



AS Citadele Banka

Financial Results Presentation

Q3 2024

About us

Citadele Group – pan-Baltic full-service financial group

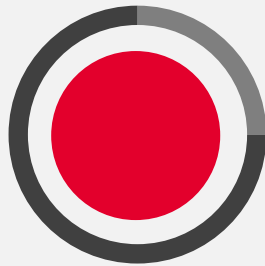
- Universal bank offering a wide range of banking products to our retail, SME and corporate customer base. The bank also provides wealth management, asset management, life insurance, pension, leasing and factoring products.
- Alongside traditional banking services, Citadele offers a range of services based on next-generation financial technology, incl. a modern MobileApp, contactless and instant payments, modern client onboarding practices and technologically-enabled best-in-class customer service.
- The Group's main market is the Baltics (Latvia, Lithuania and Estonia).

Shareholders

74.2%
Ripplewood and co-investors

24.7%
EBRD

1.1%
Management and employees



Moody's rating

Baa2, positive

/25 January 2024⁽¹⁾/

History – key highlights

- 2010** ● Citadele commenced operations on 1 August 2010.
- 2015** ● **Change of ownership** - Ripplewood Advisors LLC and co-investors acquired a 75% +1 share. EBRD holds a 25% -1 share. European Commission's restrictions removed.
- 2016** ● EUR 40 million subordinated bonds listed on Nasdaq Riga Stock Exchange Baltic Bond List.
- 2017** ● EUR 20 million subordinated bonds listed on Nasdaq Riga Stock Exchange Baltic Bond List.
- 2020** ● Citadele's **credit rating** upgraded to **investment grade** by Moody's, assigning Baa3 rating with stable outlook.
- 2021** ● Citadele becomes the **100% owner of SIA UniCredit Leasing**.
Citadele's **credit rating** upgraded by Moody's to **Baa2 with stable outlook**.
Citadele issues EUR 200 million of senior unsecured preferred bonds. The purpose of the issuance is to meet Minimum Requirement for own funds and Eligible Liabilities (MREL).
- 2022** ● The European Central Bank (ECB) has concluded the Asset Quality Review (AQR) of Citadele. The result of ECB's exercise highlights the quality of Citadele's asset base and risk underwriting. CET1 ratio post-AQR is 16.03% (pre-AQR ratio being 16.31%).
- 2024** ● Moody's **affirms** Citadele's **Baa2 credit rating**, changing outlook to positive. Citadele completes a **x3 oversubscribed issuance** of EUR 20 million subordinated bonds.

(1) Detailed information about ratings can be found on the web page of the rating agency www.moody's.com

Citadele overview

Complete portfolio of banking services

Private customers

Private individuals are serviced in Latvia, Lithuania and Estonia. The segment includes universal banking offer provided through branches, internet bank and mobile banking application.

Leasing

Leasing and factoring services provided to private individuals and companies in Latvia, Lithuania and Estonia.

Wealth management

Private banking, advisory, investment and wealth management services provided to high net-worth individuals serviced in Latvia, Lithuania and Estonia.

SME

Micro, Small and medium-sized companies in Latvia, Lithuania and Estonia serviced through branches, internet bank and mobile banking application. Focus on POS.

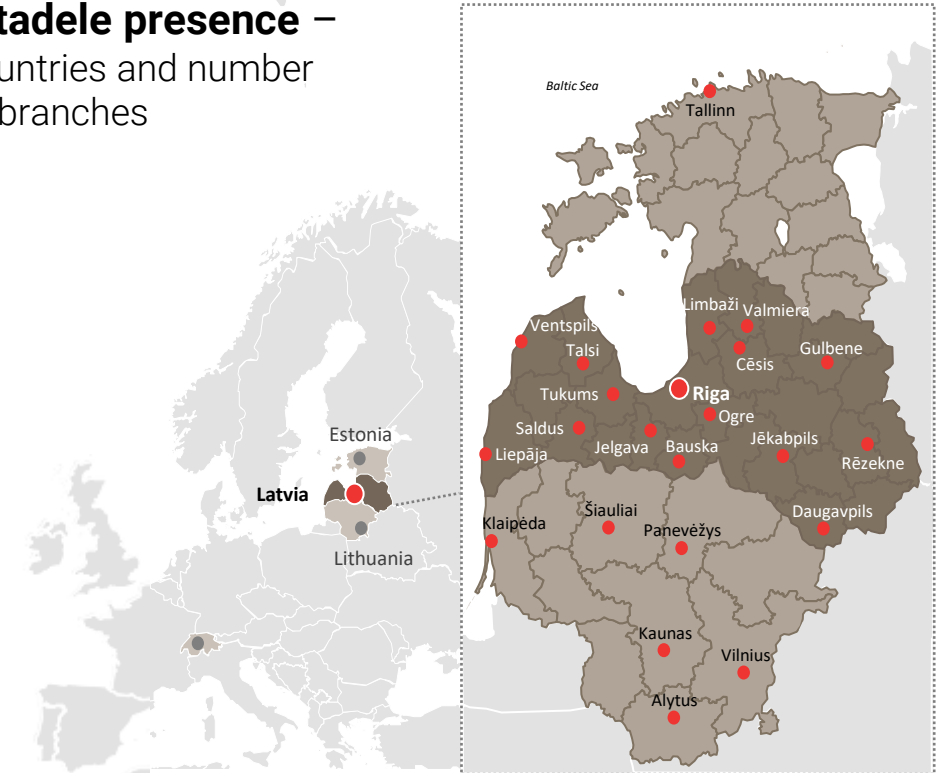
Corporates

Large customers serviced in Latvia, Lithuania and Estonia. Yearly turnover of the customer is above EUR 5 million or total risk exposure with Citadele Group is above EUR 1 million or the customer needs complex financing solutions.

Investment management

CBL Asset Management is one of the leading investment management companies in the Baltic area serving state-funded pension plans, corporations and other institutional clients.

Citadele presence – countries and number of branches



Branches*
11 in Latvia
6 in Lithuania
1 in Estonia



393k
Active Clients
(+5% y-o-y)



90%
Active digital channel
users, %
of total customers



264k
MobileApp users
(+5% y-o-y)

**Citadele banka has 11 branches and client service centres in Latvia, 1 branch in Estonia and 1 branch with 6 customer service units in Lithuania. Information about branches, client service centres and ATMs is available in the Citadele web page's section "Branches and ATMs". Citadele is present also in Switzerland through AG Kaleido Privatbank (31 Employees), currently in a sales process.*

Values and strategy

Strategic focus

Citadele aims to become a modern banking platform for the Baltics. Increasingly digital bank with a wide product suite and unique offerings for its private and business clients, complemented by innovative stand-alone solutions with unique value proposition.

Tactical steps

Becoming Bank in the Pocket for mass and affluent retail customers by increasing new and existing customers that use Citadele as their primary bank

Driving growth in the underserved SMEs and micro-SMEs segments by offering most competitive proposition and digital tools to retailers in the region

Supporting growing Baltic Corporates, aiming for the leading roles in their industries

Establishing Citadele Leasing as flexible, digital and most trustful Vendor finance player in the Baltics



Core values

Act

We create our own opportunities and deliver on promises.

Aspire

We find solution for every client to support local economy.

Innovate

We set the standard through innovative experience.

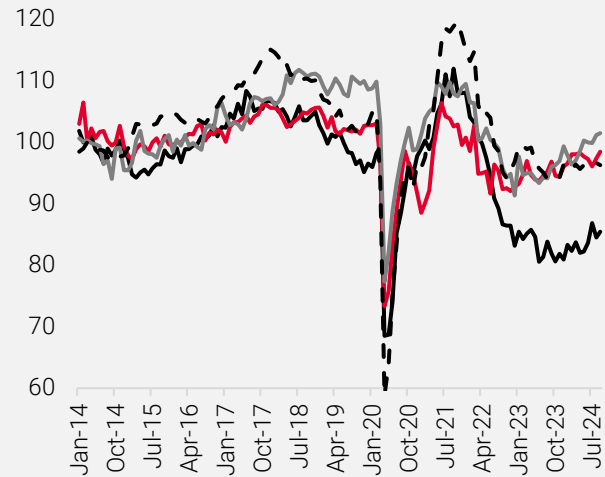
Personalize

We see people first and add human touch to banking.

