AS Citadele banka

INTERIM REPORT

For the twelve months ended
31 December 2025

Key figures and events of the Group

Citadele delivered a solid financial performance in 2025, with operating income reaching EUR 221.5 million, of which EUR 54.5 million was generated in Q4 2025. Return on equity stood at 14.6%, while the cost-to-income ratio (CIR) was 49.2%, compared to 48.4% in 2024.

In 2025, the loan portfolio increased by 15% since the end of 2024, reaching EUR 3.76 billion as of 31 December 2025. EUR 1.59 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 1.7% as of 31 December 2025, compared to 2.3% as of 31 December 2024.

Citadele's deposit base totalled EUR 4.30 billion as of 31 December 2025, reflecting a 7% increase since year-end 2024.

Citadele's active customer base grew by 3% year-over-year, reaching 412.4 thousand as of 31 December 2025. The number of active mobile app users rose to 286 thousand, reflecting a 6% year-over-year increase.

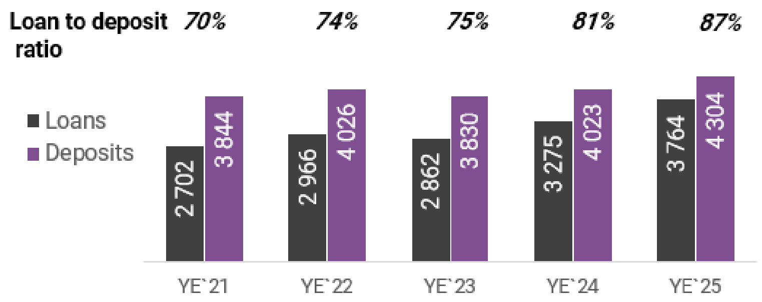
Citadele continues to operate with strong capital and liquidity ratios. The Group's CAR was 22.3%, CET1 was 18.2%, and the LCR was 181% as of 31 December 2025.

As of 31 December 2025, Citadele had 1,288 employees (1,321 as of 31 December 2024).

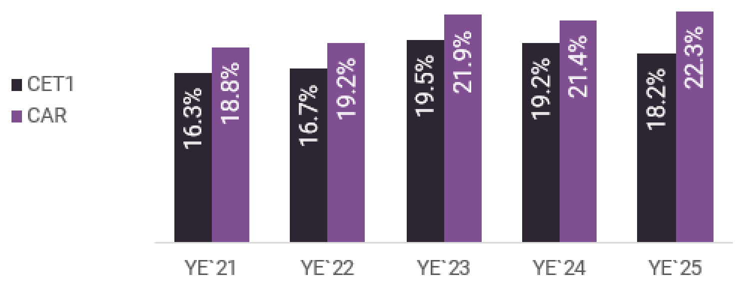
EUR millions	2025	2024	Q4 2025	Q4 2024
Net interest income	177.2	192.5	44.2	47.7
Net fee and commission income	37.0	36.3	8.7	10.9
Net financial and other income	7.3	6.0	1.5	1.4
Operating income	**221.5**	**234.8**	**54.5**	**60.0**
Operating expense	(108.9)	(113.6)	(29.3)	(32.1)
Net credit losses and impairments	(4.5)	0.6	2.7	(1.9)
Net profit from continuous operations (after tax)	**84.7**	**94.5**	**20.9**	**19.4**
Return on average assets (ROA)	1.6%	1.9%	1.6%	1.6%
Return on average equity (ROE)	14.6%	17.5%	14.3%	14.1%
Cost to income ratio (CIR)	49.2%	48.4%	53.7%	53.5%
Cost of risk ratio (COR)	0.1%	0.0%	(0.3)%	0.2%

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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Other

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
Chair of the Management Board, Chief Executive Officer

Growth Momentum Across the Baltic Region

Reflecting on 2025, the economic environment improved notably, even as global uncertainties remained part of the landscape. The U.S. economy has once again demonstrated its resilience, while Europe has navigated a delicate transition toward domestically driven growth. At the same time, the Baltic economies have entered a new phase of recovery defined by forward-looking decision-making.

In Latvia, economic momentum has strengthened steadily through the year. Improving industrial activity, rising real household incomes, and renewed confidence among entrepreneurs are translating into stronger investment activity. As inflation eases and wage growth supports purchasing power, households are also becoming more confident, gradually moving ahead with longer-term purchases and financial decisions.

Lithuania continues to distinguish itself through the consistency of its growth model. Strong domestic demand, an active real estate market, and a resilient labour market have supported both corporate and retail banking activity. While parts of the export sector are adjusting to weaker external demand, the overall economic structure remains balanced.

In Estonia, the turning point reached in 2025 carries particular significance. After several challenging years, the economy has returned to growth, led by higher manufacturing activity and supported by public investment. Although domestic demand remains subdued following tax increases, confidence is gradually improving, signalling the early stages of a new economic cycle.

Across the Baltics, lower inflation, more supportive interest-rate dynamics for investment decisions, and renewed confidence are creating a more favourable environment for expansion. The coming year will be about consolidating these trends and, for the banking sector, helping economies turn this momentum into sustainable growth and lasting value.

Strong Financial Performance

In 2025, Citadele achieved strong financial results, generating an operating income of EUR 221.5 million, and delivering a return on equity of 14.6%. In Q4 2025, operating income was EUR 54.5 million, while ROE increased to 14.3%, compared with 14.1% in the same quarter of the previous year.

Citadele also maintained strong cost side operational efficiency, with operating expenses reaching EUR 108.9 million in 2025 - 4% lower than in 2024. In Q4, expenses decreased to EUR 29.3 million, compared with EUR 32.1 million in the same period last year.

As of 31 December 2025, the total loan book grew to EUR 3,764 million, reflecting a 15% increase (EUR 490 million) since 31 December 2024. Throughout 2025, Citadele reinforced its role as a trusted partner for regional economic development, supporting private, SME, and corporate clients with EUR 1.59 billion in new financing - an 18% year-over-year increase. Consistent with our commitments, sustainability continues to be embedded as an important element of the customer value proposition in new financing. The financial standing of our customers remained sound. Asset quality strengthened further, with the NPL ratio reaching an all-time low of 1.7% at year-end 2025 (improved from 2.3% at year-end 2024), highlighting the portfolio's consistently strong performance.

Citadele maintained a solid capital position at year-end 2025, underscoring continued financial resilience. Our total capital adequacy ratio (CAR) stood at 22.3%, while the CET1 ratio was 18.2%.

Increasing customer engagement across daily banking and savings supported a 7% (EUR 281 million) growth in the deposit base, bringing total deposits to EUR 4.30 billion. The Group's LCR and NSFR remained at firm levels, standing at 181% and 141% respectively as of 31 December 2025, compared with 181% and 143% a year ago.

In a dynamic economic environment, underpinned by improving economic sentiment across the Baltic region, we remain focused on embracing strategic opportunities that enhance our market position and drive long-term growth.

Client Base Growth, Service Excellence and Digital Innovation

Citadele continues to grow its customer base, strengthening its presence among private individuals and businesses across the region. As of 31 December 2025, our active customer base reached 412.4 thousand, marking a 3% year-over-year increase.

Customer service and advisory excellence remain key priorities for us. In the annual DIVE customer service study for 2025, Citadele received the highest rating in Latvia for eleventh year in a row and continued to hold strong positions in both Lithuania and Estonia.

