AS Citadele banka

Risk management and capital adequacy report (pillar 3 disclosures)

For the twelve months ended
31 December 2022

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INTRODUCTION

This report provides interim update on the qualitative and quantitative disclosures on the major risks of operations of AS Citadele banka and its risk management objectives, policies and information on capital adequacy as required by part eight of the Regulation (EU) No 575/2013 "On prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012", requirements of the Financial and Capital Market Commission (FCMC) and other relevant regulations.

This report should be read in conjunction with the latest annual report, the relevant quarterly financial statements, the report on remuneration policy 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.

Refer to the separate report on remuneration policy for disclosures on remuneration prepared in accordance with the requirements of Articles 74(3) and 75(2) of Directive 2013/36/EU and Article 450 of Regulation (EU) No 575/2013, guidelines of European Banking Authority (including EBA/GL/2021/04), regulations issued by the supervisory authorities and other relevant rules.

AS Citadele banka has subsidiaries, which are financial institutions, thus it needs to comply with the capital adequacy, liquidity coverage ratio (LCR), Net stable funding ratio (NSFR), leverage ratio (LR) and other regulatory requirements both at the Bank's standalone level and at the Group's consolidated level. However, in line with the pillar 3 disclosure requirements information in the Risk report is disclosed only at the Group's consolidated level. For key information on the Bank standalone position refer to the latest annual report and the relevant quarterly financial statements.

All monetary figures in this report are presented in thousands of Euros (EUR 000's). If not specified otherwise, all figures represent amounts as of period end.

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, while 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.

EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c-g	h
Name of the entity	**Method of accounting consolidation**	**Method of regulatory consolidation**	**Description of the entity**
AS Citadele banka	Full consolidation	Full consolidation	Banking
SIA Citadele Leasing	Full consolidation	Full consolidation	Leasing
SIA Citadeles moduļi (Liquidated)	Full consolidation	Full consolidation	Support services (Liquidated)
Kaleido Privatbank AG (Discontinued operations held for sale)	Full consolidation	Full consolidation	Banking
SIA Citadele Factoring	Full consolidation	Full consolidation	Leasing and factoring
OU Citadele Factoring	Full consolidation	Full consolidation	Leasing and factoring
UAB Citadele Factoring	Full consolidation	Full consolidation	Leasing and factoring
IPAS CBL Asset Management	Full consolidation	Full consolidation	Investment management company
AS CBL Atklātais Pensiju Fonds	Full consolidation	Full consolidation	Pension fund
AAS CBL Life	Full consolidation	Deducted	Life insurance
SIA CL Insurance Broker	Full consolidation	Full consolidation	Support services
SIA Hortus Residential	Full consolidation	Full consolidation	Support services
SIA Mobilly (Investments in associates accounted for using the equity method)	Equity method	Equity method	Electronic money institution
OOO Mizush Asset Management Ukraina (in liquidation)	Full consolidation	Full consolidation	No ongoing operations

There are no immediate or foreseeable legal obstacles for capital element transferability or liability repayment between the Group's parent company and its subsidiaries.

In certain jurisdictions all profits may not be paid out in dividends. In other jurisdictions specific part from accumulated profits has to be set aside for reserves. These reserves are freely available to the respective company for unlimited and immediate use to cover risks or losses, when such are incurred. For certain Group's earnings tax on capital distribution applies. For more details refer to the latest annual report.

EU LIA – Explanations of differences between accounting and regulatory exposure amounts

Legal basis	Row number	Qualitative information
Article 436(b) CRR		The consolidation Group for regulatory purposes is different from the consolidation Group for the accounting purposes. As per regulatory requirements AAS CBL Life, a licensed insurer, is not included in the consolidation Group for capital adequacy purposes. Consequently, it is excluded from own funds calculation and individual assets of AAS CBL Life are not included as risk exposures in the Group's capital adequacy calculation. Instead, the carrying value of the Group's investment in AAS CBL Life constitutes a risk exposure in the Group's capital adequacy ratio calculation. For regulatory purposes for discontinued operations held for sale a look through approach is applied.
Article 436(b) CRR	(a)	The differences between the amounts in columns (a) and (b) in EU LI1 proceed from different consolidation rules in the regulatory and accounting consolidations with regard to AAS CBL Life.
Article 436(d) CRR	(b)	Carrying values under the regulatory scope of consolidation are different to accounting consolidation for items subject to market risk and other specific risks due to differences in regulatory requirements.

EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
			Carrying values of items				
	Carrying values as reported in published financial statements	**Carrying values under scope of prudential consoli-dation**	**Subject to the credit risk framework**	**Subject to the CCR framework**	**Subject to the securitisa-tion framework**	**Subject to the market risk framework**	**Not subject to capital requirements or subject to deduction from own funds**
Assets							
Cash and cash balances at central banks	532,030	532,030	532,030		-	-	-
Loans to credit institutions	48,441	42,044	42,044	-	-	-	-
Debt securities	1,592,603	1,550,301	1,550,301	-	-	-	-
Loans to public	2,966,478	2,966,478	2,615,813	-	350,665	-	-
Equity instruments	1,029	1,029	1,029	-	-	-	-
Other financial instruments	28,473	1,101	1,101	-	-	-	-
Derivatives	1,285	1,285	-	1,285	-	1,285	-
Investments in subsidiaries	190	4,459	4,459	-	-	-	-
Tangible assets	15,730	15,730	15,730	-	-	-	-
Intangible assets	8,162	8,084	5,418	-	-	-	2,666
Current income tax assets	1,822	1,822	1,822	-	-	-	-
Deferred income tax assets	2,478	2,478	557	-	-	-	1,921
Non-current assets held for sale	166,028	166,028	165,466	122	-	122	440
Other assets	39,530	38,853	38,853	-	-	-	-
Total assets	**5,404,279**	**5,331,722**	**4,974,623**	**1,407**	**350,665**	**1,407**	**5,027**
Liabilities							
Deposits from credit institutions and central banks	469,736	469,736	-	-	-	-	469,736
Deposits and borrowings from customers	3,980,261	3,959,705	-	-	-	-	3,959,705
Debt securities issued	259,225	259,225	-	-	-	-	259,225
Derivatives	7,650	7,650	-	7,650	-	7,650	-
Provisions	4,920	4,920	4,920	-	-	-	-
Current income tax liabilities	1,204	1,204	-	-	-	-	1,204
Deferred income tax liabilities	375	375	-	-	-	-	375
Discontinued operations	158,999	158,999	13	181		181	158,805
Other liabilities	97,691	47,840	-	-	-	-	47,840
Total liabilities	**4,980,061**	**4,909,654**	**4,933**	**7,831**	**-**	**7,831**	**4,896,890**
Equity							
Share capital	157,258	157,258	-	-	-	-	157,258
Reserves and other capital components	(12,378)	(8,270)	-	-	-	-	(8,270)
Retained earnings	279,338	273,080	-	-	-	-	273,080
Total equity	**424,218**	**422,068**	**-**	**-**	**-**	**-**	**422,068**
Total liabilities and equity	**5,404,279**	**5,331,722**	**4,933**	**7,831**	**-**	**7,831**	**5,318,958**

EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
			Items subject to			
		Total	Credit risk framework	CCR framework	Securitisation framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI1)**	**5,331,722**	**4,974,623**	**1,407**	**350,665**	**1,407**
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	(12,664)	(4,833)	(7,831)	-	(7,831)
3	**Total net amount under the regulatory scope of consolidation**	**5,319,058**	**4,969,790**	**(6,424)**	**350,665**	**(6,424)**
4	Off-balance-sheet amounts	357,099	357,099	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	13,775	-	13,775	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	344,704	344,704	-	-	-
9	Differences due to credit conversion factors	(252,512)	(252,512)	-	-	-
10	Differences due to Securitisation with risk transfer	(350,665)	-	-	(350,665)	-
11	Other differences	1,467	1,467	-	-	-
11a	*IFRS 9 transitional provisions and similar*	*1,463*	*1,463*	-	-	-
11c	*Other*	*4*	*4*	-	-	-
12	**Exposure amounts considered for regulatory purposes**	**5,432,925**	**5,420,548**	**7,351**	**-**	**(6,424)**

GOVERNANCE

In order to ensure that the Bank's Supervisory Board and Management Board members and key function holders are suitable for their position and represent diversity, the Bank has developed internal regulation “Policy on the Assessment of the Suitability of Members of the Supervisory Board, Management Board and Key Function Holders”.

The policy has been developed in accordance with the Credit Institution Law of the Republic of Latvia and the recommendations of the supervisory authorities. The policy is reviewed and if necessary updated regularly.

The policy prescribes the procedure and the frequency of the assessment of the suitability of members of the Bank's Supervisory Board and Management Board and key function holders, as well as procedure for decision making on the suitability.

The initial suitability assessment is performed when a new member is nominated to the Bank's Supervisory Board or Management Board prior to his/her election or prior to the date of commencement of his/her duties, but not later than within 6 weeks after the election of the member of the Supervisory Board or the Management Board.

The reassessment of suitability is performed in the following cases:

- During the annual assessment of the suitability of a member of the Supervisory Board or the Management Board,
- If a member of the Supervisory Board or the Management Board is re-elected to his/her position,
- If changes are made to the responsibilities of a member of the Supervisory Board or the Management Board or in the competences required to carry out such responsibilities,
- If there is a doubt about the reliability, competence or reputation of a member of the Supervisory Board or the Management Board.

The suitability assessment is performed considering the overall composition of the Supervisory Board and the Management Board, as well as the knowledge and competence collectively necessary for the Supervisory Board and the Management Board, awareness and personal qualities in order to properly carry out the duties assigned to the members of the Supervisory Board in relation to the supervision of the Management Board activities and to the Management Board in relation to the Group's operational management.

The suitability assessment of the members of the Supervisory Board and the Management Board is performed by the Remuneration and Nomination Committee. The Supervisory Board approves the composition and also regulations of this committee. The suitability assessment of key function holders is performed by a special committee. The Management Board approves the composition and also regulations of this committee.

Each member of the Management Board is responsible for a specific scope of the Group operations. The suitability assessment process ensures that members of the Management Board have adequate level of necessary knowledge and competence in relation to specific scope of operations of the Group under responsibility of each member of the Management Board, as well adequate necessary collective knowledge and competence.

For full list of directorships held by the members of Supervisory Board and Management Board please refer to the “Committees” subsection of the “Governance” section of www.cblgroup.com.

RISK MANAGEMENT

The Group considers risk management to be an essential component of its management process. The Group pursues prudent risk management that is aligned with its business ambitions and aims to achieve effective risk mitigation. In order to assess and monitor complex risk exposures, the Group applies a wide range of risk management tools in conjunction with risk committees. Members of the risk committees represent various operations of the Group in order to balance business and risk within the respective risk committees. Annually Group defines its Risk Appetite Framework which sets acceptable risk-taking limits across all relevant risk types, considering business goals, macroeconomic environment and regulatory setting. Risk appetite limits are cascaded to all risk management strategies and implemented operationally through detailed internal regulations.

The Group's risk management principles are set out in its Risk Management Policy. The Group adheres to the following key risk management principles:

- The Group aims to ensure that it maintains low overall risk exposure, diversified asset portfolio, limited risks in financial markets and low levels of operational risk;
- The Group aims to ensure an acceptable risk level in all operations. Risks are always assessed in relation to their expected return. Risk exposures that are not acceptable are avoided, limited or hedged;
- The Group does not assume high or uncontrollable risks irrespective of the return they provide and assumes risks only in economic fields and geographical regions in relation to which it believes it has sufficient knowledge and expertise;
- Risk management is based on each Group's employee's responsibility for the transactions carried out by him/her and awareness of the related risks;
- Risk limit system and strict controls are essential risk management elements. Control over risk levels and compliance with the imposed limits is achieved by the existence of structured risk limit systems for all material risks.

The aim of the risk management in the Group is to facilitate the achievement of the Group's goals, sustainable growth, long-term financial stability and to protect the Group from unidentified risks. The Bank has appointed a Risk Director (CRO) who is a member of the Bank's Management Board and whose responsibilities do not include the duties related to the activities under control. The CRO has a direct access to the Bank's Supervisory Board. The Risk Committee, which is subordinated to the Bank's Supervisory Board, has been established in the Bank. The main task of the Risk Committee is to provide support to the Bank's Supervisory Board in relation to the monitoring of the Group's risk management system. The Risk Committee established by the Bank's Supervisory Board provides recommendations to the Bank's Management Board regarding improvements of the risk management system. Risk management within the Group is controlled by an independent unit – the Risk Management Division.

The main risks to which the Group is exposed are: credit risk, market risk, interest rate risk, liquidity risk, currency risk and operational risk. For each of these risks the Group has approved risk management policies and other internal regulations defining key risk management principles and processes, functions and responsibilities of units, risk concentration limits, as well as control and reporting system. The Bank's Supervisory Board approves risk management policies and ensures the control of efficiency of the risk management system. The Bank's Management Board and CRO ensure implementation of the risk management policies and development of internal regulations for the management of each material risk within the Group. In order to assess and monitor material and complex risk exposures, the Bank's Management Board establishes risk committees. Members of risk committees represent various units of the Group in order to ensure the balance between the units responsible for risk monitoring and control and the units with business orientation.

The Group continuously assesses and controls risks – both on an individual basis by type of risk and by performing a comprehensive assessment within the internal capital adequacy assessment process (ICAAP). Each member of the Group is responsible for risk control and management. Each employee of the Group is responsible for the compliance with the principles set out in the Group's internal regulations.

Risk management process includes the following elements: risk identification, risk assessment and decision making, risk management and control, risk monitoring and reporting. The Group regularly, at least once a year, identifies and describes the types of material risks inherent in its operations by assessing what types of risks may have a negative impact on achieving its performance targets and projected financial results. In order to identify the types of material risks, quantitative and qualitative criteria are used and the results of the process are documented. For all types of identified material risks the aims of risk management are defined and risk appetite is determined. In addition, the development of internal regulations in relation to risk management of those risks is ensured, including risk identification and assessment methods, adequate risk restriction and control procedures, such as quantitative restrictions and limits, or control measures that reduce unquantifiable risks, risk appetite, procedures for reporting the information on risks, risk levels assumed and trends thereof to the Group's management bodies, as well as other information necessary for decision making, risk management policy and control procedures, including procedures for control of compliance with the restrictions and limits set, segregation of duties, approval rights and responsibilities.

Risk assessment and decision making include selection, approval and documentation of risk assessment methodology, regular risk assessment, establishment of the risk restriction and controlling system and setting the acceptable level of risks within this system, decision making on assuming the risks. Risk assessment includes the determination of qualitative and quantitative impact of the source of each identified risk using generally accepted methodology, which is adequately documented. The Group makes a decision in relation to each identified and assessed risk, whether the Group accepts such risk or takes the necessary measures for its mitigation, or ceases activities related to this risk. The Group does not assume risks with the impact exceeding the risk appetite determined for each respective type of risk regardless of the economic benefits that might result from assuming such risk.

Risk management and control include the compliance with the level of risk acceptable for the Group including the compliance with the limits restricting the amount of risk. Monitoring and reporting includes regular assessment of the existing level of risk against the desirable level of risk, trend analysis, regular reporting to the relevant unit heads, the Bank's Management Board and the Supervisory Board. The integral part of the risk management is risk stress testing. Stress testing process ensures regular identification and assessment of risks inherent to the Group's current and future operations, as well as assessment of the impact of different extraordinary and adverse events on the Group's operations, in order to provide support to responsible employees of the Group in management decision-making process at different levels of management (e.g. strategic planning, determination and correction of the risk appetite, capital planning, liquidity management).

The Group's Internal Audit Division regularly monitors the implementation of risk management policies and other internal regulations, as well as provides recommendations regarding improvements of the risk management system.

CAPITAL ADEQUACY CALCULATION

Capital adequacy is calculated in accordance with the current global standards of the bank capital adequacy (the Basel III international regulatory framework) as implemented by the European Union via a regulation (EU) 575/2013 and a directive 2013/36/EU, rules and recommendations issued by supervisory authorities and other relevant regulations.

Capital adequacy is a measure of sufficiency of the Group's eligible capital resources to cover credit risks, market risks, operational risk and other specific risks arising predominantly from asset and off-balance sheet exposures of the Group. The regulations require credit institutions to maintain a Total Capital adequacy ratio of 8.0% of the total risk weighted exposure amounts. The rules also require 4.5% minimum Common Equity Tier 1 capital ratio and 6.0% minimum Tier 1 capital ratio.