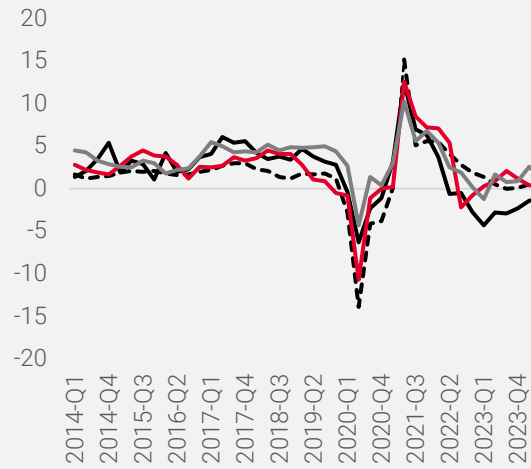
Citadele

Business environment

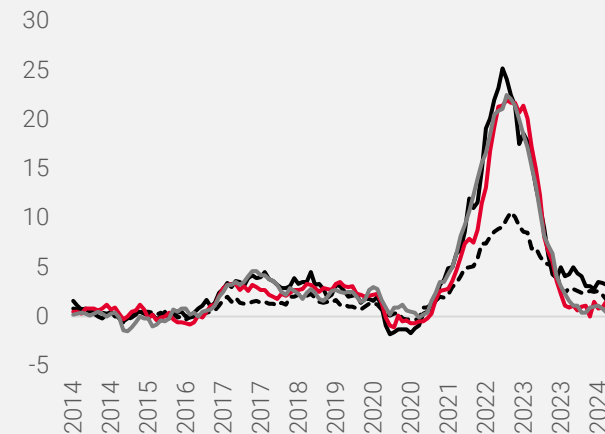
Economic sentiment indicator



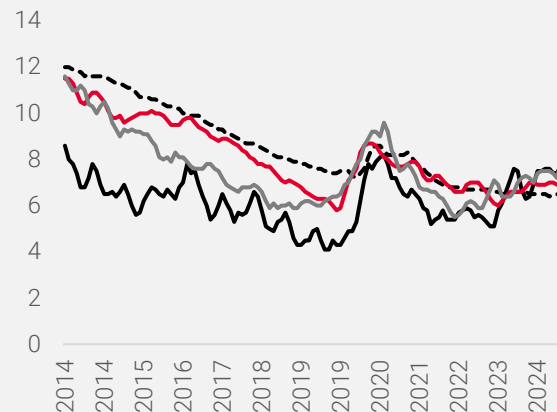
GDP (constant prices, % year-on year)



Inflation (% , year-on-year)



Unemployment rate (%)



— Latvia — Lithuania — Estonia - - - - Euro area

In 2024, global economic conditions remained challenging, with modest growth and regional disparities. The euro area faced slowing growth, while the Baltic economies showed mixed results. Lithuania led with robust leading growth due to stronger economic performance, Latvia saw moderate leading growth after stagnation, and Estonia remained stagnant. Central banks, including the US Federal Reserve and ECB, implemented rate cuts to address growth and inflation concerns, impacting interest rates and market liquidity.

In the Baltics, economic recovery remained slower than anticipated, with Latvia's GDP growth modest, manufacturing showing signs of recovery, and exports affected by weak eurozone demand. Lithuania showed positive but tempered growth, while Estonia faced continued sectoral contractions. On a positive note, unemployment across the Baltics remained low, and wage growth, while slowing, continued to rise steadily, supporting consumer spending and financial stability in the near future.

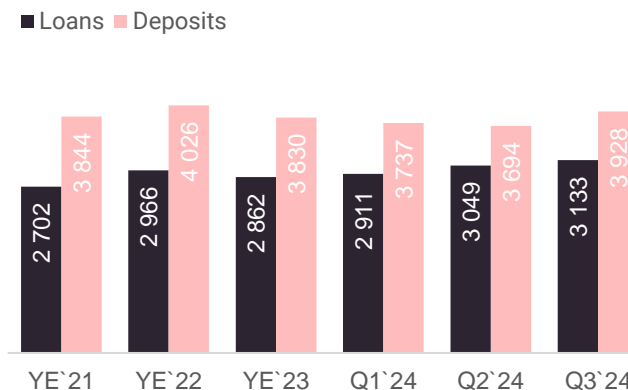
Key figures and events

- Citadele's operating income in the first nine months of 2024 reached EUR 174.7 million, remaining flat year-over-year. Return on equity stood at 18.9%, while the cost-to-income ratio (CIR) was 46.6%. In Q3 2024, operating income was EUR 58.7 million, reflecting a 1% increase quarter-over-quarter.
- In the first nine months of 2024, the loan portfolio increased by 9%, reaching EUR 3,133 million as of 30 September 2024. EUR 944 million was issued in new financing to support Baltic private, SME, and corporate customers during this period, with EUR 320 million issued in Q3 2024.
- The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio reached an all-time low of 2.0% as of 30 September 2024, down from 2.1% as of 31 December 2023.
- Citadele's deposit base totalled EUR 3,928 million as of 30 September 2024, reflecting a 3% increase since the end of 2023.
- Citadele's active customers increased by 2% quarter-over-quarter, reaching 393 thousand as of 30 September 2024. The number of active mobile app users reached 264 thousand, growing by 5% year-over-year. Active digital channel users accounted for 90.3% of total customers.
- Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 23.0%, CET1 was 20.1%, and the LCR was 192% as of 30 September 2024.
- As of 30 September 2024, Citadele had 1,360 full-time employees.
- Despite some economic and geopolitical uncertainty, the bank continues to evaluate various strategic options, including the possibility of an IPO.

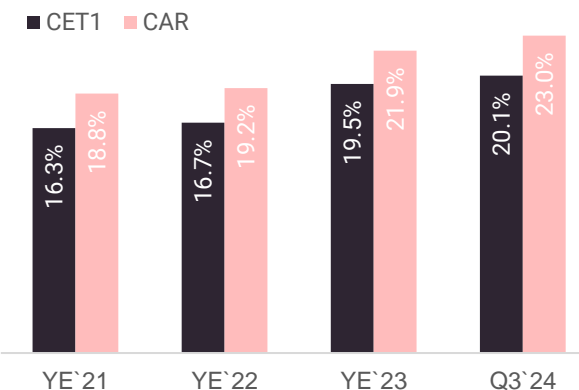
*Only continuous operations shown. Comparatives are restated for discontinued operations of Kaleido Privatbank AG (Swiss subsidiary bank of the Group) which is committed for sale and thus excluded from the presented key figures. Comparative figures for 2022 have been restated due to the adoption of IFRS 17, earlier comparative figures are not restated for IFRS 17.

EUR millions, Continuous operations*	9m 2024	9m 2023	Q3 2024	Q3 2023
Net interest income	144.8	138.8	49.2	50.8
Net fee and commission income	25.4	29.0	8.2	8.1
Net financial and other income	4.6	6.5	1.3	1.8
Operating income	174.7	174.3	58.7	60.6
Operating expense	(81.5)	(73.5)	(24.8)	(24.6)
Net credit losses and impairments	2.5	6.5	(4.5)	2.8
Net profit from continuous operations (after tax)	75.1	100.2	24.1	35.7
Return on average assets (ROA)	2.1%	2.7%	2.0%	3.0%
Return on average equity (ROE)	18.9%	29.0%	18.3%	29.6%
Cost to income ratio (CIR)	46.6%	42.2%	42.3%	40.6%
Cost of risk ratio (COR)	(0.1%)	(0.3%)	0.6%	(0.4%)

