

A man in a blue shirt is seated at a desk in a modern office, looking out a large window at a cityscape. The office interior is visible, including a desk with a glass of water and some papers. The background shows a blurred view of city buildings and greenery.

# AS Citadele Banka

## Financial Results Presentation

Q1 2025

# About us

## Citadele Group – pan-Baltic full-service financial group

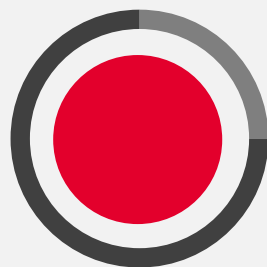
- Universal bank offering a wide range of banking products to our retail, SME and corporate customer base. The bank also provides wealth management, asset management, life insurance, pension, leasing and factoring products.
- Alongside traditional banking services, Citadele offers a range of services 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

**Baa1, stable**

/6 December 2024<sup>(1)</sup>/

## 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 Moodys, 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.

<sup>(1)</sup> Detailed information about ratings can be found on the web page of the rating agency [www.moodys.com](http://www.moodys.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

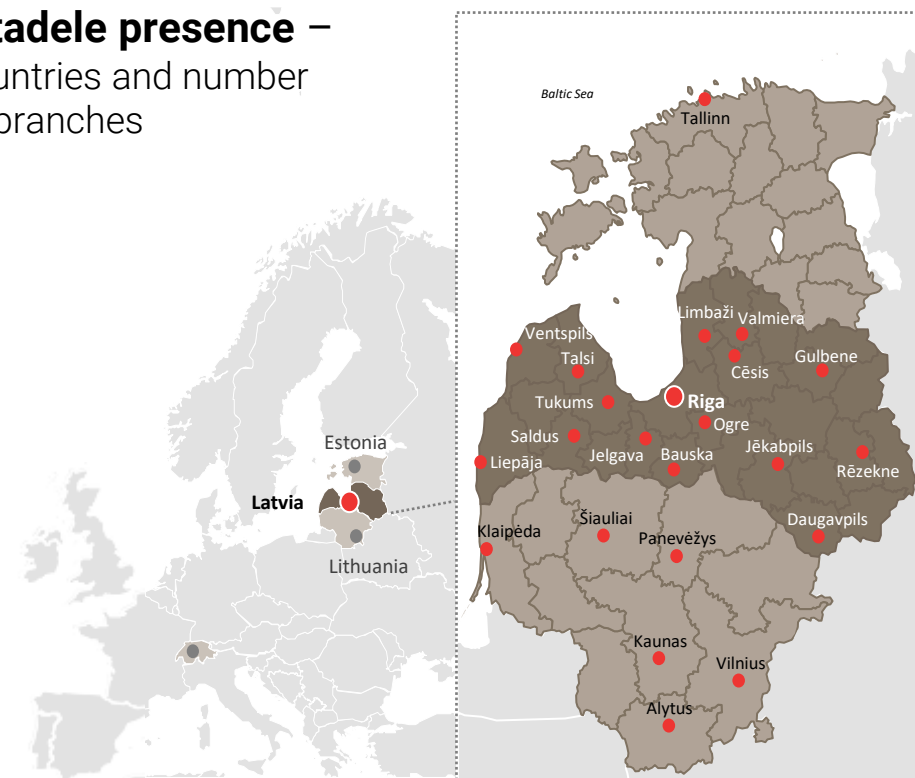
Large customers serviced in Latvia, Lithuania and Estonia. Yearly turnover of the customer is above EUR 5 million or total risk exposure with Citadele Group is above EUR 1 million or the customer needs complex financing solutions.

## 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 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.*

## Citadele presence – countries and number of branches



**Branches\***

11 in Latvia  
6 in Lithuania  
1 in Estonia



**403k**

Active Clients  
(+6% y-o-y)



**88.9%**

Active digital channel  
users, %  
of total customers



**273k**

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

# 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

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

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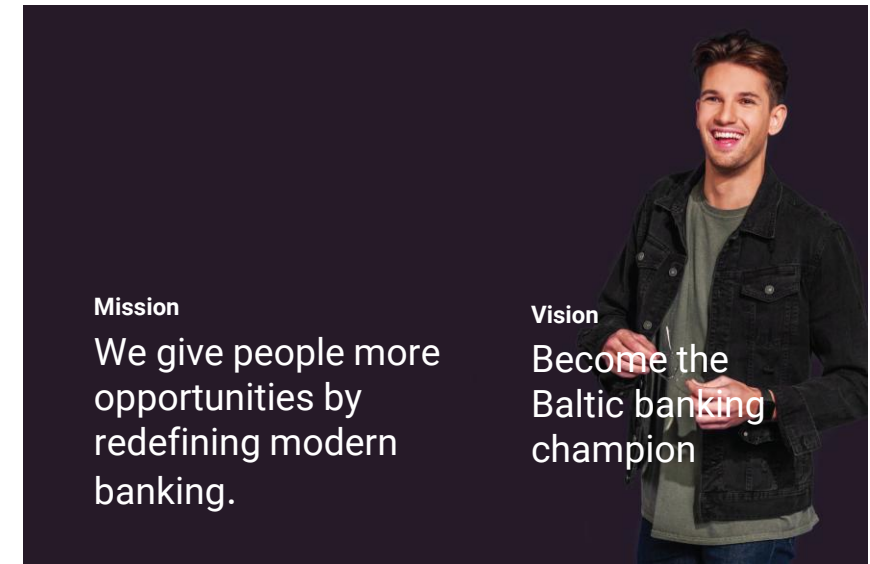
Driving growth in the underserved SMEs and micro-SMEs segments by offering most competitive proposition and digital tools to retailers in the region

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

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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

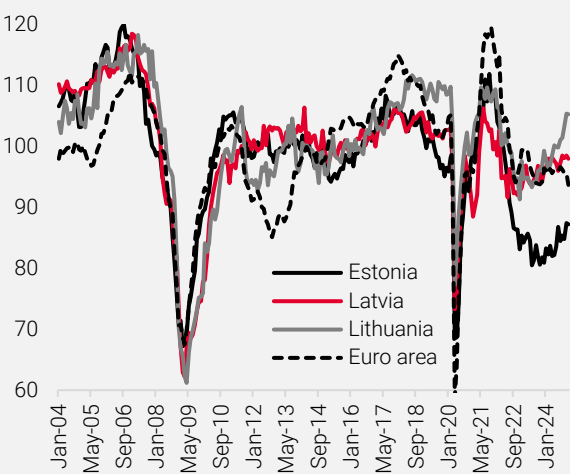
We see people first and add human touch to banking.

**Citadele**

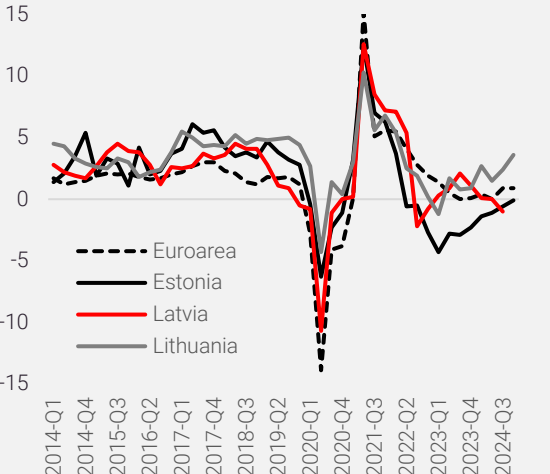


# Business environment

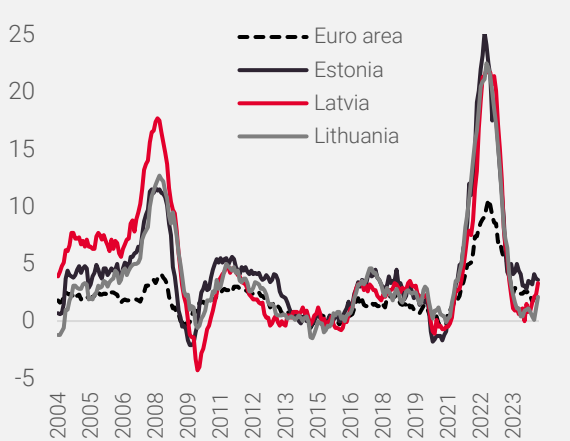
**Economic sentiment indicator**



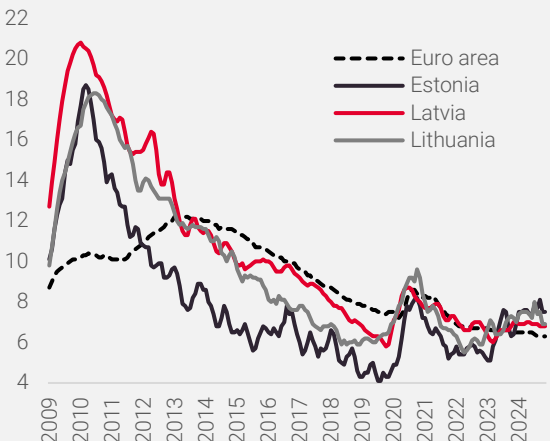
**GDP (constant prices, % year-on year)**



**Inflation (% , year-on-year)**



**Unemployment rate (%)**



In Latvia, after a period of economic stagnation, GDP is forecasted to grow by 1.9%, supported by stabilizing inflation at 2.5% and a slight decline in unemployment to 6.6%. Real wage growth, easing inflationary pressures, and a downward trajectory in interest rates are expected to further stimulate private consumption.