Building on this strong customer engagement, momentum in digital innovation is also accelerating, with customers increasingly choosing fast and simple digital solutions. Currently, 86.9% of customers actively use digital channels. The number of active mobile app users has reached 286 thousand - reflecting a 6% year-over-year increase.

Innovations and development

Innovation remains a core priority for Citadele, with continuous development of services and products to meet the evolving needs of individuals, families, and businesses. This commitment was reflected in several key milestones in Q4 2025, including the launch of the digital insurance portal in Latvia, giving customers a clear and convenient way to review their insurance coverage.

As savings and investment planning becomes increasingly important for customers seeking greater financial control and long-term security, Citadele introduced C Trade - a user-friendly platform that enables retail clients to trade funds, shares, ETFs, and bonds directly through the Internet Bank.

Throughout the year, Citadele advanced a broad range of AI-powered solutions - including an expanding suite of AI Agents across business functions, enhancements to our client-facing virtual assistant Adele, and a new document-intelligence platform - enabling the organisation to strengthen service quality and deliver it more efficiently. Every initiative was introduced with a thoughtful and responsible approach, grounded in strong risk, transparency, and data protection standards to ensure that our innovation continues to reinforce the trust our customers place in us.

Klix, Citadele's e-commerce checkout solution, maintained a solid growth trajectory in Q4 2025. As of 31 December, Klix supported 3.5 thousand merchants, while the registered user base exceeded 587 thousand and active users grew 11% year-over-year, indicating continued strong adoption. Throughout the year, Klix processed 28.2 million transactions amounting to EUR 1.12 billion, marking a 56% increase from the previous year.

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 aligns with the Group's strategy to focus on core Baltic operations and further strengthen its position in home markets.

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

In 2025, Citadele 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 international demand, with interest exceeding the target amount ninefold, highlighting investor confidence in Citadele's solid position in the Baltic region. In October, the bank also issued EUR 50 million in perpetual Additional Tier 1 (AT1) temporary write down notes, priced with a final coupon of 7.125%.

Events after the reporting period

One-time special share buyback

Following AT1 issuance, Citadele completed a one-time special share buyback in January 2026 to support future long-term incentive and retention programs and reduce outstanding share capital.

Looking Ahead

With a new growth cycle emerging and confidence strengthening, Citadele's priority is to serve as a reliable partner. New digital solutions are being introduced to meet evolving expectations for simple and efficient services, while in person advisory support remains essential for moments that require deeper guidance or more complex decisions. Together, these efforts position Citadele well to assist customers - financing investment and home purchases, enabling digital and green transitions, and ensuring that the region's growth translates into tangible benefits for the people and businesses served.

As we close 2025, I extend my sincere gratitude to our customers, employees, and partners for their trust in Citadele and look forward to continuing our strong cooperation.

Financial review of the Group

Results and profitability in 2025

The Group delivered a solid financial performance in 2025, with operating income amounting to EUR 221.5 million, compared to EUR 234.8 million in 2024. Of this amount, EUR 54.5 million was generated in Q4 2025.

Net interest income amounted to EUR 177.2 million in 2025, compared to EUR 192.5 million in 2024, mainly due to a lower interest rate environment and a decline in interest income from balances with central banks and credit institutions. Net interest income in Q4 2025 was EUR 44.2 million.

The Group's net fee and commission income amounted to EUR 37.0 million in 2025, reflecting a 2% increase compared to 2024, primarily driven by higher card-related income. Net fee and commission income in Q4 2025 was EUR 8.7 million.

Operating expenses in 2025 amounted to EUR 108.9 million, representing a 4% decrease compared to 2024, primarily due to lower consulting expenses as well as depreciation and amortisation. Operating expenses for Q4 2025 were EUR 29.3 million.

Staff costs were EUR 69.2 million in 2025 compared to EUR 69.4 million in 2024. The number of employees was 1,288 as of 31 December 2025, down from 1,321 as of 31 December 2024. The decrease in 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 30.9 million, marking an 8% decrease compared to 2024, primarily driven by a decrease in consulting and other services (-43%). Depreciation and amortisation expenses amounted to EUR 8.8 million, reflecting an 18% decrease compared to 2024. Other operating expenses for Q4 2025 were EUR 9.9 million, while depreciation and amortisation amounted to EUR 2.0 million.

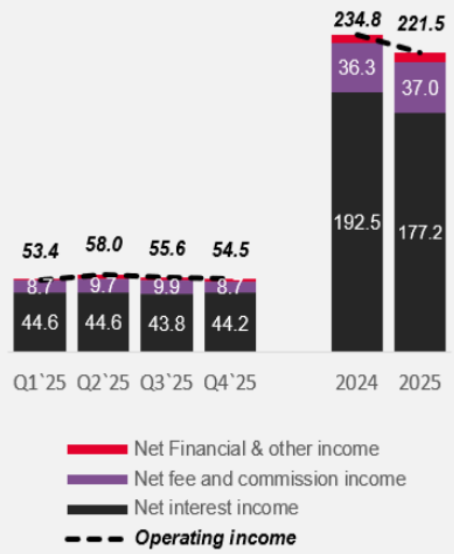
Citadele's cost-to-income ratio was 49.2% in 2025, compared to 48.4% in 2024. The cost-to-income ratio for Q4 2025 was 53.7% (53.5% in Q4 2024).

Net credit losses and impairments amounted to EUR 4.5 million in 2025, compared to reversals of EUR 0.6 million in 2024. This shift was partly driven by growth in the consumer and mortgage portfolios, as well as the migration of some loan balances to higher impairment stages, partially due to readjustments in the staging methodology. In Q4 2025, net credit losses and impairments amounted to a reversal of EUR 2.7 million.

Net profit from continuing operations reached EUR 84.7 million, a 10% decrease compared to 2024, with a ROE of 14.6%. Kaleido Privatbank AG, the Swiss subsidiary sold in Q3 2025, was previously classified as discontinued operations. The Group's total net profit was EUR 81.5 million in 2025.

Operating income, EURm

Continuing operations



Operating expense, EURm

Continuing operations

Balance sheet overview

The Group's assets stood at EUR 5,425 million as of 31 December 2025, representing a 6% 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 3,764 million as of 31 December 2025, representing a 15% increase from year-end 2024. The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio decreased to 1.7% as of 31 December 2025, down from 2.3% at 31 December 2024.

New financing in 2025 reached EUR 1,591 million, representing 18% increase compared to 2024, mainly impacted by higher lending volumes in the SME segment and retail private segment. EUR 573 million was issued to private customers, EUR 716 million to SMEs and EUR 296 million to corporate customers. Roughly one tenth 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 31 December 2025, Latvia accounted for 41% of the loan portfolio with EUR 1,530 million (compared to 44% as of year-end 2024), followed by Lithuania at 40% with EUR 1,513 million (vs. 37% as of year-end 2024), Estonia at 19% with EUR 713 million (vs. 19% as of year-end 2024), and other EU and non-EU countries at 0.2% with EUR 8 million combined.

