

IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus (the "Base Prospectus") following this page, and you are therefore required to read this carefully before reading, accessing or making any other the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

THE BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE BASE PROSPECTUS MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE BASE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION. THE SECURITIES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS.

Confirmation of your Representation: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities described in the Base Prospectus, you must be a person other than a U.S. person (within the meaning of Regulation S under the Securities Act) who is outside the United States. By accepting the email and accessing the Base Prospectus, you shall be deemed to represent that you are not, and that any customer represented by you is not, a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of the Base Prospectus by electronic transmission.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorised to, deliver the Base Prospectus to any other person.

Any materials relating to the potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

BASE PROSPECTUS



UŽDAROJI AKCINĖ BENDROVĖ URBO BANKAS

(a private limited liability company incorporated and existing under the laws of the Republic of Lithuania, company code 112027077)

EUR 10,000,000

Tier 2 Subordinated Note Programme

Under this EUR 10,000,000 Tier 2 Subordinated Note Programme (the "**Programme**"), described in this base prospectus (the "**Base Prospectus**" or the "**Prospectus**"), UAB Urbo bankas, a private limited liability company incorporated in, and operating under the laws of, the Republic of Lithuania, and registered with Register of Legal Entities of Lithuania under the registration number: 112027077, legal address: Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania, telephone: 19 300, e-mail: info@urbo.lt, website: www.urbo.lt (the "**Bank**", the "**Company**" or the "**Issuer**") may issue and offer publicly in Lithuania, Latvia and Estonia in one series (the "**Series**"), which may comprise of one or more tranches issued on different issue dates (the "**Tranches**"), Tier 2 subordinated notes (the "**Subordinated Notes**" or the "**Notes**") denominated in Euro and qualifying as Tier 2 Capital of the Issuer.

The maximum aggregate nominal amount of all Notes outstanding issued under the Programme shall not at any time exceed EUR 10,000,000. References herein to "this Base Prospectus" shall, where applicable, be deemed to be references to this Base Prospectus as supplemented or amended from time to time. To the extent not set forth in this Base Prospectus, the specific terms of any Notes will be included in the relevant final terms (the "**Final Terms**") (a form of which is contained herein), therefore the prospectus relating to Series issued under the Programme consists of this Base Prospectus and the respective Final Terms.

This Base Prospectus has been drawn up and published by the Bank in connection with the public offering of the Notes in Lithuania, Latvia and Estonia (the "**Offering**") and listing on the regulated market. This Base Prospectus has been approved by the Bank of Lithuania (the "**BoL**"), which is the Lithuanian competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"), as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. The BoL has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the Notes that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.

In addition, the Bank has requested that the BoL notifies this Base Prospectus to the competent authority in Latvia – the Bank of Latvia (in Latvian – *Latvijas Banka*) and to the competent authority in Estonia – Estonian Financial Supervision and Resolution Authority (in Estonian – *Finantsinspekcijai*), provide them with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Application(-s) will be made for the Notes issued under the Programme to be admitted to listing on the bond list (the "**Bond List**") and to trading on the regulated market (the "**Regulated Market**") of Nasdaq Vilnius AB ("**Nasdaq Vilnius**"). The Regulated Market of Nasdaq Vilnius is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments (as amended, "**MiFID II**"). In order to execute admission of each separate Tranche of Notes to the Bond List of Nasdaq Vilnius as soon as possible following their placement to the investors.

The Notes being offered and sold under this Base Prospectus will be registered within Lithuanian branch of Nasdaq CSD, SE ("**Nasdaq CSD**") (the merged central securities depository of Lithuania, Latvia, Estonia and Iceland). Noteholders will be able to hold the Notes through Nasdaq CSD participants, such as investment firms and custodian banks operating in Lithuania.

This Base Prospectus is valid for 12 (twelve) months after the date hereof. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

The Notes to be issued under the Programme will not be rated.

NOTICE TO ALL INVESTORS. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire the Notes offered by any person in any jurisdiction in which such an offer or solicitation is unlawful, in particular in or into the Restricted Territories (as defined in Section “Glossary” below) or the Excluded Territories (as defined in Section “Glossary” below). The Notes have not been and will not be registered under the relevant laws of any state, province or territory other than Lithuania and may not be offered, sold, transferred or delivered, directly or indirectly, within any other jurisdiction than Lithuania, Latvia and Estonia except pursuant to an applicable exemption. Notwithstanding anything to the contrary contained in this Prospectus, the Notes shall not be offered, sold, transferred or delivered, directly or indirectly, to any Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus, and regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Notes is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by the European Union, United Nations, United States, United Kingdom or other international organizations of which the Republic of Lithuania is a member or participant..

Distribution of copies of the Prospectus or any related documents are not allowed in those countries where such distribution or participation in the Offering of the Notes requires any extra measures or is in conflict with the laws and regulations of these countries. Persons who receive this Prospectus or any related document should inform themselves about any restrictions and limitations on distribution of the information contained in this Prospectus and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Such documents should not be distributed, forwarded to or transmitted in or into the Restricted Territories or the Excluded Territories. No action has been taken by the Company in relation to the Notes or rights thereto or possession or distribution of this Prospectus in any jurisdiction where action is required, other than in Lithuania, Latvia and Estonia. The Company is not liable in cases where persons or entities take measures that are in contradiction with the restrictions mentioned in this Prospectus and any related documents.

INFORMATION FOR UNITED STATES INVESTORS. The Notes have not been, and will not be, registered under the U.S. Securities Act 1933 (as amended) (the “Securities Act”), or with any securities regulatory authority of any state of the United States. This Base Prospectus and/or the Final Terms are not to be distributed to the United States or in any other jurisdiction where it would be unlawful. The Notes may not be offered, sold, pledged or otherwise transferred, directly or indirectly, within the United States or to, for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (the “Regulation S”)), except to a person who is not a U.S. Person (as defined in Regulation S) in an offshore transaction pursuant to Regulation S.

Investing into Notes involves risks and may not be suitable for all investors. Each prospective investor in the Notes must determine, based on its own independent review and, if appropriate, professional advice that the investment in the Notes is suitable in light of its financial circumstances and objectives. While every care has been taken to ensure that this Prospectus presents a fair and complete overview of the material risks related to the Company, the operations of the Company and to the Notes, the value of any investment in the Notes may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Prospectus. Each decision to invest in the Notes must be based on the Prospectus in its entirety. Therefore, we suggest you familiarise yourselves with the Prospectus thoroughly, including principal risk factors that may affect the abilities of the Issuer to fulfil its obligations under the Notes are discussed under "Risk Factors" below.

IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer, represented by Marius Arlauskas, Chief Executive Officer (CEO) and Chairman of the Management Board, accepts responsibility for the information contained in this Base Prospectus and any Final Terms. The Company accepts responsibility for the fullness and correctness of the information contained in this Prospectus as of the date hereof. To the best of the knowledge and belief of the Company the information contained in this Prospectus is in accordance with the facts and the Base Prospectus contains no omissions likely to affect its import.

Without prejudice to the above, no responsibility is accepted by the persons responsible for the information given in this Prospectus solely based on the summary of the Series issued under this Prospectus, including any translation thereof, unless such summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in Notes.

The Company will not accept any responsibility for the information pertaining to the Offering, the Company or its operations, where such information is disseminated or otherwise made public by third parties either in connection with the Offering or otherwise.

Final Terms

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Subordinated Notes*" (the "**Conditions**") as completed by a document specific to each such Tranche called final terms (the "**Final Terms**") as described under "*Final Terms*" below. In the event of any inconsistency between Terms and Conditions in this Base Prospectus and the relevant Final Terms, the relevant Final Terms shall prevail.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms.

The Issuer does confirm that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Any information sourced from third parties contained in this Base Prospectus has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealer nor any of its respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes. Neither the delivery of this Base Prospectus or any Final Terms nor the

offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial position or performance of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". **In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States that is subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*").**

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealer or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. Neither the Issuer nor the Dealer has provided any financial or taxation advice in connection with the Programme or Notes issued thereunder.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to the Series of Notes about whether, for the purpose of the MiFID Product Governance rules under Commission Delegated Directive (EU) 2017/593, as amended (the "**MiFID Product Governance Rules**") is a manufacturer in respect of such Notes, but otherwise neither the Dealer or any of its respective affiliates will not be a manufacturer for the purpose of the MiFID Product Governance Rules.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 10,000,000.

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area.

References to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Language

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Ratings

Tranches of Notes issued under the Programme will not be rated.

Stabilisation

Tranches of Notes issued under the Programme will not be subject to stabilisation.

PRESENTATION OF FINANCIAL INFORMATION

References in this Base Prospectus to the financial statements for 2023 and 2024 of the Issuer is to the audited consolidated financial statements of the Issuer for the years ended 31 December 2023 and 31 December 2024, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“**IFRS**”). References in this Base Prospectus to the financial statements for 6-month period are to the unaudited stand-alone financial statements of the Issuer for the 6-month period, ended 30 June 2025 that also includes comparative financial information to the unaudited consolidated financial statements of the Issuer for the 6-months period, ended 30 June 2024, which have been prepared in accordance with the International Accounting Standards (the “**IAS**”).

It is noted that on 16 June 2025, the only subsidiary of the Issuer UAB “TG invest-1” was sold, therefore the financial group of the Issuer has ceased to exist. Consequently, in accordance with applicable financial reporting standards, the obligation to prepare consolidated financial statements no longer applies. The interim financial statements for a 6-month period ended 30 June 2025 were prepared on a stand-alone basis only.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Alternative Performance Measures

This Base Prospectus contains certain financial measures that are not defined or recognised under IFRS and which are considered to be “alternative performance measures” as defined in the “ESMA Guidelines on Alternative Performance Measures” issued by the European Securities and Markets Authority on 5 October 2015 (the “**Alternative Performance Measures**” or “**APMs**”). Such APMs are described in detail in “Key Financial Ratios and Alternative Performance Measures of the Issuer”.

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OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

The overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of Commission Delegated Regulation (EU) 2019/980, as amended.

Issuer:	Uždaroji akcinė bendrovė Urbo bankas
Programme Approval:	The Programme was approved by the decision of the Management Board on 22 September 2025.
Programme Amount:	Up to EUR 10,000,000 aggregate nominal amount of Notes outstanding at any time.
Description:	Tier 2 Subordinated Note Programme
Dealer:	AB Artea bankas (the " Dealer ")
Currency:	The Notes will be denominated in Euros
Method of Issue:	The Notes will be issued in one Series. The Series may comprise one or more Tranches issued on different issue dates. The Notes of the Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects.
Denomination:	EUR 1,000
Maturity:	The Notes will be issued with the term of 10 years and the maturity date for the Series of the Notes will be specified in the Final Terms and subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Listing and Trading:	<p>Application(-s) will be made for Notes issued under the Programme to be admitted during the period of 3 (three) months after the date hereof to listing on the Bond List and to trading on the Regulated Market of Nasdaq Vilnius.</p> <p>In order to execute admission of each separate Tranche of Notes to the Bond List of Nasdaq Vilnius and to trading on the Regulated Market of Nasdaq Vilnius as soon as possible following their placement to the investors but not later than in 1 (one) month.</p>
Status of the Notes, Ranking and Subordination:	<p>Notes under the Programme will be issued as Tier 2 Subordinated Notes only. This means that the Notes are intended to qualify as own funds instruments within the meaning of point 119 of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as supplemented or amended from time to time (Capital Requirements Regulation, CRR) in the form of Tier 2 instruments as defined in Article 63 of the CRR or any successor provision thereof.</p> <p>This means that in the event of the winding-up, insolvency or bankruptcy of the Issuer, the rights and claims (if any) of the</p>

	<p>Noteholders to payments of the outstanding principal amount and any other amounts in respect of the Notes (including any accrued but unpaid interest amount or damages or other payments awarded for breach of any obligations under the Conditions (if payable)) shall:</p> <ul style="list-style-type: none"> (i) be subordinated (be junior) to any present or future claims of (A) unsecured and unsubordinated creditors of the Issuer (including holders of senior preferred notes and the senior non-preferred notes, if any, issued by the Issuer), and (B) holders of senior subordinated notes and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, in priority to the Notes; (ii) rank at least <i>pari passu</i> among themselves and with any other present or future indebtedness of the Company which constitutes Tier 2 capital (as defined in Article 71 of the CRR); and (iii) in priority (rank senior) to any claims of the of holders of any outstanding Additional Tier 1 instruments (as defined in Article 52 of the CRR), and payments to holders of all classes of share capital of the Company in their capacity as such holders, and claims of any other subordinated creditors the claims of which rank, or are expressed to rank, junior to the Notes, <p>subject, in all cases, to any present or future mandatory provisions of the Lithuanian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Lithuania which are or will be applicable to the Notes. The subordination of the Notes means that upon the liquidation or bankruptcy of the Issuer, all the claims arising from the Notes shall fall due in accordance with the terms of the Notes and shall be satisfied only after the full satisfaction of all unsubordinated recognised claims against the Issuer in accordance with the applicable law. Furthermore, any liability arising under the Notes may be subject to the exercise of powers to write-down, conversion, transfer, modification, suspension or similar related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Lithuania (the Bail-In and Loss Absorption Powers) by the European Single Resolution Board, the BoL, or such other resolution authority or governmental body with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer (the Resolution Authority) in cases where the Issuer as a resolution entity meets the conditions for resolution (i.e., is failing or is likely to fail and certain other conditions are met). Exercising the Bail-in and Loss Absorption Powers is subject to numerous preconditions and will only be used as a last resort; however, if the powers are exercised, it is possible that: (a) the amount outstanding of the Notes is reduced, including to zero; (b) the Notes are converted into shares, other securities or other instruments of the Issuer or another person; (c) the Notes or the outstanding amounts of the Notes are cancelled; and/or (d) the terms of the Notes are altered (e.g., the maturity date or interest rate of the Notes could be changed). Therefore, if the Issuer as a resolution entity meets the conditions for resolution, the exercising of the Bail-in and Loss Absorption Powers by the Resolution Authority may result in material losses for the Noteholders. Financial public support will only be used after having assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-</p>
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	<p>in tool. Consent of the Noteholders is not necessary for affecting bail-in measures by the Resolution Authority.</p> <p>As long as there are no liquidation or bankruptcy proceedings initiated against the Issuer, all claims arising from the Notes shall be satisfied in accordance with the terms of the Notes and the applicable law.</p>
Waiver of Set-Off	No Noteholder may set off their claims arising under the Notes against any claims of the Issuer.
Final Terms:	The Notes issued under the Programme will be issued pursuant to this Base Prospectus and associated Final Terms. The terms and conditions applicable to any particular Tranche of the Notes will be the Conditions as completed by the relevant Final Terms.
Issue Price:	The Notes may be issued at any price (at nominal amount or at a discount or a premium to their nominal amount). The price and amount of each Tranche of the Notes to be issued under the Programme will be determined by the Issuer at the time of issue in accordance with prevailing market conditions and established in the relevant Final Terms.
Interest:	The Notes carry an annual coupon interest at the rate provided in the Final Terms, calculated from the date of issue of the Notes until the date of redemption. The frequency of the interest payments has been provided in the Final Terms. The interest on the Notes is calculated based on the 30/360 interest calculation convention whereas interest for each full calendar month during the term of the Notes will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and interest for the partial calendar month will be calculated on the basis of a 360-day year and the actual number of days elapsed.
Form of Notes:	The Notes shall be issued in dematerialized form and book-entered with Nasdaq CSD. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the Regulated Market (Nasdaq Vilnius), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be the Issuer. The Notes shall be valid from the date of their registration until the date of their redemption. No physical certificates will be issued to the Investors. Principal and interest accrued will be credited to the Noteholders' accounts through Nasdaq CSD.
Redemption:	Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount (as specified in the relevant Final Terms) on the Maturity Date.
Issuer's Optional Redemption (call option):	<p>Before the Maturity Date (as described in Condition 6(c) (<i>Redemption and Purchase – Redemption at the option of the Issuer</i>)) the Issuer is entitled to redeem in whole or in part at any time after 5 years have passed from the Issue Date of the Notes at their outstanding principal amount together with interest accrued (if any) to the date fixed for redemption as described in Condition 6(c) the Issuer's giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders.</p> <p>Nonetheless, the Notes may be redeemed prematurely by the Issuer on the above-described ground only if the Bank of Lithuania has granted its consent to the early redemption. The BoL may grant its consent for the early redemption of the Notes as from the date when 5 years have passed from their issuance only if the conditions of</p>

	Article 78(1) of the CRR are met. The BoL may grant its consent for the early redemption of the Notes before the date when 5 years have passed from their issuance only if the conditions of Article 78(4) of the CRR are met.
Early Redemption:	<p>The Issuer is further entitled to redeem the Notes in whole (but not some only) prematurely before the lapse of the 5-year term at their outstanding aggregate principal amount, together with interest accrued (if any) accrued to but excluding the date of redemption if:</p> <ul style="list-style-type: none"> i) upon the occurrence of a Capital Event as described in Condition 6(e) (<i>Early Redemption of Notes as a result of a Capital Event</i>). ii) there is a significant change in the taxation regime applicable in respect of the Notes (upon the occurrence of a Tax Event or a Withholding Tax Event) provided that the Issuer was not in a position to foresee such changes upon the issue of the Notes (as described in Condition 6(b) (<i>Redemption for tax reasons</i>)). <p>Nonetheless, the Notes may be redeemed prematurely by the Issuer on the above-described grounds only if the Bank of Lithuania has granted its consent to the early redemption. The BoL may grant its consent for the early redemption of the Notes as from the date when 5 years have passed from their issuance only if the conditions of Article 78(1) of the CRR are met. The BoL may grant its consent for the early redemption of the Notes before the date when 5 years have passed from their issuance only if the conditions of Article 78(4) of the CRR are met.</p>
Noteholder's Optional Redemption (put option):	No redemption at the option of the Noteholders is permitted for the Notes under any circumstances.
Substitution and Variation:	The Issuer may substitute or vary the terms of all (but not some only) of the Notes as provided in Condition 14 (<i>Substitution and Variation</i>) (including changing the governing law of Condition 16 (<i>Acknowledgement of Bail-in and Loss Absorption Powers</i>)) without any requirement for the consent or approval of Noteholders.
Taxation:	All interest payments in the case of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Lithuania or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest, should any amounts payable be subject to withholding or deduction of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Lithuania or any authority having the power to tax, the Issuer shall be entitled to withhold or deduct the respective taxes or duties. For the avoidance of doubt, any such withholdings or deductions shall be made by the Issuer on behalf of the Noteholders having no obligation to compensate the withheld or deducted tax amounts to the Noteholders (see Condition 8 (<i>Taxation</i>)).
Events of Default and Cross Acceleration:	The Notes provide for events of default in certain circumstances, but do not contain a cross-default or cross-acceleration provision.

Clearing Systems:	The Lithuanian branch of Nasdaq CSD (the merged central securities depository of Lithuania, Latvia, Estonia and Iceland).
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its respective obligations under the Notes are discussed under " <i>Risk Factors</i> " below.
Governing Law:	The Notes shall be governed by Lithuanian law.
Ratings:	The Notes issued under the Programme will not be rated.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Japan and the Republic of Italy, see " <i>Subscription and Sale</i> " below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry(-ies) in which it operates together with all other information contained in this Base Prospectus, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. The below disclosure of risks only includes the risks the Issuer deems specific to the Issuer and to the Notes within the Programme, and which the Issuer believes to be the most essential for taking an informed investment decision. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that are currently deemed immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

The risk factors below are presented in categories depending on their nature. In each category the most material risk factors are mentioned first according to the assessment of the materiality of the risk factors concerned.

General geopolitical risks

Risks associated with the geopolitical conditions impacting Lithuania

Each of the Issuer's operating segments is affected by general geopolitical conditions. Elevated geopolitical uncertainty and widening global geo-economic polarisation are likely to have a negative influence on both the European Union and Lithuania's overall economic landscape and financial market conditions.

In February 2022, Russia initiated a war against Ukraine. Consequently, the current geopolitical situation in Russia and Belarus, marked by sanctions and embargoes, poses an economic risk to the Baltic region. The United States, the United Kingdom and the EU have implemented substantial economic sanctions against aggressors, which have material impacts on the economic sentiments, the investment climate, the international trade, the energy sector, and potentially the functioning of the banking system in Europe. These effects may, in turn, lead to changes in economic or regulatory policy. In addition, for example, in August 2025 China has placed the Bank and AB Mano Bankas on a sanction list, prohibiting Chinese organizations and individuals from conducting any business with them, as a retaliatory move against the EU's sanctions on Chinese banks. Since the Bank does not conduct financial transactions in China and has no business relationships with individuals or organizations in this country, the imposition of sanctions will not have any impact on the activities of the Bank and the implementation of prudential regulations. Together with persisting uncertainty and elevated risks of potential escalation of the war and new sanctions these factors negatively affect economic activity.

In January 2025, the Lithuanian government announced it would increase defence spending to 5–6 per cent. of its GDP from 2026 to 2030 in response to the threat of aggression from Russia, a decision made after the United States administration's recent call for allies to raise spending to 5 per cent. Any consequent policy changes or negative impact on economic activity in Lithuania, or in the countries where its customers and counterparties operate, could have a direct negative impact on the Issuer's strategy, its growth potential, its fees and commissions, and profit margins and, consequently, could have a material adverse effect on its business, financial condition and results of operations. The Issuer is closely monitoring the situation and its direct and indirect impacts.

Negative macroeconomic effects triggered by these geopolitical shifts might potentially have the most significant adverse impacts on customers' ability to service their loans and on the cost for funding resources. Issuer uses stress testing scenarios to assess Issuer's exposures to Russian, Ukrainian and Belarus counterparties are low due to uncertainties of the future knock-on effects of this conflict on its risk management framework.

Lithuania is dependent on foreign investment which may not continue to flow in at the current rate. As a result, the future economic development and market conditions may significantly worsen and amplify the impact of risk factors set out in this section.

In addition to economic and financial effects, other political events, as well as protectionist tendencies to reduce European Union co-operation, may bring further political, legal and regulatory uncertainty. Such uncertainty and consequential market disruption may also cause investment decisions to be delayed, reduce job security, and damage consumer confidence.

All of the foregoing factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

General business risks

Real estate market risk

As a part of Bank's business activities, the Bank finances entities operating in Lithuanian real estate sector. As of 31 December 2024, credit exposure to entities operating in real estate and rent and in construction sectors accounted to 19.8% (as of 31 December 2023 18.6%) of total gross loans provided by the Bank before taking into account collateral held. In addition to that, the Bank uses real estate as a main type of collateral securing both corporate and individual loans provided. As of 31 December 2024, real estate with the fair value of EUR 746 million (as of 31 December 2023 EUR 600 million) was used as a collateral for loans provided. Potential negative development of Lithuanian real estate market could have a negative impact on both real estate market prices and transaction volume. Such decreases in prices and volumes could have an adverse effect on Bank's debtors operating in real estate sector and could degrade the value and liquidity of real estate used by the Bank as a collateral which in turn could have negative effect on the Bank's financial position. Collateral monitoring is performed by the Bank on regular basis, additional controls to ensure prudent approach in assessment of collateral value are applied. Credit standards, internal risk assessment and mitigation measures in credit-decision making processes ensure prudent assessment of risk in loan origination phase. The Bank applies risk monitoring in mitigation measures in timely manner, however, considering significant share of clients operating in real estate segment and high dependency on Real Estate collateral, deterioration in Real Estate market could adversely affect the ability of borrowers operating in Real Estate segment to service the loans, the value of collaterals and the financial position of the Bank respectively.

Interest rate risk

Interest rate risk is the risk of loss or reduction of future net income following changes in interest rates, including the price risk connected to the sale of assets or closing of positions. In the normal course of business, the interest rate risk arises due to timing differences in the maturity (for fixed rate) and repricing (for floating rate) of the Issuer's assets, liabilities and off-balance sheet items.

Due to differences between the Issuer's borrowing and deposits interest rates, the Issuer may face considerable interest rate risk, as changes in interest rates, yield curves and credit margins can affect the interest rate margin realised between borrowing and deposits. Changes in interest rates can also affect the Issuer as such changes can have a disproportionate or unexpected impact on the return on interest-bearing assets or the cost of interest-bearing liabilities or otherwise have a negative effect on the Issuer's financing costs. An increase in interest rates can also affect demand for housing loans and other loan products as customers incur increased loan costs. The Issuer is also exposed to the risk that the fair value of instruments in its liquidity portfolio may be affected due to changes in credit spreads.

The operations of the Bank are inherently exposed to interest rate risk. The amount of net interest income earned by the Bank materially affects the revenues and the profitability of the operations of the Bank – during the financial year ended 31 December 2024 net interest income accounted to 78.1% of the Bank's total operating income (71.4% during the financial year ended 31 December 2023). Interest rates are affected by numerous factors beyond the control of the Bank, which may be not estimated adequately. Such factors include the changes in the overall economic environment, level of inflation, that in turn could influence the European Central Bank's ("ECB") monetary policy decisions, which can lead to the interest rate fluctuations.

It is difficult to anticipate changes in the market situation and to predict the impact that these changes could have. A material change in interest rates and the Issuer's inability to maintain interest rate margins may result in lower net income and could have a material adverse effect on the business, financial condition and results of operations of the Issuer.

Securities risk

Securities risk is the risk to incur losses from the investment in securities. The Bank has a notable securities portfolio – as of 31 December 2024, securities portfolio accounted for 9.7 % of assets (10.2% as of 31 December 2023). The investment grade debt securities make up the entirety of the Bank's securities portfolio and serve as a secondary liquidity reserve. The Bank uses internal risk limit system that combines various maturity/rating, geographical region, value at risk, capital requirements, issuer, portfolio limits to manage securities risk. However, certain geopolitical, economic or other factors may lead to a situation when the unforeseen market fluctuations or disappearance of the active market for securities may have a material adverse effect on the Bank's liquidity, financial condition and results of operations. If necessary, the Issuer prefers to raise liquid funds from debt securities portfolio, through operations of monetary policy of the ECB, by pledging eligible securities.

Foreign currency risk

Foreign currency risk arises primarily from the acquisition of securities denominated in foreign currencies or from foreign currency receivables and liabilities. Foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments between countries, the extent of any governmental surplus or deficit, and from the monetary, fiscal and trade policies pursued by the governments of the relevant currencies. Devaluation, depreciation or appreciation of foreign currency may have significant adverse effect on the value of the Bank's assets denominated in foreign currency or increase the euro value of the Bank's foreign currency liabilities. The Bank's foreign currency risk management is based on monitoring the risk exposure against the limits established for overall net open position (ONOP) which is the higher of the total short or total long positions. Positions are monitored on a daily basis and the risk management policy is focused on maintaining more or less closed foreign exchange positions. As of 31 December 2024, the ONOP was equal to 0.54% of the capital (0.65% as of 31 December 2023).

