

# INDEXO Banka subordinated bonds

EUR 3 million, 10%, 10-year Tier 2 Subordinated Bonds

INDEXO

SIGNET BANK

## About Indexo Banka

- INDEXO Banka is a Latvian credit institution headquartered in Riga, specializing in banking services for private individuals within the Latvian financial sector.
- The Bank was licensed on 16 May 2024, with the licence issued by the Bank of Latvia following authorization by the European Central Bank, becoming the first new credit institution licensed in Latvia since Latvia joined the Eurozone in 2014.
- The Bank provides core banking services to private individuals, including payments, payment cards, savings products (term deposits and savings accounts), mortgage and consumer lending through a mobile application.
- Since commencing operations in August 2024, the Bank has built a customer base of more than 57,100 (at the end of Q1 2026) clients and employs 75 people.
- INDEXO Banka, the Issuer, is part of the INDEXO Group and is wholly owned by IPAS INDEXO, a Latvian financial services group founded in 2017, listed on the Nasdaq Baltic Main List and operating in pension management, banking services for private individuals and non-bank lending.

## Business overview

- INDEXO Banka has rapidly grown its loan portfolio to approximately EUR 76.7 million (at the end of Q1 2026) following the launch of mortgage refinancing in Q2 2025, capturing around 60% – 70% of customers switching from other banks and demonstrating strong early traction in the Latvian retail banking market.
- The Bank continues to scale its mortgage portfolio while maintaining a conservative risk profile, with an average loan-to-value ratio of 55.0%, and mortgages accounting for 42.0% of the total loan portfolio as of year-end 2025.
- As part of its broader focus on financial product innovation, the Bank has also introduced home equity loans, expanding into more complex lending products while offering lower-cost solutions to customers.
- The Bank's development and scaling are supported by a growing earnings base from the Group's pension business, which manages over EUR 1.5 billion in assets under management, serves more than 159 thousand client accounts, and generated EUR 2.1 million in net profit in 2025.
- In addition, the Group's investment in DelfinGroup creates synergies between non-bank consumer lending and retail banking, enabling cross-selling opportunities and access to a large and established customer base, while its strong dividend profile provides recurring cash flows that support the Bank and reduce reliance on external financing.

## Financial highlights

- Deposit volumes grew 23% within Q1 2026, reaching over EUR 90 million, supporting the expansion of the Bank's funding base.
- The Bank's loan portfolio has demonstrated strong growth momentum, increasing by EUR 21.2 million (+38% year-to-date) during Q1 2026 to reach EUR 76.7 million.
- Net interest income in 2025 amounted to EUR 1.39 million, with total revenue of EUR 1.8 million, and net interest income representing approximately 80% of total revenue, reflecting the increasing contribution of lending activities.
- Net commission income turned positive in H2 2025, with the Bank progressing towards overall breakeven in 2026.
- The Bank forecasts total revenue of EUR 28.7 million and net interest income of EUR 22.4 million in 2028, based on its current private individual banking model, implying a strong expansion trajectory driven by loan portfolio growth.

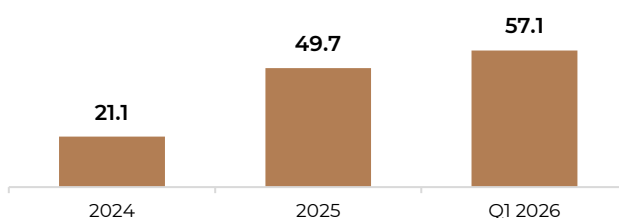
## Financial highlights

€ million	2024 (audited)	2025 (audited)
Total revenue	0	1.8
Net interest income	-0.1	1.4
Net commission income	-0.1	-0.1
Net profit	-6.2	-9.2
Cash	35.4	19.7
Deposits	33.1	73.8
Net loan portfolio	1.0	54.9
Loans-to-deposits	3.0%	74.4%
Tier 1 capital	7.2	7.5
Total capital <sup>1</sup>	7.2	9.2
Capital Adequacy Ratio <sup>2</sup>	54.0%	21.3%

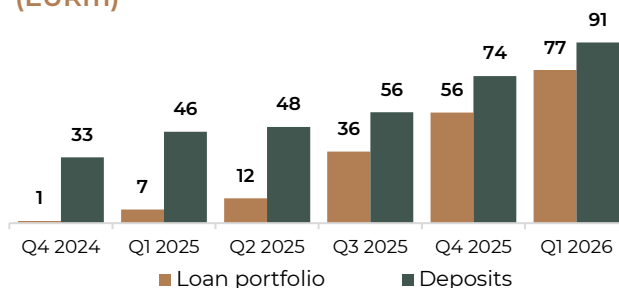
<sup>1</sup> Tier 1 Capital + Tier 2 Capital

