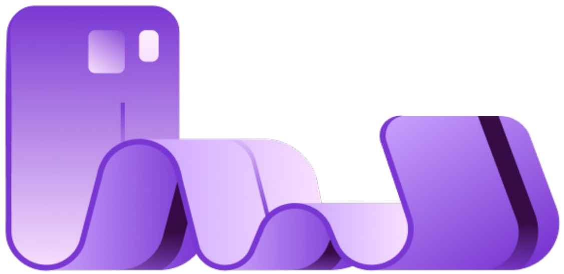
Article	up to 1 year	1-2 years	2-3 years	3 -4 years	4 years and more*	TOTAL
Off-balance commitments (gross)	-	-	-	-	(25 873)	(25 873)
Provisions per off-balance	-	-	-	-	(129)	(129)

**Including revolving credits with no time limit*

Migration from stage 1 to 2 and 3 is dependent on the quality of loan, which is generally assessed based on the days past due. However, different criteria apply for migrating to better stages. There is no possibility of going back from stage 3. For migration from stage 2 to stage 1, a 3-month (i.e. 90 days) probation period is applied after all overdue obligations are fulfilled.

4.3 Impairment Allowance for Loans

The table presents the credit quality of financial assets segmented by the Bank's internal credit rating system and associated 12-month PD ranges, alongside their IFRS 9 stage classification. The amounts presented are gross of ECL allowances.



(All amount in thousands EUR, unless indicated otherwise)

Table 9. Impairment of Loans as of December 31, 2025

Internal rating grade	12month PD	Risk level	Stage 1	Stage 2	Stage 3	Total
A1	0% - 0.4%	Very low	-	-	-	-
A2	0.4% - 0.6%		-	-	-	-
A3	0.6% - 0.8%		-	-	-	-
B1	0.8% - 1.2%	Low	2	1	-	3
B2	1.2% - 1.7%		12	1	-	13
B3	1.7% - 2.4%		9	0	-	9
C1	2.4% - 3.3%	Moderate	29	2	-	32
C2	3.3% - 4.6%		337	4	-	341
C3	4.6% - 6.4%		467	3	-	470
D1	6.4% - 8.8%		593	42	-	635
D2	8.8% - 12%		911	51	-	963
D3	12% - 16.2%		901	127	-	1 029
E1	16.2% - 21.4%	High	869	271	-	1 140
E2	21.4% - 27.8%		481	366	-	847
E3	27.8% - 100%	Very high	858	2 132	-	2 990
F	100%	Insolvency	3	-	1 813	1 816
TOTAL			**5 472**	**3 000**	**1 813**	**10 287**

Table 10. Impairment of Loans as of December 31, 2024

Internal rating grade	12month PD	Risk level	Stage 1	Stage 2	Stage 3	Total
A1	0% - 0.4%	Very low	61	-	-	61
A2	0.4% - 0.6%		88	-	-	88
A3	0.6% - 0.8%		289	-	-	289
B1	0.8% - 1.2%	Low	131	1	-	132
B2	1.2% - 1.7%		187	2	-	189
B3	1.7% - 2.4%		224	4	-	228
C1	2.4% - 3.3%	Moderate	335	7	-	342
C2	3.3% - 4.6%		413	10	-	423
C3	4.6% - 6.4%		337	19	-	335
D1	6.4% - 8.8%		235	36	-	272
D2	8.8% - 12%		277	48	-	326
D3	12% - 16.2%		416	75	-	491
E1	16.2% - 21.4%	High	345	103	-	448
E2	21.4% - 27.8%		348	137	-	485
E3	27.8% - 100%	Very high	2 094	2 260	-	4 353
F	100%	Insolvency	-	-	526	526
TOTAL			**5 780**	**2 702**	**526**	**9 008**

A reconciliation of changes in accumulated impairment amount and provisions associated with off-balance sheet exposures alongside IRFS 9 stage classification, is provided in the table below:

	Stage 1		Stage 2		Stage 3		Total	
	Accumulated impairment amount	Provisions associated with off-balance-sheet exposures	Accumulated impairment amount	Provisions associated with off-balance-sheet exposures	Accumulated impairment amount	Provisions associated with off-balance-sheet exposures	Accumulated impairment amount	Provisions associated with off-balance-sheet exposures
On 31st December 2024	**5 780**	**79**	**2 699**	**44**	**529**	**7**	**9 008**	**129**
Increases due to origination	2 540	66	1 035	5	745	7	4 321	79
Changes due to change in credit risk (net)	(1 216)	51	919	(16)	692	10	395	45
Decreases due to derecognition	(820)	(14)	(116)	(9)	(19)	(3)	(955)	(26)
Decreases due to write-offs	(811)	(3)	(1 537)	(4)	(135)	(1)	(2 482)	(7)
On 31st December 2025	**5 472**	**179**	**3 001**	**21**	**1 813**	**21**	**10 287**	**220**

(All amount in thousands EUR, unless indicated otherwise)

Note 5 Property, Plant and Equipment

Article	2025	2024
RESIDUAL VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR	**61**	**61**
Acquisition cost		
At the end of the previous financial year	132	116
Changes during the financial year:		
- Acquisition of assets	50	16
- Assets disposed of or written off (-)	(6)	-
- Transfers from one item to another +/(-)	-	-
AT THE END OF THE FINANCIAL YEAR (A)	**176**	**132**
Depreciation		
End of previous financial year	(71)	(55)
Changes in the financial year:		
- Depreciation for the financial year	(27)	(16)
- Reversing entries (-)	-	-
- Of assets transferred to other parties	-	-
depreciation of assets transferred to other parties and written off (-)		
- Transfers from one item to another +/(-)	-	-
AT THE END OF THE FINANCIAL YEAR	**(98)**	**(71)**
RESIDUAL VALUE AT THE END OF THE FINANCIAL YEAR (a)-(b)	**78**	**61**

Note 6 Intangible Assets

Article	2025	2024
RESIDUAL VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR		
Acquisition cost	-	-
At the end of the previous financial year	-	-
Changes during the financial year:	-	-
- Acquisition of assets	46	-
-Assets disposed of and written off (-)	-	-
- Transfers from one item to another +/ (-)	-	-
AT THE END OF THE FINANCIAL YEAR (A)	**46**	**-**
Depreciation		
End of previous financial year	-	-
Changes in the financial year:	-	-
- Depreciation for the financial year	(4)	-
- Reversing entries (-)	-	-
- Of assets transferred to other parties	-	-
depreciation of assets transferred to other parties and written off (-)	-	-
- Transfers from one item to another +/(-)	-	-
AT THE END OF THE FINANCIAL YEAR	**(4)**	**-**
RESIDUAL VALUE AT THE END OF THE FINANCIAL YEAR (a)-(b)	**42**	**-**

(All amount in thousands EUR, unless indicated otherwise)

Note 7 Assets Held Under Right of Use

Article	2025	2024
RESIDUAL VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR	**188**	**253**
Acquisition cost		
At the end of the previous financial year	429	408
Changes during the financial year:		
- Acquisition of assets	-	21
-Assets disposed of and written off (-)	-	-
- Transfers from one item to another +/ (-)	-	-
AT THE END OF THE FINANCIAL YEAR (A)	**429**	**429**
Depreciation		
End of previous financial year	(241)	(155)
Changes in the financial year:		
- Depreciation for the financial year	(86)	(86)
- Reversing entries (-)	-	-
- Of assets transferred to other parties	-	-
depreciation of assets transferred to other parties and written off (-)	-	-
- Transfers from one item to another +/(-)	-	-
AT THE END OF THE FINANCIAL YEAR	**(327)**	**(241)**
RESIDUAL VALUE AT THE END OF THE FINANCIAL YEAR (a)-(b)	**103**	**188**

The Bank applies IFRS 16 and has recognized the right to use the assets in other assets. The value of the right to use the asset is determined based on the discounted lease payments/liabilities over the lease term of the premises. The long-term office lease is for 5 years. The depreciation period of this asset is the same as the lease term. The discount rate used is 2,92 %.