Environmental, Social and Governance (ESG) risk

ESG is considered as important risk to the Issuer's future business. ESG risk management is set as one of the key areas within the Bank's ESG strategy that is an integral part of the Bank's strategy.

The environmental risk is further mainly defined as Climate-related and environmental risk, consisting of physical and transition risk:

- Physical risk, which is the risks of any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on its counterparties or invested assets.
- Transition risk, which is the risks of any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on its counterparties or invested assets.

Although ESG factors risk has been incorporated into the monitoring of existing financial and non-financial risks, the Bank monitors it on a separate basis as well.

The Issuer actively assesses and monitors environmental, social, and governance risks, including those related to climate change. Currently, the Issuer is primarily exposed to physical and transition risks that may impact its loan portfolio in the following ways:

- Transition risk: Financial loss may arise, either directly or indirectly, from the transition to a lower-carbon and more environmentally sustainable economy. This includes the adoption of new climate and environmental policies, technological advancements, and shifts in market sentiment or consumer preferences. These developments could adversely affect the ability of the Bank's borrowers—particularly small and medium-sized enterprises (SMEs)—to meet their loan obligations.

- The Issuer is also exposed to sectors that are highly sensitive to transition risks, such as those with high greenhouse gas emissions. This exposure may reduce income from lending and related services, potentially decreasing long-term commission income.
- Physical risk: Climate change-related physical events—such as floods, heatwaves, droughts, and storms—can directly damage borrower assets (e.g., real estate, agricultural land, production facilities), disrupt business operations, and impair collateral value. This increases the likelihood of credit defaults and loan losses. In geographically vulnerable areas, such events may lead to a deterioration of the overall credit quality of the loan portfolio.

The Issuer has constructed the relevant metrics for monitoring this risk and is continuously upgrading its risk management. Despite the fact that the management of the Issuer uses adequate risk management methods and tools, the ESG risk may materialise and may cause a material adverse effect on the Bank's operations, financial condition and results of operations.

Risk factors, specific to banking activities of the Issuer

Risks associated with credit portfolio

This risk is the risk of potential loss which may arise from counterparty's inability to meet its obligations to the Bank. The risk affects cash and cash equivalents held with third parties (such as deposits with banks and other financial institutions), bonds, derivatives, but mostly credit exposures to customers, including outstanding loans as well as other receivables and commitments. Bank's maximum exposure to credit risk before collateral held or other credit enhancements amounted to EUR 645,7 million as of 31 December 2024 and EUR 544,5 million as of 31 December 2023.

The quality of the assets in the Issuer's loan portfolio is affected by changes in the creditworthiness of its customers, their ability to repay loans on time or at all and the Issuer's ability to enforce its security interests on customers' collateral. Should the customers fail to repay their loans, and the value of the relevant collateral proves to be insufficient to cover the full amount of the outstanding liabilities, the Issuer's financial position, the Issuer's ability to fulfil its obligations under the Notes and the value of the Notes may be adversely affected.

In order to mitigate credit risk, the Bank constantly analyses the operations and financial position of its customers and other counterparties. After authorising the initial credit exposure, the solvency of a customer and the value of the collateral are monitored regularly. Further, the Bank makes provisions for potential credit losses in accordance with the applicable requirements, including the IFRS requirements; however, such provisions are made based on the available information, estimates and assumptions, which by definition are subject to certain amount of uncertainty. Therefore, there can be no assurance that provisions are sufficient to cover potential losses. The recoverability of credit provided to customers may be adversely affected by negative changes in the overall economic, political or regulatory environment, decrease in collateral values and other circumstances beyond the control of the Bank. Materialisation of credit risk may have material adverse effect on the Bank's operations, financial position and results of operations.

Loan portfolio concentration risk

The operations of the Bank are subject to loan portfolio concentration risk, which by essence is a risk arising from the overall spread of outstanding accounts over the number and variety of clients. As of 31 December 2024, largest exposure amounted to 17.05% of regulatory Tier 1 capital (31 December 2023: 18.47% of Tier 1), while the limit is <25%. As of 31 December 2024, the top 3 industries with largest exposure were Real Estate with 19%, Agriculture, forestry and fishing with 13%, and Manufacturing with 10% share of the total gross corporate non-financial loans value provided by the Bank. The above concentration risk may have a material adverse effect on the Bank's operations, financial condition and results of operations. If the concentrations are mismanaged, severely adverse credit situation in a segment where the Bank has excessive concentration could have a material impact on Bank's capital levels and lead to a failure to meet its obligations to its creditors.

Liquidity risk

Liquidity risk refers to the availability of sufficient funds to meet deposit withdrawals and other financial commitments related to financial instruments as they actually fall due. If an institution has insufficient liquidity, it may be unable to meet its obligations to its creditors. As of 31 December 2024, the Issuer's financial liquidity coverage ratio was equal to 322.04%.

The Issuer relies on deposits from retail and corporate customers in order to service most of its liquidity needs. The volume of such liquidity is, however, dependent on factors which are beyond the Issuer's control, such as changes in general interest rates levels, household savings ratios, the propensity to save by making bank deposits and changes in the tax regime applicable to bank deposits. The Issuer's liquidity position may also be affected negatively by a large and unexpected outflow of deposits.

Notwithstanding that the Issuer's current financial liquidity coverage ratio is high, in the long term the Issuer can face the risk of not being able to raise funds from money and/or capital markets on acceptable terms, which may have an adverse effect on the Issuer's business operations, its performance or financial position. As a result, the Issuer's ability to meet its obligations under the Notes may be affected.

Dependency on information technology systems

Bank has developed and uses a variety of information technology (IT) systems and web-based solutions in carrying out its everyday business operations and providing services for its clients. This means that the Bank is always exposed to IT related risks, including system-wide failures of communication infrastructure, quality and reliability of equipment and software supplied by third parties and other similar risks. Furthermore, in the event of a significant security incident or other significant information technology system disruptions, confidential information could be disclosed, which in turn could result in civil and administrative liability for the bank towards its customers, counterparties, and government authorities. Moreover, unlawful cyber-attacks against the Bank's internal and external IT systems may result in limited access to the Bank's online and offline services, which would have a significant adverse effect on the Bank's future operations and financial position. The Bank may, despite its efforts, fail to mitigate all IT related risks or fail to take appropriate and effective countermeasures if its IT systems fall under attack, which in turn may have material adverse effect on the Bank's operations, financial position and results.

Risks associated with the Issuer's human resources

The Issuer's performance is largely dependent on the talents and efforts of highly skilled individuals. The employees have a high workload and complex planning of resources is required with a need to prioritise both business-driven development and regulatory-driven development while simultaneously managing day-to-day operations. Increased staff-related risks could materially adversely affect the Issuer's business, financial condition and results of operations.

The Issuer's continued ability to compete effectively in its businesses depends on the Issuer's ability to attract qualified employees and to retain and motivate its existing employees. Competition from within the financial services industry and from businesses outside the financial services industry for qualified employees is intense. The need for higher cost efficiency could also result in a lower rate of wage increases in the coming years, which may also impact the Issuer's ability to retain or recruit employees. This may impact the Issuer's ability to take advantage of business opportunities, potential efficiencies, or profitably manage its existing or new assets.

As staff costs comprise the main part of operating costs (2024 – 56.8%, 2023 – 58.0%), increased staff-related risks could materially adversely affect the Issuer's business, financial condition and results of operations, also increase in staff costs greater than the market expectations could lead to potentially worse evaluations from investors and other stakeholders and impair the possibilities to generate capital / attract funding.

Operational risk

The Issuer is exposed to Operational risk arising from inadequacy or failure of internal procedures, employees, process or information system failures and flaws or due to external risks including legal risk and reputational risk.

This encompasses (i) internal risks including theft and fraud by employees, development and process failures, business interruptions or breakdowns in information systems and (ii) external risk factors such as property damage and fraud by customers. The operational risk may have material adverse effect on the Bank's operations, financial position and results.

The Issuer aims to reduce operational risk by implementing IT tools, developing internal legal acts describing internal control measures, thus reducing the likelihood of operational risk events and losses. By focusing on consistently providing quality products and services, there is a much lower probability of making harmful errors. In the event of an incident, the Issuer takes measures to prevent recurrence. Employees are encouraged to report incidents related to product and process issues, employee errors. The Issuer does not tolerate recurring deliberate errors, malicious and harmful behaviour, negligence, criminal activity, abuse of duties. Special attention is paid to strengthening the operational risk culture through internal training for all employees. However, these measures may be inadequate to address significant operational risks. Any inadequate or failed internal or external risk-related processes may affect the Issuer's strategy, its growth potential, its fees and commissions, and profit margins and, consequently, could have a material adverse effect on its business, financial condition and results of operations. Losses from operational risk could damage the Issuer's capital position or reputational risk event could trigger a bank run, where a large number of depositors could withdraw their funds, which would, which would deteriorate the Issuer's liquidity position.

Risks associated with the market environment and macroeconomic conditions

Risks associated with the general market environment and economic conditions in Lithuania

The results of the Issuer are affected by the macroeconomic conditions and trends in the financial markets in general as well as by the economic condition in Lithuania in particular. The economy of Lithuania is small and open economy that is closely linked to the global economy and especially to the macroeconomic conditions in the European Union and the Nordic countries. Lithuania is member of the European Union and the North Atlantic Treaty Organisation. Any deterioration in the economic environment of Lithuania where the Issuer operates, or in the countries where its customers and counterparties operate, could have a direct negative impact on the Issuer's strategy, its growth potential, its fees and commissions, and profit margins and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

During recessionary periods, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for mortgages and other loan products. Fluctuations in interest rates and in ratings in the Eurozone influence its performance.

Among others, the macroeconomic framework could be influenced by: (i) new international trade policies; (ii) global geopolitical tensions (including recent developments in connection with conflicts between Russia and Ukraine and the resulting sanctions imposed on Russia and Russian financial and economic agents, by the EU and other various countries); (iii) future developments of the ECB monetary policy in the Euro area, the Federal Reserve system in the Dollar area, and the policies implemented by other countries aimed at promoting competitive devaluations of their currencies; (v) the sustainability of the sovereign debt of certain countries and related recurring tensions on the financial markets; and (vi) the volatile trend in the price of oil and gas.

Should any negative development in the economy of Lithuania or in the financial markets generally occur, the demand for banking services may decrease and lead to a reduced net interest income from the banking business. Weaker demand and any increase in unemployment may also lead to difficulties for the Issuer's customers in meeting their payment obligations, thereby causing increased disruptions in the repayments of loans, write-downs and loan losses. A rise in the level of interest rates may have the same effect. The market value of financial assets held by the Issuer may also be affected. Furthermore, investors' demand for returns may increase, thus increasing the Issuer's refinancing costs and hampering the Issuer's refinancing options.

Risk associated with information security and risk of cybercrime attacks

The Issuer's operations rely on the correct and secure processing and communication of large amounts of information, which is often of a confidential nature. As part of its business operations, the Issuer records personal identifiable information and financial information that it receives from its customers. Significant costs may be incurred if information security risks, such as compromise of confidentiality, integrity or availability of information, are materialized. Costs may also be incurred by the Issuer in protecting itself against breaches of data protection rules and in solving problems that have been caused as a result of such breaches.

The Issuer is also subject to EU General Data Protection Regulation ("GDPR"). If any member of the Issuer or any of their third-party service providers fails to store or transmit customer information in a secure manner, or if any loss or wrongful processing of personal customer data were otherwise to occur, the Issuer could be subject to investigative and enforcement action by relevant regulatory authorities and could be subject to claims or complaints from the person to whom the data relates or could face liability under data protection laws. Should some or all of these risks materialise, this may have an adverse effect on the business, financial condition, reputation and subsequently results of operations of the Issuer.

As for all major financial institutions, the Issuer's activities have been, and could continue to be, subject to an increasing risk of cyber-attacks, the nature of which is continually evolving. Digital transformation can make it a potential target for cybercrime attempts and that is primarily related to the Issuer's internet and mobile bank users and includes identity theft, unauthorised access to privileged and sensitive customer information, including internet bank credentials as well as payment and credit card information. The Issuer is also subject to EU Regulation on digital operational resilience for the financial sector (DORA), which means that the Issuer pays particular attention to the development of processes and measures aimed to increase cyber resilience.

The Issuer could continue to experience security breaches or unexpected disruptions to its systems and services in the future. Such security breaches and unexpected disruptions could in turn result in liability towards the Issuer's customers and/or third parties and consequently have an adverse effect on the Issuer's business, reputation, financial condition and results of operations.

Solving such problems can cause interruptions or delays in the Issuer's customer service, which in turn could damage the Issuer's reputation, discourage customers from using the Issuer's services or cause customers to bring claims for compensation against the Issuer. Any of these situations could have a significant adverse effect on the Issuer's business operations, its performance or its financial position.

Risks associated with the reputation of Lithuania and of other Baltic countries

Being a Lithuanian bank, the Issuer's reputation and perception are affected by the international reputation of Lithuania and the Baltics more broadly, especially regarding how companies from the region, particularly financial institutions, are perceived globally.

MONEYVAL¹ in its 5th round mutual evaluation report for Lithuania issued in 2018, highlighted threats related to money laundering, including corruption, significant size of shadow economy, organized crime and widespread use of cash, and placed the country in an enhanced follow-up procedure. In December 2022 MONEYVAL published its third follow-up report, which showed the progress Lithuania had made in its AML/CFT framework. A fourth enhanced follow-up report is due to be published imminently, which is likely to note further progress made by the country.

Eight Nordic-Baltic Constituency countries, including Lithuania, have engaged the International Monetary Fund (IMF)² to conduct a regional analysis of money laundering and terrorist financing threats and vulnerabilities. The IMF presented the final report of its findings and recommendations in September 2023. The report gives an overall positive assessment of the region's AML/CFT framework and efforts in its

¹ Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL). It is a regional FATF-style body, among other things, tasked with conducting regular member country mutual AML/CFT framework evaluations based on compliance with FATF recommendations and guidelines.

² IMF Regional Nordic-Baltic Technical Assistance Report on "Financial Flows Analysis, AML/CFT Supervision, and Financial Stability": [Project Summary: Nordic-Baltic Technical Assistance Project – Financial Flows Analysis, AML/CFT Supervision, and Financial Stability](#).

development. It also highlights Lithuania's progress in the area. At the same time, it is noted that Lithuania must ensure close cooperation and coordination between institutions when addressing emerging challenges.

Furthermore, Baltic region progress in strengthening AML/CFT framework is also indicated by high AML country rankings. E. g., a widely recognized annual Basel AML Index by Basel Institute on Governance in its latest 2024 public edition lists all 3 countries in the top 20 of lowest risk jurisdictions globally (Lithuania in 9th, Latvia – 20th and Estonia – 4th place). Notwithstanding the above, the reputation of other Baltic financial institutions may still affect its ability to raise funding from international markets on favourable terms. There is also a risk that some of the Issuer's direct or indirect counterparties (e.g., correspondent banks) and/or customers may wish to terminate or limit the scope of their business relationships with Baltic financial institutions, including the Issuer, or subject Baltic financial institutions, including the Issuer, to more rigorous control. Furthermore, it is possible that the Issuer's business partners or international or supranational authorities (for example, FATF or the European Commission) may apply mandatory enhanced due diligence measures against financial institutions established and/or operating in any or all of the Baltic countries, thus affecting business operations of the Issuer.

Competition risk

The Lithuanian banking market is dominated by several large financial institutions. These are banks that have a long history in this market and are internationally active (SEB, Swedbank, Luminor, Artea, Citadele). Because of their size and capital, these banks can offer a wide range of services to their customers, invest in the latest technology, and participate in major projects. As a result, they represent a significant market share. On the other hand, in recent years, technological innovation, particularly in the financial technology (FinTech) sector, has led to the emergence of many new players offering alternative banking services. These newcomers, although they do not have as much capital or a long history, are able to adapt quickly to market needs, offer innovative services and attract new customers. Therefore, while the big banks maintain their dominance, they also must respond to these new challenges and change their strategies. This means that competition between banks in Lithuania is intensifying and will intensify significantly in the future.

The Issuer is the small bank registered in Lithuania with only 0.9% of the market share as measured in assets. In each of the business segments, the Bank competes primarily on the basis of its service range, pricing, established client relationships, technical knowledge and the efficient handling of banking operations. If the Bank is unable to continue provision of its services to existing clients, developing new services portfolios and attracting new clients, responding to client trends, increasing its operating efficiency and reducing its operating and overhead costs, it may not be able to successfully compete in the market. Should the Bank fail to maintain its market position in the market and business segments, this could have a material adverse effect on the net assets, financial position and financial performance of the Bank.

There is no guarantee that (i) the Issuer's strategies will be sufficiently competitive or that (ii) such strategies will meet customer needs and expectations in the future as competition increases and the availability of products and services grows on the international markets, or that they will otherwise be successful. It is also possible that the Issuer may not be able to put its strategies into practice and succeed in integrating the different services from its various business areas, thus creating synergy effects between them. Additionally, changes in business strategy entail risks of their own, including in relation to operational risks, risks of insufficient training of personnel and IT risks.

If the Issuer fails to respond to the competitive environment in its target markets by offering attractive and profitable product and service solutions, it may affect the Issuer's competitiveness, its market shares, its growth potential, its customer base and, consequently, could have a material adverse effect on its business, financial condition and results of operations.

Risks associated with the legal and regulatory environment

Risks associated with abuse of the financial system

The regulations applicable to the financial sector on the prevention of money laundering, corruption and the financing of terrorism, as well as implementation of international sanctions have been and are subject to ongoing tightening. In global terms, the risk that banks may become the subject of or be exploited for the purposes of money laundering or the financing of terrorism has increased. On 29 April 2025 the BoL

has concluded a scheduled targeted inspection of the Issuers AML/CFT procedures and, due to findings related to inadequate organizational structure and governance procedures, insufficient enhanced due diligence process and procedures and deficiencies in transaction monitoring process, has notified and fined the Issuer of EUR 290,000.00. The Issuer has settled the fine and has duly resolved deficiencies.

The risk of future incidents involving money laundering or financing of terrorism is always on the agenda for financial institutions and falls under the scope of annual Enterprise Wide-Risk Assessment procedure. Any breach of the rules that aim to prevent the illegal exploitation of the financial system or even the suspicion of such infringements could have grave legal consequences for the Issuer and its reputation, which, in turn, could have a significant adverse effect on the Issuer in terms of regulatory fines and reputational damage. Seeking to manage and mitigate such risks, the Issuer applies AML/CFT measures. Effectiveness of AML/CFT measures is under scope of regular control, internal audit and clear reporting lines (including escalation to Top Management).

Geopolitical situation significantly increased sanctions risks with the Russia-Ukraine war that started at the end of February 2022. The Issuer has 1 corporate customer incorporated in Lithuania with Russian sanctioned subject in ownership structure, who is a subject to EU asset freezes. Required national and EU regulations' restrictions were applied on the customers' accounts: the Issuer has taken appropriate mitigating measures by subjecting the relevant counterparty to an enhanced monitoring. In compliance with the *Law of international sanctions of the Republic of Lithuania*, a temporary administrator has been appointed to the customer and only transactions authorized by the temporary administrator can be executed.

Regardless of the risk mitigation measures that the Issuer is taking, there can be no assurance that the AML, CFT and sanctions measures of the Issuer are and have in the past been always sufficient and there will be no proceedings, investigations or allegations involving the Issuer.

The Issuer's screening and monitoring approach, supporting processes and systems may not fully prevent the execution or facilitation of transaction(s) which have exposure to money laundering, sanctions and/or terrorism financing offences.

The Issuer monitors transactions according to predefined scenarios and thresholds. However, there is a risk that the Issuer may not be able to detect all the patterns and occurrences in a customer's behaviour which indicate breaches of AML/CFT or sanctions laws on the part of the customer.

The Issuer has developed a regular reporting routine and has defined additional need-based escalation topics to Management containing both qualitative and quantitative components. Nevertheless, risks may arise where the Issuer has not sufficiently defined the content of reporting principles. The occurrence and realisation of the above-mentioned risks could have a severely negative impact on the Issuer, its financial standing, reputation and business due to the enforcement activities of national supervisory authorities and adverse public opinion.

Risks associated with regulatory requirements and the Issuer's legal obligations

The Issuer's business operations are subject to a large number of laws and regulations concerning banking operations and financial services and the Issuer is subject to stringent, constantly increasing and changing regulation and supervision, which means that the Issuer may be subject to intervention from the regulatory authorities and there is no assurance that the Issuer will be found fully compliant with all applicable laws and regulations.

In recent years, the regulation of banking operations and the financial sector in general has undergone extensive changes in Lithuania, in the European Union and internationally. Implementation of new guidelines and regulations (for example Basel III reforms) increases Compliance risk as well as the administrative burden, resulting in increased costs and lower profitability. Ongoing and future changes in regulatory frameworks can have an impact banking operations, for example, and can lead to further costs and obligations for the Issuer. Changes may also be imposed on rules governing how the Issuer runs its business. New regulation may force the Issuer to reduce its level of risk, its volume of business and the lending ratio in some operations.

There have been ongoing regulatory changes and upcoming new requirements that are focusing ESG factors. The Issuer is constantly following the ESG factors-related regulatory requirements and making efforts to comply with them on time. However, given the complexity and dynamics of changes in ESG factors-related

regulations, and as part of them are upcoming, there is a risk that the Issuer may not to comply with all such ESG factors-related regulatory requirements on full scope. Failure to comply with such ESG factors requirements may have an adverse impact on the Issuer through the imposition of fines and other regulatory sanctions as well as through reputational damage.

Measures taken by the authorities or unfavourable decisions in disputes with the authorities could also result in fines or restrictions and limits being imposed on the Issuer's business operations and give cause for negative publicity. Breaches against competition laws can also result in severe monetary sanctions.

Any tightening of consumer protection laws or the interpretation thereof by courts or other competent authorities could result in lower profitability of certain of its products and services, which may impair its ability to offer certain products and services or to enforce certain clauses and thus have an adverse effect on the results of operations.

Furthermore, banking activities are largely dependent on contractual relations. Customers and counterparties to agreements that any member of the Issuer has entered into may submit claims against the Issuer that can lead to disputes and legal action. Such demands may, for example, concern liability towards customers with regard to the sale of unsuitable products or with regard to incorrect advice. If the Issuer is deemed to have neglected its duties, it may be liable to pay damages.

Any legal action against any member of the Issuer can also have a negative impact on the Issuer's reputation, which in turn could have a material adverse effect on its business, financial condition and results of operations.

If any of the risks set out above were realised, this could have a significant adverse effect on the Issuer's business operations, its performance or its financial position.

Risk associated with regulatory capital requirements

The Issuer is supervised by the Bank of Lithuania and is subject to capital, liquidity coverage and other requirements that banks must observe. These requirements serve as safeguards that help ensure safe and sound banking activities. The Bank is subject to capital and own funds, SREP capital, additional capital buffers, liquidity and the large exposure requirements.

The supervisory institutions may set other ratios without contradiction to the recommendations of the Basel Committee on Banking Supervision and European Union legislation.

Capital adequacy is the main indicator for assessment of solvency of credit institutions. Failure to maintain sufficient capital to absorb the losses from all the risks the Bank is exposed to may lead to failure of the institution to meet its obligations to its creditors. As of the date of the Prospectus the Issuer is complying with all applicable capital requirements. Its CET1 ratio as of 31 December 2024 is 18.62% (2023 – 20.63%), i.e., higher than the required minimum level of 9.57%; overall capital adequacy ratio as of 31 December 2024 is 18.69% (2023 – 20.89%) – i.e., higher than required minimum level of 14.13%.

The capital requirements adopted in Lithuania and in the European Union may change, whether as a result of further changes of the European Union or Lithuanian legislation, global standards or interpretation thereof.

The Issuer structures and plans its activities so that it would ensure compliance with regulatory requirements with sufficient buffers to cover the stressed conditions, but the realisation of a single risk factor or a combination of multiple risk factors beyond the Issuer's expectations could result in larger shock than expected and then lead to deterioration of either (or both) capital and liquidity position and failure to satisfy the regulatory requirements.

Any failure by the Issuer to satisfy the regulatory capital requirements, liquidity requirements and other requirements applied to the Issuer, and any further increases in such requirements, could result in regulatory intervention or sanctions or significant reputation harm, which may have material adverse effect on the Issuer's financial condition, results of operation and prospects. In addition to that, the Issuer may be able to raise such capital but not at commercially attractive terms and conditions, leading to weaker profitability.

Risks associated with the Notes

Credit risk of the Issuer

An investment in the Notes is subject to credit risk, which means that the Issuer may fail to meet its obligations arising from the Notes duly and in a timely manner. The Issuer's ability to meet its obligations arising from the Notes and the ability of the holders of the Notes to receive payments arising from the Notes depends on the financial position and the results of operations of the Issuer, which are subject to other risks described in this Base Prospectus. The Notes are not bank deposits in the Issuer and are not insured by the state company "Deposit and Investment Insurance" (in Lithuanian: *Valstybės įmonė "Indėlių ir investicijų draudimas"*). Thus, in case of insolvency of the Issuer, the Noteholders would not receive any payments, related to Notes from this state company.

Any Notes issued under the Programme may be subjected in the future to the bail-in and loss absorption resolution tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full

Under the Law on Financial Sustainability, powers have been granted to the Relevant Resolution Authority which include the bail-in and loss absorption tool through which a credit institution subjected to resolution may be recapitalised either by way of write-down or conversion of liabilities into ordinary shares. The bail-in and loss absorption tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in case of the resolution of a failing credit institution.

Any Notes that will be issued under the Base Prospectus may be subjected to the said bail-in and loss absorption tool. So, if the Issuer is subjected to resolution measures in the future, then the value of such Notes may be written down (up to zero) as a result of the imposition of the bail-in and loss absorption tool by the Competent Authority. Furthermore, the Notes may be subject to modifications or the disapplication of provisions in the Conditions of the Notes, including alteration of the principal amount or any interest payable on the Notes, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period.