Loans to and deposits from the public, EURm



CET1 and CAR ratios**

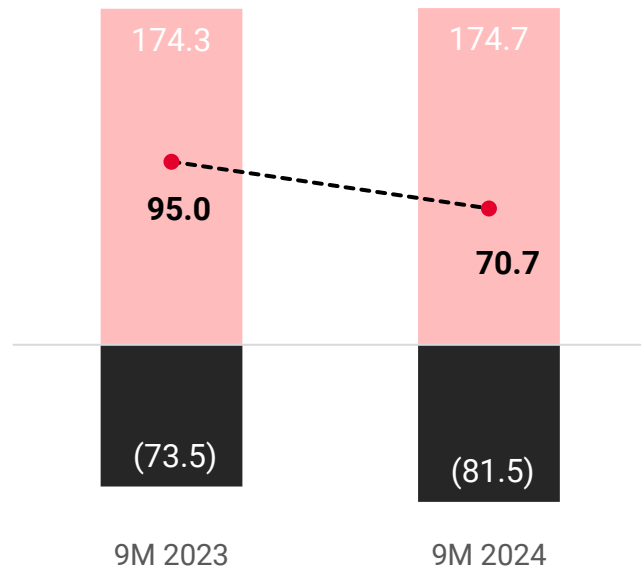


Financial Highlights



Financial result development 9M 2024 vs. 9M 2023

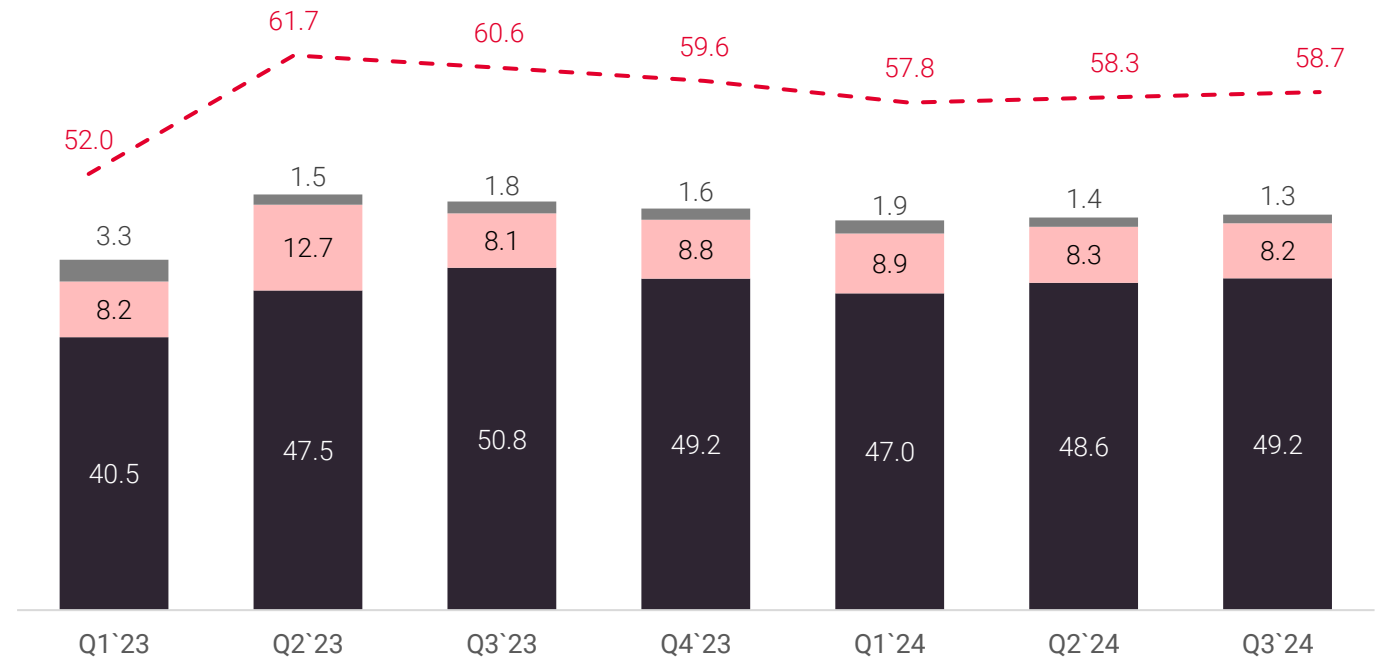
EURm



Operating income Operating expense Net profit

Operating income by revenue line Q3`2024 vs. previous periods

EURm



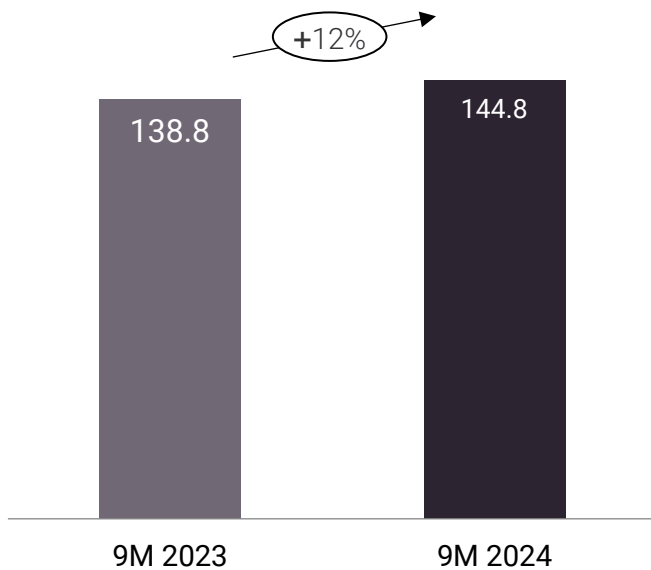
Net interest income Net fee & commission income Net financial & other income Net profit