Total SREP capital requirement (TSCR) requires capital to cover risks in addition to these covered by the regulation (EU) 575/2013. TSCR is established in a supervisory review and evaluation process (SREP) carried out by the supervisory authority. The supervisory authority determines TSCR on a risk-by-risk basis, using supervisory judgement, the outcome of supervisory benchmarking, ICAAP calculations and other relevant inputs. The additional pillar 2 capital requirement is re-assessed annually by the supervisory authority. As of the period end based on the assessment of the supervisory authority an additional 2.50% own funds requirement is determined to cover Pillar 2 risks. Thus, as of the period end Citadele shall at all times meet, on a consolidated basis, a total SREP capital requirement (TSCR) of 10.5% (which includes a Pillar 2 additional own funds requirement of 2.5% to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital, as a minimum).

On top of the minimum capital adequacy ratios and the Pillar 2 additional capital requirements (TSCR), the Group and the Bank must comply with the capital buffer requirements. The buffer requirements must be reached by Common Equity Tier 1 capital. The capital conservation buffer both for the Group and the Bank is set at 2.50%, limiting dividend pay-out and certain other Tier 1 equity instrument buybacks, if the buffer threshold is not exceeded.

Citadele, being identified as "other systemically important institution" (O-SII), as of period end must also comply with the O-SII capital buffer requirement set by the supervisory authority at 1.50%. From 1 January 2023 O-SII applicable to Citadele is set to increase to 1.75%.

Countercyclical capital buffer norms at each balance sheet date are calculated based on the actual risk exposure geographical distribution and the countercyclical buffer rates applicable for each geographical location. In reaction to the Covid-19 events most European countercyclical capital buffer requirements were decreased to 0%. Therefore, based on the regional distribution of the Group's exposures the effective countercyclical capital buffer requirement of the Group had decreased to almost 0%. Since then, some countries have announced planed future increases in countercyclical capital buffer levels which, after prespecified delay, one-by-one will start to become effective.

The Pillar 2 Guidance (P2G) is a bank-specific recommendation that indicates the level of capital that the supervisory authority expects banks to maintain in addition to their binding capital requirements. It serves as a buffer for banks to withstand stress. The Pillar 2 Guidance is determined as part of the Supervisory Review and Evaluation Process (SREP) and for Citadele as of period end is set at 1.5%. Unlike the Pillar 2 Requirement, the Pillar 2 Guidance is not legally binding.

The Group and the Bank applies requirements of minimum loss coverage for non-performing exposures in line with regulation (EU) 2019/630. The minimum loss coverage calculation is mathematically simplistic "calendar based" calculation for non-performing exposures, which is constructed on the principle – the longer an exposure has been non-performing, the lower the probability for the recovery of its value. Therefore, the portion of the exposure that should be covered by provisions, impairments, other adjustments or deductions should increase with time, following a pre-defined calendar. Insufficient coverage for non-performing exposures is deductible from the regulatory capital. Due to the Group's provisioning policy and portfolio structure, the regulation of minimum loss coverage for non-performing exposures has had minor impact on the Group's capital adequacy position.

The Bank has to comply with the regulatory requirements both at the Bank's standalone level and at the Group's consolidated level. As of the period end both the Bank and the Group have sufficient capital to comply with the capital adequacy requirements. The long-term regulatory capital position of the Group and the Bank is planned and managed in line with these and other expected upcoming regulatory requirements.

Regulatory capital requirements of the Group on 31 December 2022

	Common equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital adequacy ratio
Common equity Tier 1 ratio	4.50%	4.50%	4.50%
Additional Tier 1 ratio	-	1.50%	1.50%
Additional total capital ratio	-	-	2.00%
Pillar 2 additional own funds requirement (individually determined by the supervisory authority in the SREP, P2R)	1.41%	1.88%	2.50%
Capital buffer requirements:			
Capital conservation buffer	2.50%	2.50%	2.50%
O-SII capital buffer	1.50%	1.50%	1.50%
Systemic risk buffer	0.06%	0.06%	0.06%
Countercyclical capital buffer	0.15%	0.15%	0.15%
Capital requirement	**10.12%**	**12.09%**	**14.71%**
Pillar 2 Guidance (P2G)	1.50%	1.50%	1.50%
Non-legally binding capital requirement with Pillar 2 Guidance	**11.62%**	**13.59%**	**16.21%**

Capital adequacy ratio (including audited profits for the period)

	EUR thousands	
	31/12/2022 Group	**31/12/2021 Group**
Common Equity Tier 1 capital		
Paid up capital instruments	157,702	157,127
Retained earnings	253,080	230,786
Regulatory deductions	(26,588)	(8,255)
Other capital components and transitional adjustments, net	4,364	9,634
Tier 2 capital		
Eligible part of subordinated liabilities	59,595	60,000
Total own funds	**448,153**	**449,292**
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,080,113	2,164,268
Total exposure amounts for position, foreign currency open position and commodities risk	9,944	10,916
Total exposure amounts for operational risk	237,799	206,624
Total exposure amounts for credit valuation adjustment	1,570	4,592
Total risk exposure amount	**2,329,426**	**2,386,400**
Common equity Tier 1 capital ratio	**16.7%**	**16.3%**
Total capital adequacy ratio	**19.2%**	**18.8%**

Transitional adjustments applied as of 31 December 2022

Capital adequacy calculation in accordance with the EU and the FCMC regulations permits transitional adjustments. The regulatory compliance is measured based on the transitional capital adequacy ratio. For transparency purposes the fully loaded capital adequacy ratio (i.e., excluding transitional adjustments) is also disclosed. The expectation is that from 2023 the transitional capital adequacy ratio will converge with the fully loaded capital adequacy ratio, as the transitional provisions expire at the end of 2022.

Transitional provisions, if applied, allow for a favourable treatment of specific capital components or risk exposure items, resulting in a marginal improvement in the capital adequacy ratios. Application of the transitional provisions is mostly discretionary. An application decision is evaluated in the context of estimated positive impact on the capital adequacy ratio versus the resources required to develop the systems and the processes to implement each transitional provision.

The transitional provisions that the Group and the Bank has applied for the period end capital adequacy calculations:

The regulation (EU) 2017/2395 which permits specific proportion of the IFRS 9 implementation impact to be amortised over a five-year period (starting from 2018) for capital adequacy calculation purposes.

All other transitional provisions for which the Group and the Bank is eligible are not applied as of the period end and are still in the assessment phase, implementation phase or have been decided not to be implemented.

Fully loaded capital adequacy ratio (i.e. excluding transitional adjustments, including net result for the period)

	EUR thousands	
	31/12/2022 Group	**31/12/2021 Group**
Common Equity Tier 1 capital, fully loaded	387,096	386,366
Tier 2 capital	59,595	60,000
Total own funds, fully loaded	**446 691**	**446,366**
Total risk exposure amount, fully loaded	**2,328,275**	**2,383,981**
Common equity Tier 1 capital ratio, fully loaded	**16.6%**	**16.2%**
Total capital adequacy ratio, fully loaded	**19.2%**	**18.7%**

OWN FUNDS

The capital of AS Citadele banka consists of two types of instruments – ordinary shares and subordinated debt securities issued. For more information on the bondholders and shareholders of the Bank refer to the latest annual report.

EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments

		Ordinary shares	Subordinated liabilities: Publicly listed unsecured bonds	Subordinated liabilities: Publicly listed unsecured bonds
1	Issuer	AS Citadele banka	AS Citadele banka	AS Citadele banka
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	-	LV0000880102	LV0000880011
2a	Public or private placement	Private placement	Public placement	Public placement
3	Governing law(s) of the instrument	Latvia	Latvia	Latvia
3a	Contractual recognition of write down and conversion powers of resolution authorities	According to law	Yes	Yes
	Regulatory treatment			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Tier 2	Tier 2
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Subordinated liabilities	Subordinated liabilities
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	EUR 156.8 million	EUR 40.0 million	EUR 20.0 million
9	Nominal amount of instrument	EUR 156.8 million	EUR 40.0 million	EUR 20.0 million
EU-9a	Issue price	EUR 156.8 million	EUR 40.0 million	EUR 20.0 million
EU-9b	Redemption price	-	EUR 40.0 million	EUR 20.0 million
10	Accounting classification	Shareholders' Equity	Liabilities at amortised cost	Liabilities at amortised cost
11	Original date of issuance	Various	13/12/2021	24/11/2017
12	Perpetual or dated	Perpetual	Dated	Dated
13	Original maturity date	No Maturity	13/12/2031	24/11/2027
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	-	Optional redemption after five years from issuance	Optional redemption after five years from issuance
16	Subsequent call dates, if applicable	-	-	-
	Coupons / dividends			
17	Fixed or floating dividend/coupon	-	Fixed	Fixed
18	Coupon rate and any related index	-	5.00%	5.50%
19	Existence of a dividend stopper	-	-	-
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Discretionary	Fixed	Fixed
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Discretionary	Fixed	Fixed
21	Existence of step up or other incentive to redeem	-	-	-
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-Convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	-	-	-
25	If convertible, fully or partially	-	-	-
26	If convertible, conversion rate	-	-	-
27	If convertible, mandatory or optional conversion	-	-	-
28	If convertible, specify instrument type convertible into	-	-	-
29	If convertible, specify issuer of instrument it converts into	-	-	-
30	Write-down features	No	No	No
31	If write-down, write-down trigger(s)	-	-	-
32	If write-down, full or partial	-	-	-
33	If write-down, permanent or temporary	-	-	-
34	If temporary write-down, description of write-up mechanism	-	-	-
34a	Type of subordination (only for eligible liabilities)	Settlement after all subordinated and unsubordinated claims	Settlement after unsubordinated claims, but before claims of shareholders	Settlement after unsubordinated claims, but before claims of shareholders
EU-34b	Ranking of the instrument in normal insolvency proceedings	Settlement after all subordinated and unsubordinated claims	Settlement after unsubordinated claims, but before claims of shareholders	Settlement after unsubordinated claims, but before claims of shareholders
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Settlement after all subordinated and unsubordinated claims	Settlement after unsubordinated claims, but before claims of shareholders	Settlement after unsubordinated claims, but before claims of shareholders
36	Non-compliant transitioned features	No	No	No
37	If yes, specify non-compliant features	-	-	-
37a	Link to the full term and conditions of the instrument (signposting)	-	Refer to "Bonds" section at www.cblgroup.com	Refer to "Bonds" section at www.cblgroup.com

EU CC1 - Composition of regulatory own funds

		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	157,796	Line E01 in template EU CC2
	of which: Instrument type 1	*157,796*	Line E01 in template EU CC2
2	Retained earnings	210,953	Part of line E03 in template EU CC2
3	Accumulated other comprehensive income (and other reserves)	(8,714)	Part of line E02 in template EU CC2
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	42,127	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**402,162**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(239)	
8	Intangible assets (net of related tax liability) (negative amount)	(3,106)	Part of line A10 in template EU CC2
9	Empty set in the EU		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	(1,921)	Line A12 in template EU CC2
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	(94)	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Empty set in the EU		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(8,493)	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	(8,493)	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Empty set in the EU		
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Empty set in the EU		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments *(including IFRS 9 transitional adjustments when relevant)*	249	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(13,604)**	
29	**Common Equity Tier 1 (CET1) capital**	**388,558**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	

34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**388,558**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	59,595	Part of line L03 in template EU CC2
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	59,595	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Empty set in the EU		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Empty set in the EU		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjusments to T2 capital		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**59,595**	
59	**Total capital (TC = T1 + T2)**	**448,153**	
60	**Total risk exposure amount**	**448,153**	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.7%	
62	Tier 1 (as a percentage of total risk exposure amount)	16.7%	
63	Total capital (as a percentage of total risk exposure amount)	19.2%	
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	10.1%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical buffer requirement	0.2%	
67	of which: systemic risk buffer requirement	0.1%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.5%	
68	**Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)**	**8.7%**	
69	[non relevant in EU regulation]	-	
70	[non relevant in EU regulation]	-	
71	[non relevant in EU regulation]	-	
Amounts below the thresholds for deduction (before risk weighting)			

72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	190
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,269
74	Empty set in the EU	-
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	325
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-
82	Current cap on AT1 instruments subject to phase out arrangements	-
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
84	Current cap on T2 instruments subject to phase out arrangements	-
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-

* The national supervisory authority determines TSCR on a risk-by-risk basis, using supervisory judgement, the outcome of supervisory benchmarking, ICAAP calculations and other relevant inputs. The additional pillar 2 capital requirement is re-assessed annually by the FCMC. The Group is required to cover 56% of the TSCR with Common Equity Tier 1 capital, 75% with Tier 1 capital and 100% with Total Capital.

EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements 31/12/2022	**Under regulatory scope of consolidation 31/12/2022**	**Reference**
	Assets			
A01	Cash and cash balances at central banks	532,030	532,030	
A02	Loans to credit institutions	48,441	42,044	
A03	Debt securities	1,592,603	1,550,301	
A04	Loans to public	2,966,478	2,966,478	
A05	Equity instruments	1,029	1,029	
A06	Other financial instruments	28,473	1,101	
A07	Derivatives	1,285	1,285	
A08	Investments in subsidiaries	190	4,459	
A09	Tangible assets	15,730	15,730	
A10	Intangible assets	8,162	8,084	Partially line 8 in template EU CC1
A11	Current income tax assets	1,822	1,822	
A12	Deferred income tax assets	2,478	2,478	Line 10 in template EU CC1
A13	Non-current assets held for sale	166,028	166,028	
A14	Other assets	39,530	38,853	
AA	**Total assets**	**5,404,279**	**5,331,722**	
	Liabilities			
L01	Deposits from credit institutions and central banks	469,736	469,736	
L02	Deposits and borrowings from customers	3,980,261	3,959,705	
L03	Debt securities issued	259,225	259,225	Partially line 46 in template EU CC1
L04	Derivatives	7,650	7,650	
L05	Provisions	4,920	4,920	
L06	Current income tax liabilities	1,204	1,204	
L07	Deferred income tax liabilities	375	375	
L08	Discontinued operations	158,999	158,999	
L09	Other liabilities	97,691	47,840	
LL	**Total liabilities**	**4,980,061**	**4,909,654**	
	Shareholders' Equity			
E01	Share capital	157,258	157,258	Line 1 in template EU CC1
E02	Reserves and other capital components	(12,378)	(8,270)	Partially line 3 in template EU CC1
E03	Retained earnings	279,338	273,080	Partially line 2 in template EU CC1
EE	**Total equity**	**424,218**	**422,068**	

EU KM1 - Key metrics template (excluding unaudited profits)

		a	b	c	d	e
		31/12/2022	**30/09/2022**	**30/06/2022**	**31/03/2022**	**31/12/2021**
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	388,558	372,603	377,920	382,189	389,292
2	Tier 1 capital	388,558	372,603	377,920	382,189	389,292
3	Total capital	448,153	432,603	437,920	442,189	449,292
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	2,329,426	2,559,276	2,544,564	2,423,670	2,386,400
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16.7%	14.6%	14.9%	15.8%	16.3%
6	Tier 1 ratio (%)	16.7%	14.6%	14.9%	15.8%	16.3%
7	Total capital ratio (%)	19.2%	16.9%	17.2%	18.2%	18.8%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.5%	2.5%	2.5%	2.5%	2.3%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.4%	1.4%	1.4%	1.4%	1.3%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.9%	1.9%	1.9%	1.9%	1.7%
EU 7d	Total SREP own funds requirements (%)	10.5%	10.5%	10.5%	10.5%	10.3%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.2%	0.0%	0.0%	0.0%	0.0%
EU 9a	Systemic risk buffer (%)	0.1%	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	1.5%	1.5%	1.5%	1.5%	1.5%
11	Combined buffer requirement (%)	4.2%	4%	4%	4%	4%
EU 11a	Overall capital requirements (%)	14.7%	14.5%	14.5%	14.5%	14.3%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.7%	6.4%	6.7%	7.7%	8.5%
	Leverage ratio					
13	Total exposure measure	5,435,700	5,203,988	5,129,303	5,141,487	5,132,808
14	Leverage ratio (%)	7.1%	7.2%	7.4%	7.4%	7.6%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EU 14e	Overall leverage ratio requirements (%)	3.0%	3.0%	3.0%	3.0%	3.0%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,104,523	1,135,324	1,169,319	1,211,800	1,237,033
EU 16a	Cash outflows - Total weighted value	656,268	654,770	665,604	672,942	674,461
EU 16b	Cash inflows - Total weighted value	45,945	52,268	59,611	64,729	70,433
16	Total net cash outflows (adjusted value)	610,323	602,502	605,993	608,213	604,028
17	Liquidity coverage ratio (%)	182%	188%	193%	199%	205%
	Net Stable Funding Ratio					
18	Total available stable funding	3,683,818	3,835,856	3,781,872	3,771,886	3,872,201
19	Total required stable funding	2,844,055	2,909,299	2,826,367	2,123,712	2,849,583
20	NSFR ratio (%)	132%	132%	134%	178%	136%