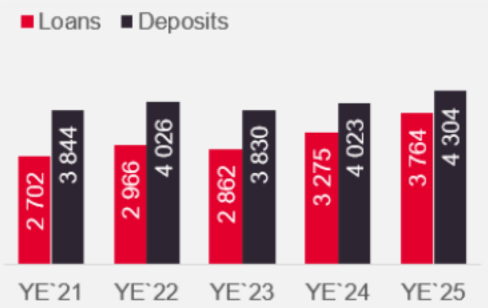
As of 31 December 2025, loans to households represented 46% of the total loan portfolio (compared to 46% as of year-end 2024). Mortgage loans increased by 10% from year-end 2024 and amounted to EUR 963 million. Finance leases to households grew by 20% to EUR 453 million (vs. EUR 376 million at year-end 2024). Consumer lending increased by 59% reaching EUR 263 million, while card lending increased by 8% to EUR 58 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 and cash and bank balances form a part of its liquidity resources. The Group's securities portfolio in 2025 decreased by 19% vs. the year-end 2024 while cash and bank balances increased by 43% year-over-year. 97% of the securities portfolio consist of securities with a rating of A and higher. The most significant changes included a 56% decrease (EUR 98 million) in AA/aa-rated bonds since year-end 2024 and a 11% decrease (EUR 107 million) in A-rated bonds.

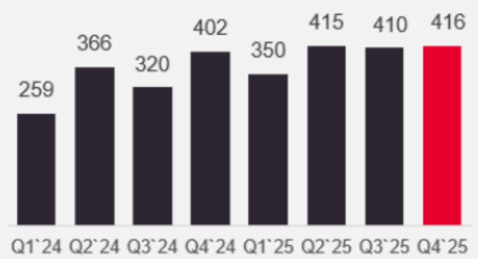
The Group's LCR and NSFR remained at healthy levels, standing at 181% and 141%, respectively, as of 31 December 2025, compared to 181% and 143% at year-end 2024.

The main source of Citadele's funding, customer deposits, increased by 7% to EUR 4,304 million at 31 December 2025 compared to year-end 2024. Term deposits share out of total deposits stood at 26% as of 31 December 2025, as compared to 27% as of end of year 2024. Baltic domestic customer deposits formed 99% of total deposits or EUR 4,244 million (compared to 99% as of year-end 2024).

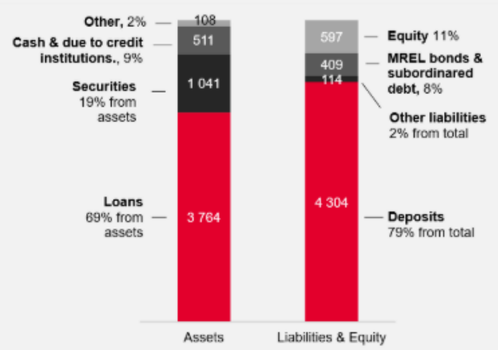
Loans and Deposits, EURm



New financing, EURm



Balance sheet structure, EURm



Ratings

International credit rating agency Moody's Investors Service has affirmed Citadele's Baa1 rating; outlook stable *(11 Dec 2025).*

The main credit strengths are:

- Improved and stabilised asset quality, supported by a diversified portfolio
- Strong capitalisation underpinned by robust organic capital generation
- Robust profitability which has stabilised following some historic volatility
- Sound funding and liquidity, underpinned by a domestic-based deposit funding model.

Category	Moody's rating
Outlook	Stable
Counterparty Risk Rating	A3/P-2
Bank Deposits	Baa1/P-2
BCA./ Adj. BCA	baa3/ baa3
Counterparty Risk Assessment	A3(cr)/P-2(cr)
Senior Unsecured -Dom Curr	Baa1
Pref. Stock Non-cumulative-Dom Curr	Ba3 (hyb)

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

Segment Highlights

Retail Private and Affluent segment

In 2025, operating income of the Retail Private and Affluent segments amounted to EUR 82.8 million as compared to EUR 86.6 in 2024. FTP adjusted operating income of the Retail Private and Affluent segments amounted to EUR 90.2 million in 2025.

New lending to private individuals reached EUR 573 million in 2025, representing a EUR 75 million increase compared to 2024. Notable demand seen for green products, with green mortgage loans exceeding EUR 40 million in 2025, accounting for roughly one fifth of total new mortgages.

Total loans to private individuals reached EUR 1,622 million as of 31 December 2025, a 15% increase or EUR 216 million, since 31 December 2024, with good loan quality. Deposits from private individuals totalled EUR 2,119 million, representing an increase of EUR 86 million (4%) compared to 31 December 2024.

SME segment

In 2025, the SME segment's operating income reached EUR 73.6 million, reflecting a 7% decrease compared to 2024.

New lending totalled EUR 716 million in 2025 - an increase of EUR 186 million, compared year 2024.

Total loans to SMEs stood at EUR 1,265 million as of 31 December 2025, marking a 20% increase compared to year-end 2024, while loan quality remained strong. SME deposits reached EUR 1,016 million, 14% increase compared to 31 December 2024.

Corporate segment

The corporate segment's operating income reached EUR 28.4 million in 2025, remaining flat compared to 2024.

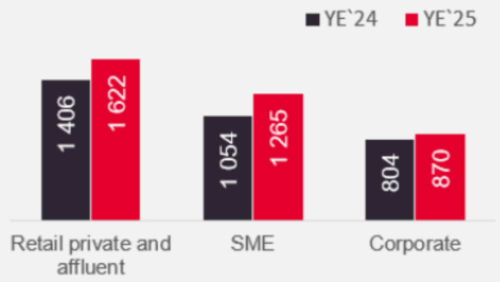
Corporate new financing amounted to EUR 296 million, reflecting a year-on-year decrease of EUR 21 million. The total corporate loan portfolio stood at EUR 870 million, marking an 8% increase compared to year-end 2024. The quality of the credit portfolio remained strong.

The corporate deposit portfolio amounted to EUR 1,070 million as of 31 December 2025, reflecting an 8% increase compared to year-end 2024.

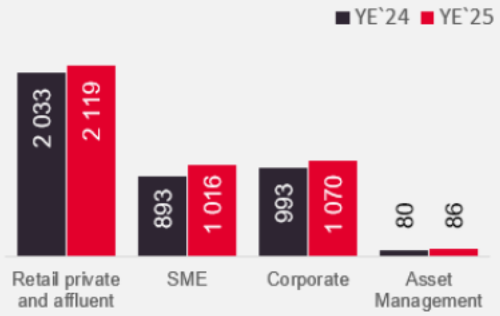
Asset Management

Operating income reached EUR 7.8 million in 2025, decreasing by 22% as compared to the same period a year ago. The decline was primarily driven by the absence of pension products' investment out-performance success fees. Nevertheless, several pension products delivered the best investment results in Latvia, supporting overall portfolio quality despite the lower fee income. Total customer assets under management stood at EUR 1.4 billion, a 13% increase from year-end 2024.

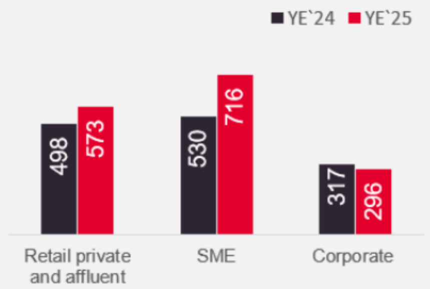
Loans, EURm



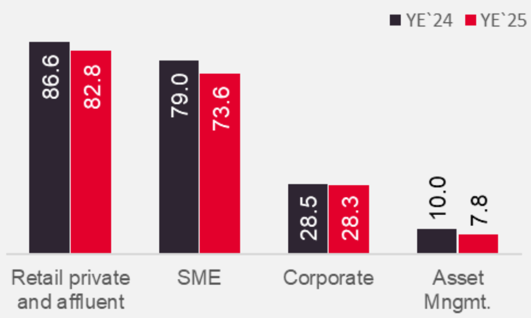
Deposits, EURm



New lending, EURm



Operating income, EURm



Business Environment

Global Backdrop: Resilience with New Frictions

The global economy in 2025 has been more resilient than many expected, but the policy mix has shifted: growth in the U.S. has surprised to the upside, while the euro area has relied more on domestic demand as external trade faces tariff headwinds. Disinflation has progressed in both regions, creating room for central banks to ease, even as trade-policy uncertainty and sector-specific shocks persist.