Net interest income



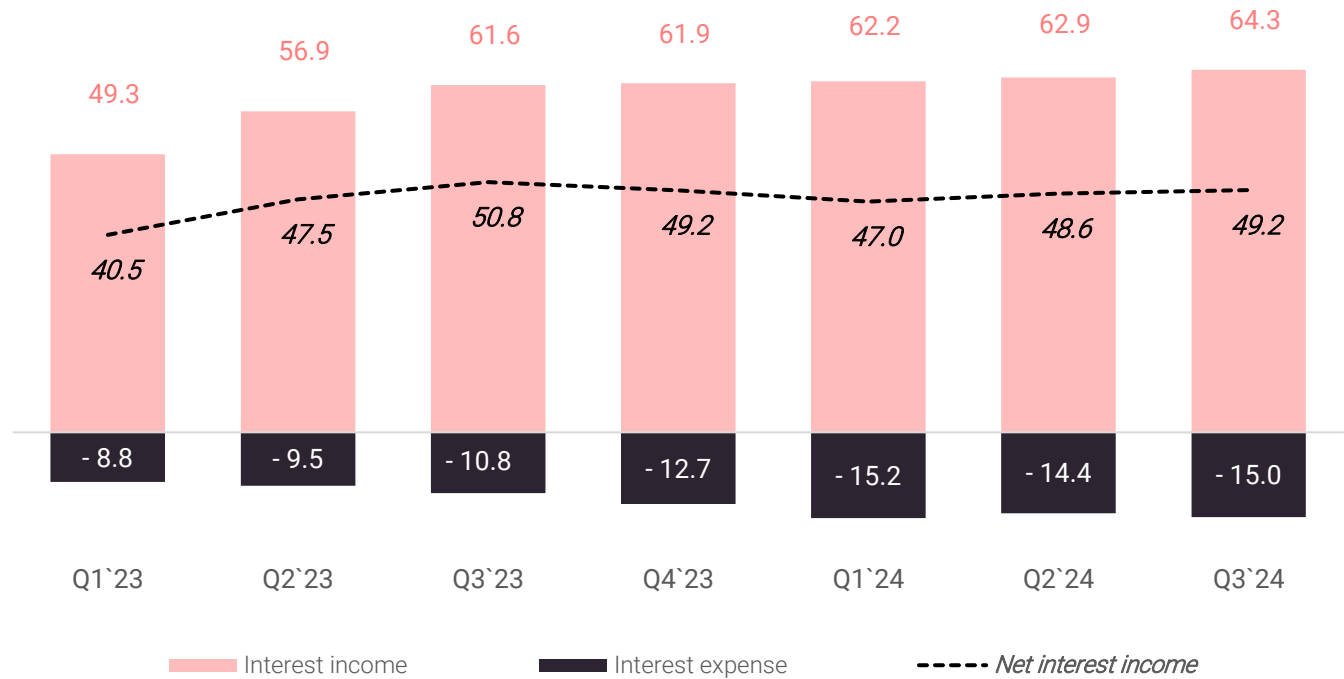
Net interest income 9M 2024 vs. 9M 2023

EURm



Net interest income development Q3`2024 vs. previous periods

EURm

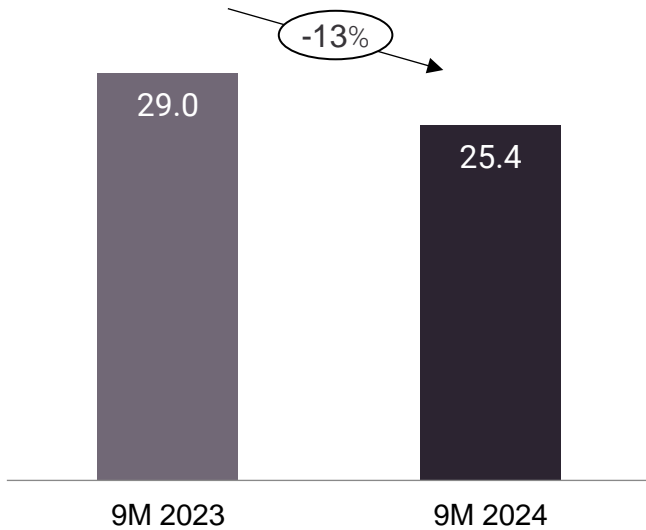


Net fee and commission income development



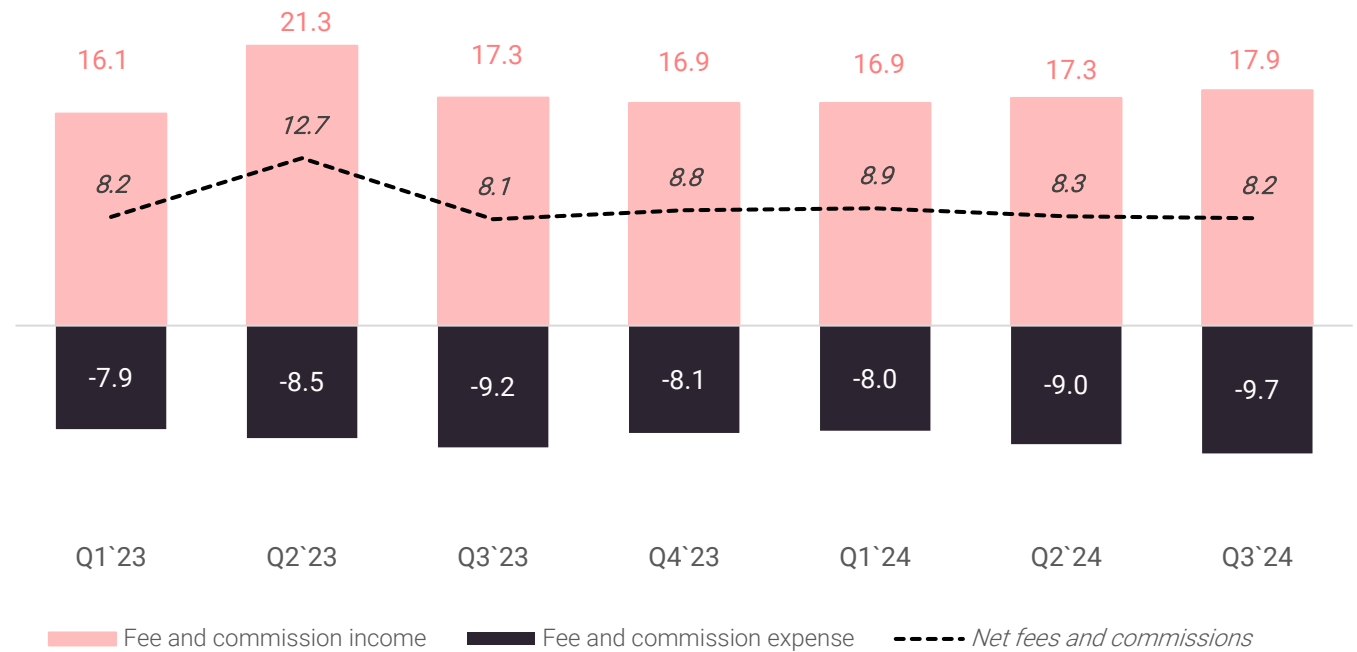
Net fees and commissions 9M 2024 vs. 9M 2023