Pursuant to Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*), each Noteholder of the Notes acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

Under certain circumstances, the Issuer's ability to redeem or repurchase the Notes may be limited

Under the Law on Financial Sustainability, powers have been granted to the Relevant Resolution Authority. The rules under the CRD Package prescribe certain conditions for the granting of permission by the Competent Authority or the Relevant Resolution Authority (as applicable) to a request by the Issuer to redeem or repurchase the Notes. The Issuer may redeem or repurchase the Notes only if such redemption or repurchase is in accordance with applicable provisions of the Applicable Banking Regulations, and, where necessary, has been granted the permission from the Competent Authority and, in addition if:

- (i) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments or eligible liabilities instruments (as applicable) of an equal or higher quality on terms that are sustainable for its income capacity;
- (ii) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin that the Competent Authority or to the extent that such Notes have ceased to qualify, in whole or in any part, as Tier 2 Capital the Resolution Authority may consider necessary.

In addition, the rules under the CRD Package provide that the Competent Authority may only permit the Issuer to redeem the Notes that qualify as Tier 2 Capital before 5 years after the issue date of the last Tranche of the Series of such Notes if:

- (i) the conditions listed in paragraph (i) or (ii) above are met; and

- (ii) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or
- (iii) in the case of redemption for taxation reasons pursuant to Condition 6(b) (*Redemption and Purchase – Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that the change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Notes; or
- (iv) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
- (v) the Notes are repurchased for market making purposes.

The rules under the CRD Package may be modified from time to time after the Issue Date of the Notes.

The Notes are subordinated to most of the Issuer's liabilities

If the Issuer is declared bankrupt and a winding-up is initiated, the claims of the holders of its senior debt and its obligations to most of its other creditors (including unsecured creditors but excluding any obligations in respect of more subordinated debt or other obligations that by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Noteholders of the Notes) will be satisfied (after covering the costs of and other payments relating to bankruptcy proceedings) before any payments on the relevant Notes. Furthermore, pursuant to the amendments introduced by BRRD II to Article 48(7) of BRRD (which was transposed into Article 87 of the Law on Banks of the Republic of Lithuania), all claims resulting from own funds items shall have, in relevant insolvency proceedings, a lower priority ranking than any claim that does not result from an own funds item. For the purposes of the previous sentence, to the extent that an instrument is only partly recognised as an own funds item, the whole instrument shall be treated as a claim resulting from an own funds item and shall rank lower than any claim that does not result from an own funds item. This means that, regardless of their contractual ranking, liabilities that are no longer at least partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, claims of the Noteholders that qualify as Tier 2 Capital will have, in the bankruptcy proceedings carried out in respect of the Issuer, a lower priority ranking than any claims that do not result from own funds items in accordance with the provisions of BRRD II, even if the Notes are only partly recognised as an own funds item of the Issuer. In any of the above situations, the Issuer may not have enough assets remaining after these payments to pay amounts due under the relevant Notes. Although the Notes may pay a higher rate of interest than notes which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should the Issuer become insolvent. See also "*The Issuer may be subject to statutory resolution*", below.

Remedies in case of default on the Notes are severely limited

The Notes will contain limited enforcement events relating to (a) non-payment by the Issuer of any amounts due and (b) the winding-up, insolvency or bankruptcy of the Issuer, whether in Lithuania or elsewhere.

In such circumstances, as described in more detail in Condition 9 (*Events of Default*) of the Conditions, a Noteholder may declare its Notes to be due and payable at their principal amount, and prove or claim in the winding-up, insolvency or bankruptcy of the Issuer.

In each case, however, the Noteholder of such Notes may claim payment in respect of such Notes only in the winding-up, insolvency or bankruptcy of the Issuer.

The Issuer could, in certain circumstances, substitute or vary the terms of the Notes

To the extent that the Series of the Notes contains provisions relating to the substitution or variation of such Notes, in certain circumstances (such as if a Capital Event, Withholding Tax Event or Tax Event has occurred and is continuing, or in order to ensure the effectiveness of Condition 16 (*Acknowledgement of*

Bail-in and Loss Absorption Powers)), the Issuer may, in accordance with Applicable Banking Regulations and without the consent or approval of the Noteholders, substitute or vary the terms of such Notes (including changing the governing law of Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*)) to ensure that they continue to qualify as Tier 2 Capital or that have ceased to qualify in whole or in any part as Tier 2 Capital eligible liabilities, in accordance with the Conditions, or in order to ensure the effectiveness of Condition (*Acknowledgement of Bail-in and Loss Absorption Powers*).

While the Issuer cannot make changes to the terms of such Notes that are materially less favourable to a holder of the Notes, the governing law of Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*) may be changed in order to ensure the effectiveness and enforceability of Condition (*Acknowledgement of Bail-in and Loss Absorption Powers*).

There can be no assurance as to whether any of these changes will negatively affect any particular Noteholder. In addition, the tax and stamp duty consequences of holding such varied Notes could be different for some categories of Noteholders from the tax and stamp duty consequences for them of holding the Notes prior to such substitution or variation.

Modification and waivers

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting, or as the case may be, did not sign the written resolution including those Noteholders who voted in a manner contrary to the majority.

Furthermore, the Conditions of the Notes provide that the Notes and the Conditions of the Notes may be amended without the consent of the Noteholders to correct a manifest error or to comply with any amendments, updates and/or modifications to any applicable legislation passed after the date hereof by or on behalf of the Republic of Lithuania or any political subdivision thereof or any authority therein or thereof having power to make such amendment, update and/or modification, which impacts the Issuer's obligations in relation to the Notes. The Issuer cannot foresee, as at the date of this Base Prospectus, what such changes may entail, however, any changes made will be binding on Noteholders.

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If a market does develop, it may not be very liquid. Therefore, no liquidity of any market in the Notes can be assured; nor the ability of the Noteholders to sell their Notes or the prices at which they would be able to sell their Notes. Therefore, the investors may find it difficult to sell their Notes or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

If the Notes are traded after their initial issuance, they may be traded at a discount or at a premium to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. It is possible that the market for the Notes will be subject to disruptions or volatility. Any such disruption or volatility may have a negative effect on holders of the Notes, regardless of the Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although an application will be made for the Notes to be admitted to listing on Nasdaq Vilnius there can be no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The Issuer is not prohibited from issuing further debt, which may rank pari passu with or senior to the Notes

There is no restriction on the amount of debt that the Issuer may issue that ranks senior to the Notes or on the amount of securities that it may issue that rank *pari passu* with the Notes. The issue of any such debt or securities may reduce the amount recoverable by Noteholders in the event of voluntary or involuntary liquidation or bankruptcy of the Issuer.

Interest rate risks

An investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Particularly long-term fixed-rate Notes involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate Notes. On the other hand, holders of Notes that are subject to redemption at the option of the Issuer should not expect, in case of falling market rates, that the price would substantially exceed the redemption price. The yield to maturity on the Notes is affected by number of factors that cannot be predicted at the time of the investment.

The Notes may be redeemed prior to maturity

According to the Conditions of the Notes, the Notes may be redeemed prematurely on the initiative of the Issuer, after 5 years from the issue of the Notes as described in the Conditions of the Notes. If this early redemption right is exercised by the Issuer, the rate of return from an investment into the Notes may be lower than initially anticipated. The Notes may, however, be redeemed prematurely by the Issuer only if the BoL has granted its consent to the early redemption. The decision on granting the consent involves certain amount of discretion by the BoL and the early redemption is therefore beyond the control of the Issuer. On the other hand, the Noteholders are not entitled to request early redemption of the Notes.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Lithuania or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions and subject to compliance with certain regulatory conditions and approval by the Competent Authority or Relevant Resolution Authority, as applicable (each as defined below).

The Issuer may be entitled to redeem in whole (but not some only) Notes if a Capital Event occurs.

The regulatory conditions include the requirement under the CRD Package that, if such the Notes are to be redeemed during the first 5 years after the issue date of the last tranche of the series of such Notes, the Issuer must demonstrate to the satisfaction of the Competent Authority that the event triggering such redemption was not reasonably foreseeable at the time of the issue of the Notes and, in the case of an early redemption relating to the tax treatment of the Notes, that the adverse treatment is material and, in the case of an early redemption relating to a Capital Event, that such change is sufficiently certain. These foreseeability and materiality Conditions to Redemption contained in the CRD Package only apply to a redemption of the Notes occurring in the first 5 years after the issue date of the last tranche of the series of such Notes and, therefore, an issuer of regulatory capital securities, such as the Notes, could opt to redeem such Notes for tax or regulatory reasons after the fifth anniversary of issue, including based upon an event that occurred within the first 5 years of issue of the last tranche of the series of such Notes. There can therefore be no assurances that the Notes will not be called for tax or regulatory reasons prior to any specified optional call date.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable only at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes, subject to certain regulatory conditions and approvals, at times when prevailing interest rates may be relatively low. In such circumstances a holder of the Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes and may only be able to do so at a significantly lower rate. This optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may, or is perceived to be able to, elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be subject to statutory resolution

On 15 May 2014, the European Union Council adopted the European Union directive establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended by the Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD sets out the necessary steps and powers to

ensure that bank failures across the European Union are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contemplates that powers will be granted to the designated resolution authorities including (but not limited to) the introduction of a statutory "**write-down and conversion power**" (exercisable in relation to Tier 1 capital instruments and Tier 2 instruments) and a 'bail-in and loss absorption' power (exercisable in relation to other securities that are not Tier 1 or Tier 2 capital instruments), which will give the designated resolution authority under Directive 2014/59/EU and Regulation (EU) No 806/2014, as amended (the "**Relevant Resolution Authority**"), the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing financial institution and/or to convert certain debt claims (which could include the Notes) into another security, including equity instruments of the surviving Issuer entity, if any. The Lithuanian legislation implementing the BRRD, the Law on Financial Sustainability of the Republic of Lithuania (the "**Law on Financial Sustainability**"), entered into force on 3 December 2015 and was amended in December 2021 and June 2022. For more information on the implementation of the BRRD in Lithuania, see "*The Lithuanian resolution legislation implementing the BRRD Directive*" below.

As well as a "write-down and conversion power" and a "bail-in and loss absorption" power as described above, the powers granted to the Relevant Resolution Authority under the BRRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity) and (iii) transfer assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. In addition, among the broader powers granted to the Relevant Resolution Authority under the BRRD, the BRRD provides powers to the Relevant Resolution Authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The write-down and conversion power can be used to ensure that Tier 1 and Tier 2 Capital instruments and instruments qualifying as eligible liabilities fully absorb losses at the point of non-viability of an institution (or, if applicable, its group) and before any other resolution action is taken.

Pursuant to Condition 16 (*Acknowledgment of Bail-in and Loss Absorption Powers*), each Noteholder acknowledges and accepts that any liability of the Issuer arising under the Notes may be subject to the exercise of Bail-in and Loss Absorption Powers by the Relevant Resolution Authority. The exercise of any such power or any suggestion of such exercise could materially adversely affect the value of any Notes subject to the BRRD and could lead to the Noteholders losing some or all of their investment in the Notes. Prospective investors in the Notes should consult their own advisers as to the consequences of the implementation of the BRRD.

The BRRD was implemented in Lithuania by the Law on Financial Sustainability. Under the Law on Financial Sustainability, the Relevant Resolution Authority is the BoL. The Law on Financial Sustainability provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the BoL, result in the partial or complete suspension of the performance of agreements entered into by the Issuer. The Law on Financial Sustainability also grants the power to the BoL to take a number of resolution measures which may apply to the Issuer, including (i) a forced sale of the credit institution (sale of business), (ii) the establishment of a bridge institution bank or, (iii) the forced transfer of all or part of the assets, rights or obligations of the credit institution (asset separation) and (iv) the application of the general bail-in and loss absorption tool.

The powers set out in the resolution legislation will impact how credit institutions are managed as well as, in certain circumstances, the rights of creditors. If the bail-in and loss absorption tool and the statutory write-down and conversion power become applicable to the Issuer, the Notes may be subject to write-down or conversion into equity on any application of the bail-in and loss absorption tool, which may result in Noteholders losing some or all of their investment. Subject to certain conditions, the terms of the obligations owed by the Issuer may also be varied by the Relevant Resolution Authority (e.g., as to maturity, interest

and interest payment dates). The exercise of any power under the resolution legislation or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

INFORMATION INCORPORATED BY REFERENCE

The documents set out below that are incorporated by reference in this Base Prospectus are, where indicated, direct translations into English from the original languages of the documents. To the extent that there are any inconsistencies between the original language versions and the translations, the original language versions shall prevail. The information set out shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- the Issuer's audited consolidated and stand-alone financial statements for the year ended 31 December 2024, together with the consolidated annual report and the independent auditor's report may be found at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2024);
- the Issuer's audited consolidated and stand-alone financial statements for the year ended 31 December 2023, together with the consolidated annual report and the independent auditor's report may be found at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2023);
- the Issuer's interim unaudited stand-alone financial statements for the 6-month period ended 30 June 2025 (may be found at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2025);
- the Issuer's interim unaudited consolidated and stand-alone financial statements for the 6-month period ended 30 June 2024 (may be found at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2024);
- future Issuer's audited stand-alone financial statements, as at and for the financial year ended 31 December 2025, together with the annual report and the independent auditor's report thereon (as and when such financial statements shall be published by the Issuer and made available at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2025), in accordance with the requirements of the Prospectus Regulation during the twelve-month period of validity of this Base Prospectus);
- future Issuer's interim unaudited stand-alone financial statements for the 12-month period ended 31 December 2025 (as and when such financial statements shall be published by the Issuer and made available at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2025), in accordance with the requirements of the Prospectus Regulation during the twelve-month period of validity of this Base Prospectus;
- future Issuer's interim unaudited stand-alone financial statements for the 3-month period ended 31 March 2026 (as and when such financial statements shall be published by the Issuer and made available at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2026), in accordance with the requirements of the Prospectus Regulation during the twelve-month period of validity of this Base Prospectus;
- future Issuer's interim unaudited stand-alone financial statements for the 6-month period ended 30 June 2026 (as and when such financial statements shall be published by the Issuer and made available at <https://urbo.lt/lt/dokumentai/finansines-ataskaitos> (by selecting the year 2026), in accordance with the requirements of the Prospectus Regulation during the twelve-month period of validity of this Base Prospectus;
- Articles of Association of the Issuer (they may be found at <https://ml-eu.globenewswire.com/Resource/Download/53d5bb33-9346-4150-bbfd-bd122a705d9b>).

It is possible to get acquainted with the aforementioned documents on the website of the Issuer at www.urbo.lt, of Nasdaq at www.nasdaqbaltic.com also on website of the Central Storage Facility of Lithuania at www.crib.lt.

In addition to that, copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may also be inspected, free of charge, at UAB Urbo bankas, Konstitucijos

Ave. 18B, Vilnius, the Republic of Lithuania. Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus. In particular, the independent auditor's reports mentioned above contain references to "*Other Information*". Such "*Other Information*" does not form a part of this Base Prospectus.

FINAL TERMS

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information which is necessary to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses, financial position and prospects of the Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuer. In relation to the Notes which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained in the relevant Final Terms.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus in order to obtain all relevant information. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms.

The issue-specific summary shall be annexed to the Final Terms of each of the Tranche and shall be announced in the same order as the Prospectus and provided to the BoL together with the Final Terms.

Following the publication of this Base Prospectus, if required, a supplement may be prepared by the Issuer and approved by the BoL in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent introduction of any issue of Notes to trading on Regulated Market of Nasdaq Vilnius.

TERMS AND CONDITIONS OF TIER 2 SUBORDINATED NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Tier 2 Subordinated Note issued under the Programme. In the case of any Tranche of Tier 2 Subordinated Notes which are being admitted to trading on Nasdaq Vilnius regulated market, the relevant Final Terms shall not amend or replace any information in this Base Prospectus.

1. Introduction

- (a) **Programme:** Uždaroji akcinė bendrovė Urbo bankas (the "**Issuer**") has established Tier 2 Subordinated Note Programme (the "**Programme**") for the issuance of up to EUR 10,000,000 in aggregate principal amount of Tier 2 subordinated notes (the "**Notes**") qualifying as Tier 2 Capital of the Issuer.
- (b) **Final Terms:** Notes issued under the Programme are issued in one Series (the "**Series**") and the Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which complete these Terms and Conditions of Tier 2 Subordinated Notes (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) **The Notes:** All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms and which will be subordinated Notes only. Copies of the relevant Final Terms are available for viewing and copies may be obtained from Uždaroji akcinė bendrovė Urbo bankas at Konstitucijos ave 18B, Vilnius, Lithuania.

2. Interpretation

- (a) **Definitions:** In these Conditions the following expressions have the following meanings:

"Applicable Banking Regulations" means at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then in effect in Lithuania including, without limitation to the generality of the foregoing, CRD, the SRM Regulation, BRRD, the Creditor Hierarchy Directive and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liability and/or loss absorbing capacity and any other regulations, requirements, guidelines and policies relating to capital adequacy then in effect of the Competent Authority, the Relevant Resolution Authority or any other national or European Union authority from time to time, and then in effect (whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer);

"BRRD" means Directive 2014/59/EU as the same may be amended or replaced from time to time, including without limitation, by the Creditor Hierarchy Directive and Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC;

"Business Day" means a TARGET Settlement Day;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and it will have the Following Business Day Convention meaning;

"Calculation Agent" means the Issuer or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and/or such other amount(s) as may be specified in the relevant Final Terms;

"Capital Event" means the determination by the Issuer, after consultation with the Competent Authority, that the outstanding aggregate principal amount of the relevant Series of Notes ceases or would be likely to cease to be included in whole or in any part, towards the Tier 2 Capital of the Issuer, on a solo or consolidated basis, (other than as a result of any applicable limitation on the amount of such capital as applicable to the Issuer) in the essence of CRR;

"Competent Authority" means any authority having primary responsibility for the prudential supervision of the Issuer at the relevant time. As at the date of this Base Prospectus, the Competent Authority is the BoL;

"Conditions to Redemption" means the Conditions to Redemption set out in Condition 6(h) (*Conditions to Redemption or Repurchase*) or as otherwise specified in the relevant Final Terms;

"CRD" means the legislative package consisting of the CRD Directive, the CRR and any CRD Implementing Measures;

"CRD Directive" means Directive 2013/36/EU, as the same may be amended or replaced from time to time, including without limitation as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019;

"CRD Implementing Measures" means any regulatory capital rules or regulations, or other requirements, which are applicable to the Issuer and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis, as the case may be) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the European Banking Authority (or any successor or replacement thereof);

"Creditor Hierarchy Directive" means Directive (EU) 2017/2399 or any equivalent legislation that supersedes or replaces it;

"CRR" means Regulation (EU) No 575/2013, as the same may be amended or replaced from time to time (including as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019) or similar laws in Lithuania;

"Early Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Following Business Day Convention" means that the relevant date shall be postponed to the first following day that is a Business Day;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Payment Date" means any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Issue Date" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Noteholder" has the meaning given in Condition 3(b) (*Denomination, Title and Transfer - Title to Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Rate of Interest" means the fixed rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer;

"Senior Creditors" means creditors of the Issuer (i) who are depositors and/or other unsubordinated creditors of the Issuer (including holders of senior preferred notes and the senior non-preferred notes, if any, issued by the Issuer) and whose claims by law rank senior to the claims of the Noteholders of the Tier 2 Subordinated Notes; and (ii) who are subordinated creditors of the Issuer (whether in the event of the winding-up, insolvency or bankruptcy of the Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, in priority to the claims of the Noteholders under the of the Tier 2 Subordinated Notes;

"Specified Currency" means Euro (EUR);

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"SRM Regulation" means Regulation (EU) No 806/2014, as the same may be amended or replaced from time to time;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Tier 2 Capital" means tier 2 capital for the purposes of the Applicable Banking Regulations;

"Treaty" means the Treaty of the Functioning of the European Union, as amended.

(b) **Interpretation:** In these Conditions:

- (a) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 8 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (b) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 8 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions; and
- (c) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes.

3. Denomination, Title, Issue Price, Transfer and Underwriting

- (a) **Denomination:** Notes are in the Specified Denomination of EUR 1,000 as specified in the relevant Final Terms.
- (b) **Title to Notes:** The title to the Notes will pass to the relevant investors when the respective entries regarding the ownership of the Notes are made in their securities accounts. Therefore, a "Noteholder" means the person in whose name such securities account is opened.
- (c) **Issue Price:** The Notes may be issued at their nominal amount or at a discount or a premium to their nominal amount (the "**Issue Price**"). The Issue Price shall be determined by the Issuer and specified in the applicable Final Terms.

The yield of each Tranche set out in the applicable Final Terms will be calculated as of the relevant Issue Date on an annual basis using the relevant Issue Price. It is not an indication of future yield.

- (d) **Transfers of Notes:** The Notes are freely transferrable. Notes subscribed and paid for shall be entered to the respective book-entry securities accounts of the subscriber(s) on a date set out in the Final Terms in accordance with the Lithuanian legislation governing the book-entry system and book-entry accounts as well as the Nasdaq CSD Rules.
- (e) **No charge:** The transfer of a Note will be effected without charge by or on behalf of the Issuer. However, the investors may be obliged to cover expenses which are related to the opening of securities accounts with credit institutions or investment brokerage firms, as well as commissions which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor's purchase or selling orders of the Notes, the holding of the Notes or any other operations in relation to the Notes. The Issuer and/or the Dealer will not compensate the Noteholders for any such expenses.
- (f) **Underwriting:** None of the Tranches of Notes will be underwritten.

4. Status of the Notes

- (a) Tier 2 Subordinated Notes constitute direct, subordinated (as described in Condition 4(b) below) and unsecured and unguaranteed obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves.
- (b) In the event of the winding-up, insolvency or bankruptcy of the Issuer, the rights and claims (if any) of the Noteholders to payments of the outstanding principal amount and any other amounts in respect of the Notes (including any accrued but unpaid interest amount or damages or other payments awarded for breach of any obligations under these Conditions, if any are payable) shall:
 - (A) be subordinated and junior to any present or future claims of all Senior Creditors of the Issuer;

- (B) rank at least *pari passu* with any present or future claims of all subordinated creditors of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), *pari passu* with the Tier 2 Subordinated Notes; and
- (C) rank senior and in priority to claims of holders of any outstanding Additional Tier 1 instruments (as defined in the Applicable Banking Regulations), and payments to holders of all classes of share capital of the Issuer in their capacity as such holders, and claims of any obligations of the Issuer which in each case by law rank, or by their terms are expressed to rank (to the extent such ranking is recognised by applicable law), junior to the Notes of the Issuer (if any).

subject, in all cases, to mandatory provisions of the Lithuanian law.

The subordination of the Notes means that upon the liquidation or bankruptcy of the Issuer, all the claims arising from the Notes shall fall due in accordance with these Terms and Conditions and shall be satisfied only after the full satisfaction of all unsubordinated recognised claims against the Issuer in accordance with the applicable law.

As long as there are no liquidation or bankruptcy proceedings initiated against the Issuer, all claims arising from the Notes shall be satisfied in accordance with these Terms and Conditions and the applicable law.

- (c) The rights of Noteholders of the Notes shall be subject to any present or future Lithuanian laws or regulations relating to the insolvency, recovery and resolution of credit institutions and investment firms in Lithuania which are or will be applicable to the Notes only as a result of the operation of such laws or regulations.
- (d) No Noteholder of the Notes shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of such Notes. Notwithstanding the provision of the foregoing sentence, if any amounts owed by the Issuer to any Noteholder in connection with the Notes is discharged by Set-off, such Noteholder shall, where permitted by applicable law, immediately pay an amount equal to the amount discharged to the Issuer (or, in the event of its winding-up, insolvency and/or bankruptcy, to the liquidator or other relevant insolvency official (as the case may be and to the extent applicable)) and, until such time as payment is made, shall hold an amount equal to such amount discharged on behalf and for the benefit of the Issuer (or the liquidator or other relevant insolvency official of the Issuer) and accordingly not deem any such discharge to have taken place.

"Set-off" means set-off, netting, counterclaim, abatement or other similar remedy and, if "Set Off" is used as a verb in these Conditions, it shall be construed accordingly.

5. Interest

- (a) **Rate of Interest:** The Notes carry an annual fixed rate interest at the rate provided in the Final Terms. The frequency of the interest payments has been provided in the Final Terms.
- (b) **Day count fraction:** The Interest payment on all Interest Payment Dates is determined according to the Day Count Convention 30/360 ("**European 30/360**"). Also, Interest is being calculated by rounding up to two decimal places per each Note. For example:

The accrued Interest is calculated presuming there are 360 days in one year (European 30/360). Accrued Interest between Interest Payment Dates shall be calculated as follows:

$AI = F * C / 360 * D$, where:

AI – accrued Interest for one Note;

F – Nominal Amount of one Note;

C – fixed annual Interest Rate (%) payable on the Note;

D – the number of days from the beginning of the Interest accrual period according to European 30/360 day count method.

- (c) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 7 (*Payments to the Noteholders*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

6. Redemption and Purchase

- (a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 7 (*Payments to the Noteholders*).
- (b) **Redemption for tax reasons:** The Notes may be redeemed at the option of the Issuer, subject to Condition 6(h) (*Conditions to Redemption or Repurchase*), in whole, but not in part at any time on giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms (which notice shall be irrevocable), at their Early Redemption Amount, together with interest accrued (if any) to the date fixed for redemption, if:
- (A) (i) a Withholding Tax Event occurs; or
 - (ii) where "Tax Event" is specified as being applicable in the relevant Final Term, a Tax Event occurs;
- and
- (B) both a Tax Certificate and a Tax Opinion have been delivered to the Issuing Agent by the Issuer.

However, where the Issuer would be obliged to pay additional amounts, no such notice of redemption shall be given earlier than: (i) where the Notes may be redeemed at any time, 90 (ninety) days (or such other period as may be specified in the relevant final terms) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or (ii) where the Notes may be redeemed only on an Interest Payment Date, 60 (sixty) days (or such other period as may be specified in the relevant final terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Upon the expiry of any such notice as is referred to in this Condition 6(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 6(b).