Lithuania is projected to lead the region, with 2.6% GDP growth, driven by robust industrial performance and a revitalized construction sector, aided by lower interest rates. Rising consumer confidence and a 7% increase in average salaries, with inflation forecast at 3.3%, position Lithuania for robust domestic demand.

Estonia is also on a path of recovery, with GDP anticipated to grow by 1.8% in 2025. Household purchasing power is set to rebound as wage growth continues to exceed inflation, offsetting the impact of prior years' price volatility.

A landmark development for the region has been the successful disconnection from the BRELL energy grid, signifying full integration into the EU electricity network. This pivotal transition enhances regional energy security and reinforces the Baltics' strategic alignment with the EU's long-term energy and resilience objectives.

At Citadele, we remain confident in the Baltic economies' solid fundamentals. We continue to empower our clients across the region by providing tailored financing solutions, supporting innovation, and navigating the evolving macroeconomic environment with agility and strength.

# Key figures and events

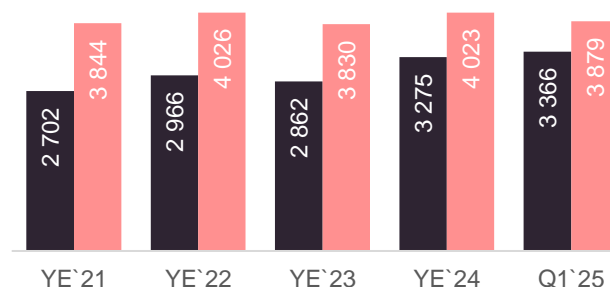
- Citadele delivered a solid financial performance in Q1 2025, with operating income reaching EUR 53.4 million. Return on equity stood at 15.0%, while the cost-to-income ratio (CIR) improved to 47.9% from 53.5% in the previous quarter.
- In Q1 2025, the loan portfolio increased by 3% since the end of 2024, reaching EUR 3,366 million as of 31 March 2025. EUR 350 million was issued in new financing to support Baltic private, SME, and corporate customers.
- The overall credit quality of the loan portfolio remained strong. The Stage 3 loans to public gross ratio stood at 2.3% as of 31 March 2025, unchanged from 31 December 2024.
- Citadele's deposit base totalled EUR 3,879 million as of 31 March 2025, reflecting a 4% decrease since yearend 2024.
- Citadele's active customer base grew by 6% year-over-year, reaching 403 thousand as of 31 March 2025. The number of active mobile app users rose to 272.9 thousand, reflecting a 5% year-over-year increase. Active users of digital channels accounted for 88.9% of the total customer base.
- Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 22.2%, CET1 was 19.9%, and the LCR was 185% as of 31 March 2025.
- As of 31 March 2025, Citadele had 1,335 full-time employees.

EUR millions, Continuous operations

	Q1 2025	Q4 2024	Q1 2024
Net interest income	44.6	47.7	47.0
Net fee and commission income	8.7	10.9	8.9
Net financial and other income	0.2	1.4	1.9
<b>Operating income</b>	<b>53.4</b>	<b>60.0</b>	<b>57.8</b>
Operating expense	(25.6)	(32.1)	(27.7)
Net credit losses and impairments	(0.6)	(1.9)	2.9
<b>Net profit from continuous operations (after tax)</b>	<b>21.5</b>	<b>19.4</b>	<b>25.6</b>
Return on average assets (ROA)	1.7%	1.6%	2.2%
Return on average equity (ROE)	15.0%	14.1%	19.4%
Cost to income ratio (CIR)	47.9%	53.5%	48.0%
Cost of risk ratio (COR)	0.1%	0.2%	(0.4%)

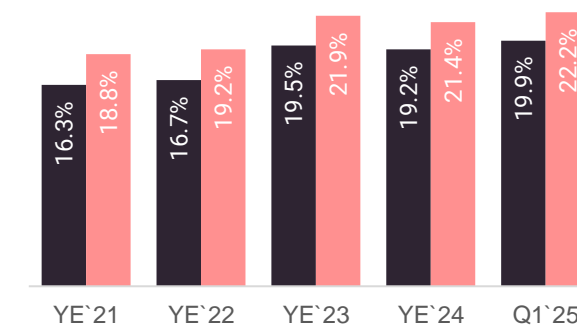
Loans to and deposits from the public, EURm