Note 8 Other Assets

Article	2025	2024
Advances paid to suppliers	150	141
Trade receivables	1 600	1 347
Value added tax (VAT) receivable	16	80
Prepaid income tax	-	2
Other Deferred expenses	648	205
Accrued income	16	9
TOTAL	**2 430**	**1 784**

Note 9 Trade and Other Short-term Payables

Article	2025	2024
Other liabilities	492	452
Payables to suppliers	179	192
Payable VAT	106	29
TOTAL	**777**	**672**

(All amount in thousands EUR, unless indicated otherwise)

Note 10 Lease Liability

Saldo Bank has a lease contract for office space, that is disclosed under right-of-use assets with maturity of October 19, 2026. Set out below are the carrying amounts of lease liabilities and movements during the period:

Article	2025	2024
At January 1, 2025	**176**	**249**
Additions	-	21
Accretion of interest	8	8
Payments	(105)	(102)
At December 31, 2025	**79**	**176**
Current	79	73
Non-current	-	103

The following are the amounts recognized in profit or loss:

Article	2025	2024
Depreciation expense of right-of-use asset	79	86
Interest expense on lease liabilities	7	8
TOTAL AMOUNT RECOGNIZED IN PROFIT OR LOSS	**86**	**94**

Note 11 Other Liabilities

Article	2025	2024
Payroll payable	54	18
Taxes payable	167	108
Accruals of annual leave pay	590	415
Accrued expense	718	340
Other payables	904	87
Accrued subordinated loan payable expense	242	302
TOTAL	**2 675**	**1 270**

Other Liabilities: Tax Liabilities

Article	2025	2024
Deferred income tax (2024: 15%):	-	-
Relates to the creation and reversal of temporary differences:	-	-
Profit (loss) before tax:	**1 040**	**(2 391)**
16% income tax (2024: 15%)	-	-
20% corporate tax in Finland (2024: 20%)	(78)	-
TOTAL	**962**	**(2 391)**

In 2025, the Bank continued its geographical and product expansion and as expected according to the plan, the year 2025 was profitable. During the reporting period, the Bank’s income tax expense consisted solely of the amount calculated for the Finnish subsidiary. No income tax was payable in Lithuania due to the tax loss incurred.

In accordance with IAS 12 and the principle of prudence, the Bank has not recognized a deferred tax asset related to accumulated tax losses and other temporary differences.

(All amount in thousands EUR, unless indicated otherwise)

Note 12 Subordinated Liabilities

Article	2025	2024
Subordinated loan	6 000	6 000
TOTAL	**6 000**	**6 000**

On 27 June 2024 the Bank signed with related company Tact Finance Oy a subordinated loan agreement, based on which the Bank received a 6 million EUR, 8-year maturity subordinated loan, improving its overall regulatory capital adequacy.

Note 13 Provisions

Article	2025	2024
Provisions	220	130
TOTAL	**220**	**130**

Provisions for off-balance sheet items have been made in respect of ECL arising from contingent liabilities and contractual commitments of unutilized revolving credit facilities.

Note 14 Retail Deposits

Article	2025	2024
Deposits of individuals	133 822	107 418
Accrued interest	2 860	2 449
Withholding tax payable	395	410
Brokerage costs	(170)	(243)
TOTAL	**136 907**	**110 034**

Deposits by geographical distribution on December 31, 2025:

Article	Germany	Lithuania	Finland	Sweden
Deposits of individuals	49 074	28 707	33 089	22 952
Accrued interest	1 214	367	420	859
Withholding tax payable	214	-	181	-
TOTAL	**50 502**	**29 074**	**33 690**	**23 811**

Deposits by geographical distribution on December 31, 2024:

Article	Germany	Lithuania	Finland	Sweden
Deposits of individuals	59 860	3 769	21 058	22 682
Accrued interest	1 501	98	337	513
Withholding tax payable	265	-	145	-
TOTAL	**61 626**	**3 867**	**21 540**	**23 195**

Note 15 Share Capital

Article	Share capital
Balance at 31 December 2020	**50**
March 4th, 2021	1 350
October 6th, 2021	15 379
Ordinary shares	16 779
TOTAL SHARES	**16 779**

On March 4, 2021, Company increased its share capital from EUR 50 000 to EUR 1 350 000.

