

Key figures and events of the Group

Citadele delivered a solid financial performance in the first half of 2025, with operating income reaching EUR 111.5 million. Return on equity stood at 15.4%, while the cost-to-income ratio (CIR) improved to 47.1%, compared to 48.8% in the first half of 2024.

In H1 2025, the loan portfolio increased by 8% since the end of 2024, reaching EUR 3,539 million as of 30 June 2025. EUR 765 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 gross ratio decreased to 2.1% as of 30 June 2025, compared to 2.3% as of 31 December 2024.

Citadele's deposit base totalled EUR 3,987 million as of 30 June 2025, reflecting a 1% decrease since year-end 2024.

Citadele's active customer base grew by 6% year-over-year, reaching 408 thousand as of 30 June 2025. The number of active mobile app users rose to 275.8 thousand, reflecting a 7% year-over-year increase.

Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 22.6%, CET1 was 20.3%, and the LCR was 175% as of 30 June 2025.

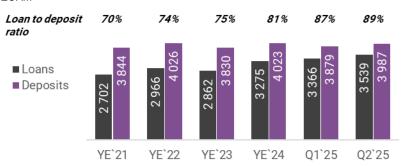
As of 30 June 2025, Citadele had 1,309 full-time employees (1,342 as of 31 December 2024).

Continuous operations only

EUR millions	6m 2025	6m 2024	Q2 2025	Q2 2024
Net interest income	89.2	95.6	44.6	48.6
Net fee and commission income	18.4	17.2	9.7	8.3
Net financial and other income	3.9	3.3	3.7	1.4
Operating income	111.5	116.1	58.0	58.3
Operating expense	(52.5)	(56.6)	(26.8)	(28.9)
Net credit losses and impairments	(4.5)	7.0	(3.9)	4.1
Net profit from continuous operations (after tax)	43.3	50.9	21.9	25.4
Return on average assets (ROA)	1.7%	2.2%	1.8%	2.2%
Return on average equity (ROE)	15.4%	19.8%	15.3%	19.2%
Cost to income ratio (CIR)	47.1%	48.8%	46.3%	49.6%
Cost of risk ratio (COR)	0.3%	(0.5%)	0.4%	(0.5%)

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.



Management report | Letter from the Management



Rūta Ežerskiene CEO and Chair of the Management Board

Resilient Baltic economies in a complex global environment

In the first half of 2025, the global economic environment was defined by heightened uncertainty stemming from shifting trade policies and tariff developments, particularly between the US and its global partners. Despite this volatility, the Baltic economies have shown resilience, supported by growing manufacturing output, improving consumer sentiment.

Lithuania continues to lead regional growth; the economy is benefiting from robust household consumption, strong manufacturing activity, and early signs of recovery in the real estate sector. Latvia's economy, while still recovering from a period of contraction, is showing encouraging signs of stabilization, with retail activity, manufacturing output, and sentiment indicators all trending positively. Estonia, though experiencing a more uneven recovery, has seen cyclical sectors contribute positively to growth, even as consumer confidence and sentiment in services remain subdued due to tax policy changes.

Across the region, household purchasing power is improving as real wages outpace inflation and labour markets remain relatively tight. Additionally, lower interest rates are also beginning to filter through to the real economy, supporting consumer demand and business investments. While risks remain, particularly related to geopolitical developments and global trade tensions, the underlying fundamentals of the Baltic economies appear to be strengthening.

As a leading financial institution in the region, we remain committed to supporting our clients through this evolving macroeconomic landscape. We continue to offer financing solutions tailored to both households and businesses, enabling investment, innovation, and growth. We are confident in the region's ability to adapt and thrive in a complex global environment.

Robust Financial Performance in H1 2025

In the first half of 2025, Citadele achieved strong financial results, generating an operating income of EUR 111.5 million and delivering a return on equity of 15.4%.

Citadele's total loan book grew to EUR 3,539 million as of 30 June 2025, marking an 8% increase (EUR 264 million) since 31 December 2024. Citadele continued to serve as a strategic partner for regional economic development, with new financing for private, SME, and corporate customers reaching EUR 765 million in H1 2025 - a 23% increase yearover-year. Of this amount, underscoring our commitment to advancing sustainable economic development, EUR 85 million was directed to green and transition financing, including green mortgages, loans for electric and plug-in hybrid vehicles, and corporate loans supporting environmentally sustainable activities.

The financial standing of our customers remains stable, and the quality of our loan portfolio continues to be strong. As of 30 June 2025, the non-performing loan (NPL) ratio stood at 2.1%, improved from 2.3% at year-end 2024. Our deposit base was stable and reached EUR 3,987 million.

Citadele continued to demonstrate financial resilience as of 30 June 2025. Our total capital adequacy ratio (CAR) stood at 22.6%, while the Tier 1 ratio was 20.3%. The Group's LCR and NSFR remained at healthy levels, standing at 175% and 139%, respectively, as of 30 June 2025, compared to 181% and 143% at year-end 2024.

In a dynamic economic environment with some global uncertainties, we remain focused on embracing strategic opportunities that enhance our market position and drive long-term growth.

Client base growth & digital focus

Citadele continues to expand its customer base, reinforcing its position among private individuals and businesses across the region. As of 30 June 2025, our active customer base reached 408 thousand, marking a 6% year-over-year increase. Digital engagement remains strong, with 86.5% of customers actively using digital channels. The number of active mobile app users rose to 275.8 thousand, reflecting a 7% year-over-year increase. While most digital customers prefer the mobile app, others continue to use internet banking services.

Innovations and development

During Q2 2025, a series of important updates were introduced to the Citadele Mobile App, further strengthening our digital offering. New features include the Piggybank savings tool, enhanced screen customization for improved privacy and usability, and a new onboarding flow that enables clients to open child accounts directly through the app. We further redesigned Mobile App to increase user experience, enhanced automated digital sales journeys, and implemented various improvements to boost app stability and performance. These developments reflect our ongoing commitment to providing a seamless, secure, and user-friendly digital banking experience for our clients.

Klix, Citadele's e-commerce checkout solution, continued its expansion, surpassing 3,300 merchants as of 30 June 2025. The registered user base exceeded 530 thousand with 192 thousand active users. In H1 2025, Klix processed 12.8 million transactions, amounting to EUR 492.9 million.



Management report | Letter from the Management

Klix added several high-profile clients during Q2, including one of the largest telecommunications providers, a major furniture retailer, and prominent market leaders in the optical and eyewear, health and beauty sectors.

Changes to the Management and Supervisory Boards

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. On 24 June 2025, after the regulatory confirmation, Liene Grūtupa commenced as Chief Compliance and Legal Officer. Ms. Grūtupa brings over 25 years of experience in senior legal and personnel management roles. She joined Citadele banka in 2011 as Head of the Legal Division and, since January 2022, has also held the position of Head of Human Resources. Her leadership experience underscores her ability to ensure compliance and support the Bank's continued growth and success. Ms. Grūtupa holds a law degree from the University of Latvia and an MBA from the Riga International School of Economics and Business Administration.

Karina Saroukhanian, member of the Supervisory Board, has resigned from her duties and left the Citadele Supervisory Board and the respective supervisory board committees as of 23 June 2025. Ms. Saroukhanian joined the Supervisory Board in 2016.

Events after the reporting period Sale of Swiss Subsidiary Kaleido Privatbank AG

In July 2025 Citadele has sold 100% of its Swiss subsidiary, Kaleido Privatbank AG, to a regulated French bank. This marks another important step in Citadele's strategy to focus on its core operations in the Baltic region. The sale reflects Citadele's long-term vision of becoming the leading financial services provider in the Baltics. By reallocating resources to its core markets, Citadele aims to further strengthen its presence and enhance value for clients, partners, and stakeholders across the region.

Looking Ahead

As we close the second quarter of 2025, Citadele continues to deliver on its strategic priorities. The successful completion of key initiatives - including the sale of Kaleido Privatbank AG - underscores our commitment to focus, agility, and growth in the Baltic region.

We see strong momentum across our core markets, driven by a dedicated team, growing customer engagement and focus, and ongoing investment in digital innovation. As economic conditions evolve, we remain proactive, resilient, and aligned with our long-term vision.

Looking ahead, we are excited to continue building meaningful partnerships, enhancing the customer experience, and contributing to a more sustainable and inclusive financial ecosystem. I am grateful to our clients, colleagues, and stakeholders for your ongoing confidence and partnership. Together, we are building a stronger Baltic region.

Financial review of the Group

Results and profitability in H1 2025

The Group delivered a solid financial performance in H1 2025, with operating income amounting to EUR 111.5 million, compared to EUR 116.1 million in H1 2024. EUR 58.0 million was recorded in Q2 2025.

Net interest income amounted to EUR 89.2 million in H1 2025, compared to EUR 95.6 million in H1 2024, mainly due to lower interest rate environment and due to a decline in interest income from balances with central banks and credit institutions. Net interest income in Q2 2025 was EUR 44.6 million.

The Group's net fee and commission income amounted to EUR 18.4 million in H1 2025, reflecting a 7% increase compared to H1 2024, primarily driven by higher card-related income. Net fee and commission income in Q2 2025 was EUR 9.7 million.

Operating expenses in H1 2025 amounted to EUR 52.5 million, representing a 7% decrease compared to H1 2024, primarily due to lower consulting expenses. Operating expenses for Q2 2025 were EUR 26.8 million.

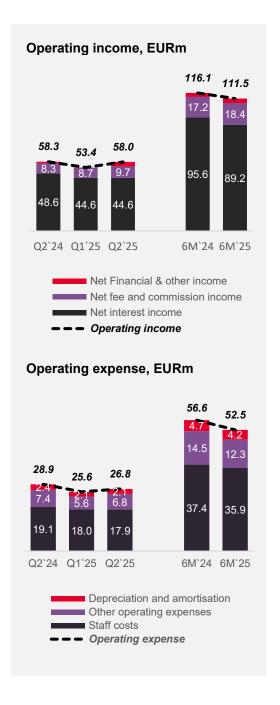
Staff costs declined by 4% to EUR 35.9 million in H1 2025 as compared to H1 2024. The number of full-time employees was 1,309 as of 30 June 2025, compared to 1,342 as of 31 December 2024, including 27 employees at Kaleido Privatbank AG, the Swiss subsidiary committed for sale (31 December 2024: 26 employees).

Other operating expenses totaled EUR 12.3 million, marking a 15% decrease compared to H1 2024, primarily driven by reductions in consulting expenses (-41%) and advertising and marketing expenses (-25%). Depreciation and amortization expenses amounted to EUR 4.2 million, reflecting an 11% decrease compared to H1 2024. Other operating expenses for Q2 2025 were EUR 6.8 million

Citadele's cost-to-income ratio was 47.1% in H1 2025, down from 48.8% in H1 2024. The cost-to-income ratio for Q2 2025 was 46.3%.

Net credit losses and impairments amounted to EUR 4.5 million in H1 2025, compared to reversals of EUR 7 million in H1 2024. This shift was partially driven by the growth in consumer and mortgage portfolios and move of some loan balances to higher impairment stage. In Q2 2025 alone, net credit losses and impairments totaled EUR 3.9 million.

Net profit from continuing operations reached EUR 43.3 million, a 15% decrease as compared to H1 2024, with a 15.4% ROE. Kaleido Privatbank AG, the Swiss subsidiary committed for sale, is classified as discontinued operations. The Group's total net profit was EUR 39.8 million in H1 2025.



Management report | Financial review of the Group

Balance sheet overview

The Group's **assets** stood at EUR 5,092 million as of 30 June 2025, representing a 1% decrease from year-end 2024 (EUR 5,137 million). As of 30 June 2025, Kaleido Privatbank AG, the Swiss subsidiary committed for sale, is presented as discontinued operations. Assets from continuing operations amounted to EUR 4,994 million as of 30 June 2025, compared to EUR 5,003 million as of 31 December 2024.

The net **loan portfolio** was EUR 3,539 million as of 30 June 2025, representing an 8% increase from year-end 2024. The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio was 2.1% as of 30 June 2025, down from 2.3% at 31 December 2024.

New financing in H1 2025 reached EUR 765 million, representing a 23% increase comparing to the same period in 2024, mainly impacted by higher lending volumes in the SME segment and private retail. EUR 265 million was issued to private customers, EUR 343 million to SMEs and EUR 155 million to corporate customers. EUR 85 million (11% of total new lending) was allocated to green and transition financing, including green mortgages, loans for electric and plug-in hybrid vehicles, and corporate loans supporting environmentally sustainable activities.

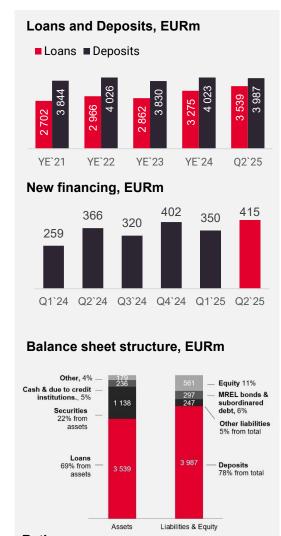
As of 30 June 2025, Latvia accounted for 43% of the loan portfolio with EUR 1,505 million (compared to 44% as of year-end 2024), followed by Lithuania at 38% with EUR 1,358 million (vs. 37% as of year-end 2024), Estonia at 19% with EUR 664 million (vs. 19% as of year-end 2024), and other EU and non-EU countries at 0.4% with EUR 12 million combined.

As of 30 June 2025, loans to households represented 45% of the total loan portfolio (compared to 46% as of year-end 2024). Mortgage loans increased by 12% from year-end 2024 and amounted to EUR 915 million. Finance leases to households grew by 18% to EUR 409 million (vs. EUR 348 million at year-end 2024). Consumer lending rose by 37%, reaching EUR 150 million, while card lending decreased by 8% to EUR 55 million. In terms of corporate exposures, the main industry concentrations were in Real estate purchase and management (13% of total loans), Trade (7%), Manufacturing (7%), and Transport and communications (5%).

The Group's **securities portfolio** forms a part of its liquidity resources and in H1 2025 decreased by 13% 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 45% decrease (EUR 78 million) in AAA/Aaa-rated bonds since year-end 2024 and a 6% decrease (EUR 54 million) in A-rated bonds

The Group's LCR and NSFR remained at healthy levels, standing at 175% and 139%, respectively, as of 30 June 2025, compared to 181% and 143% at year-end 2024.

The main source of Citadele's funding, **customer deposits**, decreased by 1% to EUR 3,987 million at 30 June 2025 compared to year-end 2024. Term deposits share out of total deposits stood at 25% as of 30 June 2025, as compared to 27% as of end of year 2024. Baltic domestic customer deposits formed 99% of total deposits or EUR 3,935 million (compared to 99% as of year-end 2024).