■ Loans ■ Deposits



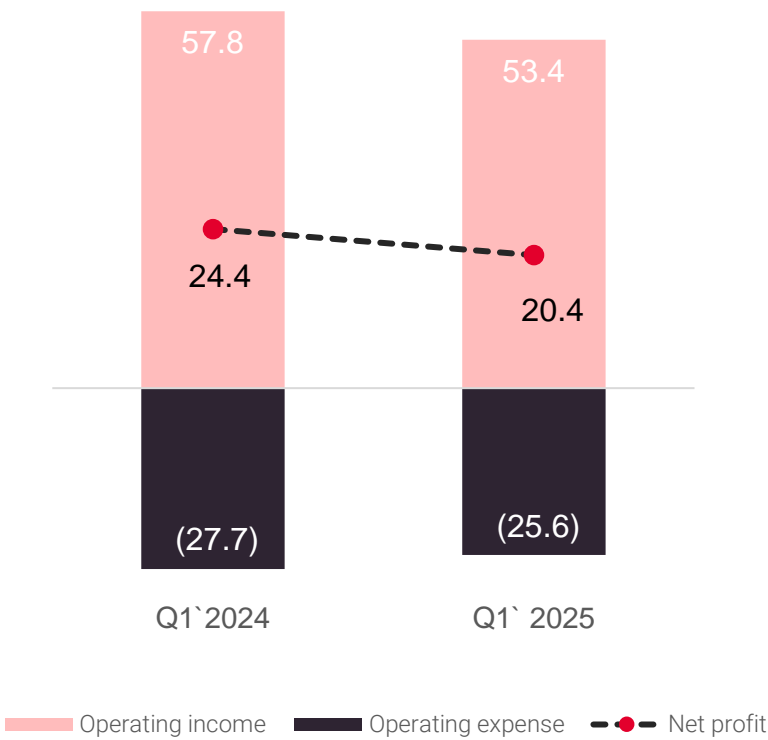
CET1 and CAR ratios

■ CET1 ■ CAR



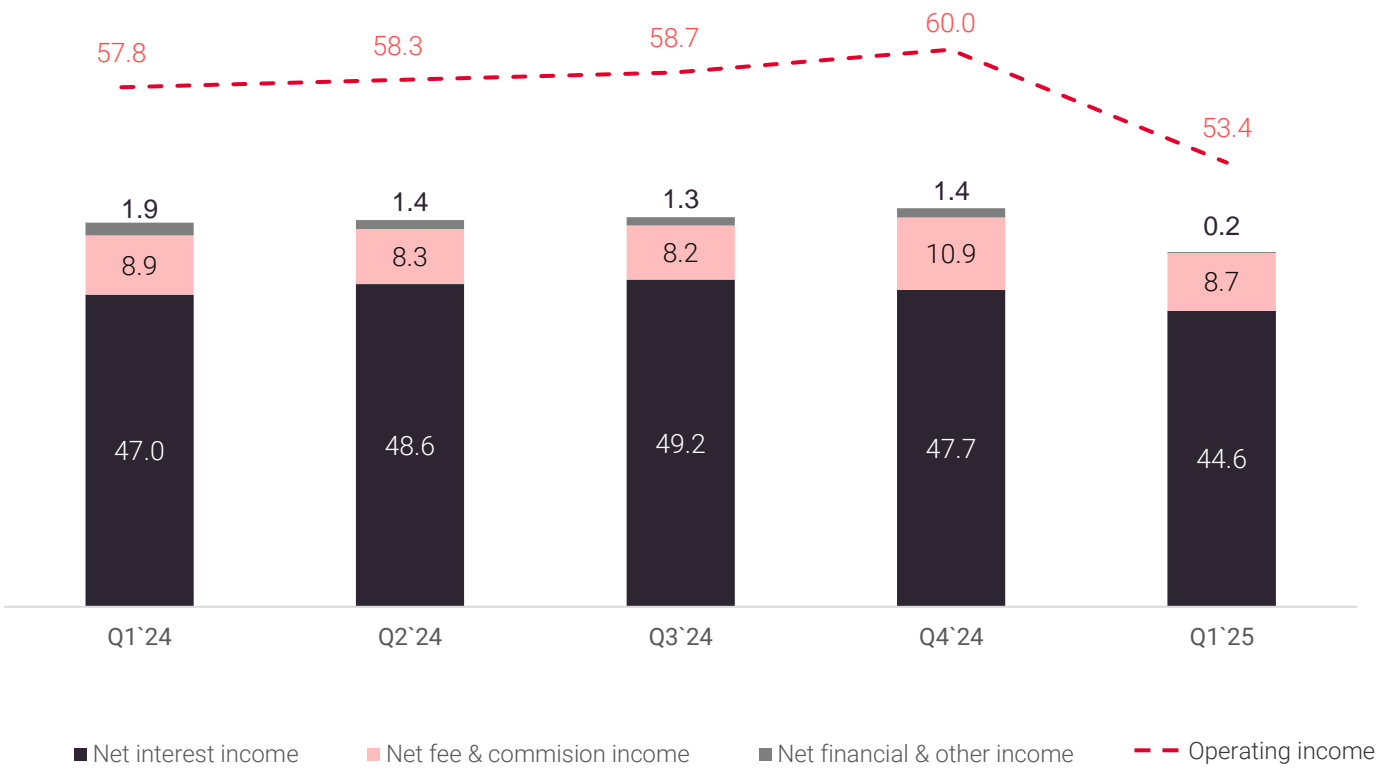
## Financial result development Q1 2025 vs. Q1 2024

EURm



## Operating income by revenue line Q1 2025 vs. previous periods

EURm

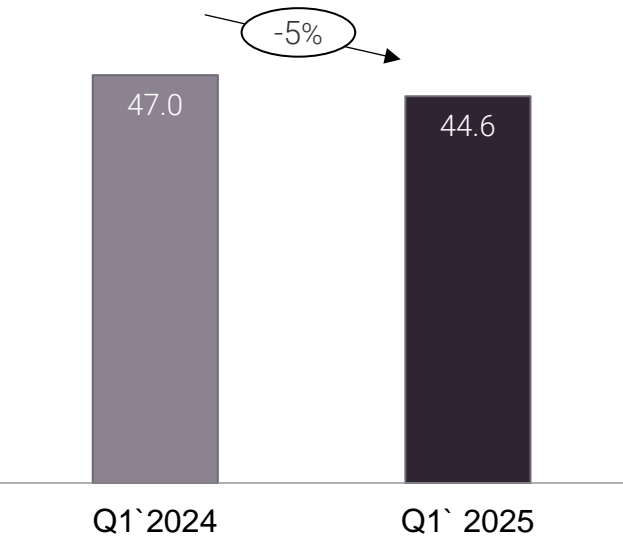


# Net interest income



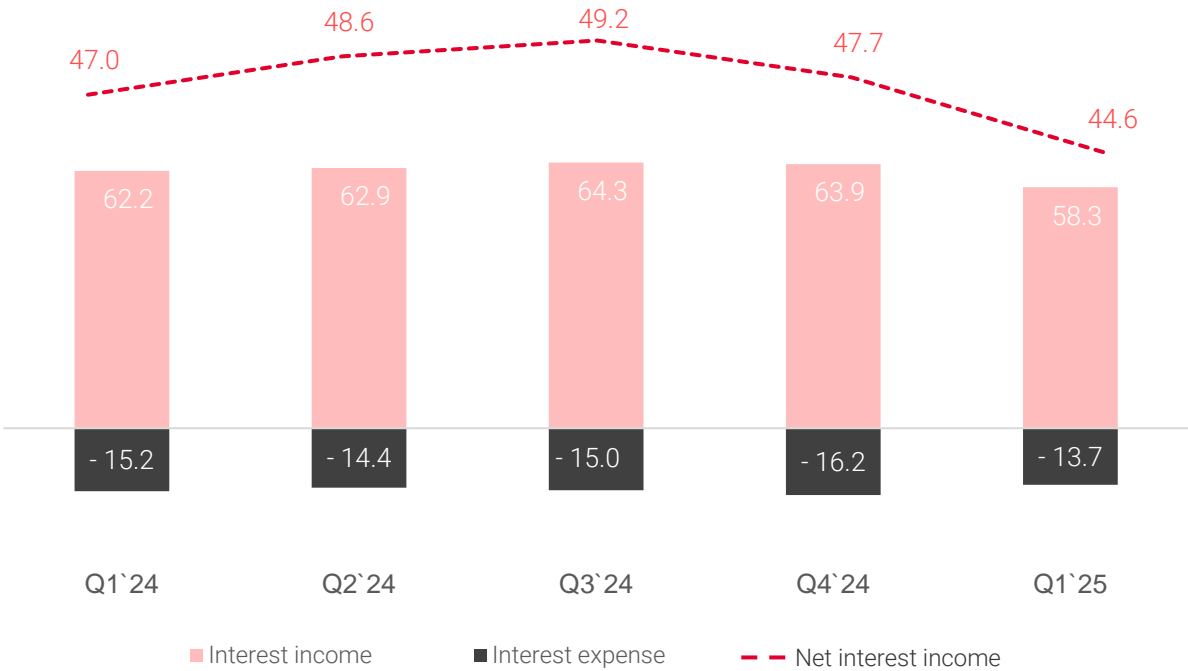
## Net interest income Q1 2025 vs. Q1 2024