(All amount in thousands EUR, unless indicated otherwise)

On 6 October 2021, share capital was increased to EUR 16 779 000 divided into 16 779 000 ordinary registered shares with a nominal value of EUR 1.

The share capital was increased by the issuing of 1 new ordinary registered share from additional shareholder contributions. All shares issued are fully paid.

Retained Earnings (Loss)

Article	2025	2024
Profit (loss) - at the end of the previous financial year	(2 391)	(9 024)
Transfers from reserves	-	9 024
Net profit (loss) for the year	961	(2 391)
Distributable results at the end of the financial year	(1 429)	(2 391)
Allocation of profits to the statutory reserve or capital reserve	-	-
Allocation of profits to the reserve	-	-
PROFIT (LOSS) - AT THE END OF THE FINANCIAL YEAR	**(1 429)**	**(2 391)**

Other Reserves

Article	2025	2024
Reserve capital	900	900
TOTAL	**900**	**900**

The Bank's reserve capital is made up of additional contributions from the Bank's shareholders. The purpose of the reserve capital is to ensure the financial stability of the Bank.

Mandatory Reserve

31 December 2025 The Bank did not hold statutory reserves. According to the laws of the Republic of Lithuania, the Bank is required to establish a statutory reserve. The Bank is obliged to transfer 5% of its net profit, calculated in accordance with the requirements of the legal acts regulating financial accounting in the Republic of Lithuania, to this reserve annually until the reserve reaches 10% of the authorized capital. The statutory reserve may not be distributed as dividends and is established only to cover future losses. The part of the statutory reserve exceeding 10 % of the share capital may be reallocated in the distribution of profits for the following financial year. The Bank's management plans to start transferring funds to the statutory reserve as soon as the Bank's net profit becomes positive.

Note 16 Net Interest Income (Expenses)

Article	2025	2024
Interest income from loans to individuals	21 290	17 801
Interest income from loans to legal entities	758	51
Interest income from debt securities	27	139
Income from deposits with the Central Bank	817	1 040
Other income	7	44
Interest expense on subordinated loans	(510)	(307)
Interest expense on customer deposits	**(4 564)**	**(4 613)**
TOTAL	**17 825**	**14 155**

Interest income from deposits with the Central Bank is interest income on deposit operations for cash balances. The ECB sets the interest rate level for these deposit operations.

(All amount in thousands EUR, unless indicated otherwise)

Note 17 Net Commissions and Fees Income (Expenses)

Article	2025	2024
Income from administrative charges	5 085	3 490
Cost of administrative charges	(231)	(243)
TOTAL	**4 854**	**3 247**

Fee and commission income from loans to individuals includes loan administration fees. Expenses - commission fees of financial institutions.

Note 18 Other Income

Article	2025	2024
Income from IT and evaluation services	100	115
Income from administrative and management services	116	203
Other sales income	24	-
Exchange rate gains/losses	57	(34)
TOTAL	**297**	**284**

Between 2025 and 2024, the Bank provided IT and valuation services, as well as administrative and management services to the related companies Tact Finance AB and Tact Finance Oy. The breakdown of revenue by type of service is presented in the table in **Note 23.**

Note 19 Personnel Expenses

Article	2025	2024
Payroll and related tax costs	(5 933)	(4 659)
Holiday accrual expense	(130)	(75)
Other staff-related costs	(297)	(188)
TOTAL	**(6 360)**	**(4 922)**

Note 20 IT Expenses

Article	2025	2024
Software expenses	(877)	(1 045)
Computer equipment expenses	(14)	(11)
Other IT expenses	(9)	(104)
TOTAL	**(900)**	**(1 160)**

Note 21 Administrative and Other Expenses

Article	2025	2024
Rent and maintenance costs	(107)	(98)
Travel costs	(170)	(162)
Accounting costs	(33)	(35)
Audit costs	(41)	(37)
Legal costs	(40)	(48)
Consultancy costs	(58)	(155)
General and administrative expenses	(1 533)	(1 399)
Operating expenses	(2 214)	(1 976)
Depreciation expense of right-of-use assets	(86)	(86)
TOTAL	**(4 282)**	**(3 995)**

(All amount in thousands EUR, unless indicated otherwise)

To more accurately reflect operating results and ensure the comparability of the 2025 financial statements with those of 2024, the Bank reclassified items in the Statement of Profit (Loss) and Other Comprehensive income. Provisions for unused revolving credit commitments / reversal of provisions, which were included in the “Administrative and other expenses” article in the audited 2024 financial statements, are presented as a separate line item in these financial statements ,,Provisions”.