EU 2017/2395, IFRS 9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		31/12/2022	30/09/2022	30/06/2022	31/03/2022	31/12/2021
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1) capital	388,558	372,603	377,920	382,189	389,292
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	387,095	371,140	376,457	380,726	386,366
3	Tier 1 capital	388,558	372,603	377,920	382,189	389,292
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	387,095	371,140	376,457	380,726	386,366
5	Total capital	448 153	432,603	437,920	442,189	449,292
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	446,690	431,140	436,457	440,726	446,366
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets	2,329,426	2,559,276	2,536,808	2,423,264	2,386,400
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	2,328,275	2,558,108	2,535,642	2,422,069	2,383,981
	Capital ratios					
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	16.7%	14.6%	14.9%	15.8%	16.3%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.6%	14.5%	14.8%	15.7%	16.2%
11	Tier 1 (as a percentage of risk exposure amount)	16.7%	14.6%	14.9%	15.8%	16.3%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.6%	14.5%	14.8%	15.7%	16.2%
13	Total capital (as a percentage of risk exposure amount)	19.2%	16.9%	17.3%	18.2%	18.8%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.2%	16.9%	17.2%	18.2%	18.7%
	Leverage ratio					
15	Leverage ratio total exposure measure	5,435,700	5,203,988	5,129,303	5,140,820	5,129,628
16	Leverage ratio	7.1%	7.2%	7.4%	7.4%	7.6%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	7.1%	7.1%	7.3%	7.4%	7.5%

EU OV1 – Overview of total risk exposure amounts

		RWAs		Minimum capital requirements
		31/12/2022	31/12/2021	31/12/2022
1	Credit risk (excluding CCR)	2,074,211	2,145,262	165,937
2	*Of which the standardised approach*	*2,074,211*	*2,145,262*	*165,937*
3	*Of which the foundation IRB (FIRB) approach*	-	-	-
4	*Of which: slotting approach*	-	-	-
EU 4a	*Of which: equities under the simple risk weighted approach*	-	-	-
5	*Of which the advanced IRB (AIRB) approach*	-	-	-
6	CCR	*7,472*	*23,598*	*598*
7	*Of which the standardised approach*	-	-	-
8	*Of which internal model method (IMM)*	-	-	-
EU 8a	*Of which exposures to a CCP*	-	-	
EU 8b	*Of which credit valuation adjustment - CVA*	*1,570*	*4,592*	*126*
9	*Of which other CCR*	*5,902*	*19,006*	*472*
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	*Of which SEC-IRBA approach*	-	-	-
18	*Of which SEC-ERBA (including IAA)*	-	-	-
19	*Of which SEC-SA approach*	-	-	-
EU 19a	*Of which 1250%/ deduction*	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	9,944	10,916	796
21	*Of which the standardised approach*	*9,944*	*10,916*	*796*
22	*Of which IMA*	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	237,799	206,624	19,024
EU 23a	*Of which basic indicator approach*	-	-	-
EU 23b	*Of which standardised approach*	*237,799*	*206,624*	*19,024*
EU 23c	*Of which advanced measurement approach*	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	-	-	-
29	**Total**	**2,329,426**	**2,386,400**	**186,354**

EU INS1 - Insurance participations

		a	b
		Exposure value	Risk exposure amount
1	Own fund instruments held in insurance or re-insurance undertakings or insurance holding company not deducted from own funds	4,269	10,672

EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio

		a
		31/12/2022
1	Supplementary own fund requirements of the financial conglomerate (amount)	190
2	Capital adequacy ratio of the financial conglomerate (%)	190

CREDIT RISK AND CREDIT RISK MITIGATION (CRM)

Credit risk is the risk that the Group will incur a loss from debtor's non-performance or default. The Group is exposed to credit risk in its lending, investing and transaction activities, as well as in respect of the guarantees issued to or received from third parties and other off-balance sheet commitments to third parties. Credit risk management is performed pursuant to the Credit Risk Management Policy. The goal of the credit risk management is to ensure a sound, sustainable and diversified loan and securities portfolios, which generates returns that correspond to the assumed level of risk and are characterized by high resilience against external shocks.

Credit risk management is based on an adequate assessment of a credit risk and a proper decision-making in relation to such risk. The lending decision is based on repayment capacity of the borrower and an additional alternative recovery option in case of default or material deterioration of the borrower's risk profile.

In cases when significant risk is to be undertaken, the credit risk analysis is performed by independent units of the Risk Division. The credit risk analysis consists of risk identification, PD calculation, an assessment of customer's creditworthiness and collateral quality and liquidity. The analysis of a legal entity's creditworthiness includes risk identification and an assessment of the shareholder structure and management, industry and peers, business model and project financed as well as an analysis of its credit history and current and forecasted financial situation and its sensitivity to key risk drivers and analysis of ESG factors. The assessment of a private individual's creditworthiness consists of the credit history and affordability analysis. For significant exposures decision on loan origination is taken by the Credit Committee and approved by the Bank's Management Board.

In relation to the acquisition of corporate bonds, the Group always analyses the business profile and financial performance of the issuer, taking into consideration the credit ratings assigned to it by international rating agencies or performs internal counterparty financial analysis, if external rating is not assigned, as well as market-based indicators. Sovereign bonds are assessed similarly, but with an emphasis on different fundamental factors, including the country's economic strength, institutional strength, financial strength of the government, political risks and other relevant factors.

After a loan is issued, the client's financial position, early warning indicators, payment discipline and client's ability to meet contractual obligations are being regularly evaluated and monitored to timely identify credit quality deterioration and apply appropriate classification.

The Group monitors its loan portfolio and securities portfolio and regularly assesses its structure, quality, concentration levels, portfolio performance trends and overall risk level. The Group takes measures for limiting credit risk concentration by diversifying the portfolio and setting credit risk concentration limits. To limit its credit risk, the Group has set the following concentration limits: individual counterparty and issuer limits, maximum exposure limit linked to a particular risk class of counterparty/issuer, limit for internally risk weighted exposures in a particular country/sector combination, limit for groups of mutually related customers, limit for large risk exposures, limit for transactions with the Group's related parties, industry limit, limit by customer type, loan product type, control of compliance with credit risk concentration limits. Credit risk identification, monitoring and reporting is the responsibility of the Risk Management Division.

In addition to the credit risk, which is inherent in the Group's loan portfolio and fixed income securities portfolio, the Group is also exposed to credit risk as a result of its banking relationships with multiple credit institutions which it maintains in order to process customer transactions in a prompt and efficient manner. The Group manages its exposure to commercial banks and brokerage companies by monitoring on a regular basis the credit ratings of such institutions, conducting due diligence of their credit profiles and monitoring the individual exposure limits applicable to counterparties set by the Financial Market and Counterparty Risk Committee (FMCRC). The Group's exposures to derivative counterparties arise from its activities in managing foreign exchange risk. Risk appetite for the open foreign exchange position is low, and the Group executes counterparty risk assessment and accepts only counterparties which are within its risk appetite limits.

EU CRA: General qualitative information about credit risk

Qualitative disclosures

(a) In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.
See text above

(b) When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.
See text above

(c) When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.
See text above

(d) When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.
See text above

EU CRB: Additional disclosure related to the credit quality of assets

Qualitative disclosures

(a) The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.
The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the definitions of past due and default for regulatory purposes are as specified by the EBA Guidelines on the application of the definition of default.

(b) The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.
All exposures past-due more than 90 days are considered past-due exposures and are considered credit impaired for accounting purposes. All financial assets are assessed for expected credit losses.

(c) Description of methods used for determining general and specific credit risk adjustments.
By default all exposures are assessed collectively for expected credit losses, and the corresponding impairment allowances or provisions for off-balance sheet exposures are presented as general credit risk adjustments. For larger loan book exposures, where there are indications of impairment, an individual expected credit loss assessment is carried out and, if based on the assessment, the exposure is impaired the resulting impairments allowance and provisions are presented as specific credit risk adjustment. For large exposures, which have no impairment indicators or where based on the individual assessment are not impaired, expected credit losses are assessed collectively and presented as general credit risk adjustments.

(d) The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on defaultin accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.
The institution is applying definition of a restructured exposure for the implementation of Article 178(3)(d) as specified by the EBA Guidelines on default in the definition of forborne exposure defined in Annex V of the Commission Implementing Regulation (EU) No 680/2014.

EU CQ4: Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying / Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: subject to impairment			
				of which: defaulted				
010	***On balance sheet exposures***	**4,647,416**	**82,669**	**82,669**	**4,647,416**	**(107,578)**	**n/a**	**-**
020	*Latvia*	1,802,210	28,510	28,510	1,802,210	-	n/a	-
030	*Lithuania*	1,753,283	19,129	19,129	1,753,283	(28,303)	n/a	-
040	*Estonia*	590,021	11,797	11,797	590,021	(11,596)	n/a	-
050	*United States*	88,115	1	1	88,115	(398)	n/a	-
060	*Germany*	75,427	-	-	68,511	(25)	n/a	-
070	*Other countries*	338,360	23,232	23,232	345,276	(67,256)	n/a	-
080	***Off balance sheet exposures***	**357,099**	**724**	**719**	**n/a**	**n/a**	**4,820**	**n/a**
090	*Latvia*	214,314	299	294	n/a	n/a	3,171	n/a
100	*Lithuania*	125,807	423	423	n/a	n/a	1,432	n/a
110	*Estonia*	10,283	-	-	n/a	n/a	212	n/a
120	*Switzerland*	1,127	-	-	n/a	n/a	-	n/a
130	*United Kingdom*	308	-	-	n/a	n/a	3	n/a
140	*Other countries*	5,260	2	2	n/a	n/a	2	n/a
150	***Total***	**5,004,515**	**83,393**	**83,388**	**4,647,416**	**(107,578)**	**4,820**	**-**

EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				of which: defaulted			
010	Agriculture, forestry and fishing	174,752	3,693	3,693	174,752	(5,665)	-
020	Mining and quarrying	6,639	180	180	6,639	(160)	-
030	Manufacturing	170,057	7,595	7,595	170,057	(12,233)	-
040	Electricity, gas, steam and air conditioning supply	51,469	2,026	2,026	51,469	(775)	-
050	Water supply	14,758	9	9	14,758	(270)	-
060	Construction	122,621	6,971	6,971	122,621	(3,981)	-
070	Wholesale and retail trade	200,854	1,774	1,774	200,854	(5,084)	-
080	Transport and storage	241,872	19,976	19,976	241,871	(10,886)	-
090	Accommodation and food service activities	40,259	10,046	10,046	40,259	(1,433)	-
100	Information and communication	18,133	70	70	18,133	(438)	-
110	Financial and insurance activities	3	-	-	3	-	-
120	Real estate activities	415,941	3,775	3,775	415,942	(7,835)	-
130	Professional, scientific and technical activities	49,502	251	251	49,502	(1,770)	-
140	Administrative and support service activities	115,474	2,451	2,451	115,474	(2,541)	-
150	Public administration and defence, compulsory social security	126	-	-	126	(7)	-
160	Education	5,245	96	96	5,245	(208)	-
170	Human health services and social work activities	14,881	149	149	14,881	(366)	-
180	Arts, entertainment and recreation	8,788	685	685	8,788	(252)	-
190	Other services	4,402	157	157	4,402	(151)	-
200	**Total**	**1,655,776**	**59,904**	**59,904**	**1,655,776**	**(54,055)**	**-**

EU CR1: Performing and non-performing exposures and related provisions

In template "EU CR1" the disclosed information on Non-performing exposures and Accumulated impairment do not reflect separate allocation of a purchased or originated credit-impaired financial assets' amount. Therefore, total amounts do not reconcile with related subsections.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	**Cash balances at central banks and other demand deposits**	**504,722**	**504,722**	**-**	**-**	**-**	**-**	*(3)*	*(3)*	**-**	**-**	**-**	**-**		**-**	**-**
010	**Loans and advances**	**3,013,759**	**2,714,657**	**292,784**	**82,669**	**-**	**74,249**	(70,413)	(53,664)	(16,668)	(36,479)	**-**	(35,886)	(4,132)	**2,490,289**	**44,406**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	*27,839*	*25,155*	*2,683*	-	-	-	*(458)*	*(398)*	*(60)*	-	-	-	-	*6,594*	-
040	*Credit institutions*	*23,441*	*23,441*	-	-	-	-	*(382)*	*(382)*	-	-	-	-	-	-	-
050	*Other financial corporations*	*36,938*	*36,645*	*293*	*9*	-	*9*	*(1,240)*	*(1,225)*	*(15)*	*(8)*	-	*(8)*	-	*19,393*	-
060	*Non-financial corporations*	*1,595,872*	*1,348,092*	*241,744*	*59,904*	-	*52,048*	*(35,889)*	*(23,376)*	*(12,438)*	*(18,166)*	-	*(17,631)*	*(4,132)*	*1,356,269*	*40,678*
070	*Of which: SMEs*	*1,289,521*	*1,117,971*	*165,513*	*46,247*	-	*40,537*	*(27,932)*	*(20,865)*	*(6,992)*	*(9,326)*	-	*(8,883)*	-	*1,140,394*	*35,863*
080	*Households*	*1,329,669*	*1,281,324*	*48,064*	*22,756*	-	*22,192*	*(32,444)*	*(28,283)*	*(4,155)*	*(18,305)*	-	*(18,247)*	-	*1,108,033*	*3,728*
090	**Debt Securities**	**1,550,987**	**1,550,987**	**-**	**-**	**-**	**-**	**(686)**	**(686)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	*1,232,872*	*1,232,872*	-	-	-	-	*(438)*	*(439)*	-	-	-	-	-	-	-
120	*Credit institutions*	*151,990*	*151,990*	-	-	-	-	*(19)*	*(19)*	-	-	-	-	-	-	-
130	*Other financial corporations*	*40,090*	*40,090*	-	-	-	-	*(33)*	*(32)*	-	-	-	-	-	-	-
140	*Non-financial corporations*	*126,035*	*126,035*	-	-	-	-	*(196)*	*(196)*	-	-	-	-	-	-	-
150	**Off-balance sheet exposures**	**356,375**	**342,056**	**14,319**	**724**	**-**	**719**	**4,686**	**4,528**	**158**	**135**	**-**	**134**		**122,784**	**239**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	*2,901*	*2,901*	-	-	-	-	*1*	*1*	-	-	-	-		*2*	-
180	*Credit institutions*	*287*	*287*	-	-	-	-	*1*	*1*	-	-	-	-		*120*	-
190	*Other financial corporations*	*19,549*	*19,549*	-	-	-	-	*1,058*	*1,058*	-	-	-	-		*8,719*	-
200	*Non-financial corporations*	*212,168*	*198,657*	*13,511*	*585*	-	*585*	*1,725*	*1,635*	*90*	*95*	-	*94*		*109,938*	*238*
210	*Households*	*121,470*	*120,662*	*808*	*139*	-	*134*	*1,901*	*1,833*	*68*	*40*	-	*40*		*4,005*	*1*
220	***Total***	**5,425,843**	**5,112,422**	**307,103**	**83,393**	**-**	**74,968**	**(66,416)**	**(49,825)**	**(16,510)**	**(36,344)**	**-**	**(35,752)**	**(4,132)**	**2,613,073**	**44,645**

EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	462,614,943	228,610,046	1,668,895,617	981,481,647	213,263	**3,341,815,515**
2	Debt securities	-	493,144,602	669,522,787	387,633,563	-	**1,550,300,953**
3	***Total***	**462,614,943**	**721,754,648**	**2,338,418,404**	**1,369,115,210**	**213,263**	**4,892,116,468**

Loans and advances also include off balance sheet commitments.