EURm



Net fee and commission income development Q3`2024 vs. previous periods

EURm

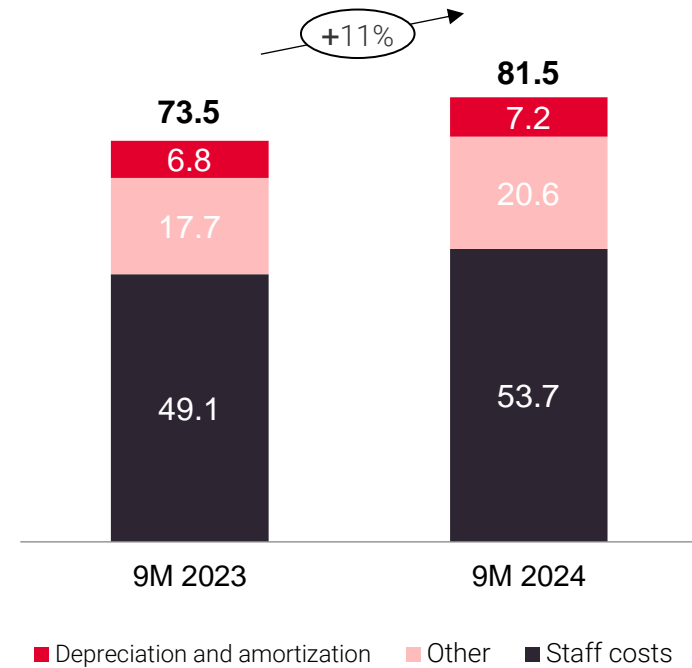


Operating expenses development



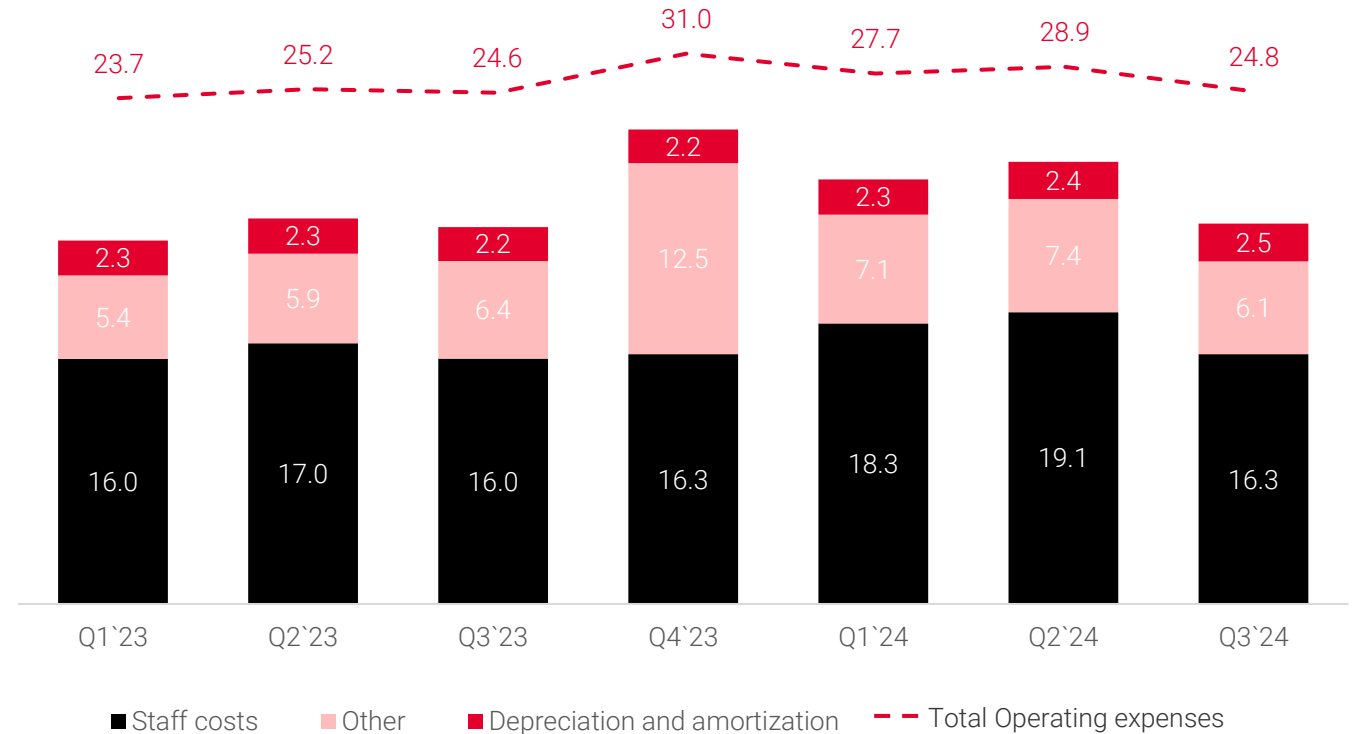
Operating expenses 9M 2024 vs. 9M 2023

EURm



Operating expenses development Q3`2024 vs. previous periods

EURm



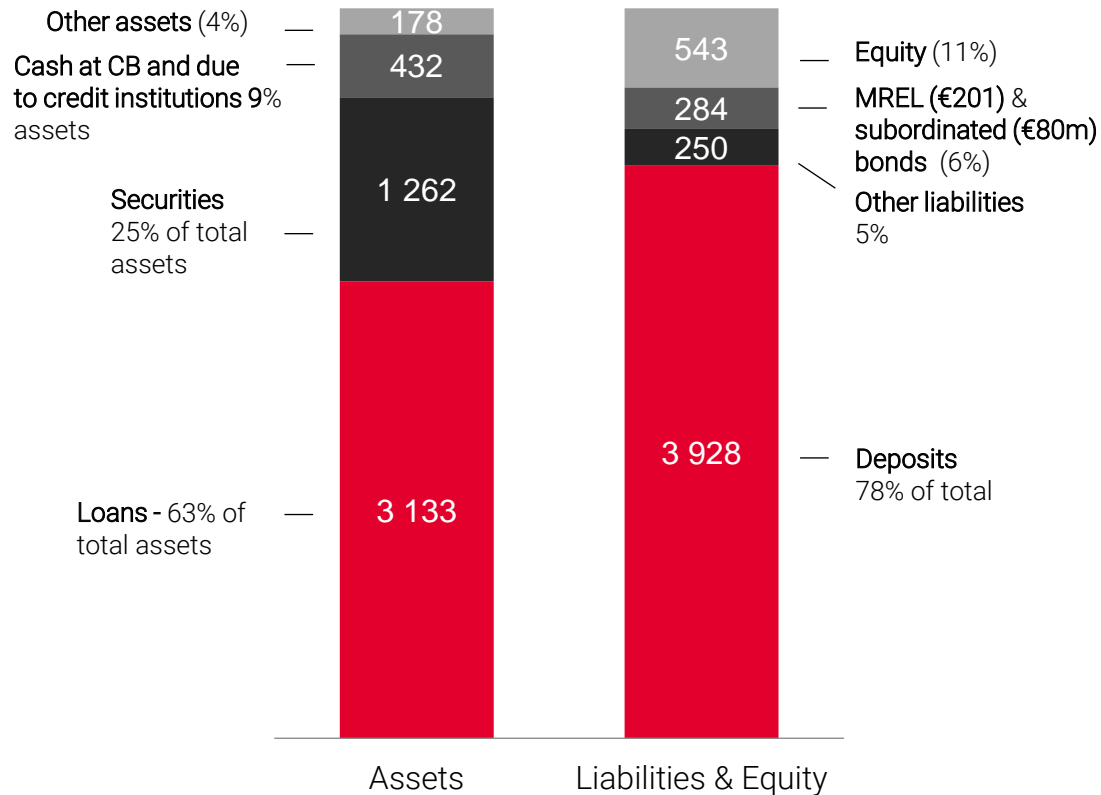
Stable asset quality and strong balance sheet



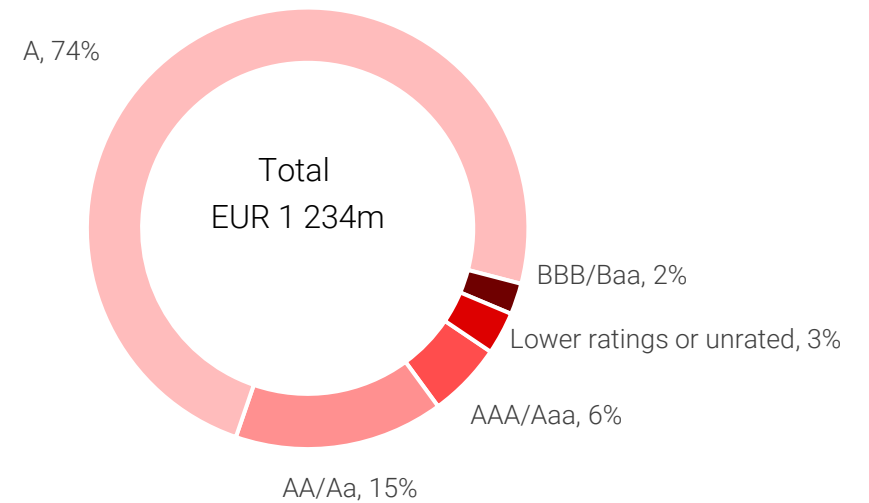
Total assets
€4 684m

Liabilities
€4 169m

Equity
€515m



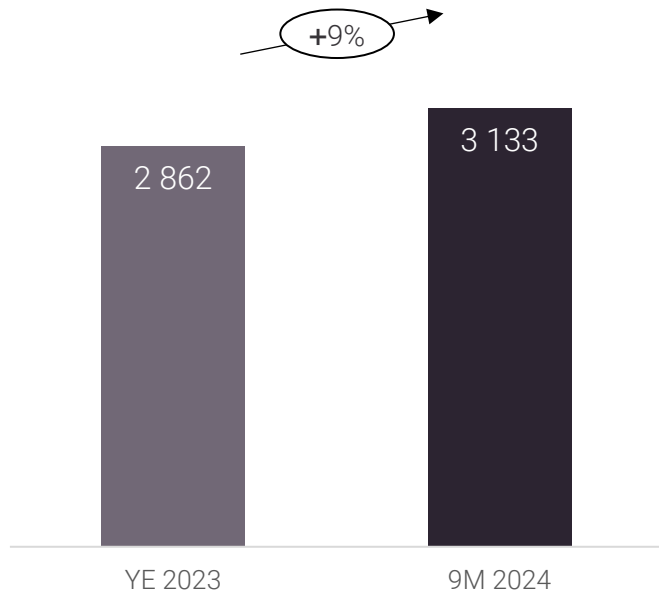
Debt securities by credit rating grade



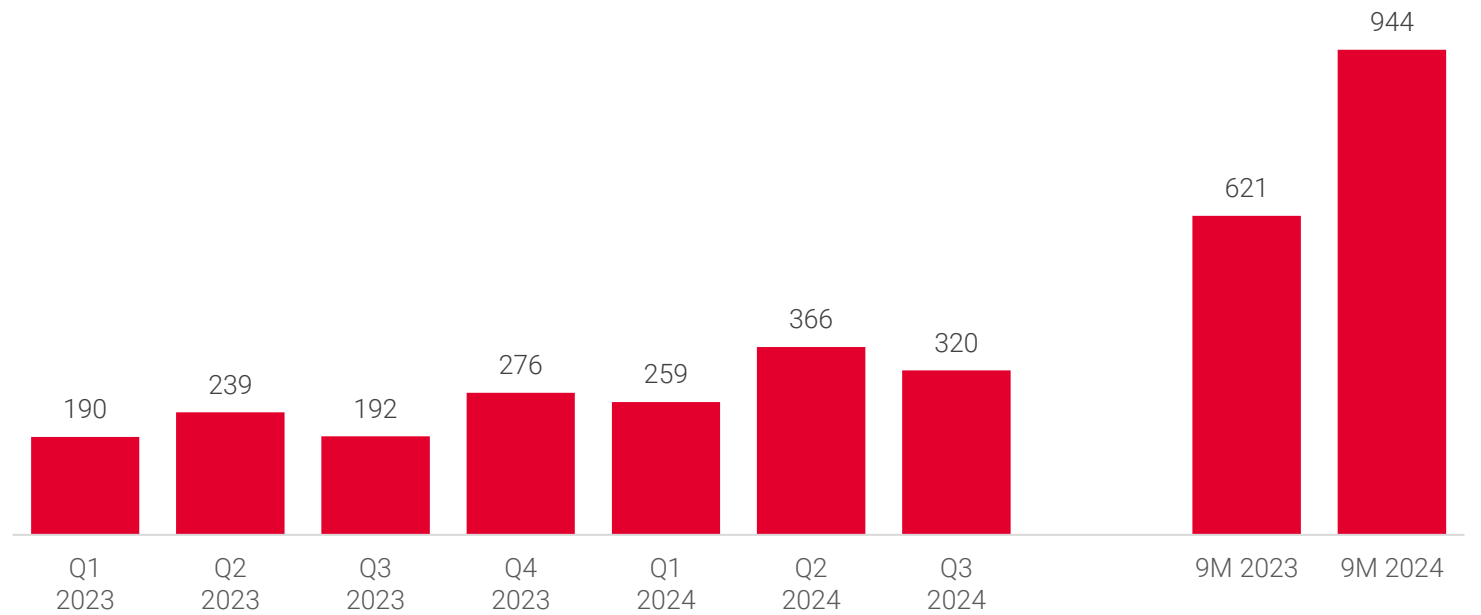
Balance sheet overview - loans



Loans
9M 2024 vs. YE 2023
EURm



New financing
Q3 2024 vs. previous periods
EURm

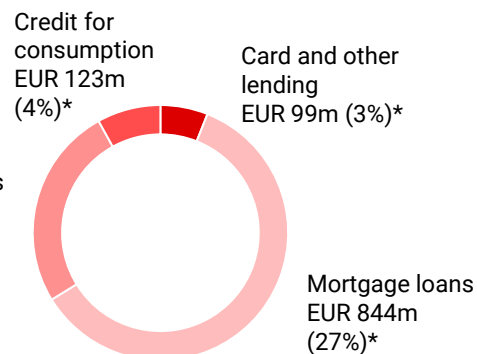
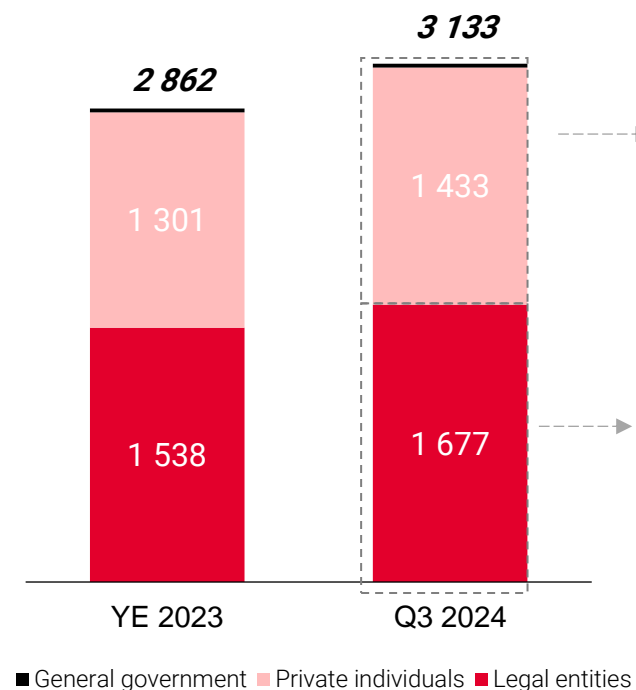