After a weak start to the year, U.S. activity firmed notably into mid-to-late-2025, with broad contributions from consumer spending, exports, government outlays, and investment. Meanwhile, tariff environment still holds as a major headlines' topic. Disinflation continued throughout the year, with shelter still firm but energy and goods price dynamics easing. After three 25 bp cuts in September–December 2025, the Fed held rates steady at its January 2026 meeting, citing solid activity, a stabilizing labour market, and inflation still "somewhat elevated."

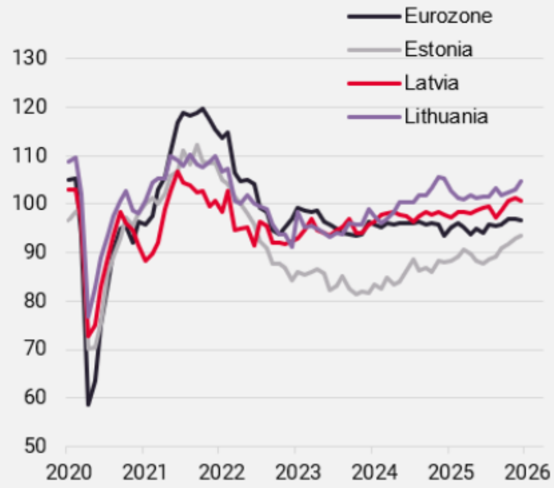
The euro area's earlier export tailwinds faded as U.S. tariffs and a firmer euro weighed on trade. Disinflation advanced in euro-area, HICP fell to 1.9% YoY in December, dipping below the ECB's 2% target driven by softer goods prices and negative energy inflation. The moderate growth and low inflation put ECB in a very comfortable stance that allow to pause the rate changes. The Governing Council kept the deposit rate at 2.00% in December and emphasized a meeting-by-meeting, data-dependent stance. The projections envisage inflation near target into 2026 - 2027 and growth improving modestly from 2025 levels. As the one-off U.S. tariff driven demand pull-forward fades and trade frictions linger, domestic demand supported by wages, easier financial conditions, targeted public investment, remains the key growth driver. Baseline views point to low-1% growth in 2025 and 2026 with inflation broadly around 2%.

Baltic Economies set for synchronized & moderate growth

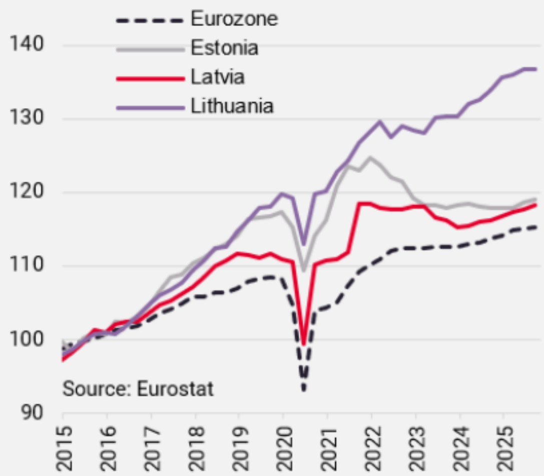
The Baltic region continued a gradual recovery in H2 2025, supported by easier financial conditions and improving industrial sentiment. But divergences widened: Latvia accelerated on investment and consumption, Lithuania stayed the most robust albeit with mixed sectoral momentum, and Estonia finally exited a long recession, but domestic demand remained soft amid tax changes.

In Latvia momentum builds on industry, investment and real incomes. We saw strong growth in Q3 2025 when GDP increased +2.5% YoY. First three quarters average +1.7% YoY, with sectoral lift from export-oriented manufacturing and a rebound in consumption. The last quarter was set to continue the path. At the end of the year inflation eased to 3.5% YoY in December, improving real wage dynamics. Q2 2025 gross wages rose approx. 8.5% YoY, outpacing prices and supporting spending. Public-sector projects and stronger bank lending underpinned investment; private consumption is normalizing as confidence improves. External trade with the U.S. softened under tariffs, but broader exports held up.

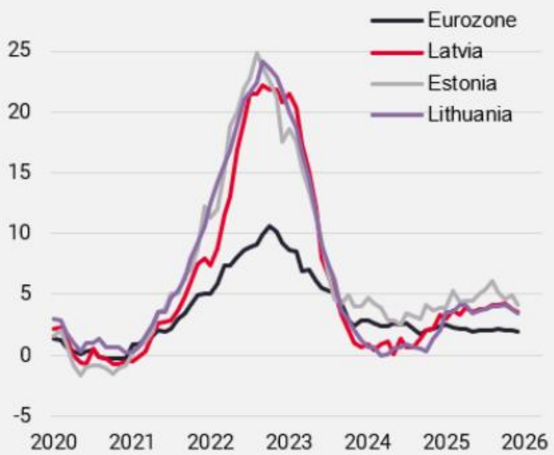
Economic sentiment indicator



Real GDP, indexed, 2015 = 100



Inflation (%, year-on-year)

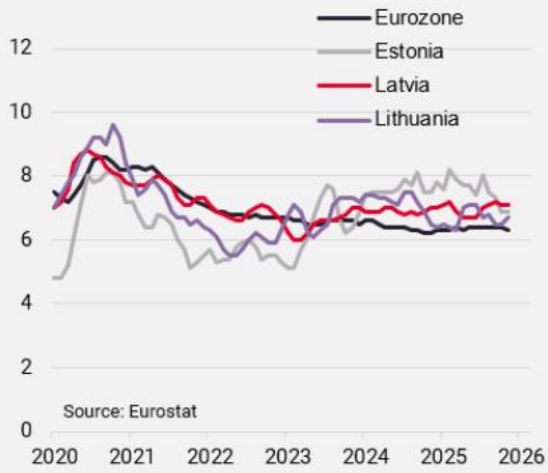


Lithuania still is the regional growth leader, though sector splits widened. After a strong H1, Q3 2025 GDP was flat QoQ, but YoY growth was still moderate +2.0%, reflecting softer industry and a pause in external demand; retail stayed resilient. HICP slowed to 3.2% YoY in December, with monthly declines late in the year; average inflation in 2025 remained near the mid-3s. Credit growth and an expansionary fiscal stance (including higher defence outlays) support investment. Household spending benefits from wage gains and a still-tight labour market. Forecasts point to above-euro-area growth into 2026, as disinflation and public investment offset external headwinds.

In Estonia recovery starts, but domestic demand lags after VAT hike. We finally see growth for GDP +0.9% YoY in Q3 2025 - the best since early 2022. The growth is led by manufacturing and energy as well as government consumption, while private consumption dipped. The standard VAT rate rose to 24% on 1 July 2025, adding to near-term price pressures; however, HICP slowed to 4.1% YoY in December from 4.7% in November. We project 0.7% growth in 2025, accelerating to 2.3% in 2026 as rates ease, real incomes improve, and defence-related investment rises.