EU CQ3: Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days <= 180 days	Past due > 180 days < =1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**504,722**	**504,722**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**3,013,759**	**2,999,977**	**13,782**	**82,669**	**44,188**	**1,766**	**4,550**	**4,152**	**27,474**	**233**	**306**	**82,669**
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	27,839	27,839	-	-	-	-	-	-	-	-	-	-
040	*Credit institutions*	23,441	23,441	-	-	-	-	-	-	-	-	-	-
050	*Other financial corporations*	36,938	36,867	71	9	-	-	8	-	-	-	-	9
060	*Non-financial corporations*	1,595,872	1,588,193	7,679	59,904	40,206	671	4,070	3,389	11,523	47	-	59,904
070	*Of which SMEs*	*1,289,521*	*1,281,843*	*7,679*	*46,247*	*37,489*	*671*	*1,026*	*3,387*	*3,627*	*47*	-	*46,247*
080	*Households*	1,329,669	1,323,637	6,032	22,756	3,982	1,095	472	763	15,951	186	306	22,756
090	**Debt Securities**	**1,550,987**	**1,550,987**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,232,872	1,232,872	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	151,990	151,990	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	40,090	40,090	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	126,035	126,035	-	-	-	-	-	-	-	-	-	-
150	**Off-balance sheet exposures**	**356,375**	-	-	**724**	-	-	-	-	-	-	-	**719**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
170	*General governments*	2,901	-	-	-	-	-	-	-	-	-	-	-
180	*Credit institutions*	287	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*	19,549	-	-	-	-	-	-	-	-	-	-	-
200	*Non-financial corporations*	212,168	-	-	585	-	-	-	-	-	-	-	585
210	*Households*	121,470	-	-	139	-	-	-	-	-	-	-	134
220	**Total**	**5,425,843**	**5,055,686**	**13,782**	**83,393**	**44,188**	**1,766**	**4,550**	**4,152**	**27,474**	**233**	**306**	**83,388**

EU CRC – Qualitative disclosure requirements related to CRM techniques

Article 453 (a) CRR	(a)	Netting is not used as a CRM technique both for on-balance sheet and off-balance sheet exposures.
Article 453 (b) CRR	(b)	The valuation of the government guarantees and cash security deposits is the guaranteed amount as there is no volatility of mark-to-market adjustments to these types of CRM items.
Article 453 (c) CRR	(c)	The only types of collateral considered for CRM are government or state-owned development finance institution guarantees, guarantees provided by institutions and cash security deposits placed with the institution.
Article 453 (d) CRR	(d)	Prudently no credit derivatives are considered for the purposes of reducing capital requirements.
Article 453 (e) CRR	(e)	There is no CRM concentration risk from non-governmental counterparties.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	959,561	2,534,695	2,449,231	85,464	-
2	Debt securities	1,550,987	-	-	-	
3	**Total**	**2,510,548**	**2,534,695**	**2,449,231**	**85,464**	**-**
4	*Of which non-performing exposures*	*1,784*	*44,406*	*42,692*	*1,714*	-
5	*Of which defaulted*	*1,784*	*44,406*	*42,692*	*1,714*	-

EU CRD – Qualitative disclosure requirements related to standardised approach

Article 444(a)	Credit ratings issued by Moody's, Standard & Poor's, and Fitch Ratings are used by the institution. No ratings issued by other external credit assessment institutions (ECAIs) are used.
Article 444(b)	For all eligible exposure classes eligible ECAI ratings are used.
Article 444(c)	No credit rating issued for one asset is transferred onto comparable assets in the banking book.
Article 444(d)	The alphanumerical scale of each agency is aligned with the credit quality steps prescribed in Part Three, Title II, Chapter 2 of the CRR (as specified by the EBA).

EU CR4 – Standardised approach – Credit risk exposure and CRM effects

		a	b	c	d	e	f
		Exposures before CCF and before CRM		**Exposures post CCF and post CRM**		**RWAs and RWAs density**	
	Exposure classes	**On-balance sheet exposures**	**Off-balance sheet exposures**	**On-balance sheet exposures**	**Off-balance sheet amount**	**RWEA**	**RWEA density (%)**
1	Central governments or central banks	1,679,755	-	1,728,909	2,905	13,725	1%
2	Regional government or local authorities	64,731	2,196	64,899	1,323	5,403	8%
3	Public sector entities	6,488	491	6,488	245	2,192	33%
4	Multilateral development banks	36,780	-	381,484	-	636	0%
5	International organisations	-	-	-	-	-	-
6	Institutions	207,074	280	208,974	104	50,106	24%
7	Corporates	1,207,359	204,915	1,128,722	71,687	997,775	83%
8	Retail	795,861	134,035	779,131	5,023	522,730	67%
9	Secured by mortgages on immovable property	750,566	2,673	731,612	1,336	314,009	43%
10	Exposures in default	51,838	627	46,404	234	53,211	114%
11	Items associated with particularly high risk	30,664	6,892	27,381	3,446	46,240	150%
12	Covered bonds	29,572	-	29,572	-	2,957	10%
13	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investments undertakings	1,101	-	1,101	-	1,166	106%
15	Equity exposures	5,488	-	5,488	-	11,891	217%
16	Other exposures	108,814	218	180,630	13,450	52,171	27%
17	**Total**	**4,976,091**	**352,327**	**5,320,795**	**99,753**	**2,074,212**	**38%**

EU CR5 – Standardised approach

		Risk weight																
	Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Total**	**Of which unrated**
1	Central governments or central banks	1,663,251	-	-	-	68,547	-	-	-	-	16	-	-	-	-	-	1,731,814	16
2	Regional governments or local authorities	39,209	-	-	-	27,013	-	-	-	-	-	-	-	-	-	-	66,222	-
3	Public sector entities	1	-	-	-	3,912	-	2,820	-	-	-	-	-	-	-	-	6,733	-
4	Multilateral development banks	378,304	-	-	-	3,180	-	-	-	-	-	-	-	-	-	-	381,484	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	193,858	-	13,232	-	-	5,400	-	-	-	-	-	212,490	-
7	Corporates	-	-	-	-	79,019	-	39,634	-	-	1,093,020	25	-	-	-	-	1,211,698	1,005,421
8	Retail	-	-	-	-	-	-	-	-	784,155	-	-	-	-	-	-	784,155	784,155
9	Secured by mortgages on immovable property	-	-	-	-	-	620,840	-	-	61,558	50,551	-	-	-	-	-	732,949	732,949
10	Exposures in default	-	-	-	-	-	-	-	-	-	33,493	13,144	-	-	-	-	46,637	46,637
11	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	30,827	-	-	-	-	30,827	30,827
12	Covered bonds	-	-	-	29,572	-	-	-	-	-	-	-	-	-	-	-	29,572	-
13	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Collective investments undertakings	39	-	-	-	-	-	120	-	-	612	330	-	-	-	-	1,101	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	1,220	-	4,269	-	-	-	5,489	5,489
16	Other exposures	100,380	-	-	-	51,910	-	-	-	-	41,788	-	-	-	-	-	194,078	194,078
17	**Total**	**2,181,184**	**-**	**-**	**29,572**	**427,439**	**620,840**	**55,806**	**-**	**845,713**	**1,226,100**	**44,326**	**4,269**	**-**	**-**	**-**	**5,435,249**	**2,799,572**

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		General credit exposures		Relevant credit exposures – Market risk				Own funds requirements						
		Exposure value under the SA	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Counter-cyclical buffer rate (%)
010	**Breakdown by country:**													
	LATVIA	1,347,933	-	-	-	-	1,347,933	68,490	-	-	68,490	856,125	42.6%	0.0%
	LITHUANIA	1,014,041	-	-	-	-	1,014,041	59,169	-	-	59,169	739,613	36.8%	0.0%
	ESTONIA	445,626	-	-	-	-	445,626	23,221	-	-	23,221	290,263	14.5%	1.0%
	UNITED STATES	45,127	-	-	-	-	45,127	1,327	-	-	1,327	16,588	0.8%	0.0%
	NETHERLANDS	32,733	-	-	-	-	32,733	1,055	-	-	1,055	13,188	0.7%	0.0%
	SWITZERLAND	25,960	-	-	-	-	25,960	1,642	-	-	1,642	20,525	1.0%	0.0%
	SEYCHELLES	17,279	-	-	-	-	17,279	1,382	-	-	1,382	17,275	0.9%	0.0%
	CANADA	13,346	-	-	-	-	13,346	195	-	-	195	2,438	0.1%	0.0%
	FRANCE	12,531	-	-	-	-	12,531	843	-	-	843	10,538	0.5%	0.0%
	UNITED KINGDOM	9,689	-	-	-	-	9,689	554	-	-	554	6,925	0.3%	1.0%
	SINGAPORE	9,532	-	-	-	-	9,532	153	-	-	153	1,913	0.1%	0.0%
	CYPRUS	8,970	-	-	-	-	8,970	714	-	-	714	8,925	0.4%	0.0%
	FINLAND	7,092	-	-	-	-	7,092	60	-	-	60	750	0.0%	0.0%
	SWEDEN	6,888	-	-	-	-	6,888	413	-	-	413	5,163	0.3%	1.0%
	SLOVAKIA	6,712	-	-	-	-	6,712	54	-	-	54	675	0.0%	1.0%
	GERMANY	6,303	-	-	-	-	6,303	224	-	-	224	2,800	0.1%	0.0%
	BELGIUM	5,517	-	-	-	-	5,517	441	-	-	441	5,513	0.3%	0.0%
	NORWAY	3,722	-	-	-	-	3,722	60	-	-	60	750	0.0%	2.0%
	MALAYSIA	3,299	-	-	-	-	3,299	264	-	-	264	3,300	0.2%	0.0%
	RUSSIAN FEDERATION	1,738	-	-	-	-	1,738	68	-	-	68	850	0.0%	0.0%
	AUSTRALIA	1,609	-	-	-	-	1,609	31	-	-	31	388	0.0%	0.0%
	AUSTRIA	1,523	-	-	-	-	1,523	61	-	-	61	763	0.0%	0.0%
	UKRAINE	1,059	-	-	-	-	1,059	45	-	-	45	563	0.0%	0.0%
	ISRAEL	1,053	-	-	-	-	1,053	79	-	-	79	988	0.0%	0.0%
	UZBEKISTAN	378	-	-	-	-	378	10	-	-	10	125	0.0%	0.0%
	AZERBAIJAN	318	-	-	-	-	318	19	-	-	19	238	0.0%	0.0%
	IRELAND	147	-	-	-	-	147	5	-	-	5	63	0.0%	0.0%
	UNITED ARAB EMIRATES	119	-	-	-	-	119	3	-	-	3	38	0.0%	0.0%
	SAINT KITTS AND NEVIS	101	-	-	-	-	101	8	-	-	8	100	0.0%	0.0%
	ITALY	99	-	-	-	-	99	7	-	-	7	88	0.0%	0.0%
	BULGARIA	92	-	-	-	-	92	2	-	-	2	25	0.0%	1.0%

	CZECH REPUBLIC	70	-	-	-	-	70	2	-	-	2	25	0.0%	1.5%
	LUXEMBOURG	54	-	-	-	-	54	4	-	-	4	50	0.0%	0.5%
	LIECHTENSTEIN	47	-	-	-	-	47	4	-	-	4	50	0.0%	0.0%
	TURKMENISTAN	38	-	-	-	-	38	1	-	-	1	13	0.0%	0.0%
	CHINA	32	-	-	-	-	32	1	-	-	1	13	0.0%	0.0%
	VIRGIN ISLANDS, BRITISH	30	-	-	-	-	30	2	-	-	2	25	0.0%	0.0%
	HONG KONG	15	-	-	-	-	15	1	-	-	1	13	0.0%	1.0%
	DENMARK	13	-	-	-	-	13	1	-	-	1	13	0.0%	2.0%
	POLAND	10	-	-	-	-	10	-	-	-	-	-	0.0%	0.0%
	MOLDOVA, REPUBLIC OF	9	-	-	-	-	9	1	-	-	1	13	0.0%	0.0%
	SPAIN	3	-	-	-	-	3	-	-	-	-	-	0.0%	0.0%
	BELARUS	2	-	-	-	-	2	-	-	-	-	-	0.0%	0.0%
	BARBADOS	1	-	-	-	-	1	-	-	-	-	-	0.0%	0.0%
020	**Total**	**3,030,860**	**-**	**-**	**-**	**-**	**3,030,860**	**160,616**	**-**	**-**	**160,616**	**2,007,700**	**100.00%**	

In accordance with the EC 1152/2014 foreign exposures, whose aggregate does not exceed 2% of the aggregate of the general credit, trading book and securitisation exposures of that institution are allocated to an institution's home member state. The Article 140.4 of the 2013/36/EU requires only relevant credit exposures of the institution to be included in the countercyclical capital buffer calculating.

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	2,329,426
2	Institution specific countercyclical capital buffer rate	0.2%
3	Institution specific countercyclical capital buffer requirement	3,494

EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	41,069	55,442	55,442	55,442	(1,094)	(30,388)	61,941	24,499
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	*33,618*	*37,976*	*37,976*	*37,976*	*(538)*	*(14,346)*	*55,293*	*23,203*
070	*Households*	*7,451*	*17,466*	*17,466*	*17,466*	*(556)*	*(16,042)*	*6,648*	*1,296*
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	38	-	-	-	-	-	-	-
100	***Total***	***41,107***	***55,442***	***55,442***	***55,442***	***(1,094)***	***(30,388)***	***61,941***	***24,499***

COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. Group's counterparty credit risk arises primarily from currency derivatives transactions. The Group applies Simplified Standardised Approach (Simplified SA CCR) to calculate counterparty credit risk.

EU CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replace-ment cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU – Original Exposure Method (for derivatives)	-	-	n/a	1.4	-	-	-	-
EU2	EU – Simplified SA CCR (for derivatives)	1,407	3,843	n/a	1.4	7,351	-	7,351	5,902
1	SA – CCR (for derivatives)	-	-	n/a	1.4	-	-	-	-
2	IMM (for derivatives and SFTs)	n/a	n/a	-	1.2	-	-	-	-
2a	*Of which securities financing transactions netting sets*	n/a	n/a	-	n/a	-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*	n/a	n/a	-	n/a	-	-	-	-
2c	*Of which from contractual cross-product netting sets*	n/a	n/a	-	n/a	-	-	-	-
3	Financial collateral simple method (for SFTs)	n/a	n/a	n/a	n/a	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)	n/a	n/a	n/a	n/a	-	-	-	-
5	VaR for SFTs	n/a	n/a	n/a	n/a	-	-	-	-
6	**Total**	**n/a**	**n/a**	**n/a**	**n/a**	**7,351**	**-**	**7,351**	**5,902**

Credit Valuation Adjustment is an adjustment to the mid-market valuation of the portfolio of transactions with a counterparty. That adjustment reflects the current market value of the credit risk of the counterparty to the institution in relation to transactions with derivatives.

EU CCR2 – Transactions subject to own funds requirements for CVA risk

		a Exposure value	b RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)	n/a	-
3	(ii) stressed VaR component (including the 3× multiplier)	n/a	-
4	Transactions subject to the Standardised method	7,040	1,570
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**7,040**	**1,570**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

		Risk weight											Total exposure value
	Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	1,706	-	-	-	-	-	-	1,706
7	Corporates	-	-	-	-	-	-	-	-	5,645	-	-	5,645
8	Retail												
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**-**	**-**	**-**	**1,706**	**-**	**-**	**-**	**5,645**	**-**	**-**	**7,351**

SECURITISATION

EU-SECA - Qualitative disclosure requirements related to securitisation exposures

Legal basis	Row number	Qualitative information
Article 449(a) CRR	(a)	Description of securitisation and re-securitisation activities; including institutions' risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions whether they use the Simple Transparent and Standardised (STS) securitisation framework and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic securitisation risk transfer policy Citadele is participating in a Private Synthetic Securitisation, non-STS (Simple Transparent and Standardised). Therefore, STS securitisation framework is not applied. The total risk retained is calculated form the overcollateralized underlying loan portfolio. The collateralised loan portfolio is not derecognised for accounting purposes and is reported as loans. For more details refer to the summary of the Group’s key accounting policies in the most recent annual report.
Article 449(b) CRR	(b)	The type of risk that institutions are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions, providing a distinction between STS and non-STS positions and: i) risk retained in own-originated transactions; ii) risk incurred in relation to transactions originated by third parties Citadele has only own-originated securitisation transaction. Citadele is not participating in securitisation transactions originated by third parties. Risk of Citadele is limited to the first loss tranche and to the excess spread. STS securitisation framework is not applied. Loss amount exceeding expected credit losses on the securitized exposures is subject to 1250% risk weight or deduction from Equity (Articles 244 (1) (b) or 245 (1) (b) of CRR). Citadele has elected deduction from Equity.
Article 449(c) CRR	(c)	Institutions’ approaches to calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies with a distinction between STS and non-STS positions Citadele is not participating in securitisation transactions originated by third parties. Citadele has only own-originated synthetic securitisation transaction where risk amount retained is deduct in accordance with Article 245 (1) (b) of CRR. All relates to non-STS.

Article 449(d) CRR	(d)	A list of SSPEs falling into any of the following categories, with a description of types of institution's exposures to those SSPEs, including derivatives contracts: (i) SSPEs which acquire exposures originated by the institutions; (ii) SSPEs sponsored by the institutions; (iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services; (iv) SSPEs included in the institutions' regulatory scope of consolidation Citadele has no exposures to any of the SSPEs above.
Article 449(e) CRR	(e)	A list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three CRR None to be reported.
Article 449(f) CRR	(f)	A list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions None to be reported.
Article 449(g) CRR	(g)	A summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions. Citadele is not participating in securitisation transactions originated by third parties. For accounting policy on own-originated securitisation transaction refer to the summary of the Group's key accounting policies in the most recent annual report.
Article 449(h) CRR	(h)	The names of the ECAIs used for securitisations and the types of exposure for which each agency is used. None. Citadele is not participating in securitisation as an investor.
Article 449(i) CRR	(i)	Where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three CRR including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels. None. Citadele is not participating in securitisation as an investor.