Ratings

On 6 December 2024 Moody's Ratings (Moody's) 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, totalling 369.8 thousand active private customers as of 30 June 2025 - a 5% year-over-year increase. In H1 2025, the Retail Private & Affluent segment's operating income amounted to EUR 41.5 million.

New lending to private individuals reached EUR 265 million in H1 2025, representing a EUR 47 million 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 24.0 million in H1 2025, accounting for 26% of total new mortgages.

Total loans to private individuals reached EUR 1,497 million as of 30 June 2025, an increase of EUR 92 million (7%) since 31 December 2024, with good loan quality. Deposits from private individuals totalled EUR 2,047 million, representing a slight increase of EUR 14 million (1%) compared to 31 December 2024.

SME segment

In H1 2025, the SME segment's operating income reached EUR 36.2 million, reflecting a 7% decrease compared to H1 2024, mainly impacted by declining Euribor.

New lending totalled EUR 343 million in H1 2025 - an increase of EUR 94 million, or 27%, compared to the same period a year ago.

Total loans to SMEs stood at EUR 1,176 million as of 30 June 2025, marking a 12% increase compared to year-end 2024, while loan quality remained strong. SME deposits reached EUR 880 million, down by 1% compared to 31 December 2024.

Corporate segment

The corporate segment's operating income reached EUR 15.4 million in H1 2025, reflecting an 8% increase compared to the same period in 2024.

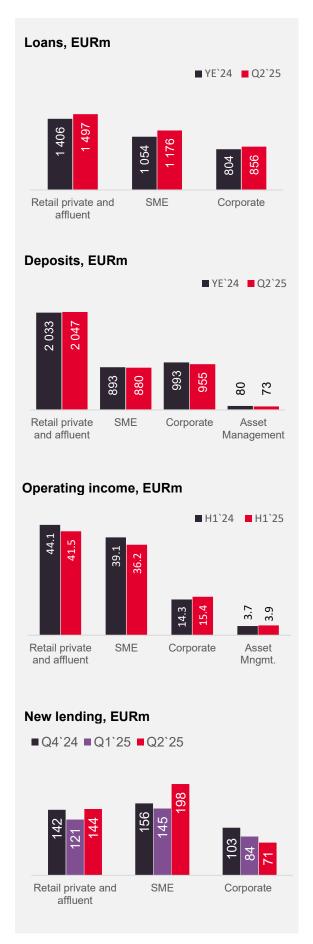
Corporate new financing amounted to EUR 155 million, representing a year-on-year increase of EUR 3 million. The total corporate loan portfolio stood at EUR 856 million, marking a 6% increase compared to year-end 2024. The quality of the credit portfolio remained strong.

The corporate deposit portfolio amounted to EUR 955 million as of 30 June 2025, reflecting a 4% decrease compared to year-end 2024.

Asset Management

Operating income reached EUR 3.9 million in H1 2025, reflecting a 6% increase compared to the same period a year ago. Total customer assets under management stood at EUR 1.22 billion, a moderate 2.6% increase from year-end 2024.

During H1 2025, total customer assets under management were notably impacted by valuation fluctuations in the financial markets. Nevertheless, asset management products experienced both organic year-to-date net inflows and non-organic growth from the acquisition of Signet's 2nd pillar pension portfolio, adding 3.7 thousand new customers and EUR 18 million in assets under management.



Business Environment

The global economic landscape during the first half of 2025 was shaped primarily by volatility in trade policy, with tariff uncertainty becoming the key theme driving shifts in sentiment, production, and consumption patterns across major economies. While some of the immediate disruption following the US administration's early-April tariff announcements has eased, the broader impact on global confidence and demand remains evident.

In the United States, economic performance was mixed. Real GDP contracted by 0.5% in Q1, posting the first decline since early 2022, as a rush to import goods ahead of the new tariffs dampened growth. The momentum appeared to return in Q2, driven by normalization in imports and slightly faster private consumption increase. However, the sustainability of growth is uncertain, as dynamics continue to be influenced by tariff-related fluctuations in foreign trade and the inventory cycle rather than long-term trends. Tariff-induced increase in prices and input costs led businesses to report the fastest increase in prices since 2022. In this context, the Federal Reserve maintained a cautious stance. Although markets expect up to two rate cuts by year-end, no immediate changes are anticipated given the re-emerging inflation risks and lessened recession fears.

In the euro area, the economy showed modest improvement in the first half of the year. Real GDP rose by 0.6% in Q1, up from 0.3% in Q4 2024. Activity was buoyed in part by technical factors - such as advanced exports to the US and frontloaded manufacturing output in anticipation of higher tariffs. Industrial sentiment improved, but consumer confidence took a sharp hit in April amid tariff concerns. Encouragingly, confidence levels recovered in May, and leading indicators suggest that the worst of the uncertainty may have passed. Inflationary pressures eased significantly, with euro area headline inflation declining to 1.9% and core inflation falling to 2.3% in May - both near and below the ECB's target. In response, the ECB continued its easing cycle, cutting the deposit rate by a full percentage point from the start of the year. Expectations for further monetary accommodation remain, though the outlook will depend heavily on the trajectory of global trade negotiations.

Baltic Economies - Resilience with Caution

The Baltic states entered 2025 with a cautiously positive trajectory, supported by easing inflation, resilient domestic demand, and increasingly favorable financing conditions driven by the ECB's accommodative stance. While regional growth remains uneven, sentiment and activity indicators generally improved throughout the first half of the year.

Lithuania remained the region's outperformer. Real GDP expanded by 3.2% year-on-year in Q1 2025, supported by strong performances in manufacturing, retail, and a visibly recovering real estate market. Key industrial sectors such as wood, electronics, and metal processing benefited from trade re-routing caused by tariffs, boosting output and sales. Retail activity also surpassed post-pandemic highs in constant prices, particularly in the non-food segment, reflecting strong household purchasing power. Improvements in consumer confidence and increased real estate transactions further signaled that Lithuania's domestic economy remains





Management report | Business environment

robust. However, the country's high exposure to exportoriented manufacturing (18% of GDP) leaves it vulnerable to prolonged tariff-related volatility.

Latvia's economy showed early signs of recovery after several quarters of contraction. While Q1 GDP declined by 0.3% year-on-year, the pace of contraction slowed, and both soft and hard indicators began to improve. Retail sales rose in the early months of Q2, particularly for durable goods, while industrial output reached its highest level since mid-2023. Sentiment improved across sectors, with industrial and construction confidence reaching multi-year highs in May. Though investment activity remains subdued, easing financial conditions and stabilizing consumer sentiment point to a potential turnaround in the second half of the year.

Estonia's economic signals remained mixed. GDP contracted by 0.3% year-on-year in Q1, but sectoral contributions from ICT, real estate, and manufacturing were positive. However, leading indicators deteriorated in April and May, with weakening sentiment across industrial and service sectors. The pending VAT increase from July 1st contributed to a drop in confidence and likely spurred temporary front-loaded consumption evident in a 6% year-on-year increase in retail sales in April. Still, business sentiment surveys suggest a more cautious outlook for H2, particularly as higher taxes weigh on disposable incomes and business margins.

Inflation across the region accelerated a bit toward the end of Q2, stood at 5.2% in Estonia, 3.9% Latvia and 3.2% in Lithuania. Combined with historically tight labor markets and steady wage growth, this has sustained household real incomes and supported retail activity across the Baltics. Unemployment rates in Q1 averaged 7.8% in Estonia, 6.9% in Latvia, and 6.4% in Lithuania.

Looking ahead, the business outlook for the rest of 2025 in the Baltic region is cautiously optimistic. Easing inflation, improving credit conditions, and resilient consumer demand will provide a solid foundation for continued recovery. However, geopolitical tensions, tariff-related uncertainty, and structural vulnerabilities, particularly in export-reliant sectors, remain key risks. If current momentum holds and external headwinds do not intensify, the Baltic economies may continue to outperform the broader euro area in the second half of the year.



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 73.7% 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), 1.6% shares are owned by the management, employees, and other investors, and 0.1% shares being own shares.

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

Supervisory Board of the Bank as of 30/06/2025:

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
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. Subsequent to the period end on 25 July 2025 Bingyang Zhu and Thomas Isaac were approved by the regulator.

On 23 June 2025 Karina Saroukhanian resigned from the Supervisory Board of AS Citadele banka.

Management Board of the Bank as of 30/06/2025:

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
Liene Grūtupa	Member of the Management Board	Chief Compliance and Legal 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. On 24 June 2025, the confirmation was received from the European Central Bank.

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 30 June 2025 and the results of their operations for the three and six months period ended 30 June 2025, changes in shareholders' equity and cash flows for the six months period ended 30 June 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 July 2025 executed a power of attorney appointing Rūta Ežerskienė empowering her to sign this report on its behalf. This document is signed using a qualified electronic signature by Rūta Ežerskienė on 5 August 2025.

Rūta Ežerskienė

Chair of the Management Board

CONDENSED STATEMENT OF INCOME

EUR thousands								
		Gro	•	Bank 25 Q2 2024 6m 2025 6m 2024 Q2 2025 Q				
Note	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Interest income calculated using the effective interest method 5 Other interest income 5	79,196 35,628	83,513 41,639	38,904 17,648		98,468	112,945	48,190	56,978
Interest expense 5	(25,637)				- (26,791)	(30,320)	(12,320)	(14,688)
Net interest income	89,187	95,572	44,621		71,677	82,625	35,870	42,290
	·			·	·			•
Fee and commission income 6	36,751	34,177	19,050		33,856	31,502	•	15,991
Fee and commission expense 6 Net fee and commission income	(18,341) 18,410	(16,979) 17,198	(9,332) 9,718	<u> </u>	,	·		(8,455)
Net lee and commission income	10,410	17,190	9,710	8,295	16,518	15,415	8,846	7,536
Net financial income 7	4,468	4,113	3,329	1,584	4,430	4,133	3,170	1,666
Net other income / (expense) 8	(613)	(812)	352	(211)	188	(530)	873	(275)
Operating income	111,452	116,071	58,020	58,251	92,813	101,643	48,759	51,217
Staff costs 9	(35,923)	(37,391)	(17,945)	(19,067)	(30,154)	(31,890)	(15,096)	(16,310)
	(12,303)	, ,	(6,752)		,	, ,	(6,227)	(6,835)
Depreciation and amortisation	(4,228)	(4,729)	(2,146)		(3,655)	(4,183)	(1,859)	(2,142)
Operating expense	(52,454)	(56,618)	(26,843)	(28,876)	(45,032)	(49,537)	(23,182)	(25,287)
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for								
sale	58,998	59,453	31,177	29,375	47,781	52,106	25,577	25,930
Net credit losses 11 Other impairment losses and other	(4,440)	6,915	(3,913)	4,129	(3,595)	10,755	(3,739)	7,909
provisions	(66)	67	(17)	(5)	972	971	1,008	900
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale	54,492	66,435	27,247	33,499	45,158	63,832	22,846	34,739
Mortgage loan levy and bank tax 12	-	, (5,155)	, _	(2,909)	•	, (5,134)	_	(2,899)
Result from non-current assets held for sale and discontinued	, ,			, ,	, ,			
operations, net of tax 17	, ,		(2,964)			(9,016)	(1,428)	(6,039)
Operating profit	50,181	57,259	24,283	27,636	43,452	49,682	21,418	25,801
Income tax 12	(10,392)	(10,390)	(4,893)	(5,169)	(8,566)	(9,648)	(4,194)	(4,843)
Net profit	39,789	46,869	19,390	22,467	34,886	40,034	17,224	20,958
Basic earnings / (loss) per share in								
EUR 21			0.12					0.13
from continuing operations from discontinued operations	0.27 (0.02)		0.13 (0.01)			0.25 -	0.14 -	0.13
Diluted earnings / (loss) per share								
in EUR 21			0.12				0.14	0.13
from continuing operations from discontinued operations	0.27 (0.02)		0.14 (0.01)			0.25 -	0.14 -	0.13

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
		Gro				Ва		
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Net profit	39,789	46,869	19,390	22,467	34,886	40,034	17,224	20,958
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	(28)	11	(28)	11	(28)	11	(28)	11
equity Income tax taken to equity	2,417 (405)	2,084 -	1,269 (204)	908	2,090 (405)	1,803 -	1,085 (204)	867 -
Debt securities at fair value through other comprehensive income (discontinued operations) Gains or losses transferred to								
profit or loss Valuation gains or losses taken to	67	70	42	36	-	-	-	-
equity Income tax taken to equity	23 (22)	149 (53)	(7) (9)	183 (30)	- -	- -	- -	-
Other reserves (discontinued operations)		(===)						
Foreign exchange retranslation	92	(569)	265	374	-	-	-	-
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	17	- -	17	-	17	-	17	-
Other comprehensive income / (loss)	2,161	1,696	1,345	1,486	1,674	1,818	870	882
Total comprehensive income	41,950	48,565	20,735	23,953	36,560	41,852	18,094	21,840



CONDENSED BALANCE SHEET

		EUR thousands					
		30/06/2025	31/12/2024	30/06/2025	31/12/2024		
		Group	Group	Bank	Bank		
Assets							
Cash and cash balances at central banks	24	223,322	349,940	223,322	349,940		
Loans to credit institutions		12,829	,	16,916	23,748		
Debt securities	13	1,111,817		1,073,330	1,234,827		
Loans to public	14	3,538,683	3,274,581	3,429,056	3,170,572		
Equity instruments	15	839		839	835		
Other financial instruments	15	23,658		-	838		
Derivatives	. •	1,384	5,690	1,384	5,690		
Investments in related entities	16	- 1,00	-	49,784	48,759		
Tangible assets	. •	22,436	17,993	13,984	14,204		
Intangible assets		6,442	6,132	4,195	3,876		
Current income tax assets	12	174	22	174	-		
Deferred income tax assets	12	1,123	1,636	1,087	1,572		
Bank tax assets	12	-,120	180	-,,,,,	180		
Discontinued operations and non-current			100		100		
assets held for sale	17	97,979	103,636	912	779		
Other assets		51,109		39,474	50,273		
Total assets		5,091,795	5,136,597	4,854,457	4,906,093		
10101 00000		0,001,700	0,100,001	4,004,401	4,000,000		
Liabilities							
Deposits from credit institutions and central							
banks	18	5,016	3,228	59,707	54,096		
Deposits and borrowings from customers	19	3,986,785		3,977,496	4,003,611		
Debt securities issued	20	297,100		297,100	315,422		
Derivatives		8,321	4,008	8,321	4,008		
Provisions	11	2,773		2,636	2,675		
Current income tax liabilities	12	7,026		6,101	12,301		
Deferred income tax liabilities	12	500	-	· -	-		
Bank tax liabilities	12	22	-	22	-		
Discontinued operations	17	139,322	133,131	-	-		
Other liabilities		84,187	77,695	30,127	33,704		
Total liabilities		4,531,052	4,573,915	4,381,510	4,425,817		
Equity							
Share conital	21	150 120	150 012	150 120	150 012		
Share capital Reserves and other capital components	21	159,138 10,120	158,813	159,138	158,813 717		
·				2,962			
Retained earnings Total equity		391,485 560,743	396,481 562,682	310,847 472,947	320,746 480,276		
		300,143	·				
Total liabilities and equity		5,091,795	5,136,597	4,854,457	4,906,093		
Off-balance sheet items							
Guarantees and letters of credit	22	111,408	88,398	95,253	97,033		
Financial commitments	22	379,353	351,912	396,311	409,329		

