AS Citadele banka

INTERIM REPORT

For the three months ended
31 March 2025

Key figures and events of the Group

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 year-end 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.

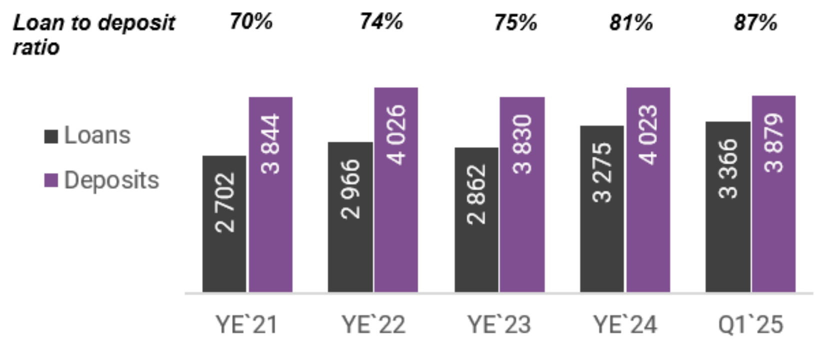
Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 22.2%, CET1 was 19.9%, and the LCR was 185% as of 31 March 2025.

As of 31 March 2025, Citadele had 1,335 full-time employees.

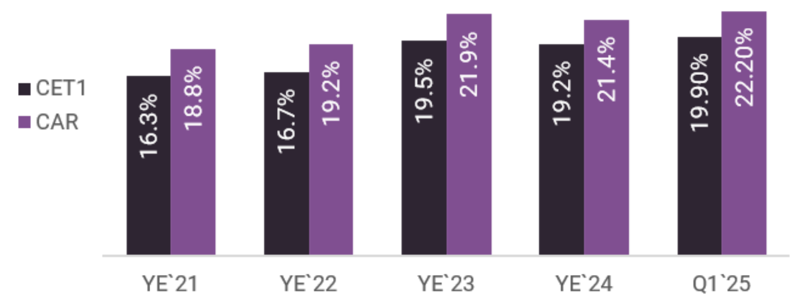
	Continuous operations only		
EUR millions	**Q1 2025**	**Q4 2024**	**Q1 2024**
Net interest income	44.6	47.7	47.0
Net fee and commission income	8.7	10.9	8.9
Net financial and other income	0.2	1.4	1.9
Operating income	**53.4**	**60.0**	**57.8**
Operating expense	(25.6)	(32.1)	(27.7)
Net credit losses and impairments	(0.6)	(1.9)	2.9
Net profit from continuous operations (after tax)	**21.5**	**19.4**	**25.6**
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 and deposits

EURm



Common equity Tier 1 (CET1) capital ratio and Total capital adequacy ratio (CAR) (including net result for the period, which is decreased by the expected dividends)



For definitions of Alternative Performance Ratios refer to Definitions and Abbreviations section of these financial statements.

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Rounding and Percentages

Some numerical figures included in these interim condensed financial statements have been subject to rounding adjustments. Accordingly, numerical figures shown for the same category presented in different tables may vary slightly, and numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

In these interim condensed financial statements, certain percentage figures have been included for convenience purposes in comparing changes in financial and other data over time. However, certain percentages may not sum to 100% due to rounding.

For definitions of Alternative Performance Ratios used throughout these interim condensed financial statements refer to Definitions and Abbreviations section of this report.

Rūta Ežerskiene
CEO and Chair of the Management Board

Resilience in Uncertainty: The Baltic Outlook for 2025

Despite ongoing global uncertainty, the Baltic economies are steadily advancing toward recovery and sustainable growth in 2025. While geopolitical tensions, energy transformation, and potential disruptions in global trade continue to shape the regional landscape, the Baltic states demonstrate commendable resilience and adaptability.

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.

Robust Financial Performance in Q1 2025

In the first quarter of 2025, despite the impact of the falling rates on the loan book revenues, Citadele delivered solid financial results, generating an operating income of EUR 53.4 million and a return on equity of 15.0%. Citadele's total loan book grew to EUR 3,366 million as of 31 March 2025, marking a 3% increase (EUR 92 million) since 31 December 2024. The loan-to-deposit ratio rose to 87%, up from 81% at year-end 2024, reflecting strong lending activity supported by a healthy deposit base. Citadele continued to be a catalyst for regional economic development, with new financing for private, SME, and corporate customers reaching EUR 350 million in Q1 2025 - a 36% increase year-over-year. Of this amount, EUR 46 million was directed to green and transition financing, underscoring our commitment to advancing sustainable economic development. The financial standing of our customers remains stable, and the quality of our loan portfolio continues to be strong. As of 31 March 2025, the non-performing loan (NPL) ratio stood at 2.3%, unchanged from year-end 2024. Our deposit base was stable and reached EUR 3,879 million. As of 31 March 2025, Citadele continues to operate from a position of financial strength. Our total capital adequacy ratio (CAR) stood at 22.2%, the Tier 1 ratio was 19.9%, and the liquidity coverage ratio (LCR) remained robust at 185%.

Amid ongoing economic challenges and geopolitical uncertainty, we remain committed to advancing strategic opportunities that reinforce our market position and long-term growth.

Client base growth & digital focus

Citadele continues to expand its customer base, earning the trust of more individuals and businesses across the region. As of 31 March 2025, our active customer base reached 403 thousand, marking a 6.2% year-over-year increase. Digital engagement remains strong, with 88.9% of customers actively using digital channels. The number of active mobile app users rose to 272.9 thousand, reflecting a 5.1% year-over-year increase. While the majority of digital customers prefer the mobile app, others continue to use internet banking services.

Innovations and development

In Q1 2025, we prioritized digital service parity across the Baltics. A key milestone was the launch of peer-to-peer payments (payments to mobile numbers) within the mobile app in Lithuania. In Estonia, we introduced a partner API for consumer loans, enhancing digital access to financing solutions.

The Citadele mobile banking application saw continued improvement in user satisfaction, now rated 4.8 stars - a reflection of our dedication to intuitive and customer-centric digital banking.

Klix, Citadele's e-commerce checkout solution, continued its expansion, surpassing 3,200 merchants as of 31 March 2025. The registered user base exceeded 492 thousand, with 187 thousand active users. In Q1 2025, Klix processed 6.1 million transactions, amounting to EUR 239.3 million. "Buy Now, Pay Later" issuance reached EUR 10.0 million in Q1 2025, compared to EUR 7.7 million in Q1 2024. Klix added several high-profile clients during the quarter, including one of the leading telecom operators in Latvia for billing transactions.

Changes in the Management Board

Liene Grūtupa has been nominated as the new Chief Compliance and Legal Officer and member of the Management Board, pending the necessary regulatory approvals. Ms. Grūtupa brings over 25 years of experience in senior legal and personnel management positions. She joined Citadele banka in 2011 as Head of the Legal Division and, since January 2022, has additionally held the position of Head of Human Resources. Ms. Grūtupa holds a law degree from the University of Latvia and an MBA from the Riga International School of Economics and Business Administration.

Changes in the Supervisory Board

Four Supervisory Board members - Lawrence Neal Lavine, Dhananjaya Dvivedi, Karina Saroukhanian, and Sylvia Gansser-Potts will step down from their positions on the Supervisory Board. A lot of thanks for their attentive and caring work along these years.

As a result of these changes 4 new members have been nominated to the Supervisory Board, subject to the necessary regulatory approvals. Bingyang Zhu, Thomas Isaac, Eric Hazan, and George Truett Tate have been proposed to join the Supervisory Board, bringing extensive international experience and expertise in banking, strategy, and governance.

Bingyang Zhu is a Managing Director at Ripplewood Advisors LLC. Mr. Zhu is responsible for evaluating and executing investments in the banking, financial services, and other sectors across Europe and the Middle East since joining the firm in 2008. Before joining Ripplewood, Mr. Zhu was an investment banking analyst in the General Industrials Group at Morgan Stanley, covering the IT outsourcing / processing, conglomerates, and aerospace & defence sectors. Mr. Zhu earned a Bachelor of Science in Applied Economics and Management, magna cum laude, from Cornell University.

Thomas Isaac has decades of experience in successfully managing businesses, including Citigroup. Mr. Isaac is experienced in steering businesses through periods of uncertainty, for example managing the Citi EMEA crisis management during the global COVID pandemic. He has been a Senior Advisor at Ripplewood Advisors Limited since 2021, focusing on strategic planning. Mr. Isaac holds a Master of Business Administration from the Chartered Institute for Securities & Investment and BA in Engineering from the Open University Business School.

Eric Hazan has extensive experience in technology and digital transformation with initiatives that integrate artificial intelligence, machine learning, and advanced analytics into business processes. For nearly 20 years, Mr. Hazan has worked at McKinsey & Company as Senior Partner. His work spans various industries, driving business growth through technological advancements. In addition, Mr. Hazan is a professor at HEC Paris and Sciences Po. His extensive experience in technology and digital transformation with focus on GenAI will provide Citadele an advantage.

George Truett Tate has an extensive career in executive positions and board memberships across various industries, including management consulting, education technology, insurance, and banking. At the moment, Mr. Tate holds member or chairman positions in several Advisory Boards across the globe. He has extensive experience in executive positions, including in Australia and New Zealand Banking Group and Lloyds Banking Group, driving significant revenue growth and leading strategic initiatives, including expanding business to different markets. Mr. Tate has a degree from Harvard Business School, PMD Program and Brown University.

Events after the reporting period

Dividend payment

Citadele has distributed dividends totalling EUR 44.8 million, equivalent to EUR 0.282 per share. This dividend payout is in line with Citadele's 50% dividend policy. The payment serves as confirmation of the bank's sustained growth, robust capital position, and stable balance sheet.

Looking Ahead

We enter the remainder of 2025 with confidence in our strategy, the strength of our team, and the resilience of the Baltic economies. We remain focused on empowering our clients, delivering value to shareholders, and advancing innovation and sustainability across the region. On behalf of the entire Citadele team, I extend sincere thanks to our customers, colleagues, and partners for their continued trust and collaboration. Together, we are shaping a more resilient, inclusive, and forwardlooking financial future.

Financial review of the Group

Results and profitability in Q1 2025

The Group delivered a solid financial performance in Q1 2025, with operating income reaching EUR 53.4 million, compared to EUR 57.8 million in Q1 2024.

Net interest income was EUR 44.6 million in Q1 2025, compared to EUR 47.0 million in Q1 2024.

The Group's net fee and commission income amounted to EUR 8.7 million in Q1 2025, reflecting a 2% decline compared to Q1 2024, primarily driven by lower income from cards.

Operating expenses in Q1 2025 were reduced to EUR 25.6 million, reflecting an 8% decrease as compared to Q1 2024, primarily driven by a reduction in consulting expenses.

Staff costs declined by 2% to EUR 18.0 million in Q1 2025 as compared to Q1 2024. The number of full-time employees was 1,335 as of 31 March 2025, compared to 1,342 as of 31 December 2024, including 28 employees at Kaleido Privatbank AG, the Swiss subsidiary committed for sale (31 December 2024: 26 employees).

Other operating expenses totaled EUR 5.6 million, decreasing by 22% compared to Q1 2024, primarily due to a decline in consulting (-46%) and advertising and marketing expenses (-45%). Depreciation and amortization expenses stood at EUR 2.1 million, reflecting a 10% decrease as compared to Q1 2024.

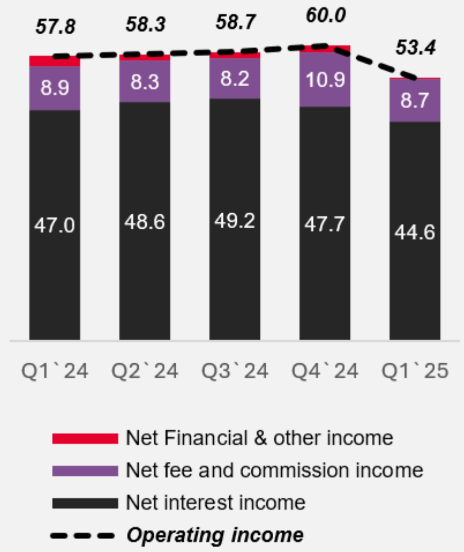
Citadele's cost-to-income ratio in Q1 2025 was 47.9%, compared to 48% in Q1 2024.

Net credit losses and impairments were recognized in the amount of EUR 0.6 million in Q1 2025.

Net profit from continuing operations reached EUR 21.5 million, a 16% decrease as compared to Q1 2024, with a 15.0% ROE. Kaleido Privatbank AG, the Swiss subsidiary committed for sale, is classified as discontinued operations. The Group's total net profit was EUR 20.4 million in Q1 2025.

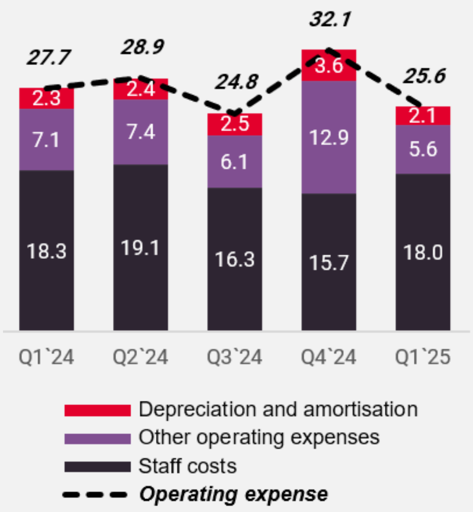
Operating income, EURm

Continuing operations



Operating expense, EURm

Continuing operations



Balance sheet overview

The **Group's assets** stood at EUR 5,006 million as of 31 March 2025, decreasing by 3% since year-end 2024 (EUR 5,137 million). As of 31 March 2025, Kaleido Privatbank AG (Swiss subsidiary committed for sale) is presented as discontinued operations. Continuing operations assets were EUR 4,891 million as of 31 March 2025 (compared to EUR 5,003 million as of 31 December 2024).

The **net loan portfolio** was EUR 3,366 million as of 31 March 2025, increasing by 3% from year-end 2024. The overall credit quality of the loan book was good. **Stage 3 loans to public** gross ratio was 2.3% as of 31 March 2025, unchanged from 31 December 2024.

New financing in Q1 2025 reached EUR 350 million, representing a 36% increase comparing to the same period in 2024, mainly impacted by higher lending volumes in corporate segment. EUR 121 million was issued to private customers (25% increase year-over-year), EUR 145 million to SMEs (25% increase year-over-year) and EUR 84 million to corporate customers (85% increase year-over-year).

In terms of the **loan portfolio's geographical profile**, as of 31 March 2025, Latvia accounted for 44% of the portfolio, with EUR 1,465 million (44% as of year-end 2024), followed by Lithuania at 38% with EUR 1,269 million (vs. 37% as of year-end 2024), Estonia at 18% with EUR 620 million (vs. 19% as of the year-end 2024) and EU and other countries at 0.4% with EUR 13.1 million.

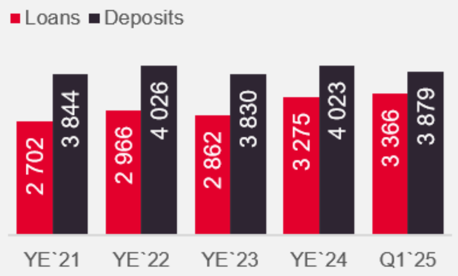
As of 31 March 2025, loans to Households represented 46% of the loan portfolio (45% as of year-end 2024). Mortgages have increased compared to year-end 2024 (14% increase) and constituted EUR 932 million. Finance leases increased by 12% and was EUR 390 million (vs. 348 million as of year-end 2024). Consumer lending increased by 53% vs. year-end 2024 and reached EUR 199 million. Card lending has increased by 3% and was EUR 62 million. Overall, the main industry concentrations were Real estate purchase and management (13% of total loans), Transport and communications (6%), Manufacturing (7%) and Trade (7%).

The Group's **securities portfolio** forms a part of its liquidity resources and in Q1 2025 decreased by 6% vs. the year-end 2024. 95% of the securities portfolio consist of securities with a rating of A and higher. The most significant changes included a 20% decrease (EUR 14 million) in AAA/Aaa-rated bonds since year-end 2024 and a 5% decrease (EUR 51 million) in A-rated bonds.

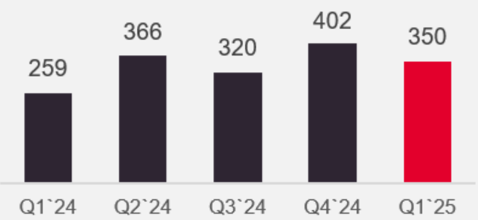
The Group's LCR and NSFR changed from 181% and 143% at year-end 2024 to 185% and 133% as of 31 March 2025, respectively.

The main source of Citadele's funding, **customer deposits**, decreased by 4% to EUR 3,879 million at 31 March 2025 compared to year-end 2024. Term deposits share out of total deposits stood at 25% as of 31 March 2025, as compared to 27% as of end of year 2024. Baltic domestic customer deposits formed 99% of total deposits or EUR 3,830 million (compared to 99% as of year-end 2024).

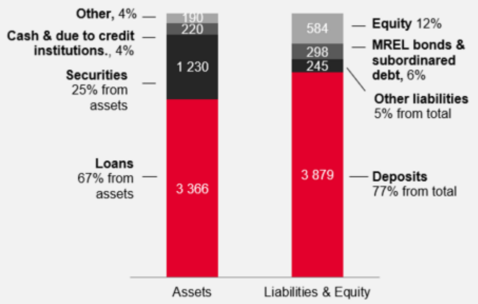
Loans and Deposits, EURm



New financing, EURm



Balance sheet structure, EURm



Ratings

On 6 December 2024 Moody's Ratings (Moody's) has announced the upgrade of Citadele's long-term deposit rating to Baa1 from Baa2, and the senior unsecured rating to Baa2 from Baa3. Following this, Moody's revised its rating outlook to stable.

Moody's	
Bank deposits	Baa1/ P-2
Counterparty risk rating	A3/P-2
Baseline Credit Assessment	baa3
Adj.Baseline Credit Assessment	baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa2
Outlook:	Stable

Detailed information about ratings can be found on the web page of the rating agency www.moodys.com

Segment Highlights

Retail Private and Affluent segment

The number of active retail customers reached a new all-time high for Citadele, with primary customers totaling 207 thousand as of 31 March 2025, a 2% year-over-year increase. In Q1 2025, the Retail Private & Affluent segment's operating income amounted to EUR 19.8 million.

New lending to private individuals reached EUR 121 million in Q1 2025, repressenting a 25% increase compared to the same period a year ago. Notable growth was observed in the demand for green products, with green mortgage loans reaching EUR 13.4 million in Q1 2025, accounting for 30% of total new mortgages.

Total loans to private individuals reached EUR 1,442 million as of 31 March 2025, an increase of EUR 36 million (3%) since 31 December 2024, with good loan quality. Deposits from private individuals totaled EUR 2,006 million, representing a slight decrease of EUR 27 million (1%) compared to 31 December 2024.

SME segment

In Q1 2025, the SME segment's operating income reached EUR 18 million, reflecting a 6% decrease compared to Q1 2024, mainly impacted by declining euribor.

New lending totaled EUR 145 million in Q1 2025, a 25% increase compared to the same period a year ago.

Total loans to SMEs stood at EUR 1,089 million as of 31 March 2025, marking a 3% increase compared to year-end 2024, while loan quality remained strong. SME deposits reached EUR 888 million, down by 1% compared to 31 December 2024.

Corporate segment

The corporate segment's operating income reached EUR 7.7 million in Q1 2025, reflecting a 25% increase compared to the same period in 2024.

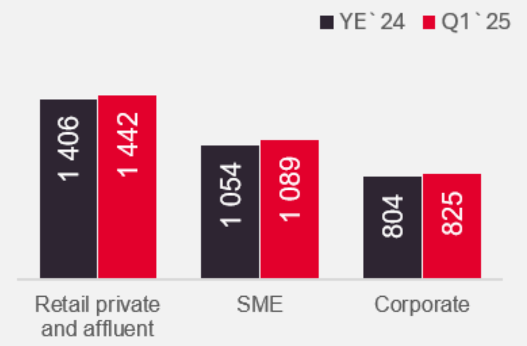
Corporate new financing totaled EUR 84 million, marking a 85% increase compared to the same period a year ago. The total corporate loan portfolio stood at EUR 825 million, representing a 3% increase compared to year-end 2024. Credit portfolio quality remained strong.

The deposit portfolio decreased by 10% compared to year-end 2024, amounting to EUR 896 million as of 31 March 2025.

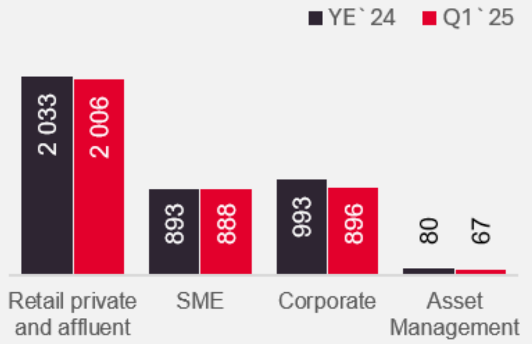
Asset Management

The Asset Management segment is facing financial markets turbulence caused by uncertainties arising from global trade war escalation. Thus, directly impacting assets under management volume and operating income, that show resilience and reached EUR 2.1 million in Q1 2025, reflecting a 16% increase compared to the same period a year ago. Total customer assets under management stood at EUR 1.2 billion, unchanged from year-end 2024.

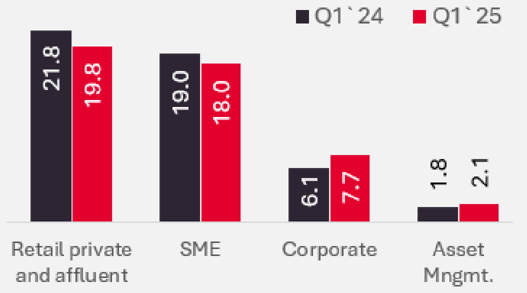
Loans, EURm



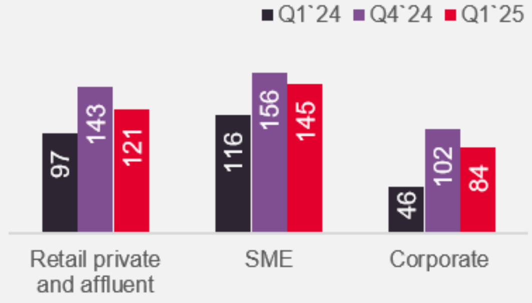
Deposits, EURm



Operating income, EURm



New lending, EURm



Business Environment

The euro area economy began 2025 with tentative signs of stabilization after a stagnant end to the previous year. Preliminary data suggests that eurozone GDP posted minimal growth in Q1, bolstered slightly by improving credit conditions and recovering business sentiment. While growth remains modest, several forward-looking indicators including increased industrial production in several block's countries and a slight uptick in retail sales across the region suggest that the eurozone may be on the cusp of a more solid recovery. However, elevated uncertainty caused by global trade wars undermine potential growth for the euro area.