EU-SEC1 - Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							**Institution acts as sponsor**				**Institution acts as investor**			
		Traditional				**Synthetic**		**Sub-total**	**Traditional**		**Synthetic**	**Subtotal**	**Traditional**		**Synthetic**	**Subtotal**
		STS		**Non-STS**			**of which SRT**		**STS**	**Non-STS**			**STS**	**Non-STS**		
			of which SRT		**of which SRT**											
1	**Total exposures**	-	-	-	-	8,550	8,550	8,550	-	-	-	-	-	-	-	-
2	Retail (total)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	credit card	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	other retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Wholesale (total)	-	-	-	-	8,550	8,550	8,550	-	-	-	-	-	-	-	-
8	loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	lease and receivables	-	-	-	-	8,550	8,550	8,550	-	-	-	-	-	-	-	-
11	other wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW
1	**Total exposures**	-	-	-	-	8,550	-	-	-	8,550	-	-	-	-	-	-	-	-
2	Traditional transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Synthetic transactions	-	-	-	-	8,550	-	-	-	8,550	-	-	-	-	-	-	-	-
10	Securitisation	-	-	-	-	8,550	-	-	-	8,550	-	-	-	-	-	-	-	-
11	Retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		**Total amount of specific credit risk adjustments made during the period**
			Of which exposures in default	
1	**Total exposures**	**353,225**	**6**	-
2	Retail (total)	-	-	-
3	residential mortgage	-	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	re-securitisation	-	-	-
7	Wholesale (total)	353,225	6	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	353,225	6	-
11	other wholesale	-	-	-
12	re-securitisation	-	-	-

ENCUMBERED AND UNENCUMBERED ASSETS

EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		**Fair value of encumbered assets**		**Carrying amount of unencumbered assets**		**Fair value of unencumbered assets**	
			of which notionally eligible EHQLA and HQLA		**of which notionally eligible EHQLA and HQLA**		**of which EHQLA and HQLA**		**of which EHQLA and HQLA**
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**1,077,262**	**442,988**	**n/a**	**n/a**	**4,254,459**	**1,437,685**	**n/a**	**n/a**
030	Equity instruments	-	-	-	-	2,130	-	-	-
040	Debt securities	529,059	436,119	-	-	1,021,242	853,289	-	-
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	435,108	435,108	-	-	797,326	797,326	-	-
080	of which: issued by financial corporations	81,981	-	-	-	110,048	-	-	-
090	of which: issued by non-financial corporations	11,970	1,010	-	-	113,868	55,963	-	-
120	Other assets	548,203	6,870	n/a	n/a	3,231,087	584,395	n/a	n/a

For more details on types of encumbrances and description of liabilities secured by pledged assets and financial guarantees received refer to the latest annual report of the Group.

EU AE2 - Collateral received and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the disclosing institution**	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	-	-
241	**Own covered bonds and securitisations issued and not yet pledged**	n/a	n/a	-	-
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**1,077,262**	**442,988**	n/a	n/a

EU AE3 - Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**463,796**	**529,059**

EU AE4 - Accompanying narrative information

Qualitative disclosures

(a) General narrative information on asset encumbrance
Refer to the latest annual report.

(b) Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.
Refer to the latest annual report.

LEVERAGE RATIO

Leverage ratio is calculated as Tier 1 capital versus the total exposure measure. The minimum requirement is 3%. The exposure measure includes both non-risk based on-balance sheet and off-balance sheet items calculated in accordance with the capital requirements regulation. The leverage ratio and the risk-based capital adequacy ratio requirements are complementary, with the leverage ratio defining the minimum capital to total exposure requirement and the risk-based capital adequacy ratios limiting bank risk-taking.

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	**b**
		31/12/2022	**30/06/2022**
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	5,330,314	4,984,212
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(13,603)	(5,556)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**5,316,711**	**4,978,656**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	-	12,360
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	1,970	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	3,933
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	5,381	-
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**7,351**	**16,293**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	347,556	397,309
20	(Adjustments for conversion to credit equivalent amounts)	235,918	262,956
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	**Off-balance sheet exposures**	**111,638**	**134,353**
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(-) Excluded exposures of public development banks - Public sector investments	-	-
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-

EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	388 ,558	377,920
24	**Leverage ratio total exposure measure**	**5,435,700**	5,129,303
Leverage ratio			
25	Leverage ratio	7.1%	7.4%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	7.1%	7.4%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.1%	7.4%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement (%)	-	-
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,435,700	
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5,435,700	
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.1%	
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	7.1%	

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a **Applicable amount**
1	Total assets as per published financial statements	5,404,279
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(72,557)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	5,943
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	111,638
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(13,603)
13	**Leverage ratio total exposure measure**	**5,435,700**

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives and SFTs), of which:**	**5,330,314**
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	5,330,314
EU-4	Covered bonds	29,572
EU-5	Exposures treated as sovereigns	1,679,748
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	107,994
EU-7	Institutions	207,069
EU-8	Secured by mortgages of immovable properties	750,384
EU-9	Retail exposures	795,505
EU-10	Corporate	1,206,998
EU-11	Exposures in default	51,367
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	501,677

EU LRA: Disclosure of LR qualitative information

1	Description of the processes used to manage the risk of excessive leverage: The Group regularly calculates leverage ratio and monitors changes in it, to manage risk of excessive leverage.
2	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers: The major factors affecting the Group's leverage ratio in the reporting period was change in the Tier 1 capital level due to inclusion in own funds of the audited annual net result as well as changes in the Group's total assets which was related to scale of the Group's operations.

MARKET RISK

Market risk is the risk that the Group will incur a loss as a result of the mark-to-market revaluation of balance sheet and off-balance sheet items caused by changes in market values of financial instruments due to changes in foreign exchange rates, interest rates and other factors.

The position risk of financial instruments is managed through diversification by country, sector, industry and elaborate limit control. Issuers are internally risk graded. The exposure level limits, after in depth analysis, are set by the FMCRC, observing concentration risk levels set in the Group's Risk Strategy and other rules set by the Group Investment Committee (GIC) and specified in the Risk Strategy. The decisions of GIC and FMCRC are approved by the Management Board

To assess position risk the Group uses sensitivity and scenario analysis, which identifies and quantifies the negative impact of adverse events on the portfolio of the Group taking into consideration regional, sector profiles of the portfolio and credit rating risk profiles of issuers.

EU MR1 – Market risk under the standardised approach

		a RWEAs
	Outright products	
1	Interest rate risk (general and specific)	9,944
2	Equity risk (general and specific)	-
3	Foreign exchange risk	-
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	**Securitisation (specific risk)**	-
9	**Total**	**9,944**

EU MRA: Qualitative disclosure requirements related to market risk

Qualitative disclosures	
(a)	Points (a) and (d) of Article 435 (1) CRR A description of the institution's strategies and processes to manage market risk, including: - An explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks - A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges See text above
(b)	Point (b) of Article 435 (1) CRR A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management. See text above
(c)	Point (c) of Article 435 (1) CRR Scope and nature of risk reporting and measurement systems See text above

Exposures in equities not included in the trading book

None of the Group's investments in the equity exposures is included in the trading book. Information on the Group's investments in the equities, including carrying value, applied valuation techniques, fair value hierarchy level and estimated fair value, is disclosed at AS Citadele banka latest financial report which is available at www.cblgroup.com.

The prudential consolidation group does not include AAS CBL Life. The Group's investment of EUR 4,269 thousand in the capital of this subsidiary is accounted at cost and is not revalued.

Currency risk

Currency risk is a risk of loss arising from fluctuations in currency exchange rates.

Currency risk management in the Group is carried out in accordance with Currency Risk Management Policy and limits set in the Group's Risk Appetite Framework and Risk Strategy. FMCRC oversees and assess currency risk level within the Group, monitors compliance and the fulfilment of the limits, and sets limits for individual dealing desks within the overall risk limits. The decisions of the FMCRC are approved by the Bank's Management Board.

Day-to-day currency risk management is the responsibility of the Treasury Division, while risk monitoring and reporting is the responsibility of the Risk Management Division.

The Group has a low risk appetite for foreign exchange risk. The Group aims to keep exposures at levels that would produce a small net impact even in periods of high volatility. Several well-known methodologies are used to measure and manage foreign exchange risk including a conservative limit for a daily value-at-risk exposure. The Group is in full compliance with the currency position requirements of Latvian legislation and sets its internal limits more prudently than the regulatory limits.

Interest rate risk

Interest rate risk is related to the possible negative impact of changes in general interest rates on the Group's income and economic value.

Interest rate risk management in the Group is carried out in accordance with Interest Rate Risk Management Policy. Interest rate risk is assessed, and decisions are taken by the Assets and Liabilities Management Committee (ALCO). The decisions of the ALCO are approved by the Bank's Management Board. Acceptable interest rate risk level accompanied with the relevant limits is defined in the Group's Risk appetite framework and Risk strategy, ALCO monitors the compliance with the approved limits and use of the instruments for the management of interest rate risk. Interest rate risk measurement, management and reporting are responsibilities of the Treasury Division, while the Risk Management Division ensures proper oversight and prepares analytical reports to the ALCO and the Bank's Management Board.

The Group manages interest rate risk by using repricing gap analysis of the risk sensitive assets and liabilities, duration analysis of assets and liabilities as well as stress testing. Group sets limits for the impact of interest rate shock on economic value, net interest income and revaluation reserve. Based on the market analysis and the Group's financing structure, the ALCO sets the interest rates for customer deposits.

EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities

Row number	Qualitative information		Legal basis
(a)	A description of how the institution defines IRRBB for purposes of risk control and measurement	Prospective adverse impact on the Bank's and Group's net interest income and capital arising from a change in interest rates. IRRBB is measured throughout the stress testing outcomes and gap analysis. IRRBB risk control is ensured by the Risk Division	Article 448(1), point (e)
(b)	A description of the institution's overall IRRBB management and mitigation strategies	IRRBB management is ensured through the compliance with risk limits set according to Group's risk appetite approved by the Supervisory Board. The ALCO and the Management Board is responsible to take decision on necessary risk mitigation actions depending on limit breach specific, future Group's plans and strategy, market conditions, counterparty pricing etc. The Treasury Division is responsible for executing ALCO and Management Board decisions	Article 448(1), point (f)
(c)	The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB	Interest rate risk sensitive assets/liabilities gap analysis and IRRBB stress testing is ensured on a weekly basis	Article 448(1), points (e) (i) and (v); Article 448(2)
(d)	A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)	n/a	Article 448(1), point (e) (iii); Article 448(2)
(e)	A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)	n/a	Article 448(1), point (e) (ii); Article 448(2)
(f)	A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable)	n/a	Article 448(1), point (e) (iv); Article 448(2)
(g)	A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)	n/a	Article 448(1), point (c); Article 448(2)
(h)	Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	n/a	Article 448(1), point (d)
(i)	Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)		
(1) (2)	Disclosure of the average and longest repricing maturity assigned to non-maturity deposits	Average 1.3 years and longest 4 years	Article 448(1), point (g)

EU IRRBB1 - Interest rate risks of non-trading book activities

	Supervisory shock scenarios	a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(13,883)	n/a	12,438	n/a
2	Parallel down	701	n/a	(32,343)	n/a
3	Steepener	4,778	n/a	n/a	n/a
4	Flattener	(7,919)	n/a	n/a	n/a
5	Short rates up	6,371	n/a	n/a	n/a
6	Short rates down	(14,984)	n/a	n/a	n/a

According to paragraph 6 of the Annex II of the EBA/ITS/2021/07 for the first-time disclosure, the information for the previous period is not required.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will be unable to meet its legal payment obligations. The purpose of liquidity risk management is to ensure the availability of liquid assets to cover any possible gaps between cash inflows and outflows as well as to secure sufficient funding for lending and investment activities.

The Group manages its liquidity risk in accordance with Liquidity Risk Management Policy. The management and reporting of liquidity risk is coordinated by the Treasury Division, and the risk is assessed and decisions are taken by the ALCO. The decisions of the ALCO are approved by the Bank's Management Board. The Risk Management Division on a monthly basis provides information to the ALCO and the Bank's Management Board and Supervisory Board about the level of the assumed risk as part of the reporting and supervision process.

Liquidity risk for the Group is assessed in each currency in which the Group has performed a significant amount of transactions. Liquidity risk limits are reviewed at least once a year and also when there are major changes to the Group's operations or external factors affecting its operations. A liquidity crisis management plan has been developed and is updated on a regular basis.

One of the crucial tools used to evaluate liquidity risk is scenario analysis. Several scenarios of different severity and duration are employed by the Group with risk tolerances defined for the outcomes of those scenarios. Furthermore, the Group has developed a system of liquidity risk limits and early warning indicators and systematically prepares cash flow forecasts which incorporate assumptions about the most likely flow of funds over the period of one year. For general assessment of existing gaps between contractual maturities of assets and liabilities without any assumptions on customer behaviour, the Group regularly analyses liquidity term structure and sets corresponding risk tolerances.

The Group's balance sheet structure is planned for at least a one-year period and is aligned with development plans for the current period. The major current and potential funding sources are regularly analysed and controlled across the Group. The Group maintains regular contact with its interbank business partners and creditors with the aim of projecting possible deadlines for repayment or prolongation of funding sources as well as absorption of excess liquidity.

The general principles of the liquidity coverage ratio (LCR) as measurements of the Bank's and the Group's liquidity position is defined in the Regulation (EC) No 575/2013. The Commission Delegated Regulation (EU) 2015/61 defines general LCR calculation principles in more details. The minimum LCR requirement is 100% and it represents the amount of liquidity available to cover calculated net future liquidity outflows. The Bank and the Group is compliant with LCR requirements.

EU LIQA - Liquidity risk management

Qualitative disclosures	
(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding. See text above and the latest annual report of the Group.
(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements). See text above and the latest annual report of the Group.
(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units See text above and the latest annual report of the Group.
(d)	Scope and nature of liquidity risk reporting and measurement systems. See text above and the latest annual report of the Group.
(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants. See text above and the latest annual report of the Group.
(f)	An outline of the bank`s contingency funding plans. See text above and the latest annual report of the Group.
(g)	An explanation of how stress testing is used. See text above and the latest annual report of the Group.
(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy. See text above and the latest annual report of the Group.
(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include: · Concentration limits on collateral pools and sources of funding (both products and counterparties) · Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank · Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity · Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps See text above and the latest annual report of the Group.

