



AS Citadele banka

INTERIM REPORT

For the nine months ended
30 September 2025

Key figures and events of the Group

Citadele delivered a solid financial performance in the first nine months of 2025, with operating income reaching EUR 167.0 million. Return on equity stood at 14.9%, while the cost-to-income ratio (CIR) was 47.7%, compared to 46.6% in the first nine months of 2024.

In 9M 2025, the loan portfolio increased by 12% since the end of 2024, reaching EUR 3.67 billion as of 30 September 2025. EUR 1.18 billion 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 2.0% as of 30 September 2025, compared to 2.3% as of 31 December 2024.

Citadele's deposit base totalled EUR 4.10 billion as of 30 September 2025, reflecting a 2% increase since year-end 2024.

Citadele's active customer base grew by 3% year-over-year, reaching 406 thousand as of 30 September 2025. The number of active mobile app users rose to 282.1 thousand, reflecting a 7% year-over-year increase.

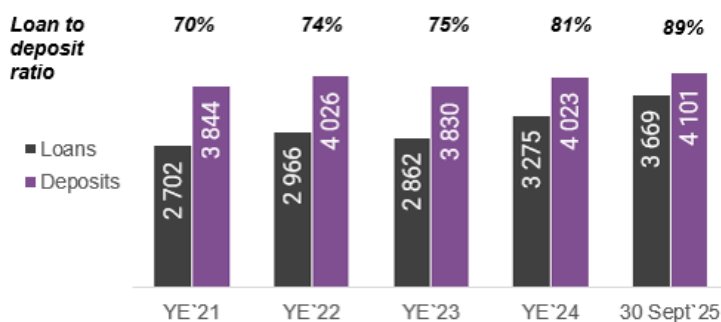
Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 22.5%, CET1 was 20.2%, and the LCR was 196% as of 30 September 2025.

As of 30 September 2025, Citadele had 1,287 full-time employees (1,342 as of 31 December 2024).

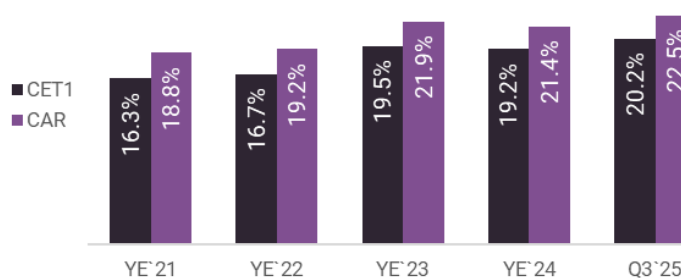
<i>EUR millions</i>	9m 2025	9m 2024	Q3 2025	Q3 2024
Net interest income	132.9	144.8	43.8	49.2
Net fee and commission income	28.3	25.4	9.9	8.2
Net financial and other income	5.7	4.6	1.9	1.3
Operating income	167.0	174.7	55.6	58.7
Operating expense	(79.6)	(81.5)	(27.2)	(24.8)
Net credit losses and impairments	(7.2)	2.5	(2.7)	(4.5)
Net profit from continuous operations (after tax)	63.8	75.1	20.4	24.1
Return on average assets (ROA)	1.6%	2.1%	1.6%	2.0%
Return on average equity (ROE)	14.9%	18.9%	14.4%	18.3%
Cost to income ratio (CIR)	47.7%	46.6%	48.9%	42.3%
Cost of risk ratio (COR)	0.3%	(0.1%)	0.3%	0.6%

Loans and deposits

EURm



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



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

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Rounding and Percentages

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

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

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



Rūta Ežerskiene
CEO and Chair of the Management Board

Momentum meets opportunity: The Baltics on the rise

As we advance through 2025, the Baltic economies continue to demonstrate resilience and adaptability in a shifting global environment. While each country follows its own trajectory, the overall direction across the region is one of recovery, renewed confidence, and cautious optimism.

In Latvia, we are seeing encouraging signs of momentum. Industrial activity is firming, domestic demand is strengthening, and credit flows are notably recovering, all pointing to a more dynamic growth phase ahead. Businesses are increasingly confident, and households are benefitting from rising real incomes and improved sentiment.

Lithuania continues to stand out for the stability of its growth model. The economy remains well-balanced, underpinned by strong domestic demand and a dynamic real estate market. Although some export-oriented sectors face headwinds, household confidence and wage growth continue to drive spending and investment, ensuring a solid foundation for the future.

Estonia, after several challenging years, has turned a corner. The economy has exited recession, supported by a gradual recovery in manufacturing and renewed lending activity. While the rebound remains fragile, the broader trend is positive, signalling that confidence and investment appetite are returning.

A new growth cycle is clearly emerging across the Baltics, powered by innovation, digitalization, and renewed confidence. Inflation pressures have eased, interest rates are more supportive, and businesses are once again looking forward rather than merely adapting. The coming year will be about consolidating these gains, transforming renewed optimism into sustainable growth, and opportunity. The resilience, ingenuity, and long-term vision of Baltic enterprises continue to define this region. We are confident that the economic momentum we are now witnessing will translate into lasting sustainable value.

Robust Financial Performance in 9M 2025

In the first nine months of 2025, Citadele achieved strong financial results, generating an operating income of EUR 167.0 million and delivering a return on equity of 14.9%.

As of 30 September 2025, the total loan book grew to EUR 3,669 million, reflecting a 12% increase (EUR 394 million) since 31 December 2024. Citadele provided EUR 1.18 billion in new financing during the first nine months of 2025 – marking a 24% increase as compared to 9M 2024. Of this amount, EUR 136 million was directed to green and transition financing initiatives, underscoring the bank's commitment to sustainability as an important element of its customer value proposition. The continued growth in portfolio and financing volumes has further reinforced Citadele's position as a trusted partner for private individuals, SMEs, and corporate clients.

The financial standing of our customers remained stable, and the quality of our loan portfolio continued to be strong. As of 30 September 2025, the non-performing loan (NPL) ratio stood at 2.0%, improved from 2.3% at year-end 2024. Our deposit base continued to grow, reaching EUR 4,101 million.

Citadele continued to demonstrate financial resilience as of 30 September 2025. Our total capital adequacy ratio (CAR) stood at 22.5%, while the Tier 1 ratio was 20.2%. The Group's LCR and NSFR remained at healthy levels, standing at 196% and 144%, respectively, as of 30 September 2025, compared to 181% and 143% at year-end 2024.

In a dynamic economic environment, supported by encouraging signs of a new growth cycle emerging, 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 September 2025, our active customer base reached 406 thousand, marking a 3% year-over-year increase.

We continue to see strong momentum in digital innovation and a clear customer preference for fast, simple digital processes. Currently, 86.9% of customers actively use digital channels. The number of active mobile app users has reached 282 thousand – reflecting a 7% year-over-year increase.

This trend highlights our customers' growing trust in Citadele's secure and convenient digital ecosystem, positioning us among the top digital-first banks in the Baltics.

Innovations and development

Citadele places strong emphasis on innovation and remains committed to continuously enhancing its services and products – both to elevate the experience for our customers and to address the evolving needs of individuals, families, and businesses.

Reflecting this commitment, several key milestones were achieved in Q3 2025. One of the highlights was the implementation of the Click to Pay solution for Citadele VISA cards. This feature enables secure and convenient online purchases using card tokens, significantly enhancing both safety and overall customer experience.

Citadele also expanded its retail lending offering with two new loan products: the Home Energy Efficiency Loan and the Small Home Loan. The Home Energy Efficiency Loan is Citadele's first unsecured product eligible for Green classification, supporting energy - efficient home improvements. The Small Home Loan complements this by offering flexible financing for general home upgrades, renovations, and repairs.

Klix, Citadele's e-commerce checkout solution, continued its robust growth trajectory in Q3 2025. As of 30 September, Klix had reached 3.4 thousand merchants. The registered user base exceeded 558 thousand, with the number of active users increasing by 7% year-over-year - demonstrating sustained adoption and engagement. In 9M 2025, Klix processed 20.5 million transactions, with a total value of EUR 792 million - representing a 63% increase compared to the same period last year.

Citadele Successfully Issues EUR 300 Million Senior Bonds and EUR 50 Million AT1 Notes

Citadele has successfully issued EUR 300 million of senior preferred unsecured bonds with a 4.25-year maturity and a coupon of 3.875%. The transaction attracted strong demand from international investors, with interest exceeding the target amount by nine times. This strong outcome highlights investor confidence in Citadele's solid position within the Baltic region and their continued support for the bank's growth. Additionally, in October 2025 the bank issued EUR 50 million in perpetual Additional Tier 1 (AT1) temporary write down notes, priced with a final coupon of 7.125%. Proceeds from both issuances will be used for general corporate purposes and repayment of the remaining outstanding notional amount of EUR 90.77 million of the previous senior preferred unsecured bonds.

Sale of Swiss Subsidiary Kaleido Privatbank AG

In July 2025, Citadele completed the sale of its Swiss subsidiary, Kaleido Privatbank AG, to a regulated French bank. The transaction supports Citadele's strategy to focus on core operations in the Baltic region and strengthen its position in home markets.

Looking Ahead

As we close the third quarter of 2025, Citadele's customer-first approach continues to guide our strategic direction. By empowering individuals and businesses to take greater control of their financial decisions – whether purchasing a dream home with ease, planning confidently for the future, or navigating key business investments – we remain focused on delivering long-term value to our customers, partners, and communities.

Driven by our dedicated team, growing customer engagement, and a strong focus on digital innovation, Citadele proudly supports the continued success of the Baltic region – recognized for its resilience, innovation, and growth potential.

I am sincerely grateful for the trust and partnership of our customers, colleagues and shareholders, which remain pivotal to everything we do.

Financial review of the Group

Results and profitability in 9M 2025

The Group delivered a solid financial performance in 9M 2025, with operating income amounting to EUR 167.0 million, compared to EUR 174.7 million in 9M 2024. EUR 55.6 million was earned in Q3 2025.

Net interest income amounted to EUR 132.9 million in 9M 2025, compared to EUR 144.8 million in 9M 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 Q3 2025 was EUR 43.8 million.

The Group's net fee and commission income amounted to EUR 28.3 million in 9M 2025, reflecting a 12% increase compared to 9M 2024, primarily driven by higher card-related income. Net fee and commission income in Q3 2025 was EUR 9.9 million.

Operating expenses in 9M 2025 amounted to EUR 79.6 million, representing a 2% decrease compared to 9M 2024, primarily due to lower staff costs and depreciation and amortisation. Operating expenses for Q3 2025 were EUR 27.2 million.

Staff costs declined by 4% to EUR 51.8 million in 9M 2025 compared to 9M 2024. The number of full-time employees was 1,287 as of 30 September 2025, down from 1,342 as of 31 December 2024. The decrease in full-time employees was mainly driven by the sale of Kaleido Privatbank AG, the Swiss subsidiary (26 employees as of 31 December 2024).

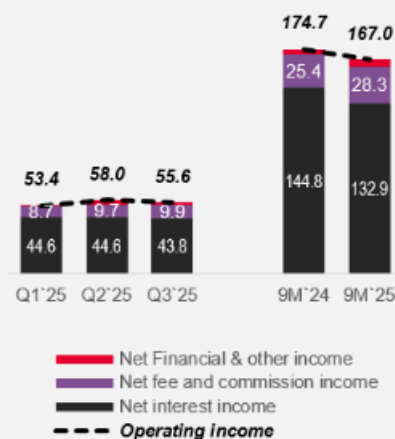
Other operating expenses totalled EUR 21.0 million, marking a 2% increase compared to 9M 2024, primarily driven by IT and communications expenses (14%) and rent, premisses and real estate expenses (13%). Depreciation and amortization expenses amounted to EUR 6.8 million, reflecting a 5% decrease compared to 9M 2024. Other operating expenses for Q3 2025 were EUR 8.7 million.

Citadele's cost-to-income ratio was 47.7% in 9M 2025, as compared to 46.6% in 9M 2024. The cost-to-income ratio for Q3 2025 was 48.9%.

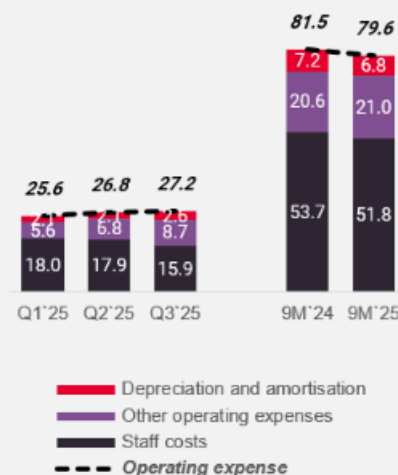
Net credit losses and impairments amounted to EUR 7.2 million in 9M 2025, compared to reversals of EUR 2.5 million in 9M 2024. This shift was partially driven by the growth in consumer and mortgage portfolios and move of some loan balances to a higher impairment stage. In Q3 2025 alone, net credit losses and impairments totalled EUR 2.7 million.

Net profit from continuing operations reached EUR 63.8 million, a 15% decrease as compared to 9M 2024, with a 14.9% ROE. Kaleido Privatbank AG, the Swiss subsidiary sold in Q3 2025, was previously classified as discontinued operations. The Group's total net profit was EUR 60.6 million in 9M 2025.

Operating income, EURm



Operating expense, EURm



Balance sheet overview

The Group's assets stood at EUR 5,306 million as of 30 September 2025, representing a 3% increase from year-end 2024 (EUR 5,137 million). In July 2025 the Bank's Swiss subsidiary Kaleido Privatbank AG, which previously was presented as discontinued operations and represented 2% of the Group's assets, was sold.

The net **loan portfolio** was EUR 3,669 million as of 30 September 2025, representing a 12% increase from year-end 2024. The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio was 2.0% as of 30 September 2025, down from 2.3% at 31 December 2024.

New financing in 9M 2025 reached EUR 1,175 million, representing a 24% increase comparing to the same period in 2024, mainly impacted by higher lending volumes in the SME segment and retail private segment. EUR 423 million was issued to private customers, EUR 532 million to SMEs and EUR 216 million to corporate customers. EUR 136 million (12% 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 September 2025, Latvia accounted for 42% of the loan portfolio with EUR 1,526 million (compared to 44% as of year-end 2024), followed by Lithuania at 39% with EUR 1,445 million (vs. 37% as of year-end 2024), Estonia at 19% with EUR 686 million (vs. 19% as of year-end 2024), and other EU and non-EU countries at 0.3% with EUR 11 million combined.

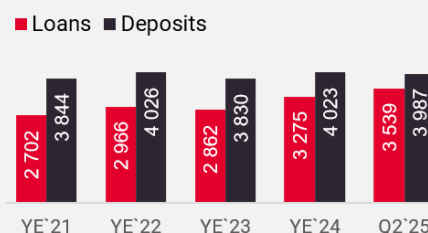
As of 30 September 2025, loans to households represented 46% of the total loan portfolio (compared to 46% as of year-end 2024). Mortgage loans increased by 7% from year-end 2024 and amounted to EUR 933 million. Finance leases to households grew by 17% to EUR 439 million (vs. EUR 376 million at year-end 2024). Consumer lending rose by 50%, reaching EUR 249 million, while card lending increased by 3% 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 9M 2025 decreased by 16% vs. the year-end 2024. 97% of the securities portfolio consist of securities with a rating of A and higher. The most significant changes included a 47% decrease (EUR 83 million) in AA/aa-rated bonds since year-end 2024 and a 10% decrease (EUR 95 million) in A-rated bonds.