<sup>2</sup> (Tier 1 Capital + Tier 2 Capital) / Risk Weighted Assets

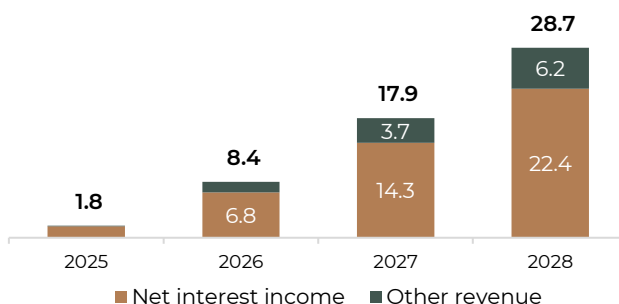
## Client base development (th)



## Deposit & loan portfolio development (EURm)



## Forecasted revenue (EURm)



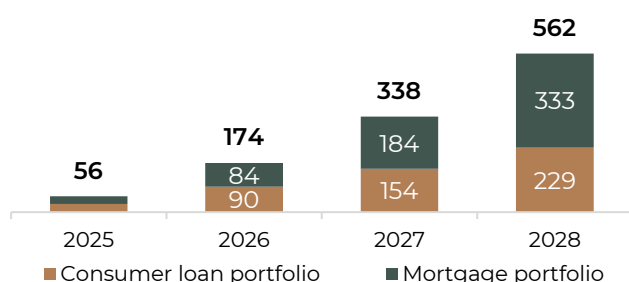
## EUR 3 million, 10%, 10-year Tier 2 Subordinated Bonds

### Term Sheet

<b>Issuer</b>	<b>AS INDEXO Banka (Latvia)</b>
<b>Security type</b>	Tier 2 Subordinated Bonds
<b>ISIN</b>	LV0000111078
<b>Offer type</b>	Public offer
<b>Programme size</b>	EUR 10,000,000
<b>First tranche size</b>	<b>EUR 3,000,000</b>
<b>Coupon rate, frequency</b>	<b>10.0%, fixed</b> , paid semi-annually
<b>Maturity</b>	10 years
<b>Principal repayment</b>	Maturity date, bullet
<b>Call Option</b>	@100% at any time after the 5th year
<b>Nominal value</b>	EUR 1,000
<b>Minimum subscription</b>	EUR 1,000
<b>Listing</b>	Nasdaq Riga Regulated Market within 3 months after the Issue Date
<b>Use of proceeds</b>	<ul style="list-style-type: none"> <li>Strengthen the total regulative capital base</li> <li>IT Infrastructure and Service Development</li> <li>General Banking Purposes</li> </ul>
<b>Issuing &amp; Placement Agent</b>	Signet Bank (Latvia)

Full list of undertakings in the Base Prospectus and Final Terms

### Forecasted total loan portfolio (EURm)



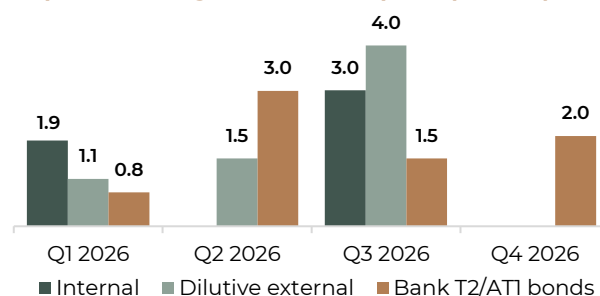
### Key investment highlights

1. INDEXO Banka benefits from a **broad shareholder base** and improving trading liquidity in the stock exchange
2. Ability to limit the need for outside financing through **structural support from the group**
3. The acquisition of DelfinGroup enhances **cross-selling capabilities** and provides access to a larger customer base
4. A **geographically dispersed customer base** across Latvia
5. INDEXO Banka maintains **high capital ratios** and **low risk-weighted assets (RWA)**, creating a strong buffer for subordinated debt holders