EURm



## Net interest income development Q1 2025 vs. previous periods

EURm



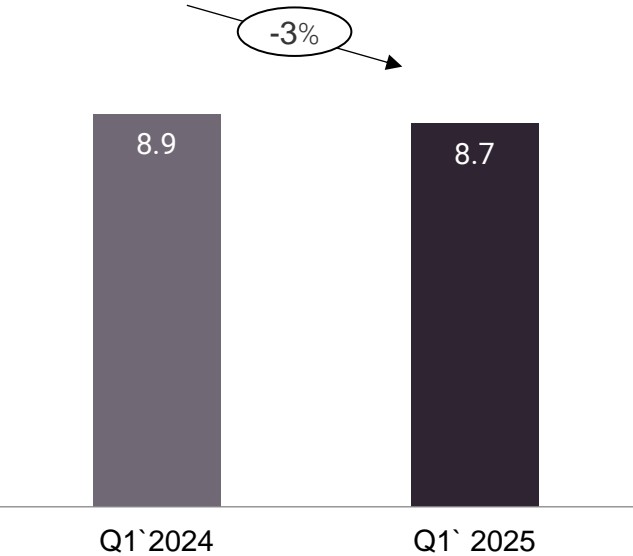


# Net fee and commission income development



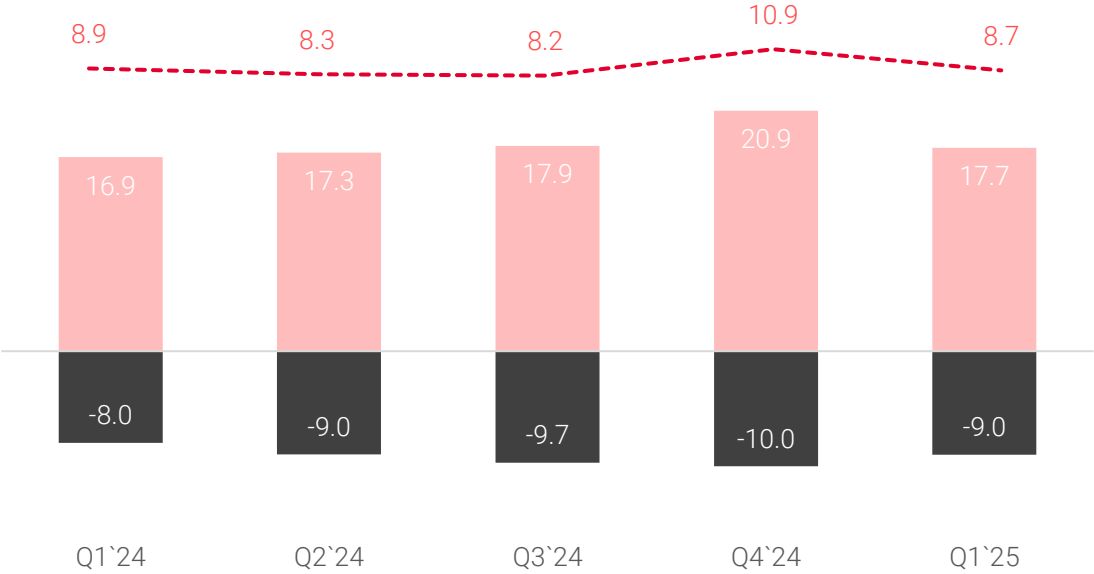
Net fees and commissions  
Q1 2025 vs. Q1 2024

EURm



Net fee and commission income development  
Q1 2025 vs. previous periods

EURm

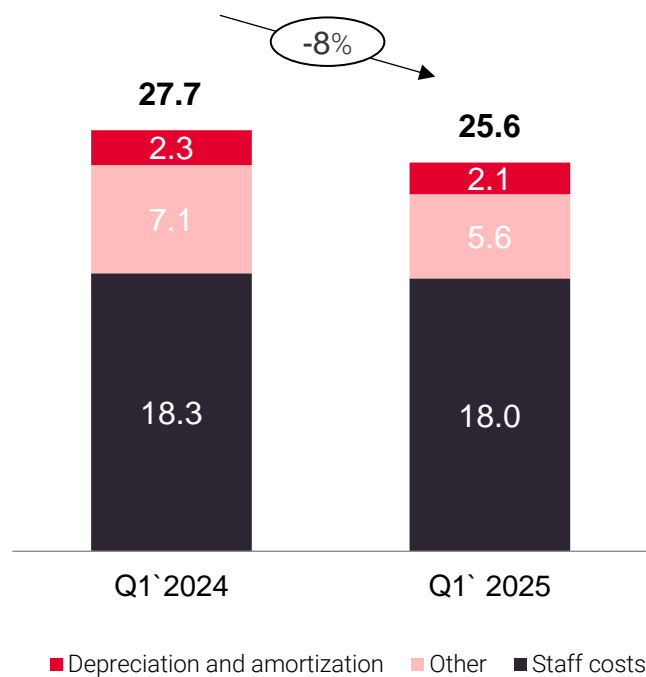


■ Fee and commission income ■ Fee and commission expense - - Net fees and commissions

# Operating expenses development

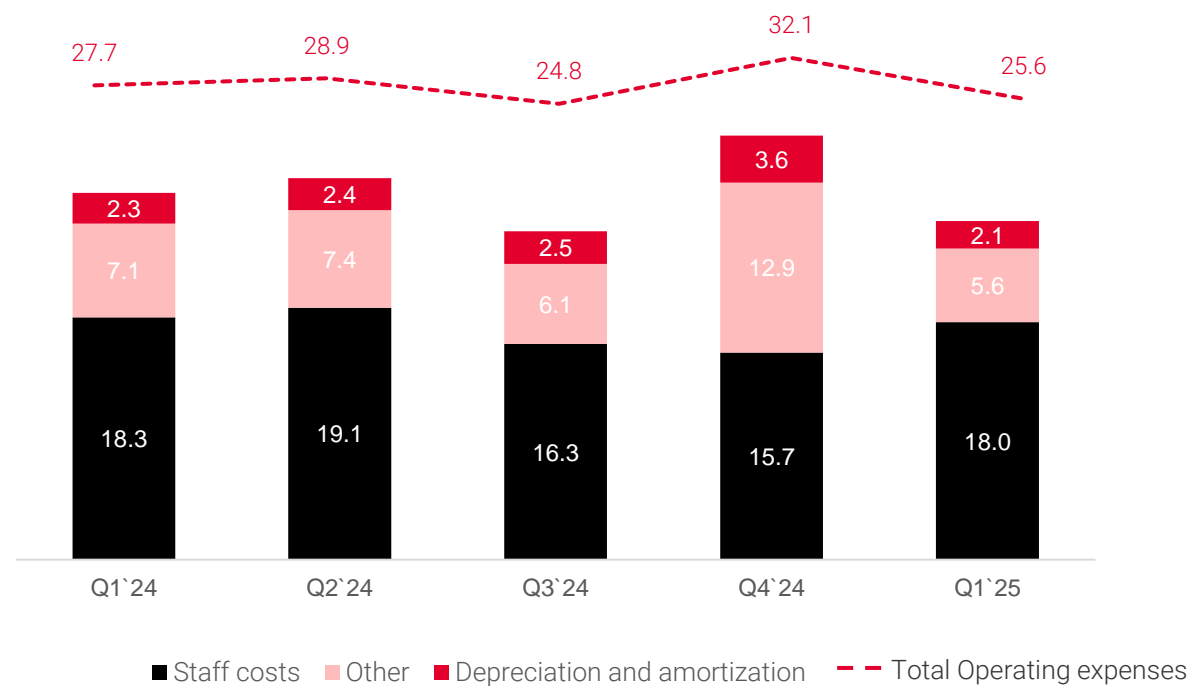
## Operating expenses Q1 2025 vs. Q1 2024