Across the Atlantic, soft-landing dynamics still look plausible: U.S. growth is slowing but remains supported by real income gains, while euro-area growth should be domestically led with inflation near target and rates on hold. In the Baltics, the recovery is evening out and strengthening. The balance of risks still tilts around trade policy and geopolitical tensions, but the region is better placed than a year ago to deliver synchronized, moderate growth in 2026.

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 73.4 % 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), 1.9 % 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 31/12/2025:

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
Nicholas Dominic Haag	Member of the Supervisory Board	19 December 2016
Stephen Burchell Martin Young	Member of the Supervisory Board	4 October 2023
Daiga Auziņa-Melalksne	Member of the Supervisory Board	1 November 2023
Bingyang Zhu	Member of the Supervisory Board	11 December 2025
Thomas William David Isaac	Member of the Supervisory Board	11 December 2025
Eric Hazan	Member of the Supervisory Board	11 December 2025

On 23 June 2025 Karina Saroukhanian resigned from the Supervisory Board of AS Citadele banka. Effective from 11 December 2025 Dhananjaya Dvivedi, Lawrence Neal Lavine, and Sylvia Yumi Gansser Potts are not member of the Supervisory Board of AS Citadele banka. On the same day Bingyang Zhu, Thomas William David Isaac, and Eric Hazan became members of the Supervisory Board of AS Citadele banka.

Subsequent to the period end a new Supervisory Board of AS Citadele banka was approved by the regulator and on 29 January 2026 the change became effective. The new Supervisory Board comprises of Timothy Clark Collins as Chair of the Supervisory Board, Elizabeth Critchley as Deputy Chair of the Supervisory Board and Nicholas Dominic Haag, Stephen Burchell Martin Young, Thomas William David Isaac, Bingyang Zhu, Eric Hazan, Daiga Auziņa-Melalksne and Paul Louis Jean de Leusse as Members of the Supervisory Board.

Management Board of the Bank as of 31/12/2025:

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 regulator.

Statement of Management's Responsibility

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

The interim condensed financial statements are prepared in accordance with the source documents and present the financial position of the Bank and the Group as of 31 December 2025 and the results of their operations for the three and twelve months period ended 31 December 2025, changes in shareholders' equity and cash flows for the twelve months period ended 31 December 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 the European Union applicable for credit institutions.

Management Board of AS Citadele banka on 6 February 2026 approved these interim condensed financial statements.

CONDENSED STATEMENT OF INCOME

		EUR thousands							
		Group				Bank			
	Note	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Interest income calculated using the effective interest method	5	158,870	170,508	40,879	43,576	196,657	228,510	50,441	57,319
Other interest income	5	72,253	82,786	18,647	20,299	-	-	-	-
Interest expense	5	(53,934)	(60,771)	(15,281)	(16,169)	(55,330)	(62,630)	(15,406)	(16,722)
Net interest income		**177,189**	**192,523**	**44,245**	**47,706**	**141,327**	**165,880**	**35,035**	**40,597**
Fee and commission income	6	75,687	72,971	19,318	20,934	69,592	64,599	17,675	16,597
Fee and commission expense	6	(38,646)	(36,708)	(10,616)	(10,021)	(36,512)	(34,615)	(10,004)	(9,418)
Net fee and commission income		**37,041**	**36,263**	**8,702**	**10,913**	**33,080**	**29,984**	**7,671**	**7,179**
Net financial income	7	9,789	9,654	2,483	2,072	9,739	9,444	2,478	2,291
Net other income / (expense)	8	(2,514)	(3,680)	(937)	(679)	(1,064)	2,491	(709)	4,474
Operating income		**221,505**	**234,760**	**54,493**	**60,012**	**183,082**	**207,799**	**44,475**	**54,541**
Staff costs	9	(69,155)	(69,382)	(17,352)	(15,666)	(57,913)	(58,681)	(14,474)	(13,112)
Other operating expenses	10	(30,877)	(33,415)	(9,919)	(12,855)	(28,647)	(31,280)	(9,374)	(12,296)
Depreciation and amortisation		(8,849)	(10,753)	(2,003)	(3,562)	(7,662)	(9,637)	(1,708)	(3,277)
Operating expense		**(108,881)**	**(113,550)**	**(29,274)**	**(32,083)**	**(94,222)**	**(99,598)**	**(25,556)**	**(28,685)**
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale		**112,624**	**121,210**	**25,219**	**27,929**	**88,860**	**108,201**	**18,919**	**25,856**
Net credit losses	11	(4,468)	466	2,687	(1,968)	(787)	1,399	4,873	(3,694)
Other impairment losses and other provisions		(50)	91	17	26	4,171	1,138	2,987	168
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale		**108,106**	**121,767**	**27,923**	**25,987**	**92,244**	**110,738**	**26,779**	**22,330**
Mortgage loan levy and bank tax	12	-	(9,647)	-	(2,246)	-	(9,605)	-	(2,235)
Result from non-current assets held for sale and discontinued operations, net of tax	17	(3,740)	(4,636)	(99)	(787)	(1,528)	(14,943)	(99)	(366)
Operating profit		**104,366**	**107,484**	**27,824**	**22,954**	**90,716**	**86,190**	**26,680**	**19,729**
Income tax	12	(22,832)	(17,728)	(6,898)	(3,945)	(17,996)	(15,534)	(5,036)	(2,668)
Net profit		**81,534**	**89,756**	**20,926**	**19,009**	**72,720**	**70,656**	**21,644**	**17,061**
Basic earnings / (loss) per share in EUR	21	0.51	0.57	0.13	0.12	0.46	0.45	0.14	0.11
from continuing operations		*0.53*	*0.60*	*0.13*	*0.13*	*0.46*	*0.45*	*0.14*	*0.11*
from discontinued operations		*(0.02)*	*(0.03)*	-	*(0.00)*	-	-	-	-
Diluted earnings / (loss) per share in EUR	21	0.51	0.56	0.13	0.12	0.45	0.44	0.13	0.10
from continuing operations		*0.53*	*0.59*	*0.13*	*0.12*	*0.45*	*0.44*	*0.13*	*0.10*
from discontinued operations		*(0.02)*	*(0.03)*	-	*(0.00)*	-	-	-	-

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
	Group				Bank			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Net profit	**81,534**	**89,756**	**20,926**	**19,009**	**72,720**	**70,656**	**21,644**	**17,061**
Items that may be reclassified to profit or loss:								
Debt securities at fair value through other comprehensive income (continuing operations)								
Gains or losses transferred to profit or loss	(28)	(72)	-	(83)	(28)	(72)	-	(83)
Valuation gains or losses taken to equity	3,553	5,806	495	1,006	3,102	4,972	445	844
Income tax taken to equity	(618)	1,149	(89)	(152)	(618)	1,149	(89)	(152)
Debt securities at fair value through other comprehensive income (discontinued operations)								
Gains or losses transferred to profit or loss	67	172	-	42	-	-	-	-
Valuation gains or losses taken to equity	35	255	-	5	-	-	-	-
Income tax taken to equity	(25)	(103)	-	(12)	-	-	-	-
Other reserves (discontinued operations)								
Foreign exchange retranslation	(7,395)	(294)	-	(91)	-	-	-	-
Items that will not be reclassified to profit or loss:								
Equity and similar instruments at fair value through other comprehensive income (continuing operations)								
Valuation gains or losses taken to equity	17	4	-	-	17	4	-	-
Transfer to retained earnings at disposal	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	**(4,394)**	**6,917**	**406**	**715**	**2,473**	**6,053**	**356**	**609**
Total comprehensive income	**77,140**	**96,673**	**21,332**	**19,724**	**75,193**	**76,709**	**22,000**	**17,670**