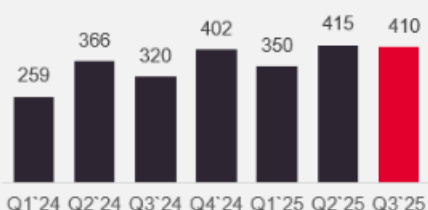
The Group's LCR and NSFR remained at healthy levels, standing at 196% and 144%, respectively, as of 30 September 2025, compared to 181% and 143% at year-end 2024.

The main source of Citadele's funding, **customer deposits**, increased by 2% to EUR 4,101 million at 30 September 2025 compared to year-end 2024. Term deposits share out of total deposits stood at 24% as of 30 September 2025, as compared to 27% as of end of year 2024. Baltic domestic customer deposits formed 99% of total deposits or EUR 4,045 million (compared to 99% as of year-end 2024).

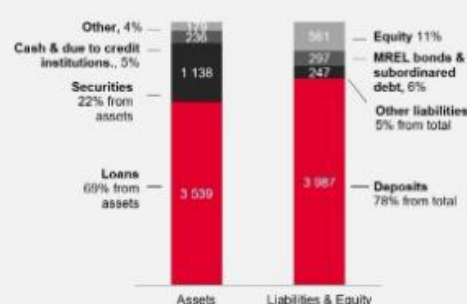
Loans and Deposits, EURm



New financing, EURm



Balance sheet structure, EURm



Ratings

On 6 December 2024 Moody's Ratings (Moody's) 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.moody.com

Segment Highlights

Retail Private and Affluent segment

In 9M 2025, operating income of the Retail Private and Affluent segments amounted to EUR 62.2 million.

New lending to private individuals reached EUR 423 million in 9M 2025, representing a EUR 66 million increase compared to the same period a year ago. Notable demand seen for green products, with green mortgage loans reaching EUR 32.3 million in 9M 2025, accounting for 23% of total new mortgages.

Total loans to private individuals reached EUR 1,562 million as of 30 September 2025, an 11% increase of EUR 156 million, since 31 December 2024, with good loan quality. Deposits from private individuals totalled EUR 2,067 million, representing a slight increase of EUR 34 million (2%) compared to 31 December 2024.

SME segment

In 9M 2025, the SME segment's operating income reached EUR 55.2 million, reflecting a 7% decrease compared to 9M 2024.

New lending totalled EUR 532 million in 9M 2025 - an increase of EUR 158 million, compared to the same period a year ago.

Total loans to SMEs stood at EUR 1,252 million as of 30 September 2025, marking a 19% increase compared to year-end 2024, while loan quality remained strong. SME deposits reached EUR 969 million, 9% increase compared to 31 December 2024.

Corporate segment

The corporate segment's operating income reached EUR 22.5 million in 9M 2025, reflecting a 6% increase compared to the same period in 2024.

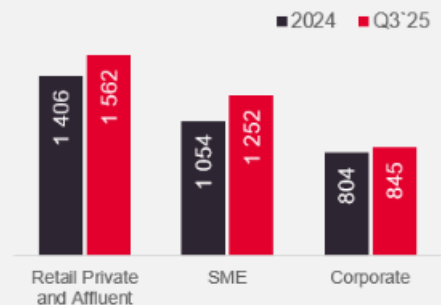
Corporate new financing amounted to EUR 216 million, representing a year-on-year increase of EUR 8 million. The total corporate loan portfolio stood at EUR 845 million, marking a 5% increase compared to year-end 2024. The quality of the credit portfolio remained strong.

The corporate deposit portfolio amounted to EUR 982 million as of 30 September 2025, reflecting a 1% decrease compared to year-end 2024.

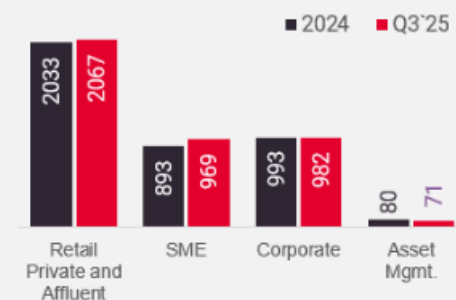
Asset Management

Operating income reached EUR 5.8 million in 9M 2025, remaining unchanged as compared to the same period a year ago. Total customer assets under management stood at EUR 1.3 billion, a 9% increase from year-end 2024.

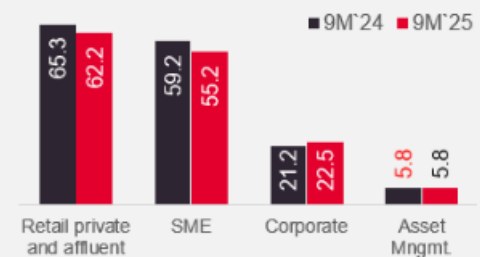
Loans, EURm



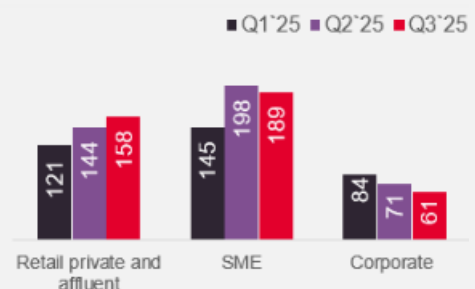
Deposits, EURm



Operating income, EURm



New lending, EURm



Business Environment

The global economy continues to show resilience despite ongoing trade tensions and shifting monetary policies. The U.S. economy has maintained solid growth in 2025, supported by stable employment and recovering consumer spending, even as tariffs remain high and political uncertainty persists. Meanwhile, the eurozone's earlier export-driven momentum has faded, with growth slowing and domestic demand becoming the key driver amid a strong euro and weaker external trade. Inflation pressures on both sides of the Atlantic have eased, allowing central banks to cautiously adjust policy.

After a weak start to the year, U.S. economic activity stabilized and improved, GDP grew by 2.1% in the first half of the year compared to a year earlier. The overall effective U.S. tariff rate has stabilized above 18%, much higher than last year's 2.5%. Trade agreements with several partners were reached, but trade with China and the euro area has declined. Some sectors may still feel delayed negative effects as companies absorb part of the cost increases. Growth forecasts have been revised upward, expecting about 1.8% annual GDP growth over the next two years, although political uncertainty from a temporary government shutdown complicates economic assessment.

Following a strong start to the year driven by exports to the U.S. ahead of tariff increases, the eurozone's growth slowed, with GDP rising only 0.1% in the second quarter. Industrial economies such as Germany and Italy performed weaker. Manufacturing and retail activity stagnated, while business sentiment remained generally positive. As the boost from U.S. demand fades, domestic demand has become more important for growth. However, the stronger euro and U.S. tariffs may continue to weigh on exports. Forecasts have been revised slightly upward: GDP is expected to grow 1.3% in 2025 and slow to 1.1% in 2026.

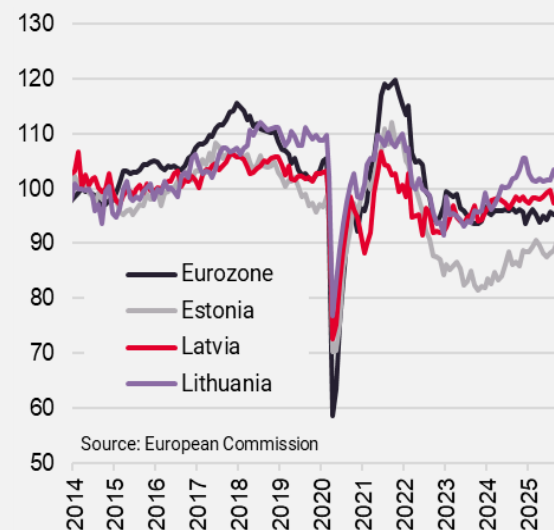
Monetary Policy: U.S. inflation accelerated to around 3%, but tariff effects remain limited. In September, the Federal Reserve cut interest rates by 0.25 percentage points to 4.00–4.25%, signalling more cuts ahead. Markets expect rates to fall to around 3% by the end of next year. In contrast, the European Central Bank paused its rate-cutting cycle in July, keeping the deposit rate at 2.0%. Further cuts this year are unlikely, though markets see about a 70% chance of another small reduction in 2026 as eurozone inflation nears the ECB's 2% target and growth momentum weakens.

Baltic Economies – Strength in Divergence

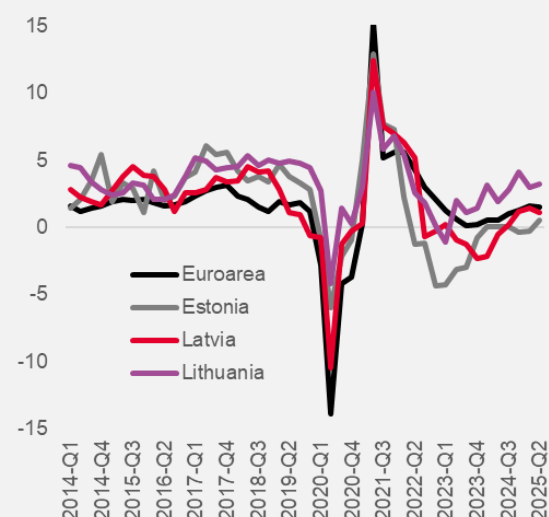
The Baltic region continued its gradual recovery in the second half of 2025, supported by easing financial conditions, improving industrial sentiment, and resilient domestic demand. However, the growth dynamics have become increasingly differentiated across the three economies. While Latvia is emerging as the region's new growth driver, Lithuania's performance remains robust but increasingly unbalanced across sectors, and Estonia is only beginning to exit a prolonged recessionary phase.

Latvia's economic momentum has clearly accelerated through mid-2025. Real GDP expanded by 1.4% year-on-year in Q1 and 1.1% in Q2, and recent high-frequency data indicate a further strengthening of activity. Cyclical industries are leading the upturn: production of wood and

Economic sentiment indicator



GDP (constant prices, % year-on year)



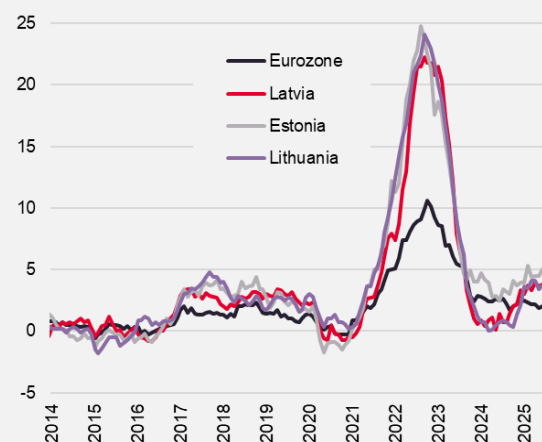
timber products increased by 9%, paper by 6.4%, cement by 7%, and furniture by 13% compared with August 2024. These trends underscore the sector's improving competitiveness in key export markets and the spill-over effects of lower euro area interest rates. Rising food and cement output also indicates firming domestic demand. With both industry and consumption gaining traction, Latvia is poised for a period of faster expansion. We expect real GDP to grow by 1.4% in 2025 and accelerate to 2.0% in 2026. Wage growth of 6.2% is set to outpace inflation, reinforcing purchasing power and sustaining domestic demand into next year.

Lithuania remains the strongest performer in the region, though growth dynamics have begun to diverge across sectors. Real GDP increased by 3.0% year-on-year in Q1 and 3.2% in Q2, supported by resilient domestic demand, an active real estate market, and steady industrial activity. Despite emerging headwinds in manufacturing, domestic demand remains exceptionally strong. The real estate market continues to expand. Overall, Lithuania's growth is shifting toward domestic drivers. We forecast real GDP growth of 2.5% in 2025 and 3.0% in 2026, slightly above the euro area average. Wage growth of 7.5%, well above expected inflation of 3.4%, will continue to support household purchasing power. The pension reform, expected to boost disposable incomes, should provide additional positive momentum to consumption and investment.

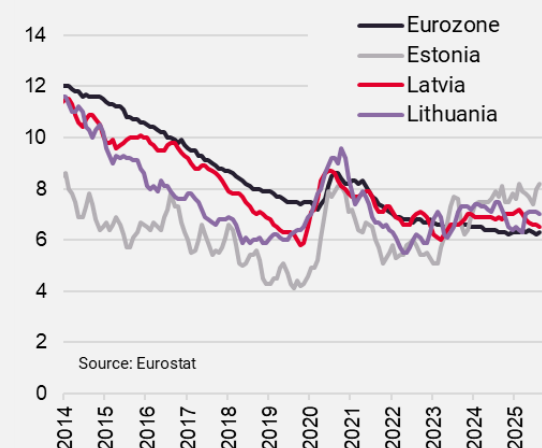
After nearly three years of stagnation, Estonia's economy has finally returned to growth. Real GDP increased by 0.5% year-on-year in Q2 2025, marking the first annual expansion since early 2022. The industrial sector remains the main driver, with manufacturing output posting consistent gains throughout the year. Key contributors include food products, electronics, and building materials. However, momentum has recently slowed. In August, manufacturing output grew by just 2.5% year-on-year, the weakest rate this year, reflecting both temporary factors (the expiration of pre-tariff exports to the US) and more fundamental challenges linked to subdued demand in the EU, which absorbs two-thirds of Estonia's exports. Domestic demand remains subdued following the VAT increase to 24% in July. Retail sales rose only 0.7% year-on-year in August, the slowest pace in six months. We expect Estonia's economy to grow by 1.5% in 2025 and accelerate to 2.3% in 2026, as lower rates gradually translate into stronger investment and consumption. However, the overall cycle will remain weak, and sustained recovery will depend on improvements in external demand.

Across the Baltics, the macroeconomic backdrop continues to improve, though at different speeds. Certain risks remain from weaker European demand, ongoing tariff uncertainty, and the potential for renewed energy price volatility. Still, with cyclical sectors strengthening and monetary conditions easing, the Baltic economies appear well positioned for a period of synchronized, moderate growth in 2026, likely outpacing the broader euro area once again.

Inflation (% , year-on-year)



Unemployment rate (%)



CORPORATE GOVERNANCE

AS Citadele banka is the parent company of Citadele Group. AS Citadele banka is a 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 30/09/2025:

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

Management Board of the Bank as of 30/09/2025:

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 September 2025 and the results of their operations for the three and nine months period ended 30 September 2025, changes in shareholders' equity and cash flows for the nine months period ended 30 September 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 29 October 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 4 November 2025.