EURm

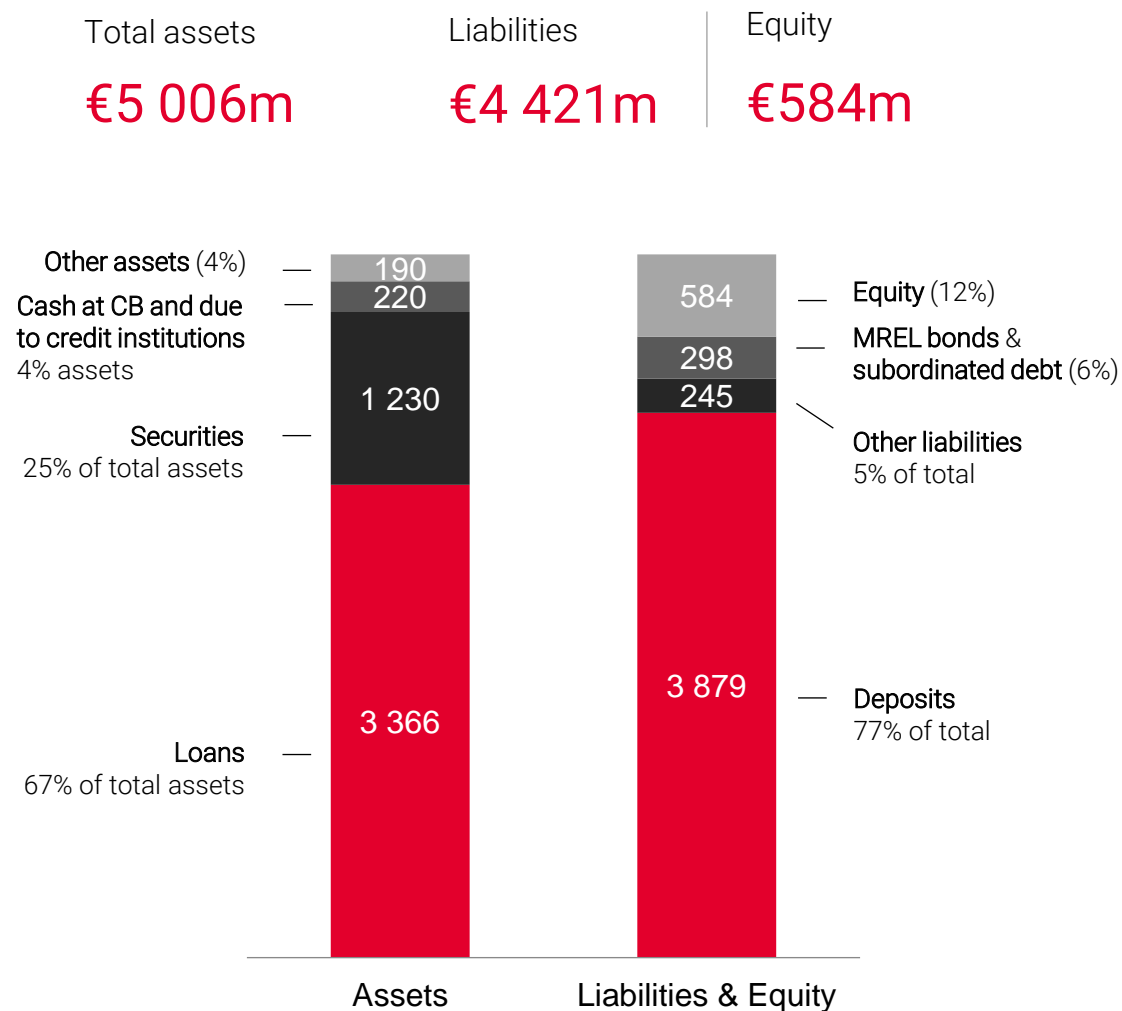


## Operating expenses development Q1 2025 vs. previous periods

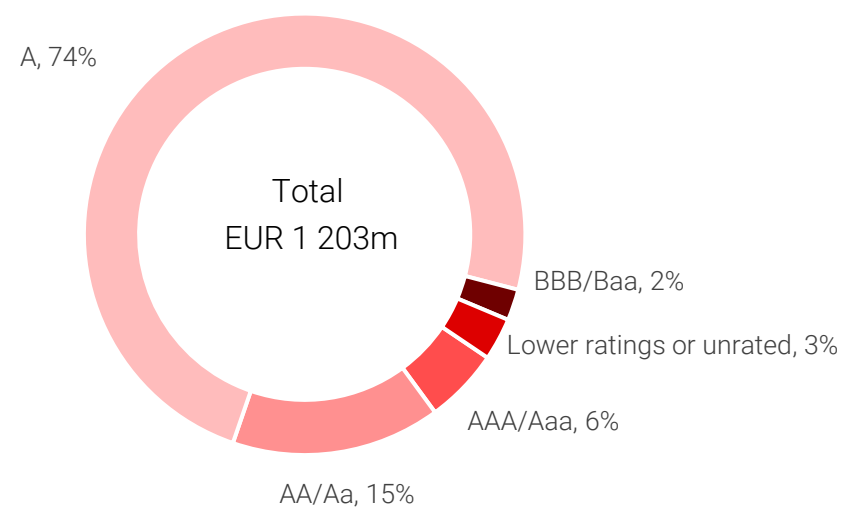
EURm



# Stable asset quality and strong balance sheet



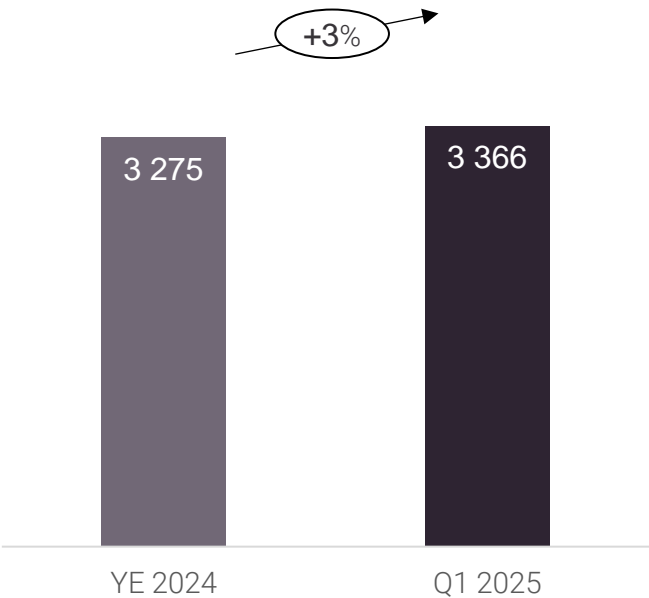
Debt securities by credit rating grade



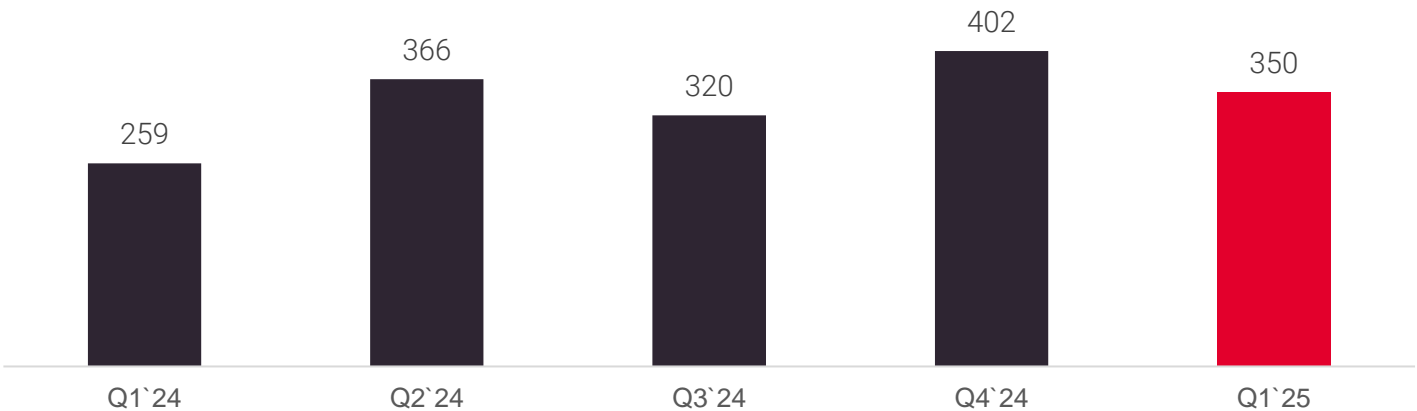
# Balance sheet overview - loans



Loans  
Q1 2025 vs. YE 2024  
EURm



New financing  
Q1 2025 vs. Q1 2024  
EURm



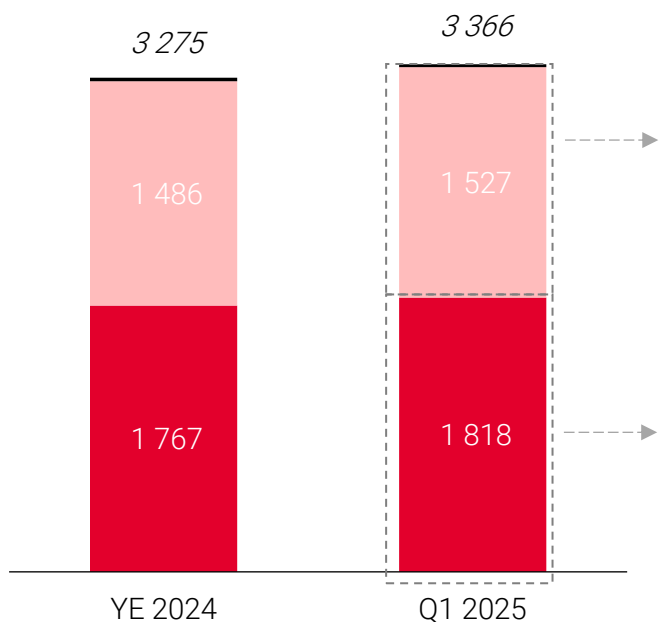
# Balance sheet overview - loans

**Citadele**

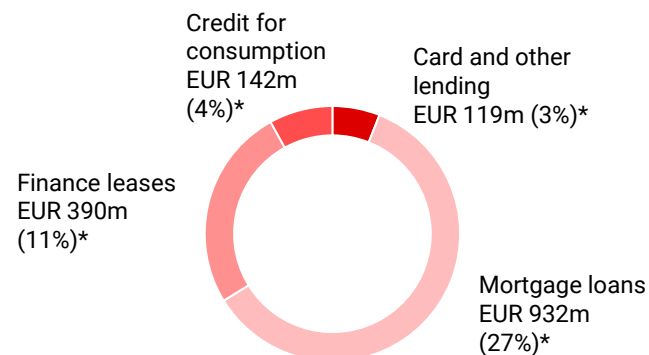
## Gross loans by customer profile

Q1 2025 vs. YE 2024

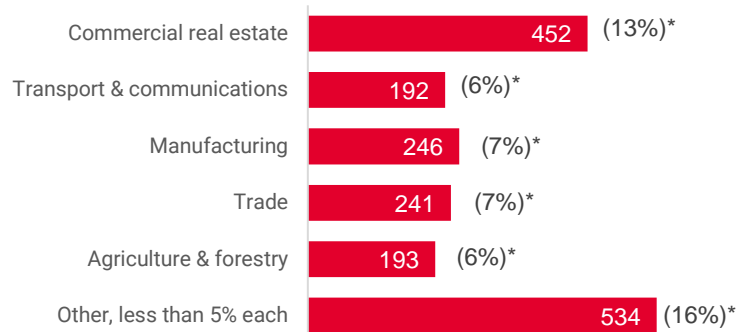
EURm



■ General government ■ Private individuals ■ Legal entities