(C) For the purpose of this Condition 6(b):

"Change in Tax Law" means any:

- (i) amendment to, clarification of, or change in, the laws or regulations of any Taxing Jurisdiction; or
- (ii) governmental action in the Taxing Jurisdiction;
- (iii) amendment to, clarification of, or change in, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, action, pronouncement, interpretation or decision is made known;

(D) **"Relevant Jurisdiction"** means the jurisdiction in which the Issuer is incorporated at the relevant time. As at the date of this Base Prospectus, the Relevant Jurisdiction is the Republic of Lithuania;

(E) **"Tax Certificate"** means a certificate signed by the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred;

"Tax Event" shall occur if, as a result of any Change in Tax Law of the Taxing Jurisdiction, which becomes effective or is announced on or after the Issue Date of the first Tranche of the relevant Series of Notes:

- (i) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges with respect to such Notes as the case may be; or
- (ii) the Issuer is not, or will not, be entitled to claim a deduction in respect of payments in respect of such Notes as the case may be in computing its taxation liabilities (or the value of such deduction would be materially reduced);

"Taxing Jurisdiction" means the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which the Issuer is treated as having a permanent establishment, under the income tax laws of such jurisdiction;

(F) **"Tax Opinion"** means an opinion of independent legal advisers (experienced in such matters and of recognised standing) in the relevant Taxing Jurisdiction stating that the circumstances constituting the Tax Event or Withholding Tax Event (as the case may be) are prevailing; and

(G) **"Withholding Tax Event"** shall occur if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any Change in Tax Law, which change, clarification or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, and such obligation

cannot be avoided by the Issuer taking reasonable measures available to it.

- (c) **Redemption at the option of the Issuer:** the Notes may be redeemed at the option of the Issuer after 5 years have passed from the Issue Date of the Notes, subject to Condition 6(h) (*Conditions to Redemption or Repurchase*), in whole or in part at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption), on Optional Redemption Date (Call) the Issuer's giving not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption).
- (d) **Redemption at the option of Noteholders:** No redemption at the option of Noteholders is permitted for the Notes.
- (e) **Early Redemption of Notes as a result of Capital Event:** Upon the occurrence of a Capital Event in respect of any Series of Notes (but subject to Condition (h) (*Conditions to Redemption or Repurchase*)), the Issuer may, at its option having given not less than 15 (fifteen) days' nor more than 30 (thirty) days' notice to the Noteholders in accordance with Condition 12 (*Notices*) (which notice shall be irrevocable and delivery thereof shall oblige the Issuer to make the redemption therein specified), to redeem all (but not some only) of the Notes at their outstanding aggregate principal amount together with interest (accrued to but excluding the date of redemption, subject to these Conditions).
- (f) **No other redemption:** The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 6(a) (*Scheduled redemption*) to **Error! Reference source not found.** (*Early Redemption of Notes as a result of Capital Event*) above.
- (g) **Purchase:** The Issuer may at any time purchase the Notes in the open market or otherwise and at any price, **provided that** any such purchases will be made in accordance with the Applicable Banking Regulations and subject to the prior approval of or permission from the Competent Authority and/or the Relevant Resolution Authority (in each such case to the extent such approval is then required under the Applicable Banking Regulations). Such Notes may be held, resold or surrendered by the purchaser through the Issuer for cancellation. Notes held by or for the account of the Issuer for their own account will not carry the right to vote at the Noteholders' Meetings or within Written Procedures and will not be taken into account in determining how many Notes are outstanding for the purposes of these Terms and Conditions of the Notes.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority (if required) to grant its approval or permission as described above will not constitute an event of default under the relevant Notes.

- (h) **Conditions to Redemption or Repurchase:** Other than in the case of a redemption at maturity in accordance with Condition 6(a) (*Scheduled redemption*), the Issuer may redeem or repurchase relevant Notes (and give notice thereof to the Noteholders) only if such redemption or repurchase is in accordance with the Applicable Banking Regulations and it has been granted the permission of the Competent Authority, provided that at the relevant time such permission is required (but without any requirement for the consent or approval of the Noteholders).

Note – for the permission of the Competent Authority to be issued, the following conditions shall be met:

- (a) on or before such redemption or repurchase of the Notes, the Issuer replaces the Notes with own funds instruments or eligible liabilities instruments (as applicable) of an equal or higher quality on terms that are sustainable for its income capacity;
- (b) the Issuer has demonstrated to the satisfaction of the Competent Authority that its own funds and eligible liabilities would, following such redemption or repurchase, exceed the requirements under the Applicable Banking Regulations by a margin

that (in the case of Tier 2 Subordinated Notes, save as provided below) the Competent Authority may consider necessary; or

- (c) in the case of redemption (before 5 years after the issue date of the last Tranche) of the Series of such Tier 2 Subordinated Notes:
 - (A) the conditions listed in sub-paragraph (i) or (ii) above are met; and
 - (B) in the case of redemption due to the occurrence of a Capital Event, (i) the Competent Authority considers such change to be sufficiently certain and (ii) the Issuer demonstrates to the satisfaction of the Competent Authority that the Capital Event was not reasonably foreseeable at the time of the issuance of the Notes; or
 - (C) in the case of redemption due to the occurrence of a taxation reason pursuant to Condition 6(b) (*Redemption for tax reasons*), the Issuer demonstrates to the satisfaction of the Competent Authority that such change in tax treatment is material and was not reasonably foreseeable at the time of issuance of the Notes; or
 - (D) before or at the same time of such redemption or repurchase, the Issuer replaces the Notes with own funds instruments of equal or higher quality at terms that are sustainable for its income capacity and the Competent Authority has permitted that action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
 - (E) the Tier 2 Subordinated Notes are repurchased for market making purposes,

(the "**Conditions to Redemption**").

Any refusal by the Competent Authority to grant its permission as described above will not constitute an event of default under the relevant Notes.

7. Payments to the Noteholders

- (a) **Payments:** Payments of amounts (whether principal, interest or otherwise, including on the final redemption) due on the Notes will be made to the Noteholders thereof, as appearing in Nasdaq CSD on the 3rd (third) Business Day preceding the due date for such payment (the "**Record Date**"). Payment of amounts due on the final redemption of the Notes will be made simultaneously with deletion of the Notes. The Noteholders shall not be required to provide any requests to redeem the Notes, as upon Maturity Date of the Notes, the nominal value thereof with the cumulative interest accrued shall be transferred to the accounts indicated by the Noteholders without separate requests/requirements of the Noteholders. As of that moment the Issuer shall be deemed to have fully executed the obligations, related to the Notes and their redemption, disregarding the fact, whether the Noteholder actually accepts the funds or not. In case requisites of the account of the Noteholder changes, he/she/it shall have an obligation to promptly inform the Company thereof.
- (b) **Payments subject to fiscal laws:** All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments by the Issuer. However, the investors may be obliged to cover commissions and/or other expenses, which are charged by the credit institutions or investment brokerage firms in relation to such payments. The Issuer and/or the Dealer will not compensate the Noteholders for any such expenses.

- (c) ***Payments on Business Days:*** If the due date for payment of the final redemption amount of the Notes is not a Business Day, the Noteholder thereof will not be entitled to payment thereof until the next following Business Day and no further payment shall be due in respect of such delay save in the event that there is a subsequent failure to pay in accordance with the Terms and Conditions.
- (d) ***Partial payments:*** If a partial payment is made in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Nasdaq CSD.

8. Taxation

- (a) ***No Gross up:*** All interest payments in the case of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Lithuania or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, in respect of interest, should any amounts payable be subject to withholding or deduction of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of Lithuania or any authority having the power to tax, the Issuer shall be entitled to withhold or deduct the respective taxes or duties. For the avoidance of doubt, any such withholdings or deductions shall be made by the Issuer on behalf of the Noteholders having no obligation to compensate the withheld or deducted tax amounts to the Noteholders. If the applicable treaty for the avoidance of double taxation or Latvian or Estonian law sets forth lower withholding rates than those otherwise applicable to the interest payment under Lithuanian law, the respective Noteholder shall provide the documents necessary for the application of the respective treaty (including, but not limited to, residence certificate issued or attested by the tax authority of the residence state of the Noteholders and application form for tax relief in a form prescribed by applicable tax regulations) or exemption provided under Lithuanian law at least 15 (fifteen) days prior to the payment. In each case, it is within the discretion of the Issuer whether to accept the documents as complete and appropriate for the purposes of the application of the treaty or exemption provided under Lithuanian law. If the Issuer finds the documents incomplete or inappropriate, the Issuer will withhold the tax according to the laws of the Republic of Lithuania.

The Issuer having withheld taxes at the rates set forth by the laws of the Republic of Lithuania shall not limit the rights of the Noteholders to file relevant applications and documents with the State Tax Inspectorate of the Republic of Lithuania to receive the return of withheld tax in a part or in a whole by filling the documents necessary for the application of the respective treaty.

- (b) ***Taxing jurisdiction:*** If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Lithuania, references in these Conditions to the Republic of Lithuania shall be construed as references to the Republic of Lithuania and/or such other jurisdiction.

9. Events of Default

This Condition 9 is applicable in relation to any Series of the Notes.

- (a) If any of the following events occur:
 - (i) ***Non-payment:*** the Issuer fails to pay any amount of principal or other redemption amount due in respect of the Notes for more than 10 (ten) Business Days or fails to pay any amount of interest in respect of the Notes for more than 10 (ten) Business Days; or

- (ii) *Winding-up, etc.*: if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, save for the purposes of reorganisation on terms previously approved by the Noteholders' Meeting or within Written Procedure,

the Noteholder of any Note may:

- (x) (in the case of 9(a)(i) above) institute insolvency proceedings, including for the winding-up or dissolution of the Issuer, in each case, in Lithuania and not elsewhere, and prove or claim in the winding-up or dissolution of the Issuer; and/or
- (y) (in the case of 9(a)(ii) above) prove or claim in the insolvency proceedings, including winding-up or dissolution of the Issuer, whether in Lithuania or elsewhere and instituted by the Issuer itself or by a third party,

but (in either case) the Noteholder of such Note may claim payment in respect of the Note only in the winding up or dissolution of the Issuer.

- (b) In any of the events or circumstances described in Condition 9(a)(ii) (*Winding-up, etc.*) above, the Noteholder of any Note may, by notice to the Issuer, declare such Note to be due and payable, and such Note shall accordingly become due and payable at its outstanding principal amount together with accrued interest to the date of payment but subject to such Holder only being able to claim payment in respect of the Note in the winding up or dissolution of the Issuer.
- (c) The Noteholder may at its discretion institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition, undertaking or provision binding on the Issuer under the Notes (other than, without prejudice to Conditions 9(a) and 9(b) and any obligation for the payment of any principal or interest in respect of the Notes) **provided that** the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority and/or the Relevant Resolution Authority (in either case, if such approval is then required under the Applicable Banking Regulations).
- (d) No remedy against the Issuer, other than as provided in Conditions 9(a), 9(b) and 9(c) above, shall be available to the Holders of Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

10. Noteholders' Meeting

The Noteholders' Meeting will be convened pursuant to the Law on Protection of Interests of Noteholders. Pursuant to the above mentioned law, the right to convene the Noteholders' Meeting shall be vested to the Trustee, Issuer and the Noteholders who hold no less than 1/10 of the Notes, providing voting right in the Noteholders' Meeting. As a general rule, the Noteholders' Meetings are convened by a decision of the Trustee. All expenses in relation to the convening and holding the Noteholders' Meeting shall be covered by the Issuer.

A notice of convocation of the Noteholders' Meeting no later than 15 (fifteen) Business Days before the date of the Noteholders' Meeting shall be sent to each Noteholder in accordance with Condition 12 (*Notices*), and shall be published on the website of the Trustee and on the website of the Issuer. The notice of convocation of the Noteholders' Meeting shall specify the details of the Issuer, the ISIN of the Notes, time, place and agenda of the meeting. The Trustee is obliged to ensure proper announcement on the convocation of the Noteholders' Meetings.

A Noteholders' Meeting may take decisions and shall be held valid if attended by the Noteholders who hold more than ½ of Notes, providing voting right in the Noteholders' Meeting. After the presence of a quorum has been established, the quorum shall be deemed to be present throughout

the Noteholders' Meeting. If the quorum is not present, the Noteholders' Meeting shall be considered invalid and a repeated Noteholders' Meeting shall be convened.

A repeated Noteholders' Meeting shall be convened after the lapse of at least 5 (five) Business Days and not later than after the lapse of 10 (ten) Business Days following the day of the Noteholders' Meeting which was not held. The Noteholders must be notified of the repeated Noteholders' Meeting not later than 5 Business Days before the repeated Noteholders' Meeting following the order, indicated above.

One Note carries one vote. A decision of the Noteholders' Meeting shall be considered taken if more votes of the Noteholders, participating in the Noteholders' Meeting and having a voting right have been cast for it than against it, unless the Law on Protection of Interests of Noteholders requires a larger majority.

The Trustee shall chair the Noteholders' Meetings, unless that meeting decides otherwise. The meeting must also elect the secretary thereof. Minutes of the Noteholders' Meeting shall be taken. The minutes shall be signed in 2 copies (to the Issuer and to the Trustee) by the chairman and the secretary of the Noteholders' Meeting.

The decisions of the Noteholders' Meeting shall be published on the website of the Issuer and Trustee after the Noteholders' Meeting as soon as possible and without any delay, except parts of the decisions, which include confidential information.

The Noteholders' Meeting shall take the following decisions, which bind all the Noteholders:

- to remove the Trustee from its position and appoint a new trustee, which meets the requirements of the applicable laws, and to also oblige the Issuer to terminate the contract with the existing Trustee and to conclude the contract with the new appointed trustee;
- to approve the enforcement measures in respect of the Issuer's failed commitments to Noteholders, suggested by the Issuer. This decision shall be adopted by a qualified majority of no less than $\frac{3}{4}$ of Noteholders, participating in the Noteholders' Meeting and having a voting right;
- to adopt other decisions which according to the provisions of Law on Protection of Interests of Noteholders are assigned to the competence of the Noteholders' Meeting.

Resolutions passed at the Noteholders' Meeting shall be binding on all Noteholders (for the avoidance of doubt, including those Noteholders who have not participated in the Noteholders' Meeting).

11. Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

12. Notices

Noteholders shall be advised of matters relating to the Notes by a notice published in English and Lithuanian on the Issuer's website at www.urbo.lt as well as on www.nasdaqbaltic.com and in Central Regulated Information Base (www.crib.lt). Any such notice shall be deemed to have been received by the Noteholders when published in the manner specified in this Section.

13. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

14. Substitution and Variation

If at any time a Capital Event occurs, or to ensure the effectiveness or enforceability of Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*), the Issuer may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Noteholders), and having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Noteholders (which notice shall be irrevocable), at any time either:

- (a) substitute all (but not some only) of the Notes for new Notes, which are Qualifying Securities; or
- (b) vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Securities,

provided that, in each case:

- (a) such variation or substitution does not itself give rise to any right of the Issuer to redeem the varied or substituted securities; and
- (b) such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the Notes as assigned to such Notes by any Rating Agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*)); and
- (c) such variation or substitution is not materially less favourable to holders (unless any such prejudice is solely attributable to the effectiveness and enforceability of Condition 16 (*Acknowledgement of Bail-in and Loss Absorption Powers*)).

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment for the purposes of Condition 10 (*Noteholders' Meeting and Procedure in Writing*).

Any substitution or variation in accordance with this Condition 14 is subject to the Issuer obtaining prior written consent of the Competent Authority and/or the Relevant Resolution Authority (in each such case to the extent such approval is then required under the Applicable Banking Regulations) and complying with the rules of any competent authority, stock exchange and/or quotation system by or on which the Notes are, for the time being, listed, traded and/or quoted.

For the purpose of this Condition 14, a variation or substitution shall be "**materially less favourable to holders**" if such varied or substituted securities do not:

- (i) include a ranking at least equal to that of the Notes pursuant to Condition 4 (*Status of the Notes*), as applicable;
- (ii) have the same interest rate and the same interest payment dates as those from time to time applying to the Notes;
- (iii) have equivalent redemption rights as the Notes;
- (iv) have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the Notes prior to such variation or substitution;

- (v) preserve any existing rights under the Notes to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or
- (vi) have a listing on a recognised stock exchange if the Notes were listed immediately prior to such variation or substitution; and

"Qualifying Securities" mean securities issued directly or indirectly by the Issuer that contain terms which at such time result in such securities being eligible to qualify towards the Issuer's eligible liabilities and/or loss absorbing capacity, in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations to at least the same extent as the Notes prior to the relevant Capital Event or Withholding Tax Event.

15. Governing Law and Jurisdiction

Governing law: The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by Lithuanian law.

- (a) **Courts of the Republic of Lithuania:** The courts of the Republic of Lithuania have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (b) **Appropriate forum:** The Issuer agrees that the courts of the Republic of Lithuania are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (c) **Rights of the Noteholders to take proceedings outside the Republic of Lithuania:** Notwithstanding Condition 15(a) (*Courts of the Republic of Lithuania*), any Noteholder may take proceedings relating to a Dispute (the "**Proceedings**") in any other courts with jurisdiction. To the extent allowed by applicable law, Noteholders may take concurrent Proceedings in any number of jurisdictions.

16. Acknowledgement of Bail-in and Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 16, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- (a) the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in some or any of the following, or a combination thereof:
 - (a) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;
 - (b) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;
 - (c) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

- (d) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and
- (b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"Bail-in and Loss Absorption Powers" means any loss absorption, write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Lithuania, relating to (i) the SRM Regulation, (ii) the transposition of the BRRD (including but not limited to the Law on Financial Sustainability of the Republic of Lithuania (in Lithuanian: *Lietuvos Respublikos finansinio tvarumo įstatymas*) as amended or replaced from time to time), and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Issuer.

FORM OF FINAL TERMS OF TIER 2 SUBORDINATED NOTES

MIFID II product governance / target market – Solely for the purposes of manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management and non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Offer of Notes is directed to all natural and legal persons – institutional and retail investors, in Lithuania, Latvia and Estonia, irrespective of whether they qualify as qualified investors within the meaning of Article 2(e) of the Prospectus Regulation, and to persons – institutional investors only, located in the Member State of the EEA (other than Lithuania, Latvia and Estonia) who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in each case pursuant to an exemption under Article 1(4)(a) of the Prospectus Regulation.

Final Terms dated [•]

UŽDAROJI AKCINĖ BENDROVĖ URBO BANKAS

Company's Legal Entity Identifier (LEI): 529900F2SC8ANS0A2T76

Issue of EUR [Aggregate Nominal Amount of Tranche] [•] per cent. Fixed Rate Tier 2
Subordinated Notes due [•]

under EUR 10,000,000 Tier 2 Subordinated Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the Base Prospectus dated [•] [and the supplemental Base Prospectus dated [date]] which [together] constitute[s] a base prospectus (the "Base Prospectus") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of Tier 2 Subordinated Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all relevant information.

The Base Prospectus is available for viewing on the website of AB Nasdaq Vilnius Stock Exchange ("Nasdaq Vilnius") (<https://nasdaqbaltic.com/>) and is also available at Uždaroji akcinė bendrovė Urbo bankas website www.urbo.lt as well as at the website of the Central Regulated Information Base www.crib.lt. Copies may also be obtained from the registered office of Uždaroji akcinė bendrovė Urbo bankas, as well as from its office at the address Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

A summary of this Series has been appended to these Final Terms. The Final Terms have been approved by a decision of the Company's Manager on [•]. The Final Terms have been filed with the BoL but are not subject to approval proceedings.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest into Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1.	(i) Issuer:	UŽDAROJI AKCINĖ BENDROVĖ URBO BANKAS
2.	(i) Series Number:	1
	(ii) Tranche Number:	[•]
3.	Specified Currency:	Euro (EUR)
4.	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5.	Issue Price:	EUR [•], which corresponds to [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
6.	Specified Denominations:	EUR 1,000
7.	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•]/[Issue Date]
8.	Maturity Date:	[•]
9.	Redemption/Payment Basis:	[Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.]
10.	(i) Status of the Notes:	Tier 2 Subordinated Notes
	(ii) Date Management Board approval for issuance of Notes obtained:	[[•] and [•], respectively]
PROVISIONS RELATING TO INTEREST PAYABLE		
11.	(i) Fixed Rate of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date.
	(ii) Interest Payment Date(s):	[•], [•], [•] and [•] in each year up to and including the Maturity Date [[in each case,] subject to adjustment in accordance with paragraph 17 below]
	(iii) Day Count Fraction:	30/360
	(iv) Business Day Convention:	Following Business Day Convention
	(v) Calculation Agent:	Issuer

PROVISIONS RELATING TO REDEMPTION		
12.	Call Option	Applicable
	(i) Optional Redemption Date(s):	Any Business Date following 5 years of the Issue Date, in whole or in part
	(ii) Optional Redemption Amount(s) of each Note:	100 per cent. per Nominal Amount
	(iii) Notice period:	[•]
	(iv) Early redemption following a Tax Event:	Applicable
	(v) Early redemption following a Capital Event	Applicable
13.	Put Option	Not Applicable
14.	Final Redemption Amount of each Note	100 per cent. per Nominal Amount
15.	Early Redemption Amount	
	Early Redemption Amount(s) per Nominal Amount payable on redemption for taxation reasons or on event of default or other early redemption:	100 per cent. per Nominal Amount
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
16.	Form of Notes:	The Notes shall be issued in non-material registered form. According to the Law on Markets in Financial Instruments of the Republic of Lithuania the book-entry and accounting of the dematerialized securities in the Republic of Lithuania, which will be admitted to trading on the Regulated Market (Nasdaq Vilnius), shall be made by Nasdaq CSD. Entity to be in charge of keeping the records will be the Issuer. The Notes shall be valid from the date of their registration until the date of their redemption. No physical certificates will be issued to the Investors. Principal and interest accrued will be credited to the Noteholders' accounts through Nasdaq CSD.
17.	Substitution and Variation pursuant to Condition 14:	Applicable following a Capital Event

Signed on behalf of Uždaroji akcinė bendrovė Urbo bankas:

By:
Duly authorised

PART B – OTHER INFORMATION

1.	LISTING AND ADMISSION TO TRADING	
	(i) Admission to Trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market on the Bond List of Nasdaq Vilnius with expected date of Admission on or about [•].] / [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market on the Bond List of Nasdaq Vilnius with expected date of Admission on or about [•].]
	(ii) Estimate of total expenses related to admission to trading:	[•]
2.	RATINGS	
	Rating of Notes:	The Notes to be issued will not be rated.
3.	INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER	
	<p><i>(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)</i></p> <p>[Save for any fees payable to the [Manager/Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Manager/Dealer] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and [its] affiliates in the ordinary course of business. <i>(Amend as appropriate if there are other interests)</i>]</p> <p><i>[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]</i></p>	
4.	YIELD	
	Indication of yield:	[•]
		<i>[The yield is calculated at the Issue Date on the basis of the Issue Price, if the Issuer were to pay interest on each Interest Payment Date up to and including the Reset Date and were to redeem the Notes on the Reset Date. It is not an indication of future yield.]</i>
5.	OPERATIONAL INFORMATION	
	ISIN:	[•]
	Delivery:	[Delivery against of payment]
6.	DISTRIBUTION AND OFFERING	
	(i) Dealers:	<i>[give names]</i>
	(ii) Offering:	Public offering in [the Republic of Lithuania, Republic of Latvia and Republic of Estonia]

	(iii) Offering Period:	[•]
	(iv) Date of publishing the results of the Offering:	[•]
	(v) Settlement Date:	[•]

Annex – Issue Specific Summary (the Bank will annex an issue specific summary and its translations into Lithuanian, Latvian and Estonian languages to the Final Terms)

HISTORICAL FINANCIAL INFORMATION OF THE ISSUER

The following table is a summary of the Issuer's financial performance and key performance indicators for the financial years ended 31 December 2024 and 31 December 2023, as well as for a 6-month period ended 30 June 2024 and 30 June 2025. The information set out in the table below has been extracted (without any material adjustment) from and is qualified by reference to and should be read in conjunction with the Issuer's audited financial statements for the years ended 31 December 2024 and 31 December 2023, as well as for a 6-month period ended 30 June 2024 and, accordingly, for a period ended 30 June 2025 which are incorporated by reference to this Base Prospectus and form an integral part hereof (please see Section *Information incorporated by reference*). The Issuer's annual financial statements are prepared according to IFRS and Issuer's semi-annual financial statements are prepared according to IAS.

It is noted that on 16 June 2025, the only subsidiary of the Issuer UAB "TG invest-1" was sold, therefore the financial group of the Issuer has ceased to exist. Consequently, in accordance with applicable financial reporting standards, the obligation to prepare consolidated financial statements no longer applies. The interim financial statements for a 6-month period ended 30 June 2025 were prepared on a stand-alone basis only.

There has been no significant change in the financial position of the Issuer since the date of the last audited consolidated financial statements of the Company for the financial years ended 31 December 2024.

The financial year starts on 1 January and ends on 31 December.

Statements of Comprehensive Income of the Issuer for years ended 31 December 2024 and 31 December 2023, as well as for a 6-month period ended 30 June 2024 and, accordingly, for a period ended 30 June 2025.

