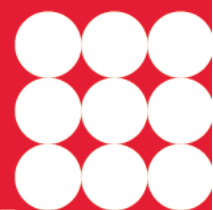




AS Citadele banka

Remuneration Report

For the year ended
31 December 2025



INTRODUCTION

In accordance with the Regulation (EU) No 575/2013 and Financial and Capital Market Commission "Regulation on remuneration policy principles and application" No.154 Citadele Group must disclose information on remuneration policy at consolidated level. Citadele Group is supervised on a consolidated level. The information is disclosed taking into consideration confidentiality and individuals' data protection principles.

This report is prepared in thousands of Euros (EUR thousands). If not mentioned otherwise, the data is shown as of 31 December 2025 or for the year then ended.

This report should be read in conjunction with the latest annual report, the risk management and capital adequacy report and the statement on corporate governance as certain important information is disclosed in these reports and is not repeated in this report. These reports are available at www.cblgroup.com.

CONSOLIDATION GROUP

AS Citadele banka (thereon – the Bank), registration number 40103303559, is the parent company of the Group. In the consolidation group for regulatory purposes (thereon – the Group) companies are included as per requirements of Regulation (EU) No 575/2013; in the consolidation group for the accounting purposes companies are included in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union.

The consolidation Group for regulatory purposes at period end for which information is provided in this report

Name of the company	Business profile	Bank's share (%)	Country
AS Citadele banka	Banking	100	LV
SIA Citadele Leasing	Leasing	100	LV
SIA Citadele Factoring	Leasing and factoring	100	LV
IPAS CBL Asset Management	Investment management company	100	LV
UAB Citadele Factoring	Leasing and factoring	100	LT
SIA Hortus Residential	Support services	100	LV
AS CBL Atklātais Pensiju Fonds	Pension fund	100	LV
OU Citadele Factoring	Leasing and factoring	100	EE
SIA CL Insurance Broker	Insurance brokerage	100	LV

Subsidiary which is not included in the consolidation Group for the regulatory purposes, but which is included in consolidation for the IFRS purposes

Name of the company	Business profile	Bank's share (%)	Country
AAS CBL Life	Life insurance	100	LV

REMUNERATION POLICY

The purpose of the Remuneration policy is to define core principles and policy of remuneration of employees of AS Citadele banka and its Group. The purpose of the Remuneration Policy of the Group is to retain, attract, motivate and develop professional and talented employees and to promote accomplishment of short-term and long-term goals. This policy is compulsory to all employees of the Bank and the Group. The Bank has established Remuneration and Nomination Committee, which also oversees Group's remuneration policy aspects, approves key decisions on the Group's remuneration, reviews the Group's remuneration philosophy and structure each year to ensure that the remuneration framework remains effective in supporting the Group's strategic objectives and fairly rewards individuals for the contribution that they make to the business, having regard to the size and complexity of the Group's operations and the need to motivate and attract employees of the highest professional level. The Remuneration and Nomination Committee meets four times per year, or more frequently if required. The committee is established by the Bank's Supervisory Board and it comprises of Supervisory Board members.

OBJECTIVES OF THE REMUNERATION POLICY

The purpose of the Remuneration policy is to define remuneration system in the Group, which would ensure:

- Remuneration which corresponds to each employee's performance;
- Consistency and integrity of remuneration across the Group;
- Compliance and competitiveness of remuneration in the labour market;
- Avoidance of unlawful or unfair discrimination and implementing gender neutrality;
- With respect to categories of staff having an impact on the risk profile:
 - Does not encourage risks taking which exceed the levels defined in the Group's risk strategy and related documents and for each individual risk as defined in the policies for respective risk;
 - Does not limit the Group's ability to strengthen its regulatory capital (in accordance with Remuneration Policy requirements related to bonus pool);
 - Complies with the business targets and values defined in the Group's development strategy, e.g. code of ethics, long-term goals, business objectives of the long-term development strategy, as well as complies with and encourages prudent and effective risk management and prevention of conflicts of interest;
 - Does not contradict with client, investor and other stakeholder interests;
 - Guaranteed amount of variable part of remuneration is not permitted and such practice would not comply with prudent risk management and requirements of the procedures. This shall not be incorporated in the future remuneration plans.