\* % of total loans



## Loan portfolio's geographical profile

31 March 2025

**43.5%**  
**Latvia**

EUR 1 465 million  
43.7% as of YE'24

**37.7%**  
**Lithuania**

EUR 1 269 million  
37.0% as of YE'24

**18.4%**  
**Estonia**

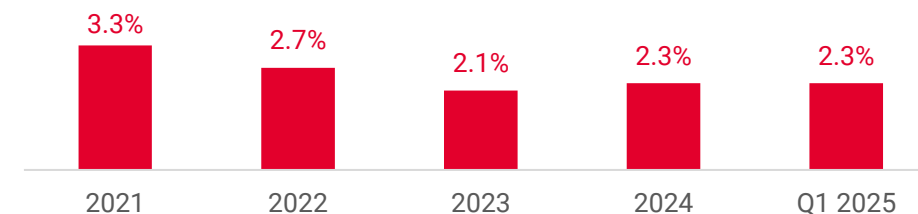
EUR 620 million  
18.8% as of YE'24

**0.4%**  
**EU & other**

EUR 13 million  
0.4% as of YE'24

## Non-performing loans, % of total gross loans

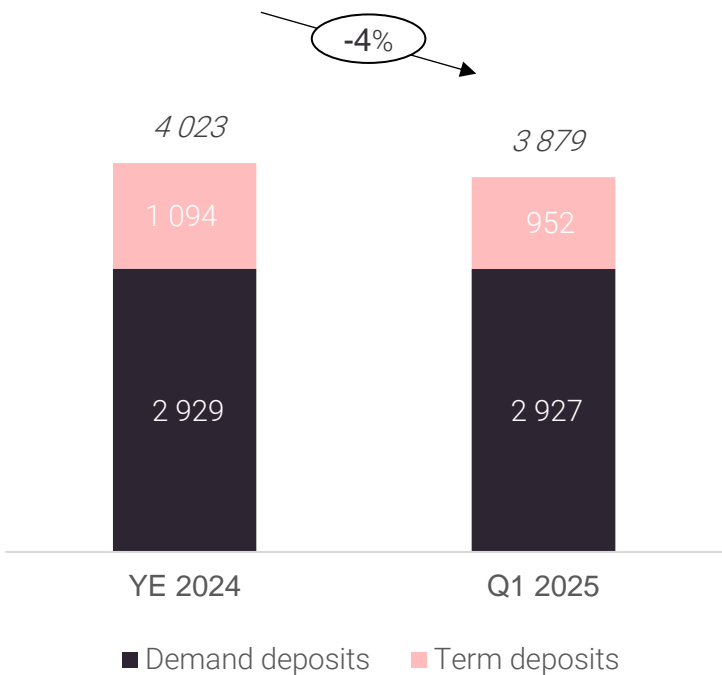
31 March 2025 vs. previous periods



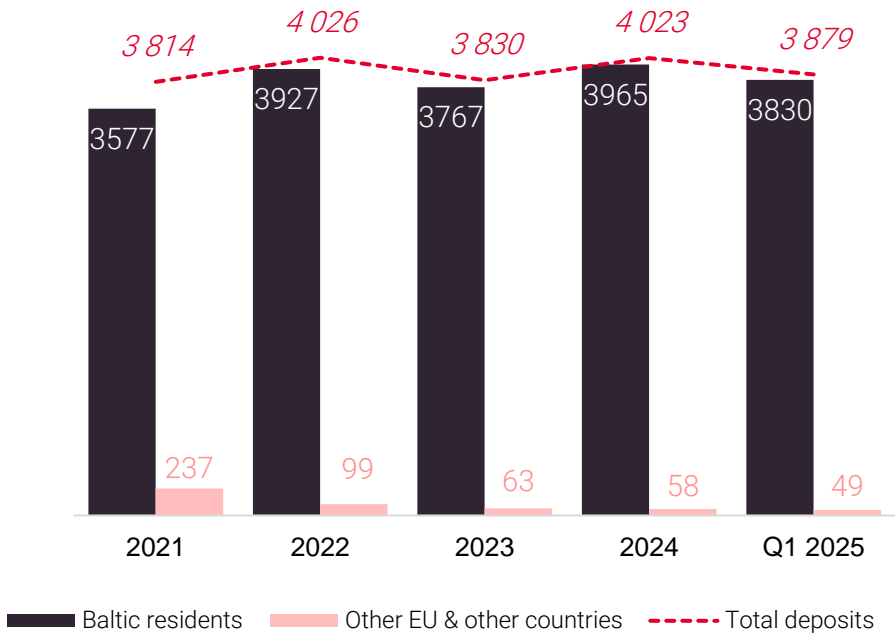
# Stable funding structure



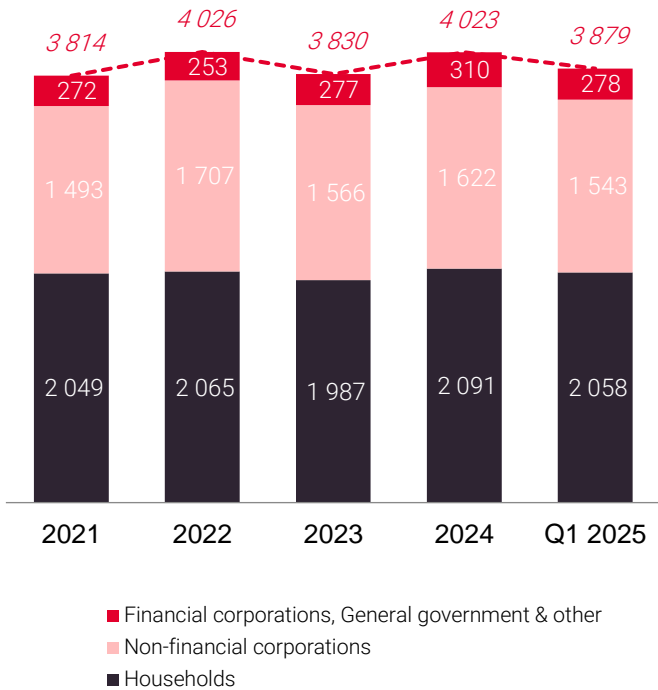
Deposits  
Q1 2025 vs. YE 2024  
EURm



Domestic deposits – 99% of total  
Q1 2025 vs. previous periods  
EURm