CONDENSED STATEMENT OF CHANGES IN EQUITY

			Group	, EUR thous	ands		
	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)	-	-	-	-	-	(50,617)	(50,617)
Share based payments to employees (Note 9 and Note 21)	33	120	-	-	1,337	-	1,490
Total comprehensive income	-	-	2,265	(569)	-	46,869	48,565
Net result for the period	-	-	-	-	-	46,869	46,869
Other comprehensive income / (loss) for the period	-	-	2,265	(569)	-	-	1,696
Balance as of 30/06/2024	158,178	1,295	(10,266)	7,120	4,912	353,594	514,833
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)	-	-	-	-	-	(44,785)	(44,785)
Share based payments to employees (Note 9 and Note 21)	325	553	-	-	18	-	896
Total comprehensive income	-	-	2,069	92	-	39,789	41,950
Net result for the period	-	-	-	-	-	39,789	39,789
Other comprehensive income / (loss) for the period	-	-	2,069	92	-	-	2,161
Balance as of 30/06/2025	159,138	2,766	(3,251)	7,487	3,118	391,485	560,743

	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)	-			-	(50,617)	(50,617)		
Share based payments to employees (Note 9 and Note 21)	33	120	-	1,337	-	1,490		
Total comprehensive income	-		- 1,818	-	40,034	41,852		
Net result for the period	-		-	-	40,034	40,034		
Other comprehensive income / (loss) for the period	-		- 1,818	-	-	1,818		
Balance as of 30/06/2024	158,178	1,29	(8,831)	4,912	290,124	445,678		
Balance as of 31/12/2024	158,813	2,213	(4,596)	3,100	320,746	480,276		
Dividends to shareholders (Note 21)	-		-	-	(44,785)	(44,785)		
Share based payments to employees (Note 9 and Note 21)	325	553	-	18	-	896		
Total comprehensive income	-		1,674	-	34,886	36,560		
Net result for the period	-			-	34,886	34,886		
Other comprehensive income / (loss) for the period	-		- 1,674	-	-	1,674		
Balance as of 30/06/2025	159,138	2,766	(2,922)	3,118	310,847	472,947		

CONDENSED STATEMENT OF CASH FLOWS

			EUR tho	usands	
	NI-4-	6m 2025	6m 2024	6m 2025	6m 2024
Operating activities	Note	Group	Group	Bank	Bank
Operating activities Operating profit before tax (discontinued net of tax and continuing)		50,181	57,259	43,452	49,682
Tax expense from discontinued operations	17	21	5	_	_
Interest income	5	(116,233)	(127,036)	(98,468)	(112,945)
Interest expense	5	25,785	29,680	26,791	30,320
Dividends income		6	(11)	(108)	(11)
Depreciation and amortisation		4,425	4,991	3,655	4,183
Impairment allowances and provisions		5,927	(5,715)	3,561	(2,660)
Currency translation and other non-cash items		6,220	1,700	6,493	1,939
Cash flows from the income statement		(23,668)	(39,127)	(14,624)	(29,492)
(Increase) / decrease in loans to public		(264,700)	(181,953)	(263,245)	(178,399)
Increase / (decrease) in deposits and borrowings from customers		(29,794)	(155,912)	(23,713)	(130,416)
(Increase) / decrease in loans to credit institutions		2,423	2,453	8,718	5,687
Increase / (decrease) in deposits from central banks and credit institutions		(2,039)	(38,750)	(52,786)	(58,130)
(Increase) / decrease in other items at fair value through profit or loss		8,619	(3,119)	8,619	(3,119)
(Increase) / decrease in other assets		18,213	13.734	10,940	(2,408)
Increase / (decrease) in other liabilities		2,698	(15,075)	(3,242)	(1,015)
Cash flows from operating activities before interest and corporate income tax		(288,248)	(417,749)	(329,333)	(397,292)
Interest received		117,785	126,274	99,494	112,659
Interest paid		(23,745)	(24,887)	(24,889)	(25,604)
Corporate income tax paid		(17,252)	(18,483)	(14,940)	(17,801)
Cash flows from operating activities		(211,460)	(334,845)	(269,668)	(328,038)
Investing activities					
Acquisition of tangible and intangible assets		(9,535)	(5,117)	(3,064)	(3,044)
Disposal of tangible and intangible assets		1,418	875	16	7
Investments in debt securities and other financial instruments		(121,024)	(64,607)	(115,247)	(60,876)
Proceeds from debt securities and other financial instruments		292,383	57,408	275,278	45,910
Dividends received		(6)	11	108	11
Sale or investments in subsidiaries and associates		-	-	(1,072)	(3,058)
Cash flows from investing activities		163,236	(11,430)	156,019	(21,050)
Financing activities					
Dividends paid		(44,785)	(50,756)	(44,785)	(50,756)
Proceeds from issue / (repayment of) of debt securities		(20,000)	19,760	(20,000)	19,760
Interest paid on debt securities issued		(2,828)	(1,725)	(2,828)	(1,725)
Repayment of lease liabilities		(1,916)	(1,820)	(1,897)	(1,631)
Cash flows from financing activities		(69,529)	(34,541)	(69,510)	(34,352)
Cash flows for the period		(117,753)	(380,816)	(183,159)	(383,440)
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	248,618	164,838	170,282	137,404

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*.

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 six months period ended 30 June 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 stock company on 30 June 2010. Citadele commenced its operations on 1 August 2010.

As of 30 June 2025, the Group had 1,309 (2024: 1,342) and the Bank had 1,081 (2024: 1,112) full time equivalent active employees. From total Group's full time equivalent active employees 27 (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 and Contracts Referencing Nature-dependent Electricity (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).

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.

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 +/- 0.02 million in impairment allowance for the Bank (2024: EUR +/- 0.24 million) and EUR +/- 0.15 million for the Group (2024: EUR +/- 0.45 million). For loans to public for which expected credit losses are individually assessed recovery estimates are mostly based solely on collateral disposal income. Change in estimated value of collateral by +/-5% for loans to public for which expected credit losses are individually assessed would result in EUR +/- 0.34 million change in impairment allowance for the Bank (2024: EUR +/- 0.35 million) and EUR +/- 0.55 million for the Group (2024: EUR +/- 0.50 million).



AS Citadele banka Interim financial statements | Notes

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 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 +4.5/-4.5 million for the Bank and EUR +6.7/-6.7 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 +6.6/-6.6 million for the Bank and EUR +10.0/-10.0 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, an adverse scenario and a positive scenario, which are applied proportionally to the estimated likelyhood of the furure economic development.



AS Citadele banka Interim financial statements | Notes

Key forward-looking information variables for measurement of expected credit losses as of 30 June 2025

_	Base	line scen	ario	Adverse scenario Positive sce		itive scen	nario		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Latvia									
GDP (annual change)	1.4%	2.0%	2.4%	(2.6%)	0.0%	2.4%	3.6%	4.2%	3.0%
Unemployment rate	6.8%	6.5%	6.2%	7.6%	7.5%	6.2%	6.1%	5.0%	4.7%
Average gross wage (annual change)	6.0%	6.2%	5.5%	(2.0%)	2.2%	3.5%	10.4%	10.7%	6.8%
Interest rate	2.1%	1.9%	2.2%	2.1%	2.3%	4.1%	2.0%	(0.1%)	(0.5%)
Lithuania									
GDP (annual change)	2.5%	2.3%	2.3%	(1.5%)	0.3%	2.3%	4.5%	4.7%	2.8%
Unemployment rate	6.9%	6.8%	6.6%	7.7%	7.8%	6.6%	6.4%	5.4%	5.2%
Average gross wage (annual change)	7.0%	6.7%	6.2%	(1.0%)	2.7%	4.2%	11.1%	11.5%	7.2%
Interest rate	2.1%	1.9%	2.2%	2.1%	2.3%	4.1%	2.0%	(0.1%)	(0.5%)
Estonia									
GDP (annual change)	1.5%	2.3%	2.4%	(2.5%)	0.3%	2.4%	4.2%	4.6%	2.9%
Unemployment rate	7.2%	6.7%	6.1%	8.0%	7.7%	6.1%	6.3%	5.0%	4.4%
Average gross wage (annual change)	5.3%	5.5%	5.1%	(2.7%)	1.5%	3.1%	10.6%	10.2%	6.1%
Interest rate	2.1%	1.9%	2.2%	2.1%	2.3%	4.1%	2.0%	(0.1%)	(0.5%)

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

	Base	line scer	nario	Adve	rse scer	nario	Pos	itive scen	ario
	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%	4.3%	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 10.3 million and for the Group by EUR 14.6 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 15.6 million and for the Group by EUR 22.5 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 25.6 million and for the Group by EUR 36.6 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*.

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.

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.



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Segments of the Group

Group 6m 2025, EUR thousands

Retail Private	Private affluent	SME	Corporate	Asset Manage- ment	Other	Total
42,885 (8,088) 34,797	1,419 (2,317) (898)	34,471 (4,296) 30,175	24,674 (10,480) 14,194	452 (235) 217	10,923 (221) 10,702	114,824 (25,637) 89,187
14,582 (7,804) 6,778	2,142 (603) 1,539	10,567 (5,426) 5,141	5,103 (3,847) 1,256	3,630 (220) 3,410	727 (441) 286	36,751 (18,341) 18,410
(157) (1,187)	179 463	1,210 (341)	354 (434)	119 170	2,763 716	4,468 (613)
40,231	1,283	36,185	15,370	3,916	14,467	111,452
360 40,591	4,194 5,477	(5,321) 30,864	151 15,521	317 4,233	299 14,766	- 111,452
(23,510) (3,870) (3) -	(2,227) (271) (1) -	(14,570) (1,000) (29) -	(9,056) 625 (20) -	(3,942) (1) - -	851 77 (13) (22) (745)	(52,454) (4,440) (66) (22) (745)
13,208	2,978	15,265	7,070	290	14,914	53,725 (3,544) 50,181
	42,885 (8,088) 34,797 14,582 (7,804) 6,778 (157) (1,187) 40,231 360 40,591 (23,510) (3,870) (3) -	Retail Private Private Private affluent 42,885 1,419 (8,088) (2,317) 34,797 (898) 14,582 2,142 (7,804) (603) 6,778 1,539 (157) 179 (1,187) 463 40,231 1,283 360 4,194 40,591 5,477 (23,510) (2,227) (3,870) (271) (3) (1) - - - -	Retail Private Private Private affluent SME 42,885 1,419 34,471 (8,088) (2,317) (4,296) 34,797 (898) 30,175 14,582 2,142 10,567 (7,804) (603) (5,426) 6,778 1,539 5,141 (157) 179 1,210 (1,187) 463 (341) 40,231 1,283 36,185 360 4,194 (5,321) 40,591 5,477 30,864 (23,510) (2,227) (14,570) (3,870) (271) (1,000) (3) (1) (29) - - -	Private affluent SME Corporate 42,885 1,419 34,471 24,674 (8,088) (2,317) (4,296) (10,480) 34,797 (898) 30,175 14,194 14,582 2,142 10,567 5,103 (7,804) (603) (5,426) (3,847) 6,778 1,539 5,141 1,256 (157) 179 1,210 354 (1,187) 463 (341) (434) 40,231 1,283 36,185 15,370 360 4,194 (5,321) 151 40,591 5,477 30,864 15,521 (23,510) (2,227) (14,570) (9,056) (3,870) (271) (1,000) 625 (3) (1) (29) (20)	Retail Private Private Private Private affluent SME Corporate Asset Management 42,885 1,419 34,471 24,674 452 (8,088) (2,317) (4,296) (10,480) (235) 34,797 (898) 30,175 14,194 217 14,582 2,142 10,567 5,103 3,630 (7,804) (603) (5,426) (3,847) (220) 6,778 1,539 5,141 1,256 3,410 (157) 179 1,210 354 119 (1,187) 463 (341) (434) 170 40,231 1,283 36,185 15,370 3,916 360 4,194 (5,321) 151 317 40,591 5,477 30,864 15,521 4,233 (23,510) (2,227) (14,570) (9,056) (3,942) (3) (1) (29) (20) - - - - - -	Retail Private Private Private SME Corporate Asset Management Other Management 42,885 1,419 34,471 24,674 452 10,923 (8,088) (2,317) (4,296) (10,480) (235) (221) 34,797 (898) 30,175 14,194 217 10,702 14,582 2,142 10,567 5,103 3,630 727 (7,804) (603) (5,426) (3,847) (220) (441) 6,778 1,539 5,141 1,256 3,410 286 (157) 179 1,210 354 119 2,763 (1,187) 463 (341) (434) 170 716 40,231 1,283 36,185 15,370 3,916 14,467 360 4,194 (5,321) 151 317 299 40,591 5,477 30,864 15,521 4,233 14,766 (23,510) (2,227) (14,570) (9,056) (3

Group 6m 2024, EUR thousands

		Rep	ortable s	egments			
	Retail Private	Private affluent	SME	Corporate	Asset Manage- ment	Other	Total
Interest income Interest expense Net interest income	46,584 (8,574) 38,010	1,691 (2,317) (626)	37,251 (4,343) 32,908	26,482 (13,098) 13,384	435 (228) 207	12,709 (1,020) 11,689	125,152 (29,580) 95,572
Fee and commission income Fee and commission expense Net fee and commission income	13,252 (6,985) 6,267	1,778 (538) 1,240	9,928 (4,875) 5,053	5,101 (3,763) 1,338	3,180 (119) 3,061	938 (699) 239	34,177 (16,979) 17,198
Net financial income Net other income / (expense)	99 (951)	173 (92)	1,317 (174)	(363) (80)	42 380	2,845 105	4,113 (812)
Operating income	43,425	695	39,104	14,279	3,690	14,878	116,071
Net funding allocation FTP adjusted operating income	(203) 43,222	5,078 5,773	(6,635) 32,469	1,277 15,556	393 4,083	90 14,968	- 116,071
Operating expense adjusted for indirect costs Net credit losses Other impairment losses and other provisions Mortgage loan levy and bank tax Result from non-current assets held for sale (Note 17)	(22,249) 310 (5) -	230	(14,957) (247) (14) -	(11,384) 6,502 (10) -	(3,290) 7 - -	(3,073) 113 99 (5,155) 49	(56,618) 6,915 67 (5,155) 49
Operating profit from continuous operations, before tax Discontinued operations (Note 17) Operating profit, before tax	21,278	4,335	17,251	10,664	800	7,001	61,329 (4,070) 57,259