This reclassification had no impact on the 2024 net result, equity, or cash flows.

Note 22 Contingencies

According to current laws, the Tax Inspectorate at any time could check the Bank ‘s accounting registers for the last five years as well as can calculate and apply additional taxes, fines, and sanctions for the Bank. The management of the Bank has no information about the events and conditions which can result in potentially significant additional tax expenses or liabilities for the Bank.

At the end of the reporting period, the Bank underwent a planned full-scope on-site inspection, carried out by the Bank of Lithuania. As the time of preparation of this report, the Bank was setting out an action plan in response to identified deficiencies, that shall be aligned with the Bank of Lithuania.

Note 23 Transactions with Related Parties

Related parties are defined as shareholders, employees, members of the Board of Directors, their close family members and Companies who directly or indirectly through one or more intermediaries’ control, are controlled by, or are under common control with the Bank, and this relationship enables one of the parties to exercise control or significant influence over the other party in making financial and operational decisions. Both Tact Finance Oy and Tact Finance AB are not part of the Bank and operate separately from the Bank. However, for tax purposes, these companies are treated as related by virtue of having the same beneficiaries.

Transactions with related parties are presented below:

Company name	Sales		Purchases	
	2025	2024	2025	2024
Tact Finance Oy	554	37	1 829*	8 683*
Tact Finance AB	12	305	105*	14 644*
TOTAL	**566**	**342**	**1 934***	**23 327***

**Purchase of portfolio included*

*** OY Purchase turnover indicates revenue that will be recognized over a 5-year period.*

Amounts owed by related parties at the end of the reporting period:

Company name	Receivable amounts		Payable amounts	
	2025	2024	2025	2024
Tact Finance Oy	1	32	-	18
Tact Finance AB	-	39	-	-
TOTAL	**1**	**71**	**-**	**18**

Remuneration of Department Managers and Board members during the financial year:

Article	2025	2024
Short-term employee benefits (Department Managers)	859	340
Short-term employee benefits (Board members)	581	823
Other long-term benefits	-	-
Termination benefits	-	27
TOTAL	**1 440**	**1 190**

(All amount in thousands EUR, unless indicated otherwise)

Note 24 Subsequent Events

Building on prior proof-of-concept implementations, the first B2B embedded partnership was rolled out in early 2026 with Finland's Vauraus, with a similar partnership pending in Germany.

Subsequent to the end of the financial year, a change of creditor occurred under the subordinated loan agreement. On 2 January 2026, the lender (Tact Finance Oy) assigned the claim rights to the direct shareholders of the Bank.

This change has no impact on the Company's financial position, assets, or the amount of liabilities, as the loan terms and conditions (principal amount, maturity, and interest rate) remain unchanged. This event is considered a non-adjusting event after the reporting period; therefore, no adjustments were made to the financial statements as of 31 December 2025.

The military conflict in the Middle East had a limited impact on the Bank's operations, as the Bank does not operate in the countries of that region and has no related positions.

There were no other significant subsequent events after the date of the statement of financial position that would have an adjusting or non-adjusting effect on the Bank's Financial statements for 2025.

Note 24 Subsequent Events

According to the Business Plan, the Bank expects to remain profitable going forward.

We believe that there are no indications that the Bank's going concern will be compromised in the future.