Rūta Ežerskienė

Chair of the Management Board

CONDENSED STATEMENT OF INCOME

		EUR thousands							
		Group				Bank			
Note		9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Interest income calculated using the effective interest method	5	117,991	126,932	38,795	43,419	146,216	171,191	47,748	58,246
Other interest income	5	53,606	62,487	17,978	20,848	-	-	-	-
Interest expense	5	(38,653)	(44,602)	(13,016)	(15,022)	(39,924)	(45,908)	(13,133)	(15,588)
Net interest income		132,944	144,817	43,757	49,245	106,292	125,283	34,615	42,658
Fee and commission income	6	56,369	52,037	19,618	17,860	51,917	48,002	18,061	16,500
Fee and commission expense	6	(28,030)	(26,687)	(9,689)	(9,708)	(26,508)	(25,197)	(9,170)	(9,110)
Net fee and commission income		28,339	25,350	9,929	8,152	25,409	22,805	8,891	7,390
Net financial income	7	7,306	7,582	2,838	3,469	7,261	7,153	2,831	3,020
Net other income / (expense)	8	(1,577)	(3,001)	(964)	(2,189)	(355)	(1,983)	(543)	(1,453)
Operating income		167,012	174,748	55,560	58,677	138,607	153,258	45,794	51,615
Staff costs	9	(51,803)	(53,716)	(15,880)	(16,325)	(43,439)	(45,569)	(13,285)	(13,679)
Other operating expenses	10	(20,958)	(20,560)	(8,655)	(6,062)	(19,273)	(18,984)	(8,050)	(5,520)
Depreciation and amortisation		(6,846)	(7,191)	(2,618)	(2,462)	(5,954)	(6,360)	(2,299)	(2,177)
Operating expense		(79,607)	(81,467)	(27,153)	(24,849)	(68,666)	(70,913)	(23,634)	(21,376)
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale		87,405	93,281	28,407	33,828	69,941	82,345	22,160	30,239
Net credit losses	11	(7,155)	2,434	(2,715)	(4,481)	(5,660)	5,093	(2,065)	(5,662)
Other impairment losses and other provisions		(67)	65	(1)	(2)	1,184	970	212	(1)
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale		80,183	95,780	25,691	29,345	65,465	88,408	20,307	24,576
Mortgage loan levy and bank tax	12	-	(7,401)	22	(2,246)	-	(7,370)	22	(2,236)
Result from non-current assets held for sale and discontinued operations, net of tax	17	(3,641)	(3,849)	648	172	(1,429)	(14,577)	255	(5,561)
Operating profit		76,542	84,530	26,361	27,271	64,036	66,461	20,584	16,779
Income tax	12	(15,934)	(13,783)	(5,542)	(3,393)	(12,960)	(12,866)	(4,394)	(3,218)
Net profit		60,608	70,747	20,819	23,878	51,076	53,595	16,190	13,561
Basic earnings / (loss) per share in EUR	21	0.38	0.45	0.13	0.15	0.32	0.34	0.10	0.09
from continuing operations		0.40	0.47	0.13	0.15	0.32	0.34	0.10	0.09
from discontinued operations		(0.02)	(0.03)	-	-	-	-	-	-
Diluted earnings / (loss) per share in EUR	21	0.38	0.44	0.13	0.15	0.32	0.34	0.10	0.09
from continuing operations		0.40	0.47	0.13	0.15	0.32	0.34	0.10	0.09
from discontinued operations		(0.02)	(0.03)	-	-	-	-	-	-

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Net profit	60,608	70,747	20,819	23,878	51,076	53,595	16,190	13,561
Items that may be reclassified to profit or loss:								
<i>Debt securities at fair value through other comprehensive income (continuing operations)</i>								
Gains or losses transferred to profit or loss	(28)	11	-	-	(28)	11	-	-
Valuation gains or losses taken to equity	3,058	4,800	641	2,716	2,657	4,128	567	2,325
Income tax taken to equity	(529)	1,301	(124)	1,301	(529)	1,301	(124)	1,301
<i>Debt securities at fair value through other comprehensive income (discontinued operations)</i>								
Gains or losses transferred to profit or loss	67	130	-	60	-	-	-	-
Valuation gains or losses taken to equity	35	250	12	101	-	-	-	-
Income tax taken to equity	(25)	(91)	(3)	(38)	-	-	-	-
<i>Other reserves (discontinued operations)</i>								
Foreign exchange retranslation	(7,395)	(203)	(7,487)	366	-	-	-	-
Items that will not to be reclassified to profit or loss:								
<i>Equity and similar instruments at fair value through other comprehensive income (continuing operations)</i>								
Valuation gains or losses taken to equity	17	4	-	-	17	4	-	-
Transfer to retained earnings at disposal	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	(4,800)	6,202	(6,961)	4,506	2,117	5,444	443	3,626
Total comprehensive income	55,808	76,949	13,858	28,384	53,193	59,039	16,633	17,187

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

CONDENSED BALANCE SHEET

		EUR thousands			
		30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Assets					
Cash and cash balances at central banks	24	448,983	349,940	448,983	349,940
Loans to credit institutions		10,253	12,944	8,949	23,748
Debt securities	13	1,070,703	1,275,958	1,032,997	1,234,827
Loans to public	14	3,668,540	3,274,581	3,562,006	3,170,572
Equity instruments	15	1,022	835	1,022	835
Other financial instruments	15	23,825	25,108	-	838
Derivatives		1,025	5,690	1,025	5,690
Investments in related entities	16	-	-	49,997	48,759
Tangible assets		29,689	17,993	17,091	14,204
Intangible assets		5,856	6,132	3,686	3,876
Current income tax assets	12	1,093	22	1,071	-
Deferred income tax assets	12	1,057	1,636	1,015	1,572
Bank tax assets	12	-	180	-	180
Discontinued operations and non-current assets held for sale	17	-	103,636	-	779
Other assets		43,587	61,942	34,747	50,273
Total assets		5,305,633	5,136,597	5,162,589	4,906,093
Liabilities					
Deposits from credit institutions and central banks	18	38,889	3,228	38,889	54,096
Deposits and borrowings from customers	19	4,100,978	4,023,480	4,094,438	4,003,611
Debt securities issued	20	487,628	315,422	487,628	315,422
Derivatives		3,061	4,008	3,061	4,008
Provisions	11	4,259	2,733	4,171	2,675
Current income tax liabilities	12	9,981	14,218	8,841	12,301
Deferred income tax liabilities	12	1,150	-	-	-
Discontinued operations	17	-	133,131	-	-
Other liabilities		84,318	77,695	35,214	33,704
Total liabilities		4,730,264	4,573,915	4,672,242	4,425,817
Equity					
Share capital	21	159,148	158,813	159,148	158,813
Reserves and other capital components		3,917	7,388	4,163	717
Retained earnings		412,304	396,481	327,036	320,746
Total equity		575,369	562,682	490,347	480,276
Total liabilities and equity		5,305,633	5,136,597	5,162,589	4,906,093
Off-balance sheet items					
Guarantees and letters of credit	22	113,671	88,398	113,671	97,033
Financial commitments	22	373,023	351,912	353,229	409,329

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

Group, EUR thousands							
	Issued share capital	Share premium	Securities fair value revaluation reserve (Note 13)	Foreign currency retranslation	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)	246	408	-	-	416	-	1,070
Total comprehensive income	-	-	6,405	(203)	-	70,747	76,949
Net result for the period	-	-	-	-	-	70,747	70,747
Other comprehensive income / (loss) for the period	-	-	6,405	(203)	-	-	6,202
Balance as of 30/09/2024	158,391	1,583	(6,126)	7,486	3,991	377,472	542,797
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)	335	570	-	-	759	-	1,664
Total comprehensive income	-	-	2,595	(7,395)	-	60,608	55,808
Net result for the period	-	-	-	-	-	60,608	60,608
Other comprehensive income / (loss) for the period	-	-	2,595	(7,395)	-	-	(4,800)
Balance as of 30/09/2025	159,148	2,783	(2,725)	-	3,859	412,304	575,369

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)	246	408	-	415	-	1,069
Total comprehensive income	-	-	5,444	-	53,595	59,039
Net result for the period	-	-	-	-	53,595	53,595
Other comprehensive income / (loss) for the period	-	-	5,444	-	-	5,444
Balance as of 30/09/2024	158,391	1,583	(5,205)	3,990	303,685	462,444
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)	335	570	-	759	(1)	1,663
Total comprehensive income	-	-	2,117	-	51,076	53,193
Net result for the period	-	-	-	-	51,076	51,076
Other comprehensive income / (loss) for the period	-	-	2,117	-	-	2,117
Balance as of 30/09/2025	159,148	2,783	(2,479)	3,859	327,036	490,347

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

CONDENSED STATEMENT OF CASH FLOWS

		EUR thousands			
	Note	9m 2025 Group	9m 2024 Group	9m 2025 Bank	9m 2024 Bank
Operating activities					
Operating profit before tax (discontinued net of tax and continuing)		76,542	84,530	64,036	66,461
Tax expense from discontinued operations	17	21	3	-	-
Interest income	5	(173,006)	(192,915)	(146,216)	(171,191)
Interest expense	5	38,801	45,559	39,924	45,908
Dividends income		(9)	(17)	(111)	(17)
Depreciation and amortisation		8,002	7,541	5,954	6,360
Impairment allowances and provisions		8,241	(1,961)	6,327	9,004
Currency translation and other non-cash items		8,500	1,179	8,630	2,201
Cash flows from the income statement		(32,908)	(56,081)	(21,456)	(41,274)
(Increase) / decrease in loans to public		(397,736)	(268,353)	(398,688)	(262,562)
Increase / (decrease) in deposits and borrowings from customers		85,985	125,757	94,889	107,456
(Increase) / decrease in loans to credit institutions		4,660	23,340	16,301	31,654
Increase / (decrease) in deposits from central banks and credit institutions		17,959	(38,750)	(32,782)	(58,132)
(Increase) / decrease in other items at fair value through profit or loss		3,718	976	3,718	976
(Increase) / decrease in other assets		19,228	19,000	14,716	(2,885)
(Increase) / decrease in tangible assets under operating lease		(7,868)	-	-	-
Increase / (decrease) in other liabilities		5,220	(15,183)	(841)	(3,561)
Cash flows from operating activities before interest and corporate income tax		(301,742)	(209,294)	(324,143)	(228,328)
Interest received		175,410	193,500	147,716	172,008
Interest paid		(35,875)	(36,435)	(37,215)	(36,859)
Corporate income tax paid		(20,113)	(21,111)	(17,491)	(20,252)
Cash flows from operating activities		(182,320)	(73,340)	(231,133)	(113,431)
Investing activities					
Acquisition of tangible and intangible assets		(5,831)	(7,173)	(3,719)	(4,197)
Disposal of tangible and intangible assets		22	1,636	22	11
Investments in debt securities and other financial instruments		(147,884)	(125,314)	(135,112)	(121,471)
Proceeds from debt securities and other financial instruments		359,510	125,796	334,251	108,450
Dividends received		9	17	111	17
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	17	(69,468)	-	-	-
Sale or investments in subsidiaries and associates		-	844	1,182	(2,214)
Cash flows from investing activities		136,358	(4,194)	196,735	(19,404)
Financing activities					
Dividends paid		(44,785)	(50,756)	(44,785)	(50,756)
Proceeds from issue of debt securities		298,482		298,482	
Proceeds from (repayment of) of debt securities		(129,230)	19,760	(129,230)	19,760
Interest paid on debt securities issued		(4,326)	(1,815)	(4,326)	(1,815)
Repayment of lease liabilities		(2,798)	(2,650)	(2,736)	(2,442)
Cash flows from financing activities		117,343	(35,461)	117,405	(35,253)
Cash flows for the period		71,381	(112,995)	83,007	(168,088)
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	437,752	432,659	436,448	352,756

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

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

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

If not mentioned otherwise, referral to the Group's policies and procedures should be also considered as referral to the respective Bank's policies and procedures. Figures in parenthesis represent amounts as of 31 December 2024 or for the nine months period ended 30 September 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 September 2025, the Group had 1,287 (2024: 1,342) and the Bank had 1,081 (2024: 1,112) full time equivalent active employees.

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 its 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 not affect the impairment allowance for the Bank (2024: EUR +/- 0.24 million). This is because for the reporting period, for individually assessed exposures in Bank, a gone concern approach was applied, whereby loan recovery is expected solely through the realization of collateral. However, for the Group, such a scenario would result in changes to the impairment allowance by EUR +/- 0.1 million (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 +/- 0.29 million change in impairment allowance for the Bank (2024: EUR +/- 0.35 million) and EUR +/- 0.44 million for the Group.

(2024: EUR +/- 0.50 million).

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

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

Changes in all applied LGD rates by 500 basis points would result in change in collectively estimated impairment allowance and provisions by EUR +/- 4.3 million for the Bank and EUR +/- 6.6 million for the Group (2024: EUR +/- 4.5 million for the Bank and EUR +/- 6.6 million for the Group). Changes in the 12-month PD rates by 100 basis points would result in change in collectively estimated impairment allowance and provisions for off-balance sheet commitments and guarantees by EUR +/- 6.2 million for the Bank and EUR +/- 9.8 million for the Group (2024: EUR +/- 6.1 million for the Bank and EUR +/- 9.4 million for the Group).

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 likelihood of the future economic development.

Key forward-looking information variables for measurement of expected credit losses as of 30 September 2025 (average for the period of)

	Baseline scenario			Adverse scenario			Positive scenario		
	Next 0-12m	Next 13-24m	Next 25-36m	Next 0-12m	Next 13-24m	Next 25-36m	Next 0-12m	Next 13-24m	Next 25-36m
Latvia									
GDP (annual change)	1.4%	2.3%	2.4%	(2.6%)	(0.7%)	1.4%	3.6%	4.5%	3.8%
Unemployment rate	6.7%	6.4%	6.3%	7.5%	7.2%	6.8%	6.0%	5.3%	4.8%
Average gross wage (annual change)	6.0%	6.1%	5.4%	(2.0%)	0.1%	2.4%	10.4%	10.5%	8.3%
Interest rate	2.1%	2.1%	2.4%	2.1%	2.3%	3.1%	1.9%	0.9%	0.1%
Lithuania									
GDP (annual change)	2.6%	2.8%	2.5%	(1.4%)	(0.3%)	1.5%	4.7%	5.0%	3.9%
Unemployment rate	6.8%	6.4%	6.3%	7.6%	7.3%	6.8%	6.3%	5.4%	4.9%
Average gross wage (annual change)	6.8%	6.1%	5.8%	(1.2%)	0.1%	2.8%	10.9%	10.5%	8.7%
Interest rate	2.1%	2.1%	2.4%	2.1%	2.3%	3.1%	1.9%	0.9%	0.1%
Estonia									
GDP (annual change)	1.6%	2.3%	2.4%	(2.4%)	(0.7%)	1.4%	4.3%	4.8%	3.8%
Unemployment rate	7.1%	6.6%	6.4%	7.8%	7.4%	6.9%	6.1%	5.2%	4.7%
Average gross wage (annual change)	5.5%	6.0%	5.3%	(2.5%)	0.0%	2.3%	10.8%	11.0%	8.1%
Interest rate	2.1%	2.1%	2.4%	2.1%	2.3%	3.1%	1.9%	0.9%	0.1%

Key forward-looking information variables for measurement of expected credit losses as of 31 December 2024 (average for the period of)

	Baseline scenario			Adverse scenario			Positive scenario		
	Next 0-12m	Next 13-24m	Next 25-36m	Next 0-12m	Next 13-24m	Next 25-36m	Next 0-12m	Next 13-24m	Next 25-36m
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 at 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 11.6 million and for the Group by EUR 16.5 million as of the period end (2024: EUR 15.6 million for the Bank and EUR 21.4 million for the Group). If the weighting of the adverse scenario was to increase to 100%, the expected credit loss allowance of the Bank would increase by EUR 17.9 million and for the Group by EUR 25.5 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 27.2 million and for the Group by EUR 38.8 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 and recoverability of non-financial assets

Citadele at the end of each reporting period assesses whether there is any indication that the Bank's investments in subsidiaries may be impaired. 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*.

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.