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	Group as of 30/06/2025, EUR thousands									
		Repor	table segn	nents		Other				
	Retail Private	Private affluent	SME	Corporate	Asset Manage- ment	(including discontinued operations)	Total			
Assets										
Cash, balances at central banks	-	-	-	-	-	223,322	223,322			
Loans to credit institutions	-	-	-	-	1,275	11,554	12,829			
Debt securities	-	-	-	11,967	38,486	1,061,364	1,111,817			
Loans to public	1,438,626	58,731	1,176,307	855,509	-	9,510	3,538,683			
Equity instruments	-	-	-	-	-	839	839			
Other financial instruments	-	-	-	-	23,658	-	23,658			
All other assets	-	-	85	31	3,970	176,561	180,647			
Total segmented assets	1,438,626	58,731	1,176,392	867,507	67,389	1,483,150	5,091,795			
Liabilities										
Deposits from banks	-	-	-	-	-	5,016	5,016			
Deposits from customers	1,648,788	398,514	880,348	955,202	73,082	30,851	3,986,785			
Debt securities issued	103,984	3,355	87,256	101,008	-	1,497	297,100			
All other liabilities	-	-	26	2	28,622	213,501	242,151			
Total segmented liabilities	1,752,772	401,869	967,630	1,056,212	101,704	250,865	4,531,052			

Group as of 31/12/2024, EUR thousands

		Repor	Other				
	Retail Private	Private affluent	SME	Corporate	Asset Manage- ment	(including discontinued operations)	Total
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								
		Gro	up			Ва	nk		
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024	
Interest income calculated using the effective interest method: Financial instruments at amortised									
cost:	67 100	60 000	22 120	25.002	06 606	00.007	40 E00	EO 90E	
Loans to public Debt securities	67,100	69,800	33,120	35,992	86,626	99,097	42,588	50,805	
Balances from central banks and	5,538	4,689	2,796	2,424	5,461	4,627	2,751	2,393	
credit institutions	2.006	7 165	1 107	2 607	2 102	7 722	1 156	2.050	
	2,996	7,165	1,107	2,687	3,192	7,732	1,156	2,950	
Deposits from public at negative interest rates	227	285	110	139	23	24	11	12	
Debt securities at fair value through	221	200	110	139	23	24	- 11	12	
profit or loss	3,109	1,168	1,670	678	3,024	1,158	1,623	668	
Debt securities at fair value through	3, 109	1,100	1,070	070	3,024	1,130	1,023	000	
other comprehensive income	226	406	101	198	142	307	61	150	
Interest income on finance leases	220	400	101	190	142	307	01	130	
(part of loans to public)	35,628	41,639	17,648	20,818	_	_	_	_	
Total interest income	114,824	125,152	56,552	62,936	98,468	112,945	48,190	56,978	
Total interest income	114,024	123,132	30,332	02,930	30,400	112,343	40,130	30,976	
Interest expense on:									
Financial instruments at amortised cost:									
Deposits and borrowing from public	(20,121)	(24,461)	(9,160)	(11,909)	(20,401)	(24,809)	(9,292)	(12,078)	
Debt securities issued	(4,506)	(3,714)	(2,237)	(2,049)	(4,506)	(3,714)	(2,237)	(2,049)	
Deposits from credit institutions	(1,000)	(0,)	(=,==:)	(=,0.0)	(1,000)	(0,)	(=,==:)	(=,0.0)	
and central banks (including									
TLTRO-III)	(14)	(770)	(12)	(372)	(910)	(1,207)	(277)	(559)	
Other assets at negative interest	` '	(- /	` '	(- /	(/	(, - ,	(/	()	
rates	(62)	(149)	(22)	(70)	(49)	(117)	(19)	(55)	
Financial liabilities at fair value	,	,	,	()	()	` ,	()	` ,	
through profit or loss									
Deposits and borrowing from public	(8)	(11)	(4)	(5)	-	-	-	_	
Lease liabilities	(132)	(53)	(63)	(24)	(132)	(51)	(63)	(23)	
Other interest expense	(794)	(422)	(433)	76	(793)	(422)	(432)	`76	

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As 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.

(11,931)

44,621

(14,353)

48,583

(26,791)

71,677

(30,320)

82,625

(12,320)

35,870

(14,688)

42,290

(29,580)

95,572

(25,637)

89,187

Total interest expense

Net interest income

NOTE 6. FEE AND COMMISSION INCOME AND EXPENSE

	EUR thousands								
		Gro	up		Bank				
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024	
Fee and commission income:									
Cards	24,272	22,525	12,878	11,334	24,272	22,526	12,878	11,335	
Payments and transactions	5,771	5,510	2,897	2,809	5,784	5,523	2,903	2,816	
Asset management and custody	3,988	3,524	1,991	1,794	1,130	1,028	645	578	
Securities brokerage	369	328	174	127	375	333	176	131	
Other fees	1,033	1,121	504	542	995	971	496	479	
Total fee and commission income from	35,433	33,008	18,444	16,606	32,556	30,381	17,098	15,339	
contracts with customers									
Guarantees letters of credit and loans	1,318	1,169	606	683	1,300	1,121	596	652	
Total fee and commission income	36,751	34,177	19,050	17,289	33,856	31,502	17,694	15,991	
Fee and commission expense on:									
Cards	(14,223)	(12, 186)	(7,162)	(6,274)	(14,221)	(12,186)	(7,162)	(6,274)	
Payments and transactions	(1,933)	(1,992)	(1,050)	(1,033)	(1,932)	(1,992)	(1,049)	(1,033)	
Securitisation	(1,148)	(1,239)	(531)	(637)	(248)	(432)	(115)	(141)	
Asset management custody and	, ,	, ,	, ,	, ,	, ,	, ,	, ,	, ,	
securities brokerage	(473)	(478)	(243)	(257)	(468)	(476)	(242)	(257)	
Other fees	(564)	(1,084)	(346)	(793)	(469)	(1,001)	(280)	(750)	
Total fee and commission expense	(18,341)	(16,979)	(9,332)	(8,994)	(17,338)	(16,087)	(8,848)	(8,455)	
Net fee and commission income	18,410	17,198	9,718	8,295	16,518	15,415	8,846	7,536	

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							
		Gro	up		Bank			
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Foreign exchange trading, revaluation and related derivatives	4,062	4,577	2,018	1,871	4,119	4,573	2,063	1,854
Non-trading assets and liabilities at fair value through profit or loss	1,155	916	1,782	22	1,060	940	1,578	121
Derecognition of assets at amortised cost	214	-	214	-	214	-	214	-
Assets at fair value through other comprehensive income Modifications in cash flows which do not	28	(11)	28	(11)	28	(11)	28	(11)
result in derecognition	(991)	(1,369)	(713)	(298)	(991)	(1,369)	(713)	(298)
Total net financial income	4,468	4,113	3,329	1,584	4,430	4,133	3,170	1,666

When modification or renegotiation of contractual cash flows of a financial asset does not result in de-recognition or re-recognition of financial asset, the Group recognise a modification gain or loss in profit or loss. In periods characterised by competitive market environment, where more interest rates for existing loans are renegotiated down than up, a loan modification loss is recognised. Vice versa, when in a period more interest rates for existing loans are renegotiated up then down, a loan modification gain is recognised. Loan modification result is amortised back to the interest income over the remaining maturity of the loan.

NOTE 8. NET OTHER INCOME

	EUR thousands								
		Gro	oup			Ва	nk		
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024	
Operating lease income	667	676	358	338	-	-	-	-	
Dividend income	6	11	3	5	108	11	105	5	
Other income	1,726	733	1,540	477	2,344	1,231	1,724	616	
Total other income	2,399	1,420	1,901	820	2,452	1,242	1,829	621	
Insurance contracts:									
Insurance revenue	686	614	395	304	-	-	-	-	
Insurance expense	(183)	(133)	(138)	(53)	-	-	-	-	
Financing .	(39)	158	(183)	155	-	-	-	-	
Reinsurance contracts:	` '		, ,						
Net income / (expenses)	(134)	(63)	(76)	(34)	-	-	-	-	
Financing	56	13	14	21	-	-	-	-	
Net insurance result	386	589	12	393	-	-	-	-	
Supervisory fees	(970)	(932)	(475)	(451)	(941)	(890)	(461)	(434)	
Depreciation of assets under operating	,	,	,	,	,	,	, ,	` ,	
lease	(563)	(519)	(301)	(263)	-	-	-	-	
Other expenses	(1,865)	(1,370)	(785)	(710)	(1,323)	(882)	(495)	(462)	
Total other expense	(3,398)	(2,821)	(1,561)	(1,424)	(2,264)	(1,772)	(956)	(896)	
Total net other income / (expense)	(613)	(812)	352	(211)	188	(530)	873	(275)	

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							
		Gro	up		Bank			
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Remuneration:								
- management	(2,353)	(2,181)	(906)	(1,180)	(2,034)	(1,961)	(774)	(1,053)
- other personnel	(27,287)	(28,546)	(13,877)	(14,505)	(22,808)	(24,292)	(11,646)	(12,359)
Total remuneration for work	(29,640)	(30,727)	(14,783)	(15,685)	(24,842)	(26,253)	(12,420)	(13,412)
Social security and solidarity tax contributions:								
- management	(431)	(287)	(174)	(129)	(356)	(245)	(137)	(127)
- other personnel	(5,376)	(5,656)	(2,750)	(2,863)	(4,454)	(4,775)	(2,280)	(2,425)
Total social security and solidarity tax contributions	(5,807)	(5,943)	(2,924)	(2,992)	(4,810)	(5,020)	(2,417)	(2,552)
Other personnel expense, net of insurance acquisition cash flow								
adjustment	(476)	(721)	(238)	(390)	(502)	(617)	(259)	(346)
Total personnel expense	(35,923)	(37,391)	(17,945)	(19,067)	(30,154)	(31,890)	(15,096)	(16,310)

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 Q2 2025 management's remuneration expense decreased mainly as a result of revised estimate of the number of share options expected to vest.

Number of full-time equivalent employees at the period end

	00/00/2020	01/12/2027	00,00,2020	01/12/2024
	Group	Group	Bank	Bank
Continuous operations	1,282	1,316	1,081	1,112
Discontinued operations	27	26	-	-
Total full-time equivalent employees	1,309	1,342	1,081	1,112

30/06/2025 31/12/2024 30/06/2025

FUR thousands

31/12/2024

NOTE 10. OTHER OPERATING EXPENSES

	EUR thousands							
		Gro	up		Bank			
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Information technologies and communications	(4,493)	(4,194)	(2,254)	(2,080)	(3,976)	(3,718)	(2,019)	(1,836)
Consulting and other services	(2,518)	(4,241)	(1,461)	(2,298)	(2,357)	(4,073)	(1,369)	(2,214)
Rent, premises and real estate	(1,396)	(1,403)	(738)	(708)	(1,328)	(1,338)	(709)	(676)
Advertising and marketing	(1,347)	(1,798)	(911)	(1,008)	(1,235)	(1,730)	(836)	(965)
Non-refundable value added tax	(1,585)	(1,962)	(911)	(760)	(1,513)	(1,872)	(880)	(714)
Other	(964)	(900)	(477)	(534)	(814)	(733)	(414)	(430)
Total other expenses	(12,303)	(14,498)	(6,752)	(7,388)	(11,223)	(13,464)	(6,227)	(6,835)

NOTE 11. NET CREDIT LOSSES

Total net impairment allowance charged to the income statement

				LOIVER	Jusanus				
	Group				Bank				
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024	
Loans to credit institutions	-	(1)	-	(1)	15	7	3	5	
Debt securities	72	151	81	154	73	144	83	147	
Loans to public	(5,684)	4,159	(4,292)	2,738	(4,879)	7,947	(4,120)	6,466	
Loan commitments, guarantees and									
letters of credit	(42)	1,665	(348)	693	37	1,766	(313)	764	
Recovered written-off assets	1,214	941	646	545	1,159	891	608	527	
Total net losses on financial instruments	(4,440)	6,915	(3,913)	4,129	(3,595)	10,755	(3,739)	7,909	

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 details 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 mainly for Stage 1 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 persist. 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.

In the prior period several adjustments were introduced in the collective provisioning models, ranging from updates in methodology incorporating forward-looking information to improvements in LGD modelling, resulting in impairment release. In the reporting period no material methodology changes took place, resulting in impairment charges consistent with normal lending business.



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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	Charged t	o statement o		Write-offs of C	Other adjust-	Closing balance
	01/01/2025	Origination	Repayment disposal	Credit risk, net	allowances	ments	30/06/2025
Stage 1			(0.5)				
Loans to credit institutions	2 385	24 59	(35)	11	-	-	2
Debt securities Loans to public	385 44,881	7,964	(102) (1,988)	(29) (5,543)		(27)	313 45,287
Loan commitments, guarantees	44,001	7,904	(1,900)	(5,545)	-	(27)	45,267
and letters of credit	2,523	596	(294)	(550)	_	(2)	2,273
Total stage 1 credit losses and	47,791	8,643	(2,419)	(6,111)		(29)	47,875
provisions	,	0,0.0	(=, : : 0)	(0,)		(=0)	,0.0
Stage 2							
Loans to public	11,475	231	(1,806)	188	_	11	10,099
Loan commitments, guarantees	11,110	201	(1,000)	100			10,000
and letters of credit	79	5	(3)	(1)	-	-	80
Total stage 2 credit losses and	11,554	236	(1,809)	187		11	10,179
provisions							
Stage 3							
Loans to public	38,297	-	(2,759)	9,418	(2,715)	(1,226)	41,015
Loan commitments, guarantees			,		,	,	
and letters of credit	131	-	(5)	294	-	-	420
Total stage 3 credit losses and	38,428	-	(2,764)	9,712	(2,715)	(1,226)	41,435
provisions							
DOOL							
POCI Loans to public	512		(23)	2			491
Total POCI credit losses and	512		(23)	2			491
provisions	512	-	(23)	2	-	-	491
Total allowances for credit losses and provisions	98,285	8,879	(7,015)	3,790	(2,715)	(1,244)	99,980
Including for debt securities classified at fair value through							
other comprehensive income	39						26