Guaranteed variable part of remuneration as an exception may be permitted only for newly hired employees during their first year with Citadele, if this does not preclude the Bank and the Group to sustain appropriate capital basis.

Remuneration for employees which perform internal control functions (risk control, compliance and internal audit functions) is set in accordance with the defined level of internal function's objectives, independently from achieved results in the internal control functions direct responsibilities.

ELEMENTS OF REMUNERATION'S STRUCTURE

Remuneration in the Group includes:

- Fixed part of remuneration or salary, which mainly represents professional experience and level of responsibility of the employee which is established in the employee's job description and work agreement. Fixed part of remuneration is salary and special payments to employees not related to performance, but other factors.
- Variable part of remuneration represents performance of the employee, persistence of the results and the related and probable risk evaluation. Variable part of remuneration is sales incentives, bonuses for achievement of qualitative and quantitative indicators and targets (monetary and in a form of financial instruments), specific bonuses for extraordinary achievements, long-term incentive plans and other benefits.

PRINCIPLES FOR SETTING THE FIXED PART OF REMUNERATION

The decision on the fixed part of remuneration for the Bank's employees is made by:

- For chairman of the Management Board, members of the Management Board, head of the Group's internal audit function, and employees whose remuneration is the same or greater than member of the Management Board lowest salary boarder – the Supervisory Board.
- For other employees, including other Bank's risk profile affecting employees, in accordance with employee mandate in human resource functions.

The decision on the fixed part of remuneration for other Group's employees is made by:

- For the Group's subsidiaries' members of the Supervisory Boards – the Bank's Management Board as the respective subsidiary's direct or indirect shareholder's or equity participant's representative.
- For the Group's subsidiaries' members of the Management Board – the Group's subsidiary's Supervisory Board, if such exists, or the Bank's Management Board.
- Other Group's subsidiaries' employees, including other risk profile affecting employees, in accordance with employee mandate in human resource functions in the respective Group's subsidiary.

For employees, excluding the Bank's and the Group's subsidiaries' members of the Supervisory Board and members of the Management Board, fixed part of remuneration is calculated based on the work done or hours worked.

- Remuneration for hours worked is dependent on the hours worked irrespective of the amount of work done;
- Remuneration for work done is dependent on the tasks performed irrespective of the time spent.

The Bank's Management Board establishes groups of positions and for each group of positions, including employees, whose professional activities have a material impact on its risk profile, ranges of fixed part of remuneration, taking into consideration findings of financial institution remuneration surveys carried out by competent organisations.

Fixed part of remuneration for each employee is established individually, in accordance with the level of competence and experience and in line with the range established for the respective group of positions. Management Board of the Bank has a right to decide in which cases fixed part of the remuneration may exceed or be less than the range established for the respective group of positions.

To objectively evaluate employee's fixed part of remuneration level versus job market, the Bank and the Group's subsidiaries regularly participate in both industry and interdisciplinary remuneration surveys.

PRINCIPLES FOR SETTING THE VARIABLE PART OF REMUNERATION

Variable part of remuneration may be disbursed in monetary form (bonuses for qualitative or quantitative indicators and achievement of targets, sales commission etc.) and as financial instruments.

The decision on variable part of remuneration for employees of the Bank is made by:

- Members of the Management Board, head of the Group's internal audit – Supervisory Board of the Bank;
- Employees whose professional activities have a material impact on institutions risk profile – Management Board of the Bank;
- Other employees – employees in accordance with the internal procedures of the Group.

The decision on variable part of remuneration of employees of the Group's subsidiaries is made by:

- Group's subsidiaries' members of the Supervisory and Management Boards – the Bank's Management Board;
- Group's subsidiaries' employees whose professional activities have a material impact on risk profile – the Group's Management Board;
- Other Group's subsidiaries' employees – the employee of the respective subsidiary in accordance with the mandate in human resource functions.