Germany's economic performance, while still underwhelming, showed glimmers of improvement. Although structural challenges persist, notably in the energy-intensive manufacturing sector and the automotive industry, government-backed green industrial investments and easing inflationary pressures have begun to alleviate some of the economic drag. The country narrowly avoided a third consecutive quarter of contraction, suggesting that the worst of its downturn may have passed.

Across the Atlantic, the US economy maintained its momentum in early 2025, though at a slightly slower pace compared to the previous year. Consumer spending remained a key driver, supported by real wage gains and a still-strong labor market. However, early signs of deceleration emerged in the housing and credit markets, as higher financing costs tempered borrowing activity. The US manufacturing sector showed mixed results, with a slight softening in new orders in March, possibly hinting at a plateau in post-pandemic industrial recovery.

Monetary policy paths between the US and euro area continued to diverge in Q1. The Federal Reserve maintained its policy rate at 4.25-4.50%, holding off further cuts as core inflation edged slightly above expectations. In contrast, the ECB proceeded with its easing cycle, lowering its deposit rate to 2.50% in March and additional cut to 2.25% in April amid subdued inflation and persistently weak growth. The more accommodative stance from the ECB is beginning to filter through to the real economy, with improving loan growth and higher business investment intentions reported in recent surveys.

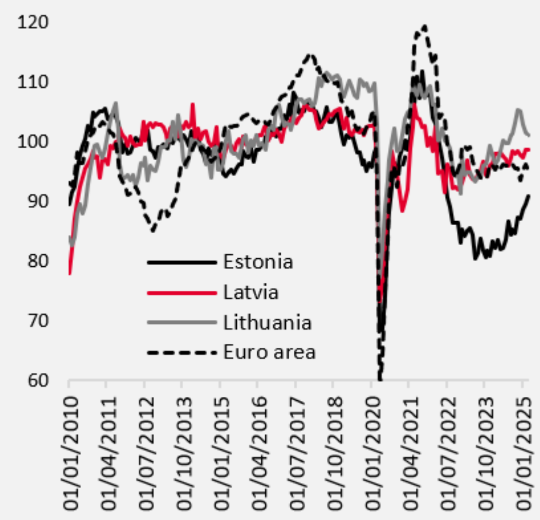
The euro area business environment entered Q2 with a cautiously optimistic outlook. Although lower borrowing costs and better credit access are beginning to support confidence, particularly among small and mid-sized enterprises, challenges remain – notably geopolitical uncertainty and escalating global trade conflicts and chaotically changing US trade policy.

Baltic economies enter 2025 with cautious momentum

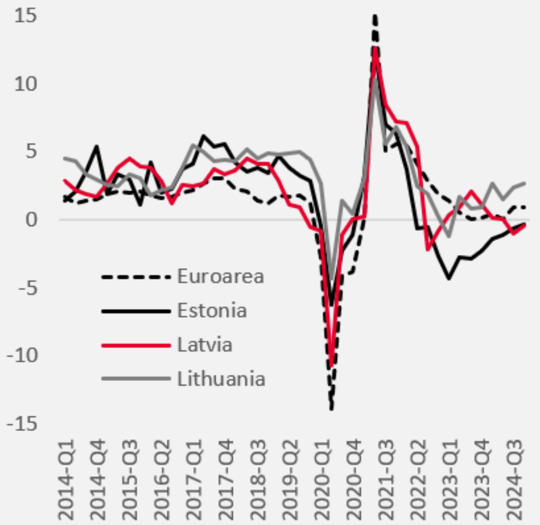
The Baltic states began 2025 on a more stable footing, building on the uneven recovery seen at the end of 2024. While overall economic activity remains below pre-pandemic trends, the region is showing signs of cautious optimism, supported by improved consumer confidence, easing inflation, and monetary policy tailwinds from the ECB.

Lithuania continued to lead the region in terms of growth. Preliminary data suggest that GDP expanded by around 2.7% in 2024, driven by robust household consumption and strong industrial output, particularly in manufacturing. Positive real wage growth and moderating inflation helped

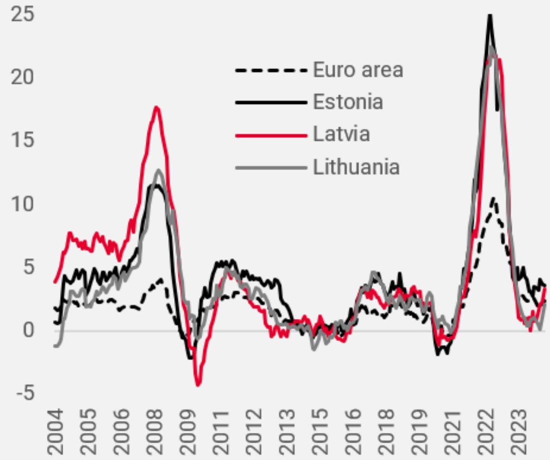
Economic sentiment indicator



GDP (constant prices, % year-on year)



Inflation (%, year-on-year)



improve households' purchasing power and boost domestic demand. Business sentiment surveys also show improved expectations.

Latvia's economy is expected to have stabilized after contracting -0.4% in 2024. Although economic growth is sluggish in early 2025, there are indications of recovery in industrial production and services. Manufacturing output improved; however investment activity remains subdued, reflecting lingering uncertainty and weak business credit demand.

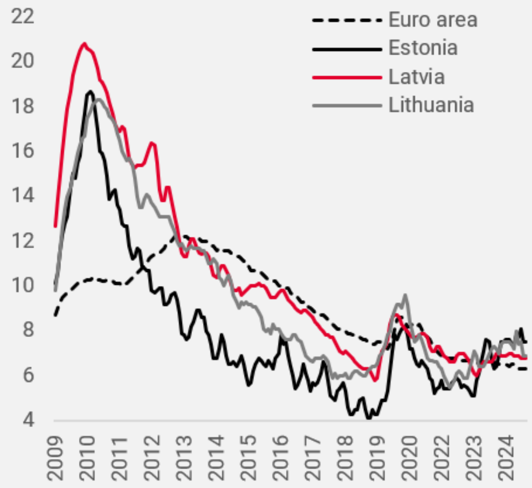
Estonia, which suffered the deepest downturn in the region, is expected to record first expansion since early 2023. In 2024 Estonia's GDP contracted -0.3% showing continuous improvement over recent quarters.

Inflation across the Baltics spiked in mid Q1, however eased in Estonia and Latvia at the end of the quarter with March readings falling to 4.3% after 5.1% peak in February in Estonia, decrease to 3.3% from 3.7% in Latvia and stayed somewhat elevated 3.7% in Lithuania. Nonetheless, the combination of cooling prices and resilient labour markets has supported household real incomes and boosted purchasing power.

Labor markets in the Baltics remain relatively tight, with only slight changes from Q4 2024. Unemployment rates in Q1 2025 averaged 7.7% in Estonia, 6.8% in Latvia, and 7.1% in Lithuania. Wage growth has continued to moderate across the region but remains elevated by historical standards. This has sustained household consumption, with retail sales ticking up notably in Lithuania and Latvia.

Business outlook for the rest of 2025 is cautiously optimistic. Businesses across all three Baltic countries are expecting improved access to credit, as lower ECB interest rates begin to filter through to financing conditions. While geopolitical, global trade risks and structural challenges persist - especially in energy markets - domestic demand and external trade appear to be firming. If the current momentum holds, the Baltics could outperform broader euro area growth this year.

Unemployment rate (%)



CORPORATE GOVERNANCE

AS Citadele banka is the parent company of Citadele Group. AS Citadele banka is a joint stock company. Citadele's shareholders are an international group of investors with global experience in the banking sector. As of the period end 73.9% shares in AS Citadele banka are owned by a consortium of international investors represented by Ripplewood Advisors LLC, 24.6% shares are owned by the European Bank for Reconstruction and Development (EBRD), and 1.5% shares are owned by the management, employees, and other investors.

The Statement of Corporate Governance is published on the Bank's website www.cblgroup.com.

Supervisory Board of the Bank as of 31/03/2025:

Name	Current Position	Date of first appointment
Timothy Clark Collins	Chair of the Supervisory Board	20 April 2015
Elizabeth Critchley	Deputy Chair of the Supervisory Board	20 April 2015
Dhananjaya Dvivedi	Member of the Supervisory Board	20 April 2015
Lawrence Neal Lavine	Member of the Supervisory Board	20 April 2015
Nicholas Dominic Haag	Member of the Supervisory Board	19 December 2016
Karina Saroukhanian	Member of the Supervisory Board	19 December 2016
Sylvia Yumi Gansser Potts	Member of the Supervisory Board	29 October 2018
Stephen Young	Member of the Supervisory Board	4 October 2023
Daiga Auzina-Melalksne	Member of the Supervisory Board	1 November 2023

On 27 March 2025, five existing members of the Supervisory Board of AS Citadele banka were re-elected: Timothy Clark Collins, Elizabeth Critchley, Nicholas Dominic Haag, Stephen Young and Daiga Auzina-Melalksne. On the same date four new members of the Supervisory Board were elected: Bingyang Zhu, Thomas Isaac, Eric Hazan and George Truett Tate. The new composition of the Supervisory Board will enter into force upon receipt of regulatory approvals.

Management Board of the Bank as of 31/03/2025:

Name	Current position	Responsibility
Rūta Ežerskienė	Chair of the Management Board	Chief Executive Officer
Valters Ābele	Member of the Management Board	Chief Financial Officer
Slavomir Mizak	Member of the Management Board	Chief Technology and Operations Officer
Vaidas Žagūnis	Member of the Management Board	Chief Corporate Commercial Officer
Jūlija Lebedinska-Ļitvinova	Member of the Management Board	Chief Risk Officer
Edward Rebane	Member of the Management Board	Chief Retail Commercial Officer

On 25 March 2025, AS Citadele banka elected Liene Grūtupa as the new member of the Management Board with Chief Compliance and Legal Officer's responsibility, subject to regulatory approval.

Statement of Management's Responsibility

The Management of AS Citadele banka (hereinafter – the Bank) is responsible for the preparation of the interim condensed financial statements of the Bank and for the preparation of the interim consolidated financial statements of the Bank and its subsidiaries (hereinafter – the Group).

The interim condensed financial statements are prepared in accordance with the source documents and present the financial position of the Bank and the Group as of 31 March 2025 and the results of their operations for the three months periods ended 31 March 2025, changes in shareholders' equity and cash flows for the three months period ended 31 March 2025 in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The management report presents fairly the financial results of the reporting period and future prospects of the Bank and the Group.

The interim condensed financial statements are prepared on a going concern basis in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. Appropriate accounting policies have been applied on a consistent basis. Prudent and reasonable judgments and estimates have been made by the Management in the preparation of the financial statements.

The Management of AS Citadele banka is responsible for the maintenance of proper accounting records, the safeguarding of the Group's assets and the prevention and detection of fraud and other irregularities in the Group. They are also responsible for operating the Bank in compliance with the Law on Credit Institutions, regulations of the Bank of Latvia and other legislation of the Republic of Latvia and European Union applicable for credit institutions.

Management Board of AS Citadele banka on 30 April 2025 approved these interim condensed financial statements.

CONDENSED STATEMENT OF INCOME

		EUR thousands							
		Group				Bank			
	Note	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Interest income calculated using the effective interest method	5	40,292	41,395	40,292	41,395	50,278	55,967	50,278	55,967
Other interest income	5	17,980	20,821	17,980	20,821	-	-	-	-
Interest expense	5	(13,706)	(15,227)	(13,706)	(15,227)	(14,471)	(15,632)	(14,471)	(15,632)
Net interest income		**44,566**	**46,989**	**44,566**	**46,989**	**35,807**	**40,335**	**35,807**	**40,335**
Fee and commission income	6	17,701	16,888	17,701	16,888	16,162	15,511	16,162	15,511
Fee and commission expense	6	(9,009)	(7,985)	(9,009)	(7,985)	(8,490)	(7,632)	(8,490)	(7,632)
Net fee and commission income		**8,692**	**8,903**	**8,692**	**8,903**	**7,672**	**7,879**	**7,672**	**7,879**
Net financial income	7	1,139	2,529	1,139	2,529	1,260	2,467	1,260	2,467
Net other income / (expense)	8	(965)	(601)	(965)	(601)	(685)	(255)	(685)	(255)
Operating income		**53,432**	**57,820**	**53,432**	**57,820**	**44,054**	**50,426**	**44,054**	**50,426**
Staff costs	9	(17,978)	(18,324)	(17,978)	(18,324)	(15,058)	(15,580)	(15,058)	(15,580)
Other operating expenses	10	(5,551)	(7,110)	(5,551)	(7,110)	(4,996)	(6,629)	(4,996)	(6,629)
Depreciation and amortisation		(2,082)	(2,308)	(2,082)	(2,308)	(1,796)	(2,041)	(1,796)	(2,041)
Operating expense		**(25,611)**	**(27,742)**	**(25,611)**	**(27,742)**	**(21,850)**	**(24,250)**	**(21,850)**	**(24,250)**
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale		**27,821**	**30,078**	**27,821**	**30,078**	**22,204**	**26,176**	**22,204**	**26,176**
Net credit losses	11	(527)	2,786	(527)	2,786	144	2,846	144	2,846
Other impairment losses and other provisions		(49)	72	(49)	72	(36)	71	(36)	71
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale		**27,245**	**32,936**	**27,245**	**32,936**	**22,312**	**29,093**	**22,312**	**29,093**
Mortgage loan levy and bank tax	12	(22)	(2,246)	(22)	(2,246)	(22)	(2,235)	(22)	(2,235)
Result from non-current assets held for sale and discontinued operations, net of tax	17	(1,325)	(1,067)	(1,325)	(1,067)	(256)	(2,977)	(256)	(2,977)
Operating profit		**25,898**	**29,623**	**25,898**	**29,623**	**22,034**	**23,881**	**22,034**	**23,881**
Income tax	12	(5,499)	(5,221)	(5,499)	(5,221)	(4,372)	(4,805)	(4,372)	(4,805)
Net profit		**20,399**	**24,402**	**20,399**	**24,402**	**17,662**	**19,076**	**17,662**	**19,076**
Basic earnings / (loss) per share in EUR	21	0.13	0.15	0.13	0.15	0.11	0.12	0.11	0.12
from continuing operations		*0.14*	*0.16*	*0.14*	*0.16*	*0.11*	*0.12*	*0.11*	*0.12*
from discontinued operations		*(0.01)*	*(0.01)*	*(0.01)*	*(0.01)*	-	-	-	-
Diluted earnings / (loss) per share in EUR	21	0.13	0.15	0.13	0.15	0.11	0.12	0.11	0.12
from continuing operations		*0.13*	*0.16*	*0.13*	*0.16*	*0.11*	*0.12*	*0.11*	*0.12*
from discontinued operations		*(0.01)*	*(0.01)*	*(0.01)*	*(0.01)*	-	-	-	-

The notes are an integral part of these interim condensed financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Net profit	**20,399**	**24,402**	**20,399**	**24,402**	**17,662**	**19,076**	**17,662**	**19,076**
Items that may be reclassified to profit or loss:								
Debt securities at fair value through other comprehensive income (continuing operations)								
Gains or losses transferred to profit or loss	-	-	-	-	-	-	-	-
Valuation gains or losses taken to equity	1,148	1,176	1,148	1,176	1,005	936	1,005	936
Income tax taken to equity	(201)	-	(201)	-	(201)	-	(201)	-
Debt securities at fair value through other comprehensive income (discontinued operations)								
Gains or losses transferred to profit or loss	25	34	25	34	-	-	-	-
Valuation gains or losses taken to equity	30	(34)	30	(34)	-	-	-	-
Income tax taken to equity	(13)	(23)	(13)	(23)	-	-	-	-
Other reserves (discontinued operations)								
Foreign exchange retranslation	(173)	(943)	(173)	(943)	-	-	-	-
Items that will not to be reclassified to profit or loss:								
Equity and similar instruments at fair value through other comprehensive income (continuing operations)								
Valuation gains or losses taken to equity	-	-	-	-	-	-	-	-
Transfer to retained earnings at disposal	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	**816**	**210**	**816**	**210**	**804**	**936**	**804**	**936**
Total comprehensive income	**21,215**	**24,612**	**21,215**	**24,612**	**18,466**	**20,012**	**18,466**	**20,012**

The notes are an integral part of these interim condensed financial statements.

CONDENSED BALANCE SHEET

		EUR thousands			
		31/03/2025 Group	**31/12/2024 Group**	**31/03/2025 Bank**	**31/12/2024 Bank**
Assets					
Cash and cash balances at central banks	24	210,393	349,940	210,393	349,940
Loans to credit institutions		9,447	12,944	19,339	23,748
Debt securities	13	1,203,018	1,275,958	1,160,236	1,234,827
Loans to public	14	3,366,397	3,274,581	3,260,724	3,170,572
Equity instruments	15	859	835	859	835
Other financial instruments	15	23,707	25,108	459	838
Derivatives		2,056	5,690	2,056	5,690
Investments in related entities	16	-	-	48,759	48,759
Tangible assets		20,021	17,993	14,918	14,204
Intangible assets		6,268	6,132	4,010	3,876
Current income tax assets	12	47	22	-	-
Deferred income tax assets	12	1,295	1,636	1,260	1,572
Bank tax assets	12	-	180	-	180
Discontinued operations and non-current assets held for sale	17	115,061	103,636	779	779
Other assets		47,088	61,942	34,832	50,273
Total assets		**5,005,657**	**5,136,597**	**4,758,624**	**4,906,093**
Liabilities					
Deposits from credit institutions and central banks	18	9,596	3,228	49,429	54,096
Deposits and borrowings from customers	19	3,879,046	4,023,480	3,860,845	4,003,611
Debt securities issued	20	297,539	315,422	297,539	315,422
Derivatives		4,976	4,008	4,976	4,008
Provisions	11	2,426	2,733	2,323	2,675
Current income tax liabilities	12	14,504	14,218	13,468	12,301
Deferred income tax liabilities	12	548	-	-	-
Discontinued operations	17	134,794	133,131	-	-
Other liabilities		77,754	77,695	30,725	33,704
Total liabilities		**4,421,183**	**4,573,915**	**4,259,305**	**4,425,817**
Equity					
Share capital	21	158,813	158,813	158,813	158,813
Reserves and other capital components		8,781	7,388	2,098	717
Retained earnings		416,880	396,481	338,408	320,746
Total equity		**584,474**	**562,682**	**499,319**	**480,276**
Total liabilities and equity		**5,005,657**	**5,136,597**	**4,758,624**	**4,906,093**
Off-balance sheet items					
Guarantees and letters of credit	22	107,798	88,398	97,670	97,033
Financial commitments	22	344,373	351,912	398,409	409,329

The notes are an integral part of these interim condensed financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Group, EUR thousands						
	Issued share capital	Share premium	Securities fair value revaluation reserve *(Note 13)*	Foreign currency retrans-lation	Share based payments	Retained earnings	Total equity
Balance as of 31/12/2023	**158,145**	**1,175**	**(12,531)**	**7,689**	**3,575**	**357,342**	**515,395**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	-	-
Share repurchase	-	-	-	-	-	-	-
Share based payments to employees *(Note 9 and Note 21)*	33	120	-	-	599	-	752
Total comprehensive income	***-***	***-***	***1,153***	***(943)***	***-***	***24,402***	***24,612***
Net result for the period	-	-	-	-	-	24,402	24,402
Other comprehensive income / (loss) for the period	-	-	1,153	(943)	-	-	210
Balance as of 31/03/2024	**158,178**	**1,295**	**(11,378)**	**6,746**	**4,174**	**381,744**	**540,759**
Balance as of 31/12/2024	**158,813**	**2,213**	**(5,320)**	**7,395**	**3,100**	**396,481**	**562,682**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	-	-
Share repurchase	-	-	-	-	-	-	-
Share based payments to employees *(Note 9 and Note 21)*	-	-	-	-	577	-	577
Total comprehensive income	***-***	***-***	***989***	***(173)***	***-***	***20,399***	***21,215***
Net profit for the period	-	-	-	-	-	20,399	20,399
Other comprehensive income / (loss) for the period	-	-	989	(173)	-	-	816
Balance as of 31/03/2025	**158,813**	**2,213**	**(4,331)**	**7,222**	**3,677**	**416,880**	**584,474**

	Bank, EUR thousands					
	Issued share capital	Share premium	Securities fair value revaluation reserve *(Note 13)*	Share based payments	Retained earnings	Total equity
Balance as of 31/12/2023	**158,145**	**1,175**	**(10,649)**	**3,575**	**300,707**	**452,953**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	-
Share repurchase	-	-	-	-	-	-
Share based payments to employees *(Note 9 and Note 21)*	33	120	-	599	(1)	751
Total comprehensive income	***-***	***-***	***936***	***-***	***19,076***	***20,012***
Net result for the period	-	-	-	-	19,076	19,076
Other comprehensive income / (loss) for the period	-	-	936	-	-	936
Balance as of 31/03/2024	**158,178**	**1,295**	**(9,713)**	**4,174**	**319,782**	**473,716**
Balance as of 31/12/2024	**158,813**	**2,213**	**(4,596)**	**3,100**	**320,746**	**480,276**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	-
Share repurchase	-	-	-	-	-	-
Share based payments to employees *(Note 9 and Note 21)*	-	-	-	577	-	577
Total comprehensive income	***-***	***-***	***804***	***-***	***17,662***	***18,466***
Net result for the period	-	-	-	-	17,662	17,662
Other comprehensive income / (loss) for the period	-	-	804	-	-	804
Balance as of 31/03/2025	**158,813**	**2,213**	**(3,792)**	**3,677**	**338,408**	**499,319**

The notes are an integral part of these interim condensed financial statements.