Balance sheet overview - loans

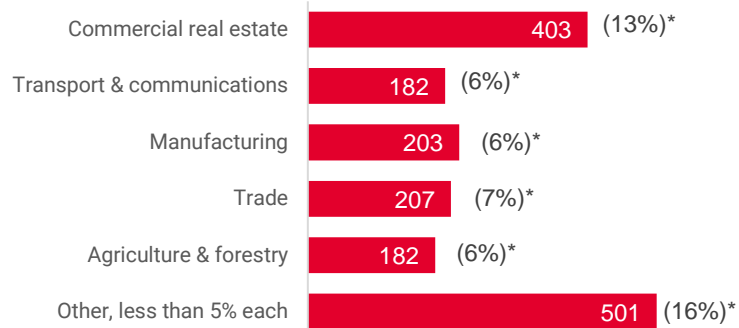


Gross loans by customer profile 9M 2024 vs. YE 2023

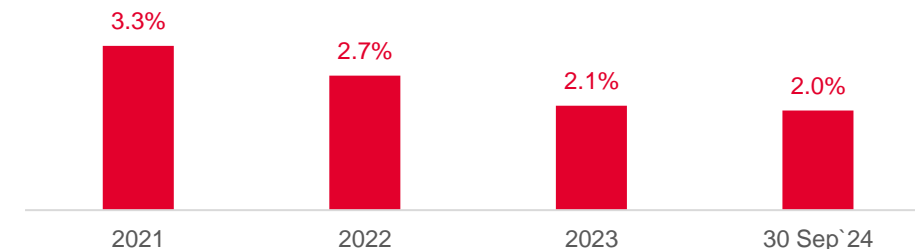
EURm



Loan portfolio's geographical profile 30 June 2024



Non-performing loans, % of total gross loans 30 September 2024 vs. previous periods



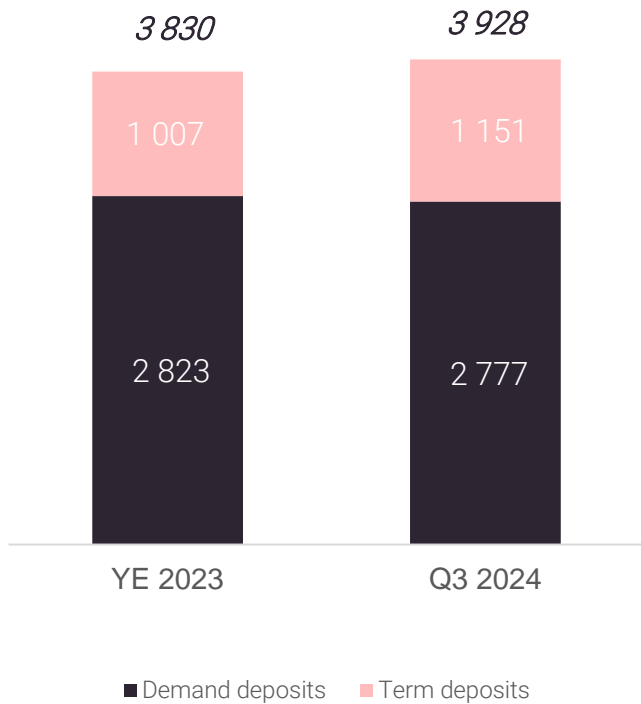
* % of total loans

Stable funding structure



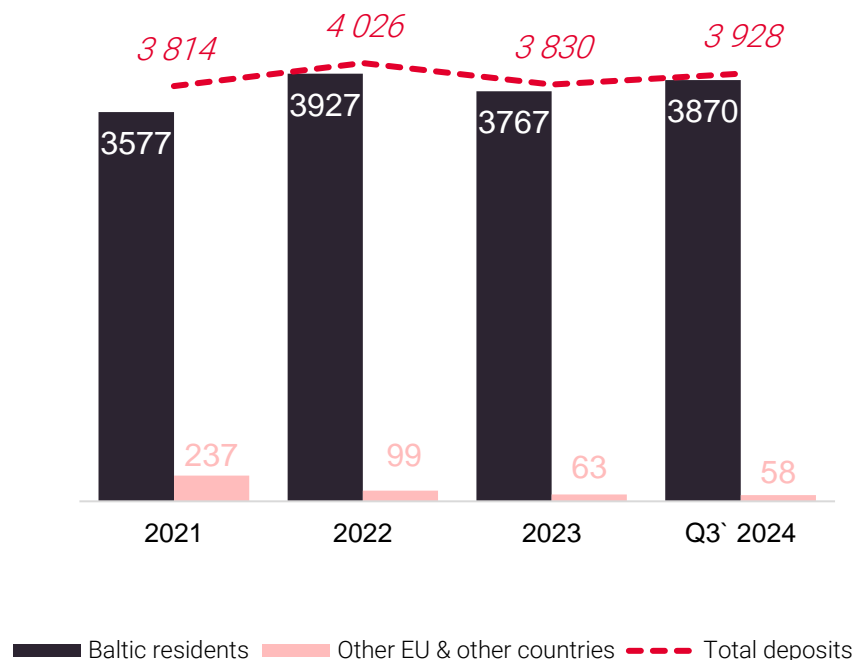
Deposits 9M 2024 vs. YE 2023

EURm



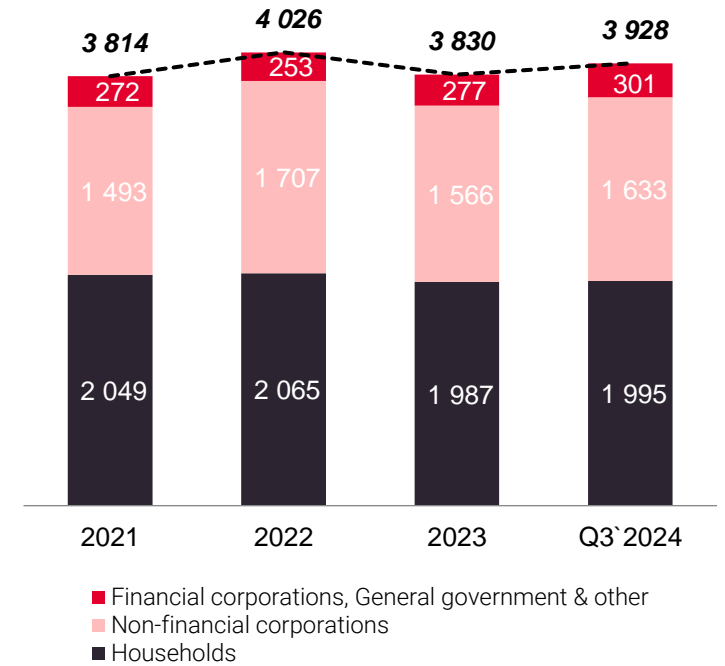
Domestic deposits – 99% of total Q3 2024 vs. previous periods