EU LIQ1 - Quantitative information of LCR

In template "EU LIQ1" the disclosed LCR information is calculated as the simple average of months-end observations over the twelve months preceding the end of each quarter. In other LCR disclosures non-average end of the month figures may be disclosed. Non-average and end of the month figures will not reconcile.

		a	b	c	d	e	f	g	h
	Scope of consolidation: consolidated	Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	**31/12/2022**	**30/09/2022**	**30/06/2022**	**31/03/2022**	**31/12/2022**	**30/09/2022**	**30/06/2022**	**31/03/2022**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61	n/a	n/a	n/a	n/a	1,104,523	1,135,324	1,169,319	1,211,800
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	2,631,428	2,608,535	2,582,673	2,564,431	192,133	193,520	196,149	196,600
3	*Stable deposits*	1,696,134	1,682,864	1,660,166	1,626,530	84,807	84,143	83,008	81,326
4	*Less stable deposits*	766,109	765,244	757,096	741,491	97,723	98,017	97,151	95,411
5	Unsecured wholesale funding	909,130	910,598	936,907	967,642	419,672	417,894	424,775	428,048
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	92,176	101,688	117,340	133,782	21,969	24,376	28,340	32,406
7	*Non-operational deposits (all counterparties)*	816,463	808,792	819,449	833,860	397,212	393,400	396,317	395,642
8	*Unsecured debt*	491	118	118	-	-	-	-	-
9	*Secured wholesale funding*	n/a	n/a	n/a	n/a	-	-	-	-
10	Additional requirements	350,656	352,132	331,967	324,361	35,465	35,180	32,715	31,983
11	*Outflows related to derivative exposures and other collateral requirements*	6,454	4,763	3,283	2,199	6,454	4,763	3,283	2,199
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	344,202	347,370	328,684	322,162	29,010	30,417	29,432	29,784
14	Other contractual funding obligations	458	2,478	8,685	14,731	458	2,478	8,685	14,731
15	Other contingent funding obligations	173,821	122,090	70,052	39,558	8,540	5,698	3,280	1,580
16	TOTAL CASH OUTFLOWS	n/a	n/a	n/a	n/a	656,268	654,770	665,604	672,942
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	56,652	62,932	69,281	73,179	41,388	47,881	54,997	60,314
19	Other cash inflows	4,557	4,387	4,614	4,415	4,556	4,386	4,613	4,414
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)	n/a	n/a	n/a	n/a	-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)	n/a	n/a	n/a	n/a	-	-	-	-
20	TOTAL CASH INFLOWS	61,210	67,319	73,895	77,594	45,945	52,268	59,611	64,729
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	61,210	67,319	73,895	77,594	45,945	52,268	59,611	64,729
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER	n/a	n/a	n/a	n/a	1,104,523	1,135,324	1,169,319	1,211,800
22	TOTAL NET CASH OUTFLOWS	n/a	n/a	n/a	n/a	610,323	602,502	605,993	608,213
23	LIQUIDITY COVERAGE RATIO	n/a	n/a	n/a	n/a	182%	188%	193%	199%

EU LIQB on qualitative information on LCR, which complements template EU LIQ1

	Qualitative information
(a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time: The LCR is affected by depositors' activities – that is inflows and outflows of funds for operational or economic reasons, and corresponding changes in the HQLA.
(b)	Explanations on the changes in the LCR over time: LCR dynamics are mainly affected by developments in the deposit base and corresponding actions taken by the management to manage liquidity position accordingly.
(c)	Explanations on the actual concentration of funding sources: The Group is primarily deposit funded. Deposits are diversified among Retail and Corporate segments.
(d)	High-level description of the composition of the institution`s liquidity buffer: Mainly comprised of central bank balances and high-quality debt securities.
(e)	Derivative exposures and potential collateral calls: Derivatives are mainly used for management of the open currency position. Collateral pledged and received can be volatile over time and depends on the underlying risk factor dynamics, mainly FX rates, but for the Group is immaterial in absolute terms due to short maturity and low gross volumes.
(f)	Currency mismatch in the LCR: The Group predominantly operates in EUR currency and has low levels of assets and liabilities in foreign currencies. Low currency mismatch in LCR is observed.
(g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile: n/a

EU LIQ2: Net Stable Funding Ratio

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Available stable funding (ASF) Items					
1	Capital items and instruments	388,558	-	-	59,595	448,153
2	*Own funds*	388,558	-	-	59,595	448,153
3	*Other capital instruments*	n/a	-	-	-	-
4	Retail deposits	n/a	2,673,342	41,261	19,446	2,556,842
5	*Stable deposits*	n/a	1,846,433	38,638	18,819	1,809,636
6	*Less stable deposits*	n/a	826,909	2,622	628	747,206
7	Wholesale funding:	n/a	1,547,519	85,762	242,178	758,726
8	*Operational deposits*	n/a	141,587	-	-	-
9	*Other wholesale funding*	n/a	1,405,933	85,762	242,178	758,726
10	Interdependent liabilities	n/a	-	-	-	-
11	Other liabilities:	7,650	232,160	101	46	97
12	*NSFR derivative liabilities*	7,650	n/a	n/a	n/a	n/a
13	*All other liabilities and capital instruments not included in the above categories*	n/a	232,160	101	46	97
14	**Total available stable funding (ASF)**	n/a	n/a	n/a	n/a	**3,763,818**

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)	n/a	n/a	n/a	n/a	159,773
EU-15a	Assets encumbered for more than 12m in cover pool	n/a	-	-	-	-
16	Deposits held at other financial institutions for operational purposes	n/a	-	-	-	-
17	Performing loans and securities:	n/a	353,517	187,745	2,676,176	2,543,635
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*	n/a	-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*	n/a	58,820	1,522	17,202	23,845

20	*Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*	n/a	223,160	156,788	1,710,423	2,286,921
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	n/a	1,938	2,551	20,320	323,644
22	*Performing residential mortgages, of which:*	n/a	20,477	18,809	724,634	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*	n/a	14,168	13,268	453,037	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*	n/a	51,061	10,627	223,917	232,869
25	Interdependent assets	n/a	-	-	-	-
26	Other assets:		334,672	56,054	152,698	124,541
27	*Physical traded commodities*	n/a	n/a	n/a	-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*	n/a	-	-	-	-
29	*NSFR derivative assets*	n/a	1,285	n/a	n/a	1,285
30	*NSFR derivative liabilities before deduction of variation margin posted*	n/a	-	n/a	n/a	-
31	*All other assets not included in the above categories*	n/a	334,672	56,054	151,413	123,256
32	Off-balance sheet items	n/a	180,759	28,720	101,898	16,105
33	**Total RSF**	**n/a**	**n/a**	**n/a**	**n/a**	**2,844,055**
34	**Net Stable Funding Ratio (%)**	**n/a**	**n/a**	**n/a**	**n/a**	**132%**

OPERATIONAL RISK

The Group has adopted the Basel Committee on Banking Supervision's definition of operational risk: the probability of incurring losses due to failure or partial failure of internal processes to comply with the requirements of the laws and binding external regulations, as well as the requirements of internal regulations, due to the acts of the Group's employees and operation of systems, irregularities in internal processes, as well as due to the acts of third parties or other external conditions. Operational risk is divided into the following categories: personnel risk, process risk, IT and system risk, external risk.

Operational risk is managed using an integrated and comprehensive framework of policies, methodologies, procedures and regulations for identification, analysis, mitigation, control, and reporting of operational risk. The Group's operational risk management processes are integral to all business activities and are applicable to all employees and members of the Group. The Group's aim is to ensure that each of its employees knows not just how to perform specific transactions, but also understand the key areas where risk can arise and the processes and steps required to prevent, or otherwise mitigate such risk.

The goal of the Group's operational risk management framework is to maintain low level of risk while ensuring that any residual risk is economically justified in light of the need to sustain the Group's performance and profit in the long term.

The Group aims to avoid operational risks with a potential impact which exceeds 1 bp of CET1 capital and has a higher probability of occurrence than once per five years, or risks with unquantifiable impact which are unmanageable, irrespective of the financial gains this could bring. Each accepted risk must be economically justified and, in cases where the assessment of operational risk in monetary terms is possible, the costs of the control measures required must be commensurate with the eventual loss that could be prevented by the existence of the control system.

The Group applies following approaches for operational risk management:
- Assessing operational risk in development projects: new and updated services and products are introduced only after a thorough risk assessment has been carried out;
- Conducting regular operational risk-control self-assessment: the Group identifies and assesses potential operational risk events, assesses control systems which are in place, and analyses the necessary risk reduction measures;
- Measuring operational risk indicators: the Group uses statistical, financial, and other indicators which represent the levels of operational risk in its various activities;
- Measuring, analysing, monitoring, reporting and escalating operational risk: the Group registers and analyses operational risk events, including their severity, causes and other important information in an operational risk loss and incident database;
- Conducting scenario and sensitivity analysis and stress-testing;
- Performing business continuity planning: the Group performs regular business impact analysis and has implemented a Disaster Recovery Plan;
- Assigning responsibilities: the operational risk management system includes assignment of responsibilities to certain individuals; and

- Documenting decisions: the Group maintains records in relation to the process undertaken to reach a particular decision or to prevent or mitigate a particular risk.

Operational risk management in the Group is carried out in accordance with Operational Risk Management Policy.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
Banking activities		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	-	-	-	19,024	237,799
3	*Subject to TSA:*	100,695	161,055	175,319	n/a	n/a
4	*Subject to ASA:*	-	-	-	n/a	n/a
5	Banking activities subject to advanced measurement approaches AMA	-	-	-	-	-

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS

The internal capital adequacy assessment process requires estimating individual capital charges for every significant risk type inherent to the Group. The internally developed methodology takes into account greater number of risks compared to what minimum regulatory standards require (e.g. interest rate risk in the banking book, concentration risk, compliance risk etc.). Furthermore, to ensure sustainability even at times of distress, the Group simulates its capital adequacy position under assumptions of an adverse macroeconomic scenario. The following summarises the forward looking assessment of the risk profile for the reporting period, where assessment is based on likelihoods assigned to different adverse deviations from the baseline scenario in terms of capital impact. The annual internal capital adequacy assessment is conducted for a three-year period, which corresponds to the timeframe used in the annual financial and strategic planning process, thereby promoting consistent integration of financial forecasts into capital adequacy evaluation.

Significant risks based on the most recent ICAAP assessment for which internal capital was allocated

Risk type	Exposure class	Risk assessment for the most recent period*	Regulatory capital requirement calculation method	Internal assessment method
Credit and concentration risks	Loan portfolio	High	Standardised approach	Scenario sensitivity approach
	Bond portfolio	Low	Standardised approach	Scenario sensitivity approach
	Counterparties	Low	Standardised approach	Scenario sensitivity approach
Market risk	Position risk in non-trading bond portfolio	High	-	Scenario sensitivity approach
	Currency risk	Low	CRR articles 351-354	Value at risk (VaR)
Operational risk		Low	Standardised approach	Loss distribution approach
General interest rate risk in the banking book		High	-	200bp parallel shift impact on EVE, six scenarios according to the regulatory requirements
Liquidity risk		Moderate	-	Integrated within reputation risk
AML and compliance risk		Low	-	Integrated within operational risk
Reputation risk		Low	-	Scenario sensitivity approach
Business model and strategy risk		Moderate	-	Scenario sensitivity approach

* on a 4-grade scale: low, moderate, elevated, high

PRUDENTIAL DISCLOSURES ON ESG RISKS

Prudential disclosures on Environmental, Social and Governance (ESG) aspects are prepared in line with the requirements of the Article 449a of the CRR.

EU 2022/2453 Table 1 - Qualitative information on Environmental risk

Row number		Qualitative information - Free format
	Business strategy and processes	
(a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	As part of the regular business planning process of the Group, Citadele identifies and assesses relevant climate-related and environmental risks expected to affect the Group in short, medium and long term, in addition to the business environment, including macroeconomic variables, competitive landscape, regulatory, societal and geopolitical trends. Current primary ESG focus is on physical risks and transition risk at counterparty industry level.
(b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Material Climate-related and Environmental (C&E) risks are considered in Risk Appetite and Risk Strategy framework within the prudential risk areas in accordance with the Group's ESG Risk Policy. This process also includes appropriate risk limit setting, including C&E risk limits, the development of Key Risk indicators, and regular monitoring and reporting. In 2022 the Group regularly monitored Industry Environmental risk level (internal methodology) which is based on GHG emission intensity of industry. This approach is applied to the lending business and for investments in securities. Citadele is signatory of UNEP FI Principles for Responsible Banking and has carried out initial impact assessment and has set impact ambition during 2022. Following EU and regional ambition to reach net-zero emissions by 2050, the Group sets target for its own loan and securities portfolio. Net-zero by 2050 sets a measurable target to the Group's ambition on increasing sustainability and strengthening support to clients in transition to green operations. For more information refer to Sustainability Report for 2022 (published separately), prepared in accordance with GRI Sustainability Reporting Standards.
(c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	The Group is committed to green lending under EBRD and EIB programmes and has set a green lending target of 14% of total new lending in 2023, including EU-Taxonomy aligned, and aligned to EBRD and EIB-specific environmental criteria. The Group has disbursed EUR 81 million in green lending in 2022.
(d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	The counterparty C&E risk factor assessment is an integral part of the client's onboarding process and the monitoring process of existing clients. Within the credit risk assessment process, Citadele considers climate-related and environmental risks, both physical and transitional, and including over time horizon (short, medium, and long term). ESG factor assessment is an integral part of the credit decision. Citadele is continuing work in integrating C&E risk factors into lending decision process and in assessing and quantifying the effects of C&E risk drivers on credit risk, market risk, liquidity risk and operational risk. Citadele is screening new lending projects for eligibility for EBRD and EIB green financing criteria. Citadele is working to further strengthen its capacity to identify, assess and report on green projects with advisory support under the EIB Green Gateway facility through the European Investment Advisory Hub in the form of training, development of tools and manuals and on-the-job-support.
	Governance	
(e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	Citadele has approved and operational ESG Policy. The policy sets the framework and the main principles for managing ESG-related topics within Citadele Group and sets the ESG governance structure. The Supervisory Board of Citadele is responsible for overseeing the formation and implementation of the ESG strategy. The ESG risks are considered when developing Citadele's overall business strategy, business objectives, and risk management framework. The Supervisory Board exercises comprehensive oversight of climate-related and environmental risks. The Management Board is responsible for developing of the ESG strategy and execution of the strategy and to ensures comprehensive implementation of the ESG risk policy in the Group. The Management Board provides regular reporting to the Supervisory Board of the Group on the ESG risk management aspects in the Group.
(f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	Governance of the ESG risk management in the Citadele Group follows the overarching principle of three lines of defence: - The first line of defence comprises business and support functions. It is ultimately accountable for the ESG risk management related to its activities and within its area of responsibility. - The second line of defence is the risk management function, performing independent risk oversight and control. The risk management function facilitates

		implementation of a sound ESG risk management framework throughout the Group. It has responsibility for further identifying, monitoring, analysing, measuring, managing, and reporting on the ESG risk exposures and forming a holistic view of all risks on the individual and the consolidated basis. In addition, the risk management function challenges and assists in implementation of the ESG risk management requirements by business lines. It also ensure that there are processes and controls in place at the first line of defence and that these are appropriately designed and implemented and operate well. - The third line of defence is Internal Audit Department of the Group – an independent and objective assurance function overseeing implementation of the ESG risk framework and controls in the first and second lines of defence.
(g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	To ensure transparent and efficient driving of the overall ESG agenda, ESG Working Group has been established. The ESG Working Group is composed of dedicated representatives from all key functions. The ESG Working Group has a responsibility to ensure that procedures and controls are in place in order to implement and adhere to the ESG objectives, strategy and policies set by the Management Board. The ESG Working Group is led by ESG Officer of the Group. Responsibilities of the ESG Officer of the Group include defining the ESG framework and key goals related to the ESG area in cooperation with heads of the departments affected by the ESG; developing and regularly updating the ESG Policy; training employees in the ESG area; increasing awareness of the ESG matters by ensuring respective external and internal communication; cooperating with the Risk Management Division and heads of units and departments in developing ESG strategic targets and KPIs. Risk Management Division participates in developing, reviewing, and updating ESG Risk Policy; integrates key ESG risk drivers in the Risk Management Framework, Risk Appetite Framework, and relevant Risk Strategies; implements the principles set in the ESG Risk Policy and other regulatory requirements into existing policies, procedures, and processes; cooperates in defining ESG framework, key goals, and critical drivers; and ensures all their employees are familiar with these new processes and adhere to them. All employees of the Group are responsible for ESG risk identification, mitigation, management, and reporting within their area of activity.
(h)	Lines of reporting and frequency of reporting relating to environmental risk	C&E risk, including transition risk, limits are set in the Risk Appetite and Risk Strategy. The limits are monitored with quarterly frequency and included in the CRO report. CRO report is delivered to the Management Board, Risk Committee of the Group and the Supervisory Board. Initial physical risk assessment was concluded in December 2022, going forward physical risk is set to be monitored at least semi-annually.
(i)	Alignment of the remuneration policy with institution's environmental risk-related objectives	Allocation of variable remuneration component takes into account all types of current and future risks of the Bank, Group and Group entities respectively, including ESG-related risks. Variable remuneration component is based on a combination of assessment of individual and company goals; Management scorecard includes ESG-related goals in line with ESG policy of the Group. At pay-out of the deferred part of variable remuneration, a reassessment of the long-term performance and, if necessary, risk adjustment (including ESG risks) is applied to align variable remuneration to additional risks that have been identified or may have materialised after the initial award.
	Risk management	
(j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	Transition risk is assessed in short (less than 3 years), medium (3 to 5 years), and long-term (more than 5 years), to account for the changing nature of the ESG risks and their materialization horizon.
(k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	C&E risk management framework of the Group is based on the ECB guide on climate-related and environmental risks, Climate-related financial risks – measurement methodologies and Climate-related risk drivers and their transmission channels - both published by Bank for International Settlements, and EBRD Environmental and Social Risk Management Procedures.
(l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	Transition risk materiality assessments are performed at industry level, based on GHG emissions intensity. Industry environmental risk is monitored for legal entity lending portfolio and securities portfolio. An initial Physical risk assessment has been performed, covering both quantitative and qualitative assessment of material risks to collateralized real estate. Risk drivers and transmission channels are identified as part of C&E risk materiality assessment and inform risk management practices. Credit risk is the key prudential risk category through which C&E risk is likely to materialize for the Group, given its business profile and asset composition. Climate risk drivers can impact households, corporates, SMEs, and sovereigns, reducing income or wealth. Physical and transition risk drivers increase credit risk having a negative effect on a borrower's ability to repay and service debt (income effect), or on the ability to fully