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

CONDENSED BALANCE SHEET

		EUR thousands			
		31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Assets					
Cash and cash balances at central banks	24	511,451	349,940	511,451	349,940
Loans to credit institutions		7,099	12,944	5,701	23,748
Debt securities	13	1,040,903	1,275,958	1,004,828	1,234,827
Loans to public	14	3,764,206	3,274,581	3,655,462	3,170,572
Equity instruments	15	427	835	427	835
Other financial instruments	15	21,999	25,108	-	838
Derivatives		1,747	5,690	1,747	5,690
Investments in related entities	16	-	-	52,969	48,759
Tangible assets		30,755	17,993	16,543	14,204
Intangible assets		5,691	6,132	3,492	3,876
Current income tax assets	12	-	22	-	-
Deferred income tax assets	12	1,053	1,636	999	1,572
Bank tax assets	12	-	180	-	180
Discontinued operations and non-current assets held for sale	17	-	103,636	-	779
Other assets		39,405	61,942	30,097	50,273
Total assets		**5,424,736**	**5,136,597**	**5,283,716**	**4,906,093**
Liabilities					
Deposits from credit institutions and central banks	18	2,599	3,228	2,599	54,096
Deposits and borrowings from customers	19	4,304,201	4,023,480	4,304,937	4,003,611
Debt securities issued	20	408,861	315,422	408,861	315,422
Derivatives		2,767	4,008	2,767	4,008
Provisions	11	3,816	2,733	3,727	2,675
Current income tax liabilities	12	13,879	14,218	12,392	12,301
Deferred income tax liabilities	12	2,450	-	-	-
Discontinued operations	17	-	133,131	-	-
Other liabilities		88,905	77,695	35,528	33,704
Total liabilities		**4,827,478**	**4,573,915**	**4,770,811**	**4,425,817**
Equity					
Share capital	21	159,178	158,813	159,178	158,813
Reserves and other capital components		4,850	7,388	5,046	717
Retained earnings		433,230	396,481	348,681	320,746
Total equity		**597,258**	**562,682**	**512,905**	**480,276**
Total liabilities and equity		**5,424,736**	**5,136,597**	**5,283,716**	**4,906,093**
Off-balance sheet items					
Guarantees and letters of credit	22	102,467	88,398	102,467	97,033
Financial commitments	22	394,081	351,912	380,621	409,329

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Group, EUR thousands						
	Issued share capital	Share premium	Securities fair value revaluation reserve *(Note 13)*	Foreign currency retrans-lation	Share based payments	Retained earnings	Total equity
Balance as of 31/12/2023	**158,145**	**1,175**	**(12,531)**	**7,689**	**3,575**	**357,342**	**515,395**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	(50,617)	(50,617)
Share based payments to employees *(Note 9 and Note 21)*	668	1,038	-	-	(475)	-	1,231
Total comprehensive income	***-***	***-***	***7,211***	***(294)***	***-***	***89,756***	***96,673***
Net result for the period	-	-	-	-	-	89,756	89,756
Other comprehensive income / (loss) for the period	-	-	7,211	(294)	-	-	6,917
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)*	365	616	-	-	1,240	-	2,221
Total comprehensive income	***-***	***-***	***3,001***	***(7,395)***	***-***	***81,534***	***77,140***
Net result for the period	-	-	-	-	-	81,534	81,534
Other comprehensive income / (loss) for the period	-	-	3,001	(7,395)	-	-	(4,394)
Balance as of 31/12/2025	**159,178**	**2,829**	**(2,319)**	**-**	**4,340**	**433,230**	**597,258**

	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)*	668	1,038	-	(475)	-	1,231
Total comprehensive income	***-***	***-***	***6,053***	***-***	***70,656***	***76,709***
Net result for the period	-	-	-	-	70,656	70,656
Other comprehensive income / (loss) for the period	-	-	6,053	-	-	6,053
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)*	365	616	-	1,240	-	2,221
Total comprehensive income	***-***	***-***	***2,473***	***-***	***72,720***	***75,193***
Net result for the period	-	-	-	-	72,720	72,720
Other comprehensive income / (loss) for the period	-	-	2,473	-	-	2,473
Balance as of 31/12/2025	**159,178**	**2,829**	**(2,123)**	**4,340**	**348,681**	**512,905**

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

CONDENSED STATEMENT OF CASH FLOWS

	Note	2025 Group	2024 Group	2025 Bank	2024 Bank
		EUR thousands			
Operating activities					
Operating profit before tax (discontinued net of tax and continuing)		104,366	107,484	90,716	86,190
Tax expense from discontinued operations	17	21	(6)	-	-
Interest income	5	(232,532)	(256,805)	(196,657)	(228,510)
Interest expense	5	54,082	60,995	55,330	62,630
Dividends income		(11)	(20)	(112)	(4,952)
Depreciation and amortisation		9,046	11,193	7,662	9,637
Impairment allowances and provisions		5,537	290	(1,533)	12,530
Currency translation and other non-cash items		9,895	(957)	8,390	(2,411)
Cash flows from the income statement		**(49,596)**	**(77,826)**	**(36,204)**	**(64,886)**
(Increase) / decrease in loans to public		(491,946)	(413,473)	(488,582)	(403,071)
Increase / (decrease) in deposits and borrowings from customers		289,352	203,580	305,590	202,423
(Increase) / decrease in loans to credit institutions		5,154	20,983	16,795	28,465
Increase / (decrease) in deposits from central banks and credit institutions		(2,290)	(39,000)	(53,031)	(7,632)
(Increase) / decrease in other items at fair value through profit or loss		2,702	(3,994)	2,702	(3,994)
(Increase) / decrease in other assets		23,991	10,632	19,947	(16,354)
(Increase) / decrease in tangible assets under operating lease		(9,810)	(138)	-	-
Increase / (decrease) in other liabilities		10,495	(20,308)	115	(4,636)
Cash flows from operating activities before interest and corporate income tax		**(221,948)**	**(319,544)**	**(232,668)**	**(269,685)**
Interest received		235,728	257,517	199,030	228,459
Interest paid		(46,551)	(52,484)	(48,074)	(54,032)
Corporate income tax paid		(20,705)	(21,437)	(17,905)	(20,480)
Cash flows from operating activities		**(53,476)**	**(135,948)**	**(99,617)**	**(115,738)**
Investing activities					
Acquisition of tangible and intangible assets		(5,860)	(7,791)	(4,522)	(4,574)
Disposal of tangible and intangible assets		25	3,385	25	668
Investments in debt securities and other financial instruments		(165,340)	(198,998)	(152,186)	(193,053)
Proceeds from debt securities and other financial instruments		408,737	165,996	381,082	145,923
Dividends received		11	20	112	4,952
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	844
Cash flows from investing activities		**168,105**	**(36,544)**	**225,693**	**(45,240)**
Financing activities					
Dividends paid		(44,785)	(50,617)	(44,785)	(50,617)
Proceeds from issue of debt securities		262,329	54,734	262,329	54,734
Proceeds from (repayment of) of debt securities		(170,000)	-	(170,000)	-
Interest paid on debt securities issued		(11,270)	(7,150)	(11,270)	(7,150)
Repayment of lease liabilities		(3,759)	(3,758)	(3,674)	(3,392)
Cash flows from financing activities		**32,515**	**(6,791)**	**32,600**	**(6,425)**
Cash flows for the period		**147,144**	**(179,283)**	**158,676**	**(167,403)**
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	**513,515**	**366,371**	**512,117**	**353,441**