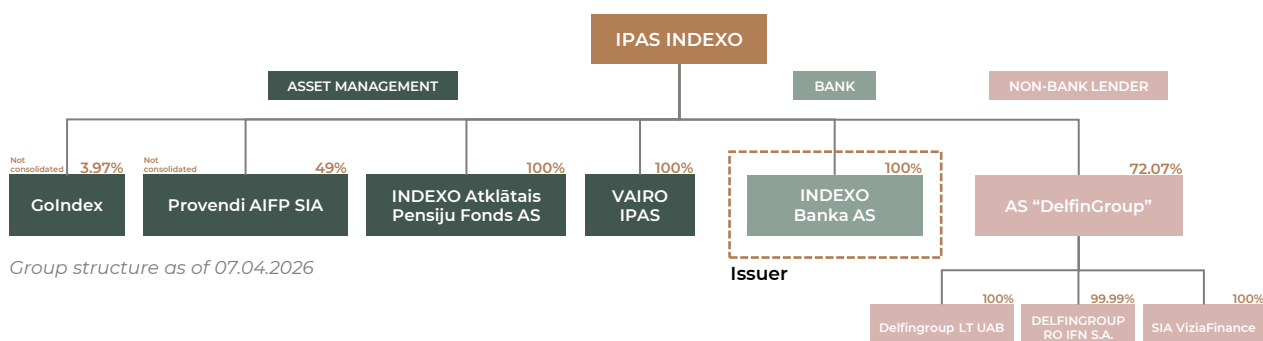
### Funding profile and the bond issue

- To support its planned growth, INDEXO Bank will require approximately EUR 6 million in additional CET1 capital in 2026. Dividend flows from DelfinGroup and profits from the pension business enhance the Group's internal funding capacity, providing flexibility in terms of instruments used and issuance timing.
- The proceeds of the Bonds will primarily be used to strengthen the Issuer's total capital base and support the growth of its loan portfolio.
- If the first issue is oversubscribed, the Issuer may increase the issue size, with additional proceeds allocated to the same purposes.

### Capital management time plan (EURm)



### INDEXO group structure



Group structure as of 07.04.2026

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The Issuer or its affiliates may, subject to applicable laws, purchase the Bonds. It should be noted that under specific circumstances their interests may conflict with those of other bondholders.

#### **Risk factors**

When making an investment in bonds, investors undertake certain financial risks. The main risk factors that influence AS INDEXO Banka (the Bank) are: the Bank is a newly established credit institution with limited operating history and accumulated losses; the Bank remains dependent on continued capital support from its shareholder and external funding to sustain growth and meet regulatory requirements; rapid growth of the loan portfolio combined with limited historical data may result in mispricing of credit risk and insufficient provisioning; the Bank is exposed to credit risk arising from potential borrower defaults and deterioration in borrower credit quality; the Bank's operations are concentrated in the Latvian market and in a limited number of retail lending products, increasing sensitivity to adverse economic developments; the Bank is exposed to liquidity risk due to maturity mismatches between predominantly short-term deposits and longer-term loan assets; interest rate movements may negatively affect the Bank's net interest income and profitability; the Bank is highly dependent on its IT systems and third-party service providers, and disruptions or failures could materially impact operations; the Bank is subject to regulatory capital requirements and may face capital adequacy pressure as its loan portfolio expands; the Bank operates in a heavily regulated environment and may be adversely affected by changes in applicable laws and supervisory actions; the Bank is exposed to AML/CFT, sanctions and compliance risks, which may result in regulatory penalties or reputational damage; the Bank's operations may be adversely affected by macroeconomic and geopolitical developments in Latvia and the broader region, including economic downturns, inflation, and geopolitical tensions; the Bank is exposed to real estate market risk through its mortgage portfolio, and a decline in property values could increase losses.

When investing funds in bonds, investors undertake the following risks related to debt securities: the Bonds are subordinated obligations and rank behind all unsubordinated creditors of the Bank; the Bonds are subject to bail-in risk and may be written down or converted into equity; the Bonds are not guaranteed and are not covered by any deposit guarantee scheme; a liquid secondary market for the Bonds may not develop, and investors may be unable to sell the Bonds prior to maturity or only at a loss; the fixed interest rate of the Bonds exposes investors to market interest rate risk; the Bonds and the Issuer do not have a credit rating, making independent assessment more difficult; the Bonds may be redeemed early at the option of the Issuer, exposing investors to reinvestment risk; and changes in tax laws may adversely affect the return on the Bonds.

The risks indicated in this section may reduce AS INDEXO Banka ability to fulfil its obligations and cause its insolvency in the worst-case scenario. This section may not feature all the potential risks, which may affect AS INDEXO Banka.