CONSOLIDATED (2023 – 2024) AND STAND-ALONE (30 June 2025) INCOME STATEMENT

EUR Thousand	31 December 2023 (consolidated)	31 December 2024 (consolidated)	30 June 2024 (unaudited) (consolidated)	30 June 2025 (unaudited) (stand-alone)
Interest income	28,284	37,464	18,434	18,605
Interest expense	(5,292)	(12,802)	(6,224)	(6,974)
Net interest income	22,992	24,662	12,210	11,631
Fee and commission income	5,274	3,909	2,033	1,640
Fee and commission expense	(720)	(578)	(319)	(190)
Net fee and commission income	4,554	3,331	1,714	1,450
Net profit on foreign currency transactions	3,218	2,461	1,145	774
Net result from transactions in derivatives	79	(36)	23	51
Net result from transactions in investment property	(21)	16	16	-
Subsidiary sale income	-	-	-	344
Other revenue	40	979	975	13
Total operating income	30,862	31,413	16,083	14,263

Change in value of loans and other financial assets	(764)	(1,001)	(395)	(481)
Operating income after impairment	30,098	30,412	15,688	13,782
Salaries and benefits	(11,141)	(11,716)	(5,689)	(6,029)
Depreciation	(280)	(594)	(232)	(358)
Amortisation	(405)	(380)	(200)	(106)
Depreciation of leased assets	(702)	(1,224)	(586)	(656)
Other operating expenses	(6,674)	(6,729)	(3,251)	(3,171)
Total operating expenses	(19,202)	(20,643)	(9,958)	(10,320)
Operating profit (loss)	10,896	9,796	5,730	3,462
Corporate income tax expenses	(2,145)	(1,973)	(1,107)	(549)
Profit (loss) for the reporting period	8,751	7,796	4,623	2,913
Attributable to: shareholders of the Bank	8,751	7,796	4,623	2,913

Statements of Financial Position of the Issuer as of 30 June 2024 and 30 June 2025 as well as 31 December 2024 and 31 December 2023

Assets	31 December 2023 (consolidated)	31 December 2024 (consolidated)	30 June 2024 (unaudited) (consolidated)	30 June 2025 (unaudited) (stand-alone)
Cash and due from central bank				
<i>Cash in vaults</i>	<i>19,357</i>	<i>16,450</i>	<i>17,101</i>	<i>11,341</i>
<i>Placements with the central bank</i>	<i>117,99</i>	<i>112,787</i>	<i>128,979</i>	<i>103,208</i>
	137,347	129,237	146,080	114,549
Placements with banks and other credit, financial institutions	14,541	16,407	16,728	15,756
Derivatives at fair value through profit or loss	9	7	32	19
Debt securities	55,952	61,639	59,101	67,641
Loans and receivables				
<i>Loans to customers</i>	<i>304,329</i>	<i>393,747</i>	<i>325,168</i>	<i>458,498</i>
<i>Finance lease receivable</i>	<i>25,257</i>	<i>20,802</i>	<i>25,366</i>	<i>20,644</i>
	329,586	414,549	348,534	479,142
				-
Other equity instruments	27	27	27	27
Investment property	47	-	-	-

Tangible fixed assets	532	2,908	2,992	2,829
Intangible fixed assets	632	252	432	146
Right of use assets	2,076	6,488	6,736	6,487
Tax assets				
<i>Current taxes</i>	-	<i>1</i>	-	641
<i>Deferred taxes</i>	<i>101</i>	<i>175</i>	<i>67</i>	60
	101	176	67	701
Assets held for sale	4,801	-	-	-
Other assets	3,126	1,320	2,069	1,001
Total assets	548,777	633,01	582,798	688,298

Liabilities and shareholders' equity	31 December 2023 (consolidated)	31 December 2024 (consolidated)	30 June 2024 (unaudited) (consolidated)	30 June 2025 (unaudited) (stand-alone)
Liabilities				
Liabilities to banks and other credit institutions	33	-	-	-
Derivatives	44	3	3	7
Liabilities to customers	481,171	555,241	507,815	609,972
Debt securities issued	2,252	2,269	2,261	2,277
Provisions	164	191	146	181
Tax liabilities				-
<i>Current tax</i>	<i>1,385</i>	<i>320</i>	<i>473</i>	-
<i>Deferred tax</i>	-	-	-	-
	1,385	320	473	-
Other liabilities	6,499	10,464	10,751	10,357
Total liabilities	491,548	568,488	521,449	622,794
Shareholders' equity				
Registered share capital	35,468	43,492	43,492	50,989
Retained earnings (loss)	9,449	8,294	5,077	8,873
Other reserves	12,312	12,736	12,780	5,642
Total shareholders' equity	57,229	64,522	61,349	65,504
Total liabilities and shareholders' equity	548,777	633,01	582,798	688,298

The Issuer's statement of changes in equity

The Group	Share capital	Retained earnings (restated)	Reserve of property and equipment	Other reserves	Total
On 31 December 2022	19,948	16,304	318	11,489	48,059
Profit or loss	-	8,751	-	-	8,751
Other comprehensive income (expense)	-	-	419	-	419
Disposal of revaluation reserve of PPE	-	737	(737)	-	-
Share capital increase	15,520	(15,520)	-	-	-
Transfer to reserves	-	(823)	-	823	-
On 31 December 2023	35,468	9,449	-	12,312	57,229
Profit or loss	-	7,796	-	-	7,796
Other comprehensive income (expense)	-	-	-	-	-
Impact of mergers	-	43	-	(43)	-
Transfer to reserves	-	(467)	-	467	-
Payment of dividends	-	(503)	-	-	(503)
Share capital increase	8,024	(8,024)	-	-	-
On 31 December 2024	43,492	8,294	-	12,736	64,522

The Bank	Share capital	Retained earnings (restated)	Reserve of property and equipment	Other reserves	Total
On 31 December 2022	19,948	16,339	318	11,470	48,075
Profit or loss	-	8,238	-	-	8,238
Other comprehensive income (expense)	-	-	419	-	419
Disposal of revaluation reserve of PPE	-	737	(737)	-	-
Share capital increase	15,520	(15,520)	-	-	-
Transfer to reserves	-	(817)	-	817	-
On 31 December 2023	35,468	8,977	-	12,287	56,732
Profit or loss	-	4,384	-	-	4,384
Other comprehensive income (expense)	-	-	-	-	-
Disposal of revaluation reserve of PPE	-	(449)	-	449	-
Share capital increase	8,028	(8,024)	-	-	-
Dividends payout	-	(503)	-	-	(503)
On 31 June 2024	43,492	4,385	-	12,736	60,613
Profit or loss	-	2,997	-	-	2,997
Other comprehensive income (expense)	-	-	-	-	-
Impact of mergers	-	681	-	-	681

On 31 December 2024	43,492	8,063	-	12,736	64,291
Profit or loss	-	2,913	-	-	2,913
Other comprehensive income (expense)	-	-	-	-	-
Transfers to reserves	-	(403)	-	403	-
Dividend payout	-	(1,700)	-	-	(1,700)
Share capital increase	7,497	-	-	(7,497)	-
Dividends payout	-	(503)	-	-	(503)
On 31 June 2025	50,989	8,873	-	5,642	65,504

KEY FINANCIAL RATIOS AND ALTERNATIVE PERFORMANCE MEASURES OF THE ISSUER

This document includes certain data which the Issuer considers to constitute alternative performance measures (APMs) for the purposes of the European Securities Markets Authority (ESMA) Guidelines on Alternative Performance Measures. These include Net profit, Average equity, Return on equity, Average assets, Return on average assets, Cost/Income ratio, Credit Impairment ratio, Loans to customers, Deposits from customers, Loans/Deposits ratio.

These APMs are not defined by, or presented in accordance with IFRS. The APMs are unaudited and are not measurements of the Issuer's operating performance under IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

The Issuer believes that the below measures provide useful information to investors for the purposes of evaluating the financial condition and results of operations of the Issuer, the quality of its assets and the fundamentals of its business. However, the Issuer's use and method of calculation of APMs may vary from other companies' use and calculation of such measures.

No statement in this Base Prospectus is intended as a profit/EBITDA forecast and no statement in this Base Prospectus should be interpreted to mean that the earnings of the Issuer for the current or future years would necessarily match or exceed the historical published earnings of the Issuer.

It should be noted that APMs are calculated for a 6-month period ended 30 June 2024 and 30 June 2025, as well as years ended 31 December 2024 and 31 December 2023 for the Issuer.

CONSOLIDATED (31 December 2023, 31 December 2024 and 30 June 2024) AND STAND-ALONE (30 June 2025) ALTERNATIVE PERFORMANCE MEASURES

	31 December 2023 (consolidated)	31 December 2024 (consolidated)	30 June 2024 (unaudited) (consolidated)	30 June 2025 (unaudited) (stand-alone)
Net profit, EUR million	8.8	7.8	4.6	2.9
Average total assets, EUR million	466.93	583.58	569.3	673.3
Return on average assets (ROAA), %	1.9	1.3	1.6	0.9
Average total equity, EUR million	52.8	61.1	59.1	64.7
Return on average equity (ROAE), %	16.6	12.8	15.6	8.9
Cost to income ratio, %	62.3	67.8	64.4	70.3
Loan to deposit ratio, %	68.5	74.7	68.6	78.6

Description of Issuer's alternative performance measures

Performance measure	Formula and components used for the calculation:	Interpretation
Return on average assets (ROAA), %	<p>Net profit for the year / Average total assets*100</p> <p>Net profit for the year – presented in the income statement*;</p> <p>Average total assets – calculated as an average of the total assets (presented in statement of financial position) for the last four quarters.</p>	The ratio shows the percentage return the Issuer earns from assets. The higher the ratio, the more efficient use of assets

Performance measure	Formula and components used for the calculation:	Interpretation
	<p><i>* Note: Net profit is converted to annual by multiplying it by a coefficient according to the financial reporting period, i.e., net profit for Q1 is multiplied by 4, net profit for H1 is multiplied by 2, profit for three quarters multiplied by 4/3</i></p>	
Return on average equity (ROAE), %	<p>Net profit for the year / Average total equity*100</p> <p>Net profit for the year – presented in the income statement*;</p> <p>Average total equity – calculated as an average of the total equity (presented in statement of financial position) for the last four quarters.</p> <p><i>*Note: Net profit is converted to annual by multiplying it by a coefficient according to the financial reporting period, i.e., net profit for Q1 is multiplied by 4, net profit for H1 is multiplied by 2, profit for three quarters multiplied by 4/3.</i></p>	<p>The ratio shows the percentage return the Issuer earns from equity. Higher ROAE ratio is considered as better</p>
Cost to income ratio, %	<p>Operating costs / Operating income*100*(-1)</p> <p>Operating costs (which is a total of income statement lines):</p> <ul style="list-style-type: none"> + Salaries and related expenses; + Depreciation and amortization expenses; + Expenses related to insurance activities; + Other operating expenses. <p>Operating income (which is a total of income statement lines):</p> <ul style="list-style-type: none"> + Net interest income; + Net fee and commission income; + Net gain from trading activities; + Net gain (loss) from derecognition of financial assets; + Net gain (loss) from disposal of tangible assets; + Revenue related to insurance activities; + Other operating income. 	<p>The ratio indicates the amount of cost used to earn one euro of income. Lower cost to income ratio is considered as better</p>
Loan to deposit ratio, %	<p>Loans / Deposit;</p> <p>Loans – Sum of amounts of loans granted to customers and receivables from Financial Lease (presented in the statement of financial position);</p> <p>Deposits – Amounts due to customers (presented in the statement of financial position).</p>	<p>The indicator compares issued loans to accepted deposits, showing the Issuer's liquidity. A higher value of the indicator indicates that the Issuer is in a higher risk area</p>

The Issuer does not publish performance measures related to future reporting periods in its regulated information disclosures.

USE OF PROCEEDS

The net proceeds of the issue of each Tranche of the Notes will be used for the general banking and other corporate purposes of the Issuer, including but not limited to meet mandatory minimum requirement on equity and eligible liabilities for the Issuer.

DESCRIPTION OF THE ISSUER

Background of the Issuer

The Issuer is the consistently growing financial institution in Lithuanian market, paying special attention to business financing and consumer financing solutions. The Issuer serves its clients in 25 client service units in 10 cities and counties throughout Lithuania.

The Issuer was registered as a private limited liability company in the Enterprise Register of the Republic of Lithuania on 24 November 1992. The Issuer is licensed by the BoL to perform all banking operations provided for in the Law on Banks of the Republic of Lithuania and the Articles of Association of the Bank.

The Issuer consists of UAB Urbo bankas, which is engaged in real estate management and development, primarily related to the administration and disposal of assets acquired from the Bank's clients who have defaulted on their obligations.

Key milestones in the Bank's development (year and event):

1992	UAB Medicinos bankas was established in Vilnius
2000	Medicinos bankas became a member of SWIFT
2010	Internet banking service launched
2016	Joined the SEPA payment system
2017	Acquisition of UAB Saugus kreditas
2021	Joined the Instant SEPA real-time payment system
2023	Remote client account opening introduced
2023	Call center established
2024	Medicinos bankas rebranded as "Urbo"
2024	Headquarters relocated in Vilnius from Pamėnkalnio St. 40 to Konstitucijos Ave. 18B, "Artery" Business Center
2025	Launch of "Urbo" bankas debit payment card

In July 2018, the Bank issued subordinated debt securities. As at 31 December 2024, the net value of debt securities issued was EUR 2,269 thousand (31 December 2023: EUR 2,252 thousand). On 1 August 2018, the bonds of Urbo Bankas UAB (ISIN LT0000432114) were admitted to trading on the Nasdaq Stock Exchange (abbreviation: OPMB070025A). The size of the Bank's bond issue is EUR 2,210 thousand. Each bond has a nominal value of EUR 1,000. The interest rate is 7% per annum, payable twice a year. The maturity date of the issue is 24 July 2025. The bonds were fully redeemed on July 2025.

Dividend payment history of the Issuer for the last 5 years:

Dividends for the financial year	Percentage of nominal value	Dividends per share, EUR	Total dividends, EUR
2024	3,91	0,0195	1,700.000
2023	1,42	0,0071	503,644
2022	0	0	0
2021	0	0	0
2020	0	0	0

As at 31 December 2024, the Bank's share capital consisted of 86,983,615 ordinary shares with a nominal value of EUR 0.50 each (31 December 2023: 70,935,740 ordinary shares with a nominal value of EUR 0.50 each). At 31 December 2024 and 31 December 2023, all shares were fully paid up. The information provided is relevant as of the date of this Prospectus.

Information about the Issuer

Table 1: Key information about the Issuer

Legal and commercial name of the Issuer	Uždaroji akcinė bendrovė Urbo bankas and UAB Urbo bankas respectively
Legal form of the Issuer	Private limited liability company
Place of registration of the Issuer (registered office)	Konstitucijos Ave. 18B, "Artery" Business Center, Vilnius, Lithuania
Corporate ID code of the Issuer	112027077
LEI	529900F2SC8ANS0A2T76
Legislation under which the Issuer operates	The laws of the Republic of Lithuania
Date of incorporation of the Issuer	24 November 1992
Operating period	Indefinite
Telephone number	19 300
E-mail	info@urbo.lt
Website	www.urbo.lt The information on the website does not form part of the Prospectus, unless certain information is incorporated by reference into the Prospectus (please see Section <i>Information Incorporated by Reference</i>)

Business Overview

From the very beginning of its operations, this Lithuanian-capital bank has aimed to be more than just a financial institution – the bank's mission is to provide competitive financial services, create long-term value for shareholders, and be a reliable, growth-oriented employer. With responsibility and determination, the bank builds relationships based on trust and respect, placing people at the heart of its activities – clients, partners, and employees.

The bank's vision reflects the ambition to become a universal bank – the first choice for small and medium-sized enterprises and a strong, trusted competitor in the retail banking segment. The goal is not only to grow together with clients but also to support them in achieving their ambitions by maintaining professionalism, closeness, and a modern approach to banking.

The bank offers a broad range of financial services – from daily banking such as e-banking, payments, and cards, to loans, deposits, and other financial solutions. The goal is to support both individual and business clients in making smart financial decisions and ensuring their financial security and growth. This is a bank for those who aim higher – a stable and trustworthy partner in financial management.

The Bank's activities are focused on two key customer segments where it holds its strongest positions:

Business clients	Private clients
<ul style="list-style-type: none">Fast and flexible decision-makingPersonalized financing solutions for businessesFocus on long-term client relationshipsBank with Lithuanian capital	<ul style="list-style-type: none">Full range of core banking services – from payments and savings products to loansServes clients through 25 service units across 10 cities and counties throughout LithuaniaFast service without the need for prior appointments and a personal, human approachInternet banking designed for the modern user

Rebranding and Identity

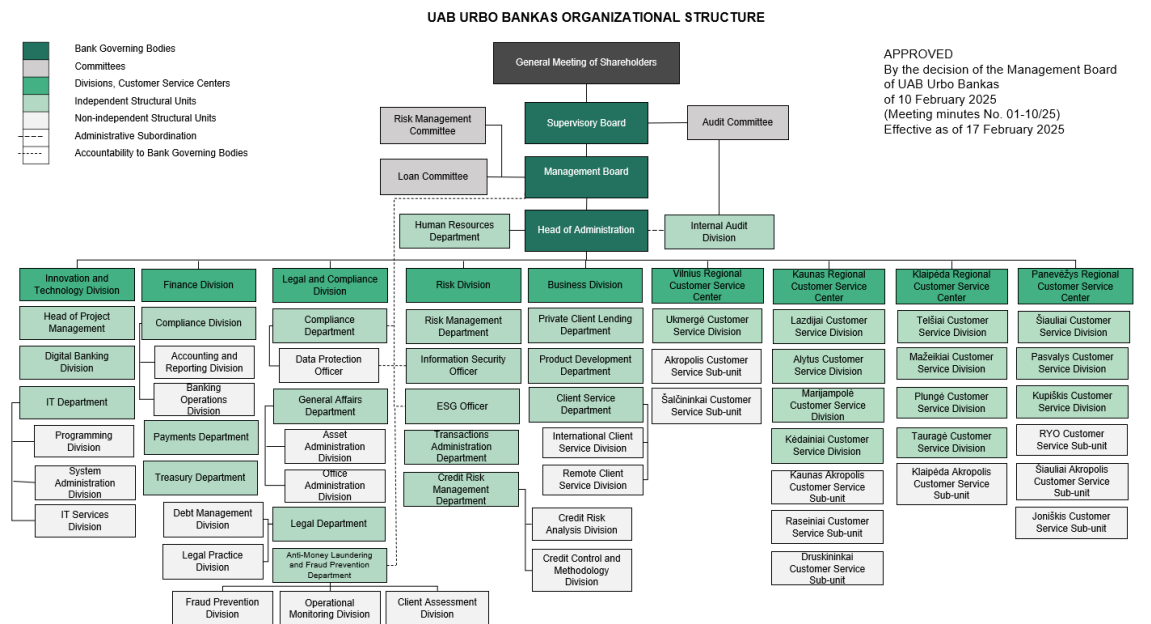
In 2024, Medicinos Bankas officially became Urbo Bankas. With over 30 years of successful operations in Lithuania, the Bank has consistently upheld its core values and remained committed to the well-being of both its employees and clients – despite changing market conditions.

The recent strategic transformation and implemented changes have supported the Bank’s continued growth and created a natural need to clearly define its long-term goals and establish a distinct identity in the Lithuanian financial sector. As a bank with Lithuanian capital, it was important for this identity to be reflected in the new name.

The name “URBO” is strong, memorable, and inspired by one of Lithuania’s most iconic natural landmarks – Urbo Hill in Neringa, crowned by the Nida Lighthouse. This name symbolizes the Bank’s values: Lithuanian ambition, clarity of purpose, determination, and an open, forward-looking mindset.

Urbo Bankas remains is strategically focused on the Lithuanian market and on serving Lithuanians who consistently strive for excellence. These aspirations are further reflected in the relocation of the Bank’s head office in 2024 – from Pamėnkalnio Street 40 to the modern “Artery” business centre at Konstitucijos Avenue 18B in Vilnius.

Figure 1. Regions and customer service network of the Issuer



Source: the Issuer

At the end of March 2025, Urbo Bank employed 279 people, and its customer service network consisted of 25 regional branches.

Issuer's rating

URBO Bank does not have a long-term or short-term deposit rating from any of the major international rating agencies, including Moody's Investor Service (Moody's), S&P Global Ratings (S&P), or Fitch Ratings (Fitch). Consequently, their ratings and outlook assessments do not apply to the bank .

Strategy of the Issuer

As part of its 2024–2026 strategic plan, in 2024, the Bank actively pursued its vision of becoming a universal bank — the preferred choice for small and medium-sized enterprises and a strong competitor in the retail banking segment.

The core values — professionalism, flexibility, responsibility, and continuous improvement — form the foundation of the company's business culture and support the achievement of strategic goals. The team aims to demonstrate expertise in the field and is committed to providing high-quality services to clients. The bank responds quickly to market changes, tailors its approach to individual customer needs, and seeks the best possible solutions. Legal requirements are strictly followed, and high business and ethical standards are upheld to foster collaboration based on honesty and trust with colleagues, clients, and partners. The company continuously seeks new opportunities, invests in knowledge, and shares it within the team and with clients.

In 2024, the Bank focused its operations around four strategic directions: brand renewal, stable growth, enhanced customer experience, and sustainable operations. On February 1, 2024, the Bank changed its name to URBO, and throughout the year actively promoted its new brand through various initiatives. The year also marked a period of steady growth, with expansion across all priority segments: small and medium-sized business financing, mortgage and consumer lending, and successful growth in both corporate and individual deposit portfolios.

To improve the customer experience, on October 16, 2024, the Bank integrated its subsidiary, UAB “Saugus kreditas,” into the Bank. It also launched a payment card project, issuing the first Urbo Bank payment cards at the end of the year, in principal and enhancing remote service channels and tools.

To clarify its sustainability priorities and ensure transparent communication with stakeholders, the Bank voluntarily prepared a Sustainability Report for the 2023 financial year (<https://urbo.lt/lt/tvarumas>). While the Bank does not conduct scientific research and does not plan to do so, it does carry out market research with the help of third parties to assess brand awareness, as well as the expectations and needs of both retail and business clients.

The Bank's key intangible assets are its brand, reputation, knowledge and expertise, customer relationships, organizational culture, and employee engagement. These assets help the Bank differentiate itself in the market and build a competitive edge, enabling greater efficiency, innovation, and customer loyalty — all of which contribute directly to long-term value creation and improved performance.

Key financial targets:

	2025	2026	2027	2028
Loan portfolio	€520mn	€590mn	€660mn	€730mn
Cost-to-income ratio	72,5 %	70,7 %	66,6 %	63,5 %
Return on equity	8,4 %	8,6 %	10,4 %	11,4 %

Issuer's competitive position

The Lithuanian banking market is dominated by several large financial institutions. These are banks that have a long history in this market and are internationally active. Because of their size and capital, these banks can offer a wide range of services to their customers, invest in the latest technology, and participate in major projects. As a result, they represent a significant market share.

On the other hand, in recent years, technological innovation, particularly in the financial technology (FinTech) sector, has led to the emergence of many new players offering alternative banking services. These newcomers, although they do not have as much capital or a long history, are able to adapt quickly to market needs, offer innovative services and attract new customers.

Figure 2. Key ratios of the banking sector

Data as of March 31, 2025	Total capital adequacy ratio	Large exposure ratio	Liquidity coverage ratio	Return on Assets (RoA), %	Return on Equity (RoE), %	Loans and advances (th EUR)	Deposits (th EUR)
Urbo bankas UAB	19,07	17,06	303,77	0,75	7,64	439 619	576 394
Swedbank AB	22,39	12,59	392,16	1,53	20,81	9 639 084	16 608 566
SEB bankas AB	14,87	16,04	193,99	1,87	22,37	7 693 629	12 859 951
Revolut Bank UAB	27,7	3,17	498,16	0,87	16,74	2 742 404	20 984 372
Artea bankas AB	23,84	11,88	248,02	1,42	12,07	3 506 708	3 600 408
„Luminor Bank“ AS Lithuanian branch	24,1	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.

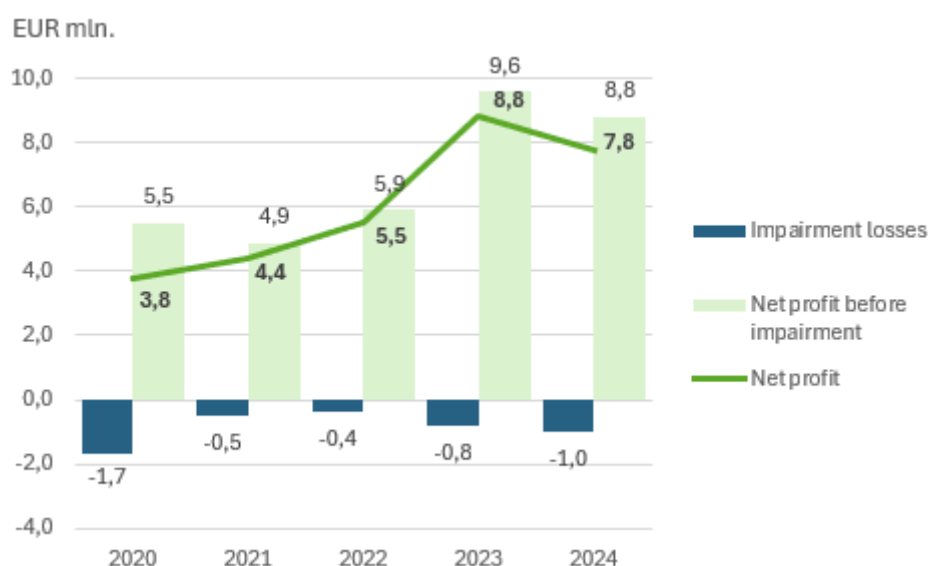
Information available at the website of Lithuanian bank association at <https://www.lba.lt/lt/statistika-1-1> (Pagrindiniai bankų veiklos rodikliai, 2025 m. I ketv.) and <https://www.lb.lt/lt/pagrindiniai-banku-veiklos-rodikliai> (2025 m. I ketv.).

Information on the Issuer's performance results

Issuer's results for the year 2024:

- **Profit.** Urbo Bankas generated a net profit of EUR 7.8 million in 2024.
- **Dividends.** A dividend of almost 23% of net profit for 2024, i.e., EUR 0.0,0195 per share, has been paid to shareholders in 2025.
- **Portfolio.** Loan portfolio grew by 26% to EUR 414.5 million last year.
- **Deposits.** The deposits held with Urbo Bankas reached EUR 555.2 million at the end of December last year, up EUR 74 million year-on-year.
- **Transaction.** The Bank's subsidiary UAB "Saugus kreditas" was merged into UAB Urbo bankas.
- **Strategy.** One of the key milestones in the Bank's 2024–2026 strategy was the introduction of a new brand identity, which signified the transition from Medicinos Bankas to Urbo Bankas.

Figure 3. Net Profit earned by the Issuer, EUR million



Source: the Issuer

Urbo Bankas generated audited net profit of EUR 7.8 million in 2024, an decrease of 11% compared to 2023. Operating profit before impairment amounted to EUR 8.8 million, a 8% decrease compared to an operating profit of EUR 9.6 million in 2023.

The net profit for 2024 was EUR 7.8 million or 11% lower than in 2023. The lower operating result was impacted by a 27% drop in net fee and commission income and a 23% decline in net income from foreign exchange operations

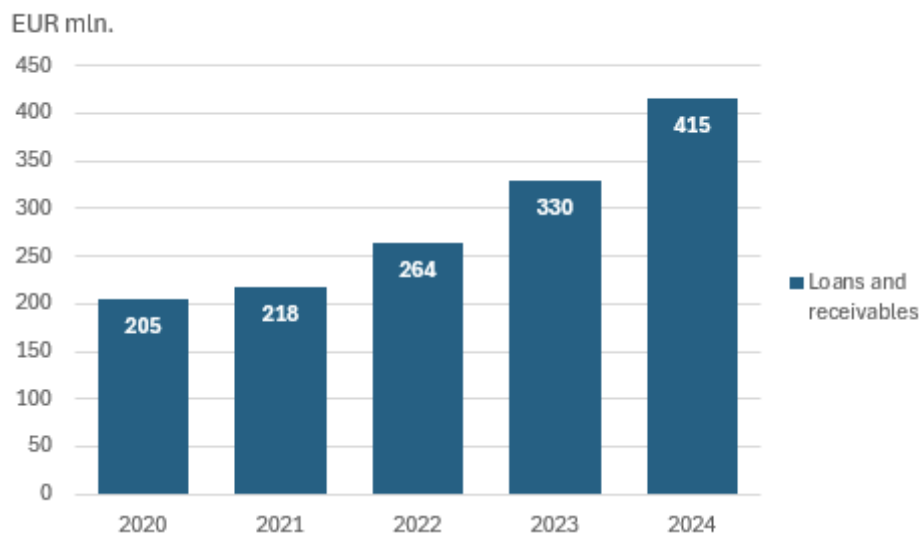
The Bank's revenue from operating activities grew throughout the year. Compared to 2023, net interest income grew by 7% to EUR 24.7 million, while net fee and commission income declined by 27% to EUR 3.3 million.