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 twelve months period ended 31 December 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 31 December 2025, the Group had 1,281 (2024: 1,342) and the Bank had 1,077 (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 the 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 (expected to be effective from 1 January 2026)
IFRS 18 – Presentation and Disclosure in Financial Statements (expected to be effective from 1 January 2027)
IFRS 19 – Subsidiaries without Public Accountability: Disclosures (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 (effective date to be determined)
Annual Improvements to IFRS Accounting Standards. Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and it's accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows (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 +/- 0.27 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 collectively 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 +/- 4.0 million for the Bank and EUR +/- 6.8 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 +/- 7.5 million for the Bank and EUR +/- 10.1 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 31 December 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)	1.9%	2.4%	2.4%	(1.2%)	(0.2%)	1.9%	3.5%	4.6%	3.4%
Unemployment rate	6.6%	6.3%	6.3%	7.1%	7.2%	6.5%	6.0%	5.0%	4.8%
Average gross wage (annual change)	6.1%	6.4%	5.3%	0.1%	1.4%	2.8%	9.4%	10.8%	7.3%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.5%	3.1%	1.7%	0.7%	0.1%
Lithuania									
GDP (annual change)	2.6%	2.5%	2.5%	(0.5%)	0.0%	2.0%	4.1%	4.8%	3.5%
Unemployment rate	6.9%	6.8%	6.4%	7.5%	7.7%	6.7%	6.5%	5.6%	5.0%
Average gross wage (annual change)	6.8%	6.5%	6.0%	0.8%	1.5%	3.5%	9.8%	11.1%	7.9%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.5%	3.1%	1.7%	0.7%	0.1%
Estonia									
GDP (annual change)	2.1%	2.4%	2.3%	(0.9%)	(0.1%)	1.8%	4.1%	4.8%	3.3%
Unemployment rate	7.3%	6.8%	6.4%	7.8%	7.7%	6.7%	6.6%	5.3%	4.7%
Average gross wage (annual change)	6.3%	5.7%	5.5%	0.3%	0.7%	3.0%	10.3%	10.5%	7.4%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.5%	3.1%	1.7%	0.7%	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 9.0 million and for the Group by EUR 13.2 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 12.8 million and for the Group by EUR 18.6 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 21.3 million and for the Group by EUR 31.6 million as of the period end (2024: EUR 34.1 million for the Bank and EUR 46.9 million for the Group).

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

Impairment 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 has been sold in 2025.

Segments of the Group

	Group 12m 2025, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Interest income	86,307	2,826	70,302	48,520	926	22,242	231,123
Interest expense	(16,351)	(4,360)	(9,731)	(22,158)	(452)	(882)	(53,934)
Net interest income	**69,956**	**(1,534)**	**60,571**	**26,362**	**474**	**21,360**	**177,189**
Fee and commission income	29,917	4,418	21,882	10,355	7,374	1,741	75,687
Fee and commission expense	(16,435)	(1,242)	(11,128)	(7,717)	(770)	(1,354)	(38,646)
Net fee and commission income	**13,482**	**3,176**	**10,754**	**2,638**	**6,604**	**387**	**37,041**
Net financial income	(399)	240	2,891	400	229	6,428	9,789
Net other income / (expense)	(2,638)	338	(658)	(970)	529	885	(2,514)
Operating income	**80,401**	**2,220**	**73,558**	**28,430**	**7,836**	**29,060**	**221,505**
Net funding allocation	(269)	7,860	(10,174)	1,713	567	303	-
FTP adjusted operating income	**80,132**	**10,080**	**63,384**	**30,143**	**8,403**	**29,363**	**221,505**
Operating expense adjusted for indirect costs	(47,668)	(4,252)	(32,636)	(15,129)	(6,705)	(2,491)	(108,881)
Net credit losses	(65)	(417)	(3,522)	(562)	(6)	104	(4,468)
Other impairment losses and other provisions	(7)	(1)	(11)	(19)	-	(12)	(50)
Mortgage loan levy and bank tax	-	-	-	-	-	-	-
Result from non-current assets held for sale *(Note 17)*	-	-	-	-	-	(590)	(590)
Operating profit from continuing operations, before tax	**32,392**	**5,410**	**27,215**	**14,433**	**1,692**	**26,374**	**107,516**
Discontinued operations *(Note 17)*							(3,150)
Operating profit, before tax							**104,366**

	Group 12m 2024, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Interest income	93,940	3,322	75,419	54,017	868	25,728	253,294
Interest expense	(17,868)	(4,575)	(9,118)	(27,355)	(524)	(1,331)	(60,771)
Net interest income	**76,072**	**(1,253)**	**66,301**	**26,662**	**344**	**24,397**	**192,523**
Fee and commission income	26,785	3,990	20,627	10,335	9,540	1,694	72,971
Fee and commission expense	(15,513)	(1,235)	(10,608)	(7,666)	(266)	(1,420)	(36,708)
Net fee and commission income	**11,272**	**2,755**	**10,019**	**2,669**	**9,274**	**274**	**36,263**
Net financial income	152	422	2,771	22	364	5,923	9,654
Net other income / (expense)	(2,678)	(186)	(90)	(896)	48	122	(3,680)
Operating income	**84,818**	**1,738**	**79,001**	**28,457**	**10,030**	**30,716**	**234,760**
Net funding allocation	(1,158)	9,748	(13,479)	4,096	778	15	-
FTP adjusted operating income	**83,660**	**11,486**	**65,522**	**32,553**	**10,808**	**30,731**	**234,760**
Operating expense adjusted for indirect costs	(46,420)	(3,292)	(30,792)	(23,205)	(6,683)	(3,158)	(113,550)
Net credit losses	(3,807)	187	(1,239)	5,133	10	182	466
Other impairment losses and other provisions	23	(3)	(17)	(12)	-	100	91
Mortgage loan levy and bank tax	-	-	-	-	-	(9,647)	(9,647)
Result from non-current assets held for sale *(Note 17)*	-	-	(22)	-	-	145	123
Operating profit from continuing operations, before tax	**33,456**	**8,378**	**33,452**	**14,469**	**4,135**	**18,353**	**112,243**
Discontinued operations *(Note 17)*							(4,759)
Operating profit, before tax							**107,484**

Group as of 31/12/2025, EUR thousands

	Reportable segments					Other (including discontinued operations)	Total
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment		
Assets							
Cash, balances at central banks	-	-	-	-	-	511,451	511,451
Loans to credit institutions	-	-	-	-	1,398	5,701	7,099
Debt securities	-	-	-	14,364	36,076	990,463	1,040,903
Loans to public	1,558,481	63,518	1,264,570	870,340	-	7,297	3,764,206
Equity instruments	-	-	-	-	-	427	427
Other financial instruments	-	-	-	-	21,999	-	21,999
All other assets	-	-	36	17	3,904	74,694	78,651
Total segmented assets	**1,558,481**	**63,518**	**1,264,606**	**884,721**	**63,377**	**1,590,033**	**5,424,736**
Liabilities							
Deposits from banks	-	-	-	-	-	2,599	2,599
Deposits from customers	1,709,637	409,123	1,015,714	1,069,698	86,245	13,784	4,304,201
Debt securities issued	143,592	4,538	131,776	127,197	-	1,758	408,861
All other liabilities	-	-	12	-	31,918	79,887	111,817
Total segmented liabilities	**1,853,229**	**413,661**	**1,147,502**	**1,196,895**	**118,163**	**98,028**	**4,827,478**