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



other comprehensive income

AS Citadele banka

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Group, EUR thousands

	Opening	Charged t	to statement o	Write-offs of Offper adjust-		Closing	
	balance 01/01/2024	Origination	Repayment disposal	Credit risk, net	allowances	ments	balance 30/06/2024
Stage 1							
Loans to credit institutions	3	114	(124)	11	-	-	4
Debt securities	583	22	(7)	(166)	-	-	432
Loans to public	52,173	7,375	(1,762)	(14,782)	-	16	43,020
Loan commitments, guarantees							
and letters of credit	4,502	1,288	(515)	(2,435)	-	3	2,843
Total stage 1 credit losses and	57,261	8,799	(2,408)	(17,372)	-	19	46,299
provisions							
Stage 2							
Loans to public	15,652	229	(1,167)	(2,729)		15	12,000
Loan commitments, guarantees	10,002	220	(1,101)	(2,720)	,	10	12,000
and letters of credit	157	2	(63)	106	· -	_	202
Total stage 2 credit losses and	15,809		, ,			15	12,202
provisions	10,000		(1,200)	(=,0=0)			,
•							
Stage 3	20 505		(2.702)	11 010	(0.500)	1 222	24 724
Loans to public	30,585	-	(2,793)	11,218	(8,509)	1,223	31,724
Loan commitments, guarantees and letters of credit	140		(442)	394	ı		02
			(442)			- 4 200	92
Total stage 3 credit losses and	30,725	-	(3,235)	11,612	(8,509)	1,223	31,816
provisions							
<u>POCI</u>							
Loans to public	563		(82)	334	-	-	815
Total POCI credit losses and	563	-	(82)	334		-	815
provisions							
Total allowances for credit	104,358	9,030	(6,955)	(8,049)	(8,509)	1,257	91,132
losses and provisions	104,330	9,030	(0,933)	(0,043)	(0,303)	1,237	31,132
Including for debt securities							
classified at fair value through							

			Bank	, EUR thousa	ands		
	Opening	Charged t	o statement o	of income	Write-offs of O	Closing	
	balance 01/01/2025	Origination	Repayment disposal		allowances	ments	balance 30/06/2025
Stage 1							
Loans to credit institutions	18	23	(36)	(2)	-	-	3
Debt securities	369	54	(102)	(25)	-	-	296
Loans to public	34,004	5,131	(1,331)	(3,952)	-	(3)	33,849
Loan commitments, guarantees							
and letters of credit	2,466	587	(294)	(601)	-	(2)	2,156
Total stage 1 credit losses and	36,857	5,795	(1,763)	(4,580)	-	(5)	36,304
provisions							
Stage 2							
Loans to public	6,368	105	(1,572)	353	-	(1)	5,253
Loan commitments, guarantees							
and letters of credit	77	5	(3)	(1)	-	-	78
Total stage 2 credit losses and	6,445	110	(1,575)	352	-	(1)	5,331
provisions							
Stage 3							
Loans to public	32,611	_	(1,368)	7,513	(2,668)	(1,823)	34,265
Loan commitments, guarantees	, ,		(,,	,	(, ,	(, /	,
and letters of credit	132	-	(5)	275	-	-	402
Total stage 3 credit losses and	32,743	_	(1,373)	7,788	(2,668)	(1,823)	34,667
provisions	•		(, ,	•	(, ,	(, ,	ŕ
Total allowances for credit losses and provisions	76,045	5,905	(4,711)	3,560	(2,668)	(1,829)	76,302
Including for debt securities classified at fair value through other comprehensive income	27						18

49

Bank, EUR thousands

	Opening	Charged t	o statement o	of income	Write-offs of O	ther adjust-	Closing
	balance 01/01/2024	Origination	Repayment disposal		allowances	ments	balance 30/06/2024
Stage 1			•				
Loans to credit institutions	33	113	(122)	2	-	1	27
Debt securities	558	23	(4)	(163)	-	-	414
Loans to public	40,719	4,785	(1,089)	(12,838)	-	-	31,577
Loan commitments, guarantees							
and letters of credit	4,455	1,252	(568)	(2,458)	-	1	2,682
Total stage 1 credit losses and provisions	45,765	6,173	(1,783)	(15,457)	-	2	34,700
Stage 2							
Loans to public	9,942	123	(164)	(3,232)	-	-	6,669
Loan commitments, guarantees							
and letters of credit	144	2	(63)	117	-	-	200
Total stage 2 credit losses and provisions	10,086	125	(227)	(3,115)	-	-	6,869
Stage 3							
Loans to public Loan commitments, quarantees	28,827	-	(1,134)	5,602	(8,004)	690	25,981
and letters of credit	141	-	(442)	394	-	_	93
Total stage 3 credit losses and provisions	28,968	-	(1,576)	5,996	(8,004)	690	26,074
Total allowances for credit losses and provisions	84,819	6,298	(3,586)	(12,576)	(8,004)	692	67,643
Including for debt securities classified at fair value through other comprehensive income	82						35

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.

Impairment overlay for loans to public

	30/06/2025 Group	31/12/2024 Group
Stage 1	7,733	8,579
Stage 2	21	1,286
Total impairment overlay	7,754	9,865

Transfers of gross loans to public between impairment stages

Group, EUR thousands

EUR thousands

30/06/2025 Bank

5,399

5,399

			• •			
	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 f to Stage 3	from Stage 3 to Stage 1
rs during 6m 2025 ns to public	106,416	71,960	12,423	1,353	4,718	1,403
cial commitments, guarantees and of credit	9,016	3,192	1,261	17	385	63
ers during 6m 2024						
ins to public	106,464	63,175	13,008	2,051	8,484	408
nancial commitments, guarantees and ters of credit	5,737	1,181	4,316	2	54	20

31/12/2024

Bank

5,795

1,236

7,031

NOTE 12. TAXATION

Corporate income tax expense

		LON tribusarius						
		Group			Bank			
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Current corporate income tax	(9,784)	(10,126)	(4,973)	(5,281)	(8,486)	(9,429)	(4,225)	(4,959)
Deferred income tax	(608)	(264)	80	112	(80)	(219)	31	116
Total corporate income tax expense	(10,392)	(10,390)	(4,893)	(5,169)	(8,566)	(9,648)	(4,194)	(4,843)
								,
Mortgage loan levy and bank tax	(22)	(5,155)		(2,909)	(22)	(5,134)		(2,899)

FUR thousands

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.

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 guarter in 2024 in the amount of EUR 2.2 million guarterly.

The Latvian government has enacted Solidarity Contributions Law, which became effective from 2025 (the bank tax). This law mandates that credit institutions pay an additional 60% tax on net interest income exceeding the average from 2018-2022 by more than 50%, 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.

Income tax assets and liabilities

A

N

	EUR thousands				
	30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank	
Current income tax assets	174	22	174	-	
Deferred income tax assets	1,123	1,636	1,087	1,572	
Tax assets	1,297	1,658	1,261	1,572	
Current income tax liabilities	(7,026)	(14,218)	(6,101)	(12,301)	
Deferred income tax liabilities	(500)	-	-	-	
Tax liabilities	(7,526)	(14,218)	(6,101)	(12,301)	
Mortgage loan levy and bank tax	(22)	180	(22)	180	

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

	6m 2025 Group	6m 2024 Group	6m 2025 Bank	6m 2024 Bank
As at the beginning of the period	1,636	339	1,572	579
Charge to statement of income	(608)	(264)	(80)	(219)
Securities fair value revaluation reserve	(405)	1	(405)	-
Net deferred income tax asset at the period end	623	75	1,087	360

EUR thousands



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Securities fair value revaluation reserve
Deferred income and accrued expense
Fair value amortisation on the acquired loan portfolio
Expected distribution of retained earnings
Other items, net

Deferred income tax assets, net

Deferred income tax assets, net

	Group, EUR thousands									
Opening balance 01/01/2025	Recognised in statement of income	•	Closing balance 30/06/2025							
1,149	-	(405)	744							
471	(101)	-	370							
15	5 (6)	-	9							
	- (500)	-	(500)							
1	(1)	-	-							
1,636	608)	(405)	623							

Deferred income and accrued expense
Fair value amortisation on the acquired loan portfolio
Expected distribution of retained earnings
Other items, net

	Group, EUR thousands									
-	Opening balance 01/01/2024	Recognised in statement of income	•	Closing balance 30/06/2024						
	631	(238)	-	393						
	84	(27)	-	57						
	(375)	-	-	(375)						
	(1)	1	-	` -						
•	339	(264)	-	75						

Securities fair value revaluation reserve Deferred income and accrued expense Deferred income tax assets, net

Bank, EUR thousands									
Opening Recognised in Recognised in Clobalance statement of statement of ba 01/01/2025 income OCI 30/0									
1,149	9 -	(405)	744						
423	3 (80)	-	343						
1,572	2 (80)	(405)	1,087						

Deferred income and accrued expense
Deferred income tax assets, net

Bank, EUR thousands						
Opening balance 01/01/2024	•	Recognised in statement of OCI	Closing balance 30/06/2024			
579	9 (219)	-	360			
579	(219)	-	360			

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

	EUR thousands					
	6m 2025 Group	6m 2024 Group	6m 2025 Bank	6m 2024 Bank		
Profit before corporate income tax from continuous operations before non-current assets held for sale	54,470	61,280	45,136	58,698		
Corporate income tax (at 20%)	10,894	12,256	9,027	11,740		
Undistributed earnings taxable on distribution Non-taxable income and impact from bank tax expense Effect of tax rates in foreign jurisdictions Non-deductible expense Assessment of expected distribution of retained earnings within the Group Other tax differences, net*	(1,079) (202) (8) 286 520 (19)	(193) (165) (682) 511	(252) (162) 117 140	(69) (603) 109 - (1,529)		
Total effective corporate income tax from continuous operations	10,392	10,390	8,566	9,648		

^{*} Including eligible loss on discontinued operations and non-current assets held for sale of EUR -337 thousand for the Bank (2024: EUR -1,803 thousand).

NOTE 13. DEBT SECURITIES

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

		Group, EUR thousands						
		30/06/	/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	5,700	60,994	1,810	68,504	5,782	64,343	1,509	71,634
AA/Aa	9,769	83,755	3,820	97,344	16,375	154,726	4,435	175,536
Α	72,227	643,079	198,409	913,715	115,084	690,554	162,003	967,641
BBB/Baa	6,130	13,540	-	19,670	8,657	13,875	-	22,532
Lower ratings or unrated		12,584	-	12,584	247	38,368	-	38,615
Total debt securities	93,826	813,952	204,039	1,111,817	146,145	961,866	167,947	1,275,958
Including general government	76,766	641,322	202,229	920,317	119,261	683,492	166,438	969,191
Including credit institutions	3,583	45,264	-	48,847	8,015	5 101,028	-	109,043
Including classified in stage 1	93,826	813,952	n/a	n/a	146,145	961,866	n/a	n/a

		Bank, EUR thousands						
		30/06/	/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	5,700	56,026	-	61,726	5,782	59,411	-	65,193
AA/Aa	9,769	83,755	-	93,524	16,375	154,726	-	171,101
Α	60,348	637,446	196,790	894,584	100,295	683,985	162,003	946,283
BBB/Baa	-	11,529	-	11,529	1,517	12,365	-	13,882
Lower ratings or unrated	-	11,967	-	11,967	-	- 38,368	-	38,368
Total debt securities	75,817	800,723	196,790	1,073,330	123,969	948,855	162,003	1,234,827
Including general government	68,418	638,598	196,790	903,806	110,738	677,433	162,003	950,174
Including credit institutions	-	45,264	-	45,264	1,721	101,028	-	102,749
Including classified in stage 1	75,817	800,723	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 Citadele 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 t	housands
--------	-------	----------

	30/06/2025			3		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	398,947	22,026	420,973	339,751	50,829	390,580
Latvia	386,410	617	387,027	490,543	1,615	492,158
Estonia	81,373	21,523	102,896	81,374	18,077	99,451
Germany	-	44,929	44,929	-	88,377	88,377
United States	16,424	20,049	36,473	19,879	22,474	42,353
Canada	2,168	25,213	27,381	2,448	31,798	34,246
Slovakia	17,815	2,735	20,550	18,798	5,663	24,461
Austria	-	6,743	6,743	-	6,742	6,742
Czech Republic	4,897	1,242	6,139	4,874	1,547	6,421
Belgium	2,202	3,725	5,927	1,694	3,726	5,420
Poland	501	4,357	4,858	798	5,181	5,979
Sweden	-	-	-	-	25,224	25,224
Other countries	9,580	8,058	17,638	9,032	14,663	23,695
Multilateral development banks and						
international organisations	-	30,283	30,283		30,851	30,851
Total debt securities	920,317	191,500	1,111,817	969,191	306,767	1,275,958

Bank, EUR thousands

	Dalik, EUK tilousalius						
	3	0/06/2025		3	•		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total	
Lithuania	397,674	20,875	418,549	337,497	49,445	386,942	
Latvia	381,730	-	381,730	484,270	859	485,129	
Estonia	81,373	20,606	101,979	81,374	17,144	98,518	
Germany	-	43,417	43,417	-	88,377	88,377	
United States	16,424	15,166	31,590	19,879	17,085	36,964	
Canada	2,168	25,213	27,381	2,448	31,798	34,246	
Slovakia	17,420	2,230	19,650	17,704	5,153	22,857	
Austria	-	6,743	6,743	-	6,742	6,742	
Czech Republic	4,897	-	4,897	4,874	-	4,874	
Belgium	-	3,725	3,725	-	3,726	3,726	
Poland	-	2,993	2,993	-	3,027	3,027	
Sweden	-	-	-	-	25,224	25,224	
Other countries	2,120	5,048	7,168	2,128	11,664	13,792	
Multilateral development banks and							
international organisations	-	23,508	23,508	-	24,409	24,409	
Total debt securities	903.806	169.524	1.073.330	950.174	284.653	1.234.827	

No payments on the debt securities are past due.