		recover the value of a defaulted loan because of reduction in the value of the pledged collateral (wealth effect).
(m)	Activities, commitments and exposures contributing to mitigate environmental risks	Setting ESG risk limits in Risk Appetite and establishing long-term portfolio GHG emissions goals serves as a proactive mitigation action for C&E transition risk. Other proactive C&E risk mitigating actions include concentration and geographic risk management, and flood risk insurance requirement for immovable collaterals. Reactive actions taken by the Bank include risk transfer through loan securitisation. While structuring transactions with elevated ESG risk levels and exceeding a predetermined threshold of financed amount, the counterparts ESG action plan is considered. It may affect the length, pricing, or other structuring conditions. The material value of Real estate collateral is adjusted to adequately include physical risk assessment. Other detective mitigation methods are being integrated and used, including regular assessment of the current risk level against the desired risk level, trend analysis, risk indicator monitoring, auditing, etc.
(n)	Implementation of tools for identification, measurement and management of environmental risks	Identification, measurement and management tools for environmental risks: - ESG Risk Policy; - Risk Appetite and Risk Strategy - Environmental risk limits set and monitored in Lending and Securities portfolios; - Climate physical risk materiality assessment for collateralized real estate; - Client’s Environmental and Climate-related risk assessment form developed and integration in credit assessment process ongoing; - Environmental and Climate-related risk in Liquidity Risk Management - materiality assessment performed; - Real Estate collateral energy efficiency (EPC) data collection ongoing.
(o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	Environmental risk assessment is included in ICAAP under Credit risk. The ESG risk scenario is calculated as the worst-case scenario between the primary Credit risk-adverse scenario and the Credit Risk ESG scenario. For Liquidity risk profile: Climate-related and Environmental risk materiality assessment for consolidated Deposits and Non-Maturity Deposits portfolio is performed.
(p)	Data availability, quality and accuracy, and efforts to improve these aspects	Following an initial data gap analysis, the C&E risk-related data needs in focus for 2022 were address data inputs for physical risk assessment, and EPC certificate and energy efficiency data of collaterals. Improvements in the quality of collateral address data have been carried out to standardize data and enable geolocation mapping and connection to external physical risk maps. EPC label data collection has been started as standard practice for new lending, with new data fields introduced in data systems. During 2022 EPC data collection for existing collateral portfolio was carried out. Effort included cadastral number data cleaning and linking to external data providers like Land Registrars in Latvia and Estonia, and data collection services in Lithuania. General availability of EPC data remains the biggest challenge as a relatively low proportion of properties have received EPC labels, and the group with certificates includes a disproportionate number of newly built buildings, thus preventing extrapolation of data for use in estimated energy classes. Data-related plans for 2023 include further data quality improvements to enable regular reassessments of physical risk, increasing coverage of EPC data labels through purchase of data for existing portfolios and data collection for new collaterals. Collection of clients’ GHG data is due to begin in 2023.
(q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	To ensure that ESG topics are properly incorporated into overall business activities and risk management, ESG Risk appetite limits are set based on the ambition of gradually improving the Group’s ESG risks profile year over year. With the implementation of ESG limits, Group determines the current and future relevance of ESG topics for its own business activities. An environmental risk score is based on three factors: GHG emissions, timing (time to maturity), and weight of position in the portfolio.
(r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	Credit risk: - Physical and transition risk drivers increase Bank's credit risk through both the income effect and wealth effect. The Bank identifies income effect as a transmission channel of physical risk when physical hazard events have a negative effect on a borrower’s ability to repay and service debt via loss or reduction of income from affected real estate or manufacturing equipment. The Bank recognizes the wealth effect as transmission channel via reduced ability to fully recover the value of a exposure in default because of the reduction in the value of the pledged collateral. Requirement of continuous insurance of collateral is a means of mitigating the risk. - Bank assesses that climate risk drivers can impact households, corporates and SMEs, with a lesser degree of impact to sovereigns in the Bank's portfolio.

		- Climate-related increases in human mortality and declines in labour productivity are projected to be key drivers of long-term transmission channel of climate-risk through reductions in output and resulting economic implications. - In medium to long term increased borrowing costs due to factoring in C&E risks could lead to higher taxes, lower government spending and reduced economic activity, which may indirectly impact Bank's credit risk. Market risk: - Physical and transition risks can alter or reveal new information about future economic conditions or the value of real or financial assets, resulting in downward price shocks and an increase in market volatility in traded assets. - Climate risk could also lead to a breakdown in correlations between assets or a change in market liquidity for particular assets, undermining risk management assumptions. - Changes in asset values may be driven by a policy change that affects an individual borrower, or by the effect that policy change may have on the economy more broadly. Liquidity risk: - Climate risk drivers may impact liquidity risk directly by affecting Bank’s ability to raise funds or liquidate assets, access to stable sources of funding could be reduced as market conditions change. - Climate risk drivers may cause indirect impact through affected counterparties drawing down deposits and credit lines. Operational risk: - If physical hazards disrupt critical services and telecommunications infrastructure, Bank’s operational ability may be impacted. - Increasing legal and regulatory compliance risk associated with climate-sensitive investments and businesses may affect the Bank indirectly or directly. - Increasing direct and indirect (via counterparties) reputational risk based on changing market or consumer sentiment.

EU 2022/2453 Table 2 - Qualitative information on Social risk

Row number		Qualitative information - Free format
	Business strategy and processes	
(a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	Citadele environmental and social risk management is founded on the Banks strategy of developing business with a long-term perspective and in line with social, environmental, and economic goals in the decisions made, products offered, and services provided. This ensures alignment with the commercial strategy and helps embed environmental and social risk management in the organisational structure and culture. Citadele believes that a financial institution's social impact is based on the ability to leverage its expertise, financial products and services to enable people and communities to prosper and grow. Citadele acts based on high ethical and professional standards towards its clients, partners and employees. Being a socially responsible bank, Citadele stands up for: - responsible provision of banking services to promote the Baltic economy; - promoting financial education and literacy in society; - promoting tolerance in society and supporting charity projects for people, animals and nature support; - increasing customer trust in banking and Citadele Group; - making banking services accessible for people at any time and place convenient for them through our digital channel offering; - constantly increase internal ESG competence and promote it in society; - engaging in partnerships with relevant stakeholders to achieve society’s goals. Citadele acknowledges its responsibility in contribution to sustainable economic development, which includes responsible, fair and ethical business practices from its suppliers.
(b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	Citadele is managing the environmental and social risk factors in own operations and business activities. Citadele is performing social risk assessments in accordance with EBRD social risk guidelines of new lending projects above predetermined thresholds. Citadele has been monitoring social risk exposure in line with EBRD expectations since 2010 when EBRD became a stakeholder in the Group. Citadele ensures convenient and secure working conditions to its employees, in line with labour-related standards and requirements, national employment, social

		insurance, occupational health and safety standards. Citadele supports working environment that is free from any discrimination, prejudice, harassment, abuse of powers and undignified attitude. The Bank is continuously working to make its services accessible, and some of the Bank's practices are highlighted as good practice examples in the Ombudsman's report on Banking service accessibility in Latvia.
(c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	Citadele has developed and adopted ESG and ESG risk management policies that reflect the Bank's commitment to managing these factors. The ESG policy outlines Citadele's approach to ESG factors in Group's own operations, while the ESG risk policy outlines approach in the Group's business activities. The Group maintains good human resources management policies and practices appropriate to the business. Work on building employee capacity and engagement is constantly ongoing, including relevant trainings on ESG. The Bank has adopted systematic Climate-related, Environmental and Social risk management processes for business activities in line with the level of risk associated with the business activities. Social and environmental risk assessment is an integral part of the bank’s lending process (described in Procedure: Loan, Credit Line, Overdraft for Legal Persons) and is conducted for all legal person lending transactions in line with instruction on Environmental, Social and Climate-related risk assessment. The environmental and social risk assessment is carried out (i) when evaluating a new lending transaction for legal persons, as well as in (ii) assessing changes to the terms of the existing corporate lending transactions that require granting of an additional amount. A publicly available Supplier code of conduct has been introduced, summarizing the Bank's requirements in supplier selection, covering environmental practices, labour policies, and good governance, including good practice guidelines for these areas.
	Governance	
(d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:	Citadele maintains good governance practice, with a clear organisational structure and accountability, defined roles and responsibilities, organisation-wide objectives and progress monitoring, while ensuring adequate resource management. Supervisory Board is responsible for overseeing the Management Board tasked with establishment and implementation of ESG strategy. Chief Executive Officer is governing body member responsible for the execution of the ESG strategy and implementation of the governance structure set by the Management Board. ESG Officer develops a roadmap for achieving the ESG strategy and objectives and ensures its implementation within the Bank. ESG officer is a central point of contact for overall sustainability project coordination and is responsible for increasing awareness of ESG matters by ensuring respective external and internal communication. ESG Officer leads the ESG Working Group, composed from representatives of all functions involved in ESG risk management integration into Group's operations. Representatives of functions involved in social risk management are all part of the ESG Working Group:
(i)	Activities towards the community and society	(i) Activities towards the community and society are coordinated by Head of Marketing and Communication department;
(ii)	Employee relationships and labour standards	(ii) Employee relationships and labour standards are managed by Head of HR and Legal divisions;
(iii)	Customer protection and product responsibility	(iii) Customer protection and product responsibilities are with the heads of Business lines and Products;
(iv)	Human rights	(iv) Human rights are embedded into core of the Banks operations and all relevant documentation under the responsibility of Head of Legal division.
(e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	Risks associated with social factors in Group's internal operations are monitored continuously and reported to management bodies in monthly CRO report, under Operational risk.
(f)	Lines of reporting and frequency of reporting relating to social risk	Risks associated with social factors are reported on monthly basis.

(g)	Alignment of the remuneration policy in line with institution's social risk-related objectives	The Group's remuneration policy is in line with the Group's business and risk strategy, objectives, culture and values as well as long-term interests of the Group and its stakeholders. Any paying out of the deferred part of any variable remuneration includes reassessment of the long-term performance and, if necessary, risk adjustment to take into account additional risks, including social, identified or materialised after the award.
	Risk management	
(h)	Definitions, methodologies and international standards on which the social risk management framework is based	Social risk management framework in the Group is based on EBRD Environmental and Social Risk Management Manual and procedures recommended by the EBRD, in line with best international practice in the commercial financial sector.
(i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	All lending transactions for legal entities are screened for social risk according to thresholds and process outlined in the respective lending procedure and Environmental and Social risk assessment instruction. Applications falling within Bank's environmental and social exclusion list, which is based on EBRD guidelines and extended to cover no-go industries in line with the Bank's risk appetite, are rejected. Applications are further reviewed for environmental and social risk factors and social risk level is determined. Applications with particular social risk characteristics are further reviewed by EBRD. Environmental and social risk events for exposures are regularly monitored and reported to EBRD in due course of loan monitoring process, with prescribed remediation actions followed-up. Citadele expects its suppliers to manage sustainability topics within the field of human rights, labour practices, business ethics and the environment. Expectations for supplier ESG risk management are published in Supplier Code of Conduct. Social risk associated with exposures sensitive to social risks, such as clients or counterparties breaching labour law, human rights or other social laws or rights is monitored as part of regular media monitoring.
(j)	Activities, commitments and assets contributing to mitigate social risk	Citadele's success is based on its employees and their well-being. Citadele is committed to ensure supportive work environment which is aligned with today's requirements and standards, with no discrimination, equal opportunities, good working conditions, supporting professional skill and competence development, and employee well-being. Citadele is monitoring employee satisfaction via regular eNPS surveys and Mood Barometer. Citadele is committed to remain among the most desirable employers in the Baltics. The Group's lending exposures are screened and monitored in line with our commitment to EBRD. Citadele is a signatory of UNEP FI Principles for Responsible Banking and is committed to aligning the Bank's strategy and practice with the Sustainable Development Goals. The Bank performed initial Impact Assessment under PRB methodology in 2022, and is committed to increasing our positive impacts and reducing the negative impacts on the areas with highest regional level of need, including Socio-economic and Social needs.
(k)	Implementation of tools for identification and management of social risk	Social risk identification is part of the Group's strategy setting process, and includes analysing changes in consumer behaviour, demographic trends, changes in labour force and technological change.
(l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	Social risk is monitored under operational risk, and risk limits set within the relevant categories, such as availability and security of Bank's digital services, employee risk, reputational risk. Limit breaches and escalations managed in accordance with procedure for relevant operational risk category.
(m)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	The Bank has assessed that materialization of social risk within its lending portfolio may manifest in credit risk if social risk events prevent or delay the operation of development projects thus delaying or stopping planned income stream for the repayment of Bank's funds, and / or negatively affecting the value of affected collateral; changes in consumer sentiment following a social risk event may negatively affect demand for a borrower's product or service thus negatively impacting its income and repayment of Bank's funds. Materialization of social risks for Bank's suppliers may cause a disruption in availability of goods or services purchased.

EU 2022/2453 Table 3 - Qualitative information on Governance risk

Row number		Qualitative information - Free format
	Governance	
(a)	Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	The Bank's operation is based on transparent and sustainable actions in the financial markets. The Bank has a zero tolerance for corruption, and expects the same from its employees, customers and business partners. The Bank has developed internal legal framework which sets a clear and transparent corporate governance framework. Citadele is committed to avoid corruption and has no tolerance towards financial crime and non-compliance. For timely identification and understanding of corruption risk in operations of its counterparties, the Bank ensures explicit and unequivocal internal rules for risk screening, identification and continuous monitoring, described in a number of policies and procedures, including Corporate Governance Policy, Code of Ethics, Anti-corruption Policy, Anti-money laundering and counter terrorism and proliferation financing policy, Policy for Conflict of Interest in the Rendering of Investment and Ancillary Investment Services, Procedures for Assessment of Reports on Breaches, Monitoring of Transactions, Procurement and more. All employees are trained in the field of the prevention of corruption risk and fraud risk, as well are attested annually of their compliance with the principles prescribed in Anti-corruption policy.
(b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	Non-financial reports of counterparties are identified in due course of process, either procurement or lending, and further analysed manually, including taking into account the role of the counterparty's highest governance body in non-financial reporting.
(c)	Institution's integration in governance arrangements of the governance performance of their counterparties including: (i) Ethical considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns	The Bank adheres to strict know-your-customer procedures, which include requirements and good practice expectations for counterparty internal governance processes, including ethical considerations, anti-bribery and anti-corruption measures, internal controls, risk management policies and management of conflicts of interest. Transparency and inclusiveness disclosures are expected to be included in counterparty non-financial reporting in line with the level mandated by regulatory requirements pertinent to the counterparty.
	Risk management	
(d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering: (i) Ethical considerations (ii) Strategy and risk management (iii) Inclusiveness (iv) Transparency (v) Management of conflict of interest (vi) Internal communication on critical concerns	A publicly available Supplier code of conduct is binding for any new suppliers. The Supplier code of conduct summarizes the Bank's requirements in supplier selection, covering environmental practices, labour policies, and good governance, including good practice guidelines for these areas. Governance areas considered include ethics; no tolerance for bribery and corruption; management of conflict of interest; inclusiveness and transparent governance. The Bank itself adheres to Code of Ethics, based on regulatory requirements and industry good practices. The Code of Ethics includes selection of and cooperation with counterparties, management of conflict of interest and whistleblowing arrangements.

EU 2022/2453 Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	-	-	-	-	-

*For counterparties among the top 20 carbon emitting companies in the world

EU 2022/2453 Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	-	-	-	-
2		Non-financial corporations	-	-	-	-
3		*Of which Loans collateralised by commercial immovable property*	-	-	-	-
4		Households	-	-	-	-
5		*Of which Loans collateralised by residential immovable property*	-	-	-	-
6		*Of which building renovation loans*	-	-	-	-
7		Other counterparties	-	-	-	-
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	18.1	Transition risk	-	Loan categories classified as Green lending: - Green leasing - all fully electric cars - Loan for renovation of apartment buildings with ALTUM guarantee - multi apartment building energy efficiency improvement in Latvia - Loans classified as green under EBRD framework - Green loans for corporate customers (evaluated individually case by case)
9		Non-financial corporations	44.1	Transition risk	-	
10		*Of which Loans collateralised by commercial immovable property*	26.5	Transition risk	-	
11		Households	18.7	Transition risk	-	
12		*Of which Loans collateralised by residential immovable property*	-	-	-	
13		*Of which building renovation loans*	1.8	Transition risk	-	
14		Other counterparties	-	-	-	

EU 2022/2453 Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Columns on "environmentally sustainable (CCM)" and "GHG emissions" exposures are to be reported in the future, but no for the current period. Maturity is reported based on the gross amounts and (as per regulatory requirements) based on the final maturity of the exposure and not the contractual maturity which would be more consistent with the actual expected repayment cash flows.