The revision of the parameters for the calculation of provisions in the light of updated macroeconomic forecasts resulted in provisions EUR 5.2 million for the year (provisions amounted to EUR 3.3 million in 2023). In 2024, the cost of risk (CoR) for the loan portfolio was 1.22% (1.00% in 2023).

Issuer's cost-to-income ratio was 67.8% (62.3% in 2023) and return on equity – 12.1% (15.5% in 2023). Capital and liquidity position remains sound and prudential regulations are met with the solid buffers.

Business and Private Clients Financing

Figure 4. Loan portfolio in EUR million



Source: the Issuer

The Bank's loan and receivables portfolio continued its consistent growth trajectory, reaching EUR 415 million in 2024 – a 26% increase compared to the previous year. Over the past five years, the portfolio has doubled in size, rising from EUR 205 million in 2020 to its current level, reflecting the Bank's strategic focus on balanced and sustainable credit expansion.

This steady growth demonstrates the Bank's ability to meet the evolving financing needs of private and business clients, while maintaining responsible lending standards and effective risk management. The most significant growth was recorded in 2024, underlining increased lending activity and strong client trust in the Bank's financial services.

Daily Banking

Urbo Bankas provides a wide range of everyday banking services to both private and business clients, addressing their diverse needs and aiming to ensure convenient, fast, and secure execution of financial transactions.

For private clients, Urbo Bankas offers essential daily services such as payment account management, payment cards, domestic and international transfers, cash deposits and withdrawals, online banking, and mobile app solutions.

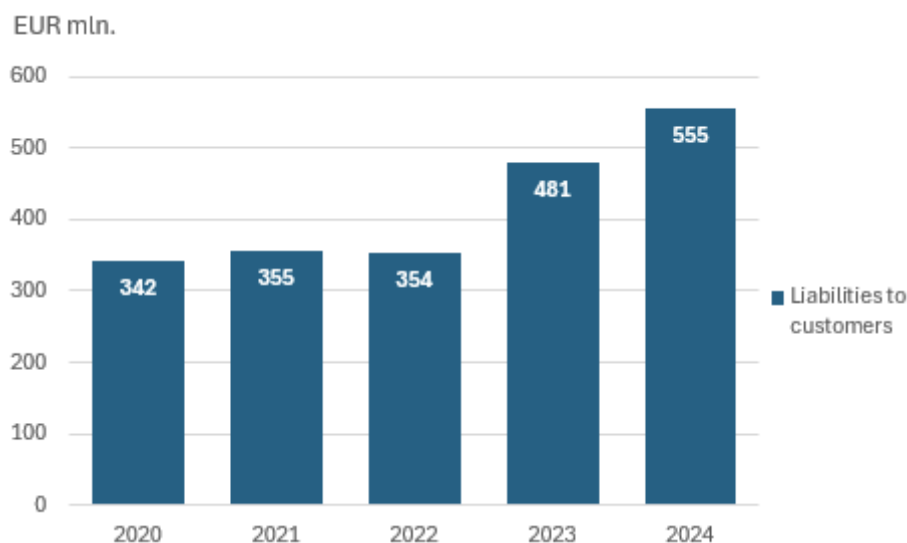
For business clients, the bank provides daily services including online banking, various payment options (transfers, card readers, check collection, e-invoicing).

These services constitute an important part of the Bank's operations – they ensure ongoing client engagement and generate a significant share of service and commission income.

Responding to client expectations and market changes, Urbo Bankas continuously invests in digitalization – actively enhancing the functionality of internet banking and the mobile app to make every day financial decisions even simpler and more convenient for every user. This helps increase the number of active clients and interest in the bank's services.

Saving and Investing

Figure 5. Deposit portfolio in EUR million



Source: the Issuer

In response to increased client demand for protecting savings against inflation, the bank has been offering some of the highest interest rates on term deposits among the major banks in Lithuania throughout the year. In 2024, the portfolio of clients' term deposits grew by 15.4% (EUR 74 million), reaching a total portfolio value of EUR 555 million at the end of the year.

Regarding external environment factors

The Bank continues to actively monitor the geopolitical situation to properly and timely assess the potential impact of Russia's war against Ukraine on its operations and the quality of its loan portfolio, due to the risks it poses to clients. The Bank has no operations in Russia, Belarus or Ukraine and does not have any exposures in these countries. The Bank considers the secondary risk of direct insolvency of clients operating in Lithuania due to the geopolitical situation to be low. To identify in a timely manner a potential increase in the risk of its clients, the Bank applies the procedures set out in the Bank's internal regulations, records Early Warning Indicators (EWI) for the impact of the geopolitical situation on the clients that have a moderate or greater dependence on the aforementioned countries through their supply or sales chains, or through their shareholding structure, and, in the event of a potentially significant risk, puts the client on the Watch List and implements enhanced monitoring for these clients. The Bank uses scenario assessments and stress testing to assess these impacts. These assessments indicate that the Bank's capital position is strong and that the Bank would be able to withstand significant shocks related to economic downturns.

The increased monitoring is not limited to credit risk, but also includes a monitoring of the bank's liquidity position (there were no negative trends related to the invasion), increased focus on business continuity and IT security (business continuity plans have been updated with a number of additional scenarios, cybersecurity status is constantly being monitored, additional cyber-protection measures have been implemented, and testing of measures and plans is ongoing). Also, the processes and procedures for complying with the sanctions for clients and payments are under considerable scrutiny, which may in some cases lead to longer process time.

Regulatory requirements applicable to the Issuer

- Issue is a subject to following ratios and prudential requirements: **Capital or own fund requirements.** Banks must hold sufficient capital for covering unexpected losses and remaining solvent during a crisis period. Banks must satisfy the following Pillar 1 own funds requirements:

- a Common Equity Tier 1 capital ratio of 4.5%. This is the ratio between Tier 1 equity capital and risk weighted assets and off-balance sheet liabilities of the bank;
- a Tier 1 capital ratio of 6%. This is the ratio between Tier 1 capital and risk weighted assets and off-balance sheet liabilities of the bank;
- a total capital ratio of 8%. This is the ratio between the own funds and risk weighted assets and off-balance sheet liabilities of the bank;
- a leverage ratio of 3%. This is the ratio between Tier 1 capital and the total exposure measure of the bank.
- **SREP capital requirements** consist of two parts:
 - Pillar 2 requirement or P2R, which covers risks underestimated or not covered by Pillar 1. P2R is binding and breaches can result in regulatory sanctions. The Issuer is subject to a P2R requirement which have been increased up to 2.42% from 1 November 2024 from 1.7% (30 October 2024);
 - Pillar 2 guidance or P2G, which indicates to banks the adequate level of capital to be maintained in order to have sufficient capital as a buffer to withstand stressed situations. P2G is not legally binding, but the regulators expect banks to comply with this buffer. The Issuer is subject to a P2G requirement of 1%;
- In addition to the capital requirements, banks must meet **additional capital buffer requirements**:
 - capital conservation (CCoB) buffer of 2.5%. The purpose of this requirement is to obligate banks to accumulate additional capital for covering unexpected losses. It is uniform across all European Union banks;
 - institution's special countercyclical capital (CCyB) buffer requirement. The supervisory authorities of Member States may, at their own discretion, set the amount of a specific countercyclical capital buffer for a particular institution or a group of institutions, thereby mitigating the risk of unsustainable growth and securing the banking sector and the economy against a credit boom. From 1 October 2023 a special countercyclical capital buffer requirement of 1% is applied for positions in Lithuania;
 - the sectoral systemic risk (SyRB) buffer requirement. The purpose of this requirement is to increase the financial system's resilience in the presence of a higher risk of potential housing market overheating in Lithuania. It is introduced by Bank of Lithuania and set as 2% to the housing loan portfolios of housing credit issuers.
- **Liquidity requirements.** Banks must hold sufficient liquid assets to be able to cover net cash outflows under gravely stressed conditions within 30 days. The value of the liquidity coverage ratio ("LCR") must not be below 100%, i.e., a credit institution's reserves of liquid assets must not be lower than net cash outflows over 30 calendar days under gravely stressed conditions. Banks must have sufficient stable funding to meet the funding needs for a one-year period both under regular and stressed conditions. The value of the net stable funding ratio ("NSFR") should be no lower than 100%, i.e., the stable funding amount available for the credit institution should be no lower than the required stable funding amount over a one-year period.
- **The large exposure requirement.** Exposure to a client or a group of connected clients, i.e., loans granted, also any asset or off-balance-sheet asset share cannot exceed 25% of the institutions CET1 capital, or EUR 150 million, whichever the higher, provided that the sum of exposure values.

Capital requirements applicable to the Issuer

Capital management of the Issuer

The capital of the Issuer in the prudential scope of calculation is calculated and allocated for the risk coverage following the capital requirements regulation and directive – CRR/CRD and local legal acts. The Issuer's objectives when managing own funds are as follows:

- to comply with the own funds requirements set by the European Parliament and the Council of the European Union as well as the internal target capital requirements;
- to safeguard the Issuer's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders;
- to support the development of the Issuer's business with the help of the strong capital base.

Capital adequacy assessment is performed on a quarterly basis in accordance with the Information guidelines in respect of risk management and capital adequacy disclosure (Pillar3) report.

The Issuer complied with capital requirements in both 2023 and 2024.

The capitalisation of the Issuer is sufficient to ensure financial stability and provide the capital needed to deliver the business strategy. As of 31 December 2024, the total consolidated Capital Ratio of the Issuer, was 18.69% (20.89% as of 31 December 2023 on the consolidated level of the Issuer).

In its Capital Adequacy calculations, the Issuer uses the standardised method to calculate risk weighted exposure amounts for Credit and Market risk. Risk weighted exposure amounts for operational risk in 2023 and 2024 were calculated using the Basic Indicator Approach method, while in 2025 the calculations were based on the Business Indicator component.

Capital Ratios

Position	31 December 2023	30 June 2024	31 December 2024	30 June 2025
CET 1 Ratio	20.63 %	19.70 %	18.62 %	17.87 %
T1 Capital Ratio	20.63 %	19.70 %	18.62 %	17.87 %
Total Capital Ratio	20.89 %	19.87 %	18.69 %	17.88 %

Risk Exposure

Composition of Risk Exposure Amount (REA)

	31 December 2023	30 June 2024	31 December 2024	30 June 2025
Credit Risk	222,516	230,449	279,257	306,779
Market Risk	0	0	0	0
Credit valuation adjustment	38	53	37	47
Operational Risk	46,400	46,400	52,938	30,462
Other Risk	3,141	3,258	4,070	4,092

Risk Exposure

	31 December 2023	30 June 2024	31 December 2024	30 June 2025
TOTAL RISK EXPOSURE AMOUNT	272,095	280,165	336,302	341,380

	31 December 2023	30 June 2024	31 December 2024	30 June 2025
RISK-WEIGHTED EXPOSURE AMOUNTS FOR COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES	222,516	230,449	279,257	306,779
Standardised approach (SA)	222,516	230,449	279,257	306,779
Central governments or central banks	5,093	2,548	3,297	3,430
Institutions	2,955	3,408	3,199	3,638
Corporations	25,084	19,414	27,107	22,540
Retail	33,144	39,160	42,083	46,926
Secured by mortgages on immovable property	131,387	136,100	174,180	210,660
Exposures in default	7,028	14,544	13,315	8,326
Items associated with particularly high risk	6,329	3,017	4,982	-
Other items	11,496	12,258	11,094	11,259
Total risk exposure amount for operational risk (OpR)	46,400	46,400	52,938	30,462
Total risk exposure amount for credit valuation adjustment	38	53	37	47
Other risk exposure amounts	3,141	3,258	4,070	4,092

General Risk Management Principles

The risk management of the Issuer is described in section “Risk Management” of the consolidated financial statements of the Issuer for the year ended 31 December 2024 (pages 83-99), incorporated into this Base Prospectus by reference.

Major shareholders of the Issuer

As of the date of this Prospectus, the Bank’s share capital consisted of 86,983,615 ordinary shares with a nominal value of EUR 0.50 each. All shares were fully paid up as of the date of this Prospectus.

In the table below the information is provided on shareholders of the Issuer on the date of this Base Prospectus.

Table 2. Shareholders of the Issuer as of the date hereof

No	Shareholder	Number of owned shares and votes directly	Percentage owned directly, %	Indirectly held votes, %	Total, %
1.	Konstantinas Karosas	78 395 759	90.13	9.87	100%
2.	Western Petroleum Ltd.*	8 587 856	9.87	-	9.87

Source: the Issuer

**Final beneficial owner of this company, holding 100% of its shares and votes is Konstantinas Karosas.*

The Corporate organizational structure of the Issuer

Supervisory and Management Bodies. The governing bodies of the Bank are the General Meeting of Shareholders, the Supervisory Council, the Management Board, and the CEO (Head of Administration). The management bodies of the Bank are the Management Board and the CEO.

The General Meeting of Shareholders is convened no later than within 3 months after the end of the financial year. Extraordinary General Meetings may also be convened. The right to convene a General Meeting is held by the Bank's Management Board, the Supervisory Council, and shareholders holding at least 1/10 of the total number of votes. In cases stipulated by the Law on Companies of the Republic of Lithuania, a General Meeting may also be convened by other persons.

The General Meeting is organised, voting is carried out, and decisions are adopted in accordance with the procedure established in the Law on Companies of the Republic of Lithuania.

The CEO (Head of Administration), members of the Management Board, and members of the Supervisory Council may participate in the General Meetings of the Bank's shareholders.

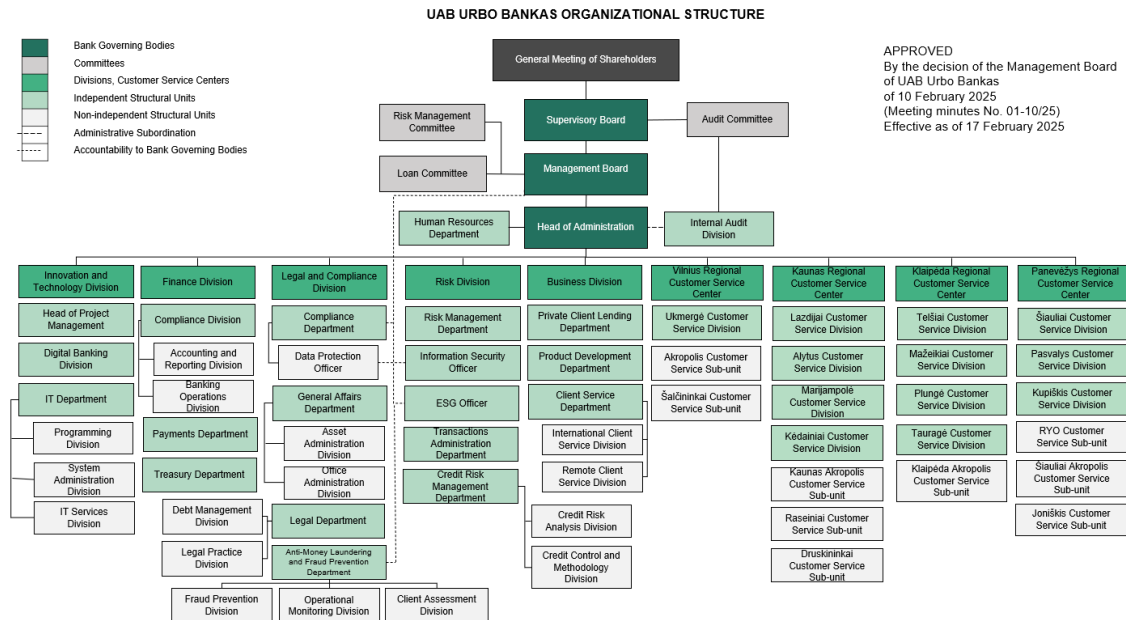
Compliance with the Corporate Governance Regime

The Issuer does not follow some of the requirements of the Nasdaq Vilnius Corporate Governance Code to its full extent. However, the Issuer aims and puts efforts to improve its compliance with this code to as to better meet the expectations of its investors. Detailed information on the compliance of the Issuer with this corporate governance regime is provided in the annex to the Management Report for the year 2024 of the Issuer. The statements included therein are valid as at the date of this Base Prospectus.

Internal Management Structure of the Issuer

Detailed management system of the Issuer is provided in the Figure 6 below.

Figure 6. Management system of the Issuer since 10 February 2025



Changes in organizational structure

On 19 December 2024, the Management Board of the Bank adopted a decision to terminate the operations of the Bank's branches in Vilnius, Kaunas, Panevėžys, Šiauliai, Lazdijai, and Klaipėda as of 1 January 2025. On the same date, a new version of the Bank's organisational structure came into effect, under which the former branches were replaced by Customer Service Centres for the Vilnius, Kaunas, Klaipėda, and Panevėžys regions.

Considering that the Bank's subsidiary UAB "TG invest-1" has not carried out active economic activities in recent years, on 13 February 2025 the Management Board of the Bank adopted a decision to sell UAB "TG invest-1" to an unrelated third party. The sale transaction was completed on 16 June 2025.

Supervisory Council

Table 3. Members of the Supervisory Council

Name, surname	Position within the Issuer	Beginning of term	End of term
Gintaras Treinys	Chairman of the Supervisory Council	21 March 2025	The term of the current Bank's Supervisory Council will end in March 2029.
Andrius Budnikas	Member of the Supervisory Council	21 March 2025	
Vytenis Rasutis	Member of the Supervisory Council	21 March 2025	
Kęstutis Jovaišas	Member of the Supervisory Council	21 March 2025	

Source: the Issuer

The Bank's Supervisory Council is a collegial supervisory body overseeing the activities of the Bank. The Supervisory Council is headed by its chairperson. The Supervisory Council, consisting of 4 (four) members, is elected by the Bank's General Meeting of Shareholders for a term of 4 (four) years.

The Bank's Articles of Association provide that the number of terms a member may serve on the Supervisory Council is not limited.

Functions of the Supervisory Council:

- Elects and removes members of the Bank's Management Board. If the Bank operates at a loss, the Supervisory Council must assess whether the members of the Management Board are suitable for their positions;
- Oversees the activities of the Management Board and the Chief Executive Officer (CEO) of the Bank;
- Approves the Rules of Procedure of the Supervisory Council;
- Approves the Bank's business plans;
- Ensures the effectiveness of internal control and internal audit systems within the Bank;
- Establishes the Audit Committee and approves its regulations;
- Submits proposals and comments to the General Meeting of Shareholders regarding the Bank's business strategy, the Bank's annual financial statements, the profit (loss) distribution plan, the Bank's management report, and the performance of the Management Board and of the CEO;
- Determines the procedure for lending that may be carried out only with the Supervisory Council's approval;
- Submits proposals to the Management Board and the CEO to revoke decisions that contradict laws or other legal acts, the Bank's Articles of Association, or decisions of the General Meeting of Shareholders;
- Discusses and decides on other matters that, in accordance with legal acts, the Bank's Articles of Association, or decisions of the General Meeting of Shareholders, must be considered or decided by the Supervisory Council.

The members of the Supervisory Council were elected at the Annual General Meeting of Shareholders of the Bank, held on 21 March 2025, for a term of 4 (four) years. The term of the Supervisory Council will end in March 2029.

Vytenis Rasutis (born in 1958). Graduated from University of Illinois (USA), where he gained the Bachelor's (in 1981) and Master's (in 1987) degrees in Business Sciences. He brings many years of experience in the investment banking.

Gintaras Treinys (born in 1967). Graduated from Vilnius University, the Faculty of Economics and Finance, where he gained a Master's degree in Economics. He brings many years of experience in the banking sector along with extensive leadership expertise.

Kęstutis Jovaišas (born in 1981). Graduated from Vilnius University, where he gained a Bachelor's degree in Management and Business Administration and a Master's degree in Economics. He has many years of experience working in financial institutions and possesses strong leadership skills.

Andrius Budnikas (born in 1987). Graduated from University College London, where he earned a Bachelor's degree in Mathematics and Economics, and from the University of Oxford, where he gained a Master's degree in Applied Statistics. He has experience in financial institutions and proven leadership capabilities.

Management Board

The Bank's Management Board is a collegial management body consisting of 5 (five) members. The Management Board manages the Bank, handles its affairs, represents the Bank, and is responsible, in accordance with legal requirements, for the proper provision of the Bank's financial services. The procedures governing the work of the Management Board are set out in the Rules of Procedure of the Management Board.

The members of the Management Board are elected and removed by the Bank's Supervisory Council. The term of office of the Management Board is 4 (four) years, with no limit on the number of terms a member may serve. If individual members of the Management Board are elected, they are appointed until the end of the current term of the existing Management Board.

On 1 February 2024, amendments to the Bank's Articles of Association were registered. One of the amendments increased the number of members of the Management Board from 4 (four) to 5 (five).

Table 4. Members of the Management Board

<i>Name, surname</i>	<i>Position within the Issuer</i>	<i>Other positions at the Bank</i>	<i>Beginning of term</i>	<i>End of term</i>
Marius Arlauskas	Chairman of the Board	Head of Administration since 2022	20 March 2024	The term of the current Bank's Board members ends in March 2028.
Igor Kovalčuk	Member of the Board	Deputy Head of Administration since 2013	19 March 2024	
Snieguolė Kudrevičienė	Member of the Board	Director of the Risk Division since 2023	19 March 2024	
Andrius Bernotas	Member of the Board	Director of the Finance Division since 2023	19 March 2024	
Julius Ivaška	Member of the Board	Director of the Business Division since 2023	19 March 2024	

Source: the Issuer

The Bank's Management Board is a collegial management body consisting of 5 (five) members. The Management Board manages the Bank, handles its affairs, represents the Bank, and is responsible, in accordance with legal requirements, for the proper provision of the Bank's financial services. The procedures governing the work of the Management Board are set out in the Rules of Procedure of the Management Board.

The members of the Management Board are elected and removed by the Bank's Supervisory Council. The term of office of the Management Board is 4 (four) years, with no limit on the number of terms a member may serve. If individual members of the Management Board are elected, they are appointed until the end of the current term of the existing Management Board.

On 1 February 2024, amendments to the Bank's Articles of Association were registered. One of the amendments increased the number of members of the Management Board from 4 (four) to 5 (five).

Marius Arlauskas (born in 1977). Graduated from Kaunas Technology University, the Faculty of Administration, where he gained the Master's degree in Business Administration. Before starting his career at the Bank, Marius worked at Ūkio bankas AB for 14 years, where he developed his career from the Economist to the Manager of the Department of Finance Institutions and Resources, as well as held the positions of a member of the management board and the Deputy Manager. For 2 years Marius had also worked at Šiaulių bankas (now Artea bankas), where he held the position of the Manager of Trade Financing Department. From 2016, Marius had been the Deputy Manager and member of the Board of the Bank. Since 2022, Marius has been the Head of Administration and the Chairman of the Board of the Bank.

Igor Kovalčuk (born in 1965). Graduated from Vilnius University, the Faculty of Law, where he gained the Master's degree in Law. Igor has started his career as the bailiff, and later Igor worked at Litimpex bankas for 12 years, where he development his career from the jurisconsult to the Manager of the Property Security Division and of the Legal Division. From November 2005 until October 2009, Igor held the positions of the Manager of the Asset Realisation Subdivision at the State Tax Inspectorate. From November 2009 until April 2010, Igor was the Manager of the Debt Recovery Division at Citadele bankas AB. From April 2010, Igor was the Manager of the Division at Snoras bank AB. From 2013, Igor has held various positions within the Bank, including the Manager of the Legal department, and currently is the member of the Board and the Deputy Head of Administration.

Snieguolė Kudrevičienė (born in 1968). Graduated from Lithuanian Academy of Agriculture, the Faculty of Economics, where she gained the qualifications as an Economist and Organizer. Since 1 June 1993, she has consistently developed her career at UAB Urbo Bankas, where she held various positions and progressed from the Deputy Chief Accountant position to, currently, holding the position of the Director of the Risk Department and a member of the Board of the Bank.

Andrius Bernotas (born in 1976). Graduated from Vilnius University, the Faculty of Economics, where he gained the Master's degree in Banking. Andrius has also graduated from Mykolas Romeris University, where he gained the Master's degree in Law. Before starting his career at the Bank, Andrius previously worked at Hansabank (now Swedbank) for 9 years and at Citadele Bank for 13 years, where he was responsible for product development, sales, branch network expansion, and operational efficiency. Since June 2021 till it was insourced to the Bank, Andrius had led UAB Saugus kreditas, a subsidiary of the Bank. Since August 2023, Andrius has held the positions of the Director of the Finance Service and the Board member of the Bank.

Julius Ivaška (born in 1983). Graduated from Kaunas Technology University, the Faculty of Economics and Management, where he gained the Master's degree in Economics. He joined the Bank in 2016 as Director of the Treasury Department, and in 2019, served as Director of the Commerce Department. Since 2023, Julius has held the position of the Director of the Business Service. Since 2018, he had also chaired the Board of the Bank's subsidiary, UAB Saugus kreditas, and had been a member of both the Risk Management and Credit Committees of the Bank. Since May 2024, Julius has been the Board member of the Bank.

Key Executives

As all the Key Executives are all also members of the Management Board, the information on all of them is provided in the Section above.

The Key Executives have employment relations with the Company which are of unlimited duration. Under the Law on Companies of the Republic of Lithuania, the Manager may be revoked from the position by the Management Board without any early notice for any cause. The same applies to the Management Board members, who may be revoked from the position by the Supervisory Council without any early notice for any cause. However, taking into consideration the fact that all the Management Board members are also serving as the Key Executives, they may be dismissed from these positions of the Company only on the grounds and following the procedure indicated in the Labour Code of the Republic of Lithuania.