Segments of the Group

Group 9m 2025, EUR thousands							
	Reportable segments					Other	Total
	Retail Private	Private affluent	SME	Corporate	Asset Management		
Interest income	64,365	2,106	51,976	36,531	706	15,913	171,597
Interest expense	(11,866)	(3,373)	(6,534)	(15,942)	(339)	(599)	(38,653)
Net interest income	52,499	(1,267)	45,442	20,589	367	15,314	132,944
Fee and commission income	22,403	2,971	16,502	7,812	5,427	1,254	56,369
Fee and commission expense	(11,707)	(897)	(8,376)	(5,802)	(437)	(811)	(28,030)
Net fee and commission income	10,696	2,074	8,126	2,010	4,990	443	28,339
Net financial income	(555)	233	2,108	661	180	4,679	7,306
Net other income / (expense)	(1,891)	411	(519)	(717)	246	893	(1,577)
Operating income	60,749	1,451	55,157	22,543	5,783	21,329	167,012
Net funding allocation	116	6,068	(7,862)	684	429	565	-
FTP adjusted operating income	60,865	7,519	47,295	23,227	6,212	21,894	167,012
Operating expense adjusted for indirect costs	(33,298)	(3,233)	(23,104)	(11,296)	(5,775)	(2,901)	(79,607)
Net credit losses	(5,197)	(363)	(1,546)	(137)	(7)	95	(7,155)
Other impairment losses and other provisions	2	(1)	(35)	(20)	-	(13)	(67)
Mortgage loan levy and bank tax	-	-	-	-	-	-	-
Result from non-current assets held for sale (Note 17)	-	-	-	-	-	(491)	(491)
Operating profit from continuous operations, before tax	22,372	3,922	22,610	11,774	430	18,584	79,692
Discontinued operations (Note 17)							(3,150)
Operating profit, before tax							76,542

Group 9m 2024, EUR thousands							
	Reportable segments					Other	Total
	Retail Private	Private affluent	SME	Corporate	Asset Management		
Interest income	70,675	2,515	56,379	40,014	658	19,178	189,419
Interest expense	(13,152)	(3,371)	(6,505)	(20,070)	(331)	(1,173)	(44,602)
Net interest income	57,523	(856)	49,874	19,944	327	18,005	144,817
Fee and commission income	19,873	2,771	15,310	7,799	4,989	1,295	52,037
Fee and commission expense	(11,111)	(902)	(7,867)	(5,654)	(182)	(971)	(26,687)
Net fee and commission income	8,762	1,869	7,443	2,145	4,807	324	25,350
Net financial income	81	289	2,100	(186)	548	4,750	7,582
Net other income / (expense)	(2,251)	(135)	(231)	(677)	95	198	(3,001)
Operating income	64,115	1,167	59,186	21,226	5,777	23,277	174,748
Net funding allocation	(592)	7,534	(10,265)	2,800	563	(40)	-
FTP adjusted operating income	63,523	8,701	48,921	24,026	6,340	23,237	174,748
Operating expense adjusted for indirect costs	(33,261)	(2,475)	(22,375)	(16,930)	(4,963)	(1,463)	(81,467)
Net credit losses	(2,942)	150	(207)	5,265	8	160	2,434
Other impairment losses and other provisions	2	(3)	(23)	(10)	-	99	65
Mortgage loan levy and bank tax	-	-	-	-	-	(7,401)	(7,401)
Result from non-current assets held for sale (Note 17)	-	-	-	-	-	490	490
Operating profit from continuous operations, before tax	27,322	6,373	26,316	12,351	1,385	15,122	88,869
Discontinued operations (Note 17)							(4,339)
Operating profit, before tax							84,530

Group as of 30/09/2025, EUR thousands

	Reportable segments					Other (including discontinued operations)	Total
	Retail Private	Private affluent	SME	Corporate	Asset Manage- ment		
Assets							
Cash, balances at central banks	-	-	-	-	-	448,983	448,983
Loans to credit institutions	-	-	-	-	1,304	8,949	10,253
Debt securities	-	-	-	12,144	37,706	1,020,853	1,070,703
Loans to public	1,501,255	60,729	1,251,866	844,849	-	9,841	3,668,540
Equity instruments	-	-	-	-	-	1,022	1,022
Other financial instruments	-	-	-	-	23,825	-	23,825
All other assets	-	-	40	26	3,382	78,859	82,307
Total segmented assets	1,501,255	60,729	1,251,906	857,019	66,217	1,568,507	5,305,633
Liabilities							
Deposits from banks	-	-	-	-	-	38,889	38,889
Deposits from customers	1,658,365	408,798	969,312	981,693	71,311	11,499	4,100,978
Debt securities issued	167,676	5,622	155,501	156,785	-	2,044	487,628
All other liabilities	-	-	14	-	27,589	75,166	102,769
Total segmented liabilities	1,826,041	414,420	1,124,827	1,138,478	98,900	127,598	4,730,264

Group as of 31/12/2024, EUR thousands

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

NOTE 5. INTEREST INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Interest income calculated using the effective interest method:								
Financial instruments at amortised cost:								
<i>Loans to public</i>	100,403	106,255	33,303	36,455	129,135	150,386	42,509	51,289
<i>Debt securities</i>	8,076	7,211	2,538	2,522	7,922	7,117	2,461	2,490
<i>Balances from central banks and credit institutions</i>	4,068	10,462	1,072	3,297	4,263	11,245	1,071	3,513
<i>Deposits from public at negative interest rates</i>	331	419	104	134	34	35	11	11
Debt securities at fair value through profit or loss	4,805	2,000	1,696	832	4,672	1,969	1,648	811
Debt securities at fair value through other comprehensive income	308	585	82	179	190	439	48	132
Interest income on finance leases (part of loans to public)	53,606	62,487	17,978	20,848	-	-	-	-
Total interest income	171,597	189,419	56,773	64,267	146,216	171,191	47,748	58,246
Interest expense on:								
Financial instruments at amortised cost:								
<i>Deposits and borrowing from public</i>	(29,608)	(37,148)	(9,487)	(12,687)	(30,010)	(37,677)	(9,609)	(12,868)
<i>Debt securities issued</i>	(7,280)	(5,802)	(2,774)	(2,088)	(7,280)	(5,802)	(2,774)	(2,088)
<i>Deposits from credit institutions and central banks</i>	(289)	(773)	(275)	(3)	(1,184)	(1,615)	(274)	(408)
<i>Other assets at negative interest rates</i>	(73)	(229)	(11)	(80)	(61)	(181)	(12)	(64)
Financial liabilities at fair value through profit or loss								
<i>Deposits and borrowing from public</i>	(12)	(15)	(4)	(4)	-	-	-	-
Lease liabilities	(204)	(71)	(72)	(18)	(201)	(69)	(69)	(18)
Other interest expense	(1,187)	(564)	(393)	(142)	(1,188)	(564)	(395)	(142)
Total interest expense	(38,653)	(44,602)	(13,016)	(15,022)	(39,924)	(45,908)	(13,133)	(15,588)
Net interest income	132,944	144,817	43,757	49,245	106,292	125,283	34,615	42,658

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.

NOTE 6. FEE AND COMMISSION INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Fee and commission income:								
Cards	37,816	34,470	13,544	11,945	37,816	34,470	13,544	11,944
Payments and transactions	8,708	8,373	2,937	2,863	8,729	8,392	2,945	2,869
Asset management and custody	5,946	5,495	1,958	1,971	1,654	1,562	524	534
Securities brokerage	570	440	201	112	580	444	205	111
Other fees	1,523	1,544	490	423	1,455	1,478	460	507
Total fee and commission income from contracts with customers	54,563	50,322	19,130	17,314	50,234	46,346	17,678	15,965
Guarantees letters of credit and loans	1,806	1,715	488	546	1,683	1,656	383	535
Total fee and commission income	56,369	52,037	19,618	17,860	51,917	48,002	18,061	16,500
Fee and commission expense on:								
Cards	(22,076)	(19,722)	(7,853)	(7,536)	(22,073)	(19,721)	(7,852)	(7,535)
Payments and transactions	(2,928)	(3,065)	(995)	(1,073)	(2,928)	(3,065)	(996)	(1,073)
Securitisation	(1,627)	(1,960)	(479)	(721)	(353)	(593)	(105)	(161)
Asset management custody and securities brokerage	(709)	(678)	(236)	(200)	(704)	(676)	(236)	(200)
Other fees	(690)	(1,262)	(126)	(178)	(450)	(1,142)	19	(141)
Total fee and commission expense	(28,030)	(26,687)	(9,689)	(9,708)	(26,508)	(25,197)	(9,170)	(9,110)
Net fee and commission income	28,339	25,350	9,929	8,152	25,409	22,805	8,891	7,390

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 enabled Citadele to grant at least EUR 460 million in additional loans and leases to businesses in the Baltics over the three-year period.

NOTE 7. NET FINANCIAL INCOME

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Foreign exchange trading, revaluation and related derivatives	6,494	6,635	2,432	2,058	6,557	6,643	2,438	2,070
Non-trading assets and liabilities at fair value through profit or loss	1,867	2,289	712	1,373	1,759	1,852	699	912
Derecognition of assets at amortised cost	214	269	-	269	214	269	-	269
Assets at fair value through other comprehensive income	28	(11)	-	-	28	(11)	-	-
Modifications in cash flows which do not result in derecognition	(1,297)	(1,600)	(306)	(231)	(1,297)	(1,600)	(306)	(231)
Total net financial income	7,306	7,582	2,838	3,469	7,261	7,153	2,831	3,020

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 AND EXPENSE

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Operating lease income	1,133	1,028	466	352	-	-	-	-
Dividend income	9	17	3	6	111	17	3	6
Other income	2,074	1,022	348	289	3,046	1,926	702	695
Total other income	3,216	2,067	817	647	3,157	1,943	705	701
Insurance contracts:								
<i>Insurance revenue</i>	1,173	901	487	287	-	-	-	-
<i>Insurance expense</i>	(299)	(208)	(116)	(75)	-	-	-	-
<i>Financing</i>	(164)	(200)	(125)	(358)	-	-	-	-
Reinsurance contracts:								
<i>Net income / (expenses)</i>	(210)	(101)	(76)	(38)	-	-	-	-
<i>Financing</i>	85	(36)	29	(49)	-	-	-	-
Net insurance result	585	356	199	(233)	-	-	-	-
Supervisory fees	(1,505)	(1,397)	(535)	(465)	(1,454)	(1,339)	(513)	(449)
Depreciation of assets under operating lease	(959)	(798)	(396)	(279)	-	-	-	-
Other expenses	(2,914)	(3,229)	(1,049)	(1,859)	(2,058)	(2,587)	(735)	(1,705)
Total other expense	(5,378)	(5,424)	(1,980)	(2,603)	(3,512)	(3,926)	(1,248)	(2,154)
Total net other income / (expense)	(1,577)	(3,001)	(964)	(2,189)	(355)	(1,983)	(543)	(1,453)

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

NOTE 9. STAFF COSTS

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

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Remuneration:								
- management	(3,610)	(2,418)	(1,257)	(237)	(3,143)	(1,985)	(1,109)	(24)
- other personnel	(39,630)	(41,617)	(12,343)	(13,071)	(33,091)	(35,374)	(10,283)	(11,082)
Total remuneration for work	(43,240)	(44,035)	(13,600)	(13,308)	(36,234)	(37,359)	(11,392)	(11,106)
Social security and solidarity tax contributions:								
- management	(296)	(538)	135	(251)	(186)	(467)	170	(222)
- other personnel	(7,635)	(8,160)	(2,259)	(2,504)	(6,327)	(6,899)	(1,873)	(2,124)
Total social security and solidarity tax contributions	(7,931)	(8,698)	(2,124)	(2,755)	(6,513)	(7,366)	(1,703)	(2,346)
Other personnel expense, net of insurance acquisition cash flow adjustment	(632)	(983)	(156)	(262)	(692)	(844)	(190)	(227)
Total personnel expense	(51,803)	(53,716)	(15,880)	(16,325)	(43,439)	(45,569)	(13,285)	(13,679)

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 Q3 2024 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

	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Continuous operations	1,287	1,316	1,081	1,112
Discontinued operations	-	26	-	-
Total full-time equivalent employees	1,287	1,342	1,081	1,112

NOTE 10. OTHER OPERATING EXPENSES

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Information technologies and communications	(7,362)	(6,455)	(2,869)	(2,261)	(6,580)	(5,717)	(2,604)	(1,999)
Consulting and other services	(5,356)	(5,230)	(2,838)	(989)	(5,062)	(4,951)	(2,705)	(878)
Advertising and marketing	(2,422)	(2,435)	(1,075)	(637)	(2,237)	(2,303)	(1,002)	(573)
Rent, premises and real estate	(2,245)	(1,993)	(849)	(590)	(2,140)	(1,897)	(812)	(559)
Non-refundable value added tax	(2,137)	(3,022)	(552)	(1,060)	(2,020)	(2,903)	(507)	(1,031)
Other	(1,436)	(1,425)	(472)	(525)	(1,234)	(1,213)	(420)	(480)
Total other expenses	(20,958)	(20,560)	(8,655)	(6,062)	(19,273)	(18,984)	(8,050)	(5,520)

NOTE 11. NET CREDIT LOSSES

Total net impairment allowance charged to the income statement

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Loans to credit institutions	3	1	3	2	18	17	3	10
Debt securities	75	178	3	27	82	170	9	26
Loans to public	(9,201)	(697)	(3,517)	(4,856)	(7,669)	2,072	(2,790)	(5,875)
Loan commitments, guarantees and letters of credit	(38)	1,681	4	16	(23)	1,635	(60)	(131)
Recovered written-off assets	2,006	1,271	792	330	1,932	1,199	773	308
Total net losses on financial instruments	(7,155)	2,434	(2,715)	(4,481)	(5,660)	5,093	(2,065)	(5,662)

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. 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.

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 to statement of income			Write-offs of allowances	Other adjustments	Closing balance
	01/01/2025	Origination	Repayment disposal	Credit risk, net			
Stage 1							
Loans to credit institutions	2	3	(3)	(3)	-	1	-
Debt securities	385	66	(103)	(38)	-	-	310
Loans to public	44,881	15,290	(5,052)	(9,322)	-	(24)	45,773
Loan commitments, guarantees and letters of credit	2,523	1,412	(921)	(670)	-	13	2,357
Total stage 1 credit losses and provisions	47,791	16,771	(6,079)	(10,033)	-	(10)	48,440
Stage 2							
Loans to public	11,475	529	(2,252)	1,015	-	-	10,767
Loan commitments, guarantees and letters of credit	79	24	(84)	70	-	-	89
Total stage 2 credit losses and provisions	11,554	553	(2,336)	1,085	-	-	10,856
Stage 3							
Loans to public	38,297	-	(4,485)	14,096	(4,151)	(1,848)	41,909
Loan commitments, guarantees and letters of credit	131	-	(196)	403	-	-	338
Total stage 3 credit losses and provisions	38,428	-	(4,681)	14,499	(4,151)	(1,848)	42,247
POCI							
Loans to public	512	-	(511)	(107)	(24)	631	501
Total POCI credit losses and provisions	512	-	(511)	(107)	(24)	631	501
Total allowances for credit losses and provisions	98,285	17,324	(13,607)	5,444	(4,175)	(1,227)	102,044
Including for debt securities classified at fair value through other comprehensive income	39						26

Total Group's provisions of EUR 4,259 thousand (2024: EUR 2,733 thousand) as of the period end comprise of ECL allowances for loan commitments, guarantees and letters of credit of EUR 2,784 thousand (2024: EUR 2,733 thousand) and other non-ECL provisions of EUR 1,475 thousand (2024: none). Total Bank's provisions of EUR 4,171 thousand (2024: EUR 2,675 thousand) as of the period end comprise EUR 2,696 thousand (2024: EUR 2,675 thousand) for loan commitments, guarantees and letters of credit and EUR 1,475 thousand (2024: EUR none) for other non-ECL provisions.