To evaluate the performance of the Group's employees annual goals (key performance indicators) are set at the beginning of the year. Individual performance goals are directly linked to the Bank's annual goals or for the Group's subsidiary goals. The following performance indicators according to employee's job duties are included:

- Financial targets – ratios which are applicable for the department or structure of the employee, e.g. budget fulfilment, profit or loss, liquidity;
- Client service targets – both internal and external permanent and recurring satisfaction indicators, attraction of new clients etc.;
- Process targets – client service speed, document turnaround speed, compliance indicators, i.e. compliance with relevant internal or external regulatory or legal requirements which might impact risk profile or financial results of the Group, the Bank or other subsidiaries of the Group.

The business and individual goals are set once a year and are documented.

If as a result of employee's actions or negligence an incident happens, as a result of which the Group's reputation is endangered, especially, if non-compliance with anti-money laundering and terrorism financing procedures is observed, a variable part of remuneration of the relevant employee may not be disbursed.

PRINCIPLES FOR SETTING VARIABLE PART OF REMUNERATION FOR EMPLOYEES WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTION'S RISK PROFILE

Variable part of remuneration for employees having an impact on the risk profile can be paid-out in accordance with the achievement of key performance indicators once per year.

If the variable part of remuneration is set:

- up to 50% from the respective employee's fixed part of remuneration in the reporting year – than up to 40% from variable part of remuneration is deferred for one year in accordance with the defined deferral proportion for the respective position with a material impact on institution's risk profile;
- from 50% (including) up to 100% (excluding) from the respective employee's fixed part of remuneration in the reporting year – not less than 40% from variable part of the remuneration is deferred up to four years;
- 100% and more from respective employee's fixed part of remuneration in the reporting year – no less than 60% from variable part of the remuneration is deferred up to five years.

When calculating variable part of remuneration for employees whose professional activities have a material impact on institution's risk profile consider:

- Individual performance of the employee in combination with performance of his operating unit and overall performance of the Group, the Bank and other subsidiaries of the Group;
- Bank's risk expert's expressed evaluation about persistence of the results in a two years period.

Before disbursement of deferred variable part of remuneration for employees whose professional activities have a material impact on institution's risk profile, the results which were basis to establish the variable part of remuneration and their persistence and related risks are evaluated. Use of instruments and methods which encourage evasion of requirements established in policies and in other relevant legal documents are not permissible. The risk control function provides to the Bank's Management Board evaluation of persistence of operating results.

Disbursement and vesting of variable part of remuneration for positions whose professional activities have a material impact on institution's risk profile are conditional on:

Variable part of remuneration (including disbursement and vesting of deferred part) is granted if all these conditions are fulfilled:

- It corresponds to operating unit's key performance indicators fulfilment and covers operational risks;
- The disbursement corresponds to the financial performance of the business unit for which the respective employee is responsible; if appropriate, also considering the Group's, the Bank's or other subsidiaries of the Group financial performance;
- It corresponds to employees' performance of the operating unit.

If financial results of the business unit worsen or are negative, the variable part of remuneration (including deferred part) is reduced.

If variable part of remuneration is based on data, which later is identified to be intentionally manipulated (malicious behaviour) than the Bank or the respective subsidiary of the Group requires the employee to repay the disbursed variable part of the remuneration and also fully or partially decrease the deferred variable part of the remuneration.

The Bank or subsidiary of the Group decreases deferred variable part of remuneration which has not yet vested based on the actual achievement of performance targets of the respective unit of business according to the scorecard.

The variable part of remuneration vests proportionally to the period (number of years) to which the remuneration is deferred, but not sooner than in 12 months since variable part of remuneration is set. Before vesting of deferred variable part of remuneration, if necessary, it is adjusted (decreased) for risks, which have become known in the period over which the variable part of remuneration was deferred. The adjustment is made for risks which are related to operating result achievement which was measurement basis for variable part of remuneration.

When adjusting variable part of remuneration, situations as a result of which the Bank or the subsidiary of the Group incurred substantial loss are considered. Also, situations when the employee did not comply with the relevant compliance standards are taken into account. Deferred variable part of remuneration may be disbursed to employee only after it has vested. No dividends or interest is calculated or paid on the non-vested deferred variable part of remuneration.

SUSTAINABILITY RISKS MANAGEMENT

The Group is dedicated to fair and reasonable remuneration practices and policies, serving both the Group and its employees and contributing to business sustainability and viability over a long-term. The Remuneration policy incorporates, among other elements, the adherence to the Code of Ethics of the Citadele Group and the alignment of stakeholder interests in the employee behaviour.