NOTE 14. LOANS TO PUBLIC

Loans to public by overdue days and impairment stage

Loans to public

Not past due

Past due <=30 days

Past due >30 and ≤90 days

Past due >90 days

Total loans to public

Guarantees and letters of credit

Financial commitments

Total credit exposure to public

-	Group, Lort triousarius								
	30/06/2025								
		Gross a	mount		Expected	Net carrying			
	Stage 1	Stage 2	Stage 3	POCI	credit loss allowance	amount			
	3,308,423	183,711	26,566	1,841	(53,604)	3,466,937			
	32,052	24,101	3,157	9	(8,416)	50,903			
	-	9,855	2,719	3	(4,166)	8,411			
	-	-	42,168	970	(30,706)	12,432			
	3,340,475	217,667	74,610	2,823	(96,892)	3,538,683			
	87,904	6,076	39	-	(285)	93,734			
	363,695	5,627	2,247	-	(2,488)	369,081			
Ī	3,792,074	229,370	76,896	2,823	(99,665)	4,001,498			

Group, EUR thousands



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Loans to public
Not past due
Past due <=30 days
Past due >30 and ≤90 days
Past due >90 days
Total loans to public
Guarantees and letters of credit
Financial commitments
Total credit exposure to public

	Group, EUR thousands									
		31/12/2	2024							
	Gross amount Expected Not corru									
Stage 1	Stage 2	Net carrying amount								
3,018,781	201,776	26,690	2,979	(53,509)	3,196,717					
32,353	14,019	3,886	105	(7,309)	43,054					
-	23,533	14,347	57	(8,622)	29,315					
-	-	30,276	944	(25,725)	5,495					
3,051,134	239,328	75,199	4,085	(95,165)	3,274,581					
87,830	155	60	-	(259)	87,786					
336,437	6,162	689	-	(2,474)	340,814					
3,475,401	245,645	75,948	4,085	(97,898)	3,703,181					

Loans to public Not past due Past due <=30 days Past due >30 and ≤90 days Past due >90 days Total loans to public Guarantees and letters of credit Financial commitments Total credit exposure to public

Bank, EUR thousands								
30/06/2025								
G	ross amount		Expected	Net carrying				
Stage 1	Stage 2	Stage 3	credit loss allowance	amount				
3,351,492	52,466	12,960	(36,356)	3,380,562				
31,729	10,201	2,044	(6,621)	37,353				
-	4,862	1,567	(3,075)	3,354				
-	-	35,102	(27,315)	7,787				
3,383,221	67,529	51,673	(73,367)	3,429,056				
89,138	6,076	39	(286)	94,967				
390,496	4,829	986	(2,350)	393,961				
3,862,855	78,434	52,698	(76,003)	3,917,984				

		Bank, EUR thousands					
		31/12/2024					
	G	Gross amount		Expected	Net carrying		
	Stage 1	Stage 2	Stage 3	credit loss allowance	amount		
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		

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

Stage 3 and POCI loans to public ratios

	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	Group	Group	Bank	Bank
Stage 3 and POCI gross loans ratio	2.1%	2.3%	1.5%	1.7%
Stage 3 and POCI net loans ratio	1.0%	1.2%	0.5%	0.7%
Stage 3 and POCI impairment ratio	54%	50%	66%	60%

The stage 3 and POCI loans ratio is calculated as stage 3 and POCI 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 and POCI impairment ratio is calculated as impairment allowance for stage 3 and POCI exposures divided by gross loans to public classified as stage 3 and POCI. 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

Financial and non-financial corporations Households General government **Expected credit loss allowance**

30/06/2025						
Exp	Total					
Stage 1	Stage 2	Stage 3	POCI	iotai		
(17,475)	(4,495)	(17,150)	(417)	(39,537)		
(27,407)	(5,531)	(23,865)	(74)	(56,877)		
(405)	(73)	-	-	(478)		
(45,287)	(10,099)	(41,015)	(491)	(96,892)		

Group, EUR thousands

Financial and non-financial corporations
Households
General government
Expected credit loss allowance

	Group	, EUR thousar	nds				
	31/12/2024						
Exp	Total						
Stage 1	iolai						
(17,970)	(6,052)	(14,413)	(432)	(38,867)			
(26,451)	(5,422)	(23,884)	(80)	(55,837)			
(460)	(1)	-	-	(461)			
(44,881)	(11,475)	(38,297)	(512)	(95,165)			

Financial and non-financial corporations Households General government **Expected credit loss allowance**

Bank, EUR thousands							
30/06/2025							
Expected credit loss allowance							
Stage 3	Total						
(11,567)	(22,307)						
(22,698)	(51,056)						
-	(4)						
(34,265)	(73,367)						
	(11,567) (22,698)						

Financial and non-financial cornerations
Financial and non-financial corporations
Households
General government
Expected credit loss allowance

Bank, EUR thousands						
31/12/2024						
Expected credit loss allowance						
Stage 2	Stage 3	Total				
(2,161)	(9,794)	(22,667)				
(4,207)	(22,817)	(50,311				
-	-	(5				
(6,368)	(32,611)	(72,983				
	31/12/2 credit loss allow Stage 2 (2,161) (4,207)	31/12/2024 credit loss allowance Stage 2 Stage 3 (2,161) (9,794) (4,207) (22,817)				

Loans by customer profile and impairment stage

	Group, EUR thousands						
	30/06/2025						
		Gross a	mount		Expected	Net carrying	
	Stage 1	Stage 2	Stage 3	POCI	credit loss allowance	amount	
Financial and non-financial corporations							
Real estate purchase and management	452,198	10,561	1,185	-	(3,882)	460,062	
Manufacturing	241,856	18,520	4,375	876	(4,737)	260,890	
Trade	209,821	21,890	8,168	2	(6,942)	232,939	
Transport and communications	160,203	32,363	4,088	330	(3,204)	193,780	
Agriculture and forestry	150,655	29,965	24,009	30	(12,989)	191,670	
Electricity, gas and water supply	168,199	3,262	409	-	(1,128)	170,742	
Construction	138,010	14,532	1,922	63	(3,161)	151,366	
Financial intermediation	37,588	2,542	21	-	(269)	39,882	
Hotels, restaurants	26,957	4,760	69	1	(427)	31,360	
Other industries	174,385	14,927	1,952	1,288	(2,798)	189,754	
Total financial and non-financial corporations	1,759,872	153,322	46,198	2,590	(39,537)	1,922,445	
Households							
Mortgage loans	904,093	18,380	22,828	142	(30,863)	914,580	
Finance leases	379,714	32,648	2,181	84	(5,172)	409,455	
Credit for consumption	150,616	6,894	1,540	-	(9,471)	149,579	
Card lending	58,020	2,726	877	-	(6,563)	55,060	
Other lending	68,036	3,455	986	7	(4,808)	67,676	
Total households	1,560,479	64,103	28,412	233	(56,877)	1,596,350	
General government	20,124	242	-	-	(478)	19,888	
Total loans to public	3,340,475	217,667	74,610	2,823	(96,892)	3,538,683	

	Group, EUR thousands					
	31/12/2024					
	Gross amount Expected Net carryin					
	Stage 1	Stage 2	Stage 3	POCI	credit loss allowance	amount
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



	Bank, EUR thousands					
	30/06/2025					
	G	ross amount		Expected	Net carrying	
	Stage 1	Stage 2	Stage 3	credit loss allowance	amount	
Financial and non-financial corporations						
Real estate purchase and management	433,425	8,348	1,149	(3,601)	439,321	
Manufacturing	146,559	2,900	1,560	(2,215)	148,804	
Trade	69,256	7,137	4,577	(3,851)	77,119	
Transport and communications	12,648	1,626	280	(641)	13,913	
Agriculture and forestry	63,023	5,527	16,772	(7,935)	77,387	
Electricity, gas and water supply	152,461	2,164	178	(923)	153,880	
Construction	47,057	3,375	653	(1,314)	49,771	
Financial intermediation	1,245,461	1,686	21	(890)	1,246,278	
Hotels, restaurants	17,827	3,763	53	(296)	21,347	
Other industries	30,317	1,682	268	(641)	31,626	
Total financial and non-financial corporations	2,218,034	38,208	25,511	(22,307)	2,259,446	
Households						
Mortgage loans	903,234	17,938	22,828	(30,767)	913,233	
Finance leases	-	-	-	-	-	
Credit for consumption	133,242	5,380	1,489	(9,049)	131,062	
Card lending	58,020	2,726	877	(6,563)	55,060	
Other lending	64,772	3,277	968	(4,677)	64,340	
Total households	1,159,268	29,321	26,162	(51,056)	1,163,695	
General government	5,919	-	-	(4)	5,915	
Total loans to public	3,383,221	67,529	51,673	(73,367)	3,429,056	

	Bank, EUR thousands						
	31/12/2024						
	G	ross amount		Expected	Net carrying		
	Stage 1	Stage 2	Stage 3	credit loss allowance	amount		
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							
	30/06/2025			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	23,658	696	-	24,354	25,108	709	-	25,817
Financial assets at fair value through other comprehensive income	-	122	21	143	-	105	21	126
Total non-fixed income securities, net	23,658	818	21	24,497	25,108	814	21	25,943
Including unit-linked insurance plan assets	14,881	-	-	14,881	15,909	-	-	15,909
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	13,926	-	-	13,926	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	10,700	-	-	10,700	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							
		30/06/2	2025			31/12/2	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	-	696	-	696	838	709	-	1,547
Financial assets at fair value through other comprehensive income	-	122	21	143	-	105	21	126
Total non-fixed income securities, net	-	818	21	839	838	814	21	1,673
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	-	-	-	-	838	-	-	838

NOTE 16. INVESTMENTS IN RELATED ENTITIES

Changes in investments in related entities of the Bank

Balance at the beginning of the period, net

Associates accounted for using the equity method Change in impairment allowance

Transfer to discontinued operations held for sale

Balance at the end of the period, net

Including gross investment in subsidiaries

EUR thousands				
6m 2025	6m 2024			
48,759	47,939			
_	134			
1,025	906			
_	(382)			
49,784	48,597			
60,598	60,598			

Changes in investments in related entities

Kaleido Privatbank AG as of the period end was subsidiary classified as discontinued operations held for sale (for details refer to note *Discontinued Operations and Non-current Assets Held For Sale*). Subsequent to the period end, in July 2025 Kaleido Privatbank AG was sold (for details refer to note *Events After the Reporting Date*).

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. Accumulation of undistributed earnings is contributing to the increase in the value of the investment. The target capital adequacy ratio is set at 13.4% 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

	B. data de	•	tyne*	, Basis for The inclusion in Group's the Group** share (%	The		Carrying value	
Company	Registration number				•		EUR tho	usands
				the Group	Silare (%)	rights -	31/03/2025	31/12/2024
AS Citadele banka	40103303559	Latvia	BNK	MT	-		-	-
SIA Citadele Leasing	40003423085	Latvia	LIZ	MS	100	100	29,203	29,203
SIA Citadele Factoring	50003760921	Latvia	LIZ	MS	100	100	10,530	9,388
IPAS CBL Asset Management	40003577500	Latvia	IPS	MS	100	100	5,906	5,906
UAB Citadele Factoring	126233315	Lithuania	LIZ	MS	100	100	2,149	2,149
SIA Hortus Residential	40103460622	Latvia	PLS	MS	100	100	995	1,112
AS CBL Atklātais Pensiju Fonds	40003397312	Latvia	PFO	MS	100	100	556	556
OU Citadele Factoring	10925733	Estonia	LIZ	MS	100	100	445	445
SIA CL Insurance Broker	40003983430	Latvia	PLS	MMS	100	100	-	-
AAS CBL Life	40003786859	Latvia	APS	MMS	100	100	-	-
Total net investments in subsidiaries and associated entities						49,784	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.



AS Citadele banka

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

The Bank's Swiss subsidiary Kaleido Privatbank AG is presented as discontinued operations as of the period end. Subsequent to the period end, in July 2025, Kaleido Privatbank AG was sold (for details refer to note *Events After the Reporting Date*). The sale of Kaleido Privatbank AG is a further step in Citadele's strategy to concentrate on its core activities in the Baltics and support local economies.

In March 2025, Citadele decided to increase capital of its Swiss subsidiary Kaleido Privatbank AG by up to CHF 1.0 million. The capital increase was intended to support operations until the sale of the subsidiary.

Write-down of investment in Kaleido Privatbank AG

The Bank has recognised a 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. In the reporting period the Bank has recognised EUR 0.9 million write-down on the investment (2024: EUR 9.1 million). 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 1.4 million of other provisions and write-off of non-financial assets has been recognized as previous carrying value of these is deemed unrecoverable in the expected sales transaction (2024: EUR 1.4 million).

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

	EUR thousands							
		Group			Bank			
	6m 2025	6m 2024	Q2 2025	Q2 2024	6m 2025	6m 2024	Q2 2025	Q2 2024
Net interest income	1,261	1,784	627	755	-	-	-	-
Net fee and commission income	2,101	1,581	919	800	-	-	-	-
Other operating income / (expense)	374	394	88	91	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	(5,838)	(6,557)	(2,769)	(3,369)	-	-	-	-
Net credit losses and other impairment losses	(16)	160	27	204	-	-	-	-
Impairment of non-financial assets and other provisions	(1,405)	(1,427)	(1,366)	(1,427)	-	-	-	-
Income tax	(21)	(5)	-	24	-	-	-	-
Net result from discontinued operations	(3,544)	(4,070)	(2,474)	(2,922)	-	-	-	-
Result from non-current assets held for sale	(745)	49	(490)	(32)	(1,684)	(9,016)	(1,428)	(6,039)
Net result from non-current assets held for sale and discontinued operations	(4,289)	(4,021)	(2,964)	(2,954)	(1,684)	(9,016)	(1,428)	(6,039)

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

	EUR thousands			
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	Group	Group	Bank	Bank
Assets				
Cash, cash balances at central banks	18,340	7,140	-	-
Loans to credit institutions	4,220	4,985	-	-
Debt securities (Classified in stage 1) Including:	29,721	37,663	-	-
AAA/Aaa rated	12,057	15.930	_	_
AA/Aa rated	9,973	12,754	_	-
A rated	7,691	8,979	-	-
BBB/Baa rated	-	-	-	-
General government	14,456	15.867	_	-
Credit institutions	5,800	9,214	-	-
Loans to public	45,658	52,516	-	-
Derivatives	29	884	-	-
Other assets	11	448	-	-
Discontinued operations	97,979	103,636	-	-
Net investment in Kaleido Privatbank AG (subsidiary)	-	-	912	779
Other non-current assets held for sale	-	-	-	-
Discontinued operations and non-current assets held for sale	97,979	103,636	912	779
Liabilities				
Deposits from credit institutions and central banks	177	140	-	-
Deposits and borrowings from customers	134,239	129,601	-	-
Derivatives	124	209	-	-
Other liabilities	4,782	3,181	-	
Discontinued operations	139,322	133,131	-	-
Off-balance sheet items				
Guarantees and letters of credit	17,389	353	_	-
Financial commitments	7,784	8,624	_	-
Discontinued operations	25,173	8,977	-	-

Cash flows from discontinued operations of the Group

	EUR thou	ısands
	6m 2025	6m 2024
Cash flows from operating activities	2,633	(20,470)
Cash flows from investing activities	7,745	4,605
Cash flows from financing activities	19	(150)
Cash flows for the period	10,397	(16,015)
Cash and cash equivalents at the beginning of the period	11,986	24,013
Cash and cash equivalents at the end of the period	22,383	7,998

NOTE 18. DEPOSITS FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

Bank deposits and borrowings by type

Deposits and collateral accounts of credit institutions
Deposits and accounts of central banks
Deposits from Citadele Group bank
Total deposits from credit institutions and central banks

	EUR thousands							
30/06 Gr	31/12/2024 Bank							
	3,558	3,027	3,558	3,027				
	1,458	201	1,458	202				
	-	-	54,691	50,867				
	5,016	3,228	59,707	54,096				

NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS

Deposits and borrowings by profile of the customer

Households
Non-financial corporations
Financial corporations
General government
Other
Total deposits from customers