Saldo Bank

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INDEPENDENT AUDITOR'S REPORT

To shareholder of UAB Saldo Bank

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of UAB Saldo Bank (hereinafter - the Bank). The Bank's financial statements comprise:

- The statement of financial position as of 31 December 2025;
- The statement of profit and loss and other comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended;
- The cash flow statement for the year then ended;
- The notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the ethical requirements of Regulation (EU) No 537/2014 of the European Parliament and of the Council (Regulation (EU) No 537/2014) on specific requirements regarding the statutory audit of public interest entities that are relevant to statutory audit of public interest entities, the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit of financial statements in the Republic of Lithuania and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with Regulation (EU) No 537/2014 and the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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Impairment of loan portfolio

Key Audit Matter

The carrying amount of loan portfolio amounted to EUR 113,493 thousand in the financial statements as at 31 December 2025. Total allowances for impairment losses amounted to EUR 10,287 thousand as at 31 December 2025.

Impairment provisions reflect the Management's best estimate of expected credit losses (ECL) within the loan portfolio at the reporting date.

The main principles of the Bank's accounting policy regarding impairment are presented in the accounting policy paragraph "Significant accounting estimates" and in Section 3 of the “Explanatory Notes” - “Credit risk”.The main accounting estimates and evaluations, disclosures, and calculations of ECL of credit products and credit risk management are presented in Section 3 of the "Explanatory Notes", Note 4 "Credit portfolio".

We focused on this area, because the recognition and assessment of impairment of credit products provided to customers, reflected in the Bank's ELC model, is related to significant estimates that require management to make decisions and apply complex and subjective assumptions that have a significant impact on the amount of ECL.

Key management decision areas include the identification of credit products with the significant increase in credit risk, the determination of loss given default ratio and estimation of probability of default. Accordingly, we considered the area to be a Key Audit Matter.

Refer to paragraph 3 “Explanatory Notes”, Note 1 regarding Credit risk and Note 4 “Credit portfolio” of the accompanying financial statements.

How our audit addressed the key audit matter

Our audit procedures included, among others, the following matters:

- We have obtained an understanding of the Bank's ECL methodology and have assessed whether it meets the relevant requirements of IFRS 9. In performing those procedures, we have identified the relevant methods, assumptions, and sources of data, and assessed whether they are appropriate in the light of the requirements of IFRS 9.

- We submitted requests to the Bank's information technology employees and analysts in order to gain an understanding of the ECL assessment process, the IT programs used in the process, data sources, their reliability and the assumptions used in the ECL model. With the help of our IT specialists, we assessed and verified the Bank's data security controls and access rights controls to applications related to ECL.

- We assessed whether the significant increase in credit risk used in the ECL methodology was consistently applied and whether it meets the requirements of IFRS 9.

- Based on historical data and recent subsequent sales of credit products, we estimated the amounts of loss given default (LGD) used in the ECL methodology. We evaluated the probability of default (PD) parameters used in the ECL methodology, the criteria used to determine them, and their validity.

- We evaluated macroeconomic scenarios used in the ECL methodology, their reliability and validity and their influence on the ECL model.

- We assessed the proper implementation and use of the assumptions provided in the Bank's ECL policy and ECL calculation. We also recalculated the ECL with the assumptions established in the Bank's ECL policy and compared the obtained results with the Bank's calculations.

- We assessed the accuracy and completeness of the loan impairment and credit risk related disclosures in the financial statements based on requirements of the IFRS (EU).

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Other Information

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

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

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

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

- The information given in the Bank's Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Bank's Management Report has been prepared in accordance with the requirements of the law on Reporting of Companies and Group of Companies of Republic of Lithuania.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS (EU), and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Appointment

In accordance with the decision made by the Bank's shareholders meeting on 3 October 2022 we have been appointed to carry out the audit of Bank's financial statements for the first time. Our appointment to carry out the audit of Bank's financial statements in accordance with the decision made by Bank's shareholders meeting has been renewed annually and the period of total uninterrupted engagement is 4 years.

Alignment with additional audit report to Supervisory Council performing the function of the Audit Committee

We confirm that our opinion in the section 'Opinion' is consistent with the additional report which we have submitted to the Bank and its Supervisory Council performing the function of the Audit Committee.

Non-assurance services

We confirm that in light of our knowledge and belief, services provided to the Bank are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for audit of financial statements.

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

BDO auditas ir apskaita, UAB
Audit company's certificate No.001496

Dalia Varabliauskė

Certified auditor of the Republic of Lithuania
Auditor's Certificate No. 000643

Vilnius, the Republic of Lithuania

3 April 2026