CONDENSED STATEMENT OF CASH FLOWS

		EUR thousands			
	Note	3m 2025 Group	3m 2024 Group	3m 2025 Bank	3m 2024 Bank
Operating activities					
Operating profit before tax (discontinued net of tax and continuing)		25,898	29,623	22,034	23,881
Tax expense from discontinued operations	17	21	29	-	-
Interest income	5	(58,981)	(63,312)	(50,278)	(55,967)
Interest expense	5	13,781	15,294	14,471	15,632
Dividends income		(3)	(6)	(3)	(6)
Depreciation and amortisation		2,180	2,462	1,796	2,041
Impairment allowances and provisions		(494)	(2,814)	(108)	141
Currency translation and other non-cash items		3,441	(776)	2,347	(567)
Cash flows from the income statement		**(14,157)**	**(19,500)**	**(9,741)**	**(14,845)**
(Increase) / decrease in loans to public		(90,899)	(46,108)	(91,410)	(42,120)
Increase / (decrease) in deposits and borrowings from customers		(143,434)	(111,833)	(140,945)	(89,619)
(Increase) / decrease in loans to credit institutions		4,554	1,315	5,105	1,934
Increase / (decrease) in deposits from central banks and credit institutions		(2,040)	150	(52,785)	(12,141)
(Increase) / decrease in other items at fair value through profit or loss		4,602	(2,227)	4,602	(2,227)
(Increase) / decrease in other assets		(1,509)	12,129	15,564	1,265
Increase / (decrease) in other liabilities		11,349	(9,767)	(3,650)	(2,822)
Cash flows from operating activities before interest and corporate income tax		**(231,534)**	**(175,841)**	**(273,260)**	**(160,575)**
Interest received		59,849	63,521	51,263	56,361
Interest paid		(13,204)	(10,962)	(14,133)	(11,271)
Corporate income tax paid		(4,678)	(1,050)	(3,205)	(547)
Cash flows from operating activities		**(189,567)**	**(124,332)**	**(239,335)**	**(116,032)**
Investing activities					
Acquisition of tangible and intangible assets		(3,905)	(1,595)	(1,117)	(973)
Disposal of tangible and intangible assets		860	413	8	4
Investments in debt securities and other financial instruments		(76,448)	(39,407)	(71,693)	(39,407)
Proceeds from debt securities and other financial instruments		151,292	18,738	146,099	15,654
Dividends received		3	6	3	6
Sale or investments in subsidiaries and associates		-	-	-	(3,058)
Cash flows from investing activities		**71,802**	**(21,845)**	**73,300**	**(27,774)**
Financing activities					
Dividends paid		-	(139)	-	(139)
Proceeds from issue / (repayment of) of debt securities		(20,000)	-	(20,000)	-
Interest paid on debt securities issued		(152)	(85)	(152)	(85)
Share repurchase		-	-	-	-
Repayment of lease liabilities		(781)	(920)	(860)	(816)
Cash flows from financing activities		**(20,933)**	**(1,144)**	**(21,012)**	**(1,040)**
Cash flows for the period		**(138,698)**	**(147,321)**	**(187,047)**	**(144,846)**
Cash and cash equivalents at the beginning of the period		**366,371**	**545,654**	**353,441**	**520,844**
Cash and cash equivalents at the end of the period	24	**227,673**	**398,333**	**166,394**	**375,998**

The Group has elected to present a statement of cash flows that includes both continuing and discontinued operations within operating, investing and financing activities. For more details on discontinued operations refer to note *Discontinued Operations and Non-current assets held for sale*.

The notes are an integral part of these interim condensed financial statements.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

If not mentioned otherwise, referral to the Group's policies and procedures should be also considered as referral to the respective Bank's policies and procedures. Figures in parenthesis represent amounts as of 31 December 2024 or for the three months period ended 31 March 2024.

NOTE 1. AUTHORISATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

These interim condensed financial statements have been authorised for issuance by the Management Board and comprise the financial information of AS Citadele banka (hereinafter – the Bank or Citadele) and its subsidiaries (together – the Group).

NOTE 2. GENERAL INFORMATION

Citadele is a Latvian based full-service financial group offering a wide range of banking products to retail, SME and corporate customer base as well as 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, including a modern mobile application, contactless and instant payments, modern client onboarding practices and technologically-enabled best-in-class customer service.

As of period end the Bank operates branches in Latvia, Lithuania and Estonia. AS Citadele banka is the parent company of the Group. The Group's main market is the Baltics (Latvia, Lithuania and Estonia). Citadele was registered as a joint stock company on 30 June 2010. Citadele commenced its operations on 1 August 2010.

As of 31 March 2025, the Group had 1,335 (2024: 1,342) and the Bank had 1,100 (2024: 1,112) full time equivalent active employees. From total Group's full time equivalent active employees 28 (2024: 26) were with discontinued operations.

The legal address of AS Citadele banka is Republikas laukums 2A, Riga, LV-1010, Latvia. Domicile of the entity is Latvia, country of incorporation is Latvia. Legal form is stock company (in Latvian "akciju sabiedrība").

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Basis of preparation

These interim condensed financial statements are prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as adopted by European Union (EU) on a going concern basis. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in financial position and performance of the Group and the Bank since the last annual consolidated and Bank financial statements. These interim condensed financial statements do not include all information required for a complete set of financial statements prepared in accordance with IFRS accounting standards as adopted by the European Union. This interim financial information should be read in conjunction with the 2024 annual financial statements for the Group and the Bank. Except as described below, the accounting policies applied in these interim condensed financial statements are the same as those applied in the Group's and the Bank's financial statements as at and for the year ended 31 December 2024.

The Management considers going concern basis of accounting appropriate in preparing these interim condensed financial statements; there are no material uncertainties in applying going concern basis of accounting. The Group's financial and capital position, business activities, its risk management objectives and policies and the major risks to which the Group is exposed to are disclosed in the Risk Management section of these interim condensed financial statements. Liquidity risk management is particularly important in respect to the going concern convention, as a failure to have a sufficient funding to meet payment obligations due may result in an extraordinary borrowing at excessive cost, regulatory requirement breach, delays in day-to-day settlements activities or cause the Group to no longer be a going concern; for more details refer to Liquidity risk management section. Regulatory compliance, especially capital adequacy requirements, is also significant to the going concern of the Group. The Group conducts and plans business in accordance with the available capital and in line with other regulatory requirements. For capital adequacy ratios as at period end refer to the Capital management section. The Group has implemented a comprehensive liquidity risk management and capital planning framework and policies and procedures to manage other risks.

The preparation of financial statements in conformity with IFRS accounting standards as adopted by the EU requires use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Management's best knowledge of current events and actions, actual results ultimately may differ from the estimated. For more details refer to the paragraph *Use of estimates and judgements in the preparation of financial statements*.

b) New standards and amendments

New standards, interpretations and amendments which were not applicable to the previous annual financial statements have been issued. Some of the standards become effective in 2025, others become effective for later reporting periods. In this section those relevant for the Group are summarised. Where the implementation impact was or is expected to be reasonably material it is disclosed.

New requirements effective for 2025 which did not have a significant effect to the Group

Amendments to IAS 21 – Lack of Exchangeability

Upcoming requirements not in force for current reporting period

Certain new standards, amendments to standards and interpretations have been endorsed by EU for the accounting periods beginning after 1 January 2025 or are not yet effective in the EU. These standards have not been applied in preparing these interim condensed financial statements. The Group does not plan to adopt any of these standards early. The Group is in the process of evaluating the potential effect if any of changes arise from these new standards and interpretations.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments (not yet EU endorsed, expected to be effective from 1 January 2026)
IFRS 18 – Presentation and Disclosure in Financial Statements (not yet EU endorsed, expected to be effective from 1 January 2027)
IFRS 19 – Subsidiaries without Public Accountability: Disclosures (not yet EU endorsed, expected to be effective from 1 January 2027)
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (not yet EU endorsed, effective date to be determined)
Annual Improvements to IFRS Accounting Standards. Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows (not yet EU endorsed, expected to be effective from 1 January 2026).

European Sustainability Reporting Standards (ESRS)

With the implementation of the Corporate Sustainability Reporting Directive (CSRD), the adoption of ESRS standards has become mandatory starting from 2024 annual reporting cycle. The new directive updates the rules on the social, environmental and governance information that has to be reported, including introducing a double materiality perspective acknowledging risks and opportunities from both financial and nonfinancial perspectives, how these affect Citadele and how operations of Citadele affect the environment and the society.

c) Functional and Presentation Currency

The functional currency of each of the Group's consolidated entities is the currency of the primary economic environment in which the entity operates. The functional currency of the Bank, its Baltic subsidiaries, and the Group's presentation currency, is Euro ("EUR"). The functional currency of majority of the Group's foreign subsidiaries is also Euro. The accompanying financial statements are presented in thousands of Euros.

d) Use of estimates and judgements in the preparation of financial statements

The preparation of financial statements in conformity with IFRS accounting standards as adopted by EU, requires Management to make estimates and judgements that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. The Management has applied reasonable and prudent estimates and judgments in preparing these interim condensed financial statements. Significant areas of estimation used in the preparation of the accompanying interim condensed financial statements relate to the evaluation of impairment losses for financial and non-financial assets. Critical judgements made in the preparation of the accompanying interim condensed financial statements relate to the determination of whether the Group has control over certain investees for consolidation purposes, and the determination of whether Kaleido Privatbank AG constitutes a discontinued operation held for sale.

Impairment of loans to public, loan commitments, financial guarantee contracts and finance lease receivables

The Group regularly reviews its loans to public, loan commitments, financial guarantee contracts and finance lease receivables for assessment of impairment. The estimation of impairment losses is inherently uncertain and dependent upon many factors. Two distinct approaches are applied for expected credit loss estimation – individual evaluation, applied to material NPL (Non-Performing loans) exposures, and collectively estimated expected credit losses for homogeneous groups of smaller exposures.

When calculating the expected credit losses according to the individual approach, expected credit losses are calculated on an individual basis with reference to the expected future cash flows including those arising from the sale of collateral. For individually assessed loans, the expected future cash flows are estimated using one or both of the following principles: going concern principle and gone concern principle. The Group uses its experienced judgement and forecasts to estimate the amount of any expected credit losses considering future economic conditions and the resulting trading performance of the borrower and the value of the collateral. Assessment of credit losses according to the individual approach is carried out regularly and as circumstances change and a new information is obtained, the individually assessed estimated credit losses may change over time.

Changes in net present value of estimated future cash flows, except for changes in cash flows from collateral, by +/-5% for loans to public for which expected credit losses are individually assessed would change insignificantly – by EUR +/- 0.04 million in impairment allowance for the Bank (2024: EUR +/- 0.24 million) as recovery estimates mostly happen to be based solely on collateral disposal income and EUR +/- 0.29 million for the Group (2024: EUR +/- 0.45 million). Change in estimated value of collateral by +/-5% for loans to public for which expected credit losses are individually assessed would result in EUR +/- 0.37 million change in impairment allowance for the Bank (2024: EUR +/- 0.35 million) and EUR +/- 0.66 million for the Group (2024: EUR +/- 0.50 million).

For majority of the loans to public, loan commitments, financial guarantee contracts and finance lease receivables the Group collectively estimates impairment allowance to cover expected losses inherent in the portfolio. The collective impairment assessment is based on observable data derived from historic and applied to current exposures to clients with similar credit risk characteristics. For this assessment exposures to clients are segmented into homogeneous groups based on product type (mortgage, consumer loan, leases etc.) and customer type (private individual, legal entity, public entity etc.). Historical loss experience is adjusted for current observable market data using the Group's experienced judgement to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The major parameters of the collectively assessed expected credit loss calculation methodology are PD, LGD, EAD and staging outcome. The model also incorporates forward-looking macroeconomic information to arrive to point in time instead of over the cycle expected credit loss estimates. The future credit quality of the portfolio for which the expected credit losses are estimated collective is subject to uncertainties that could cause actual credit losses to differ from expected credit losses. These uncertainties include factors such as international and local economic conditions, borrower specific factors, industry and market trends, interest rates, unemployment rates and other external factors.

In the reporting period the management continued to recognize impairment overlay. Impairment overlay continued amortizing within existing framework with the exposures being repaid, refinanced or moving to different stages where ECL models capture credit risk. The Group and the Bank has recognised an unbiased impairment overlay for Stage 1 classified loans to public exposures, including extra overlay for Stage 1 agriculture sector exposures which have been negatively affected by external factors. The impairment overlay represents an additional loss reserve over the modelled ECL amounts to account for other economic uncertainties and addresses uncertainty regarding the forward-looking economic conditions and possible disruptions to the Baltic economies and customers of the Group. The impairment overlay accounted for economic risks which point in time ECL models calibrated on historical data, despite being adjusted with forward-looking information, might not be fully capturing in the current unusual environment.

Changes in all applied LGD rates by 500 basis points would result in change in collectively estimated impairment allowance and provisions by EUR +4.3/-4.3 million for the Bank and EUR +6.5/-6.5 million for the Group (2024: EUR +4.5/-4.5 million for the Bank and EUR +6.6/-6.6 million for the Group). Sensitivity to changes in LGD rates have decreased largely due to updates in methodology and models. Changes in the 12-month PD rates by 100 basis points would result in change in collectively estimated impairment allowance and provisions for off-balance sheet commitments and guarantees by EUR +6.2/-6.2 million for the Bank and EUR +9.4/-9.4 million for the Group (2024: EUR +6.1/-6.1 million for the Bank and EUR +9.4/-9.4 million).

The Group includes forward-looking information in the measurement of expected credit losses. The forward-looking adjustment incorporates three economic scenarios with distinct economic consequences: a base case scenario which comprises most likely future economic development, a less likely adverse scenario and positive scenario.

Key forward-looking information variables for measurement of expected credit losses as of 31 March 2025

	Baseline scenario			Adverse scenario			Positive scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Latvia									
GDP (annual change)	2.2%	2.5%	2.5%	(1.8%)	0.5%	2.5%	4.4%	4.7%	3.1%
Unemployment rate	6.6%	6.3%	6.3%	9.6%	7.8%	6.3%	5.4%	4.7%	4.8%
Average gross wage (annual change)	7.0%	6.1%	6.1%	(1.0%)	2.1%	2.1%	11.4%	10.6%	7.4%
Interest rate	2.3%	2.4%	2.5%	2.5%	4.1%	2.6%	2.1%	0.1%	(0.3%)
Lithuania									
GDP (annual change)	2,9%	2.8%	2.7%	(1.1%)	0.8%	2.7%	4.9%	5.2%	3.1%
Unemployment rate	6.9%	6.4%	5.8%	9.9%	7.9%	5.8%	5.8%	4.9%	4.4%
Average gross wage (annual change)	7.0%	7.0%	6.5%	(1.0%)	3.0%	2.5%	11.1%	11.8%	7.5%
Interest rate	2.3%	2.4%	2.5%	2.5%	4.1%	2.6%	2.1%	0.1%	(0.3%)
Estonia									
GDP (annual change)	2.4%	2.8%	2.8%	(1.6%)	0.8%	2.8%	5.1%	5.1%	3.3%
Unemployment rate	7.1%	6.7%	6.7%	10.1%	8.2%	6.7%	5.6%	4.9%	5.0%
Average gross wage (annual change)	5.3%	5.5%	5.5%	(2.7%)	1.5%	1.5%	10.6%	10.2%	6.5%
Interest rate	2.3%	2.4%	2.5%	2.5%	4.1%	2.6%	2.1%	0.1%	(0.3%)

Key forward-looking information variables for measurement of expected credit losses as of 31 December 2024

	Baseline scenario			Adverse scenario			Positive scenario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Latvia									
GDP (annual change)	2.2%	2.5%	2.5%	(5.3%)	2.1%	2.1%	5.9%	2.9%	2.9%
Unemployment rate	6.6%	6.3%	6.3%	11.2%	6.7%	6.7%	6.7%	4.3%	4.1%
Average gross wage (annual change)	7.0%	6.1%	6.1%	(0.5%)	5.7%	5.7%	10.9%	6.5%	6.5%
Interest rate	2.1%	2.0%	2.1%	3.2%	3.1%	3.2%	1.0%	0.9%	1.0%
Lithuania									
GDP (annual change)	2,9%	2.8%	2.7%	(3.5%)	2.4%	2.3%	6.1%	3.0%	2.9%
Unemployment rate	6.9%	6.4%	5.8%	9.4%	6.8%	6.2%	5.7%	6.0%	5.4%
Average gross wage (annual change)	8.0%	7.0%	6.5%	1.6%	6.6%	6.1%	11.2%	7.2%	6.7%
Interest rate	2.1%	2.0%	2.1%	3.2%	3.1%	3.2%	1.0%	0.9%	1.0%
Estonia									
GDP (annual change)	2.4%	2.8%	2.8%	(2.9%)	2,4%	2.4%	5.0%	3.2%	3.2%
Unemployment rate	7.1%	6.7%	6.7%	11.1%	7.1%	7.1%	5.2%	6.3%	6.3%
Average gross wage (annual change)	5.3%	5.5%	5.5%	0.0%	5.2%	5.2%	8.0%	5.9%	5.9%
Interest rate	2.1%	2.0%	2.1%	3.2%	3.1%	3.2%	1.0%	0.9%	1.0%

The current forward-looking adjustment, weights baseline scenario with 50% likelihood, the adverse scenario at 45% likelihood and positive scenario at 5% likelihood (2024: 50% base case scenario, 45% adverse scenario and 5% positive scenario). The 50% vs. 45% vs. 5% weighted augmented scenario is used for forward-looking adjustment. If the weighting of the baseline scenario was to increase to 100%, the expected credit loss allowance of the Bank would decrease by EUR 12.1 million and for the Group by EUR 17.5 million as of the period end (2024: EUR 15.6 million for the Bank and EUR 21.4 million for the Group). If the weighting of the adverse scenario was to increase to 100%, the expected credit loss allowance of the Bank would increase by EUR 18.3 million and for the Group by EUR 26.7 million as of the period end (2024: EUR 24.4 million for the Bank and EUR 33.9 million for the Group). If the weighting of the positive scenario was to increase to 100%, the expected credit loss allowance of the Bank would decrease by EUR 26.6 million and for the Group by EUR 38.9 million as of the period end (2024: EUR 34.1 million for the Bank and EUR 46.9 million for the Group).

For more details, refer to note *Net Credit Losses.*

Impairment of non-financial assets and recoverability of non-current assets held for sale

Citadele at the end of each reporting period assesses whether there is any indication that Bank's investments in subsidiaries may be impaired; this also includes an investment in subsidiary classified as held for sale and non-financial assets of discontinued operations. For investments, where such indication exists, the recoverable amount of the particular asset or cash generating unit is estimate. Recoverable amount estimates depend on uncertainties in future free cash flow estimates and discount rates applied or estimated sales proceeds. For more details on the approach and key assumptions in recoverable amount estimates of the Bank's investments in subsidiaries refer to note *Investments in Related Entities*. For assessment of fair value less cost to sell for these items classified as held for sale refer to note *Discontinued Operations and Non-current assets held for sale*.

Consolidation group

The Group consolidates all entities where it controls the investee. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. For list of investees included in the consolidation group refer to note *Investments in Related Entities*.

In the ordinary course of business IPAS CBL Asset Management (a subsidiary of the Bank) provides management services to funds where its interest held is mainly fees from servicing. The Group and the Bank have made some investments solely with a view to diversify its securities portfolio in such funds. Most of these investments are held by unit-linked investors through the insurance entity, thus the holdings do not translate into variable benefits for the Group. The Group thus assesses that the majority of return variability within funds lies with its customers rather than the Group. Thus, these funds are not consolidated. For investments in securities which are not consolidated refer to note *Equity and Other Financial Instruments*.

Presentation of Kaleido Privatbank AG as discontinued operations held for sale

AS Citadele banka is selling its Swiss subsidiary Kaleido Privatbank AG under market standard terms and conditions. The Group is working with a reputable M&A advisor on a sales transaction. Citadele has received several offers and is working with a buyer on a transaction and has taken steps to improve certainty that regulatory approval for potential sale will be obtained. As the conditions indicate that the investment will be recovered principally through a sale transaction in a foreseeable future rather than through continuing operations, Kaleido Privatbank AG is presented as discontinued operations as of period end.

NOTE 4. OPERATING SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or the group that allocates resources to and assesses the performance of the operating segments of the Group. The Management Board of the Bank is the chief operating decision maker.

All transactions between operating segments are on an arm's length basis. Funds Transfer Pricing (FTP) adjusted net interest income of each operating segment is calculated by applying internal transfer rates to the assets and the liabilities of the segment. Maturity, currency and timing of the transaction are components of the internal transfer rate calculation. Income and expense are reported in the segment by originating unit and at estimated fair price. Both direct and indirect expenses are allocated to the business segments, including overheads and non-recurring items. The indirect expense from internal services is charged to the internal consumers of the service and credited to provider of the service. The internal services are charged at estimated fair price or at full cost.

The comparative information has been restated for comparability by applying the most recent segmentation methodology. Changes mostly relate to redistribution of exposures and related income and expense among segments as a result of reallocation of clients among operating segments.

Main business segments of the Group are:

Retail Private

Private individuals serviced in Latvia, Lithuania and Estonia. Operations of the segment include full banking, leasing and advisory services provided through branches, internet bank and mobile banking application.

Private affluent

Private banking services provided to clients serviced in Latvia, Lithuania and Estonia.

SME

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

Corporate

Large customers serviced in Latvia, Lithuania and Estonia. Yearly turnover of the customer is above EUR 15 million or total risk exposure with Citadele Group is above EUR 5 million or the customer needs complex financing solutions.

Asset management

Advisory, investment and wealth management services provided to clients serviced in Latvia, Lithuania and Estonia. This segment includes operations of IPAS CBL Asset Management, AS CBL Atklātais Pensiju Fonds and AAS CBL Life.