Deposits by customer profile  
Q1 2025 vs. previous periods  
EURm

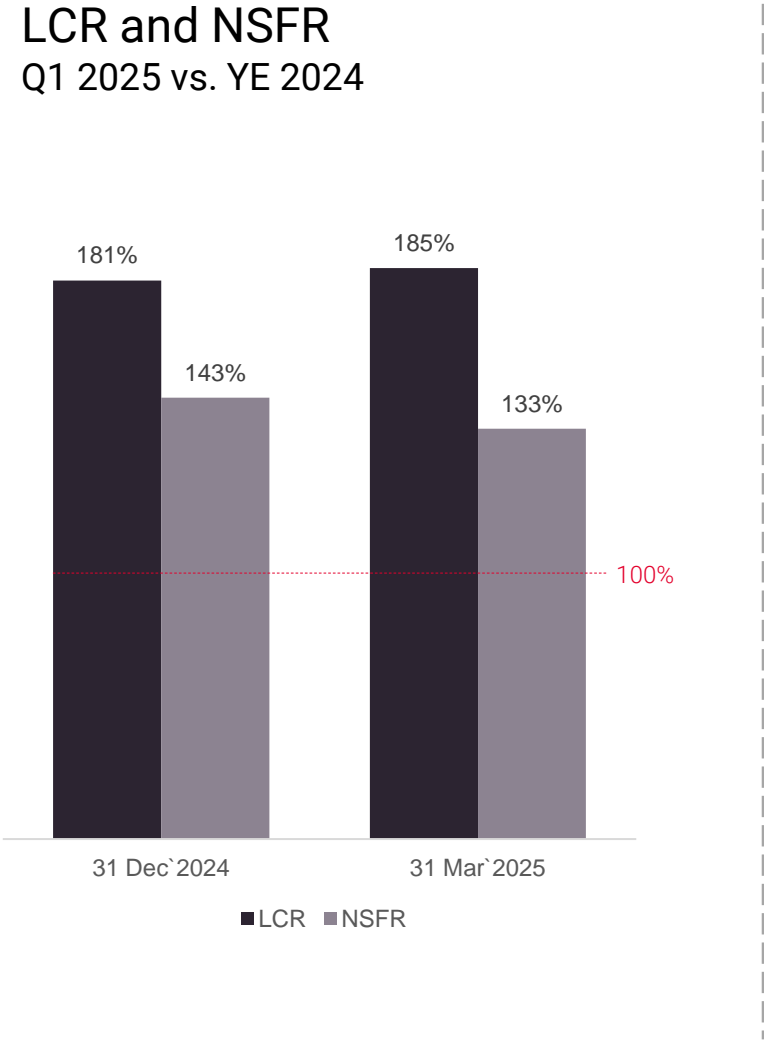




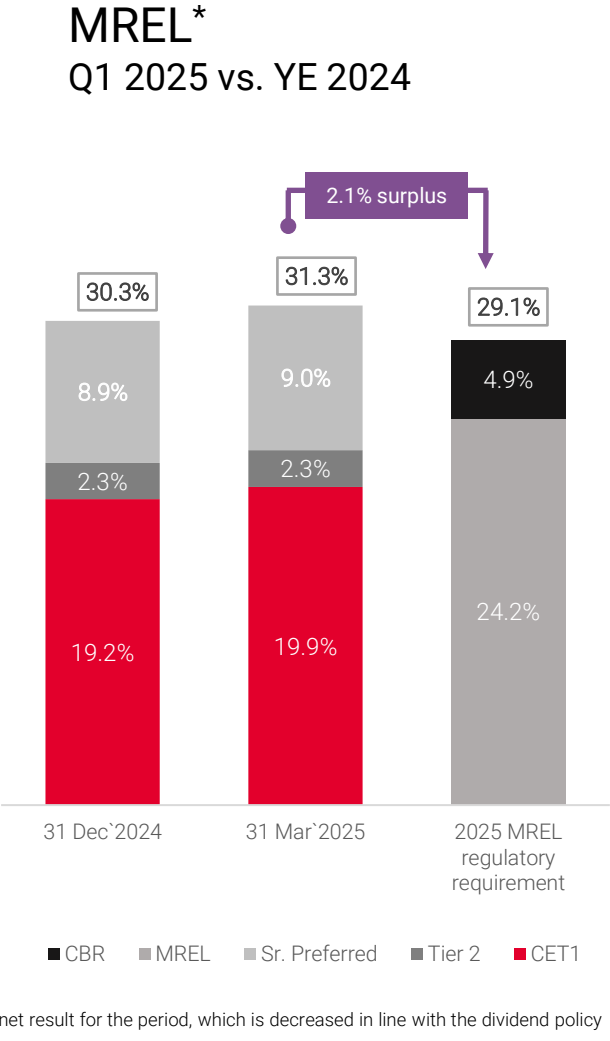
# Liquidity, capital and MREL



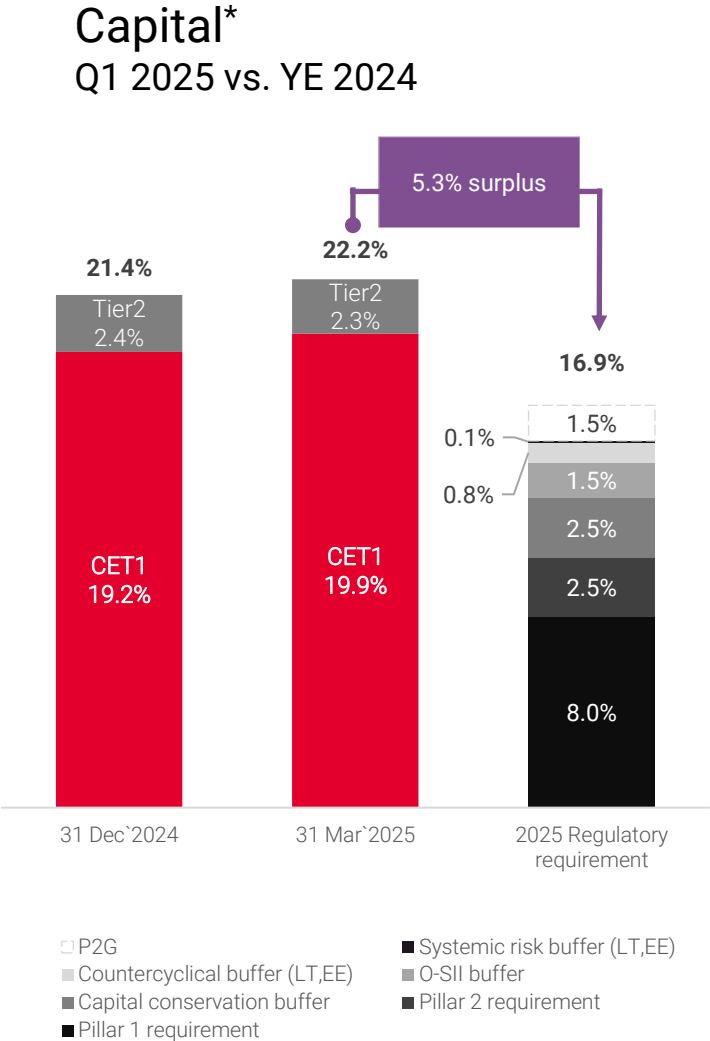
LCR and NSFR  
Q1 2025 vs. YE 2024



MREL\*  
Q1 2025 vs. YE 2024



Capital\*  
Q1 2025 vs. YE 2024



\*including net result for the period, which is decreased in line with the dividend policy

# Customer overview

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



## Awards

1<sup>st</sup> place in Latvia and Lithuania, high ratings in Estonia for servicing clients remotely

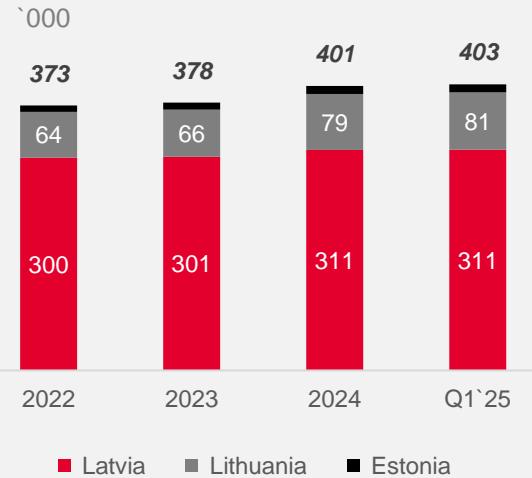
1<sup>st</sup> place in Latvia and Lithuania and high ratings in Estonia for servicing clients in-person