EURm



Deposits by customer profile Q3 2024 vs. previous periods

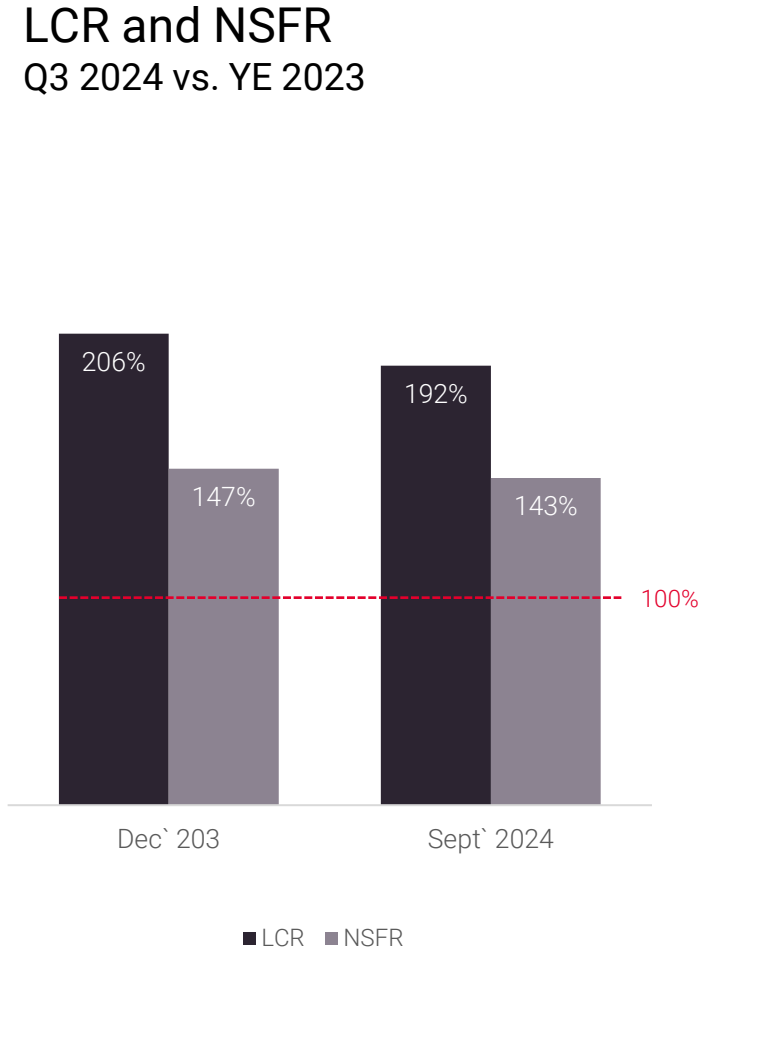
EURm



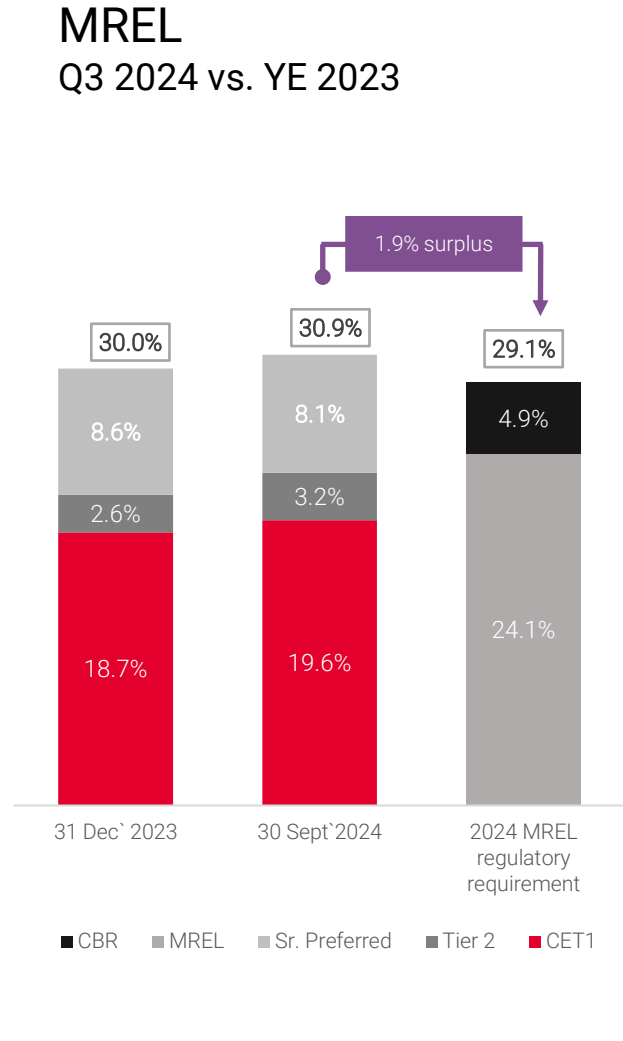
Liquidity, capital and MREL



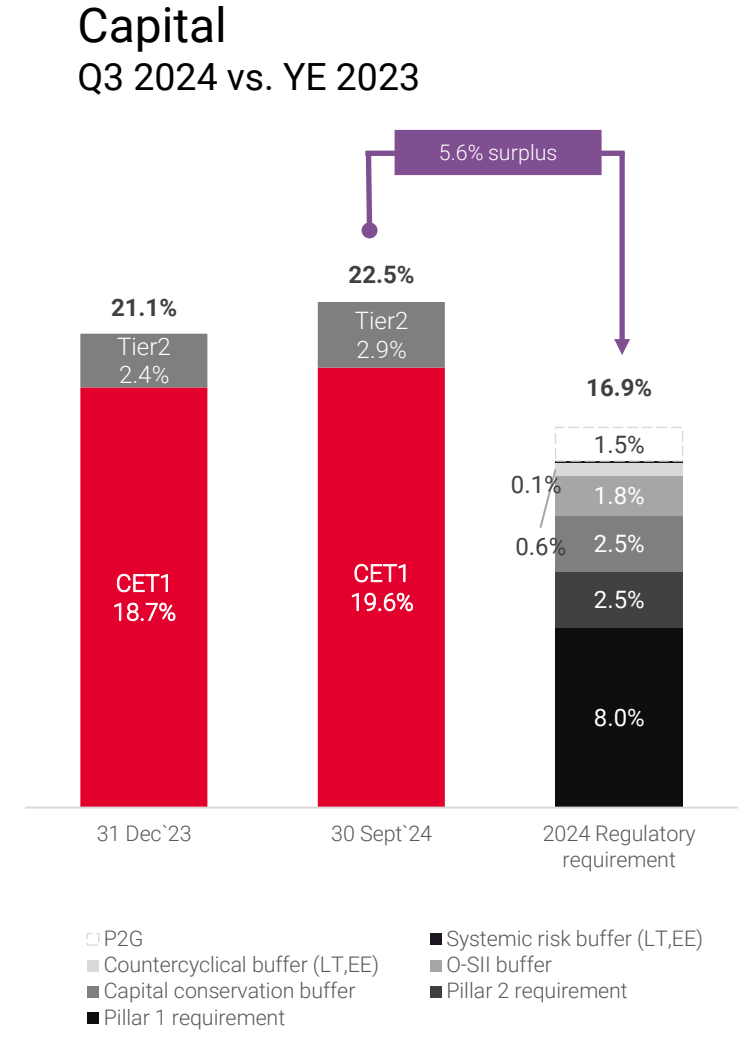
LCR and NSFR Q3 2024 vs. YE 2023



MREL Q3 2024 vs. YE 2023



Capital Q3 2024 vs. YE 2023



Customer overview

- Increasing customer base and user experience
- Bank with one of the best customer service in the Baltics
- NPS of individual banks – 1st place in Latvia and in Lithuania
- NPS Mobile Apps – 2nd place in Latvia and 3rd in Lithuania



Awards

1st place in Latvia and Lithuania, 2nd place in Estonia for servicing clients remotely

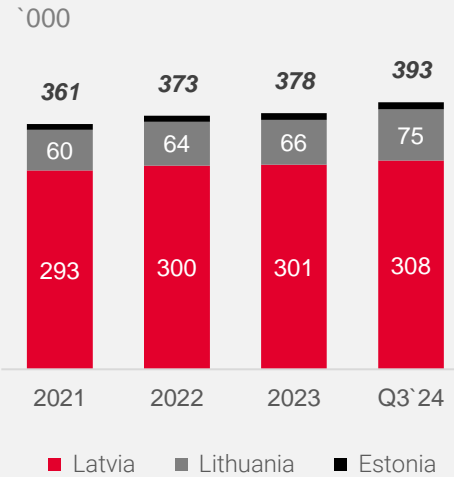
1st place in Latvia and 2nd place in Lithuania and Estonia for servicing clients in-person