Other

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

Segments of the Group

	Group 3m 2025, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Interest income	21,502	734	17,288	12,808	220	5,720	58,272
Interest expense	(4,221)	(1,285)	(2,310)	(5,665)	(105)	(120)	(13,706)
Net interest income	**17,281**	**(551)**	**14,978**	**7,143**	**115**	**5,600**	**44,566**
Fee and commission income	6,890	1,003	5,033	2,540	1,901	334	17,701
Fee and commission expense	(3,863)	(331)	(2,594)	(1,889)	(95)	(237)	(9,009)
Net fee and commission income	**3,027**	**672**	**2,439**	**651**	**1,806**	**97**	**8,692**
Net financial income	(56)	91	705	199	(64)	264	1,139
Net other income / (expense)	(580)	(48)	(170)	(334)	268	(101)	(965)
Operating income	**19,672**	**164**	**17,952**	**7,659**	**2,125**	**5,860**	**53,432**
Net funding allocation	141	2,190	(2,729)	56	149	193	-
FTP adjusted operating income	**19,813**	**2,354**	**15,223**	**7,715**	**2,274**	**6,053**	**53,432**
Operating expense adjusted for indirect costs	(11,659)	(1,107)	(7,290)	(4,507)	(1,948)	900	(25,611)
Net credit losses	(398)	(31)	(603)	480	1	24	(527)
Other impairment losses and other provisions	(7)	-	(12)	(17)	-	(13)	(49)
Mortgage loan levy and bank tax	-	-	-	-	-	(22)	(22)
Result from non-current assets held for sale *(Note 17)*	-	-	-	-	-	(255)	(255)
Operating profit from continuous operations, before tax	**7,749**	**1,216**	**7,318**	**3,671**	**327**	**6,687**	**26,968**
Discontinued operations *(Note 17)*	-	-	-	-	-	(1,070)	(1,070)
Operating profit, before tax							**25,898**

	Group 3m 2024, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Interest income	22,681	848	13,190	18,162	217	7,118	62,216
Interest expense	(4,112)	(1,159)	(1,398)	(7,897)	(134)	(527)	(15,227)
Net interest income	**18,569**	**(311)**	**11,792**	**10,265**	**83**	**6,591**	**46,989**
Fee and commission income	6,788	849	4,049	3,168	1,639	395	16,888
Fee and commission expense	(3,434)	(272)	(1,734)	(2,186)	(64)	(295)	(7,985)
Net fee and commission income	**3,354**	**577**	**2,315**	**982**	**1,575**	**100**	**8,903**
Net financial income	14	75	560	(508)	95	2,293	2,529
Net other income / (expense)	(442)	(47)	(125)	(128)	81	60	(601)
Operating income	**21,495**	**294**	**14,542**	**10,611**	**1,834**	**9,044**	**57,820**
Net funding allocation	(658)	2,400	(1,972)	(300)	225	305	-
FTP adjusted operating income	**20,837**	**2,694**	**12,570**	**10,311**	**2,059**	**9,349**	**57,820**
Operating expense adjusted for indirect costs	(11,042)	(822)	(5,111)	(7,973)	(1,633)	(1,161)	(27,742)
Net credit losses	1,080	153	(387)	1,949	1	(10)	2,786
Other impairment losses and other provisions	(8)	-	(11)	(8)	-	99	72
Mortgage loan levy and bank tax	-	-	-	-	-	(2,246)	(2,246)
Result from non-current assets held for sale *(Note 17)*	-	-	-	-	-	81	81
Operating profit from continuous operations, before tax	**10,867**	**2,025**	**7,061**	**4,279**	**427**	**6,112**	**30,771**
Discontinued operations *(Note 17)*	-	-	-	-	-	(1,148)	(1,148)
Operating profit, before tax							**29,623**

	Group as of 31/03/2025, EUR thousands						
	Reportable segments					Other (including discontinued operations)	Total
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment		
Assets							
Cash, balances at central banks	-	-	-	-	-	210,393	210,393
Loans to credit institutions	-	-	-	-	1,250	8,197	9,447
Debt securities	-	-	-	40,138	42,783	1,120,097	1,203,018
Loans to public	1,386,462	55,781	1,089,355	824,885	-	9,914	3,366,397
Equity instruments	-	-	-	-	-	859	859
Other financial instruments	-	-	-	-	23,248	459	23,707
All other assets	-	-	36	40	6,371	185,389	191,836
Total segmented assets	**1,386,462**	**55,781**	**1,089,391**	**865,063**	**73,652**	**1,535,308**	**5,005,657**
Liabilities							
Deposits from banks	-	-	-	-	-	9,596	9,596
Deposits from customers	1,623,141	382,590	888,353	895,912	67,271	21,779	3,879,046
Debt securities issued	104,138	3,360	87,385	101,157	-	1,499	297,539
All other liabilities	-	-	45	11	25,481	209,465	235,002
Total segmented liabilities	**1,727,279**	**385,950**	**975,783**	**997,080**	**92,752**	**242,339**	**4,421,183**

	Group as of 31/12/2024, EUR thousands						
	Reportable segments					Other (including discontinued operations)	Total
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment		
Assets							
Cash, balances at central banks	-	-	-	-	-	349,940	349,940
Loans to credit institutions	-	-	-	-	821	12,123	12,944
Debt securities	-	-	-	38,367	41,131	1,196,460	1,275,958
Loans to public	1,352,286	53,559	1,053,797	804,437	-	10,502	3,274,581
Equity instruments	-	-	-	-	-	835	835
Other financial instruments	-	-	-	-	24,270	838	25,108
All other assets	-	-	38	32	11,228	185,933	197,231
Total segmented assets	**1,352,286**	**53,559**	**1,053,835**	**842,836**	**77,450**	**1,756,631**	**5,136,597**
Liabilities							
Deposits from banks	-	-	-	-	-	3,228	3,228
Deposits from customers	1,629,147	403,656	892,864	993,296	80,288	24,229	4,023,480
Debt securities issued	117,352	4,516	87,780	104,227	-	1,547	315,422
All other liabilities	-	-	-	-	23,049	208,736	231,785
Total segmented liabilities	**1,746,499**	**408,172**	**980,644**	**1,097,523**	**103,337**	**237,740**	**4,573,915**

NOTE 5. INTEREST INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Interest income calculated using the effective interest method:								
Financial instruments at amortised cost:								
Loans to public	33,980	33,808	33,980	33,808	44,038	48,292	44,038	48,292
Debt securities	2,742	2,265	2,742	2,265	2,710	2,234	2,710	2,234
Balances from central banks and credit institutions	1,889	4,478	1,889	4,478	2,036	4,782	2,036	4,782
Deposits from public at negative interest rates	117	146	117	146	12	12	12	12
Debt securities at fair value through profit or loss	1,439	490	1,439	490	1,401	490	1,401	490
Debt securities at fair value through other comprehensive income	125	208	125	208	81	157	81	157
Interest income on finance leases (part of loans to public)	17,980	20,821	17,980	20,821	-	-	-	-
Total interest income	**58,272**	**62,216**	**58,272**	**62,216**	**50,278**	**55,967**	**50,278**	**55,967**
Interest expense on:								
Financial instruments at amortised cost:								
Deposits and borrowing from public	(10,961)	(12,552)	(10,961)	(12,552)	(11,109)	(12,731)	(11,109)	(12,731)
Debt securities issued	(2,269)	(1,665)	(2,269)	(1,665)	(2,269)	(1,665)	(2,269)	(1,665)
Deposits from credit institutions and central banks (including TLTRO-III)	(2)	(398)	(2)	(398)	(633)	(648)	(633)	(648)
Other assets at negative interest rates	(40)	(79)	(40)	(79)	(30)	(62)	(30)	(62)
Financial liabilities at fair value through profit or loss								
Deposits and borrowing from public	(4)	(6)	(4)	(6)	-	-	-	-
Lease liabilities	(69)	(29)	(69)	(29)	(69)	(28)	(69)	(28)
Other interest expense	(361)	(498)	(361)	(498)	(361)	(498)	(361)	(498)
Total interest expense	**(13,706)**	**(15,227)**	**(13,706)**	**(15,227)**	**(14,471)**	**(15,632)**	**(14,471)**	**(15,632)**
Net interest income	**44,566**	**46,989**	**44,566**	**46,989**	**35,807**	**40,335**	**35,807**	**40,335**

As the interest resulting from a negative effective interest rate on financial assets reflects an outflow of economic benefits, this is presented as interest expense. Similarly, an inflow of economic benefits from liabilities with negative effective interest rates is presented as interest income.

NOTE 6. FEE AND COMMISSION INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Fee and commission income:								
Cards	11,394	11,191	11,394	11,191	11,394	11,191	11,394	11,191
Payments and transactions	2,874	2,701	2,874	2,701	2,881	2,707	2,881	2,707
Asset management and custody	1,997	1,730	1,997	1,730	485	450	485	450
Securities brokerage	195	201	195	201	199	202	199	202
Other fees	529	579	529	579	499	492	499	492
Total fee and commission income from contracts with customers	**16,989**	**16,402**	**16,989**	**16,402**	**15,458**	**15,042**	**15,458**	**15,042**
Guarantees letters of credit and loans	712	486	712	486	704	469	704	469
Total fee and commission income	**17,701**	**16,888**	**17,701**	**16,888**	**16,162**	**15,511**	**16,162**	**15,511**
Fee and commission expense on:								
Cards	(7,061)	(5,912)	(7,061)	(5,912)	(7,059)	(5,912)	(7,059)	(5,912)
Payments and transactions	(883)	(959)	(883)	(959)	(883)	(959)	(883)	(959)
Securitisation	(617)	(602)	(617)	(602)	(133)	(291)	(133)	(291)
Asset management custody and securities brokerage	(230)	(221)	(230)	(221)	(226)	(219)	(226)	(219)
Other fees	(218)	(291)	(218)	(291)	(189)	(251)	(189)	(251)
Total fee and commission expense	**(9,009)**	**(7,985)**	**(9,009)**	**(7,985)**	**(8,490)**	**(7,632)**	**(8,490)**	**(7,632)**
Net fee and commission income	**8,692**	**8,903**	**8,692**	**8,903**	**7,672**	**7,879**	**7,672**	**7,879**

Fee and commission expense for securitisation represents an expense on a multi-year financial guarantee contract issued by the EIB Group, consisting of the European Investment Bank (EIB) and the European Investment Fund (EIF), to Citadele in December 2022. The guarantee contract secures probable Citadele's future losses allocated to the relevant tranche of the reference loan portfolio for a pre-agreed fee to the EIB Group. The guarantee contract provides capital relief for Citadele by mitigating specific credit risks and enables Citadele to grant at least EUR 460 million in additional loans and leases to businesses in the Baltics over a three year period.

NOTE 7. NET FINANCIAL INCOME

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Foreign exchange trading, revaluation and related derivatives	2,044	2,706	2,044	2,706	2,056	2,719	2,056	2,719
Non-trading assets and liabilities at fair value through profit or loss	(627)	894	(627)	894	(518)	819	(518)	819
Modifications in cash flows which do not result in derecognition	(278)	(1,071)	(278)	(1,071)	(278)	(1,071)	(278)	(1,071)
Total net financial income	**1,139**	**2,529**	**1,139**	**2,529**	**1,260**	**2,467**	**1,260**	**2,467**

When modification or renegotiation of contractual cash flows of a financial asset does not result in de-recognition of financial asset, the Group recognise a modification gain or loss in profit or loss. The beginning of 2024 was characterised by competitive market environment, where more interest rates for existing loans were renegotiated down than up, resulting in higher negative loan modification loss than in the prior year. Loan modification result is amortised back to the interest income over the remaining maturity of the loan.

NOTE 8. NET OTHER INCOME

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Operating lease income	309	338	309	338	-	-	-	-
Dividend income	3	6	3	6	3	6	3	6
Other income	186	256	186	256	620	615	620	615
Total other income	**498**	**600**	**498**	**600**	**623**	**621**	**623**	**621**
Insurance contracts:								
Insurance revenue	291	310	291	310	-	-	-	-
Insurance expense	(45)	(80)	(45)	(80)	-	-	-	-
Financing	144	3	144	3	-	-	-	-
Reinsurance contracts:								
Net income / (expenses)	(58)	(29)	(58)	(29)	-	-	-	-
Financing	42	(8)	42	(8)	-	-	-	-
Net insurance result	**374**	**196**	**374**	**196**	**-**	**-**	**-**	**-**
Supervisory fees	(495)	(481)	(495)	(481)	(480)	(456)	(480)	(456)
Loan acquisition expenses	(319)	-	(319)	-	(319)	-	(319)	-
Depreciation of assets under operating lease	(262)	(256)	(262)	(256)	-	-	-	-
Other expenses	(761)	(660)	(761)	(660)	(509)	(420)	(509)	(420)
Total other expense	**(1,837)**	**(1,397)**	**(1,837)**	**(1,397)**	**(1,308)**	**(876)**	**(1,308)**	**(876)**
Total net other income / (expense)	**(965)**	**(601)**	**(965)**	**(601)**	**(685)**	**(255)**	**(685)**	**(255)**

Other income includes net result from disposal of repossessed collaterals and other miscellaneous items which may not be considered interest or fee and commission income. Supervisory fees include annual and quarterly fees payable to Bank of Latvia, European Central Bank, Single Resolution Board and similar. These are directly dependent on the size of the banking business (mostly total assets).

NOTE 9. STAFF COSTS

Personnel costs include remuneration for work to the personnel, related social security contributions, bonuses and costs of other benefits, including accruals for the period. Health insurance, training, education and similar expenditure are presented as Other personnel expense. Other personnel expense also includes deductions for amounts attributable to insurance acquisition cash flows during the reporting period and amortisation back of the previous period deductions.

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Remuneration:								
- management	(1,447)	(1,001)	(1,447)	(1,001)	(1,260)	(908)	(1,260)	(908)
- other personnel	(13,410)	(14,041)	(13,410)	(14,041)	(11,162)	(11,933)	(11,162)	(11,933)
Total remuneration for work	**(14,857)**	**(15,042)**	**(14,857)**	**(15,042)**	**(12,422)**	**(12,841)**	**(12,422)**	**(12,841)**
Social security and solidarity tax contributions:								
- management	(257)	(158)	(257)	(158)	(219)	(118)	(219)	(118)
- other personnel	(2,626)	(2,793)	(2,626)	(2,793)	(2,174)	(2,350)	(2,174)	(2,350)
Total social security and solidarity tax contributions	**(2,883)**	**(2,951)**	**(2,883)**	**(2,951)**	**(2,393)**	**(2,468)**	**(2,393)**	**(2,468)**
Other personnel expense, net of insurance acquisition cash flow adjustment	**(238)**	**(331)**	**(238)**	**(331)**	**(243)**	**(271)**	**(243)**	**(271)**
Total personnel expense	**(17,978)**	**(18,324)**	**(17,978)**	**(18,324)**	**(15,058)**	**(15,580)**	**(15,058)**	**(15,580)**

Non-share-based remuneration with deferred pay-out

Part of the remuneration for work is deferred up to a one-year period and subsequent pay-outs may be conditional.

Share-based long-term incentive plans

Citadele has opened several share-based long-term incentive plans for its employees comprising share options. The expense for share-based incentive plans is recognised on a straight-line basis over the period of the remuneration program as intention is to receive services from employees over the whole period. In 2024 management's remuneration expense decreased as a result of revised estimate of the number of share options expected to vest. Revision of estimates is mainly related to changes in the Bank's management.

Number of full-time equivalent employees at the period end

	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Continuous operations	1,307	1,316	1,100	1,112
Discontinued operations	28	26	-	-
Total full-time equivalent employees	**1,335**	**1,342**	**1,100**	**1,112**

NOTE 10. OTHER OPERATING EXPENSES

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Information technologies and communications	(2,239)	(2,114)	(2,239)	(2,114)	(1,957)	(1,882)	(1,957)	(1,882)
Consulting and other services	(1,057)	(1,943)	(1,057)	(1,943)	(988)	(1,859)	(988)	(1,859)
Rent, premises and real estate	(658)	(695)	(658)	(695)	(619)	(662)	(619)	(662)
Advertising and marketing	(436)	(790)	(436)	(790)	(399)	(765)	(399)	(765)
Non-refundable value added tax	(674)	(1,202)	(674)	(1,202)	(633)	(1,158)	(633)	(1,158)
Other	(487)	(366)	(487)	(366)	(400)	(303)	(400)	(303)
Total other expenses	**(5,551)**	**(7,110)**	**(5,551)**	**(7,110)**	**(4,996)**	**(6,629)**	**(4,996)**	**(6,629)**

NOTE 11. NET CREDIT LOSSES

Total net impairment allowance charged to the income statement

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Loans to credit institutions	-	-	-	-	12	2	12	2
Debt securities	(9)	(3)	(9)	(3)	(10)	(3)	(10)	(3)
Loans to public	(1,392)	1,421	(1,392)	1,421	(759)	1,481	(759)	1,481
Loan commitments, guarantees and letters of credit	306	972	306	972	350	1,002	350	1,002
Recovered written-off assets	568	396	568	396	551	364	551	364
Total net losses on financial instruments	**(527)**	**2,786**	**(527)**	**2,786**	**144**	**2,846**	**144**	**2,846**

Allowances for credit losses are recognised based on the future loss expectations. The forward-looking information in the measurement of expected credit losses is implemented through adjustment for future economic development scenarios. Due to the forward-looking nature of the credit loss estimation, in general the change in loss allowances does not necessarily represent an observable deterioration in the current credit quality of the loan portfolio (for detail refer to *note Loans to Public*) but is also a representation of an expectation of the future trends in the economic out-look.

The Group and the Bank has recognised an impairment overlay for Stage 1 and Stage 2 classified loans to public exposures. The impairment overlay addresses uncertainty regarding the forward-looking economic conditions in the environment where severity of future economic uncertainties and associated possible disruptions to the Baltic economies and customers of the Group is undefined. The impairment overlay accounts for economic risks which point in time ECL models calibrated on historical data, despite being adjusted with forward-looking information, might not be fully capturing. See also section *Use of estimates and judgements in the preparation of financial statements* of the note *Summary of material accounting policies*.

Portfolio-wide (inflation) and industry-specific (agriculture) overlays continued amortizing within the existing framework with the exposures being repaid or moving to different stages where ECL models capture credit risk. Overlays previously created for individually assessed groups have been released in the reporting period as exposures with individual overlays have either moved to credit-impaired status with individual provisioning amounts or have been refinanced to other financial institutions outside the Group.

Classification of impairment stages

Stage 1 – Financial instruments without significant increase in credit risk since initial recognition

Stage 2 – Financial instruments with significant increase in credit risk since initial recognition but not credit-impaired

Stage 3 – Credit-impaired financial instruments

POCI – Purchased or originated credit impaired financial instruments

Changes in the allowances for credit losses and provisions

	Group, EUR thousands						
	Opening balance 01/01/2025	Charged to statement of income			Write-offs of allowances	Other adjust-ments	Closing balance 31/03/2025
		Origination	Repayment disposal	Credit risk, net*			
Stage 1							
Loans to credit institutions	2	16	(26)	10	-	-	2
Debt securities	385	14	(4)	(1)	-	-	394
Loans to public	44,881	3,560	(1,041)	(4,302)	-	(6)	43,092
Including impairment overlay	*8,579*						*8,109*
Loan commitments, guarantees and letters of credit	2,523	214	(142)	(407)	-	(1)	2,187
Total stage 1 credit losses and provisions	**47,791**	**3,804**	**(1,213)**	**(4,700)**	**-**	**(7)**	**45,675**
Stage 2							
Loans to public	11,475	116	(1,586)	81	-	10	10,096
Including impairment overlay	*1,286*						*15*
Loan commitments, guarantees and letters of credit	79	-	-	(19)	-	-	60
Total stage 2 credit losses and provisions	**11,554**	**116**	**(1,586)**	**62**	**-**	**10**	**10,156**
Stage 3							
Loans to public	38,297	-	(1,123)	5,651	(1,328)	(531)	40,966
Loan commitments, guarantees and letters of credit	131	-	(3)	51	-	-	179
Total stage 3 credit losses and provisions	**38,428**	**-**	**(1,126)**	**5,702**	**(1,328)**	**(531)**	**41,145**
POCI							
Loans to public	512	-	(22)	58	-	-	548
Total POCI credit losses and provisions	**512**	**-**	**(22)**	**58**	**-**	**-**	**548**
Total allowances for credit losses and provisions	**98,285**	**3,920**	**(3,947)**	**1,122**	**(1,328)**	**(528)**	**97,524**
Including for debt securities classified at fair value through other comprehensive income	*39*						*31*

For additional information on *Write-offs of allowances* please refer to note *Loans to Public*.

	Group, EUR thousands						
	Opening balance 01/01/2024	Charged to statement of income			Write-offs of allowances	Other adjust-ments	Closing balance 31/03/2024
		Origination	Repayment disposal	Credit risk, net*			
Stage 1							
Loans to credit institutions	3	62	(64)	2	-	-	3
Debt securities	583	21	-	(18)	-	-	586
Loans to public	52,173	3,438	(885)	(5,184)	-	7	49,549
Including impairment overlay	*11,262*						*10,411*
Loan commitments, guarantees and letters of credit	4,502	908	(266)	(1,566)	-	2	3,580
Total stage 1 credit losses and provisions	**57,261**	**4,429**	**(1,215)**	**(6,766)**	**-**	**9**	**53,718**
Stage 2							
Loans to public	15,652	152	(852)	244	-	8	15,204
Including impairment overlay	*6,215*						*5,636*
Loan commitments, guarantees and letters of credit	157	2	(53)	(21)	-	-	85
Total stage 2 credit losses and provisions	**15,809**	**154**	**(905)**	**223**	**-**	**8**	**15,289**
Stage 3							
Loans to public	30,585	67	(1,007)	2,562	(1,398)	963	31,772
Loan commitments, guarantees and letters of credit	140	-	(43)	67	-	-	164
Total stage 3 credit losses and provisions	**30,725**	**67**	**(1,050)**	**2,629**	**(1,398)**	**963**	**31,936**
POCI							
Loans to public	563	-	(77)	121	-	-	607
Total POCI credit losses and provisions	**563**	**-**	**(77)**	**121**	**-**	**-**	**607**
Total allowances for credit losses and provisions	**104,358**	**4,650**	**(3,247)**	**(3,793)**	**(1,398)**	**980**	**101,550**
Including for debt securities classified at fair value through other comprehensive income	*101*						*39*

	Bank, EUR thousands						
	Opening balance 01/01/2025	**Charged to statement of income**			**Write-offs of allowances**	**Other adjust-ments**	**Closing balance 31/03/2025**
		Origination	**Repayment disposal**	**Credit risk, net***			
Stage 1							
Loans to credit institutions	18	15	(26)	(1)	-	-	6
Debt securities	369	13	(4)	1	-	-	379
Loans to public	34,004	2,422	(678)	(3,905)	-	(1)	31,842
Including impairment overlay	*5,795*						*5,604*
Loan commitments, guarantees and letters of credit	2,466	213	(142)	(450)	-	(2)	2,085
Total stage 1 credit losses and provisions	**36,857**	**2,663**	**(850)**	**(4,355)**	**-**	**(3)**	**34,312**
Stage 2							
Loans to public	6,368	53	(1,432)	5	-	-	4,994
Including impairment overlay	*1,236*						-
Loan commitments, guarantees and letters of credit	77	-	-	(19)	-	-	58
Total stage 2 credit losses and provisions	**6,445**	**53**	**(1,432)**	**(14)**	**-**	**-**	**5,052**
Stage 3							
Loans to public	32,611	-	(720)	5,014	(1,288)	(632)	34,985
Loan commitments, guarantees and letters of credit	132	-	(3)	51	-	-	180
Total stage 3 credit losses and provisions	**32,743**	**-**	**(723)**	**5,065**	**(1,288)**	**(632)**	**35,165**
Total allowances for credit losses and provisions	**76,045**	**2,716**	**(3,005)**	**696**	**(1,288)**	**(635)**	**74,529**
Including for debt securities classified at fair value through other comprehensive income	*27*						*21*

	Bank, EUR thousands						
	Opening balance 01/01/2024	**Charged to statement of income**			**Write-offs of allowances**	**Other adjust-ments**	**Closing balance 31/03/2024**
		Origination	**Repayment disposal**	**Credit risk, net***			
Stage 1							
Loans to credit institutions	33	62	(64)	-	-	1	32
Debt securities	558	21	-	(18)	-	-	561
Loans to public	40,719	2,372	(494)	(3,562)	-	-	39,035
Including impairment overlay	*7,002*						*6,674*
Loan commitments, guarantees and letters of credit	4,455	881	(332)	(1,497)	-	-	3,507
Total stage 1 credit losses and provisions	**45,765**	**3,336**	**(890)**	**(5,077)**	**-**	**1**	**43,135**
Stage 2							
Loans to public	9,942	90	(108)	(789)	-	-	9,135
Including impairment overlay	*4,303*						*4,303*
Loan commitments, guarantees and letters of credit	144	2	(53)	(27)	-	-	66
Total stage 2 credit losses and provisions	**10,086**	**92**	**(161)**	**(816)**	**-**	**-**	**9,201**
Stage 3							
Loans to public	28,827	66	(401)	1,345	(893)	476	29,420
Loan commitments, guarantees and letters of credit	141	-	(43)	67	-	-	165
Total stage 3 credit losses and provisions	**28,968**	**66**	**(444)**	**1,412**	**(893)**	**476**	**29,585**
Total allowances for credit losses and provisions	**84,819**	**3,494**	**(1,495)**	**(4,481)**	**(893)**	**477**	**81,921**
Including for debt securities classified at fair value through other comprehensive income	*82*						*76*

Credit risk, net movement represents the effects on ECLs from exposure movements between the credit risk stages, revision of assumptions of ECL models as well as post model adjustments.