EUR thousands							
30/06/2025 31/12/2024 30/06/2025 31/12/2024							
Group	Group	Bank	Bank				
2,086,194	2,091,336	2,043,750	2,042,315				
1,542,506	1,621,908	1,543,709	1,622,326				
248,536	223,496	280,487	252,231				
80,541	64,346	80,541	64,346				
29,008	22,394	29,009	22,393				
3,986,785	4,023,480	3,977,496	4,003,611				

Deposits and borrowings from customers by contractual maturity

Demand deposits
Term deposits due within:
less than 1 month
more than 1 month and less than 3 months
more than 3 months and less than 6 months
more than 6 months and less than 12 months
more than 1 year and less than 5 years
more than 5 years
Total term deposits
Total deposits from customers

Deposits and borrowings from customers by categories

At amortised cost
At fair value through profit or loss
Total deposits from customers
Including unit-linked insurance plan liabilities

EUR thousands						
30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank			
2,979,542	2,929,370	2,990,492	2,935,832			
240,237	323,165	253,159	340,715			
367,355	264,492	365,048	263,332			
166,900	248,853	168,041	246,377			
165,373	179,960	160,224	172,160			
63,321	73,459	40,342	44,823			
4,057	4,181	190	372			
1,007,243	1,094,110	987,004	1,067,779			
3,986,785	4,023,480	3,977,496	4,003,611			

	EUR thousands							
	30/06/2025 Group	30/06/2025 Bank	31/12/2024 Bank					
	3,970,649	4,006,153	3,977,496	4,003,611				
	16,136	17,327	-					
	3,986,785	4,023,480	3,977,496	4,003,611				
Ī	14,491	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 thous	•
				uate	uiousaiius	30/06/2025	31/12/2024
XS2393742122	MREL eligible	EUR	1.625%	22/11/2026	200,000	201,485	199,705
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,098	40,104
LV0000804334	MREL eligible	EUR	5.00%*	14/10/2026	35,000	35,353	35,353
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,164	20,162
LV0000880011	Subordinated	EUR	5.50%	24/11/2027	20,000	-	20,098
						297,100	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	Legal and professional investors			Priva	ate individua	ıls
20114	origination date	Donandiadio	Number	EUR th.	%	Number	EUR th.	%
LV0000880102	June 2025	170	56	26,560	66%	114	13,440	34%
LV0000804334 LV0000803054	February 2025 March 2025	47 497	39 188	33,960 11,170	97% 56%	8 309	1,040 8,830	3% 44%

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 159,224,758 (2024: EUR 158,902,560) and conditional capital is EUR 3,123,456 (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 86,879 (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 and on 23 April 2025 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

	30/06/	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
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 LLC⁵	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	1,041,415	1,041,415	920,712	920,712
Other shareholders	13,966,707	13,966,707	13,762,082	13,762,082
Total	159,137,879	159,137,879	158,812,551	158,812,551
Own shares	86,879		90,009	
Total paid capital	159,224,758		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

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.

	6m 2025	6m 2024	6m 2025	6m 2024
	Group	Group	Bank	Bank
Profit for the period, EUR thousands	39,789	46,869	34,886	40,034
Weighted average number of the shares outstanding in thousands	158,975	158,162	158,975	158,162
Basic earnings per share in EUR	0.25	0.30	0.22	0.25
Weighted average number of the shares (basic) outstanding in thousands	158,975	158,162	158,975	158,162
Effect of share options in issue in thousands	1,213	1,520	1,213	1,520
Weighted average number of the shares (diluted) outstanding during the period in thousands	160,188	159,682	160,188	159,682
Profit for the period, EUR thousands	39,789	46,869	34,886	40,034
Weighted average number of the shares (diluted) outstanding in thousands	160,188	159,682	160,188	159,682
Diluted earnings per share in EUR	0.25	0.29	0.22	0.25
Net loss from discontinued operations (Note 17) Profit for the period from continuing operations, EUR thousands	(3,544) 43,333	(4,070) 50,939	- 34,886	40,034
Basic earnings / (loss) per share in EUR from continuing operations from discontinued operations	0.25 0.27 (0.02)	0.30 0.32 (0.03)	0.22 0.22	0.25 0.25
Diluted earnings / (loss) per share in EUR from continuing operations from discontinued operations	0.25 0.27 (0.02)	0.29 0.32 (0.03)	0.22 0.22	0.25 0.25

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

NOTE 22. OFF-BALANCE SHEET ITEMS

Contingent liabilities and financial commitments outstanding

	EUR thousands						
	30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank			
Contingent liabilities:	·						
Outstanding guarantees	93,654	87,705	94,724	96,692			
Outstanding letters of credit	365	340	529	341			
Total contingent liabilities	94,019	88,045	95,253	97,033			
Provisions for credit risk	(285)	(259)	(286)	(262)			
Net credit risk exposure for guarantees and letters of credit	93,734	87,786	94,967	96,771			
Financial commitments:							
Unutilised credit lines and loans granted, not fully drawn down	171,285	159,974	270,100	281,821			
Card commitments	111,728	113,090	111,750	113,111			
Factoring commitments	74,095	55,827	-	-			
Performance commitments (guarantees)	14,461	14,397	14,461	14,397			
Total financial commitments	371,569	343,288	396,311	409,329			
Provisions for financial commitments	(2,488)	(2,474)	(2,350)	(2,413)			
Net credit risk exposure for financial commitments	369,081	340,814	393,961	406,916			
Discontinued operations:							
Contingent liabilities	17,389	353	-	-			
Financial commitments	7,784	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.

EUR thousands

NOTE 23. ASSETS UNDER MANAGEMENT

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

	Lort triousurius					
	30/06/2025	31/12/2024	30/06/2025	31/12/2024		
	Group	Group	Bank	Bank		
Fixed income securities:						
Government bonds	137,513	115,670	-	-		
Corporate bonds	128,157	138,819	-	-		
Credit institution bonds	61,041	59,766	-	-		
Other financial institution bonds	29,950	26,954	-	-		
Loans	544	557	544	557		
Total investments in fixed income securities	357,205	341,766	544	557		
Other investments:						
Investment funds	692,561	686,306	-	-		
Shares	127,672	134,917	-	-		
Deposits with credit institutions	11,609	1,117	-	-		
Real estate	4,759	4,920	-	-		
Compensations for distribution on behalf of deposit guarantee fund	-	24,298	-	24,298		
Other	41,164	24,919	-	-		
Total other investments	877,765	876,477	-	24,298		
Total assets under management	1,234,970	1,218,243	544	24,855		
•	·	· ·	· ·			

Customer profile on whose behalf the funds are managed

	30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank
Pension plans	937,350	908,626	-	-
Insurance companies, investment and pension funds	157,845	158,424	-	-
Private individuals	131,349	125,222	-	-
Other companies and government	8,426	25,971	544	24,855
Total liabilities under management	1,234,970	1,218,243	544	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

Cash and cash balances with central banks

Loans on demand to credit institutions (excluding encumbered) Demand deposits from central banks and credit institutions
Cash equivalents in discontinued operations
Total cash and cash equivalents

	EUR thousands								
- ;	30/06/2025	31/12/2024	30/06/2025	31/12/2024					
	Group	Group	Bank	Bank					
	223,322	349,940	223,322	349,940					
	7,678	5,383	6,417	4,561					
	(4,765)	(938)	(59,457)	(1,060)					
	22,383	11,986	-	-					
	248,618	366,371	170,282	353,441					

EUR thousands

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES **NOTE 25.**

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 30 June 2025

	Fair value hierarchy (where applicable)				
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non- market observable inputs
Financial assets measured at fair value through other					<u>'</u>
comprehensive income:					
Debt securities Equity instruments	93,826 143	93,826 143		111	. 143
Non-trading financial assets at fair value through profit or loss:	140	140			140
Debt securities	204,039	204,039	196,635	7,404	-
Equity instruments	696	696		-	696
Other financial instruments	23,658	23,658	23,658	-	-
Other financial assets at fair value through profit or loss					
Derivatives	1,384	1,384		1,384	-
Financial assets not measured at fair value:					
Cash and balances at central banks	223,322	223,322		-	-
Loans to credit institutions Debt securities	12,829 813,952	12,829 770,450		79,630	_
Loans to public	3,538,683	3,570,976			3,570,976
Financial assets constituting discontinued operations:					
Cash, balances at central banks and loans to credit institutions	22,560	22,560	-	-	
Debt securities measured at fair value through other comprehensive income	1,670	1,670	•		-
Derivatives Debt securities not measured at fair value	29 28,051	29 27,477		29	-
Loans to public not measured at fair value	45,658	45,658			45,658
Total assets	5,010,500	4,998,717	1,033,975	88,558	3,617,473
Financial liabilities measured at fair value:					
Derivatives	8,321	8,321		8,321	_
Deposits and borrowings from customers	16,136	16,136		·	1,645
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	5,016	5,016		-	
Deposits and borrowings from customers	3,970,649	3,971,400	-		3,971,400
Debt securities issued	297,100	294,753	-	294,753	-
Financial liabilities constituting discontinued operations:		,			
Deposits from credit institutions Deposits and borrowings from customers not	177	177		-	-
measured at fair value	134,239	134,239	-	-	134,239
Derivatives	124	124		124	-
Total liabilities	4,431,762	4,430,166	14,491	303,198	4,107,284



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

			Fair value hierarchy (where applicable			
	Carrying value	Total fair value	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 Equity instruments	146,145 126	146,145 126	141,848 -	4,297	- 126	
Non-trading financial assets at fair value through profit or loss:						
Debt securities Equity instruments	167,947 709	167,947 709	160,698 -	7,249	- 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	6,704	6,704	6,704			
comprehensive income Derivatives	884	884	_	884	1 _	
Debt securities not measured at fair value	30,959	30,065	30,065	004	· -	
Loans to public not measured at fair value	52,516	52,516	-		- 52,516	
Total assets	5,048,244	5,043,895	1,168,362	121,745	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	
Derivatives	209	209	-	209	-	
Total liabilities	4,476,088	4,470,830	15,630	313,680	4,138,152	

Fair values of financial assets and liabilities of the Bank on 30 June 2025

			Fair value hierarchy (where applicable)			
	Carrying value	Total fair value	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	75,817	75,817	75,706	111	-	
Equity instruments	143	143	-	-	143	
Non-trading financial assets at fair value through profit or loss:						
Debt securities	196,790	196,790	189,386	7,404		
Equity instruments	696	696	-	-	696	
Other financial instruments	-	-	-	-	-	
Other financial assets at fair value through profit or loss						
Derivatives	1,384	1,384	-	1,384	-	
Financial assets not measured at fair value:						
Cash and balances at central banks	223,322	223,322	-	-	-	
Loans to credit institutions	16,916	16,916	-	77.000	-	
Debt securities Loans to public	800,723 3,429,056	757,426 3,461,349	679,746	77,680	3,461,349	
•						
Total assets	4,744,847	4,733,843	944,838	86,579	3,462,188	
Financial liabilities measured at fair value:						
Derivatives	8,321	8,321	-	8,321	-	
Financial liabilities not measured at fair value:						
Deposits from credit institutions and central banks	59,707	59,707	-	-	_	
Deposits and borrowings from customers	3,977,496	3,979,239	-		3,979,239	
Debt securities issued	297,100	294,753	-	294,753	-	
Total liabilities	4,342,624	4,342,020	-	303,074	3,979,239	

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

			Fair value hierarchy (where applicable)			
	Carrying value	Total fair value	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	2	
Equity instruments	123,909	123,909	120,933	3,030	- - 126	
' '	120	120			120	
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	3 -	
Financial liabilities not measured at fair value:	.,000	.,000		.,000		
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					
	6m 2025 Group	6m 2024 Group	6m 2025 Bank	6m 2024 Bank		
Debt securities at fair value through other comprehensive income						
Presented as Level 1, reclassified from Level 2	1,938	16,174	1,434	14,087		
Presented as Level 2, reclassified from Level 1	-	-	-	-		
Debt securities at fair value through profit or loss						
Presented as Level 1, reclassified from Level 2	-	8,995	-	8,995		
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

6m 2025 Group	6m 2024 Group	6m 2025 Bank	6m 2024 Bank	
835	1,239	835	1,239	
(13)	66	(13)	66	
17	4	17	4	
839	1,309	839	1,309	
	Group 835 (13) 17	Group Group 835 1,239 (13) 66 17 4	Group Group Bank 835 1,239 835 (13) 66 (13) 17 4 17	

EUR thousands

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		
	6m 2025 Group	6m 2024 Group	
Balance as at the beginning of the period	1,697	2,246	
Premiums received	73	90	
Commissions and risk charges	(7)	(8)	
Paid to policyholders	(143)	(582)	
Other	26	58	
Currency revaluation result	(1)	3	
Balance as at the end of the period	1,645	1,807	

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 -48 thousand). 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

	6m 2025				6m 2024			
	El	JR thousand	s		EU	EUR thousands		
	Operating income	Operating profit before bank and income tax	tax,	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	73,009	33,713	(6,752)	928	81,569	43,172	(10,149)	989
Lithuania	26,052	12,984	(2,499)	251	22,561	16,421	(4,199)	257
Estonia	12,391	7,795	(1,163)	103	11,941	6,842	(1,197)	101
Total continuing operations before non-current assets held for sale	111,452	54,492	(10,414)	1,282	116,071	66,435	(15,545)	1,347
Latvia (result from non-current assets held for sale) Switzerland (discontinued		(745)	-	-	-	49	-	-
operations)	3,736	(3,523)	(21)	27	3,759	(4,065)	(5)	31
Total operations	115,188	50,224	(10,435)	1,309	119,830	62,419	(15,550)	1,378

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				
	30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank		
surance reserves:						
Annuity pension products	18,954	17,088	-	-		
Other life insurance reserves	3,022	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.



Financial commitments

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If future expected attributable expenses were to change by +/-15%, the CSM part of the annuity pension products would change by EUR -36/+36 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

30/06/2025,EUR thousands Other EU Other countries and Latvia Lithuania Total **Estonia** development countries banks **Assets** Cash and cash balances at central banks 191,156 30,252 1,914 223,322 9,700 Loans to credit institutions 1,276 1,853 12,829 387,028 420,973 102,895 Debt securities 130,931 69,990 1,111,817 5,321 Loans to public 1,504,889 1,357,606 663,873 6,994 3,538,683 Equity instruments 21 122 696 839 Other financial instruments 13.944 9.280 434 23.658 Derivatives 642 53 684 5 1,384 Discontinued operations 1,661 31,321 63,886 97,979 1.111 Other assets 68,998 7,056 5,181 46 81,284 189,035 **Total assets** 2,169,065 1,817,601 773,863 142,231 5,091,795 Liabilities 260 Deposits from credit institutions and central banks 3,082 5,016 1.458 216 Deposits and borrowings from customers 2,946,207 824,339 161,968 16,031 38,240 3,986,785 Debt securities issued 297,100 297,100 4,748 2 Derivatives 3,549 22 8,321 Discontinued operations 628 2,190 23,531 112,973 139,322 Other liabilities 69,134 12,194 12,807 93 280 94,508 **Total liabilities** 3,316,878 838,013 176,965 47,485 151,711 4,531,052 Off-balance sheet items Contingent liabilities 4,161 57,260 32,195 246 17,546 111,408

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 18.3 million is central banks balances with Swiss National Bank (2024: EUR 7.1 million) and EUR 3.3 million are with Swiss credit institutions (2024: EUR 4.4 million).