Performance of the assets under management portfolio is not the sole or the dominant components of the Remuneration policy, therefore, the risk of misalignment of individual motivations with the potential sustainability risks in the investment decision-making is limited. Moreover, the variable part of the remuneration is deferred for one to five years for positions with a material impact on the business and portfolio risk profile, serving as an additional restraint to excessive risk-taking and short-term focused behaviour.

The Group closely follows the evolution and regularly incorporates in the Remuneration policy the best practices and innovations in sustainable finance and in environmental, social and governance (ESG) field. Climate-related risks are being integrated within the Group's remuneration practice to stimulate behaviour consistent with the climate-related and environmental (risk) management approach as defined in the Group's ESG Risk Management Policy, as well as the Group's voluntarily commitments, including UNEP FI Principles for Responsible Banking.

LONG-TERM INCENTIVE PLAN

The Group has implemented equity-based Long-Term Incentive Plan for the Management Board and employees of the Group. Within the programs a specific number of personnel options were granted. Personnel options were granted in line with the meaning of Article 2481 of the Latvian Commercial Law. Each option has the following parameters: registered share with the nominal value of EUR 1 (one euro); convertible to the ordinary shares of Citadele (all Citadele's ordinary shares have equal voting rights, equal rights to dividend and equal liquidation quota). Clawback and malus provisions apply in the event of a material misstatement, an act of gross misconduct or an error in the assessment of performance targets. For options granted performance is measured over a period ranging from three-years to five-years. At the end of the performance measurement period, the Supervisory Board has sole discretion to determine in accordance with the Long-Term Incentive Plan rules the extent to which the awards will vest, if at all, on account of underlying Group's, individual and share price performance. The Supervisory Board may, in its absolute discretion, adjust upwards or downwards, including to nil, the number of options which would otherwise vest. Performance targets relate to both financial and non-financial measures linked to the long-term business strategy of the Group, including but not limited to: net income, return on capital, and other strategic objectives of the Group.

For additional information on options outstanding which have been issued within the Long-Term Incentive plan refer to AS Citadele banka annual report.

DIVERSITY POLICY

According to the Diversity and Inclusion Policy, in respect of the Supervisory Board and the Management Board the Bank aims to (i) ensure diversity across at least characteristics of gender, age, educational and professional background, as well as geographical provenance, and (ii) improve representation of underrepresented gender in the Boards so that by 2027 gender balance of members of each Board (i.e. Supervisory Board and Management Board) is at least 40/60%.

MANAGEMENT OF THE POLICY

The Supervisory Board of the Bank is responsible to establish core principles of the Remuneration policy and approve the policy as well as for development, revision and supervision of its implementation.

REMUNERATION OF THE EMPLOYEES IN THE REPORTING YEAR

The table contains the Group's paid remuneration to its employees, excluding employer's part of the mandatory state social tax contributions or other similar tax payments. In accordance with the regulation, the information is disclosed for the consolidation group for the regulatory purposes, thus information on AAS CBL Life is not included.

Employees whose professional activities have a material impact on institution's risk profile are these which collectively or individually may significantly impact the institutions risk profile (identified staff). For example, positions like members of the Management Board and top level executives, which are authorised to undertake risk on behalf of the institution, which may significantly affect the risk profile of the institution, positions which perform internal control functions, as well as positions which remuneration is equal or exceeds the lowest level bucket of remuneration for institution's members of the Management Board or positions which are authorised to take on risk on behalf of institution, which significantly affects the risk profile of the institution.

Share options (Long-Term Incentive Plan) are presented as remuneration at their estimated fair value in the period when these are awarded as opposed to accounting where the expense for share-based incentive plan is recognised on a straight-line basis over a multiyear period of the remuneration program. Awarded share options vest in a several year period, the vesting is conditional to future performance goals being met and according to the terms of the Long-Term Incentive Plan the Supervisory Board has absolute discretion to determine the extent to which the awards will vest, if at all.