.		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation**	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change***	**1,477.0**	**29.7**	**n/a**	**218.4**	**56.1**	**(48.4)**	**(11.0)**	**(17.0)**	**n/a**	**n/a**	**n/a**	**1,321.8**	**113.6**	**37.9**	**3.5**	**49.7**
2	A - Agriculture, forestry and fishing	174.8	-	n/a	32.6	3.7	(5.7)	(1.0)	(2.0)	n/a	n/a	n/a	152.0	19.0	3.5	0.2	3.7
3	B - Mining and quarrying	6.6	-	n/a	1.1	0.2	(0.2)	(0.0)	(0.0)	n/a	n/a	n/a	6.3	0.3	-	-	3.0
4	*B.05 - Mining of coal and lignite*	-	-	n/a	-	-	-	-	-	n/a	n/a	n/a	-	-	-	-	-
5	*B.06 - Extraction of crude petroleum and natural gas*	-	-	n/a	-	-	-	-	-	n/a	n/a	n/a	-	-	-	-	-
6	*B.07 - Mining of metal ores*	-	-	n/a	-	-	-	-	-	n/a	n/a	n/a	-	-	-	-	-
7	*B.08 - Other mining and quarrying*	6.6	-	n/a	1.1	0.2	(0.2)	(0.0)	(0.0)	n/a	n/a	n/a	6.3	0.3	-	-	3.0
8	*B.09 - Mining support service activities*	-	-	n/a	-	-	-	-	-	n/a	n/a	n/a	-	-	-	-	-
9	C - Manufacturing	187.4	0.8	n/a	58.0	7.6	(12.2)	(6.6)	(3.3)	n/a	n/a	n/a	179.0	7.5	-	0.9	4.9
10	*C.10 - Manufacture of food products*	26.8	-	n/a	1.8	2.3	(1.2)	(0.1)	(0.6)	n/a	n/a	n/a	24.9	1.9	-	0.0	2.3
11	*C.11 - Manufacture of beverages*	2.1	-	n/a	0.6	0.0	(0.1)	(0.0)	(0.0)	n/a	n/a	n/a	2.1	-	-	-	2.4
12	*C.12 - Manufacture of tobacco products*	-	-	n/a	-	-	-	-	-	n/a	n/a	n/a	-	-	-	-	-
13	*C.13 - Manufacture of textiles*	2.5	-	n/a	0.4	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	2.5	-	-	-	2.8
14	*C.14 - Manufacture of wearing apparel*	1.6	-	n/a	0.1	0.1	(0.1)	(0.0)	(0.1)	n/a	n/a	n/a	1.6	-	-	-	2.8
15	*C.15 - Manufacture of leather and related products*	0.1	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	0.1	-	-	-	3.1
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	27.5	-	n/a	1.6	1.0	(0.7)	(0.1)	(0.1)	n/a	n/a	n/a	26.3	0.4	-	0.8	2.8
17	*C.17 - Manufacture of pulp, paper and paperboard*	5.2	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	1.5	3.8	-	-	7.0
18	*C.18 - Printing and service activities related to printing*	8.9	-	n/a	1.6	0.0	(0.2)	(0.0)	(0.0)	n/a	n/a	n/a	8.9	-	-	0.0	3.0

19	*C.19 - Manufacture of coke oven products*	0.8	0.8	n/a	0.0	-	(0.0)	(0.0)	-	n/a	n/a	n/a	0.8	-	-	-	3.0
20	*C.20 - Production of chemicals*	1.7	-	n/a	0.3	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	1.7	0.0	-	-	2.4
21	*C.21 - Manufacture of pharmaceutical preparations*	8.8	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	8.8	-	-	-	2.9
22	*C.22 - Manufacture of rubber products*	3.4	-	n/a	0.5	0.0	(0.1)	(0.0)	(0.0)	n/a	n/a	n/a	3.4	0.0	-	-	2.3
23	*C.23 - Manufacture of other non-metallic mineral products*	2.1	-	n/a	0.6	0.0	(0.1)	(0.0)	(0.0)	n/a	n/a	n/a	2.0	0.1	-	-	2.5
24	*C.24 - Manufacture of basic metals*	0.2	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	0.2	-	-	-	2.1
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	13.7	-	n/a	1.3	0.0	(0.4)	(0.1)	(0.0)	n/a	n/a	n/a	13.2	0.4	-	0.0	2.8
26	*C.26 - Manufacture of computer, electronic and optical products*	1.0	-	n/a	0.1	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	1.0	-	-	-	2.9
27	*C.27 - Manufacture of electrical equipment*	6.4	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	6.4	-	-	-	3.7
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	6.5	-	n/a	0.2	3.8	(2.5)	(0.0)	(2.4)	n/a	n/a	n/a	6.4	0.1	-	-	1.3
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	1.2	-	n/a	0.2	0.1	(0.1)	(0.0)	(0.1)	n/a	n/a	n/a	1.1	-	-	0.1	3.6
30	*C.30 - Manufacture of other transport equipment*	0.5	-	n/a	0.1	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	0.5	-	-	-	3.3
31	*C.31 - Manufacture of furniture*	51.9	-	n/a	41.3	0.2	(5.1)	(4.9)	(0.0)	n/a	n/a	n/a	51.7	0.1	-	0.0	3.9
32	*C.32 - Other manufacturing*	3.1	-	n/a	0.7	0.0	(0.1)	(0.0)	(0.0)	n/a	n/a	n/a	2.7	0.4	-	0.0	3.6
33	*C.33 - Repair and installation of machinery and equipment*	11.3	-	n/a	6.4	0.0	(1.5)	(1.4)	(0.0)	n/a	n/a	n/a	11.0	0.2	-	-	2.8
34	D - Electricity, gas, steam and air conditioning supply	61.7	28.9	n/a	1.7	2.0	(0.8)	(0.1)	(0.1)	n/a	n/a	n/a	36.4	25.2	-	0.0	7.6
35	*D35.1 - Electric power generation, transmission and distribution*	55.0	28.9	n/a	0.1	2.0	(0.6)	(0.0)	(0.1)	n/a	n/a	n/a	30.3	24.7	-	0.0	7.7
36	*D35.11 - Production of electricity*	*28.9*	*28.9*	*n/a*	*0.1*	*2.0*	*(0.5)*	*(0.0)*	*(0.1)*	*n/a*	*n/a*	*n/a*	*28.7*	*0.1*	-	*0.0*	*2.0*
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	0.6	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	0.6	-	-	-	4.5
38	*D35.3 - Steam and air conditioning supply*	6.1	-	n/a	1.6	0.0	(0.2)	(0.1)	(0.0)	n/a	n/a	n/a	5.5	0.5	-	-	3.6
39	E - Water supply; sewerage, waste management and remediation activities	14.8	-	n/a	3.6	0.0	(0.3)	(0.2)	(0.0)	n/a	n/a	n/a	9.5	5.2	-	-	4.6
40	F - Construction	122.6	-	n/a	23.1	7.0	(4.0)	(0.9)	(1.4)	n/a	n/a	n/a	120.4	2.1	-	0.1	3.1
41	*F.41 - Construction of buildings*	47.8	-	n/a	15.4	0.6	(1.4)	(0.5)	(0.2)	n/a	n/a	n/a	46.7	1.0	-	0.1	3.4
42	*F.42 - Civil engineering*	33.0	-	n/a	3.0	4.5	(1.5)	(0.1)	(1.0)	n/a	n/a	n/a	32.6	0.4	-	0.0	2.6
43	*F.43 - Specialised construction activities*	41.9	-	n/a	4.7	1.9	(1.1)	(0.3)	(0.2)	n/a	n/a	n/a	41.1	0.7	-	0.0	3.2
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	200.9	-	n/a	23.1	1.8	(5.1)	(0.6)	(0.8)	n/a	n/a	n/a	191.4	7.4	-	2.0	2.5
45	H - Transportation and storage	244.0	-	n/a	11.3	20.0	(10.9)	(0.2)	(8.5)	n/a	n/a	n/a	208.5	4.5	30.9	0.2	6.5
46	*H.49 - Land transport and transport via pipelines*	183.2	-	n/a	8.6	6.9	(2.6)	(0.2)	(1.0)	n/a	n/a	n/a	149.8	2.5	30.9	0.1	6.9

47	*H.50 - Water transport*	8.9	-	n/a	1.0	7.5	(7.5)	(0.0)	(7.5)	n/a	n/a	n/a	8.9	-	-	-	0.3
48	*H.51 - Air transport*	0.0	-	n/a	0.0	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	0.0	-	-	-	1.4
49	*H.52 - Warehousing and support activities for transportation*	50.0	-	n/a	1.4	5.6	(0.8)	(0.0)	(0.1)	n/a	n/a	n/a	48.0	2.0	-	0.1	3.6
50	*H.53 - Postal and courier activities*	1.8	-	n/a	0.3	0.0	(0.0)	(0.0)	(0.0)	n/a	n/a	n/a	1.8	0.0	-	-	2.6
51	I - Accommodation and food service activities	43.5	-	n/a	19.4	10.0	(1.4)	(0.8)	(0.3)	n/a	n/a	n/a	38.3	5.2	-	0.1	8.7
52	L - Real estate activities	420.7	-	n/a	44.5	3.8	(7.8)	(0.7)	(0.6)	n/a	n/a	n/a	380.0	37.2	3.5	0.0	5.1
53	**Exposures towards sectors other than those that highly contribute to climate change***	**304.9**	**-**	**n/a**	**26.7**	**3.9**	**(5.9)**	**(1.3)**	**(0.9)**	**n/a**	**n/a**	**n/a**	**285.1**	**-**	**-**	**-**	**9.7**
54	K - Financial and insurance activities	9.4	-	n/a	-	-	(0.0)	-	-	n/a	n/a	n/a	6.3	3.0	-	-	3.5
55	Exposures to other sectors (NACE codes J, M - U)	295.5	-	n/a	26.7	3.9	(5.9)	(1.3)	(0.9)	n/a	n/a	n/a	278.8	12.2	4.1	0.4	6.2
56	***TOTAL***	1,781.8	29.7	n/a	245.1	59.9	(54.3)	(12.5)	(18.2)	n/a	n/a	n/a	1,606.9	128.9	42.0	4.0	n/a

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

** NACE code based, not considering any mitigating aspects or for example for "D35.11 - Production of electricity" whether electricity is generated with renewables or from fossil sources.

EU 2022/2453 Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

EPC label data collection has been started as standard practice for new lending, with new data fields introduced in data systems. During 2022 EPC data collection for existing collateral portfolio was carried out. Effort included cadastral number data cleaning and linking to external data providers like Land Registrars in Latvia and Estonia, and data collection services in Lithuania. General availability of EPC data remains the biggest challenge as a relatively low proportion of properties have received EPC labels, and the set of properties with certificates includes a disproportionate number of newly built buildings, thus preventing extrapolation of data for use in estimated energy classes. Unbuilt land collateral is estimated at 0 kWh/m² energy efficiency. Properties with expired EPC certificate are excluded form "EPC label of collateral" disclosure, but included in the estimated "EP score in kWh/m²" of collateral based on the expired EPC certificates.

.		**a**	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**	**j**	**k**	**l**	**m**	**n**	**o**	**p**
	Counterparty sector	**Total gross carrying amount (in MEUR)**															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	Total EU area	**2 786**	**253**	**8**	**6**	**1**	**1**	**2**	**118**	**31**	**4**	**6**	**2**	**7**	**1**	**2618**	
2	*Of which Loans collateralised by commercial immovable property*	658	216	4	5	1	1	2	101	25	2	2	1	7	1	519	17%
3	*Of which Loans collateralised by residential immovable property*	783	37	5	1	-	-	-	17	6	2	4	-	-	-	754	2%
4	*Of which Collateral obtained by taking possession: residential and commercial immovable properties*	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	77%
5	*Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	103	102	-	1	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	103	100%
6	Total non-EU area	**27**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**27**	
7	*Of which Loans collateralised by commercial immovable property*	8	-	-	-	-	-	-	-	-	-	-	-	-	-	8	0%

8	*Of which Loans collateralised by residential immovable property*	4	-	-	-	-	-	-	-	-	-	-	-	-	-	4	0%
9	*Of which Collateral obtained by taking possession: residential and commercial immovable properties*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
10	*Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated*	-	-	-	-	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	0%

EU 2022/2453 Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

Citadele's initial assessment of climate change physical risk is performed for the real estate collateral pledged as security for loans originated by the Group. Assessment is performed on address level using location-specific risk analysis to quantify physical risks using geospatial mapping and natural hazard maps collated by independent external agencies. Climate-related hazards were divided between acute and chronic risk groups according to the mapping provided in EU Taxonomy Climate Delegated Act Annex A. Main physical risks identified are flooding and draught. No exposures were identified as subject to Extremely high or High-Extremely high risk. Methodology and approach for subsequent assessments is being developed and further enhanced. The current approach is mainly limited by availability of the data for assessment of the climate change physical risk. Current collateral location coverage rate is 72%. Medium risk is assigned for the 28% of the collaterals for which coordinates could not be obtained. Future improvements to the methodology are much dependant on collection of additional data types and access to new data sources which would broaden the coverage and provide better perspective on the climate change physical risk for wider range of exposure types. The current approach provides a reasonable proxy indication of the climate change physical risk for exposures collateralised by immovable property, but not for other types of exposures to physical risk such as location of income-generating facilities that are not directly pledged. Thus climate change physical risk is not disclosed by sectors as current data availability does not provide sufficient information on all potential locations of impact. Even for exposures collateralised by immovable property, the current approach might have limitations, by not considering other enhancement factors of the respective exposure other than the pledged collateral, nor does it take into account potential local physical risk mitigation measures at the level of specific property.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Variable: Geographical area subject to climate change physical risk - acute and chronic events	**Gross carrying amount (Mln EUR)**													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2	B - Mining and quarrying	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
3	C - Manufacturing	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4	D - Electricity, gas, steam and air conditioning supply	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
5	E - Water supply; sewerage, waste management and remediation activities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
6	F - Construction	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8	H - Transportation and storage	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9	L - Real estate activities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10	Loans collateralised by residential immovable property	787	4	13	58	110	21	91	158	63	4	1	(4)	-	-

11	Loans collateralised by commercial immovable property	666	147	14	-	-	3	37	149	25	26	4	(3)	(1)	-
12	Repossessed collaterals	1	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Other relevant sectors (breakdown below where relevant)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

EXPOSURES, WHICH WERE SUBJECT TO SUPPORT MEASURES IN RESPONSE TO COVID-19

FCMC's regulation No 102 "Reporting and information disclosure about risk exposures, which were subject to support measures as a result of Covid-19 impact" requires specific information disclosure in accordance with the Appendix 3 of the European Banking Authority's guidelines EBA/GL/2020/07 on "Reporting and disclosure of exposures subject to measures applied in response to the Covid-19 crisis". In this section the required information is disclosed.

EBA/GL/2020/07, Template 1: Information on loans and advances subject to legislative and non-legislative moratoria

Exposure amounts disclosed in the Template 1 include only these which are subject to active EBA-compliant moratoria (i.e. expired EBA-compliant moratoria is excluded).

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non-performing				Performing			Non-performing			
				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	*of which: Collateralised by residential immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*of which: Small and Medium-sized Enterprises*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	*of which: Collateralised by commercial immovable property*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

EBA/GL/2020/07, Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

Exposure amounts disclosed in the Template 2 include not only active EBA-compliant moratoria but also expired EBA-compliant moratoria; that is, the exposure amount of loans and advances for which the EBA-compliant moratoria have expired at the reference date (i.e. the residual maturity of moratoria is equal to zero).

		a	b	c	d	e	f	g	h	i
			Gross carrying amount							
		Number of obligors		Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
						<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
2	Loans and advances subject to moratorium (granted)	315	21,877	-	21,877	-	-	-	-	-
3	of which: Households	n/a	10,455	-	10,455	-	-	-	-	-
4	*of which: Collateralised by residential immovable property*	n/a	10,455	-	10,455	-	-	-	-	-
5	of which: Non-financial corporations	n/a	11,422	-	11,422	-	-	-	-	-
6	*of which: Small and Medium-sized Enterprises*	n/a	11,422	-	11,422	-	-	-	-	-
7	*of which: Collateralised by commercial immovable property*	n/a	11,341	-	11,341	-	-	-	-	-

EBA/GL/2020/07, Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

Exposure amounts disclosed in the Template 3 include only newly originated loans and advances subject to public guarantee schemes subject to legislative and non-legislative moratoria. Pre-existing exposures, that as a result of Covid-19 were subjected to legislative and non-legislative moratoria, are excluded in the Template 3.

		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	Newly originated loans and advances subject to public guarantee schemes	504	-	403	-
2	of which: Households	-	n/a	n/a	-
3	*of which: Collateralised by residential immovable property*	-	n/a	n/a	-
4	of which: Non-financial corporations	504	-	403	-
5	*of which: Small and Medium-sized Enterprises*	8	n/a	n/a	-
6	*of which: Collateralised by commercial immovable property*	8	n/a	n/a	-