Bank Committees

The Bank has permanent non-structural units – the Audit Committee, the Credit Committee, and the Risk Management Committee. The formation and operating procedures of these Bank Committees, as well as the competency requirements for their members, are defined by the legal acts of supervisory authorities, the Bank's Articles of Association, the regulations of the respective Committees, and other documents adopted by the Bank's governing bodies.

The Credit Committee

The Credit Committee reviews loan application documents, makes decisions on loan approvals and amendments to loan conditions, assesses loan risk, provides recommendations regarding loan issuance, interest rates, and the improvement of loan administration procedures, and performs other functions as defined in the Credit Committee's regulations. The Credit Committee is formed and overseen by the Bank's Management Board.

As of 31 December 2024, the members of the Credit Committee were: Jurgita Kveragienė, Vaidas Vyšniauskas, Mindaugas Bičkauskas, Agnė Naujokaitienė, Eglė Juknienė.

The Risk Management Committee

The Risk Management Committee identifies, assesses, monitors, and controls all types of risks faced by the Bank. It also oversees acceptable risk parameters and performs other functions set out in the Risk Management Committee's regulations. The Risk Management Committee is formed and supervised by the Bank's Management Board.

As of 31 December 2024, the members of the Risk Management Committee were: Milda Vasiliauskienė, Laura Karpinskienė, Lina Bertašienė, Vida Vabolienė, Gražina Vilimienė.

The Audit Committee

The Audit Committee monitors the effectiveness of the Bank's internal quality control, risk management systems, and internal audit. It oversees and ensures the smooth organization of the financial reporting audit process for the Bank. The Committee is responsible for carrying out the selection procedure of the external audit firm to perform the audit of the Bank's financial statements. It coordinates and evaluates the work of the Bank's Internal Audit Department and ensures the proper and timely provision of information regarding the Audit Committee's activities, the supervision of the audit firm, and the processes of its selection, appointment, or replacement to the Bank's Supervisory Council, the Bank's General Meeting of Shareholders, and competent authorities.

As of 31 December 2024, the members of the Audit Committee were: Kristina Rinkevičienė, Kęstutis Jovaišas, Jūratė Zarankienė.

Trend Information

There has been neither material adverse change in the prospects, financial performance of the Issuer nor material changes to the Issuer's borrowing and funding structure since 31 December 2024. The Management is not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects at least for the current financial year, save for the ongoing uncertainty related to the war in Ukraine. The factors that may have a negative impact on the results and operations of the Issuer further described in the Section "*Risk Factors*" above.

Legal Proceedings and Investigations

Within the framework of the normal business operations, the Issuer faces claims in civil lawsuits and disputes, most of which involve relatively limited amounts. As at the date of this Base Prospectus, none of the current disputes may have, or have had a significant adverse effect on the Issuer or its financial position.

Anti-Money Laundering, Combating the Financing of Terrorism Activities and Sanctions Implementation Activities

The Issuer has a continuous focus on AML/CFT and implementation of international sanctions and restrictive measures ("**Sanctions**"). Existing AML and CFT measures, policies and procedures are being reviewed and updated at least annually and immediately upon changes of relevant national, EU and international legislation, national and EU supranational risk assessments, best banking and business practices, international guidelines and recommendations developed by international anti-money laundering and counter-terrorist financing working groups.

The Issuer conducts Enterprise-Wide AML/CFT and Sanctions Risk Assessments, taking into account customer risk, country or geographic region risk, product or service risk and product or service channel risk. The assessment is conducted at least annually. If it is determined that existing measures are insufficient to manage the risks, a risk management/mitigation plan is being developed and presented to the Management Board and the Audit Committee, together with the assessment results. Competent structural units of the issuer are committed to duly implement measures included in the plan.

The Issuer is employing a three defence lines model to ensure compliant, effective and efficient governance of the AML/CFT and Sanctions program. A comprehensive set of measures that the Issuer use to determine and manage AML/CFT and Sanctions risks include: ordinary and enhanced customer identification as well as implementation of *Know Your Customer* ("**KYC**") procedures, ordinary and enhanced customer due diligence, transaction monitoring and customer screening, entity-wide and customer risk assessment, review and amendment of internal control functions and procedures, backtesting and updating customer scoring, screening and transaction monitoring systems, engaging in a proactive dialogue with correspondent banks to match their risk appetite and systematic co-operation with the supervisory as well as law enforcement authorities, conducting AML, CFT and Sanctions trainings for employees as well as members of bodies and committees. Risk-based approach is applied when mitigating AML/CFT risks. Internal and external audits of the Issuer's AML/CFT and Sanctions program are constantly conducted.

The Issuer ensure implementation of international sanctions by focusing on compliance with applicable Sanctions regulations, laws and guidelines, recommendations and standards issued by European

Commission, local regulatory and supervisory authorities and relevant international organizations, as well as those issued by Lithuanian Banking Association. The Issuer conducts ongoing sanctions screening of its customers, their beneficial owners, and customer transactions. The screening is performed against sanctions lists issued by the EU, UN, US, UK and national competent authorities.

The Issuer evaluates AML/CFT and Sanctions risk level of its customers every time prior to an on-boarding and periodically reevaluates the risk level. Customer information is periodically updated by repeating KYC procedures and customer specific risk is revaluated in order to reflect the changes in customer risk profile and adopt equivalent risk mitigation measures. The Issuer also screens all its customers and their beneficial owners against Politically Exposed Persons (PEP) and adverse media lists.

In addition to customer and transaction screening, the Issuer conduct constant real time and retrospective transaction monitoring. Transaction monitoring is base on predefined scenarios and thresholds that are set in compliance with legislative requirements, international standards, industry guidance and practice, Enterprise-Wide AML/CFT and Sanctions Risk Assessments results and other emerging threats. The scenarios and thresholds are reviewed at least annually. In addition, staff are able to raise any concerns or suspicions through an internal reporting process. Any identified suspicious transactions and activity is reported to the national financial intelligence unit - Financial Crime Investigation Service, as required by national law.

MARKET ENVIRONMENT

The information presented in this section has been extracted from publicly available sources and documents. The source of external information is always given if such information is used in this section. While reviewing, searching for and processing macroeconomic, market, industry or other data from external sources such as the European Commission or government publications none of it has been independently verified by the Issuer, the Arranger (the Dealer) or any of their affiliates or the Issuer's advisers in connection with the Programme.

The Issuer does not intend to and does not warrant to update the data concerning the market or the industry as presented in this section, unless such duties arise out of generally binding regulations.

Lithuania

The Lithuanian banking market is considered stable and well-developed. It has a strong regulatory framework in line with European Union (EU) standards and operates under the supervision of the Bank of Lithuania, the country's central bank. The Lithuanian banking market is dominated by a few major players (including Swedish banking groups Swedbank and SEB as well as the Luminor Lithuanian branch). These banks hold significant market share and provide a wide range of services to both individuals and businesses. While a few banks dominate the market, there has been a gradual increase in competition in recent years. This has been partly driven by the entry of new market players, the expansion of existing banks, and the development of financial technology (fintech) companies offering innovative financial services. Banks in Lithuania are increasingly focusing on innovation to enhance customer experience and offer new products and services. This includes the development of online and mobile banking platforms, digital payment solutions, and other technological advancements to meet evolving customer expectations.

Despite cyclical macroeconomic challenges and ongoing geopolitical threats, the Lithuanian banking sector achieved record profitability in 2024 while maintaining a high level of loan quality and continuing to increase liquidity reserves. All banks complied with the safe margins with the capital adequacy and liquidity requirements in 2024.

The challenges of 2024 did not halt lending activity. The banking loan portfolio increased by 11% over the year to EUR 31.7 billion. The slowdown in economic growth and rising interest rates worsened the quality of the loan portfolio only marginally; the level of non-performing loans remains lower than the eurozone average.

According to data from the Bank of Lithuania (BoL), deposits in the Lithuanian banking sector grew by 9.3% in 2024, reaching EUR 73.4 billion. This indicates a slight slowdown in deposit growth compared to 2023, when the increase was 9.4%. Although the growth rate decreased, deposits continued to rise, with household deposits experiencing the largest increase of 11.9%.

With rising interest rates, deposits rapidly shifted towards term deposits. By the end of 2024, term deposits accounted for 25.3% of all deposits, while overnight deposits made up 59.4%.

According to the Bank of Lithuania's (BoL) 2024 annual report, the banking sector's net profit in 2024 reached EUR 1.021 billion, which is 3.2% higher than in 2023. The capital adequacy ratio was 21.4%, and the liquidity coverage ratio (LCR) was 347%, significantly exceeding the required minimum thresholds.

Despite the temporary profit tax introduced in 2023, which allocated EUR 250 million to the country's defense needs, the sector maintained strong profitability. These indicators demonstrate that the Lithuanian banking sector remains stable and profitable.

Economy in which the Issuer operate (Lithuania)

After a challenging 2023 marked by geopolitical uncertainty and weakened external demand, Lithuania's economy rebounded in 2024. The country recorded GDP growth of 2.7%, driven by stronger consumption, investment recovery, and export growth despite ongoing external challenges. This growth reversed the previous year's contraction and positioned Lithuania as the fastest-growing economy in the Baltic region. However, inflationary pressures and global uncertainties continue to influence economic conditions.

From a sectoral perspective, finance and insurance, ITC services, civil-engineering construction, and some higher-value business services continued to contribute to the resilience of the economy in 2024. Meanwhile, manufacturing, HoReCa, and other domestically oriented service activities, as well as market-driven

construction subsectors and real estate operations, still faced cyclical pressures and remained in negative territory.

Although geopolitical threats, elevated interest rates, and other cyclical macroeconomic factors continued to deter companies from investments, public investment processes gained further momentum. The development of engineering structures, mostly financed by EU structural support—such as investments in roads, viaducts, other engineering structures, and energy infrastructure—accelerated and acted countercyclically, somewhat mitigating losses in other economic activities.

According to data from the Bank of Lithuania, household consumption in Lithuania grew by 3.6% in 2024 compared to 2023. This growth was supported by declining inflation, strengthening labor market conditions, and improving consumer sentiment. Average wages increased by 10.3% in 2024, while annual inflation decreased to 3.7% from 11.4% in 2023. These developments contributed to a recovery in real income growth, thereby enhancing household purchasing power.

Despite a general decline in interest rates, borrowing costs in certain segments, such as consumer loans, remained elevated, somewhat constraining consumption growth. Nonetheless, the overall consumption expansion reflects increasing economic resilience and a positive shift in household behavior.

These figures underscore that in 2024, Lithuania's economy and consumption exhibited favorable trends, with disinflation and wage growth acting as key drivers bolstering household purchasing power.

Based on data from the State Data Agency and the Employment Service, Lithuania's labor market remained resilient in 2024 despite various challenges. The average annual unemployment rate stood at 7.1%, which is 0.3 percentage points higher than in 2023. However, in the fourth quarter, the unemployment rate declined to 6.5%, compared to 7.4% in the same period of 2023. Employment levels for the 15–64 age group increased to 73.6%, up by 0.4 percentage points from the previous year. Youth employment (ages 15–24) remained stable at 30.8%. Net migration saw a positive balance, with 23,100 more people arriving in Lithuania than leaving, although this number was lower compared to 2023.

Despite cyclical and geopolitical challenges still tilting the balance of risks to growth to the downside, Lithuania's economy demonstrates resilience and is relatively well-prepared to catch the first waves of the recovering external demand. Given the dominating “soft landing” scenario for Developed Markets, Lithuania's economy is anticipated to rebound as well. Real GDP is expected to increase by 1.3% in 2024 and gather pace up to 2.5% in 2025, as borrowing costs subside and investment as well as private consumption drive growth. Low levels of public and private debt, along with substantial financial reserves, leave enough room to act countercyclically. While persisting geopolitical uncertainty, higher interest rates and other cyclical macroeconomic factors will continue suppressing private propensity to invest, public investment – especially EU-funded – is projected to remain high, particularly in national defense and energy-related construction projects. Moreover, economic recovery will benefit from a pick-up in private consumption, aided by easing inflation and improved purchasing power of households. Inflationary pressures are set to fade further, with HICP annual inflation slipping sharply below 4% in 2024 and moving closer to 3% in 2025. Meanwhile, the labour market is expected to remain resilient, with the unemployment rate staying within a sound corridor of 6.4–6.5% in 2024–2025 and the growth of earnings slowing slightly from 6% in 2024 to around 5% in 2025.

Sources: Bank of Lithuania (BoL) official reports and statistics (2023–2024), European Commission economic forecasts (2023–2024), European Central Bank (ECB) interest rate announcements and reports, LB communications on the temporary windfall tax (2023), and combined macroeconomic projections for Lithuania including GDP, inflation, wages, and unemployment forecasts (2024–2025).

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.

The summary covers Lithuanian, Latvian and Estonian tax consequences of ownership and disposition of the Notes to a resident entity or a non-resident entity acting through a permanent establishment in Lithuania (the “**Lithuanian Noteholder**”) or a non-resident entity which is not acting through a permanent establishment in Lithuania that holds such Notes (the “**Non-Lithuanian Noteholder**”).

THE REPUBLIC OF LITHUANIA

The information contained within this section is limited to Lithuanian withholding and income tax issues and prospective purchasers of Notes are advised to consult their own tax advisers concerning the overall Lithuanian tax consequences of the ownership and disposition of Notes.

A “**resident individual**” means an individual whose permanent place of residence is in the Republic of Lithuania, or whose personal, social or economic interests are located mainly in the Republic of Lithuania rather than abroad or who is present in the Republic of Lithuania for 183 or more days in the relevant tax period or for 280 or more days in two consecutive tax periods and for 90 or more days in one of these tax periods, and a “**resident entity**” means an entity which is legally established in the Republic of Lithuania

A non-resident is a natural or legal person not specified above.

Taxation of interest income and capital gains earned by non-resident entities acting through a permanent establishment in the Republic of Lithuania is the same as that of resident entities defined above, therefore, it is not separately outlined in the further sections of this Base Prospectus. For relevant details on the taxation of Lithuanian permanent establishments as Noteholders, please refer to the taxation of resident entities. Taxation of non-resident individuals acting through a fixed base in the Republic of Lithuania is the same as that of resident individuals defined above, if such non-resident individual earns interest income performing activity through a fixed base in the Republic of Lithuania.

Withholding Tax, Income Tax

Taxation of interest

Payments to individuals

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident or non-resident individual will be subject to personal income tax (“**PIT**”) at progressive tax rates of (i) 15%, in respect of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by an individual during a calendar year does not exceed the sum of 120 Lithuanian gross average salaries, which shall be determined on the basis of the gross average monthly salary (“**GAS**”) set forth in the Law on Approval of the State Social Funds Budgets Indicators for the relevant year (in 2025, the threshold amount would be EUR 253,065.60 and (ii) 20%, which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by an individual during the calendar year, exceeding the aforementioned threshold. When calculating the threshold for the non-resident individuals, the following Lithuanian-sourced income is taken into account: interest, royalties, income from sports and entertainment activities, capital gains and income from the rent from real estate located in the Republic of Lithuania and capital gains from movable property registrable in the Republic of Lithuania.

Part of the total amount of interest (including interest on the Notes) received during the calendar year up to the amount of EUR 500 will be exempt from personal income tax. The tax exemption will not apply to the

interest received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven. Personal income tax on the interest is to be paid by the resident individual himself/herself.

When interest is earned by a non-resident individual, the Issuer, as a Lithuanian interest-paying entity, will withhold 15% personal income tax and, if it turns out at the end of the year that a part of the amount was subject to 20% rate, the non-resident individual is to pay the difference himself/herself.

Separate double taxation treaties with the Republic of Lithuania can provide for a lower tax rate for non-resident individuals.

Starting from the year 2026:

Payments, in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to a resident or non-resident individual, will be subject to personal income tax at progressive 15/20/25/32% tax rates.

Part of the total amount of interest (including interest on the Notes) received during the calendar year up to the amount of EUR 500 will be exempt from personal income tax. The tax exemption will not apply to the interest received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven. Personal income tax on the interest is to be paid by the resident individual himself/herself.

If the annual non-employment income does not exceed 12 gross average salaries, it is subject to 15% PIT.

The part of income, exceeding 12 gross average salaries, is added up with other annual taxable income and their total amount is subject to progressive PIT rates of 20%, 25% and 32% as follows:

- i. income above 12 gross average salaries to 36 gross average salaries – at 20% personal income tax,
- ii. income above 36 gross average salaries to 60 gross average salaries – at 25% personal income tax,
- iii. income above 60 gross average salaries – at 32% personal income tax.

It is forecast that in 2026 1 gross average salary will amount to EUR 2,304.50, but the exact amount will be known at the end of the year, around November or December. The AWP amount changes each year.

The annual income taxed at 20%, 25%, 32% rates **includes:** employment income; income from individual activities carried out under a certificate; annual bonuses to the Management Board; remuneration for service on the Supervisory Council or the Management Board, on the loans committee; copyright remuneration from the employer; income of the head of a small partnership, not a partner of the partnership, for management activity; part of the individual activity income from waste sale that exceeds 12 gross average salaries; part of income from activities under a business license that exceeds EUR 50,000; part of annual non-employment income that exceeds 12 gross average salaries.

The annual income taxed at 20%, 25%, 32% rates **does not include:** income from distributed profit (dividends); sickness, maternity, child care, long-term employment benefits; income from sale of shares, interest in capital, member shares acquired outside the investment account if held longer than for 5 years before their sale or other disposal; life insurance benefit received after the expiry of a life insurance contract, equal to payments made; payments returned upon termination of a life insurance contract; a pension benefit received from a pension fund, equal to payments made; pension contributions paid that are returned after leaving a pension fund if all such contributions were deducted from income as the individual's expenses; amount taken from the investment account that exceeds the contribution in that investment account at the time of disbursement; income from sale of shares under an option with the employer or a related party if the shares are sold no earlier than 3 years after the appearance of the right to acquire the shares.

When calculating the threshold for the non-resident individual, the following Lithuanian-sourced income is taken into account: interest, royalties, income from sports and entertainment activities, capital gains and

income from the rent from real estate located in the Republic of Lithuania and capital gains from movable property registrable in the Republic of Lithuania.

The personal income tax is to be paid by the resident individual himself/herself by 1 May of the following year, upon submission of the annual personal income tax return.

When interest is earned by a non-resident individual, the Issuer, as a Lithuanian interest-paying entity, will withhold personal income tax (including at progressive rates), but will assess the personal income tax only on the amount it disburses, and, if it turns out at the end of the year that a part of the amount is subject to a higher rate, the non-resident individual is to pay the difference himself/herself by 1 May of the following year, upon submission of the annual personal income tax return.

Separate double taxation treaties with the Republic of Lithuania can provide for a lower tax rate for non-resident individuals.

Payments to entities

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes):

- i. to a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 16% corporate income tax (6% for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania, shall pay an additional 5% corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million. Banks and central credit unions' financial groups established and operating in the Republic of Lithuania, including branches of foreign banks in the Republic of Lithuania, for the period from 16 May 2023 until the end of 2025 shall pay an additional 60% temporary solidarity contribution on the net interest income (subject to special calculation rules) exceeding by 50% the average amount of net interest income during the four regular financial years preceding the last financial year (conditions apply).
- ii. to a non-resident entity, which is registered or otherwise organised in a state of the European Economic Area or in a state with which the Republic of Lithuania has concluded and brought into effect a double tax treaty, will not be subject to withholding tax in the Republic of Lithuania.
- iii. to a non-resident entity other than those listed above will be subject to 10% withholding tax.

If the Issuer as an interest-paying person is unable to identify the Noteholder and determine such Noteholder's eligibility for a lower tax rate or exemption from withholding tax, payments of interest in respect of the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to any such Noteholder will be subject to 15% personal income tax to be withheld and paid to the budget of the Republic of Lithuania by the Issuer.

Starting from the year 2026:

Payments in respect of interest on the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes):

- i. to a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 17% corporate income tax (7% for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania, shall pay an additional 5% corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million.
- ii. to a non-resident entity, which is registered or otherwise organised in a state of the European Economic Area or in a state with which the Republic of Lithuania has concluded and brought into effect a double tax treaty, will not be subject to withholding tax in the Republic of Lithuania.

- iii. to a non-resident entity other than those listed above will be subject to 10% withholding tax.

If the Issuer as an interest-paying person is unable to identify the Noteholder and determine such Noteholder's eligibility for a lower tax rate or exemption from withholding tax, payments of interest in respect of the Notes (including, to the extent applicable, the positive difference between the redemption price and the issue price of the Notes) to any such Noteholder will be subject to personal income tax to be withheld and paid to the budget of the Republic of Lithuania by the Issuer.

Taxation on Disposition of Notes

Payments to individuals

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident individual will be subject to progressive tax rates of (i) 15%, respect of income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year does not exceed the sum of 120 gross average salaries, which shall be determined on the basis of the gross average monthly salary set forth in the in the Law on Approval of the State Social Funds Budgets Indicators for the relevant year (in 2025, the threshold amounts to EUR 253,065.60 and (ii) 20%, which shall be applied to any income (excluding income from employment, self-employment, dividends, remuneration of board members and certain other types of income) received by a resident individual during the calendar year, exceeding the aforementioned threshold.

Part of the capital gains received from the sale of securities (including the Notes) during the calendar year up to the amount of EUR 500 will be exempt from personal income tax. The tax exemption will not apply if the sale proceeds are received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven.

The disposition of Notes by non-resident individuals will not be subject to any Lithuanian income or capital gains tax.

Starting from the year 2026:

Capital gains on disposal of the Notes received by a resident individual will be subject to personal income tax at progressive 15/20/25/32% tax rates.

The personal income tax is to be paid by the resident individual himself/herself by 1 May of the following year, upon submission of the annual personal income tax return.

The acquisition cost of the investment units disposed is to be deducted from income.

Part of the capital gains received from the sale of securities (including the Notes) during the calendar year up to the amount of EUR 500 will be exempt from personal income tax. The tax exemption will not apply if the sale proceeds are received from entities established in a tax haven or from individuals whose permanent place of residence is in a tax haven.

If the annual non-employment income does not exceed 12 Lithuanian gross average salaries, it is subject to 15% personal income tax.

The part of income exceeding 12 gross average salaries is added up with other annual taxable income and their total amount is subject to progressive personal income tax rates of 20%, 25% and 32% as follows:

- i. income above 12 gross average salaries to 36 gross average salaries – at 20% personal income tax,
- ii. income above 36 gross average salaries to 60 gross average salaries – at 25% personal income tax,
- iii. income above 60 gross average salaries – at 32% personal income tax.

The annual income taxed at 20%, 25%, 32% rates **includes:** employment income; income from individual activities carried out under a certificate; annual bonuses to the Management Board; remuneration for service on the Supervisory Council or the Management Board, on the loans committee; copyright remuneration from the employer; income of the head of a small partnership, not a partner of the partnership, for management activity; part of the individual activity income from waste sale that exceeds 12 gross average salaries; part of income from activities under a business license that exceeds EUR 50,000; part of annual non-employment income that exceeds 12 gross average salaries.

The annual income taxed at 20%, 25%, 32% rates **does not include:** income from distributed profit (dividends); sickness, maternity, child care, long-term employment benefits; income from sale of shares, interest in capital, member shares acquired outside the investment account if held longer than for 5 years before their sale or other disposal; life insurance benefit received after the expiry of a life insurance contract, equal to payments made; payments returned upon termination of a life insurance contract; a pension benefit received from a pension fund, equal to payments made; pension contributions paid that are returned after leaving a pension fund if all such contributions were deducted from income as the individual's expenses; amount taken from the investment account that exceeds the contribution in that investment account at the time of disbursement; income from sale of shares under an option with the employer or a related party if the shares are sold no earlier than 3 years after the appearance of the right to acquire the shares.

The disposition of Notes by non-resident individuals will not be subject to any Lithuanian income or capital gains tax.

Payments to entities

Capital gains (i.e. the difference between the sale price and acquisition costs) on disposal of the Notes received by a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 16% corporate income tax (6% for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania, shall pay additional 5% corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million.

The disposition of Notes by a non-resident entity will not be subject to any Lithuanian income or capital gains tax.

Starting from the year 2026:

Capital gains on disposal of the Notes received by a resident entity will be included into calculation of its taxable profit. Taxable profit will be subject to 17% corporate income tax (7% for small-sized entities or an incentive rate applicable to the Noteholder). Banks and credit unions, including central credit unions and branches of foreign banks in the Republic of Lithuania, shall pay additional 5% corporate income tax on taxable profits (subject to special calculation rules) exceeding EUR 2 million.

The disposition of Notes by a non-resident entity will not be subject to any Lithuanian income or capital gains tax.

Investment Account

Lithuanian resident individuals may postpone the taxation of their investment income by using an investment account (in Lithuanian: *investicinė sąskaita*) for the purposes of making transactions with certain financial assets (including the Notes). An investment account is a monetary account opened with a credit institution in a member state of the European Economic Area or the Organisation for Economic Co-operation and Development (OECD) or a state with which Lithuania has a valid tax treaty, through which transactions with the financial assets, taxation of income from which (capital gains, interest) a person wants to postpone, will be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid into the account). Therefore, financial income held in the investment account may be reinvested income tax free until it is withdrawn from the account. One is to report one's account to be an investment account to be treated as such.

Registration and Stamp Duty

Transfers of Notes will not be subject to any registration or stamp duty in the Republic of Lithuania.

THE REPUBLIC OF LATVIA

Taxation of the Noteholders individuals

Resident Individuals

An individual will be considered as a resident of Latvia for taxation purposes:

- if the individual's declared place of residence is in the Republic of Latvia; or
- if the individual stays in the Republic of Latvia 183 days or more within any 12-month period, starting or ending in the taxation year; or
- if the individual is a citizen of the Republic of Latvia employed abroad by the government of the Republic of Latvia.

In accordance with the Law on Personal Income Tax (in Latvian – *likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Notes for resident individuals will be subject to 20%. The tax shall be deducted before the payment and withheld if the payer is a Latvian legal entity otherwise the payment is made by the individual him/herself. The income from the alienation of the Notes (gain - calculated as a positive difference between the sale price and acquisition costs) will be subject to 20% tax, but the tax would be payable by the individual him/herself. Special rules apply if the transactions with the Notes are made through an investment account within the meaning of the Law on Personal Income Tax (in Latvian – *likums "Par iedzīvotāju ienākuma nodokli"*). In such case taxation of income (including interest income) is deferred until the moment when the amount withdrawn from the investment account exceeds the contributed amount, and any such tax would be payable by the individual him/herself.