Transfers of gross loans to customers between impairment stages

	Group, EUR thousands					
	Transfers between impairment stages of gross exposures (gross transfer basis)					
	from Stage 1 to Stage 2	from Stage 2 to Stage 1	from Stage 2 to Stage 3	from Stage 3 to Stage 2	from Stage 1 to Stage 3	from Stage 3 to Stage 1
Transfers during 3m 2025						
Loans to public	70,076	48,568	10,155	1,311	1,105	974
Financial commitments, guarantees and letters of credit	1,652	2,738	133	20	491	40
Transfers during 3m 2024						
Loans to public	70,199	39,480	6,644	735	2,359	135
Financial commitments, guarantees and letters of credit	1,575	1,048	14	2	45	18

NOTE 12. TAXATION

Corporate income tax expense

	EUR thousands							
	Group				Bank			
	3m 2025	3m 2024	Q1 2025	Q1 2024	3m 2025	3m 2024	Q1 2025	Q1 2024
Current corporate income tax	(4,811)	(4,845)	(4,811)	(4,845)	(4,261)	(4,470)	(4,261)	(4,470)
Deferred income tax	(688)	(376)	(688)	(376)	(111)	(335)	(111)	(335)
Total corporate income tax expense	**(5,499)**	**(5,221)**	**(5,499)**	**(5,221)**	**(4,372)**	**(4,805)**	**(4,372)**	**(4,805)**
Mortgage loan levy and bank tax	**(22)**	**(2,246)**	**(22)**	**(2,246)**	**(22)**	**(2,235)**	**(22)**	**(2,235)**

In Latvia an advance corporate income tax (CIT) is payable at 20% rate on unadjusted accounting profits earned in Latvia starting from 2023 on the Latvian banking and leasing operations, with the advance paid being eligible to fully offset dividend distribution tax with no expiry date. As these CIT advance payments may be offset only against tax due from future profit distribution, the amount of the CIT advances paid is expensed as profits are generated. Previously, until Q4 2023, for banking and leasing operations CIT in Latvia was payable when the profits were distributed, not when the profits were earned. For other Latvian operations, CIT is still payable only when the profits are distributed.

For distributions of Latvian profits, a theoretical 20% CIT rate apply and is calculated as 0.2/0.8 from net distributed dividend (effectively 25% tax rate), but the profit distribution tax payment is decreased by the already paid CIT advance in 2023 and later period profits. Thus, incremental profit distribution tax expense on 2023 and later period profits would arise only if the profit distribution tax exceeded the CIT advance already paid.

In Latvia, no incremental CIT expense arise on the Bank's dividend distribution from retained earnings generated under the tax regime that was effective before 2018. Such Bank's retained earnings as of the period end amount to EUR 11.2 million (2024: EUR 11.2 million). The expected EUR 44.8 million dividend distribution in 2025 will decreased this amount. Similarly, for the Bank as of the period end no incremental CIT expense arises on distribution of additional EUR 27.9 million (2024: EUR 27.9 million) profits for which tax has been paid when these were distributed from subsidiaries and branches. Currently there is no expiry date for these distribution rights.

The Latvian government had introduced a mortgage loan levy effective for 2024 (one year) with a purpose to reimburse mortgage borrowers for some of the impact of the higher interest rate environment. The levy was payable on the first month of each calendar quarter in 2024 in the amount of EUR 2.2 million quarterly.

The Latvian government has enacted Solidarity Contributions Law, which becomes effect from 2025 (the bank tax). This law mandates that credit institutions pay an additional 60% tax on net interest income exceeding 50% of the average from 2018-2022, adjusted for certain items. The Group has concluded that the levy is an expense for 2025 and should be expensed based on the calculated amounts in the respective quarters in 2025.

In Estonia similarly, as for Latvian operations, any CIT advance paid, is expensed in the reporting period as profits are generated. For banks in 2025 a 18% tax advance rate applies (2024: 14%). On dividend disbursement in 2025 CIT is calculated based on proportion 22/78 which effectively is approximately 28% tax rate (2024: 20/80 which effectively is 25% tax rate). The calculated profit distribution tax payment is decreased by the already paid CIT advance.

Corporate income tax in Lithuania is calculated at 16% rate on taxable profits (2024: 15%), an extra 5% corporate income tax for Bank is charged on taxable profits exceeding EUR 2.0 million. Bank tax (windfall tax) in Lithuania is calculated on certain increases in net interest income vs. reference period and is presented as levy in the income statement line Bank tax. Bank tax asset represents quarterly tax advance overpayment vs. calculated full year bank tax.

Income tax assets and liabilities

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Current income tax assets	47	22	-	-
Deferred income tax assets	1,295	1,636	1,260	1,572
Tax assets	**1,342**	**1,658**	**1,260**	**1,572**
Current income tax liabilities	(14,504)	(14,218)	(13,468)	(12,301)
Deferred income tax liabilities	(548)	-	-	-
Tax liabilities	**(15,052)**	**(14,218)**	**(13,468)**	**(12,301)**
Mortgage loan levy and bank tax	**(22)**	**180**	**(22)**	**180**

Change in net deferred corporate income tax asset / (liability)

	EUR thousands			
	3m 2025 Group	3m 2024 Group	3m 2025 Bank	3m 2024 Bank
As at the beginning of the period	1,636	339	1,572	579
Charge to statement of income	(688)	(376)	(111)	(335)
Securities fair value revaluation reserve	(201)	-	(201)	-
Net deferred income tax asset at the period end	**747**	**(37)**	**1,260**	**244**

	Group, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/03/2025
Securities fair value revaluation reserve	1,149	-	(201)	948
Deferred income and accrued expense	471	(137)	-	334
Fair value amortisation on the acquired loan portfolio	15	(2)	-	13
Expected distribution of retained earnings	-	(548)	-	(548)
Other items, net	1	(1)	-	-
Deferred income tax assets, net	**1,636**	**(688)**	**(201)**	**747**

	Group, EUR thousands			
	Opening balance 01/01/2024	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/03/2024
Deferred income and accrued expense	631	(363)	-	268
Fair value amortisation on the acquired loan portfolio	84	(13)	-	71
Expected distribution of retained earnings	(375)	-	-	(375)
Other items, net	(1)	-	-	(1)
Deferred income tax assets, net	**339**	**(376)**	**-**	**(37)**

	Bank, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/03/2025
Securities fair value revaluation reserve	1,149	-	(201)	948
Deferred income and accrued expense	423	(111)	-	312
Deferred income tax assets, net	**1,572**	**(111)**	**(201)**	**1,260**

	Bank, EUR thousands			
	Opening balance 01/01/2024	**Recognised in statement of income**	**Recognised in statement of OCI**	**Closing balance 31/03/2024**
Deferred income and accrued expense	579	(335)	-	244
Deferred income tax assets, net	**579**	**(335)**	**-**	**244**

Reconciliation of the pre-tax profit to the corporate income tax expense

	EUR thousands			
	3m 2025 Group	**3m 2024 Group**	**3m 2025 Bank**	**3m 2024 Bank**
Profit before corporate income tax from continuous operations before non-current assets held for sale	27,223	30,690	22,290	26,858
Corporate income tax (at 20%)	**5,445**	**6,138**	**4,458**	**5,372**
Undistributed earnings taxable on distribution	(721)	(164)	(229)	-
Effect of tax rates in foreign jurisdictions	(56)	(402)	10	(305)
Non-taxable income and impact from bank tax expense	(52)	(141)	(34)	(41)
Non-deductible expense	173	379	143	368
Distribution of retained earnings	548	-	-	-
Other tax differences, net*	162	(589)	24	(589)
Total effective corporate income tax from continuous operations	**5,499**	**5,221**	**4,372**	**4,805**

* Including eligible loss on discontinued operations and non-current assets held for sale of EUR -51 thousand for the Bank (2024: EUR -595 thousand).

NOTE 13. DEBT SECURITIES

Debt securities by credit rating grade, classification and profile of issuer

	Group, EUR thousands							
	31/03/2025				31/12/2024			
	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,814	49,591	1,784	57,189	5,782	64,343	1,509	71,634
AA/Aa	10,432	151,092	5,466	166,990	16,375	154,726	4,435	175,536
A	88,418	647,264	181,272	916,954	115,084	690,554	162,003	967,641
BBB/Baa	7,948	13,551	-	21,499	8,657	13,875	-	22,532
Lower ratings or unrated	248	40,138	-	40,386	247	38,368	-	38,615
Total debt securities	**112,860**	**901,636**	**188,522**	**1,203,018**	**146,145**	**961,866**	**167,947**	**1,275,958**
Including general government	*90,544*	*638,180*	*186,738*	*915,462*	*119,261*	*683,492*	*166,438*	*969,191*
Including credit institutions	*8,096*	*98,159*	*-*	*106,255*	*8,015*	*101,028*	*-*	*109,043*
Including classified in stage 1	*112,860*	*901,636*	*n/a*	*n/a*	*146,145*	*961,866*	*n/a*	*n/a*

	Bank, EUR thousands							
	31/03/2025				31/12/2024			
	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,814	44,642	-	50,456	5,782	59,411	-	65,193
AA/Aa	10,432	151,092	-	161,524	16,375	154,726	-	171,101
A	73,850	639,909	181,272	895,031	100,295	683,985	162,003	946,283
BBB/Baa	1,543	11,544	-	13,087	1,517	12,365	-	13,882
Lower ratings or unrated	-	40,138	-	40,138	-	38,368	-	38,368
Total debt securities	**91,639**	**887,325**	**181,272**	**1,160,236**	**123,969**	**948,855**	**162,003**	**1,234,827**
Including general government	*82,267*	*633,751*	*181,272*	*897,290*	*110,738*	*677,433*	*162,003*	*950,174*
Including credit institutions	*1,750*	*98,159*	*-*	*99,909*	*1,721*	*101,028*	*-*	*102,749*
Including classified in stage 1	*91,639*	*887,325*	*n/a*	*n/a*	*123,969*	*948,855*	*n/a*	*n/a*

Unrated debt securities or debt securities with lower ratings than BBB are mainly with corporates and are acquired or in some cases structured by the Bank as an alternative to ordinary lending transactions. Among considerations for originating such lending products is longer-term indirect benefits from development in local corporate debt markets and higher potential liquidity for lending products structured as debt securities.

Debt securities by country of issuer

	Group, EUR thousands					
	31/03/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	395,739	51,961	447,700	339,751	50,829	390,580
Latvia	382,380	-	382,380	490,543	1,615	492,158
Estonia	81,414	17,309	98,723	81,374	18,077	99,451
Germany	-	83,090	83,090	-	88,377	88,377
United States	17,581	22,650	40,231	19,879	22,474	42,353
Canada	2,376	26,269	28,645	2,448	31,798	34,246
Slovakia	18,807	5,697	24,504	18,798	5,663	24,461
Sweden	-	23,104	23,104	-	25,224	25,224
Austria	-	6,742	6,742	-	6,742	6,742
Czechia	4,885	1,558	6,443	4,874	1,547	6,421
Belgium	2,206	3,725	5,931	1,694	3,726	5,420
Poland	497	5,204	5,701	798	5,181	5,979
Other countries	9,577	9,227	18,804	9,032	14,663	23,695
Multilateral development banks and international organisations	-	31,020	31,020	-	30,851	30,851
Total debt securities	**915,462**	**287,556**	**1,203,018**	**969,191**	**306,767**	**1,275,958**

	Bank, EUR thousands					
	31/03/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	393,477	50,564	444,041	337,497	49,445	386,942
Latvia	377,726	-	377,726	484,270	859	485,129
Estonia	81,414	16,368	97,782	81,374	17,144	98,518
Germany	-	81,552	81,552	-	88,377	88,377
United States	17,581	16,790	34,371	19,879	17,085	36,964
Canada	2,376	26,269	28,645	2,448	31,798	34,246
Slovakia	17,711	5,194	22,905	17,704	5,153	22,857
Sweden	-	23,104	23,104	-	25,224	25,224
Austria	-	6,742	6,742	-	6,742	6,742
Czechia	4,885	-	4,885	4,874	-	4,874
Belgium	-	3,725	3,725	-	3,726	3,726
Poland	-	3,035	3,035	-	3,027	3,027
Other countries	2,120	5,316	7,436	2,128	11,664	13,792
Multilateral development banks and international organisations	-	24,287	24,287	-	24,409	24,409
Total debt securities	**897,290**	**262,946**	**1,160,236**	**950,174**	**284,653**	**1,234,827**

No payments on the debt securities are past due. Total exposure to any single country within “Other countries” group as of period end is smaller than 10% of the regulatory capital.

NOTE 14. LOANS TO PUBLIC

Loans to public by overdue days and impairment stage

	Group, EUR thousands					
	31/03/2025					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,124,307	182,264	25,450	2,087	(50,400)	3,283,708
Past due <=30 days	32,981	11,714	2,683	579	(6,810)	41,147
Past due >30 and ≤90 days	-	29,334	9,300	44	(7,966)	30,712
Past due >90 days	-	-	39,390	966	(29,526)	10,830
Total loans to public	**3,157,288**	**223,312**	**76,823**	**3,676**	**(94,702)**	**3,366,397**
Guarantees and letters of credit	88,854	59	43	-	(233)	88,723
Financial commitments	330,138	4,812	1,156	-	(2,193)	333,913
Total credit exposure to public	**3,576,280**	**228,183**	**78,022**	**3,676**	**(97,128)**	**3,789,033**

	Group, EUR thousands					
	31/12/2024					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,018,781	201,776	26,690	2,979	(53,509)	3,196,717
Past due <=30 days	32,353	14,019	3,886	105	(7,309)	43,054
Past due >30 and ≤90 days	-	23,533	14,347	57	(8,622)	29,315
Past due >90 days	-	-	30,276	944	(25,725)	5,495
Total loans to public	**3,051,134**	**239,328**	**75,199**	**4,085**	**(95,165)**	**3,274,581**
Guarantees and letters of credit	87,830	155	60	-	(259)	87,786
Financial commitments	336,437	6,162	689	-	(2,474)	340,814
Total credit exposure to public	**3,475,401**	**245,645**	**75,948**	**4,085**	**(97,898)**	**3,703,181**

Off-balance sheet credit exposure comprises various committed financing facilities to the borrowers. For details refer to note *Off-balance Sheet Items*.

Loans to public by overdue days and impairment stage

	Bank, EUR thousands				
	31/03/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Loans to public					
Not past due	3,178,924	50,987	12,238	(34,107)	3,208,042
Past due <=30 days	31,778	11,534	2,683	(6,710)	39,285
Past due >30 and ≤90 days	-	5,763	3,634	(3,868)	5,529
Past due >90 days	-	-	35,004	(27,136)	7,868
Total loans to public	**3,210,702**	**68,284**	**53,559**	**(71,821)**	**3,260,724**
Guarantees and letters of credit	97,568	59	43	(237)	97,433
Financial commitments	394,425	3,037	947	(2,086)	396,323
Total credit exposure to public	**3,702,695**	**71,380**	**54,549**	**(74,144)**	**3,754,480**

	Bank, EUR thousands				
	31/12/2024				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Loans to public					
Not past due	3,067,620	72,401	14,671	(37,663)	3,117,029
Past due <=30 days	31,210	13,791	3,777	(7,185)	41,593
Past due >30 and ≤90 days	-	4,078	11,001	(5,205)	9,874
Past due >90 days	-	-	25,006	(22,930)	2,076
Total loans to public	**3,098,830**	**90,270**	**54,455**	**(72,983)**	**3,170,572**
Guarantees and letters of credit	96,818	155	60	(262)	96,771
Financial commitments	404,193	4,501	635	(2,413)	406,916
Total credit exposure to public	**3,599,841**	**94,926**	**55,150**	**(75,658)**	**3,674,259**

Stage 3 loans to public ratios

	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Stage 3 gross loans ratio	**2.3%**	**2.3%**	**1.6%**	**1.7%**
Stage 3 net loans ratio	**1.1%**	**1.2%**	**0.6%**	**0.7%**
Stage 3 impairment ratio	**53%**	**50%**	**65%**	**60%**

The stage 3 loans ratio is calculated as stage 3 loans to public divided by total loans to public as of the end of the relevant period. All loans overdue by more than 90 days are classified as stage 3. Non-overdue loans and loans overdue less than 90 days which have been forborne or impairment losses have been identified based on individual assessment or financial condition of the borrower has deteriorated significantly due to other factors are classified as stage 3. Part of the loans classified as stage 3 do not have any current default indicators but are put under monitoring period for a specific time before being reclassified out of stage 3. Loans under recovery are also classified as stage 3.

The stage 3 impairment ratio is calculated as impairment allowance for stage 3 exposures divided by gross loans to public classified as stage 3. Impairment allowance is the amount of expected credit loss expensed in the income statement as credit loss and is derived from historic credit loss rates and future credit loss expectations, and where relevant considering fair value of the loan collateral and expected proceeds from other loan recovery measures.

Expected credit loss allowance by customer profile and impairment stage

	Group, EUR thousands				
	31/03/2025				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Financial and non-financial corporations	(17,086)	(4,886)	(16,741)	(473)	(39,186)
Households	(25,551)	(5,207)	(24,225)	(75)	(55,058)
General government	(455)	(3)	-	-	(458)
Expected credit loss allowance	**(43,092)**	**(10,096)**	**(40,966)**	**(548)**	**(94,702)**

	Group, EUR thousands				
	31/12/2024				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Financial and non-financial corporations	(17,970)	(6,052)	(14,413)	(432)	(38,867)
Households	(26,451)	(5,422)	(23,884)	(80)	(55,837)
General government	(460)	(1)	-	-	(461)
Expected credit loss allowance	**(44,881)**	**(11,475)**	**(38,297)**	**(512)**	**(95,165)**

	Bank, EUR thousands			
	31/03/2025			
	Expected credit loss allowance			Total
	Stage 1	Stage 2	Stage 3	
Financial and non-financial corporations	(9,229)	(1,214)	(11,949)	(22,392)
Households	(22,609)	(3,780)	(23,036)	(49,425)
General government	(4)	-	-	(4)
Expected credit loss allowance	**(31,842)**	**(4,994)**	**(34,985)**	**(71,821)**

	Bank, EUR thousands			
	31/12/2024			
	Expected credit loss allowance			Total
	Stage 1	Stage 2	Stage 3	
Financial and non-financial corporations	(10,712)	(2,161)	(9,794)	(22,667)
Households	(23,287)	(4,207)	(22,817)	(50,311)
General government	(5)	-	-	(5)
Expected credit loss allowance	**(34,004)**	**(6,368)**	**(32,611)**	**(72,983)**

Loans by customer profile and impairment stage

	Group, EUR thousands					
	31/03/2025					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Financial and non-financial corporations						
Real estate purchase and management	434,944	15,073	1,528	-	(3,988)	447,557
Manufacturing	220,702	19,286	4,904	883	(4,851)	240,924
Trade	212,095	21,093	7,456	2	(6,446)	234,200
Transport and communications	153,213	35,957	2,976	353	(3,016)	189,483
Agriculture and forestry	139,309	28,585	24,932	30	(13,207)	179,649
Electricity, gas and water supply	145,824	3,892	1,667	579	(1,276)	150,686
Construction	123,907	12,771	1,761	108	(3,019)	135,528
Financial intermediation	30,621	2,184	27	-	(217)	32,615
Hotels, restaurants	29,351	2,915	53	1	(406)	31,914
Other industries	154,546	19,976	2,249	1,483	(2,760)	175,494
Total financial and non-financial corporations	**1,644,512**	**161,732**	**47,553**	**3,439**	**(39,186)**	**1,818,050**
Households						
Mortgage loans	892,491	15,049	23,918	141	(31,072)	900,527
Finance leases	352,932	34,558	2,241	88	(5,221)	384,598
Credit for consumption	133,692	6,682	1,388	-	(8,671)	133,091
Card lending	58,528	2,285	883	-	(6,359)	55,337
Other lending	53,758	2,937	840	8	(3,735)	53,808
Total households	**1,491,401**	**61,511**	**29,270**	**237**	**(55,058)**	**1,527,361**
General government	**21,375**	**69**	**-**	**-**	**(458)**	**20,986**
Total loans to public	**3,157,288**	**223,312**	**76,823**	**3,676**	**(94,702)**	**3,366,397**

	Group, EUR thousands					
	31/12/2024					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Financial and non-financial corporations						
Real estate purchase and management	421,453	24,246	602	-	(4,249)	442,052
Manufacturing	188,741	26,968	4,328	889	(5,749)	215,177
Trade	203,149	20,479	8,324	4	(6,007)	225,949
Transport and communications	144,344	36,259	3,339	419	(3,231)	181,130
Agriculture and forestry	141,530	29,804	23,047	62	(11,835)	182,608
Electricity, gas and water supply	131,462	3,537	1,791	556	(1,076)	136,270
Construction	135,347	12,402	1,762	157	(3,211)	146,457
Financial intermediation	35,138	509	49	-	(237)	35,459
Hotels, restaurants	29,186	2,969	58	1	(427)	31,787
Other industries	148,450	19,957	2,415	1,772	(2,845)	169,749
Total financial and non-financial corporations	**1,578,800**	**177,130**	**45,715**	**3,860**	**(38,867)**	**1,766,638**
Households						
Mortgage loans	865,060	16,504	23,408	149	(31,103)	874,018
Finance leases	347,770	31,603	2,127	68	(5,136)	376,432
Credit for consumption	130,735	6,547	1,118	-	(8,828)	129,572
Card lending	56,008	3,999	849	-	(6,836)	54,020
Other lending	50,093	3,498	1,982	8	(3,934)	51,647
Total households	**1,449,666**	**62,151**	**29,484**	**225**	**(55,837)**	**1,485,689**
General government	**22,668**	**47**	**-**	**-**	**(461)**	**22,254**
Total loans to public	**3,051,134**	**239,328**	**75,199**	**4,085**	**(95,165)**	**3,274,581**