120,583

22,193

7,735

228,478

	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	, -	86,972	1,275,958
Loans to public	1,431,648	1,212,763	616,631	-	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

364

379,353



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Bank as of 30/06/2025, EUR thousand	s
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	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	191,156	30,252	1,914		-	223,322
Loans to credit institutions				9,700	7,216	16,916
Debt securities	381,730	418,550	101,978	,	61,967	1,073,330
Loans to public	2,255,035	816,451	345,491	,	5,258	3,429,056
Equity instruments	21	-	-	122	696	839
Other financial instruments	-	-	-	-	-	-
Derivatives	642	53	-	684	5	1,384
Other assets	101,116	6,095	1,438	3	958	109,610
Total assets	2,929,700	1,271,401	450,821	126,435	76,100	4,854,457
Liabilities						
Deposits from credit institutions and central banks	259	1,458	-	3,082	54,908	59,707
Deposits and borrowings from customers	2,938,723	824,773	162,070	15,935	35,995	3,977,496
Debt securities issued	297,100	-		-	-	297,100
Derivatives	3,549	22	-	4,748	2	8,321
Other liabilities	32,993	4,073	1,664	93	63	38,886
Total liabilities	3,272,624	830,326	163,734	23,858	90,968	4,381,510
Off-balance sheet items						
Contingent liabilities	4,326	57,260	32,195	246	1,226	95,253
Financial commitments	248,199	105,104	18,087	299	24,622	396,311

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.

Liquidity buffer
Net liquidity outflow
Liquidity coverage ratio

EUR thousands						
30/06/2025 Group	31/12/2024 Group	30/06/2025 Bank	31/12/2024 Bank			
1,205,290	1,373,288	1,165,210	1,338,651			
689,032	759,478	726,629	815,661			
175%	181%	160%	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%. NSFR as of period end, if no 6m 2025 interim profits are included, for the Group is 138% and for the Bank is 200%.

Total available stable funding Total required stable funding **Net stable funding ratio**

	EUR thousands								
	30/06/2025	31/12/2024							
	Group	Group	Bank	Bank					
	3,925,651	3,952,029	3,776,715	3,800,248					
	2,825,208	2,764,509	1,879,688	1,887,189					
Т	139%	143%	201%	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					
	30/06/2025			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 Additional Tier 1 ratio	4.50%	4.50% 1.50%			4.50% 1.50%	
Additional total capital ratio Pillar 2 additional own funds requirement (individually determined by the supervisory authority	1.41%		2.00%	-		2.00%
in the SREP, P2R) Capital buffer requirements:						
Capital conservation buffer	2.50%					
O-SII capital buffer (only for the Group)	1.50%					
Systemic risk buffer Countercyclical capital buffer	0.07% 1.05%					
Capital requirement	11.03%	13.00%	15.62%	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	12.53%	14.50%	17.12%	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 0.11% and institution specific Countercyclical capital buffer requirement is 1.05%. Thus, for the Bank as of period end Common equity Tier 1 capital ratio requirement is 9.57%, Tier 1 capital ratio requirement is 11.54% and Total capital adequacy ratio requirement is 14.16%. 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					
30/06/2025	31/12/2024	30/06/2025	31/12/2024		
Group	Group	Bank	Bank		
•	·				
161,904	161,026	161,904	161,026		
388,546	393,967	310,847	320,746		
(19,894)	(44,785)	(19,894)	(44,785)		
(9,435)	(9,908)	(5,765)	(7,330)		
7,672	5,821	3,118	3,100		
00.000	00.000	00.000	00.000		
60,000	60,000	60,000	60,000		
588,793	566,121	510,210	492,757		
2,297,350	2,249,254	1,520,762	1,528,578		
3,052	4,392	2,675	3,954		
304,456	377,626	295,615	345,200		
3,172	10,437	3,171	10,111		
2,608,030	2,641,709	1,822,223	1,887,843		
20.3%	19.2%	24.7%	22.9%		
22.6%	21.4%	28.0%	26.1%		
	Group 161,904 388,546 (19,894) (9,435) 7,672 60,000 588,793 2,297,350 3,052 304,456 3,172 2,608,030 20.3%	30/06/2025 Group 31/12/2024 Group 161,904 388,546 388,546 (19,894) (9,435) 7,672 161,026 393,967 (44,785) (9,908) 7,672 60,000 60,000 588,793 566,121 2,297,350 2,249,254 3,052 4,392 304,456 377,626 3,172 10,437 2,608,030 2,641,709 20.3% 19.2%	30/06/2025 Group 31/12/2024 Group 30/06/2025 Bank 161,904 388,546 161,026 393,967 161,904 310,847 (19,894) (9,435) (44,785) (9,908) (19,894) (5,765) 7,672 5,821 3,118 60,000 60,000 60,000 588,793 566,121 510,210 2,297,350 2,249,254 1,520,762 3,052 4,392 2,675 304,456 377,626 295,615 3,172 10,437 3,171 2,608,030 2,641,709 1,822,223 20.3% 19.2% 24.7%		

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 six months period end 30 June 2025. Below is presented a scenario, where no 6m 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.

Common equity Tier 1 capital
Tier 2 capital
Total own funds
Total risk exposure amount
Common equity Tier 1 capital ratio
Total capital adequacy ratio

EUR thousands					
30/06/2025	30/06/2025				
Group	Bank				
509,323	435,218				
60,000	60,000				
569,323	495,218				
2,608,030	1,822,223				
19.5%	23.9%				
21.8%	27.2%				

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 6m 2025 interim profits are included, for the Group is 9.9% and for the Bank is 8.8%.

	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	Group	Group	Bank	Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.3%	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 31.6% based on TREA criteria and 16.0% based on leverage ratio criteria. If 6m 2025 interim profits were excluded from the calculation, the ratios would be 30.8% and 15.6% 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.



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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

Sale of Kaleido Privatbank AG subsidiary

Subsequent to the period end, in July 2025 Kaleido Privatbank AG was sold. Before sale, Swiss registered subsidiary Kaleido Privatbank AG was classified as discontinued operations held for sale (for details refer to note *Discontinued Operations and Non-current Assets Held For Sale*). The sale of Kaleido Privatbank AG is a further step in Citadele's strategy to concentrate on its core activities in the Baltics and support local economies.

Estimated impact, if Kaleido Privatbank AG was sold as of 30 June 2025

	Group, EUR thousands			
	As reported	Estimated impact of the disposal	After disposal, estimated	
Assets				
Cash and bank balances	236,150	9,405	245,555	
Discontinued operations and non-current assets held for sale	97,979	(97,979)	-	
Other financial and non-financial assets	4,757,666		4,757,666	
Total assets	5,091,795	(88,574)	5,003,221	
Liabilities				
Discontinued operations	139,322	(139,322)	-	
Provisions	2,773	1,470	4,243	
Other financial and non-financial liabilities	4,388,957	56,352	4,445,309	
Total liabilities	4,531,052	(81,500)	4,449,552	
Equity				
Share capital	159,138	-	159,138	
Reserves and other capital components	10,120	(7,477)	2,643	
Retained earnings	391,485	403	391,888	
Total equity	560,743	(7,074)	553,669	
Total liabilities and equity	5,091,795	(88,574)	5,003,221	
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale	54,492	-	54,492	
Mortgage loan levy and bank tax	(22)	-	(22)	
Result from non-current assets held for sale and discontinued operations, net of tax	(4,289)	403	(3,886)	
Operating profit	50,181	403	50,584	
Income tax	(10,392)	-	(10,392)	
Net profit	39,789	403	40,192	
Other comprehensive income / (loss)	2,161	(7,477)	(5,316)	
Total comprehensive income	41,950	(7,074)	34,876	

The impact of the disposal includes derecognition of assets and liabilities of Kaleido Privatbank AG, de-elimination of the intragroup balances, sales proceeds received, and any liabilities and provisions recognised as a result of the sale. The impact also includes sales gain recognised in the statement income and reclassification of the foreign exchange retranslation reserve to profit or loss.



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Independent Auditors' Report on Review of the Condensed Interim Separate and the Condensed Consolidated Financial Information

To the shareholders of AS "Citadele banka"

Report on Review of the Condensed Interim Separate and the Condensed Consolidated Financial Information

Introduction

We have reviewed the condensed interim separate financial information of AS "Citadele banka" ("the Bank") and the condensed interim consolidated financial information of the Bank and its subsidiaries ("the Group") set out on pages 13 to 62 of the accompanying Interim Report, which comprise:

- the separate and consolidated condensed balance sheets as at 30 June 2025,
- the separate and consolidated condensed statements of income for the three and six months periods ended 30 June 2025,
- the separate and consolidated condensed statements of comprehensive income for the three and six months periods ended 30 June 2025,
- the separate and consolidated condensed statements of changes in equity for the six months period ended 30 June 2025,
- the separate and consolidated condensed statements of cash flows for the six months period ended 30 June 2025, and
- the notes to the condensed interim separate and the condensed consolidated financial information.

The Management of AS "Citadele banka" is responsible for the preparation and presentation of this condensed separate and consolidated interim financial information in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim separate financial information of AS "Citadele banka" and the condensed interim consolidated financial information of the Group is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Anders Tagde
Partner
KPMG Baltics SIA authorised representative
Riga, Latvia

Rainers Vilāns Member of the Board Latvian Sworn Auditor Certificate No. 200

The Auditors' Report is signed with a secure electronic signature, which contains a timestamp, the date of signing the Auditors' report is the date of the last attached secure electronic signature timestamp.

QUARTERLY STATEMENTS OF INCOME AND BALANCE SHEETS OF THE GROUP

	Group, EUR, thousands				
	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024
Interest income	56,552	58,272	63,875	64,267	62,936
Interest expense Net interest income	(11,931) 44,621	(13,706) 44,566	(16,169) 47,706	(15,022) 49,245	(14,353) 48,583
Fee and commission income	19,050	17,701	20,934	17,860	17,289
Fee and commission expense	(9,332)	(9,009)	(10,021)	(9,708)	(8,994)
Net fee and commission income	9,718	8,692	10,913	8,152	8,295
Net financial income Net other income / (expense)	3,329 352	1,139 (965)	2,072 (679)	3,469 (2,189)	1,584 (211)
Operating income	58,020	53,432	60,012	58,677	58,251
Staff costs	(17,945)	(17,978)	(15,666)	(16,325)	(19,067)
Other operating expenses	(6,752)	(5,551)	(12,855)	(6,062)	(7,388)
Depreciation and amortisation Operating expense	(2,146) (26,843)	(2,082) (25,611)	(3,562) (32,083)	(2,462) (24,849)	(2,421) (28,876)
Profit from continuous operations before impairment,	(==,===)	(==,==,	(=,,,,,	(= 1,5 10)	(==,===)
bank tax, mortgage loan levy and non-current assets					
held for sale	31,177	27,821	27,929	33,828	29,375
Net credit losses	(3,913)	(527)	(1,968)	(4,481)	4,129
Other impairment losses	(17)	(49)	26	(2)	(5)
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for					
sale	27,247	27,245	25,987	29,345	33,499
Mortgage loan levy and bank tax	-	(22)	(2,246)	(2,246)	(2,909)
Result from non-current assets held for sale and	(0.004)	(4.005)	(707)	470	(0.054)
discontinued operations, net of tax	(2,964) 24,283	(1,325) 25,898	(787) 22,954	27,271	(2,954) 27,636
Operating profit Income tax	(4,893)	(5,499)	(3,945)	(3,393)	(5,169)
Net profit	19,390	20,399	19,009	23,878	22,467
	,				
	30/06/2025	Grou 31/03/2025	p, EUR, thous 31/12/2024	30/09/2024	30/06/2024
Assets					
Cash and cash balances at central banks Loans to credit institutions	223,322 12,829	210,393 9,447	349,940 12,944	418,897 12,820	157,349 31,028
Debt securities	1,111,817	1,203,018	1,275,958	1,234,390	1,234,624
Loans to public	3,538,683	3,366,397	3,274,581	3,133,130	3,048,684
Equity instruments Other financial instruments	839 23,658	859 23,707	835 25,108	702 26,045	1,309 25,921
Derivatives	1,384	2,056	5,690	503	1,873
Tangible assets Intangible assets	22,436 6,442	20,021 6,268	17,993 6,132	9,466 8.141	10,649 8,024
Current income tax assets	174	47	22	77	29
Deferred income tax assets Bank tax assets	1,123	1,295	1,636	1,751	450 985
Discontinued operations and non-current assets held for sale	97,979	- 115,061	180 103,636	713 110,791	113,123
Other assets	51,109	47,088	61,942	47,241	50,237
Total assets	5,091,795	5,005,657	5,136,597	5,004,667	4,684,285
Liabilities	5.040	0.500	0.000	44.004	7.040
Deposits from credit institutions and central banks Deposits and borrowings from customers	5,016 3,986,785	9,596 3,879,046	3,228 4,023,480	11,281 3,928,264	7,942 3,693,732
Debt securities issued	297,100	297,539	315,422	283,576	281,488
Derivatives Provisions	8,321 2,773	4,976 2,426	4,008 2,733	3,791 3,120	1,066 3,137
Current income tax liabilities	7,026	14,504	14,218	10,323	9,516
Deferred income tax liabilities	500	548	-	375	375
Bank tax liabilities Discontinued operations	139,322	- 134,794	- 133,131	- 154,334	- 105,881
Other liabilities	84,187	77,754	77,695	66,806	66,315
Total liabilities	4,531,052	4,421,183	4,573,915	4,461,870	4,169,452
Equity	450 100	450.010	450.046	450.000	450 450
Share capital Reserves and other capital components	159,138 10,120	158,813 8,781	158,813 7,388	158,391 6,934	158,178 3,061
Retained earnings	391,485	416,880	396,481	377,472	353,594
Total equity	560,743	584,474	562,682	542,797	514,833
Total liabilities and equity	5,091,795	5,005,657	5,136,597	5,004,667	4,684,285

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 - 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 - 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.

POCI - purchased or originated credit-impaired financial assets.

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 - Single Resolution Board.

SREP - supervisory review and evaluation process.

Stage 3 and POCI impairment ratio – impairment allowance for stage 3 and POCI exposures divided by gross loans to public classified as stage 3 and POCI. 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 and POCI loans to public ratio – stage 3 and POCI 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.