Group, EUR thousands

	Opening balance 01/01/2024	Charged to statement of income			Write-offs of allowances	Other adjust- ments	Closing balance 30/09/2024
		Origination	Repayment disposal	Credit risk, net			
<u>Stage 1</u>							
Loans to credit institutions	3	153	(169)	15	-	-	2
Debt securities	583	25	(17)	(186)	-	-	405
Loans to public	52,173	11,379	(2,752)	(17,049)	-	16	43,767
Loan commitments, guarantees and letters of credit	4,502	1,830	(743)	(2,723)	-	2	2,868
Total stage 1 credit losses and provisions	57,261	13,387	(3,681)	(19,943)	-	18	47,042
<u>Stage 2</u>							
Loans to public	15,652	298	(1,391)	298	-	19	14,876
Loan commitments, guarantees and letters of credit	157	4	(296)	250	-	-	115
Total stage 2 credit losses and provisions	15,809	302	(1,687)	548	-	19	14,991
<u>Stage 3</u>							
Loans to public	30,585	-	(3,845)	15,331	(9,565)	(19)	32,487
Loan commitments, guarantees and letters of credit	140	-	(451)	448	-	-	137
Total stage 3 credit losses and provisions	30,725	-	(4,296)	15,779	(9,565)	(19)	32,624
<u>POCI</u>							
Loans to public	563	-	(121)	(1,451)	-	1,554	545
Total POCI credit losses and provisions	563	-	(121)	(1,451)	-	1,554	545
Total allowances for credit losses and provisions	104,358	13,689	(9,785)	(5,067)	(9,565)	1,572	95,202
<i>Including for debt securities classified at fair value through other comprehensive income</i>	<i>101</i>						<i>46</i>

Bank, EUR thousands

	Opening balance 01/01/2025	Charged to statement of income			Write-offs of allowances	Other adjust- ments	Closing balance 30/09/2025
		Origination	Repayment disposal	Credit risk, net			
<u>Stage 1</u>							
Loans to credit institutions	18	24	(39)	(3)	-	-	-
Debt securities	369	54	(103)	(33)	-	-	287
Loans to public	34,004	9,983	(3,971)	(6,232)	-	(5)	33,779
Loan commitments, guarantees and letters of credit	2,466	1,308	(869)	(630)	-	(2)	2,273
Total stage 1 credit losses and provisions	36,857	11,369	(4,982)	(6,898)	-	(7)	36,339
<u>Stage 2</u>							
Loans to public	6,368	253	(1,893)	1,127	-	(1)	5,854
Loan commitments, guarantees and letters of credit	77	24	(84)	71	-	-	88
Total stage 2 credit losses and provisions	6,445	277	(1,977)	1,198	-	(1)	5,942
<u>Stage 3</u>							
Loans to public	32,611	-	(3,362)	11,764	(4,096)	(1,848)	35,069
Loan commitments, guarantees and letters of credit	132	-	(176)	379	-	-	335
Total stage 3 credit losses and provisions	32,743	-	(3,538)	12,143	(4,096)	(1,848)	35,404
Total allowances for credit losses and provisions	76,045	11,646	(10,497)	6,443	(4,096)	(1,856)	77,685
<i>Including for debt securities classified at fair value through other comprehensive income</i>	<i>27</i>						<i>18</i>

Bank, EUR thousands							
	Opening balance 01/01/2024	Charged to statement of income			Write-offs of allowances	Other adjust- ments	Closing balance 30/09/2024
		Origination	Repayment disposal	Credit risk, net			
<u>Stage 1</u>							
Loans to credit institutions	33	152	(169)	-	-	-	16
Debt securities	558	25	(15)	(180)	-	-	388
Loans to public	40,719	7,402	(1,684)	(14,046)	-	(1)	32,390
Loan commitments, guarantees and letters of credit	4,455	1,726	(755)	(2,572)	-	-	2,854
Total stage 1 credit losses and provisions	45,765	9,305	(2,623)	(16,798)	-	(1)	35,648
<u>Stage 2</u>							
Loans to public	9,942	157	(265)	(613)	-	(1)	9,220
Loan commitments, guarantees and letters of credit	144	4	(296)	261	-	-	113
Total stage 2 credit losses and provisions	10,086	161	(561)	(352)	-	(1)	9,333
<u>Stage 3</u>							
Loans to public	28,827	-	(1,624)	8,601	(9,038)	7	26,773
Loan commitments, guarantees and letters of credit	141	-	(451)	448	-	(1)	137
Total stage 3 credit losses and provisions	28,968	-	(2,075)	9,049	(9,038)	6	26,910
Total allowances for credit losses and provisions	84,819	9,466	(5,259)	(8,101)	(9,038)	4	71,891
<i>Including for debt securities classified at fair value through other comprehensive income</i>							
	82						33

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

EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank
Stage 1	7,173	8,579	4,992
Stage 2	13	1,286	-
Total impairment overlay	7,186	9,865	4,992

Transfers of gross loans to public between impairment stages

Group, EUR thousands						
Transfers between impairment stages of gross exposures (gross transfer basis)						
	from Stage 1 to Stage 2	from Stage 2 to Stage 1	from Stage 2 to Stage 3	from Stage 3 to Stage 2	from Stage 1 to Stage 3	from Stage 3 to Stage 1
<u>Transfers during 9m 2025</u>						
Loans to public	140,773	69,579	16,425	2,985	6,290	1,707
Financial commitments, guarantees and letters of credit	9,535	3,091	129	40	216	42
<u>Transfers during 9m 2024</u>						
Loans to public	127,818	63,946	12,833	2,414	15,581	318
Financial commitments, guarantees and letters of credit	5,569	1,044	1,522	22	549	29

NOTE 12. TAXATION**Corporate income tax expense**

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Current corporate income tax	(14,735)	(13,519)	(4,951)	(3,393)	(12,932)	(12,648)	(4,446)	(3,219)
Deferred income tax	(1,199)	(264)	(591)	-	(28)	(218)	52	1
Total corporate income tax expense	(15,934)	(13,783)	(5,542)	(3,393)	(12,960)	(12,866)	(4,394)	(3,218)
Mortgage loan levy and bank tax	-	(7,401)	22	(2,246)	-	(7,370)	22	(2,236)

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 quarter in 2024 in the amount of EUR 2.2 million quarterly.

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 and should be expensed based on the calculated amounts in the respective period. In the reporting period no expense for the levy has been recognised.

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

	EUR thousands			
	30/09/2025	31/12/2024	30/09/2025	31/12/2024
	Group	Group	Bank	Bank
Current income tax assets	1,093	22	1,071	-
Deferred income tax assets	1,057	1,636	1,015	1,572
Tax assets	2,150	1,658	2,086	1,572
Current income tax liabilities	(9,981)	(14,218)	(8,841)	(12,301)
Deferred income tax liabilities	(1,150)	-	-	-
Tax liabilities	(11,131)	(14,218)	(8,841)	(12,301)
Mortgage loan levy and bank tax	-	180	-	180

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

	EUR thousands			
	9m 2025	9m 2024	9m 2025	9m 2024
	Group	Group	Bank	Bank
As at the beginning of the period	1,636	339	1,572	579
Charge to statement of income	(1,200)	(264)	(28)	(218)
Securities fair value revaluation reserve	(529)	1,301	(529)	1,301
Net deferred income tax asset at the period end	(93)	1,376	1,015	1,662

Securities fair value revaluation reserve	1,149	-	(529)	620
Deferred income and accrued expense	471	(34)	-	437
Fair value amortisation on the acquired loan portfolio	15	(15)	-	-
Expected distribution of retained earnings	-	(1,150)	-	(1,150)
Other items, net	1	(1)	-	-
Deferred income tax assets, net	1,636	(1,200)	(529)	(93)

Group, EUR thousands				
Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2025	
1,149	-	(529)	620	
471	(34)	-	437	
15	(15)	-	-	
-	(1,150)	-	(1,150)	
1	(1)	-	-	
1,636	(1,200)	(529)	(93)	

Securities fair value revaluation reserve	-	-	1,301	1,301
Deferred income and accrued expense	631	(230)	-	401
Fair value amortisation on the acquired loan portfolio	84	(36)	-	48
Expected distribution of retained earnings	(375)	-	-	(375)
Other items, net	(1)	2	-	1
Deferred income tax assets, net	339	(264)	1,301	1,376

Group, EUR thousands				
Opening balance 01/01/2024	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2024	
-	-	1,301	1,301	
631	(230)	-	401	
84	(36)	-	48	
(375)	-	-	(375)	
(1)	2	-	1	
339	(264)	1,301	1,376	

Securities fair value revaluation reserve	1,149	-	(529)	620
Deferred income and accrued expense	423	(28)	-	395
Deferred income tax assets, net	1,572	(28)	(529)	1,015

Bank, EUR thousands				
Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2025	
1,149	-	(529)	620	
423	(28)	-	395	
1,572	(28)	(529)	1,015	

Securities fair value revaluation reserve	-	-	1,301	1,301
Deferred income and accrued expense	579	(218)	-	361
Deferred income tax assets, net	579	(218)	1,301	1,662

Bank, EUR thousands				
Opening balance 01/01/2024	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2024	
-	-	1,301	1,301	
579	(218)	-	361	
579	(218)	1,301	1,662	

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

	EUR thousands			
	9m 2025 Group	9m 2024 Group	9m 2025 Bank	9m 2024 Bank
Profit before corporate income tax from continuous operations before non-current assets held for sale	80,183	88,379	65,465	81,038
Corporate income tax (at 20%)	16,037	17,676	13,093	16,208
Undistributed earnings taxable on distribution	(1,366)	(614)	-	-
Non-taxable income and impact from bank tax expense	(199)	(211)	(135)	(103)
Effect of tax rates in foreign jurisdictions	(308)	(942)	(132)	(754)
Non-deductible expense	239	382	85	94
Expected distribution of retained earnings within the Group	1,170	-	-	-
Other tax differences, net*	361	(2,508)	49	(2,579)
Total effective corporate income tax from continuous operations	15,934	13,783	12,960	12,866

* Including eligible profit on discontinued operations and non-current assets held for sale of EUR 35 thousand for the Bank and the Group (2024: EUR -1,803 thousand).

NOTE 13. DEBT SECURITIES

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

Group, EUR thousands								
	30/09/2025				31/12/2024			
	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,633	66,462	1,809	73,904	5,782	64,343	1,509	71,634
AA/Aa	9,868	81,216	1,081	92,165	16,375	154,726	4,435	175,536
A	71,169	601,097	200,615	872,881	115,084	690,554	162,003	967,641
BBB/Baa	4,629	13,462	-	18,091	8,657	13,875	-	22,532
Lower ratings or unrated	-	13,662	-	13,662	247	38,368	-	38,615
Total debt securities	91,299	775,899	203,505	1,070,703	146,145	961,866	167,947	1,275,958
<i>Including general government</i>	74,765	601,896	201,696	878,357	119,261	683,492	166,438	969,191
<i>Including credit institutions</i>	3,102	47,692	-	50,794	8,015	101,028	-	109,043
<i>Including classified in stage 1</i>	91,299	775,899	n/a	n/a	146,145	961,866	n/a	n/a

Bank, EUR thousands								
	30/09/2025				31/12/2024			
	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,633	62,092	-	67,725	5,782	59,411	-	65,193
AA/Aa	9,868	80,212	-	90,080	16,375	154,726	-	171,101
A	60,757	594,496	196,330	851,583	100,295	683,985	162,003	946,283
BBB/Baa	-	11,465	-	11,465	1,517	12,365	-	13,882
Lower ratings or unrated	-	12,144	-	12,144	-	38,368	-	38,368
Total debt securities	76,258	760,409	196,330	1,032,997	123,969	948,855	162,003	1,234,827
<i>Including general government</i>	68,935	599,173	196,330	864,438	110,738	677,433	162,003	950,174
<i>Including credit institutions</i>	-	47,692	-	47,692	1,721	101,028	-	102,749
<i>Including classified in stage 1</i>	76,259	760,408	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 thousands					
	30/09/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	393,763	18,670	412,433	339,751	50,829	390,580
Latvia	352,121	1,518	353,639	490,543	1,615	492,158
Estonia	81,281	27,187	108,468	81,374	18,077	99,451
Germany	-	45,069	45,069	-	88,377	88,377
United States	16,603	22,004	38,607	19,879	22,474	42,353
Canada	2,186	25,219	27,405	2,448	31,798	34,246
Slovakia	17,824	2,756	20,580	18,798	5,663	24,461
Austria	-	6,651	6,651	-	6,742	6,742
Czech Republic	4,909	1,254	6,163	4,874	1,547	6,421
Poland	504	4,354	4,858	798	5,181	5,979
Belgium	2,188	-	2,188	1,694	3,726	5,420
Sweden	-	-	-	-	25,224	25,224
Other countries	6,978	8,049	15,027	9,032	14,663	23,695
Multilateral development banks and international organisations	-	29,615	29,615	-	30,851	30,851
Total debt securities	878,357	192,346	1,070,703	969,191	306,767	1,275,958

	Bank, EUR thousands					
	30/09/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	392,482	17,527	410,009	337,497	49,445	386,942
Latvia	347,428	-	347,428	484,270	859	485,129
Estonia	81,281	26,765	108,046	81,374	17,144	98,518
Germany	-	43,546	43,546	-	88,377	88,377
United States	16,603	15,138	31,741	19,879	17,085	36,964
Canada	2,186	25,219	27,405	2,448	31,798	34,246
Slovakia	17,427	2,249	19,676	17,704	5,153	22,857
Austria	-	6,651	6,651	-	6,742	6,742
Czech Republic	4,909	-	4,909	4,874	-	4,874
Poland	-	3,002	3,002	-	3,027	3,027
Belgium	-	-	-	-	3,726	3,726
Sweden	-	-	-	-	25,224	25,224
Other countries	2,122	5,025	7,147	2,128	11,664	13,792
Multilateral development banks and international organisations	-	23,437	23,437	-	24,409	24,409
Total debt securities	864,438	168,559	1,032,997	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

	Group, EUR thousands					
	30/09/2025					Net carrying amount
	Gross amount				Expected credit loss allowance	
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,420,100	202,675	24,563	1,489	(53,930)	3,594,897
Past due ≤30 days	30,838	30,365	4,175	3	(9,859)	55,522
Past due >30 and ≤90 days	-	7,651	3,065	-	(3,639)	7,077
Past due >90 days	-	-	41,596	970	(31,522)	11,044
Total loans to public	3,450,938	240,691	73,399	2,462	(98,950)	3,668,540
<i>including credit impaired</i>	-	-	73,399	1,004	(42,409)	31,994
Guarantees and letters of credit	107,424	6,178	69	-	(433)	113,238
Financial commitments	367,196	5,002	825	-	(2,351)	370,672
Total credit exposure to public	3,925,558	251,871	74,293	2,462	(101,734)	4,152,450

	Group, EUR thousands					
	31/12/2024					Net carrying amount
	Gross amount				Expected credit loss allowance	
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,018,781	201,776	26,690	2,979	(53,509)	3,196,717
Past due <=30 days	32,353	14,019	3,886	105	(7,309)	43,054
Past due >30 and <=90 days	-	23,533	14,347	57	(8,622)	29,315
Past due >90 days	-	-	30,276	944	(25,725)	5,495
Total loans to public	3,051,134	239,328	75,199	4,085	(95,165)	3,274,581
<i>including credit impaired</i>	-	-	75,199	1,726	(38,801)	38,124
Guarantees and letters of credit	87,830	155	60	-	(259)	87,786
Financial commitments	336,437	6,162	689	-	(2,474)	340,814
Total credit exposure to public	3,475,401	245,645	75,948	4,085	(97,898)	3,703,181

	Bank, EUR thousands					Net carrying amount
	30/09/2025				Expected credit loss allowance	
	Gross amount					
	Stage 1	Stage 2	Stage 3			
Loans to public						
Not past due	3,470,959	66,640	9,558		(35,965)	3,511,192
Past due <=30 days	29,970	14,734	2,626		(7,296)	40,034
Past due >30 and <=90 days	-	4,761	1,843		(2,835)	3,769
Past due >90 days	-	-	35,617		(28,606)	7,011
Total loans to public	3,500,929	86,135	49,644		(74,702)	3,562,006
Guarantees and letters of credit	107,424	6,178	69		(433)	113,238
Financial commitments	348,175	4,347	707		(2,263)	350,966
Total credit exposure to public	3,956,528	96,660	50,420		(77,398)	4,026,210

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

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

Non-performing loans to public ratios

	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Non-performing* gross loans ratio	2.0%	2.3%	1.4%	1.7%
Non-performing* net loans ratio	0.9%	1.2%	0.4%	0.7%
Non-performing* loan impairment ratio	57%	50%	71%	60%

* Stage 3 and part of POCI

Non-performing loans to public ratio is calculated as stage 3 and part of POCI loan exposures, which as of the reporting period end are credit impaired, divided by total loans to public as of the end of the relevant period.