EU REM1 - Remuneration awarded for the financial year

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Number of identified staff	9	7	42	114
2	Total fixed remuneration	353	1,646	5,747	4,297
3	Of which: cash-based	353	1,646	5,741	4,294
4	(Not applicable in the EU)	-	-	-	-
EU-4a	Fixed remuneration	-	-	-	-
5	Of which: shares or equivalent ownership interests	-	-	-	-
6	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x	Of which: other instruments	-	-	-	-
7	(Not applicable in the EU)	-	-	-	-
8	Of which: other forms	-	-	6	3
9	(Not applicable in the EU)	-	-	-	-
9	Number of identified staff	-	7	42	114
10	Total variable remuneration	-	2,179	1,081	1,478
11	Of which: cash-based	-	413	662	1,167
12	Of which: deferred	-	165	261	293
EU-13a	Of which: shares or equivalent ownership interests	-	1,766	419	311
EU-14a	Of which: deferred	-	1,766	419	311
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b	Of which: deferred	-	-	-	-
EU-14x	Of which: other instruments	-	-	-	-
EU-14y	Of which: deferred	-	-	-	-
15	Of which: other forms	-	-	-	-
16	Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)	353	3,825	6,828	5,775

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d
	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	-	-	-
2	Guaranteed variable remuneration awards -Total amount	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-
Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	-	-	13
7	Severance payments awarded during the financial year - Total amount	-	-	222
8	Of which paid during the financial year	-	-	222
9	Of which deferred	-	-	-
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-
11	Of which highest payment that has been awarded to a single person	-	-	51

EU REM3 - Deferred remuneration

	a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function	-	-	-	-	-	-	-	-
2 Cash-based	-	-	-	-	-	-	-	-
3 Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
4 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
5 Other instruments	-	-	-	-	-	-	-	-
6 Other forms	-	-	-	-	-	-	-	-
7 MB Management function	5,902	467	5,435	44	-	-	423	575
8 Cash-based	130	130	-	-	-	-	130	-
9 Shares or equivalent ownership interests	5,772	337	5,435	44	-	-	293	575
10 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
11 Other instruments	-	-	-	-	-	-	-	-
12 Other forms	-	-	-	-	-	-	-	-
13 Other senior management	1,860	535	1,325	-	-	-	535	-
14 Cash-based	239	239	-	-	-	-	239	-
15 Shares or equivalent ownership interests	1,621	296	1,325	-	-	-	296	-
16 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
17 Other instruments	-	-	-	-	-	-	-	-
18 Other forms	-	-	-	-	-	-	-	-
19 Other identified staff	1,140	322	818	-	-	-	322	-
20 Cash-based	193	193	-	-	-	-	193	-
21 Shares or equivalent ownership interests	947	129	818	-	-	-	129	-
22 Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
23 Other instruments	-	-	-	-	-	-	-	-
24 Other forms	-	-	-	-	-	-	-	-
25 Total amount	8,902	1,324	7,578	44	-	-	1,280	575

EU REM4 – Remuneration of 1 million EUR or more per year

EUR		a
		<u>Identified staff that are high earners as set out in Article 450(i) CRR</u>
1	1 000 000 to below 1 500 000	-

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		<u>Management body remuneration</u>			<u>Business areas</u>						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										172
2	Of which: members of the MB	9	7	16							
3	Of which: other senior management				-	5	1	13	8	15	
4	Of which: other identified staff				-	6	8	19	20	61	
5	Total remuneration of identified staff	353	3,825	4,178	-	1,759	666	2,869	2,128	5,181	
6	Of which: variable remuneration	-	2,179	2,179	-	298	145	579	367	1,170	
7	Of which: fixed remuneration	353	1,646	1,999	-	1,461	521	2,290	1,761	4,011	

In the EU REM5 table, the number of identified staff is presented as of the reporting period end.

Investment banking - Including corporate finance advice services, transactions with regular market traded and non-traded financial instruments, and services related to financial instrument trading and sales. Retail banking - Services to private persons. Asset management - Management of individual investment portfolios and other asset management. Corporate functions - All functions operations of which relate to the institution as a whole, i.e. information technology, human resource management. Independent internal control functions - Internal audit, compliance and risk control functions. All other - Employees whose professional activities may not be included in the previous categories.