**Bank with the best customer service in Latvia**



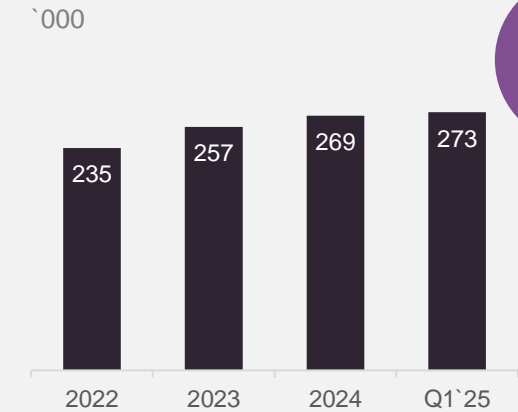
## Active customers

2024 vs. previous years



## Mobile App active users

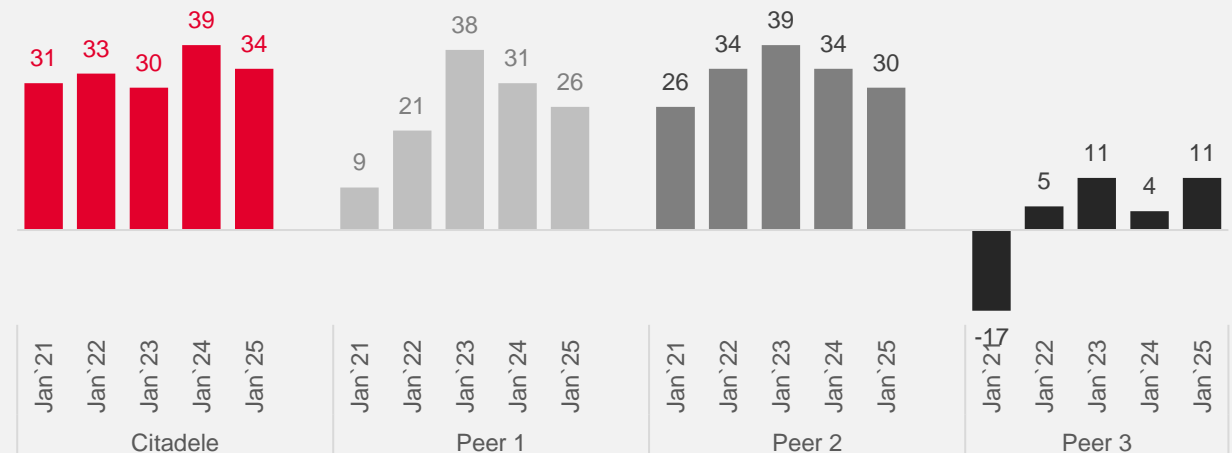
2024 vs. previous years



LV 55 /  
LT 41

Mobile App  
NPS

## Net Promoter Scores of individual banks in Latvia



LV 34 /  
LT 36

NPS Retail

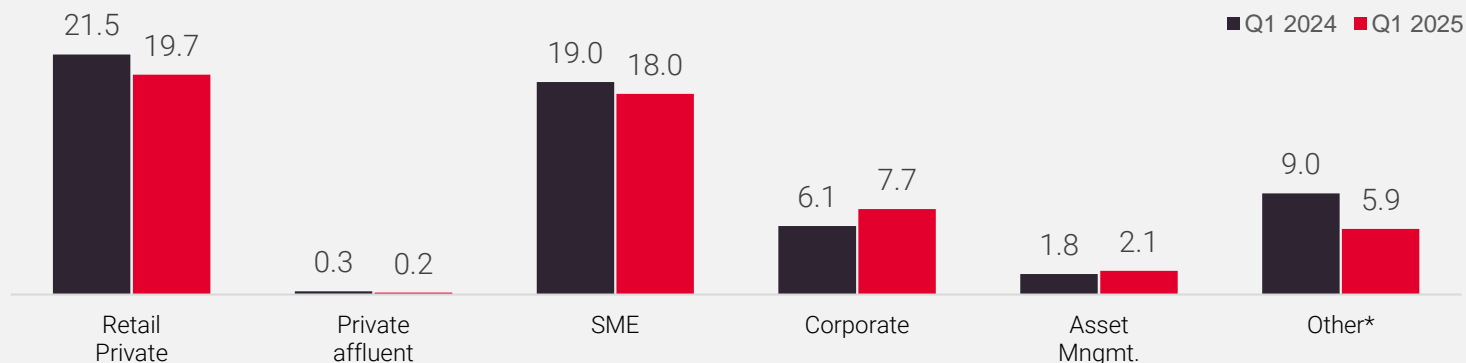
# Segment overview

Q1 2025, EUR m	Retail Private	Private affluent	SME	Corporate	Asset Mgmt.	Other	Total
Net interest income	17.3	-0.6	15.0	7.1	0.1	5.6	44.6
Net fee and commission income	3.0	0.7	2.4	0.7	1.8	0.1	8.7
Net financial income	-0.1	0.1	0.7	0.2	-0.1	0.3	1.1
Net other income / (expense)	-0.6	0.0	-0.2	-0.3	0.3	-0.1	-1.0
<b>Operating income</b>	<b>19.7</b>	<b>0.2</b>	<b>18.0</b>	<b>7.7</b>	<b>2.1</b>	<b>5.9</b>	<b>53.4</b>
Net funding allocation	0.1	2.2	-2.7	0.1	0.1	0.2	-
<b>FTP adjusted operating income</b>	<b>19.8</b>	<b>2.4</b>	<b>15.2</b>	<b>7.7</b>	<b>2.3</b>	<b>6.1</b>	<b>53.4</b>

## Operating income

Q1 2025 vs Q1 2024

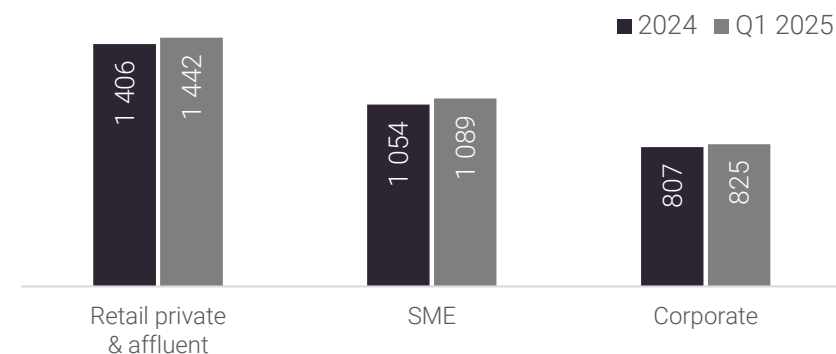
EURm



\*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.

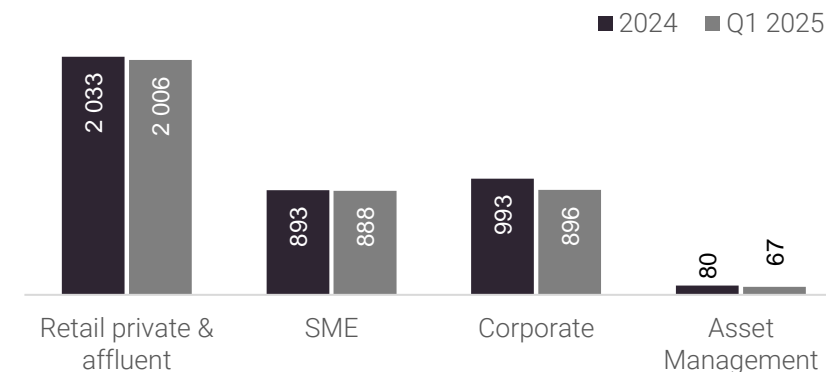
## Loans

Q1 2025 vs. YE 2024, EURm



## Deposits

Q1 2025 vs. YE 2024, 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 OR NPS >30pts	1st position or NPS above 30pts across the Baltics
Cost to Income	50% (excluding non-capitalized operating costs related to strategic projects)	Achieve cost to income ratio of 50% 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
Profitability	15% (on normalised capital base)	Achieve a return on average equity of 15% on a normalised capital base
Capitalisation	≥18%	Maintain Total capital ratio of at least 18% over the medium term
Capital Returns	50% payout	<ul style="list-style-type: none"> <li>▪ Distribute dividends of 50% of the Group's profits, inclusive of all relevant taxes, taking into account internal capital targets</li> <li>▪ Excess capital above CET1 target deployed into growth or inorganic M&amp;A opportunities or considered for additional returns</li> </ul>



# Citadele

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