Non-performing loans impairment ratio is calculated as impairment allowance for stage 3 and part of POCI exposures, which as of the period end date are credit impaired, divided by gross loans to public classified as stage 3 and part of POCI exposures, which as of the period end date are credit impaired.

Expected credit loss allowance by customer profile and impairment stage

	Group, EUR thousands				
	30/09/2025				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Financial and non-financial corporations	(17,753)	(4,750)	(17,754)	(413)	(40,670)
Households	(27,640)	(6,007)	(24,155)	(88)	(57,890)
General government	(380)	(10)	-	-	(390)
Expected credit loss allowance	(45,773)	(10,767)	(41,909)	(501)	(98,950)

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

	Bank, EUR thousands			
	30/09/2025			
	Expected credit loss allowance			Total
	Stage 1	Stage 2	Stage 3	
Financial and non-financial corporations	(9,725)	(1,412)	(12,004)	(23,141)
Households	(24,050)	(4,442)	(23,065)	(51,557)
General government	(4)	-	-	(4)
Expected credit loss allowance	(33,779)	(5,854)	(35,069)	(74,702)

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

Loans by customer profile and impairment stage

Group, EUR thousands						
30/09/2025						
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Financial and non-financial corporations						
Real estate purchase and management	456,322	17,673	1,199	-	(4,071)	471,123
Manufacturing	249,794	19,025	7,432	872	(4,971)	272,152
Trade	227,212	24,491	7,657	2	(7,078)	252,284
Transport and communications	169,427	30,417	2,961	270	(3,233)	199,842
Agriculture and forestry	155,831	32,984	21,263	31	(13,484)	196,625
Electricity, gas and water supply	152,560	3,823	516	-	(1,071)	155,828
Construction	139,841	16,546	2,270	16	(3,157)	155,516
Financial intermediation	30,605	2,971	47	-	(234)	33,389
Hotels, restaurants	29,434	6,107	104	1	(494)	35,152
Other industries	176,153	15,639	1,741	1,087	(2,877)	191,743
Total financial and non-financial corporations	1,787,179	169,676	45,190	2,279	(40,670)	1,963,654
Households						
Mortgage loans	917,174	23,645	22,156	99	(30,384)	932,690
Finance leases	409,494	32,913	1,872	76	(5,051)	439,304
Credit for consumption	251,588	9,647	2,510	-	(14,883)	248,862
Card lending	58,489	2,483	999	-	(6,585)	55,386
Other lending	7,337	2,070	672	8	(987)	9,100
Total households	1,644,082	70,758	28,209	183	(57,890)	1,685,342
General government	19,677	257	-	-	(390)	19,544
Total loans to public	3,450,938	240,691	73,399	2,462	(98,950)	3,668,540

Group, EUR thousands						
31/12/2024						
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Financial and non-financial corporations						
Real estate purchase and management	421,453	24,246	602	-	(4,249)	442,052
Manufacturing	188,741	26,968	4,328	889	(5,749)	215,177
Trade	203,149	20,479	8,324	4	(6,007)	225,949
Transport and communications	144,344	36,259	3,339	419	(3,231)	181,130
Agriculture and forestry	141,530	29,804	23,047	62	(11,835)	182,608
Electricity, gas and water supply	131,462	3,537	1,791	556	(1,076)	136,270
Construction	135,347	12,402	1,762	157	(3,211)	146,457
Financial intermediation	35,138	509	49	-	(237)	35,459
Hotels, restaurants	29,186	2,969	58	1	(427)	31,787
Other industries	148,450	19,957	2,415	1,772	(2,845)	169,749
Total financial and non-financial corporations	1,578,800	177,130	45,715	3,860	(38,867)	1,766,638
Households						
Mortgage loans	865,060	16,504	23,408	149	(31,103)	874,018
Finance leases	347,770	31,603	2,127	68	(5,136)	376,432
Credit for consumption	167,929	7,444	1,269	-	(11,145)	165,497
Card lending	56,008	3,999	849	-	(6,836)	54,020
Other lending	12,899	2,601	1,831	8	(1,617)	15,722
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

Financial and non-financial corporations

Real estate purchase and management	436,763	14,932	1,110	(3,742)	449,063
Manufacturing	149,919	4,173	1,502	(2,364)	153,230
Trade	75,933	7,883	4,100	(3,915)	84,001
Transport and communications	15,672	1,530	343	(727)	16,818
Agriculture and forestry	61,534	8,780	15,110	(8,307)	77,117
Electricity, gas and water supply	138,160	2,946	120	(834)	140,392
Construction	42,308	3,719	748	(1,351)	45,424
Financial intermediation	1,332,294	1,683	22	(907)	1,333,092
Hotels, restaurants	19,770	4,549	85	(343)	24,061
Other industries	31,550	1,105	249	(651)	32,253
Total financial and non-financial corporations	2,303,903	51,300	23,389	(23,141)	2,355,451

Households

Mortgage loans	916,406	23,119	22,156	(30,296)	931,385
Finance leases	-	-	-	-	-
Credit for consumption	213,193	7,297	2,445	(13,739)	209,196
Card lending	58,489	2,483	999	(6,585)	55,386
Other lending	3,648	1,936	655	(937)	5,302
Total households	1,191,736	34,835	26,255	(51,557)	1,201,269

General government

	5,290	-	-	(4)	5,286
Total loans to public	3,500,929	86,135	49,644	(74,702)	3,562,006

Bank, EUR thousands**30/09/2025**

	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Real estate purchase and management	436,763	14,932	1,110	(3,742)	449,063
Manufacturing	149,919	4,173	1,502	(2,364)	153,230
Trade	75,933	7,883	4,100	(3,915)	84,001
Transport and communications	15,672	1,530	343	(727)	16,818
Agriculture and forestry	61,534	8,780	15,110	(8,307)	77,117
Electricity, gas and water supply	138,160	2,946	120	(834)	140,392
Construction	42,308	3,719	748	(1,351)	45,424
Financial intermediation	1,332,294	1,683	22	(907)	1,333,092
Hotels, restaurants	19,770	4,549	85	(343)	24,061
Other industries	31,550	1,105	249	(651)	32,253
Total financial and non-financial corporations	2,303,903	51,300	23,389	(23,141)	2,355,451
Households					
Mortgage loans	916,406	23,119	22,156	(30,296)	931,385
Finance leases	-	-	-	-	-
Credit for consumption	213,193	7,297	2,445	(13,739)	209,196
Card lending	58,489	2,483	999	(6,585)	55,386
Other lending	3,648	1,936	655	(937)	5,302
Total households	1,191,736	34,835	26,255	(51,557)	1,201,269
General government	5,290	-	-	(4)	5,286
Total loans to public	3,500,929	86,135	49,644	(74,702)	3,562,006

Bank, EUR thousands**31/12/2024****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	161,762	6,434	1,251	(10,903)	158,544
Card lending	56,008	3,999	849	(6,836)	54,020
Other lending	11,429	2,600	1,810	(1,577)	14,262
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								
	30/09/2025				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	23,825	879	-	24,704	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	23,825	1,001	21	24,847	25,108	814	21	25,943
<i>Including unit-linked insurance plan assets</i>	<i>15,034</i>	<i>-</i>	<i>-</i>	<i>15,034</i>	<i>15,909</i>	<i>-</i>	<i>-</i>	<i>15,909</i>
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management</i>	<i>13,859</i>	<i>-</i>	<i>-</i>	<i>13,859</i>	<i>14,952</i>	<i>-</i>	<i>-</i>	<i>14,952</i>
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management and which relate to unit-linked contracts</i>	<i>10,744</i>	<i>-</i>	<i>-</i>	<i>10,744</i>	<i>11,129</i>	<i>-</i>	<i>-</i>	<i>11,129</i>

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								
	30/09/2025				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	-	879	-	879	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	-	1,001	21	1,022	838	814	21	1,673
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>838</i>	<i>-</i>	<i>-</i>	<i>838</i>

NOTE 16. INVESTMENTS IN RELATED ENTITIES**Changes in investments in related entities of the Bank**

	EUR thousands	
	9m 2025	9m 2024
Balance at the beginning of the period, net	48,759	47,939
Change in impairment allowance	1,238	906
Transfer to discontinued operations held for sale	-	(248)
Balance at the end of the period, net	49,997	48,597
<i>Including gross investment in subsidiaries</i>	<i>60,598</i>	<i>60,598</i>

Changes in investments in related entities

Kaleido Privatbank AG, which previously was classified as discontinued operations held for sale (for details refer to note *Discontinued Operations and Non-current Assets Held For Sale*), in July 2025 was sold.

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

Company	Registration number	Registration country	Company type*	Basis for inclusion in the Group**	The Group's share (%)	% of total voting rights	Carrying value EUR thousands	
							30/09/2025	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	1,208	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							49,997	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.

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

In July 2025 the Bank's Swiss subsidiary Kaleido Privatbank AG, which previously was presented as discontinued operations, was sold. The sale of Kaleido Privatbank AG was a further step in Citadele's strategy to concentrate on its core activities in the Baltics.

On disposal assets and liabilities of Kaleido Privatbank AG were derecognised, intragroup balances de-eliminated, and relevant liabilities and provisions recognised. Sales result was recognised in the statement of income. Reclassification of accumulated foreign exchange retranslation reserve was recognised in other comprehensive income.

Previous write-down of investment in Kaleido Privatbank AG before sale

Citadele, before sale, had recognised a write-down on the investment in Kaleido Privatbank AG equal to the lowest of the carrying amount and fair value less cost to sell. The write-down related to the loss of the operations in the period until sale and the re-estimated net sales proceeds, including cost to sell. The write-down is presented in the statement of income as net result from non-current assets held for sale and discontinued operations.

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

	EUR thousands							
	Group				Bank			
	9m 2025	9m 2024	Q3 2025	Q3 2024	9m 2025	9m 2024	Q3 2025	Q3 2024
Net interest income	1,261	2,539	-	755	-	-	-	-
Net fee and commission income	2,101	2,588	-	1,007	-	-	-	-
Other operating income / (expense)	366	575	(8)	181	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	(5,838)	(9,506)	-	(2,949)	-	-	-	-
Net credit losses and other impairment losses	(17)	205	(1)	45	-	-	-	-
Impairment of non-financial assets and other provisions	(1,002)	(743)	403	684	-	-	-	-
Income tax	(21)	3	-	8	-	-	-	-
Net result from discontinued operations	(3,150)	(4,339)	394	(269)	-	-	-	-
Result from non-current assets held for sale	(491)	490	254	441	(1,429)	(14,577)	255	(5,561)
Net result from non-current assets held for sale and discontinued operations	(3,641)	(3,849)	648	172	(1,429)	(14,577)	255	(5,561)

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

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Assets				
Cash, cash balances at central banks	-	7,140	-	-
Loans to credit institutions	-	4,985	-	-
Debt securities	-	37,663	-	-
Loans to public	-	52,516	-	-
Derivatives	-	884	-	-
Other assets	-	448	-	-
Discontinued operations	-	103,636	-	-
Net investment in Kaleido Privatbank AG (subsidiary)	-	-	-	779
Other non-current assets held for sale	-	-	-	-
Discontinued operations and non-current assets held for sale	-	103,636	-	779
Liabilities				
Deposits from credit institutions and central banks	-	140	-	-
Deposits and borrowings from customers	-	129,601	-	-
Derivatives	-	209	-	-
Other liabilities	-	3,181	-	-
Discontinued operations	-	133,131	-	-
Off-balance sheet items				
Guarantees and letters of credit	-	353	-	-
Financial commitments	-	8,624	-	-
Discontinued operations	-	8,977	-	-

Cash flows from discontinued operations of the Group

	EUR thousands	
	9m 2025	9m 2024
Cash flows from operating activities	51,873	(17,817)
Cash flows from investing activities	5,609	8,852
Cash flows from financing activities	-	(150)
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	(69,468)	-
Cash flows for the period	(11,986)	(9,115)
Cash and cash equivalents at the beginning of the period	11,986	24,013
Cash and cash equivalents at the end of the period	-	14,898

Cash and cash equivalents decreased as a result of disposal of discontinued operations due to cash equivalent of the previous subsidiary being deconsolidated from the Group and due to previously eliminated intragroup cash equivalents being recognised as deposits due to credit institutions.

Impact of the disposal of Kaleido Privatbank AG as of the disposal date

	Group, EUR thousands		
	Before the disposal	Impact of the disposal	After the disposal
Assets			
Discontinued operations and non-current assets held for sale	97,979	(97,979)	-
Liabilities			
Discontinued operations	139,322	(139,322)	-
Provisions	-	1,470	1,470
Equity			
Reserves and other capital components	7,395	(7,395)	-
Retained earnings	-	394	394
Total comprehensive income from discontinued operations for the period			
Net result from discontinued operations, net of tax	(3,544)	394	(3,150)
Other comprehensive income / (loss) from discontinued operations	77	(7,395)	(7,318)

The impact of the disposal includes derecognition of assets and liabilities of Kaleido Privatbank AG (including de-elimination of the previous intragroup balances) and recognition of provisions as a result of the sale. The impact also includes sales result recognised in the statement of income and reclassification of the foreign exchange retranslation reserve to profit or loss.