Loans by customer profile and impairment stage

	Bank, EUR thousands				
	31/03/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Financial and non-financial corporations					
Real estate purchase and management	418,488	12,715	1,502	(3,686)	429,019
Manufacturing	128,815	3,211	2,032	(2,457)	131,601
Trade	74,271	6,470	3,692	(3,620)	80,813
Transport and communications	11,769	3,073	246	(635)	14,453
Agriculture and forestry	60,493	7,781	16,735	(8,041)	76,968
Electricity, gas and water supply	132,388	2,487	1,395	(1,084)	135,186
Construction	40,371	1,962	594	(1,169)	41,758
Financial intermediation	1,162,589	1,672	27	(799)	1,163,489
Hotels, restaurants	20,376	2,132	40	(270)	22,278
Other industries	27,024	1,257	305	(631)	27,955
Total financial and non-financial corporations	**2,076,584**	**42,760**	**26,568**	**(22,392)**	**2,123,520**
Households					
Mortgage loans	891,194	14,982	23,919	(30,966)	899,129
Finance leases	-	-	-	-	-
Credit for consumption	126,633	5,326	1,369	(8,408)	124,920
Card lending	58,528	2,285	883	(6,359)	55,337
Other lending	51,217	2,931	820	(3,692)	51,276
Total households	**1,127,572**	**25,524**	**26,991**	**(49,425)**	**1,130,662**
General government	**6,546**	**-**	**-**	**(4)**	**6,542**
Total loans to public	**3,210,702**	**68,284**	**53,559**	**(71,821)**	**3,260,724**

	Bank, EUR thousands				
	31/12/2024				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Financial and non-financial corporations					
Real estate purchase and management	405,589	22,251	561	(3,987)	424,414
Manufacturing	97,631	12,917	2,177	(3,283)	109,442
Trade	67,844	6,383	4,061	(3,001)	75,287
Transport and communications	12,157	3,473	600	(862)	15,368
Agriculture and forestry	54,561	8,831	17,037	(6,492)	73,937
Electricity, gas and water supply	120,502	2,586	1,517	(887)	123,718
Construction	50,774	1,585	637	(1,267)	51,729
Financial intermediation	1,142,962	-	27	(1,873)	1,141,116
Hotels, restaurants	20,818	1,931	34	(283)	22,500
Other industries	25,771	970	486	(732)	26,495
Total financial and non-financial corporations	**1,998,609**	**60,927**	**27,137**	**(22,667)**	**2,064,006**
Households					
Mortgage loans	863,817	16,310	23,408	(30,995)	872,540
Finance leases	-	-	-	-	-
Credit for consumption	124,568	5,537	1,100	(8,586)	122,619
Card lending	56,008	3,999	849	(6,836)	54,020
Other lending	48,623	3,497	1,961	(3,894)	50,187
Total households	**1,093,016**	**29,343**	**27,318**	**(50,311)**	**1,099,366**
General government	**7,205**	**-**	**-**	**(5)**	**7,200**
Total loans to public	**3,098,830**	**90,270**	**54,455**	**(72,983)**	**3,170,572**

NOTE 15. EQUITY AND OTHER FINANCIAL INSTRUMENTS

Shares and other non-fixed income securities by issuers profile and classification

	Group, EUR thousands							
	31/03/2025				31/12/2024			
	Mutual investment funds	**Foreign equities**	**Latvian equities**	**Total**	**Mutual investment funds**	**Foreign equities**	**Latvian equities**	**Total**
Non-trading financial assets at fair value through profit or loss	23,707	733	-	24,440	25,108	709	-	25,817
Financial assets at fair value through other comprehensive income	-	105	21	126	-	105	21	126
Total non-fixed income securities, net	**23,707**	**838**	**21**	**24,566**	**25,108**	**814**	**21**	**25,943**
Including unit-linked insurance plan assets	*15,136*	*-*	*-*	*15,136*	*15,909*	*-*	*-*	*15,909*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	*14,017*	*-*	*-*	*14,017*	*14,952*	*-*	*-*	*14,952*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management and which relate to unit-linked contracts	*10,428*	*-*	*-*	*10,428*	*11,129*	*-*	*-*	*11,129*

Most exposures in mutual investment funds which are classified as financial assets mandatorily at fair value through profit or loss are related to the life insurance business, most of these with unit-linked insurance plan assets. According to unit-linked investment contract terms, the risk associated with the investments made by the insurance underwriter is fully attributable to the counterparty entering the insurance agreement and not the underwriter. All investments in mutual investment funds are mandatorily classified as financial assets at fair value through profit or loss.

Part of the Bank's and the Group's investments in mutual investment funds, which are managed by IPAS CBL Asset Management, are related to unit-linked contracts, where the risk associated with the investments made is fully attributable to the counterparty entering the insurance agreement and not the underwriter. These exposures have been acquired only with investment intentions. The Bank has no exposure to investments related to unit-linked contracts.

	Bank, EUR thousands							
	31/03/2025				31/12/2024			
	Mutual investment funds	**Foreign equities**	**Latvian equities**	**Total**	**Mutual investment funds**	**Foreign equities**	**Latvian equities**	**Total**
Non-trading financial assets at fair value through profit or loss	459	733	-	1,192	838	709	-	1,547
Financial assets at fair value through other comprehensive income	-	105	21	126	-	105	21	126
Total non-fixed income securities, net	**459**	**838**	**21**	**1,318**	**838**	**814**	**21**	**1,673**
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	*459*	*-*	*-*	*459*	*838*	*-*	*-*	*838*

NOTE 16. INVESTMENTS IN RELATED ENTITIES

Changes in investments in related entities of the Bank

	EUR thousands	
	3m 2025	3m 2024
Balance at the beginning of the period, net	**48,759**	**47,939**
Associates accounted for using the equity method	-	134
Change in impairment allowance	-	(1)
Transfer to discontinued operations held for sale	-	(382)
Balance at the end of the period, net	**48,759**	**47,690**
Including gross investment in subsidiaries	*60,598*	*60,598*

Changes in investments in related entities

In 2024 investment in SIA Mobilly was transferred to discontinued operations held for sale, and in August 2024 the sale of SIA Mobilly was completed.

Valuation of investments in subsidiaries

Carrying value of the investment in SIA Citadele Factoring is derived from present value of expected free equity distributable to the shareholders, after required equity allocation for capital adequacy compliance. The target capital adequacy ratio is set at 13.5% and includes allocated charges for all banking risks inherent in the business model of the leasing (2024: 13.5%). Other key inputs of the model are 13.8% (2024: 13.8%) discount rate and future profitability of the operations of the entity.

Consolidation Group subsidiaries and associated entities for accounting purposes

Company	Registration number	Registration address and country	Company type*	Basis for inclusion in the Group**	The Group's share (%)	% of total voting rights	Carrying value EUR thousands 31/03/2025	Carrying value EUR thousands 31/03/2024
AS Citadele banka	40103303559	Latvia, Riga, Republikas laukums 2A	BNK	MT	-	-	-	-
SIA Citadele Leasing	40003423085	Latvia, Riga, Republikas laukums 2A	LIZ	MS	100	100	29,203	29,203
SIA Citadele Factoring	50003760921	Latvia, Riga, Republikas laukums 2A	LIZ	MS	100	100	9,388	9,388
IPAS CBL Asset Management	40003577500	Latvia, Riga, Republikas laukums 2A	IPS	MS	100	100	5,906	5,906
UAB Citadele Factoring	126233315	Lithuania, Upės g. 21, Vilnius, LT-0812	LIZ	MS	100	100	2,149	2,149
SIA Hortus Residential	40103460622	Latvia, Riga, Republikas laukums 2A	PLS	MS	100	100	1,112	1,112
AS CBL Atklātais Pensiju Fonds	40003397312	Latvia, Riga, Republikas laukums 2A	PFO	MS	100	100	556	556
OU Citadele Factoring	10925733	Estonia, Tallinn 10152, Narva mnt. 63/1	LIZ	MS	100	100	445	445
SIA CL Insurance Broker	40003983430	Latvia, Riga, Republikas laukums 2A	PLS	MMS	100	100	-	-
AAS CBL Life	40003786859	Latvia, Riga, Republikas laukums 2A	APS	MMS	100	100	-	-
Total net investments in subsidiaries and associated entities							**48,759**	**48,759**

*BNK – bank, ENI – authorized electronic money institution, IBS – investment brokerage company, IPS – investment management company, PFO – pension fund, CFI – other financial institution, LIZ – leasing company, PLS – company providing various support services, APS – insurance company.
** MS – subsidiary company, MMS – subsidiary of the subsidiary company, MT – parent company, MTM – parent of the parent company, CT – other company.

Kaleido Privatbank AG is a 100% owned subsidiary classified as discontinued operations held for sale (for details refer to note *Discontinued Operations and Non-current Assets Held For Sale*). Registration number of Kaleido Privatbank AG is 130.0.007.738-0, it is registered in Switzerland with legal address in Bellerivestrasse 17, 8008, Zürich.

NOTE 17. DISCONTINUED OPERATIONS AND NON-CURRENT ASSETS HELD FOR SALE

AS Citadele banka is selling its Swiss subsidiary Kaleido Privatbank AG under market standard terms and conditions. The Group is working with a reputable M&A advisor on a sales transaction. As the conditions indicate that the investment will be recovered principally through a sale transaction in a foreseeable future rather than through continuing operations, Kaleido Privatbank AG is presented as discontinued operations as of period end. Citadele has received several offers and is working with a buyer on transaction, and has taken steps to improve certainty that regulatory approval for potential sale will be obtained. The Management has a strong commitment to sell Kaleido Privatbank AG and this is a further step focusing on Citadele's core activities in the Baltics and is in line with Citadele's long-term ambition to become the leading financial services provider in the Baltics.

In March 2025, Citadele decided to increase capital of its Swiss subsidiary Kaleido Privatbank AG by up to CHF 1.0 million. Kaleido Privatbank AG is classified as discontinued operations held for sale. The capital increase is intended to support operations until the sale of the subsidiary. In the beginning of 2024 the management of the Bank increased share capital of Swiss subsidiary Kaleido Privatbank AG by CHF 3.0 million.

Write-down of investment in Kaleido Privatbank AG

In 2024 the Bank recognised EUR 15.1 million write-down on the investment in Kaleido Privatbank AG equal to the lower of the carrying amount and fair value less cost to sell. The write-down relates to the loss of the operations in the respective period and the re-estimated net sales proceeds, including cost to sell. The fair value less cost to sell of the investment, represents the most recent estimate of the net sales proceeds. The write-down is presented in the statement of income as net result from non-current assets held for sale and discontinued operations.

In the reporting period in the consolidated level EUR 0.1 million write-off (2024: EUR 0.8 million) of non-financial assets has been recognized as previous carrying value of these is deemed unrecoverable in the expected sales transaction.

Result from discontinued operations and non-current assets held for sale

	EUR thousands							
	Group				Bank			
	3m 2025	**3m 2024**	**Q1 2025**	**Q1 2024**	**3m 2025**	**3m 2024**	**Q1 2025**	**Q1 2024**
Net interest income	634	1,029	634	1,029	-	-	-	-
Net fee and commission income	1,182	781	1,182	781	-	-	-	-
Other operating income / (expense)	286	303	286	303	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	(3,069)	(3,188)	(3,069)	(3,188)	-	-	-	-
Net credit losses and other impairment losses	(43)	(44)	(43)	(44)	-	-	-	-
Impairment of non-financial assets	(39)	-	(39)	-	-	-	-	-
Income tax	(21)	(29)	(21)	(29)	-	-	-	-
Net result from discontinued operations	**(1,070)**	**(1,148)**	**(1,070)**	**(1,148)**	**-**	**-**	**-**	**-**
Result from non-current assets held for sale	(255)	81	(255)	81	(256)	(2,977)	(256)	(2,977)
Net result from non-current assets held for sale and discontinued operations	**(1,325)**	**(1,067)**	**(1,325)**	**(1,067)**	**(256)**	**(2,977)**	**(256)**	**(2,977)**

Assets and liabilities constituting discontinued operations and non-current assets held for sale

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Assets				
Cash, cash balances at central banks	6,993	7,140	-	-
Loans to credit institutions	14,977	4,985	-	-
Debt securities (Classified in stage 1)	35,941	37,663	-	-
Including:				
AAA/Aaa rated	*14,881*	*15,930*	-	-
AA/Aa rated	*11,923*	*12,754*	-	-
A rated	*9,137*	*8,979*	-	-
BBB/Baa rated	-	-	-	-
General government	*15,858*	*15,867*	-	-
Credit institutions	*9,062*	*9,214*	-	-
Loans to public	50,867	52,516	-	-
Other assets	6,283	1,332	-	-
Discontinued operations	**115,061**	**103,636**	**-**	**-**
Net investment in Kaleido Privatbank AG (subsidiary)	-	-	779	779
Other non-current assets held for sale	-	-	-	-
Discontinued operations and non-current assets held for sale	**115,061**	**103,636**	**779**	**779**
Liabilities				
Deposits from credit institutions and central banks	1,773	140	-	-
Deposits and borrowings from customers	129,019	129,601	-	-
Other liabilities	4,002	3,390	-	-
Discontinued operations	**134,794**	**133,131**	**-**	**-**
Off-balance sheet items				
Guarantees and letters of credit	18,842	353	-	-
Financial commitments	8,267	8,624	-	-
Discontinued operations	**27,109**	**8,977**	**-**	**-**

Cash flows from discontinued operations of the Group

	EUR thousands	
	3m 2025	3m 2024
Cash flows from operating activities	6,462	(10,784)
Cash flows from investing activities	1,650	1,100
Cash flows from financing activities	98	(85)
Cash flows for the period	**8,210**	**(9,769)**
Cash and cash equivalents at the beginning of the period	**11,986**	**24,013**
Cash and cash equivalents at the end of the period	**20,196**	**14,244**

NOTE 18. DEPOSITS FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

Bank deposits and borrowings by type

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Credit institution deposits and collateral accounts	8,427	3,027	8,427	3,027
Central bank deposits and accounts	1,169	201	1,169	202
Deposits from Citadele Group banks	-	-	39,833	50,867
Total deposits from credit institutions and central banks	**9,596**	**3,228**	**49,429**	**54,096**

NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS

Deposits and borrowings by profile of the customer

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Households	2,057,545	2,091,336	2,012,650	2,042,315
Non-financial corporations	1,543,431	1,621,908	1,543,862	1,622,326
Financial corporations	193,094	223,496	219,357	252,231
General government	64,826	64,346	64,826	64,346
Other	20,150	22,394	20,150	22,393
Total deposits from customers	**3,879,046**	**4,023,480**	**3,860,845**	**4,003,611**

Deposits and borrowings from customers by contractual maturity

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Demand deposits	2,926,554	2,929,370	2,934,045	2,935,832
Term deposits due within:				
less than 1 month	251,747	323,165	248,727	340,715
more than 1 month and less than 3 months	266,544	264,492	267,388	263,332
more than 3 months and less than 6 months	179,073	248,853	191,229	246,377
more than 6 months and less than 12 months	181,955	179,960	174,626	172,160
more than 1 year and less than 5 years	69,252	73,459	44,563	44,823
more than 5 years	3,921	4,181	267	372
Total term deposits	952,492	1,094,110	926,800	1,067,779
Total deposits from customers	**3,879,046**	**4,023,480**	**3,860,845**	**4,003,611**

Deposits and borrowings from customers by categories

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
At amortised cost	3,862,649	4,006,153	3,860,845	4,003,611
At fair value through profit or loss	16,397	17,327	-	-
Total deposits from customers	**3,879,046**	**4,023,480**	**3,860,845**	**4,003,611**
Including unit-linked insurance plan liabilities	*14,734*	*15,630*	-	-

All deposits from customers of the Group which are classified at fair value through profit or loss relate to the Group's life insurance business (classified as investment contracts). Unit-linked plan liabilities are covered by financial assets designated at fair value through profit or loss. According to unit-linked investment contract terms, the risk associated with the investments made by the underwriter is fully attributable to the counterparty entering the agreement and not the underwriter.

NOTE 20. DEBT SECURITIES ISSUED

Publicly listed debt securities

ISIN code of the issued bond	Eligibility	Currency	Interest rate	Initial maturity date	Principal, EUR thousands	Amortised cost, EUR thousands	
						31/03/2025	31/12/2024
XS2393742122	MREL eligible	EUR	1.625%	22/11/2026	200,000	200,589	199,705
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,599	40,104
LV0000804334	MREL eligible	EUR	5.00%*	14/10/2026	35,000	35,789	35,353
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,562	20,162
LV0000880011	Subordinated	EUR	5.50%	24/11/2027	20,000	-	20,098
						297,539	**315,422**

Key features of the issued subordinated bonds and MREL eligible senior unsecured bonds

EUR 200 million senior unsecured preferred bonds (XS2393742122) have a five-years maturity, with issuer's optional redemption date after four years. The purpose of the issuance is to meet Minimum Requirement for own funds and Eligible Liabilities (MREL). The senior unsecured preferred bonds were offered to institutional investors. The bonds are listed on Euronext Dublin and Nasdaq Riga.

EUR 35 million senior unsecured preferred bonds (LV0000804334) has a two-years maturity and a fixed interest rate of 5% per annum, resetting on 14 October 2025 to the floating interest rate of euribor 3 months plus 2.3% per annum. The purpose of the issuance is to meet Minimum Requirement for own funds and Eligible Liabilities (MREL).

EUR 40 million (LV0000880102), EUR 20 million (LV0000803054) and EUR 20 million (LV0000880011) unsecured subordinated bonds were issued in the local Baltic capital markets with ten years maturity and issuer's optional early redemption rights. These subordinated bonds are included in the Tier 2 capital of Citadele and contribute to stronger capital position of the Bank. The unsecured subordinated bonds were offered to institutional and retail investors in Latvia, Lithuania and Estonia, as well as institutional investors located in the Member States of the EEA.

In the reporting period, on 13 January 2025, an early redemption of EUR 20 million unsecured subordinated bonds (LV0000880011) took place.

Unsecured subordinated securities qualify for inclusion in the Bank's and the Group's Tier 2 capital. For details on capital adequacy refer to *Capital management* section of the note *Risk Management*.

Profile of the bondholders as of the last coupon payment date of the subordinated bonds

ISIN code of the issued bond	Last coupon or origination date	Number of bondholders	Legal and professional investors			Private individuals		
			Number	EUR th.	%	Number	EUR th.	%
LV0000880102	December 2024	163	54	26,850	67%	109	13,150	33%
LV0000804334	February 2025	47	39	33,960	97%	8	1,040	3%
LV0000803054	March 2025	497	188	11,170	56%	309	8,830	44%
LV0000880011	November 2024	77	42	17,020	85%	35	2,980	15%

NOTE 21. SHARE CAPITAL

The Bank has one class dematerialised shares, i.e. recorded in the depositary (Nasdaq CSD SE). As of the period end the Bank's total paid capital is EUR 158,902,560 (2024: EUR 158,902,560) and conditional capital is EUR 3,145,654 (2024: EUR 3,145,654). The conditional capital represents the maximum number of shares that may be allocated for awarding to employees as share options. As of the period end the Bank owns EUR 90,009 (2024: EUR 90,009) of its own shares. Each dematerialised share carries one vote, a share in profits and is eligible for dividends (except for shares owned by the Bank itself). On 27 March 2025 a dividend of EUR 0.282 per share, which is EUR 44.8 million in total, was approved. Dividend liability is not recongised as of the period end, as regulatory permission was pending as of that time. On 23 April 2025 the dividend was disbursed to the shareholders. On 28 March 2024 a dividend of EUR 0.32 per share, which is EUR 50.6 million in total, was approved and on 7 May 2024 disbursed to the shareholders.

Shareholders of the Bank

	31/03/2025		31/12/2024	
	Paid-in share capital (EUR)	Total shares with voting rights	Paid-in share capital (EUR)	Total shares with voting rights
RA Citadele Holdings LLC[1]	51,549,212	51,549,212	51,549,212	51,549,212
European Bank for Reconstruction and Development	39,138,948	39,138,948	39,138,948	39,138,948
EMS LB LLC[3]	17,635,133	17,635,133	17,635,133	17,635,133
Amolino Holdings Inc.[4]	13,490,578	13,490,578	13,490,578	13,490,578
Delan S.à.r.l.[2]	12,477,728	12,477,728	12,477,728	12,477,728
Shuco LLC[5]	9,838,158	9,838,158	9,838,158	9,838,158
Members of the Management Board of the Bank and parties related to them	920,712	920,712	920,712	920,712
Other shareholders	13,762,082	13,762,082	13,762,082	13,762,082
Total	**158,812,551**	**158,812,551**	**158,812,551**	**158,812,551**
Own shares	90,009		90,009	
Total paid capital	**158,902,560**		**158,902,560**	

[1] RA Citadele Holdings LLC (United States) is a wholly owned subsidiary of Ripplewood Advisors LLC and is beneficially owned by Mr Timothy Collins

[2] Delan S.à.r.l. is beneficially owned by the Baupost Group LLC

[3] EMS LB LLC is beneficially owned by Mr Edmond M. Safra

[4] Amolino Holdings Inc. is beneficially owned by Mr James L. Balsillie

[5] Shuco LLC is beneficially owned by Mr Stanley S. Shuman

Earnings per share

Basic earnings per share are calculated by dividing the net profit that is attributable to the shareholders by the weighted average number of the shares outstanding during the period. Diluted earnings per share are determined by adjusting the net profit that is attributable to the shareholders and the weighted-average number of the shares outstanding for the effects of all dilutive potential shares, which comprise share options granted to employees in the long-term incentive programs. The part of the performance-based employee share options for which the services under the approved long-term incentive programs have been received are included in the calculation of diluted earnings per share. The part of the performance-based employee share options, issuance of which is contingent upon satisfying specific conditions, in addition to the passage of time, are treated as contingently issuable shares. For contingently issuable share options where these conditions are not fully satisfied, the number of contingently issuable shares included in diluted earnings per share is based on the number of shares that would be issuable if the reporting date were the end of the contingency period.