Non-resident individuals

In accordance with the Law on Personal Income Tax (in Latvian – *Likums "Par iedzīvotāju ienākuma nodokli"*) the interest income from the Notes being circulated publicly as well as income from the alienation of the publicly circulated Notes will not be subject to tax in Latvia.

Taxation of the Noteholders entities

Resident entities

An entity will be considered as a resident of Latvia for tax purposes if it is or should have been established and registered in the Republic of Latvia in accordance with the legislative acts of the Republic of Latvia. This also include permanent establishments of foreign entities in Latvia.

Interest payments on the Notes and proceeds from the disposal of the Notes received by Latvian resident companies will not be subject to withholding tax in Latvia. Under the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) retained earnings are exempt from corporate income tax and only distributions are taxed. Corporate income tax rate on gross profit distribution is 20%. Corporate income tax on net amount of profit distribution is determined by dividing net amount with a coefficient of 0.8 (i.e., effective tax rate on net distributed profit is 25%).

Non-resident entities

In accordance with the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) the interest income and income from the alienation of the Notes for non-resident entities will not be taxable in Latvia.

Taxation of low-tax non-residents

In general, payments (including interest payments) to non-residents located, registered or incorporated in a no-tax or low-tax country or territory as defined in the Regulations of the Cabinet of Ministers No. 333 “Regulations on NoTax or Low-Tax Countries and Territories”, adopted on 27 June 2023; effective as of 1 July 2023 (“**Low Tax Non-Latvian Residents**”) are subject to withholding tax of 20 per-cent if the payer is a Latvian legal entity or 23 per-cent if the payer is a Latvian individual resident having obligation to withhold tax. However, pursuant to Article 5(6) of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) payments by Latvian legal entities to Low-Tax Non-Latvian Residents for securities publicly circulated in the EU or EEA are exempt from withholding tax if made at the market price. The State Revenue Service of the Republic of Latvia in a legally non-binding explanation to the Issuer has confirmed that pursuant to Article 5(6) of the of the Corporate Income Tax Law (in Latvian – *Uzņēmumu ienākuma nodokļa likums*) there is no withholding tax also on the interest payments made by the Issuer to the holders of the notes publicly circulated in the EU or EEA who are Low-Tax Non-Latvian Residents, provided that the payments are made at the market price.

Investment Account

Latvian resident individuals may postpone the taxation of their investment income by using an investment account (in Latvian: *investīciju kots*) for the purposes of making transactions with certain financial assets (including the Notes). An investment account is a monetary account opened with a European Economic Area or the Organisation for Economic Co-operation and Development (OECD) member state credit institution, through which the transactions with the financial assets, taxation of income from which (e.g. capital gains, etc.) a person wants to postpone, shall be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid in to the account). Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

Registration and Stamp Duty

Transfers of Notes will not be subject to any registration or stamp duty in the Republic of Latvia.

THE REPUBLIC OF ESTONIA

An individual will be considered as a resident of Estonia for taxation purposes:

- if the individual’s place of residence is in Estonia, or
- if the individual stays in Estonia for at least 183 days over the course of a period of 12 consecutive calendar months.

A person shall be deemed to be a resident as of the date of his or her arrival in Estonia.

A legal person, excluding a trust fund, is a resident if it is established pursuant to Estonian law. European public limited companies (SE) and European associations (SCE) whose registered office is registered in Estonia are also Estonian residents.

A non-resident is a natural or legal person not specified above.

Capital Gains from Sale or Exchange of Notes

Gains realised by an Estonian resident individual upon the sale or exchange of securities (including the Notes) are subject to income tax at the rate of 22% (the tax rate changes to 24% from January 1, 2026). Since all earnings of resident legal persons, including capital gains, are taxed only upon distribution (in Estonia corporate income tax is charged only on the distributed profit with the reinvested profits remaining untaxed until distribution), capital gains accruing to resident legal persons are not subject to immediate taxation. As a rule, capital gains received by non-residents from the sale or exchange of securities are not taxed in Estonia (except for certain securities related to the Estonian real estate). Non-resident Noteholders receiving capital gains from the sale or exchange of the Notes may be subject to declaring and paying income tax in their respective countries of residence. For the purposes of capital gains taxation, the gain derived from the sale of securities (including the Notes) is the difference between the acquisition cost and

the sales price of such securities. The gain derived from the exchange of securities is the difference between the acquisition cost of securities subject to exchange and the market price of the property received as a result of the exchange. The expenses directly related to the sale or exchange of Notes may be deducted from the gains but are generally rather limited.

Taxation of Interest.

Estonian resident individuals are subject to paying income tax (22%, the tax rate changes to 24% from January 1, 2026) on the interest received from loans, securities (including the Notes) and other debt obligations. Therefore, interest (coupon payments) received by Estonian resident individuals from the Notes is subject to income tax in Estonia. Such income tax is subject to withholding by the Company unless the resident individual notifies the Company that Notes were acquired from funds held in the Investment Account. Since all earnings of resident legal persons are taxed only upon distribution (as described above), interest received by Estonian resident legal persons is not subject to immediate taxation. As a rule, interest payments received by non-residents are exempt in Estonia (i.e. no withholdings are made). Note, however, that non-resident Noteholders receiving interest from the Notes may be subject to declaring and paying income tax in their respective countries of residence.

Investment Account.

Estonian resident individuals may postpone the taxation of their investment income by using an investment account (in Estonian: *investeerimiskonto*) for the purposes of making transactions with certain financial assets (including the Notes). An investment account is a monetary account opened with a European Economic Area or the Organisation for Economic Co-operation and Development (OECD) member state credit institution, through which the transactions with the financial assets, taxation of income from which (e.g. capital gains, etc.) a person wants to postpone, shall be made. The moment of taxation of the financial income held on an investment account is postponed until such income is withdrawn from the investment account (i.e. the amount withdrawn from the account exceeds the amount which had been previously paid in to the account). Therefore, financial income held at the investment account may be reinvested tax-free until it is withdrawn from the account.

Pension Investment Account.

Estonian resident individuals who have decided to grow their Estonian mandatory funded pension (II Pillar) via pension investment account (PIA, in Estonian: *pension investeerimiskonto*), can also acquire the Notes through PIA. Pension investment account is a separate bank account opened with an Estonian credit institution, which, on the one hand, is part of the mandatory funded pension system (incl. relevant benefits, such as additional contributions from the state), but on the other hand allows the person to make their own investment decisions. Like the ordinary investment account, PIA allows making of transactions with financial assets, whereas taxation of income from such assets (e.g., capital gain or interest from the Notes) is deferred until income is withdrawn from PIA. Monetary means withdrawn from PIA are, generally, taxed at a 22% income tax rate (the tax rate changes to 24% from January 1, 2026), unless withdrawn after reaching the retirement age, in which case a 10% income tax rate or a tax exemption (depending on the method of payment) applies.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” may be required to withhold on certain payments it makes (“**foreign passthrough payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Lithuania) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthrough payments are published in the U.S. Federal Register

and Notes that are characterised as debt (or which are not otherwise characterised as equity and have a defined term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining “**foreign passthrough payments**” are filed with the U.S. Federal Register generally would be “**grandfathered**” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under “*Terms and Conditions of the Notes - Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, the Issuer or any other person will not be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

By subscribing the Subordinated Notes, each Investor confirms having read this Base Prospectus, including Terms and Conditions, Final Terms and documents which are incorporated by reference to this Base Prospectus and form an integral part hereof (please see Section Information incorporated by reference), having accepted the terms and conditions set out in the Base Prospectus and having made the subscription according to the terms herein.

General structure of the Offering

The Offering shall be structured in the following order:

- (i) The subscription of the Notes will be organized through Nasdaq Vilnius as an Auction and Auction Rules will be applied, thus the Subscription Orders shall be submitted by the Investors through the Exchange Members and Nasdaq Auction Rules;
- (ii) the Issue Price shall be paid by the investors according to the order described further in this Base Prospectus and the Final Terms;
- (iii) based on the decision of the Issuer the Notes shall be allocated to the Investors;
- (iv) the Notes shall be registered with Nasdaq CSD and distributed to the Investors.

Cancellation of the Offering

The Issuer, at its own discretion, may cancel the primary distribution of the Notes at any time prior to the relevant Issue Date without disclosing any reason for doing so. In such event, Subscription Orders for the Notes that have been made will be disregarded, and any payments made in respect of the submitted Subscription Orders will be returned without interest or any other compensation to the Investors.

Subscription procedure; invalidity of the Subscription Orders

In order to subscribe for the Notes, the Investor must have a Securities Account with the Exchange Member and fill in a Subscription Order form provided by the Exchange Member during the Offering Period only in order for the Exchange Member to enter a buy order in Nasdaq's Vilnius trading system. The list of Exchange Members is available on the website <https://nasdaqbaltic.com/statistics/en/members>. The Subscription Orders shall be submitted by means accepted and used by the Exchange Members (e.g. physically, via the internet banking system or by any other available means). The Investor may submit multiple subscriptions which shall be merged for the purposes of allocation. The Offering Period will be indicated in the Final Terms.

By submitting a Subscription Order to the Exchange Member, every Investor (besides other acknowledgments and undertakings provided in the Base Prospectus):

- (i) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to arrange the settlement of the subscription on its/his/her behalf (taking such steps as are legally required to do so) and to forward the necessary information to the extent necessary for the completion of the subscription;
- (ii) shall ensure that when submitting a Subscription Order there are sufficient funds on the cash account connected to its/his/her Securities Account to cover the amount subscribed (i.e. the Issue Price multiplied by the amount of the Notes subscribed);
- (iii) authorizes and instructs the Exchange Member through which the Subscription Order is submitted to block the whole Subscription amount on the investor's cash account connected to its/his/her Securities Account until the allotment of Notes pursuant to this Document and Auction Rules, and registration with the Register is completed on the Issue Date;
- (iv) authorizes the Exchange Member, Issuer and Nasdaq Vilnius to process, forward and exchange its/his/her personal data and information in the Subscription Order in order to participate in the Offering, to accept or reject the Subscription Order and comply with the Document and fulfil the Issuer's obligations under the Base Prospectus;
- (v) acknowledges that the Offering does not constitute an offer (in Lithuanian: *oferta*) of the Notes by the Issuer in legal terms, and that the submission of a Subscription Order does not constitute the acceptance of an offer, and therefore does not in itself entitle the investor to acquire the Notes, nor results in a contract for the sale of the Notes between the Issuer and the Investor, unless the Notes are allotted to the investor pursuant this Base Prospectus and the Notes are registered with the Register on the Issue Date;

- (vi) confirms that it/she/he has got familiarized with this Base Prospectus, Final Terms and Auction Rules.

The Subscription Order shall not be considered valid and shall not be processed in the following cases:

- (i) the purchase amount indicated in the Subscription Order is less than the Minimum Investment Amount (if any indicated in the Final Terms); or
- (ii) the Subscription Order was received after the Offering Period; or
- (iii) the Issuer and/or the Dealer (if any) rejects the Subscription Order due to any other reasons (e.g. oversubscription, violation of legal acts governing anti-money laundering prevention and/or sanctions).

The Exchange Members acting in accordance with internal rules and applicable laws shall inform the investors on rejection of provided Subscription Orders.

An investor shall bear all costs and fees charged by the respective account operator or a custodian accepting the Subscription Order in connection with the submission, cancellation or amendment of a Subscription Order.

Change and Withdrawal of the Subscription Orders

The Subscription Order may be amended, cancelled or withdrawn and new Subscription Order placed at any time until the end of the Offering Period. The Investor wishing to amend, cancel or withdraw placed Subscription Order shall submit a written statement on the subscription cancellation to the entity through which the Subscription Order has been submitted. This may result in costs and fees charged by the intermediary through which the Subscription Order is submitted.

Payment for the Notes

By submitting a Subscription Order each Investor authorises and instructs the Exchange Member through which the Subscription Order is submitted to immediately block the whole subscription amount on the Investor's cash account connected to its/his/her securities account until the settlement is completed or funds are released in accordance with these terms and conditions.

Allotment of the Notes to the Investors

After expiry of the relevant Offering Period, the Company shall decide which Investors shall be allotted with the Notes and to what amount, and which Investors shall not be allotted with the Notes. The Notes will be allocated to the investors participating in the Offering in accordance with the following principles: (i) the division of Notes between the retail and institutional investors has not been predetermined. The Company will determine the exact allocation in its sole discretion; (ii) under the same circumstances, all investors shall be treated equally, whereas dependent on the number of investors and interest towards the Offering, the Company may set minimum and maximum number of the Notes allocated to one investor; (iii) the allocation shall be aimed to create a solid and reliable investor base for the Company; (iv) the Company shall be entitled to prefer Bank's existing clients (natural and corporate persons, but excluding financial institutions and financial intermediaries and their clients) who have bank account with the Bank on the last date of the Offering Period; (v) possible multiple Subscription Orders submitted by an investor shall be merged for the purpose of allocation; (vi) Subscription Orders via a nominee accounts (incl. if made on the account of pension investment accounts) are treated as Subscription Orders from separate independent investors only if the Bank was disclosed with relevant information. Although each investor subscribing via a nominee account is considered as an independent investor during the allocation process, the nominee account holder is responsible for the allocation of the Notes to the investor; and (ix) each investor entitled to receive the Notes shall be allocated a whole number of Notes and, if necessary, the number of Notes to be allocated shall be rounded down to the closest whole number. Any remaining Notes which cannot be allocated using the above-described process will be allocated to investors on a random basis.

By placing a Subscription Order the Investors shall be considered as have consented to being allotted a lower number of Notes than the number specified in such Investor's Subscription Order, or to not being allotted any Notes at all, pursuant to this Base Prospectus.

Return of funds to Investor

If the Offering or a part thereof is cancelled, or if the Investor has not been allotted any Notes, or allotted a lower number of Notes than the number specified in such Investor's Subscription Order, or the Subscription Order has been cancelled or rejected, the funds blocked on the Investor's cash account, or the excess part thereof (the amount in excess of payment for the allocated Notes), will be released by the respective Exchange Member and pursuant to its agreement with the investor.

Regardless of the reason for which funds are released, neither the Issuer nor the Lead Manager shall be responsible for any relationships between the Investor and Exchange Member in connection with any operations happening on the cash account connected to the Investors' Securities Account.

Settlement

The Notes allocated to the Investors will be transferred to their securities accounts on or about the Settlement Date provided in the Final Terms through the "delivery versus payment" (DVP) method, meaning that the settlement procedure is carried out by Nasdaq CSD and Exchange Members on the Issue Date in accordance with the Auction Rules and title to the Notes purchased in the subscription process is obtained upon Notes transfer to respective Securities Account which is done simultaneously with making the cash payment for the purchased Notes. The title to the Notes will pass to the relevant investors when the Notes are recorded to their securities accounts. If an investor has submitted several Subscription Undertakings through several securities accounts, the Notes allocated to such investor will be transferred to all such securities accounts proportionally to the number of the Notes indicated in the Subscription Undertakings submitted for each account, rounded up or down as necessary.

United States of America

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Neither Issuer nor any dealer (whether or not participating in the offering), except as permitted by the Dealer Agreement, will offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Issuer by Dealer within the United States or to, or for the account or benefit of, U.S. persons, and Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

The Issuer has represented, warranted and agreed, and each further dealer appointed (if any) will be required to represent, warrant and agree, that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Dealer Agreement

The Dealer has entered into the Dealer Agreement with the Issuer in September 2025. The Dealer has represented, warranted and agreed that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it offers, sells or delivers Notes or distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealer shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealer described in the paragraph headed "*General*" above.

Neither the Issuer nor Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. Authorisation

The establishment of the Programme was authorised by the resolution of the Management Board of the Issuer dated 22 September 2025.

2. Legal and Arbitration Proceedings

The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Issuer financial position or profitability.

3. Significant/Material Change

Since 31 December 2024 there has been no material adverse change in the prospects of the Issuer nor any significant change in the financial position or performance of the Issuer.

4. Auditors

UAB "ROSK Consulting" (auditor Arūnas Ažubalis, auditor's certificate No 000543) has audited the consolidated financial statements of the Issuer for the year ended 31 December 2024, for the year ended 31 December 2023. No other information presented in this Base Prospectus has been audited or reviewed by auditors. All these financial statements are incorporated into this Base Prospectus by reference. Audit company issued unqualified auditor's reports regarding all these financial statements. UAB "ROSK Consulting" is member of the Lithuanian Chamber of Auditors.

5. Documents on Display

Electronic copies of the following documents (together with English translations thereof, where applicable) may be obtained from during normal business hours at the offices of the Issuer at Konstitucijos ave. 18B, Vilnius, the Republic of Lithuania, or at www.urbo.lt for 12 months from the date of this Base Prospectus:

- (i) the Articles of Association of the Issuer;
- (ii) this Base Prospectus.

For the avoidance of doubt, unless specifically incorporated by reference to this Base Prospectus, information on the website of the Issuer does not form part of this Base Prospectus.

6. Material Contracts

There are no other contracts except the above-mentioned (not including contracts entered into in the ordinary course of business) that have been entered into by the Issuer that are, or may be, material or contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes.

7. Clearing of the Notes

The Notes have been accepted for clearance through Nasdaq CSD. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

8. Issue Price and Yield

Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the

case of different Tranches of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

9. Representation of Noteholders and the Agreement with the Trustee

On 22 September 2025 the Issuer has concluded the Agreement on Noteholders' Protection with UAB „AUDIFINA“, a private limited liability company, legal entity code 125921757, with its registered address at A. Juozapavičiaus st. 6, LT-09310 Vilnius, the Republic of Lithuania, which undertakes to safeguard the interests of the Noteholders in their relations with the Issuer.

Contact data of the Trustee: e-mail: info@audifina.lt; representative: Jolanta Ruzgienė; Website: <https://www.audifina.lt/>.

Each Noteholder is entitled to receive a copy of the Agreement on Noteholders' Protection concluded between the Issuer and the Trustee, applying via an e-mail of the Trustee indicated above.

Main obligations of the Trustee: (i) to take actions in order that the Company would fulfilled its obligations towards the Noteholders; (ii) to convene Noteholders' Meetings; (iii) to publish information regarding the Noteholders' Meetings being convened under procedure of the Law on Protection of Interests of Noteholders; (iv) to provide the Noteholders' Meetings with all relevant documents and information; (v) to provide Noteholders' Meeting, in which the question is being addressed regarding approval of the enforcement measures in respect of Issuer's outstanding commitments to Noteholders, the recommendatory opinion, whereby the reasoned opinion to approve or reject the enforcement measures suggested by the Issuer is provided; (vi) to execute the decisions of the Noteholders' Meetings; (vii) no later than within 5 business days as from the day of receipt of a request of the Noteholder(s) to provide information, to gratuitously present all the information about the Issuer, Notes or other information related to the protection of their interests; (viii) no later than within 3 business days from the receipt date of the Noteholder's request to provide a copy of the Agreement on Noteholders' Protection free of charge; (ix) to provide the Noteholder(s) with all other information related to the protection of their interests; (x) no later than on the next business day to inform the Issuer that the Trustee has lost the right to provide audit services (in this particular case), or acquired legal status "in bankruptcy" or "in liquidation".

10. Rights Conferred by Notes to be Offered and Admitted to Trading

The Notes of the Issue under the same Series shall grant the Noteholders equal rights. As from the Maturity Date of the Notes, the Noteholders shall have a right to receive from the Company the Nominal Amount and the interest accrued and unpaid to dates. If the Company does not redeem the Notes on their maturity, all settlements with the Noteholders shall be made through the account of the Trustee.

The Noteholders shall have the rights provided in Law on Protection of Interests of Noteholders, the civil Code, the Law on Companies and other laws regulating the rights of Noteholders, including the following rights: (i) to receive the interest accrued; (ii) to receive the Nominal Amount and the interest accrued at the Maturity Date; (iii) to sell or transfer otherwise all or part of the Notes; (iv) to bequeath all or part of owned Notes to the ownership of other persons (applicable only towards natural persons); (v) to pledge all or part of the Notes owned; (vi) to participate and vote in the Noteholders' Meetings; (vii) to initiate the convocation of the Noteholders' Meetings following the procedure and in cases provided for in the Law on Protection of Interests of Noteholders; (viii) to adopt a decision to convene the Noteholders' Meeting following the procedure and in cases provided for in the Law on Protection of Interests of Noteholders; (ix) to obtain (request) the information about the Issuer, the Notes or other information related to the protection of his/her/its interests from the Trustee, except for cases established in the Prospectus when Noteholder has a right to request the Issuer to provide his/her/its Subscription Order and Confirmation addressed to him/her/it; (x) to receive a copy of the Agreement on Noteholders' Protection concluded between the Issuer and the Trustee from the Trustee; (xi) other rights, established in the applicable laws, the Agreement on Noteholders' Protection or in the constitutional documents of the Issuer.

No Noteholder shall be entitled to exercise any right of set-off against moneys owed by the Issuer in respect of the Notes.

11. The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 529900F2SC8ANS0A2T76.

12. Issuer Website

The Issuer's website is www.urbo.lt. Unless specifically incorporated by reference to this Base Prospectus, information contained on the website does not form part of this Base Prospectus and has not been scrutinised or approved by the BoL.

13. Validity of prospectus and prospectus supplements

For the avoidance of doubt, the Issuer shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

GLOSSARY

Term	Definition
AML	Anti-money laundering.
Articles of Association	The Articles of Association of the Company effective as at the date of this Prospectus.
Audited Financial Statements	The audited consolidated financial statements of the Company for the year ended 31 December 2024 and 31 December 2023.
Bail-in and Loss Absorption Powers	Any loss absorption, write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in the Republic of Lithuania, relating to (i) the SRM Regulation, (ii) the transposition of the BRRD (including but not limited to the Law on Financial Sustainability of the Republic of Lithuania (in Lithuanian: <i>Lietuvos Respublikos finansinio tvarumo įstatymas</i>) as amended or replaced from time to time), and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period).
BoL	The Bank of Lithuania, legal address Totorių str. 4, LT-01121, Vilnius, Lithuania; phone: +370 800 50 500; e-mail: info@lb.lt .
BRRD	Directive 2014/59/EU as the same may be amended or replaced from time to time, including without limitation, by the Creditor Hierarchy Directive and Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending the Bank Recovery and Resolution Directive as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.
CET1	Common equity tier 1.
CFT	Combating the financing of terrorism.
CIT	Corporate income tax.
Company/Bank/Issuer	Uždaroji akcinė bendrovė Urbo bankas, a private limited liability company incorporated in, and operating under the laws of, the Republic of Lithuania, and registered with Register of Legal Entities of Lithuania under the registration number: 112027077, legal address: Konstitucijos ave. 18B, Vilnius, Lithuania.
CRD Directive	Directive 2013/36/EU, as the same may be amended or replaced from time to time, including without limitation as amended by Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019.
CRR	Regulation (EU) No 575/2013, as the same may be amended or replaced from time to time (including as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of May 20, 2019) or similar laws in Lithuania).
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Commission Regulation (EC) No 809/2004, as supplemented or amended from time to time.
ECB	European Central Bank.
EEA	European Economic Area.
ESMA	European Securities and Markets Authority.
EU	European Union.
EUR	The official currency of Eurozone countries, including Lithuania, the euro.
Eurozone	Economic and monetary union (EMU) of the European Union member states, which have adopted euro as their single official currency.

Excluded Territories	Australia, Canada, Hong Kong, Japan, South Africa and any other jurisdiction where the distribution of this Prospectus and/or the transfer of the Notes would breach applicable law.
Final Terms	The set of terms and conditions of the Terms and Conditions of the Notes established separately for each Tranche of the Note issue as determined by the Terms and Conditions of the Notes.
General Meeting	General Meeting of shareholders of the Company, the highest governing body of the Company.
IAS	International accounting standards.
ICT	Information and Communications Technology.
IFRS	International Financial Reporting Standards as adopted by the European Union.
Issue Price	The price payable for one Note upon the issue thereof as determined in accordance with the relevant Final Terms.
Law on Protection of Interests of Noteholders	Law on Protection of Interests of Noteholders of the Republic of Lithuania.
Management	The CEO together with the Management Board and the Supervisory Council of the Company.
Management Board	The Management Board of the Company.
Member State	Member state of the EEA.
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast) as supplemented or amended from time to time.
MiFID Product Governance Rules	MiFID Product Governance rules under EU Delegated Directive 2017/593.
Nasdaq CSD	Nasdaq CSD SE Lithuanian branch, registered with Register of Legal Entities of Lithuania under register code 304602060, having its registered address at Konstitucijos ave. 29-1, Vilnius, Lithuania.
Nasdaq Vilnius	Regulated market operated by Nasdaq Vilnius AB (register code 110057488).
Notes	Up to 10,000 subordinated notes with the nominal value of EUR 1,000 issued by the Company in accordance with the Terms and Conditions.
Offering	Offering of the Notes to institutional and retail investors in Lithuania, Latvia and Estonia, which is a public offering of securities within the meaning of the Prospectus Regulation.
Offering Period	The period within which the persons who have the right to participate in the Offering may submit Subscription Undertakings for the Notes. The Offering Period of each Offering will be announced separately.
Programme	All series of Note issues in the aggregate principal amount of EUR 10,000,000 as established by the Company in accordance with the Terms and Conditions.
Prospectus	This public offering, listing and admission to trading base prospectus document.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC, as supplemented or amended from time to time.
Resolution Authority	The European Single Resolution Board, the BoL, or such other regulatory authority or governmental body with the ability to exercise any Bail-in and Loss Absorption Powers in relation to the Company.
Restricted Territories	Member States of the European Economic Area (excluding Lithuania, Latvia and Estonia).
Section	A section of this Prospectus.
Share	The ordinary share of the Company with the nominal value of EUR 0.50.
SME	Small and medium-sized enterprise.
SREP	Supervisory Review and Evaluation Process.

SRM Regulation	Regulation (EU) No 806/2014, as the same may be amended or replaced from time to time.
Supervisory Council	The Supervisory Council of the Company.
Terms and Conditions	The Terms and Conditions of Tier 2 Subordinated Notes as established by this Prospectus.
UK	The United Kingdom of Great Britain and Northern Ireland.

REGISTERED OFFICE OF THE ISSUER

Uždaroji akcinė bendrovė Urbo bankas

Konstitucijos ave. 18B

Vilnius

Lithuania

DEALER and LEAD MANAGER

AB Artea bankas

Tilžės str. 149

Šiauliai

Lithuania

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As to Lithuanian law:

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