NOTE 18. DEPOSITS FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

Bank deposits and borrowings by type

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Deposits and collateral accounts of credit institutions	17,440	3,027	17,440	3,027
Deposits and accounts of central banks	1,374	201	1,374	202
Borrowing from central banks	20,075	-	20,075	-
Deposits from Citadele Group bank	-	-	-	50,867
Total deposits from credit institutions and central banks	38,889	3,228	38,889	54,096

NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS

Deposits and borrowings by profile of the customer

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Households	2,114,630	2,091,336	2,074,471	2,042,315
Non-financial corporations	1,607,623	1,621,908	1,608,671	1,622,326
Financial corporations	253,037	223,496	285,607	252,231
General government	116,537	64,346	116,537	64,346
Other	9,151	22,394	9,152	22,393
Total deposits from customers	4,100,978	4,023,480	4,094,438	4,003,611

Deposits and borrowings from customers by contractual maturity

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Demand deposits	3,121,819	2,929,370	3,131,141	2,935,832
Term deposits due within:				
less than 1 month	269,796	323,165	269,028	340,715
more than 1 month and less than 3 months	241,882	264,492	259,188	263,332
more than 3 months and less than 6 months	205,051	248,853	202,258	246,377
more than 6 months and less than 12 months	199,471	179,960	194,603	172,160
more than 1 year and less than 5 years	58,771	73,459	38,030	44,823
more than 5 years	4,188	4,181	190	372
Total term deposits	979,159	1,094,110	963,297	1,067,779
Total deposits from customers	4,100,978	4,023,480	4,094,438	4,003,611

Deposits and borrowings from customers by categories

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
At amortised cost	4,084,758	4,006,153	4,094,438	4,003,611
At fair value through profit or loss	16,220	17,327	-	-
Total deposits from customers	4,100,978	4,023,480	4,094,438	4,003,611
<i>Including unit-linked insurance plan liabilities</i>	<i>14,650</i>	<i>15,630</i>	-	-

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, as of the period end	Initial maturity date	Principal, EUR thousands	Amortised cost, EUR thousands	
						30/09/2025	31/12/2024
XS3148256913	MREL eligible	EUR	3.875%	23/12/2029	300,000	298,737	-
XS2393742122	MREL eligible	EUR	1.625%	22/11/2026	200,000	91,922	199,705
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,601	40,104
LV0000804334	MREL eligible	EUR	5.00%	14/10/2026	35,000	35,797	35,353
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,571	20,162
LV0000880011	Subordinated	EUR	5.50%	24/11/2027	20,000	-	20,098
						487,628	315,422

Key features of the issued bonds

EUR 300 million Senior Unsecured Preferred Bonds (XS3148256913) have a five-years maturity, with issuer's optional redemption date after four years. A fixed interest rate of 3.875% until the interest rate reset date on 23 December 2028, resetting to floating interest rate of euribor 3 months plus 1.7% per annum. These bonds are Minimum Requirement for own funds and Eligible Liabilities (MREL) eligible. The bonds are listed on Euronext Dublin.

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).

EUR 35 million senior unsecured preferred bonds (LV0000804334) have a two-years maturity and a fixed interest rate of 5% per annum, resetting on 14 October 2025 to a 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 with ten years maturity and issuer's optional early redemption rights.

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

Changes in debt securities issued

In the reporting period, in January 2025, an early redemption of EUR 20 million unsecured subordinated bonds (LV0000880011) took place. In September 2025 a tender purchase offering of the Senior Preferred Unsecured Bonds (XS2393742122) was issued, EUR 300 million of senior preferred unsecured bonds were originated (XS3148256913) and a notice on an early redemption of EUR 35 million Senior Preferred Bonds of AS Citadele banka (LV0000804334) was issued.

For subsequent events refer to the note *Events After the Reporting Date*.

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

ISIN code of the issued bond	Last coupon or origination date	Number of bondholders	Legal and professional investors			Private individuals		
			Number	EUR th.	%	Number	EUR th.	%
LV0000880102	June 2025	170	56	26,560	66%	114	13,440	34%
LV0000804334	October 2025	57	39	32,430	93%	18	2,570	7%
LV0000803054	September 2025	490	180	11,110	56%	310	8,890	44%

NOTE 21. SHARE CAPITAL

The Bank has one class dematerialised shares, i.e. recorded in the depository (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 76,879 (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 distributed 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 distributed to the shareholders.

Shareholders of the Bank

	30/09/2025		31/12/2024	
	Paid-in share capital (EUR)	Total shares with voting rights	Paid-in share capital (EUR)	Total shares with voting rights
RA Citadele Holdings LLC ¹	51,549,212	51,549,212	51,549,212	51,549,212
European Bank for Reconstruction and Development	39,138,948	39,138,948	39,138,948	39,138,948
EMS LB LLC ³	17,635,133	17,635,133	17,635,133	17,635,133
Amolino Holdings Inc. ⁴	13,490,578	13,490,578	13,490,578	13,490,578
Delan S.à.r.l. ²	12,477,728	12,477,728	12,477,728	12,477,728
Shuco LLC ⁵	9,838,158	9,838,158	9,838,158	9,838,158
Members of the Management Board of the Bank and parties related to them	1,041,415	1,041,415	920,712	920,712
Other shareholders	13,976,707	13,976,707	13,762,082	13,762,082
Total	159,147,879	159,147,879	158,812,551	158,812,551
Own shares	76,879		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

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

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

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

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

Earnings per share

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

	9m 2025	9m 2024	9m 2025	9m 2024
	Group	Group	Bank	Bank
Profit for the period, EUR thousands	60,608	70,747	51,076	53,595
Weighted average number of the shares outstanding in thousands	158,980	158,268	158,980	158,268
Basic earnings per share in EUR	0.38	0.45	0.32	0.34
Weighted average number of the shares (basic) outstanding in thousands	158,980	158,268	158,980	158,268
Effect of share options in issue in thousands	1,137	1,376	1,137	1,376
Weighted average number of the shares (diluted) outstanding during the period in thousands	160,117	159,644	160,117	159,644
Profit for the period, EUR thousands	60,608	70,747	51,076	53,595
Weighted average number of the shares (diluted) outstanding in thousands	160,117	159,644	160,117	159,644
Diluted earnings per share in EUR	0.38	0.44	0.32	0.34
Net loss from discontinued operations (Note 17)	(3,150)	(4,339)	-	-
Profit for the period from continuing operations, EUR thousands	63,758	75,086	51,076	53,595
Basic earnings / (loss) per share in EUR	0.38	0.45	0.32	0.34
<i>from continuing operations</i>	0.40	0.47	0.32	0.34
<i>from discontinued operations</i>	(0.02)	(0.03)	-	-
Diluted earnings / (loss) per share in EUR	0.38	0.44	0.32	0.34
<i>from continuing operations</i>	0.40	0.47	0.32	0.34
<i>from discontinued operations</i>	(0.02)	(0.03)	-	-

NOTE 22. OFF-BALANCE SHEET ITEMS

Contingent liabilities and financial commitments outstanding

EUR thousands				
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Contingent liabilities:				
Outstanding guarantees	108,040	87,705	108,040	96,692
Outstanding letters of credit	5,631	340	5,631	341
Total contingent liabilities	113,671	88,045	113,671	97,033
Provisions for credit risk	(433)	(259)	(433)	(262)
Net credit risk exposure for guarantees and letters of credit	113,238	87,786	113,238	96,771
Financial commitments:				
Unutilised credit lines and loans granted, not fully drawn down	166,386	159,974	225,548	281,821
Card commitments	112,834	113,090	112,859	113,111
Factoring commitments	78,981	55,827	-	-
Performance commitments (guarantees)	14,822	14,397	14,822	14,397
Total financial commitments	373,023	343,288	353,229	409,329
Provisions for financial commitments	(2,351)	(2,474)	(2,263)	(2,413)
Net credit risk exposure for financial commitments	370,672	340,814	350,966	406,916
Discontinued operations:				
Contingent liabilities	-	353	-	-
Financial commitments	-	8,624	-	-

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

NOTE 23. ASSETS UNDER MANAGEMENT

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

EUR thousands				
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Fixed income securities:				
Government bonds	139,369	115,670	-	-
Corporate bonds	128,163	138,819	-	-
Credit institution bonds	62,071	59,766	-	-
Other financial institution bonds	28,074	26,954	-	-
Loans	542	557	542	557
Total investments in fixed income securities	358,219	341,766	542	557
Other investments:				
Investment funds	773,668	686,306	-	-
Shares	135,465	134,917	-	-
Real estate	4,763	4,920	-	-
Deposits with credit institutions	-	1,117	-	-
Compensations for distribution on behalf of deposit guarantee fund	-	24,298	-	24,298
Other	31,560	24,919	-	-
Total other investments	945,456	876,477	-	24,298
Total assets under management	1,303,675	1,218,243	542	24,855

Customer profile on whose behalf the funds are managed

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Pension plans	1,001,615	908,626	-	-
Insurance companies, investment and pension funds	166,752	158,424	-	-
Private individuals	134,766	125,222	-	-
Other companies and government	542	25,971	542	24,855
Total liabilities under management	1,303,675	1,218,243	542	24,855

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

NOTE 24. CASH AND CASH EQUIVALENTS

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Cash and cash balances with central banks	448,983	349,940	448,983	349,940
Loans on demand to credit institutions (excluding encumbered)	7,332	5,383	6,028	4,561
Demand deposits from central banks and credit institutions	(18,563)	(938)	(18,563)	(1,060)
Cash equivalents in discontinued operations	-	11,986	-	-
Total cash and cash equivalents	437,752	366,371	436,448	353,441

NOTE 25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

Fair value hierarchy

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

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

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

Fair values of financial assets and liabilities of the Group on 30 September 2025

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique - non-market observable inputs
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	91,299	91,299	90,695	604	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	203,505	203,505	196,044	7,461	-
Equity instruments	879	879	-	-	879
Other financial instruments	23,825	23,825	23,825	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	1,025	1,025	-	1,025	-
<i>Financial assets not measured at fair value:</i>					
Cash and balances at central banks	448,983	448,983	-	-	-
Loans to credit institutions	10,253	10,253	-	-	-
Debt securities	775,899	734,427	653,441	80,986	-
Loans to public	3,668,540	3,693,927	-	-	3,693,927
Total assets	5,224,351	5,208,266	964,005	90,076	3,694,949
<i>Financial liabilities measured at fair value:</i>					
Derivatives	3,061	3,061	-	3,061	-
Deposits and borrowings from customers	16,220	16,220	14,615	-	1,605
<i>Financial liabilities not measured at fair value:</i>					
Deposits from credit institutions and central banks	38,889	38,889	-	-	-
Deposits and borrowings from customers	4,084,758	4,086,050	-	-	4,086,050
Debt securities issued	487,628	490,027	-	490,027	-
Total liabilities	4,630,556	4,634,247	14,615	493,088	4,087,655

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
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	146,145	146,145	141,848	4,297	-
Equity instruments	126	126	-	-	126
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	167,947	167,947	160,698	7,249	-
Equity instruments	709	709	-	-	709
Other financial instruments	25,108	25,108	25,108	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	5,690	5,690	-	5,690	-
<i>Financial assets not measured at fair value:</i>					
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
<i>Financial assets constituting discontinued operations:</i>					
Cash, balances at central banks and loans to credit institutions	12,125	12,125	-	-	-
Debt securities measured at fair value through other comprehensive income	6,704	6,704	6,704	-	-
Derivatives	884	884	-	884	-
Debt securities not measured at fair value	30,959	30,065	30,065	-	-
Loans to public not measured at fair value	52,516	52,516	-	-	52,516
Total assets	5,048,244	5,043,895	1,168,362	121,745	3,378,779
<i>Financial liabilities measured at fair value:</i>					
Derivatives	4,008	4,008	-	4,008	-
Deposits and borrowings from customers	17,327	17,327	15,630	-	1,697
<i>Financial liabilities not measured at fair value:</i>					
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	-
<i>Financial liabilities constituting discontinued operations:</i>					
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 September 2025

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	76,258	76,258	76,147	111	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	196,330	196,330	188,869	7,461	-
Equity instruments	879	879	-	-	879
Other financial instruments	-	-	-	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	1,025	1,025	-	1,025	-
<i>Financial assets not measured at fair value:</i>					
Cash and balances at central banks	448,983	448,983	-	-	-
Loans to credit institutions	8,949	8,949	-	-	-
Debt securities	760,409	719,121	639,660	79,461	-
Loans to public	3,562,006	3,587,393	-	-	3,587,393
Total assets	5,054,982	5,039,081	904,676	88,058	3,588,415
<i>Financial liabilities measured at fair value:</i>					
Derivatives	3,061	3,061	-	3,061	-
<i>Financial liabilities not measured at fair value:</i>					
Deposits from credit institutions and central banks	38,889	38,889	-	-	-
Deposits and borrowings from customers	4,094,438	4,095,877	-	-	4,095,877
Debt securities issued	487,628	490,027	-	490,027	-
Total liabilities	4,624,016	4,627,854	-	493,088	4,095,877

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
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	123,969	123,969	120,933	3,036	-
Equity instruments	126	126	-	-	126
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	162,003	162,003	154,753	7,250	-
Equity instruments	709	709	-	-	709
Other financial instruments	838	838	838	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	5,690	5,690	-	5,690	-
<i>Financial assets not measured at fair value:</i>					
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
<i>Financial liabilities measured at fair value:</i>					
Derivatives	4,008	4,008	-	4,008	-
<i>Financial liabilities not measured at fair value:</i>					
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			
	9m 2025 Group	9m 2024 Group	9m 2025 Bank	9m 2024 Bank
Debt securities at fair value through other comprehensive income				
Presented as Level 1, reclassified from Level 2	1,950	33,827	1,442	30,366
Presented as Level 2, reclassified from Level 1	493	-	-	-
Debt securities at fair value through profit or loss				
Presented as Level 1, reclassified from Level 2	-	32,641	-	32,641
Presented as Level 2, reclassified from Level 1	-	-	-	-

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

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

	EUR thousands			
	9m 2025 Group	9m 2024 Group	9m 2025 Bank	9m 2024 Bank
As of the beginning of the period, net	835	1,239	835	1,239
Settlement on sale	-	(893)	-	(893)
Revaluation gain recognised in statement of income	170	352	170	352
Revaluation gain recognised in other comprehensive income	17	4	17	4
As of the end of the period, net	1,022	702	1,022	702

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	
	9m 2025 Group	9m 2024 Group
Balance as at the beginning of the period	1,697	2,246
Premiums received	122	153
Commissions and risk charges	(10)	(12)
Paid to policyholders	(245)	(657)
Other	43	73
Currency revaluation result	(2)	2
Balance as at the end of the period	1,605	1,805

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 -30 thousand in the net financial income line of the statement of income (2024: EUR -59 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

	9m 2025				9m 2024			
	EUR thousands			FTE equivalent employees at the period end	EUR thousands			FTE equivalent employees at the period end
	Operating income	Operating profit before bank and income tax	Income and bank tax, mortgage loan levy		Operating income	Operating profit before tax	Income and bank tax, mortgage loan levy	
Latvia	108,275	47,464	(10,254)	928	123,267	63,924	(14,755)	977
Lithuania	40,031	20,714	(4,030)	251	33,627	21,418	(4,896)	254
Estonia	18,706	12,005	(1,650)	108	17,854	10,438	(1,533)	100
Total continuing operations before non-current assets held for sale	167,012	80,183	(15,934)	1,287	174,748	95,780	(21,184)	1,331
Latvia (result from non-current assets held for sale)	-	(491)	-	-	-	490	-	-
Switzerland (discontinued operations)	3,728	(3,129)	(21)	-	5,702	(4,342)	3	28
Total operations	170,740	76,563	(15,955)	1,287	180,450	91,928	(21,181)	1,359

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			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Insurance reserves:				
Annuity pension products	20,051	17,088	-	-
Other life insurance reserves	3,112	2,744	-	-

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

If future expected attributable expenses were to change by +/-15%, the CSM part of the annuity pension products would change by EUR -37/+37 thousands (2024: EUR -19/+19 thousands). If discount rates applied to the annuity pension product reserves as of the period end were to change by +/-1.0 percentage point, the Group's net result would change by EUR +1.2/-1.3 million (2024: EUR +1.1/-1.3 million).

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

Group as of 30/09/2025, EUR thousands						
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	394,472	52,125	2,386	-	-	448,983
Loans to credit institutions	1,304	-	-	7,180	1,769	10,253
Debt securities	353,639	412,434	108,468	124,494	71,668	1,070,703
Loans to public	1,525,665	1,445,353	686,228	6,074	5,220	3,668,540
Equity instruments	21	-	-	122	879	1,022
Other financial instruments	13,859	-	-	9,943	23	23,825
Derivatives	363	13	-	647	2	1,025
Discontinued operations	-	-	-	-	-	-
Other assets	62,418	13,633	5,217	12	2	81,282
Total assets	2,351,741	1,923,558	802,299	148,472	79,563	5,305,633
Liabilities						
Deposits from credit institutions and central banks	20,336	1,374	-	3,699	13,480	38,889
Deposits and borrowings from customers	3,075,515	909,191	60,291	17,213	38,768	4,100,978
Debt securities issued	487,628	-	-	-	-	487,628
Derivatives	315	14	-	2,725	7	3,061
Discontinued operations	-	-	-	-	-	-
Other liabilities	78,094	12,522	8,716	95	281	99,708
Total liabilities	3,661,888	923,101	69,007	23,732	52,536	4,730,264
Off-balance sheet items						
Contingent liabilities	4,315	90,456	17,130	1,668	102	113,671
Financial commitments	226,074	117,649	28,982	302	16	373,023

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.