	3m 2025 Group	3m 2024 Group	3m 2025 Bank	3m 2024 Bank
Profit for the period, EUR thousands	20,399	24,402	17,662	19,076
Weighted average number of the shares outstanding in thousands	158,813	158,162	158,813	158,162
Basic earnings per share in EUR	**0.13**	**0.15**	**0.11**	**0.12**
Weighted average number of the shares (basic) outstanding in thousands	158,813	158,162	158,813	158,162
Effect of share options in issue in thousands	1,146	1,418	1,146	1,418
Weighted average number of the shares (diluted) outstanding during the period in thousands	**159,959**	**159,580**	**159,959**	**159,580**
Profit for the period, EUR thousands	20,399	24,402	17,662	19,076
Weighted average number of the shares (diluted) outstanding in thousands	159,959	159,580	159,959	159,580
Diluted earnings per share in EUR	**0.14**	**0.15**	**0.11**	**0.12**
Net loss from discontinued operations (Note 17)	(1,070)	(1,148)	-	-
Profit for the period from continuing operations, EUR thousands	21,469	25,550	17,662	19,076
Basic earnings / (loss) per share in EUR	0.13	0.15	0.11	0.12
from continuing operations	*0.14*	*0.16*	*0.11*	*0.12*
from discontinued operations	*(0.01)*	*(0.01)*	-	-
Diluted earnings / (loss) per share in EUR	0.13	0.15	0.11	0.12
from continuing operations	*0.13*	*0.16*	*0.11*	*0.12*
from discontinued operations	*(0.01)*	*(0.01)*	-	-

NOTE 22. OFF-BALANCE SHEET ITEMS

Contingent liabilities and financial commitments outstanding

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Contingent liabilities:				
Outstanding guarantees	88,841	87,705	97,390	96,692
Outstanding letters of credit	115	340	280	341
Total contingent liabilities	**88,956**	**88,045**	**97,670**	**97,033**
Provisions for credit risk	(233)	(259)	(237)	(262)
Net credit risk exposure for guarantees and letters of credit	**88,723**	**87,786**	**97,433**	**96,771**
Financial commitments:				
Unutilised credit lines and loans granted, not fully drawn down	151,750	159,974	268,435	281,821
Card commitments	111,518	113,090	111,541	113,111
Factoring commitments	54,405	55,827	-	-
Performance commitments (guarantees)	18,433	14,397	18,433	14,397
Total financial commitments	**336,106**	**343,288**	**398,409**	**409,329**
Provisions for financial commitments	(2,193)	(2,474)	(2,086)	(2,413)
Net credit risk exposure for financial commitments	**333,913**	**340,814**	**396,323**	**406,916**
Discontinued operations:				
Contingent liabilities	18,842	353	-	-
Financial commitments	8,267	8,624	-	-

Lending commitments are a time limited promise that a specified amount of loan or credit line will be made available to the specific borrower on specific pre-agreed terms. For part of the committed lending promises clients have to perform certain obligations before the balance committed becomes available to them.

NOTE 23. ASSETS UNDER MANAGEMENT

Fair value of assets managed on behalf of customers by investment type

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Fixed income securities:				
Corporate bonds	138,152	138,819	-	-
Government bonds	120,665	115,670	-	-
Credit institution bonds	59,155	59,766	-	-
Loans	551	557	552	557
Other financial institution bonds	27,149	26,954	-	-
Total investments in fixed income securities	**345,672**	**341,766**	**552**	**557**
Other investments:				
Investment funds	688,635	686,306	-	-
Shares	122,234	134,917	-	-
Compensations for distribution on behalf of deposit guarantee fund	24,293	24,298	24,293	24,298
Deposits with credit institutions	8,112	1,117	-	-
Real estate	4,923	4,920	-	-
Other	19,663	24,919	-	-
Total other investments	**867,860**	**876,477**	**24,293**	**24,298**
Total assets under management	**1,213,532**	**1,218,243**	**24,845**	**24,855**

Customer profile on whose behalf the funds are managed

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Pension plans	896,674	908,626	-	-
Insurance companies, investment and pension funds	156,227	158,424	-	-
Private individuals	131,073	125,222	-	-
Other companies and government	29,558	25,971	24,855	24,855
Total liabilities under management	**1,213,532**	**1,218,243**	**24,855**	**24,855**

Funds managed by the Group on behalf of individuals, corporate customers, trusts and other institutions are not regarded as assets of the Group and, therefore, are not included in the balance sheet. Funds under management are presented in financial statements only for disclosure purposes and are off-balance sheet items.

NOTE 24. CASH AND CASH EQUIVALENTS

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Cash and cash balances with central banks	210,393	349,940	210,393	349,940
Loans on demand to credit institutions (excluding encumbered)	6,430	5,383	5,180	4,561
Demand deposits from central banks and credit institutions	(9,346)	(938)	(49,179)	(1,060)
Cash equivalents in discontinued operations	20,196	11,986	-	-
Total cash and cash equivalents	**227,673**	**366,371**	**166,394**	**353,441**

NOTE 25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

Fair value is the price that would be received for an asset sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Fair value hierarchy

Quoted market prices (Level 1) – Financial instruments are valued using unadjusted quoted prices in active markets.

Valuation technique: observable market inputs (Level 2) – Financial instruments are valued using techniques based on observable market data. In some instances, valuations received from independent third party are used or quotations from less active market.

Valuation technique: non-market observable inputs (Level 3) – Financial instruments are valued using techniques for which significant inputs are not based on observable market data.

Fair values of financial assets and liabilities of the Group on 31 March 2025

	Carrying value	Total fair value	Fair value hierarchy (where applicable) Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	112,860	112,860	108,864	3,996	-
Equity instruments	126	126	-	-	126
Non-trading financial assets at fair value through profit or loss:					
Debt securities	188,522	188,522	181,259	7,263	-
Equity instruments	733	733	-	-	733
Other financial instruments	23,707	23,707	23,707	-	-
Other financial assets at fair value through profit or loss					
Derivatives	2,056	2,056	-	2,056	-
Financial assets not measured at fair value:					
Cash and balances at central banks	210,393	210,393	-	-	-
Loans to credit institutions	9,447	9,447	-	-	-
Debt securities	901,636	848,522	734,689	113,833	-
Loans to public	3,366,397	3,409,621	-	-	3,409,621
Financial assets constituting discontinued operations:					
Cash, balances at central banks and loans to credit institutions	21,970	21,970	-	-	-
Debt securities measured at fair value through other comprehensive income	5,136	5,136	5,136	-	-
Debt securities not measured at fair value	30,805	30,033	28,627	1,406	-
Loans to public not measured at fair value	50,867	50,867	-	-	50,867
Total assets	**4,924,655**	**4,913,993**	**1,082,282**	**128,554**	**3,461,347**
Financial liabilities measured at fair value:					
Derivatives	4,976	4,976	-	4,976	-
Deposits and borrowings from customers	16,397	16,397	14,734	-	1,663
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	9,596	9,596	-	-	-
Deposits and borrowings from customers	3,862,649	3,863,435	-	-	3,863,435
Debt securities issued	297,539	293,527	-	293,527	-
Financial liabilities constituting discontinued operations:					
Deposits from credit institutions	1,773	1,773	-	-	-
Deposits and borrowings from customers not measured at fair value	129,019	129,019	-	-	129,019
Total liabilities	**4,321,949**	**4,318,723**	**14,734**	**298,503**	**3,994,117**

Fair values of financial assets and liabilities of the Group on 31 December 2024

	Carrying value	Total fair value	Fair value hierarchy (where applicable) Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	146,145	146,145	141,848	4,297	-
Equity instruments	126	126	-	-	126
Non-trading financial assets at fair value through profit or loss:					
Debt securities	167,947	167,947	160,698	7,249	-
Equity instruments	709	709	-	-	709
Other financial instruments	25,108	25,108	25,108	-	-
Other financial assets at fair value through profit or loss					
Derivatives	5,690	5,690	-	5,690	-
Financial assets not measured at fair value:					
Cash and balances at central banks	349,940	349,940	-	-	-
Loans to credit institutions	12,944	12,944	-	-	-
Debt securities	961,866	907,564	803,939	103,625	-
Loans to public	3,274,581	3,325,428	-	-	3,325,428
Financial assets constituting discontinued operations:					
Cash, balances at central banks and loans to credit institutions	12,125	12,125	-	-	-
Debt securities measured at fair value through other comprehensive income	6,704	6,704	6,704	-	-
Debt securities not measured at fair value	30,959	30,065	30,065	-	-
Loans to public not measured at fair value	52,516	52,516	-	-	52,516
Total assets	**5,047,360**	**5,043,011**	**1,168,362**	**120,861**	**3,378,779**
Financial liabilities measured at fair value:					
Derivatives	4,008	4,008	-	4,008	-
Deposits and borrowings from customers	17,327	17,327	15,630	-	1,697
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	3,228	3,228	-	-	-
Deposits and borrowings from customers	4,006,153	4,006,854	-	-	4,006,854
Debt securities issued	315,422	309,463	-	309,463	-
Financial liabilities constituting discontinued operations:					
Deposits from credit institutions	140	140	-	-	-
Deposits and borrowings from customers not measured at fair value	129,601	129,601	-	-	129,601
Total liabilities	**4,475,879**	**4,470,621**	**15,630**	**313,471**	**4,138,152**

Fair values of financial assets and liabilities of the Bank on 31 March 2025

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	91,639	91,639	88,575	3,064	-
Equity instruments	126	126	-	-	126
Non-trading financial assets at fair value through profit or loss:					
Debt securities	181,272	181,272	174,009	7,263	-
Equity instruments	733	733	-	-	733
Other financial instruments	459	459	459	-	-
Other financial assets at fair value through profit or loss					
Derivatives	2,056	2,056	-	2,056	-
Financial assets not measured at fair value:					
Cash and balances at central banks	210,393	210,393	-	-	-
Loans to credit institutions	19,339	19,339	-	-	-
Debt securities	887,325	834,517	721,988	112,529	-
Loans to public	3,260,724	3,303,948	-	-	3,303,948
Total assets	**4,654,066**	**4,644,482**	**985,031**	**124,912**	**3,304,807**
Financial liabilities measured at fair value:					
Derivatives	4,976	4,976	-	4,976	-
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	49,429	49,429	-	-	-
Deposits and borrowings from customers	3,860,845	3,862,915	-	-	3,862,915
Debt securities issued	297,539	293,527	-	293,527	-
Total liabilities	**4,212,789**	**4,210,847**	**-**	**298,503**	**3,862,915**

Fair values of financial assets and liabilities of the Bank on 31 December 2024

	Carrying value	Total fair value	Fair value hierarchy (where applicable): Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	123,969	123,969	120,933	3,036	-
Equity instruments	126	126	-	-	126
Non-trading financial assets at fair value through profit or loss:					
Debt securities	162,003	162,003	154,753	7,250	-
Equity instruments	709	709	-	-	709
Other financial instruments	838	838	838	-	-
Other financial assets at fair value through profit or loss					
Derivatives	5,690	5,690	-	5,690	-
Financial assets not measured at fair value:					
Cash and balances at central banks	349,940	349,940	-	-	-
Loans to credit institutions	23,748	23,748	-	-	-
Debt securities	948,855	894,921	793,274	101,647	-
Loans to public	3,170,572	3,221,419	-	-	3,221,419
Total assets	**4,786,450**	**4,783,363**	**1,069,798**	**117,623**	**3,222,254**
Financial liabilities measured at fair value:					
Derivatives	4,008	4,008	-	4,008	-
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	54,096	54,096	-	-	-
Deposits and borrowings from customers	4,003,611	4,005,743	-	-	4,005,743
Debt securities issued	315,422	309,463	-	309,463	-
Total liabilities	**4,377,137**	**4,373,310**	**-**	**313,471**	**4,005,743**

Reclassifications of debt securities accounted for at fair value

	EUR thousands: 3m 2025 Group	3m 2024 Group	3m 2025 Bank	3m 2024 Bank
Debt securities at fair value through other comprehensive income				
Presented as Level 1, reclassified from Level 2	498	15,891	-	14,022
Presented as Level 2, reclassified from Level 1	931	-	-	-
Debt securities at fair value through profit or loss				
Presented as Level 1, reclassified from Level 2	-	9,305	-	9,305
Presented as Level 2, reclassified from Level 1	-	-	-	-

Fair value hierarchy level for securities is established by benchmarking observed bid-ask spreads versus fixed pre-set bid-ask spread threshold which is fixed in the Group's fair value hierarchy methodology and is applied consistently year over year. Main contributor for reclassification of debt securities from Level 2 in the fair value hierarchy to Level 1 is narrowing bid-ask spreads. Widening bid-ask spreads have an opposite effect.

Changes in fair value of securities accounted for at fair value and categorised as Level 3

	EUR thousands: 3m 2025 Group	3m 2024 Group	3m 2025 Bank	3m 2024 Bank
As of the beginning of the period, net	**835**	**1,239**	**835**	**1,239**
Total comprehensive income				
Settlement on sale	-	-	-	-
Revaluation gain recognised in statement of income	*24*	*109*	*24*	*109*
Revaluation gain recognised in other comprehensive income	-	-	-	-
As of the end of the period, net	**859**	**1,348**	**859**	**1,348**

Fair value for equity instruments for which fair value is calculated based on non-market observable inputs is categorised as Level 3, as these financial instruments are not listed on an exchange and there are insufficient recent observable transactions on the market.

Changes in fair value of deposits and borrowings from customers measured at fair value and categorised as Level 3

	EUR thousands	
	3m 2025 Group	3m 2024 Group
Balance as at the beginning of the period	**1,697**	**2,246**
Premiums received	37	52
Commissions and risk charges	(3)	(12)
Paid to policyholders	(89)	(354)
Other	21	5
Currency revaluation result	-	7
Balance as at the end of the period	**1,663**	**1,944**

In the reporting period from financial liabilities designated at fair value through profit or loss which are not unit-linked the Group has recognised net revaluation result of EUR -18 thousand in the net financial income line of the statement of income (2024: EUR 0). Deposits and borrowings from customers measured at fair value and categorised as Level 3 relates to investment contracts of the Group's life insurance business. For such contracts premiums received are recognised as liabilities of the Group since settlement with small variation in due term is expected. For more details on insurance liabilities refer to *Insurance reserves* section of the note *Risk Management*.

NOTE 26. GEOGRAPHICAL DISTRIBUTION OF REVENUE

The geographical distribution of certain Group's items by the country where the business is carried out

	3m 2025				3m 2024			
	EUR thousands				EUR thousands			
	Operating income	**Operating profit before bank and income tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end	**Operating income**	**Operating profit before tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end
Latvia	34,141	17,317	(3,773)	954	41,353	23,293	(5,599)	992
Lithuania	13,031	5,385	(1,131)	252	10,528	6,631	(1,378)	251
Estonia	6,260	4,543	(617)	101	5,939	3,012	(490)	98
Total continuing operations before non-current assets held for sale	**53,432**	**27,245**	**(5,521)**	**1,307**	**57,820**	**32,936**	**(7,467)**	**1,341**
Latvia (result from non-current assets held for sale)	-	(255)	-	-	-	81	-	-
Switzerland (discontinued operations)	2,102	(1,049)	(21)	28	2,113	(1,119)	(29)	30
Total operations	**55,534**	**25,941**	**(5,542)**	**1,335**	**59,933**	**31,898**	**(7,496)**	**1,371**

During the reporting period no direct public subsidies were received from the public sector of the respective countries where the Group operates (2024: EUR 0.0 million).

NOTE 27. RISK MANAGEMENT

Risk management policies

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. 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 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 , identified material risk drives 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 Chief Risk Officer (CRO) who serves as a member of the Management Board. Importantly, the CRO's role is distinct and independent from operational activities to ensure unbiased risk oversight. To facilitate effective governance, the CRO maintains direct access to the Bank's Supervisory Board. 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 Division.

The main risks to which the Group is exposed are credit risk, market risk (including interest rate risk), liquidity risk, currency risk and operational risk and environmental and climate-related 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 to ensure the balance between the units responsible for risk monitoring and control and the units with business orientation.

Since the latest annual reporting date, the Group's exposure to risks has not changed materially, other than disclosed in this report. For more details on the Group's risk management policies refer to the latest annual report of the Group and the interim disclosures below.

Insurance reserves

	EUR thousands			
	31/03/2025 Group	**31/12/2024 Group**	**31/03/2025 Bank**	**31/12/2024 Bank**
Insurance reserves:				
Annuity pension products	17,985	17,088	-	-
Other life insurance reserves	2,986	2,744	-	-

Insurance reserves are presented as part of *Other liabilities*. Insurance reserves mostly comprise estimated present value of future cash outflows from defined benefit annuity pension products sold to customers by Group's subsidiary AAS CBL Life. The annuity products are subject to terms, conditions and limitations. Estimated cash outflows are conditional to life longevity assumptions and defined benefit payment structure.

If future expected attributable expenses were to change by +/-15%, the CSM part of the annuity pension products would change by EUR -35/+34 thousands (2024: EUR -19/+19 thousands). If discount rates, which were used in the period-end calculation of the annuity pension product reserve, were to change by +/-1.0 percentage point, the Group's net result would change by EUR +1.1/-1.3 million (2024: EUR +1.1/-1.3 million).

Assets, liabilities and off-balance sheet items by geographical profile

	Group as of 31/03/2025, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	195,412	13,057	1,924	-	-	210,393
Loans to credit institutions	1,250	-	-	6,662	1,535	9,447
Debt securities	382,380	447,700	98,723	198,015	76,200	1,203,018
Loans to public	1,464,904	1,268,630	619,805	7,586	5,472	3,366,397
Equity instruments	21	-	-	105	733	859
Other financial instruments	14,016	-	-	9,670	21	23,707
Derivatives	787	22	-	1,246	1	2,056
Discontinued operations	1,114	1,659	-	36,118	76,170	115,061
Other assets	64,365	5,648	4,549	104	53	74,719
Total assets	**2,124,249**	**1,736,716**	**725,001**	**259,506**	**160,185**	**5,005,657**
Liabilities						
Deposits from credit institutions and central banks	858	1,169	-	1,199	6,370	9,596
Deposits and borrowings from customers	2,996,623	774,878	55,933	12,303	39,309	3,879,046
Debt securities issued	297,539	-	-	-	-	297,539
Derivatives	1,353	48	-	3,564	11	4,976
Discontinued operations	1,074	-	775	23,292	109,653	134,794
Other liabilities	74,005	10,330	10,338	292	267	95,232
Total liabilities	**3,371,452**	**786,425**	**67,046**	**40,650**	**155,610**	**4,421,183**
Off-balance sheet items						
Contingent liabilities	4,210	51,238	32,329	1,126	18,895	107,798
Financial commitments	197,304	124,726	13,832	8,211	300	344,373

For additional information on geographical distribution of securities exposures please refer to note *Debt Securities*. Investments in mutual funds are classified by geographical profile of the issuer and not geographical profile of the ultimate exposure. From the Group's discontinued operations presented as "Other countries" EUR 7.0 million is central banks balances with Swiss National Bank (2024: EUR 7.1 million) and EUR 14.0 million are with Swiss credit institutions (2024: EUR 4.4 million).

	Group as of 31/12/2024, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	333,214	14,906	1,820	-	-	349,940
Loans to credit institutions	821	-	-	9,192	2,931	12,944
Debt securities	492,158	390,580	99,451	206,797	86,972	1,275,958
Loans to public	1,431,648	1,212,763	616,631	7,040	6,499	3,274,581
Equity instruments	21	-	-	105	709	835
Other financial instruments	14,953	-	-	10,138	17	25,108
Derivatives	5,077	11	-	601	1	5,690
Discontinued operations	1,113	1,658	-	37,216	63,649	103,636
Other assets	78,328	4,513	5,020	32	12	87,905
Total assets	**2,357,333**	**1,624,431**	**722,922**	**271,121**	**160,790**	**5,136,597**
Liabilities						
Deposits from credit institutions and central banks	2,290	201	-	737	-	3,228
Deposits and borrowings from customers	3,075,457	808,901	81,047	16,873	41,202	4,023,480
Debt securities issued	315,422	-	-	-	-	315,422
Derivatives	604	-	-	3,404	-	4,008
Discontinued operations	4,419	-	2,406	23,351	102,955	133,131
Other liabilities	69,318	14,137	10,978	128	85	94,646
Total liabilities	**3,467,510**	**823,239**	**94,431**	**44,493**	**144,242**	**4,573,915**
Off-balance sheet items						
Contingent liabilities	4,264	49,633	32,384	1,487	630	88,398
Financial commitments	217,684	110,938	14,451	8,542	297	351,912

	Bank as of 31/03/2025, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	195,412	13,057	1,924	-	-	210,393
Loans to credit institutions	-	-	-	6,662	12,677	19,339
Debt securities	377,726	444,041	97,782	174,392	66,295	1,160,236
Loans to public	2,156,300	765,466	326,133	7,434	5,391	3,260,724
Equity instruments	21	-	-	105	733	859
Other financial instruments	459	-	-	-	-	459
Derivatives	787	22	-	1246	1	2,056
Other assets	96,230	5,915	1,461	104	848	104,558
Total assets	**2,826,935**	**1,228,501**	**427,300**	**189,943**	**85,945**	**4,758,624**
Liabilities						
Deposits from credit institutions and central banks	858	1,169	-	1,199	46,203	49,429
Deposits and borrowings from customers	2,980,618	775,066	56,012	12,211	36,938	3,860,845
Debt securities issued	297,539	-	-	-	-	297,539
Derivatives	1,353	48	-	3,564	11	4,976
Other liabilities	39,408	4,953	1,969	115	71	46,516
Total liabilities	**3,319,776**	**781,236**	**57,981**	**17,089**	**83,223**	**4,259,305**
Off-balance sheet items						
Contingent liabilities	4,375	51,238	32,329	1,126	8,602	97,670
Financial commitments	247,544	109,597	16,892	176	24,200	398,409

	Bank as of 31/12/2024, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	333,214	14,906	1,820	-	-	349,940
Loans to credit institutions	-	-	-	9,192	14,556	23,748
Debt securities	485,129	386,942	98,518	185,788	78,450	1,234,827
Loans to public	2,107,110	729,115	321,060	6,880	6,407	3,170,572
Equity instruments	21	-	-	105	709	835
Other financial instruments	838	-	-	-	-	838
Derivatives	5,077	11	-	601	1	5,690
Other assets	111,888	5,855	1,062	32	806	119,643
Total assets	**3,043,277**	**1,136,829**	**422,460**	**202,598**	**100,929**	**4,906,093**
Liabilities						
Deposits from credit institutions and central banks	2,290	201	-	737	50,868	54,096
Deposits and borrowings from customers	3,058,085	809,064	81,187	16,608	38,667	4,003,611
Debt securities issued	315,422	-	-	-	-	315,422
Derivatives	604	-	-	3,404	-	4,008
Other liabilities	39,299	6,945	2,260	128	48	48,680
Total liabilities	**3,415,700**	**816,210**	**83,447**	**20,877**	**89,583**	**4,425,817**
Off-balance sheet items						
Contingent liabilities	4,265	49,633	32,384	1,487	9,264	97,033
Financial commitments	269,737	94,889	20,050	153	24,500	409,329

Liquidity coverage ratio

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.