Bank with the best customer service in Latvia



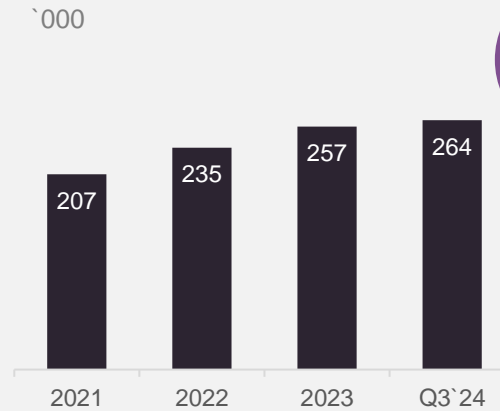
Active customers

Q3 2024 vs. previous years



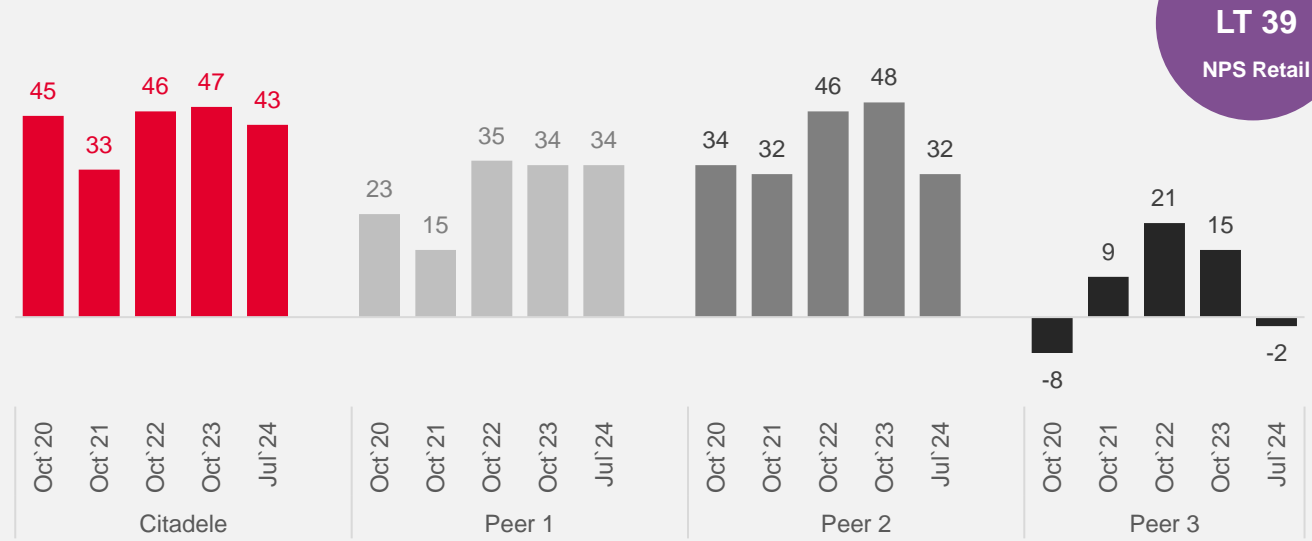
Mobile App active users

Q3 2024 vs. previous years



LV 62 / LT 44
Mobile App NPS

Net Promoter Scores of individual banks in Latvia



LV 43 / LT 39
NPS Retail

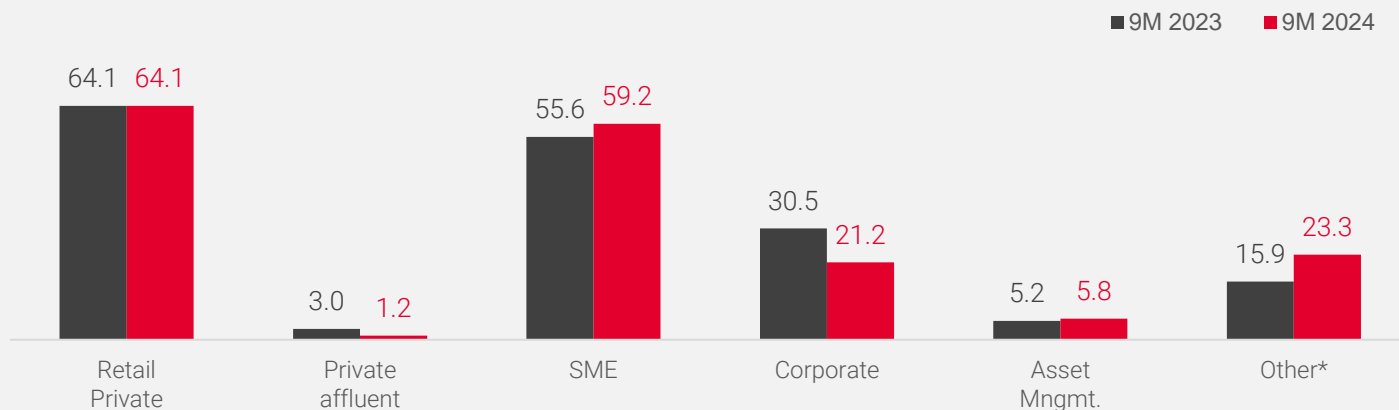
Segment overview

9M 2024, EURm	Retail Private	Private affluent	SME	Corporate	AM	Other*	Total
Net interest income	57.5	-0.9	49.9	19.9	0.3	18.0	144.8
Net fee & commission income	8.8	1.9	7.4	2.1	4.8	0.3	25.4
Net financial and other income	-2.2	0.2	1.9	-0.9	0.6	4.9	4.6
Operating income	64.1	1.2	59.2	21.2	5.8	23.3	174.7

Operating income

H1 2024 vs. H1 2023

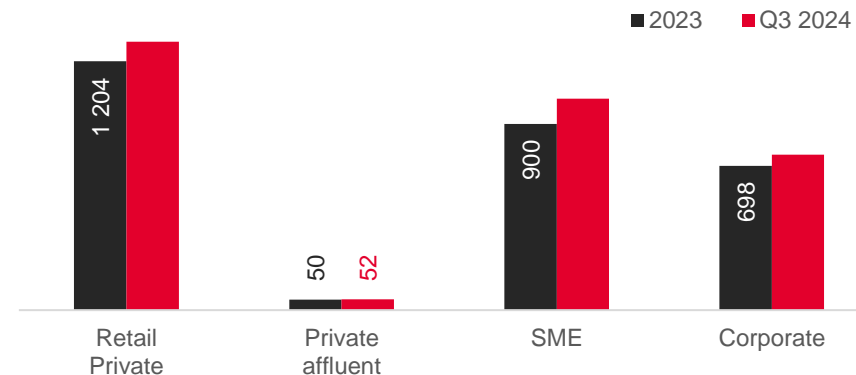
EURm



*Group's treasury functions and other business support functions, including results of the subsidiaries of the Group operating in non-financial sector. This comprises discontinued operations, namely operations of Kaleido Privatbank AG (a Swiss registered banking subsidiary) which Citadele has agreed to sell.

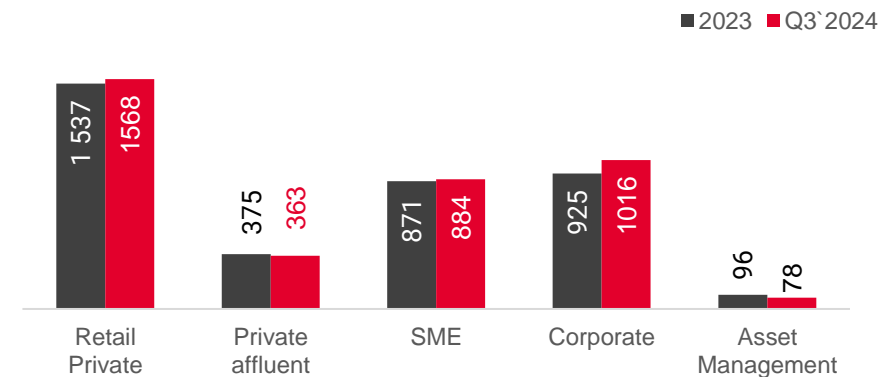
Loans

9M 2024 vs. YE 2023, EURm



Deposits

9M 2024 vs. YE 2023, EURm



Citadele

Medium Term Targets

Metrics	Targets	Commentary
Loan Growth	5-10%	Achieve at least 5-10% annual growth over the medium term
Customer Growth	5-10%	At least 5-10% annual growth in active customers over the medium term (including Klix)
Net Promoter Score	#1 Position >30pts	NPS above 30pts across the Baltics and #1 position in Latvia, Lithuania and Estonia
Cost to Income	<45% (excluding non-capitalized operating costs related to strategic projects)	Achieve cost to income ratio lower than 45% excluding non-capitalized operating costs related to strategic projects
Cost of Risk	<50bps	Maintain cost of risk target of less than 50bps over the cycle, reflecting the evolving business mix
RoAE	15% (on normalised capital base)	Achieve a return on average equity of 15% on a normalised capital base
CET1	≥16%	Maintain fully-loaded CET1 ratio of at least 16% over the medium term
Capital Returns	50% payout	<ul style="list-style-type: none"> ▪ Distribute dividends of 50% of the Group's profits, inclusive of all relevant taxes, taking into account internal capital targets ▪ Excess capital above CET1 target deployed into growth or inorganic M&A opportunities or considered for additional returns



Citadele

Investor.Relations@citadele.lv