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

From the Group's discontinued operations as of 31 December 2024 presented as "Other countries" the central banks balances with the Swiss National Bank and Swiss credit institutions were EUR 7.1 million and EUR 4.4 million respectively.

Bank as of 30/09/2025, EUR thousands						
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	394,472	52,125	2,386	-	-	448,983
Loans to credit institutions	-	-	-	7,180	1,769	8,949
Debt securities	347,428	410,009	108,046	105,350	62,164	1,032,997
Loans to public	2,343,283	852,073	355,648	5,874	5,128	3,562,006
Equity instruments	21	-	-	122	879	1,022
Other financial instruments	-	-	-	-	-	-
Derivatives	363	13	-	647	2	1,025
Other assets	92,840	13,384	1,369	12	2	107,607
Total assets	3,178,407	1,327,604	467,449	119,185	69,944	5,162,589
Liabilities						
Deposits from credit institutions and central banks	20,336	1,374	-	3,699	13,480	38,889
Deposits and borrowings from customers	3,071,185	909,298	60,396	17,116	36,443	4,094,438
Debt securities issued	487,628	-	-	-	-	487,628
Derivatives	315	14	-	2,725	7	3,061
Other liabilities	38,968	7,196	1,919	95	48	48,226
Total liabilities	3,618,432	917,882	62,315	23,635	49,978	4,672,242
Off-balance sheet items						
Contingent liabilities	4,315	90,456	17,130	1,668	102	113,671
Financial commitments	231,921	97,173	23,817	302	16	353,229

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

Liquidity coverage ratio

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

EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank
Liquidity buffer	1,342,457	1,373,288	1,342,457
Net liquidity outflow	686,260	759,478	706,339
Liquidity coverage ratio	196%	181%	190%

Net stable funding ratio (including net result for the period, which is decreased in line with the dividend policy and ECB Decision (EU) 2015/656)

The net stable funding ratio (NSFR) is defined in the Regulation (EC) No 575/2013. NSFR is the ratio of the available amount of stable funding to the required amount of stable funding over one-year horizon. The minimum NSFR requirement is 100%. The minimum NSFR requirement is 100%. NSFR as of the period end, if no 9m 2025 interim profits are included, for the Group is 143% and for the Bank is 213%.

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Total available stable funding	4,153,716	3,952,029	4,075,988	3,800,248
Total required stable funding	2,893,051	2,764,509	1,915,826	1,887,189
Net stable funding ratio	144%	143%	213%	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					
	30/09/2025			31/12/2024		
	Common equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital adequacy ratio	Common equity Tier 1 capital ratio	Tier 1 capital ratio	Total capital adequacy ratio
Common equity Tier 1 ratio	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Additional Tier 1 ratio	-	1.50%	1.50%	-	1.50%	1.50%
Additional total capital ratio	-	-	2.00%	-	-	2.00%
Pillar 2 additional own funds requirement (individually determined by the supervisory authority in the SREP, P2R)	1.41%	1.88%	2.50%	1.41%	1.88%	2.50%
Capital buffer requirements:						
Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
O-SII capital buffer (only for the Group)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Systemic risk buffer	0.08%	0.08%	0.08%	0.07%	0.07%	0.07%
Countercyclical capital buffer	1.08%	1.08%	1.08%	0.84%	0.84%	0.84%
Capital requirement	11.07%	13.04%	15.66%	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	12.57%	14.54%	17.16%	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 1.06%. Thus, for the Bank as of period end Common equity Tier 1 capital ratio requirement is 9.58%, Tier 1 capital ratio requirement is 11.55% and Total capital adequacy ratio requirement is 14.17%. 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 and ECB Decision (EU) 2015/656)

	EUR thousands			
	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Common equity Tier 1 capital				
Paid up capital instruments and share premium	161,931	161,026	161,931	161,026
Retained earnings	409,158	393,967	327,036	320,746
Proposed or estimated dividends	(30,304)	(44,785)	(32,374)	(44,785)
Regulatory deductions and other negative capital components	(11,258)	(9,908)	(5,233)	(7,330)
Other capital components	3,859	5,821	3,859	3,100
Tier 2 capital				
Eligible part of subordinated liabilities	60,000	60,000	60,000	60,000
Total own funds	593,386	566,121	515,219	492,757
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,329,130	2,249,254	1,548,609	1,528,578
Total exposure amounts for position, foreign currency open position and commodities risk	4,965	4,392	4,965	3,954
Total exposure amounts for operational risk	304,456	377,626	295,615	345,200
Total exposure amounts for credit valuation adjustment	2,893	10,437	2,893	10,111
Total risk exposure amount	2,641,444	2,641,709	1,852,082	1,887,843
Common equity Tier 1 capital ratio	20.2%	19.2%	24.6%	22.9%
Total capital adequacy ratio	22.5%	21.4%	27.8%	26.1%

The consolidated Group for regulatory purposes is different from the consolidated Group for accounting purposes. As per regulatory requirements AAS CBL Life, a licensed insurer, is not included in the consolidated Group for capital adequacy purposes. Consequently, it is excluded from own funds calculation and individual assets of AAS CBL Life are not included as risk exposures in the Group's capital adequacy calculation. Instead, the carrying value of the Group's investment in AAS CBL Life constitutes a risk exposure in the Group's capital adequacy ratio calculation.

Capital adequacy ratio (excluding net result for the period)

Per regulations, Bank may include interim or year-end profits in the regulatory capital before taking a formal decision confirming the final audited profit for the year only with a prior permission of the competent authority. Any foreseeable charges or dividends must be deducted from those profits. Submission of documents for permission takes time and such permission is requested only after the publishing of the financial report for the respective period and completion of the auditor's verification. Such permission of the competent authority for inclusion of the current period interim profits, which have been decreased by foreseeable charges and dividends, has been received for six months period end 30 June 2025. Below is presented a scenario, where no Q3 2025 interim profits are included. 2025 audited annual profits will become eligible for inclusion in the regulatory capital after the institution will take a formal decision confirming the final profit or loss for the year.

	EUR thousands	
	30/09/2025 Group	30/09/2025 Bank
Common equity Tier 1 capital	523,184	451,510
Tier 2 capital	60,000	60,000
Total own funds	583,184	511,510
Total risk exposure amount	2,641,444	1,852,082
Common equity Tier 1 capital ratio	19.8%	24.4%
Total capital adequacy ratio	22.1%	27.6%

Leverage ratio (including net result for the period, which is decreased in line with the dividend policy and ECB Decision (EU) 2015/656)

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 9m 2025 interim profits are included, for the Group is 9.8% and for the Bank is 8.6%.

	30/09/2025 Group	31/12/2024 Group	30/09/2025 Bank	31/12/2024 Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.0%	9.8%	8.6%	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.

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 37.3% based on TREA criteria and 18.4% based on leverage ratio criteria. If Q3 2025 interim profits were excluded from the calculation, the ratios would be 36.9% and 18.2% 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.

Managing Climate-related and environmental risk

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

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

C&E risk identification

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

Materiality assessment

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

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

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

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

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

Managing climate-related risks

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

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

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

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

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

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

Managing social and governance risks

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

NOTE 28. EVENTS AFTER THE REPORTING DATE

Citadele successfully issues EUR 50 million Additional Tier 1 bonds

Subsequent to the period end, on 9 October 2025, AS Citadele banka issued EUR 50 million of perpetual Additional Tier 1 temporary write down notes (XS3060301168). The issuance was priced with a final coupon of 7.125% with 3.6x oversubscription.

Moody's assigned a Ba3 rating to the newly issued perpetual Additional Tier 1 securities and upgraded Citadele's senior unsecured debt rating to Baa1 from Baa2, with stable outlook.

Proceeds from the issuance are to be used for general corporate purposes, including, but not limited to, the repurchase of outstanding share capital of AS Citadele banka.

Notice on early redemption of the remaining outstanding amount of the EUR 200 million Senior Preferred Bonds

Before the end of the reporting period AS Citadele banka issued EUR 300 million of senior preferred unsecured bonds (XS3148256913). After issuance of the new senior preferred unsecured bonds and tender purchase offering of the previous senior preferred unsecured bonds (XS2393742122), AS Citadele banka issued notice on early redemption of the remaining outstanding notional amount of EUR 90.77 million of the previous senior preferred unsecured bonds (XS2393742122). The previous bonds are expected to be redeemed on 22 November 2025.

Early redemption of the EUR 35 million Senior Preferred Bonds

In September 2025 a notice on an early redemption of EUR 35 million Senior Preferred Bonds of AS Citadele banka (LV0000804334) was issued and on 14 October 2025 the bonds were early redeemed.



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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 61 of the accompanying Interim Report, which comprise:

- the separate and consolidated condensed balance sheets as at 30 September 2025,
- the separate and consolidated condensed statements of income for the three and nine months periods ended 30 September 2025,
- the separate and consolidated condensed statements of comprehensive income for the three and nine months periods ended 30 September 2025,
- the separate and consolidated condensed statements of changes in equity for the nine months period ended 30 September 2025,
- the separate and consolidated condensed statements of cash flows for the nine months period ended 30 September 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				
	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Interest income	56,773	56,552	58,272	63,875	64,267
Interest expense	(13,016)	(11,931)	(13,706)	(16,169)	(15,022)
Net interest income	43,757	44,621	44,566	47,706	49,245
Fee and commission income	19,618	19,050	17,701	20,934	17,860
Fee and commission expense	(9,689)	(9,332)	(9,009)	(10,021)	(9,708)
Net fee and commission income	9,929	9,718	8,692	10,913	8,152
Net financial income	2,838	3,329	1,139	2,072	3,469
Net other income / (expense)	(964)	352	(965)	(679)	(2,189)
Operating income	55,560	58,020	53,432	60,012	58,677
Staff costs	(15,880)	(17,945)	(17,978)	(15,666)	(16,325)
Other operating expenses	(8,655)	(6,752)	(5,551)	(12,855)	(6,062)
Depreciation and amortisation	(2,618)	(2,146)	(2,082)	(3,562)	(2,462)
Operating expense	(27,153)	(26,843)	(25,611)	(32,083)	(24,849)
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale	28,407	31,177	27,821	27,929	33,828
Net credit losses	(2,715)	(3,913)	(527)	(1,968)	(4,481)
Other impairment losses	(1)	(17)	(49)	26	(2)
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale	25,691	27,247	27,245	25,987	29,345
Mortgage loan levy and bank tax	22	-	(22)	(2,246)	(2,246)
Result from non-current assets held for sale and discontinued operations, net of tax	648	(2,964)	(1,325)	(787)	172
Operating profit	26,361	24,283	25,898	22,954	27,271
Income tax	(5,542)	(4,893)	(5,499)	(3,945)	(3,393)
Net profit	20,819	19,390	20,399	19,009	23,878

	Group, EUR, thousands				
	30/09/2025	30/06/2025	31/03/2025	31/12/2024	30/09/2024
Assets					
Cash and cash balances at central banks	448,983	223,322	210,393	349,940	418,897
Loans to credit institutions	10,253	12,829	9,447	12,944	12,820
Debt securities	1,070,703	1,111,817	1,203,018	1,275,958	1,234,390
Loans to public	3,668,540	3,538,683	3,366,397	3,274,581	3,133,130
Equity instruments	1,022	839	859	835	702
Other financial instruments	23,825	23,658	23,707	25,108	26,045
Derivatives	1,025	1,384	2,056	5,690	503
Tangible assets	29,689	22,436	20,021	17,993	9,466
Intangible assets	5,856	6,442	6,268	6,132	8,141
Current income tax assets	1,093	174	47	22	77
Deferred income tax assets	1,057	1,123	1,295	1,636	1,751
Bank tax assets	-	-	-	180	713
Discontinued operations and non-current assets held for sale	-	97,979	115,061	103,636	110,791
Other assets	43,587	51,109	47,088	61,942	47,241
Total assets	5,305,633	5,091,795	5,005,657	5,136,597	5,004,667
Liabilities					
Deposits from credit institutions and central banks	38,889	5,016	9,596	3,228	11,281
Deposits and borrowings from customers	4,100,978	3,986,785	3,879,046	4,023,480	3,928,264
Debt securities issued	487,628	297,100	297,539	315,422	283,576
Derivatives	3,061	8,321	4,976	4,008	3,791
Provisions	4,259	2,773	2,426	2,733	3,120
Current income tax liabilities	9,981	7,026	14,504	14,218	10,323
Deferred income tax liabilities	1,150	500	548	-	375
Bank tax liabilities	-	22	-	-	-
Discontinued operations	-	139,322	134,794	133,131	154,334
Other liabilities	84,318	84,187	77,754	77,695	66,806
Total liabilities	4,730,264	4,531,052	4,421,183	4,573,915	4,461,870
Equity					
Share capital	159,148	159,138	158,813	158,813	158,391
Reserves and other capital components	3,917	10,120	8,781	7,388	6,934
Retained earnings	412,304	391,485	416,880	396,481	377,472
Total equity	575,369	560,743	584,474	562,682	542,797
Total liabilities and equity	5,305,633	5,091,795	5,005,657	5,136,597	5,004,667

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 is calculated as operating expense divided by operating income. CIR is a measurement of operating efficiency. CIR represents the proportion of administrative overheads incurred by the Group (expressed as a percentage) to generate the income.

COR – Cost of risk ratio is calculated as annualised net loan impairment charges for the relevant period divided by the average of net loans at the beginning and the end of such period. COR is an indicator of risk in the loan portfolio, with annualised net loan impairment charges recognised during the period as a proportion of the loan portfolio.

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 – The loan-to-deposit ratio is calculated as the carrying value of loans to public divided by deposits and borrowings from customers at the end of the relevant period. The loan-to-deposit ratio is a measure of the funding base of the loan portfolio.

LR – Leverage ratio as defined in Regulation (EC) No 575/2013 and other relevant regulations. The ratio is calculated as Tier 1 capital divided by the total exposure measure. The ratio 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.

Non-performing loans impairment ratio – Impairment allowance for stage 3 and part of POCI exposures, which as of the period end date are credit impaired divided by gross loans to public classified as stage 3 and part of POCI exposures, which as of the period end date are credit impaired.

NPL – Non-performing loans to public ratio is calculated as stage 3 gross loans to public and part of POCI exposures, which as of the period end date are credit impaired, divided by total loans to public as of the end of the relevant period. The NPL ratio is a measure of the quality of the loan 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 is calculated as annualised net profit for the relevant period divided by the average of total assets at the beginning and the end of such period. ROA is a measure of the profitability of the relevant assets. It is a measure of efficiency of asset usage in profit generation of the Group.

ROE – Return on average equity is calculated as annualised net profit for the relevant period divided by the average of total equity at the beginning and the end of such period. ROE is a measure of profitability of the equity. It is a measure of the efficiency of equity usage in the profit generation of the Group.

RTS – Regulatory technical standards.

SRB – Single Resolution Board.

SREP – Supervisory review and evaluation process.

TREA – Total risk exposure amount.

TSCR – SREP capital requirement set by the regulator.