	EUR thousands			
	31/03/2025	31/12/2024	31/03/2025	31/12/2024
	Group	Group	Bank	Bank
Liquidity buffer	1,173,587	1,373,288	1,140,251	1,338,651
Net liquidity outflow	633,584	759,478	681,570	815,661
Liquidity coverage ratio	**185%**	**181%**	**167%**	**164%**

Net stable funding ratio (including net result for the period, which is decreased in line with the dividend policy)

The net stable funding ratio (NSFR) is defined in the Regulation (EC) No 575/2013. NSFR is the ratio of the available amount of stable funding to the required amount of stable funding over one-year horizon. The minimum NSFR requirement is 100%. The minimum NSFR requirement is 100%. NSFR as of period end, if no Q1 2025 interim profits are included, for the Group is 133% and for the Bank is 184%.

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Total available stable funding	3,865,298	3,952,029	3,715,557	3,800,248
Total required stable funding	2,908,035	2,764,509	2,012,162	1,887,189
Net stable funding ratio	**133%**	**143%**	**185%**	**201%**

Capital management

Capital adequacy is calculated in accordance with the current global standards of the bank capital adequacy 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. A regulation (EU) 2024/1623 amending the regulation (EU) 575/2013 becomes effective from 1 January 2025. The regulation (CRR3) amends requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. As a result of CRR3 implementation as of 31 December 2024 the Group's exposure amounts for operational risk decreased by EUR 73 million, risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk decreased by EUR 84 million while exposure amounts for market risk increased by EUR 1 million. For credit risk the Group applies standardised approach.

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 repurchase, 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%.

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. Increases in countercyclical capital buffer norms, when announced by the respective country, become effective after prespecified delay. Decreases take effect immediately.

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 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.

For definitions of Alternative Performance Ratios refer to Definitions and Abbreviations section of these financial statements.

Regulatory capital requirements

	Group					
	31/03/2025			31/12/2024		
	Common equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital adequacy ratio	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%	4.50%	4.50%	4.50%
Additional Tier 1 ratio	-	1.50%	1.50%	-	1.50%	1.50%
Additional total capital ratio	-	-	2.00%	-	-	2.00%
Pillar 2 additional own funds requirement (individually determined by the supervisory authority in the SREP, P2R)	1.41%	1.88%	2.50%	1.41%	1.88%	2.50%
Capital buffer requirements:						
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
O-SII capital buffer (only for the Group)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Systemic risk buffer	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Countercyclical capital buffer	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Capital requirement	**10.82%**	**12.79%**	**15.41%**	**10.82%**	**12.79%**	**15.41%**
Pillar 2 Guidance (P2G)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Capital requirement with non-legally binding Pillar 2 Guidance	**12.32%**	**14.29%**	**16.91%**	**12.32%**	**14.29%**	**16.91%**

For the Bank as of period end Other systemically important institution buffer requirement is not applicable, Systemic risk buffer applies at 0.10% and institution specific Countercyclical capital buffer requirement is 0.81%. Thus, for the Bank as of period end Common equity Tier 1 capital ratio requirement is 9.32%, Tier 1 capital ratio requirement is 11.29% and Total capital adequacy ratio requirement is 13.91%. On top of the capital ratio requirements a 1.50% Pillar 2 Guidance applies.

Capital adequacy ratio (including net result for the period, which is decreased in line with the dividend policy)

	EUR thousands			
	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Common equity Tier 1 capital				
Paid up capital instruments and share premium	161,026	161,026	161,026	161,026
Retained earnings	414,102	393,967	338,408	320,746
Proposed or estimated dividends	(54,985)	(44,785)	(54,985)	(44,785)
Regulatory deductions	(9,792)	(9,908)	(6,614)	(7,330)
Other capital components, net	7,071	5,821	3,677	3,100
Tier 2 capital				
Eligible part of subordinated liabilities	60,000	60,000	60,000	60,000
Total own funds	**577,422**	**566,121**	**501,512**	**492,757**
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,284,437	2,249,254	1,561,375	1,528,578
Total exposure amounts for position, foreign currency open position and commodities risk	5,064	4,392	4,481	3,954
Total exposure amounts for operational risk	304,456	377,626	295,615	345,200
Total exposure amounts for credit valuation adjustment	3,451	10,437	3,450	10,111
Total risk exposure amount	**2,597,408**	**2,641,709**	**1,864,921**	**1,887,843**
Common equity Tier 1 capital ratio	**19.9%**	**19.2%**	**23.7%**	**22.9%**
Total capital adequacy ratio	**22.2%**	**21.4%**	**26.9%**	**26.1%**

The consolidated Group for regulatory purposes is different from the consolidated Group for accounting purposes. As per regulatory requirements AAS CBL Life, a licensed insurer, is not included in the consolidated 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.

Capital adequacy ratio (excluding net result for the period)

Per regulations, Bank may include interim or year-end profits in the regulatory capital before taking a formal decision confirming the final audited profit for the year only with a prior permission of the competent authority. Any foreseeable charges or dividends must be deducted from those profits. Submission of documents for permission takes time and such permission is requested only after the publishing of the financial report for the respective period and completion of the auditor's verification. Such permission of the competent authority for inclusion of the current period interim profits, which have been decreased by foreseeable charges and dividends, has been received for three months period end 31 March 2025. Below is presented a scenario, where no Q1 2025 interim profits are included. 2025 audited annual profits will become eligible for inclusion in the regulatory capital after the institution will take a formal decision confirming the final profit or loss for the year.

	EUR thousands	
	31/03/2025 Group	31/03/2025 Bank
Common equity Tier 1 capital	507,486	434,049
Tier 2 capital	60,000	60,000
Total own funds	**567,486**	**494,049**
Total risk exposure amount	**2,597,408**	**1,864,921**
Common equity Tier 1 capital ratio	**19.5%**	**23.3%**
Total capital adequacy ratio	**21.8%**	**26.5%**

Leverage ratio (including net result for the period, which is decreased in line with the dividend policy)

Leverage ratio is calculated as Tier 1 capital versus the total exposure measure. As of period end Citadele is not applying transitional provisions. 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. The fully loaded leverage ratio as of period end, if no Q1 2025 interim profits are included, for the Group is 10.0% and for the Bank is 8.9%.

	31/03/2025 Group	31/12/2024 Group	31/03/2025 Bank	31/12/2024 Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.2%	9.8%	9.1%	8.6%

Minimum requirement for own funds and eligible liabilities (MREL) under BRRD

The European Commission has adopted the regulatory technical standards (RTS) on the criteria for determining the minimum requirement for own funds and eligible liabilities (MREL) under the Banking Package (CRR2/CRD5/BRRD2/SRMR2). In order to ensure the effectiveness of bail-in and other resolution tools introduced by BRRD 2, all institutions must meet an individual MREL requirement. The MREL requirement for each institution is comprised of several elements, including calculation of the required loss absorbing capacity of the institution, and the level of recapitalisation needed to implement the preferred resolution strategy identified during the resolution planning process. Items eligible for inclusion in MREL include institution's own funds (within the meaning of the capital requirements directive), along with eligible liabilities subject to conditions set in regulation 2019/876.

MREL is required to be calculated based on both total risk exposure amount (TREA) and leverage ratio exposure (LRE) amount. Statutory subordination requirements may also be set depending on the Group's regulatory classification and are communicated individually in a MREL decision.

SRB as of the period end has determined the consolidated MREL target for the Group at the level of 24.22% of TREA, plus a combined buffer requirement, or 5.91% leverage ratio, whichever is higher. The Group must comply with MREL at all times on the basis of evolving amounts of TREA/LRE. As of the period end, the Group is in compliance with TREA and LRE based MREL requirements. As of the period end the Group's MREL (including net result for the period, which is decreased in line with the dividend policy) is 31.3% based on TREA criteria and 16.1% based on leverage ratio criteria. If Q1 2025 interim profits were excluded from the calculation, the ratios would be 30.9% and 15.9% respectively.

Starting from 16 July 2027, a proportion of the overall MREL requirement would have to be met by the Group with subordinated instruments, namely 13.50% of TREA, plus a combined buffer requirement, as well as a higher 7.75% leverage ratio. The Group is currently in the process of appealing the subordination requirement. The MREL target is determined by the SRB using financial and supervisory information and is re-calibrated by the SRB annually.

Managing Climate-related and environmental risk

Citadele recognizes that its operations and business model can be affected by climate-related and environmental (C&E) risks, both physical and transition risks, in several ways: as a direct risks to Citadele, and as risks to Citadele through its clients, partners and suppliers affected by C&E risks. Citadele is focused on integrating C&E risks into the broader risk management framework of the Bank. The Group views C&E risks as risk drivers affecting existing prudential risk categories such as Credit risk, Operational risk, Market risk, Liquidity risk and Strategic risk. Citadele's C&E risk management follows a general four step approach of risk identification, assessment, management and monitoring, that is embedded in the Bank's key processes. Work on integrating C&E risks in Citadele risk management framework is continuous and it is regularly reviewed and updated to align with scientific consensus and regulatory expectations. Within C&E risk management, integrating ECB expectations for safe and prudent management of C&E risks into the Bank's processes has continued to be the key focus. Some of the key steps being:

- Identification: identification of elevated transition risks at sector level, identification of physical risk at address level of collateralized real estate, identification of elevated C&E risks at exposure level for large exposures.
- Assessment: environmental and social risk assessment for new exposures exceeding EUR 1.0 million, quantification of physical and transition risk exposure on portfolio level.
- Managing risk: acceptable risk level thresholds in risk appetite, mitigating actions.
- Monitoring: risk appetite threshold monitoring, monitoring of environmental and social risk events.

C&E risk identification

Climate and environmental risks are identified both at portfolio level for transition and physical risks, and on exposure level for large new exposures. Climate risk drivers, representing climate-related changes that could materialize as financial risks through existing risk categories, are classified into one of two categories – physical and transition risks. Physical risks are further classified as acute or chronic, following general practice in the area. Because C&E risk as driver is manifesting through other risk categories, it is important to identify and understand the transmission channels through which these drivers are influencing overall risk. Potential effects of climate risk drivers have been identified for all key risk types of the Bank.

Materiality assessment

To understand Citadele Group's exposure and potential vulnerability to physical and transition risks, an annual Climate and Environmental Risk Materiality Assessment is performed. Focus of the latest materiality assessment was to incorporate ECB recommendations. The new approach ensures detailed analysis of transition and physical risk drivers, granular industry level analysis, assessment in the short (0-3 years), medium (3-5 years) and long-term (>5 years) horizon. It covers all major risk areas, such as Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risk. Citadele continued working on reinforcing the Materiality assessment and integration.

The identified material C&E risk drivers are included into Risk Appetite and Risk Strategy within the individual risk areas in accordance with the Group's ESG Risk Policy. This process also includes appropriate risk limit setting, the development of Key Risk indicators, and regular monitoring and reporting. Further monitoring is performed for sectors with increased climate-related and environmental risk.

To facilitate identification of material climate-related risks within sectors and portfolios, work is ongoing to increase the granularity of assessment. Quantification of exposure to Climate & Environmental risks is part of stress testing procedures, with scenarios developed for Credit Risk (both Physical and Transition risk scenarios), Market risk (combined Physical and Transition risk scenario), Operational risk (Physical and Transition risk scenarios) and Strategic risk (Transition risk scenarios).

To assess linkage between financial and nonfinancial risks, transmission channel approach is used. Transmission channels are the causal chains that explain how climate risk drivers may impact Citadele either directly or indirectly through counterparties, assets, and the economy.

C&E risks may manifest as both financial and nonfinancial risks. Financial risks are the probability to experience financial losses due to Climate-related & environmental events. Nonfinancial risks are viewed as probability that certain climate related and environmental events will leave negative impact on the Bank's reputation. Nonfinancial risks lead to financial consequences.

Managing climate-related risks

Managing ESG-related risk is key to Citadele's long-term sustainability. Citadele defines ESG risk as the risk of negative financial impact that stems from the current or prospective impacts of ESG factors on its counterparties or assets. In the process of integrating climate-related risk aspects into the existing risk management framework, Citadele has defined acceptable C&E risk levels and portfolio concentration for high-risk industries in its Risk Appetite Framework. All C&E risks identified as material are considered in Risk Appetite and Risk Strategy within the individual risk areas in accordance with the Group's ESG Risk Policy. This process also includes appropriate risk limit setting, the development of Key Risk indicators, and regular monitoring and reporting. Follow-up actions in case of limit breaches are included in Risk Strategy.

The risk management framework for categories where the impact of climate-related risk factors is identified as material is reinforced to include the climate related risk factor identification and management. A process for Environmental, Social and Climate-related risk assessment on individual large exposure level has been introduced into the credit assessment process. Its outcomes serve as basis to including the estimation of C&E and social risk aspects into credit decisions.

As part of C&E risk mitigation while structuring transactions with higher C&E risk levels and financing thresholds, Citadele is considering the existence and maturity its counterpart's C&E risk management action plan. It may affect the length, pricing, or other structuring conditions. Citadele realizes that C&E risk management and ESG area in general may be new to many of customers and are determined to support customers in navigating the requirements.

To embed C&E risk into Market risk management, an internal approach, linked to Industry Environmental risk level and based on GHG emissions is used for risk assessment and monitoring purposes. Citadele uses Environmental Risk score and external ESG rating cores for ESG risk management in corporate debt securities portfolio.

Citadele manages C&E risk drivers through Operational risk management by considering the potential adverse impact of events related to climate, environmental and social risk events on its Business Continuity Plan and potential reputational and litigation risk. Social media, as an essential communication channel for ESG topics, is monitored by the Marketing and Communication Department, and information obtained from this monitoring is considered during the Reputational risk management process.

C&E risk factors are included in the Bank's standardised stress tests and ad-hoc stress test scenarios.

Managing social and governance risks

Managing social and governance risks in addition to C&E risks is important for Citadele, to protect the Group's reputation, avoid legal and regulatory risks, achieve long-term strategic objectives, and contribute positively to society and the environment.

NOTE 28. EVENTS AFTER THE REPORTING DATE

Dividend payment for 2024

On 27 March 2025 a dividend of EUR 0.282 per share, which is EUR 44.8 million in total, was approved by shareholders. Dividend liability was not recongised as of the period end, as regulatory permission was pending as of that time. Ater regulatory approval, on 23 April 2025 the dividend was disbursed to the shareholders.

QUARTERLY STATEMENTS OF INCOME AND BALANCE SHEETS OF THE GROUP

	Group, EUR thousands				
	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Interest income	58,272	63,875	64,267	62,936	62,216
Interest expense	(13,706)	(16,169)	(15,022)	(14,353)	(15,227)
Net interest income	**44,566**	**47,706**	**49,245**	**48,583**	**46,989**
Fee and commission income	17,701	20,934	17,860	17,289	16,888
Fee and commission expense	(9,009)	(10,021)	(9,708)	(8,994)	(7,985)
Net fee and commission income	**8,692**	**10,913**	**8,152**	**8,295**	**8,903**
Net financial income	1,139	2,072	3,469	1,584	2,529
Net other income / (expense)	(965)	(679)	(2,189)	(211)	(601)
Operating income	**53,432**	**60,012**	**58,677**	**58,251**	**57,820**
Staff costs	(17,978)	(15,666)	(16,325)	(19,067)	(18,324)
Other operating expenses	(5,551)	(12,855)	(6,062)	(7,388)	(7,110)
Depreciation and amortisation	(2,082)	(3,562)	(2,462)	(2,421)	(2,308)
Operating expense	**(25,611)**	**(32,083)**	**(24,849)**	**(28,876)**	**(27,742)**
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale	**27,821**	**27,929**	**33,828**	**29,375**	**30,078**
Net credit losses	(527)	(1,968)	(4,481)	4,129	2,786
Other impairment losses	(49)	26	(2)	(5)	72
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale	**27,245**	**25,987**	**29,345**	**33,499**	**32,936**
Mortgage loan levy and bank tax	(22)	(2,246)	(2,246)	(2,909)	(2,246)
Result from non-current assets held for sale and discontinued operations, net of tax	(1,325)	(787)	172	(2,954)	(1,067)
Operating profit	**25,898**	**22,954**	**27,271**	**27,636**	**29,623**
Income tax	(5,499)	(3,945)	(3,393)	(5,169)	(5,221)
Net profit	**20,399**	**19,009**	**23,878**	**22,467**	**24,402**

	Group, EUR thousands				
	31/03/2025	31/12/2024	30/09/2024	30/06/2024	31/03/2024
Assets					
Cash and cash balances at central banks	210,393	349,940	418,897	157,349	380,396
Loans to credit institutions	9,447	12,944	12,820	31,028	35,496
Debt securities	1,203,018	1,275,958	1,234,390	1,234,624	1,244,517
Loans to public	3,366,397	3,274,581	3,133,130	3,048,684	2,910,501
Equity instruments	859	835	702	1,309	1,348
Other financial instruments	23,707	25,108	26,045	25,921	26,026
Derivatives	2,056	5,690	503	1,873	1,209
Investments in related entities	-	-	-	-	-
Tangible assets	20,021	17,993	9,466	10,649	10,295
Intangible assets	6,268	6,132	8,141	8,024	7,830
Current income tax assets	47	22	77	29	175
Bank tax assets	-	180	713	985	1,777
Deferred income tax assets	1,295	1,636	1,751	450	338
Discontinued operations and non-current assets held for sale	115,061	103,636	110,791	113,123	120,599
Other assets	47,088	61,942	47,241	50,237	42,706
Total assets	**5,005,657**	**5,136,597**	**5,004,667**	**4,684,285**	**4,783,213**
Liabilities					
Deposits from credit institutions and central banks	9,596	3,228	11,281	7,942	47,389
Deposits and borrowings from customers	3,879,046	4,023,480	3,928,264	3,693,732	3,736,933
Debt securities issued	297,539	315,422	283,576	281,488	261,226
Derivatives	4,976	4,008	3,791	1,066	1,294
Provisions	2,426	2,733	3,120	3,137	3,829
Current income tax liabilities	14,504	14,218	10,323	9,516	21,954
Deferred income tax liabilities	548	-	375	375	375
Discontinued operations	134,794	133,131	154,334	105,881	103,930
Other liabilities	77,754	77,695	66,806	66,315	65,524
Total liabilities	**4,421,183**	**4,573,915**	**4,461,870**	**4,169,452**	**4,242,454**
Equity					
Share capital	158,813	158,813	158,391	158,178	158,178
Reserves and other capital components	8,781	7,388	6,934	3,061	837
Retained earnings	416,880	396,481	377,472	353,594	381,744
Total equity	**584,474**	**562,682**	**542,797**	**514,833**	**540,759**
Total liabilities and equity	**5,005,657**	**5,136,597**	**5,004,667**	**4,684,285**	**4,783,213**

DEFINITIONS AND ABBREVIATIONS

This section summarises abbreviations and Alternative Performance Ratios (APR) used throughout these interim condensed financial statements. APRs may not be comparable across companies. Profit-related APR may exclude specific line items, like mortgage loan levy and bank tax, which doesn't meet corporate income tax definition as per IFRS or may exclude discontinued operations.

ALCO – Assets and Liabilities Management Committee.

AML – anti-money laundering.

BRRD – the bank recovery and resolution directive.

CAR – Total capital adequacy ratio as defined in the Regulation (EC) No 575/2013 and other relevant regulations. The ratio is calculated as a sum of equity, which is adjusted by specific regulatory deductions, and eligible subordinated liabilities, divided by risk weighted assets and other regulatory charges. The ratio indicates compliance with regulatory capital requirements at the end of the relevant period.

CET1 – Common Equity Tier 1 capital ratio as defined in the Regulation (EC) No 575/2013 and other relevant regulations. CET1 ratio is calculated as equity, which is adjusted by specific regulatory deductions, divided by risk weighted assets and other regulatory charges. The ratio indicates compliance with regulatory common equity tier one capital requirements at the end of the relevant period.

CIR – cost to income ratio. Calculated as "Operating expense" divided by "Operating income". Operating expenses are calculated as the sum of staff costs, other operating expenses and depreciation and amortisation charge for the relevant period. Operating income is calculated as the sum of net interest income, net fee and commission income, net financial and other income for the relevant period. CIR is used to determine the profitability and administrative efficiency of a bank during the period.

COR – cost of risk ratio. "Net credit losses" divided by the average of gross loans at the beginning and the end of the period. COR is a measure of estimated exposure to credit risk of the lending operations in the respective period.

CTF – combating terrorist financing.

ECB - European Central Bank.

EU – the European Union.

FMCRC – Financial Market and Counterparty Risk Committee.

IAS – International accounting standards.

ICAAP – internal capital adequacy assessment process.

IFRS – international financial reporting standards.

LCR – liquidity coverage ratio as defined in the Regulation (EC) No 575/2013 and other relevant regulations. LCR indicates regulatory compliance with this specific liquidity requirement measure at the end of the relevant period.

Loan-to-deposit ratio. Carrying value of "Loans to public" divided by "Deposits and borrowings from customers" at the end of the relevant period. This ratio shows utilisation of the attracted customer funds in lending to public.

LR – leverage ratio is calculated as Tier 1 capital versus the total exposure measure. LR indicates regulatory compliance with specific minimum leverage requirements set by the regulatory authority.

LRE – leverage ratio exposure. The exposure measure used in LR, calculated as per regulatory rules.

ML/TF/PF – money laundering, terrorism and proliferation financing.

MREL – minimum requirement for own funds and eligible liabilities.

NPL – non-performing loans. Stage 3 loans to public divided by total gross loans to public as of the end of the relevant period. NPL shows the proportion of credit impaired loans in the portfolio, a measure of the riskiness of the loans to customers portfolio.

NSFR – net stable funding ratio as defined in the Regulation (EC) No 575/2013 and other relevant regulations. A ratio indicating availability of the funding to cover liquidity needs, calculated as per regulatory rules.

OFAC – Office of Foreign Assets Control of the US Department of the Treasury.

O-SII – other systemically important institution.

ROA – return on average assets. Annualised net profit for the relevant period divided by the average of opening and closing total assets. ROA is a measure of profitability for the period generated by assets of the bank; indicating how efficiently assets are utilised in profit generation.

ROE – return on average equity. Annualised net profit for the relevant period divided by the average of opening and closing total equity. ROE is a measure of profitability for the period generated by equity of the bank; indicating how efficiently equity is utilised in profit generation.

RTS – regulatory technical standards.

SRB – the Single Resolution Board.

SREP – supervisory review and evaluation process.

Stage 3 impairment ratio – impairment allowance for stage 3 exposures divided by gross loans to public classified as stage 3. Indicates coverage of impairment allowance to cover credit impaired exposures as of period end. Measure of riskiness of the portfolio of loans to customers.

Stage 3 loans to public ratio – stage 3 loans to public divided by total loans to public as of the end of the relevant period. This ratio indicates the proportion of credit impaired loans in the total portfolio of loans to customers. Measure of riskiness of the portfolio of loans to customers.

TLTRO – ECB's targeted longer-term refinancing operations.

TREA – total risk exposure amount.

TSCR – SREP capital requirement set by the regulator.