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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Interest income calculated using the effective interest method:								
Financial instruments at amortised cost:								
Loans to public	134,448	142,745	34,045	36,490	172,963	200,669	43,828	50,283
Debt securities	10,673	9,828	2,597	2,617	10,446	9,703	2,524	2,586
Balances from central banks and credit institutions	6,450	13,483	2,382	3,021	6,644	14,424	2,381	3,179
Deposits from public at negative interest rates	421	527	90	108	45	47	11	12
Debt securities at fair value through profit or loss	6,501	3,176	1,696	1,176	6,321	3,109	1,649	1,140
Debt securities at fair value through other comprehensive income	377	749	69	164	238	558	48	119
Interest income on finance leases (part of loans to public)	72,253	82,786	18,647	20,299	-	-	-	-
Total interest income	**231,123**	**253,294**	**59,526**	**63,875**	**196,657**	**228,510**	**50,441**	**57,319**
Interest expense on:								
Financial instruments at amortised cost:								
Deposits and borrowing from public	(39,144)	(50,206)	(9,536)	(13,058)	(39,669)	(50,934)	(9,659)	(13,257)
Debt securities issued	(12,380)	(8,278)	(5,100)	(2,476)	(12,380)	(8,278)	(5,100)	(2,476)
Deposits from credit institutions and central banks	(447)	(776)	(158)	(3)	(1,343)	(1,992)	(159)	(377)
Other assets at negative interest rates	(79)	(316)	(6)	(87)	(76)	(254)	(15)	(73)
Financial liabilities at fair value through profit or loss								
Deposits and borrowing from public	(16)	(20)	(4)	(5)	-	-	-	-
Lease liabilities	(278)	(134)	(74)	(63)	(273)	(131)	(72)	(62)
Other interest expense	(1,590)	(1,041)	(403)	(477)	(1,589)	(1,041)	(401)	(477)
Total interest expense	**(53,934)**	**(60,771)**	**(15,281)**	**(16,169)**	**(55,330)**	**(62,630)**	**(15,406)**	**(16,722)**
Net interest income	**177,189**	**192,523**	**44,245**	**47,706**	**141,327**	**165,880**	**35,035**	**40,597**

As interest resulting from negative effective interest rates 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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Fee and commission income:								
Cards	50,295	46,079	12,479	11,609	50,295	46,079	12,479	11,609
Payments and transactions	12,437	11,342	3,729	2,969	12,466	11,368	3,737	2,976
Asset management and custody	8,002	10,185	2,056	4,690	2,177	2,073	523	511
Securities brokerage	757	589	187	149	768	596	188	152
Other fees	1,994	2,042	471	498	1,865	1,982	410	504
Total fee and commission income from contracts with customers	**73,485**	**70,237**	**18,922**	**19,915**	**67,571**	**62,098**	**17,337**	**15,752**
Guarantees, letters of credit and loans	2,202	2,734	396	1,019	2,021	2,501	338	845
Total fee and commission income	**75,687**	**72,971**	**19,318**	**20,934**	**69,592**	**64,599**	**17,675**	**16,597**
Fee and commission expense on:								
Cards	(30,536)	(27,147)	(8,460)	(7,425)	(30,531)	(27,145)	(8,458)	(7,424)
Payments and transactions	(4,072)	(4,094)	(1,144)	(1,029)	(4,070)	(4,094)	(1,142)	(1,029)
Securitisation	(2,081)	(2,680)	(454)	(720)	(454)	(747)	(101)	(154)
Asset management custody and securities brokerage	(936)	(943)	(227)	(265)	(932)	(941)	(228)	(265)
Other fees	(1,021)	(1,844)	(331)	(582)	(525)	(1,688)	(75)	(546)
Total fee and commission expense	**(38,646)**	**(36,708)**	**(10,616)**	**(10,021)**	**(36,512)**	**(34,615)**	**(10,004)**	**(9,418)**
Net fee and commission income	**37,041**	**36,263**	**8,702**	**10,913**	**33,080**	**29,984**	**7,671**	**7,179**

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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Foreign exchange trading, revaluation and related derivatives	9,113	9,076	2,619	2,441	9,189	9,061	2,632	2,418
Non-trading assets and liabilities at fair value through profit or loss	2,465	2,344	598	55	2,339	2,149	580	297
Derecognition of assets at amortised cost	214	367	-	98	214	367	-	98
Assets at fair value through other comprehensive income	28	72	-	83	28	72	-	83
Modifications in cash flows which do not result in derecognition	(2,031)	(2,205)	(734)	(605)	(2,031)	(2,205)	(734)	(605)
Total net financial income	**9,789**	**9,654**	**2,483**	**2,072**	**9,739**	**9,444**	**2,478**	**2,291**

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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Operating lease income	1,719	1,359	586	331	-	-	-	-
Dividend income	11	20	2	3	112	4,952	1	4,935
Other income	2,364	1,697	290	675	3,696	2,583	650	657
Total other income	**4,094**	**3,076**	**878**	**1,009**	**3,808**	**7,535**	**651**	**5,592**
Insurance contracts:								
Insurance revenue	1,711	1,351	538	450	-	-	-	-
Insurance expense	(540)	(375)	(241)	(167)	-	-	-	-
Financing	15	(440)	179	(240)	-	-	-	-
Reinsurance contracts:								
Net income / (expenses)	(256)	(188)	(46)	(87)	-	-	-	-
Financing	57	130	(28)	166	-	-	-	-
Net insurance result	**987**	**478**	**402**	**122**	**-**	**-**	**-**	**-**
Supervisory fees	(2,263)	(1,945)	(758)	(548)	(2,192)	(1,872)	(738)	(533)
Depreciation of assets under operating lease	(1,455)	(1,068)	(496)	(270)	-	-	-	-
Other expenses	(3,877)	(4,221)	(963)	(992)	(2,680)	(3,172)	(622)	(585)
Total other expense	**(7,595)**	**(7,234)**	**(2,217)**	**(1,810)**	**(4,872)**	**(5,044)**	**(1,360)**	**(1,118)**
Total net other income / (expense)	**(2,514)**	**(3,680)**	**(937)**	**(679)**	**(1,064)**	**2,491**	**(709)**	**4,474**

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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Remuneration:								
- management	(4,806)	(3,392)	(1,196)	(974)	(4,179)	(2,778)	(1,036)	(793)
- other personnel	(52,807)	(53,636)	(13,177)	(12,019)	(44,029)	(45,324)	(10,938)	(9,950)
Total remuneration for work	**(57,613)**	**(57,028)**	**(14,373)**	**(12,993)**	**(48,208)**	**(48,102)**	**(11,974)**	**(10,743)**
Social security and solidarity tax contributions:								
- management	(435)	(721)	(139)	(183)	(288)	(613)	(102)	(146)
- other personnel	(10,196)	(10,494)	(2,561)	(2,334)	(8,455)	(8,811)	(2,128)	(1,912)
Total social security and solidarity tax contributions	**(10,631)**	**(11,215)**	**(2,700)**	**(2,517)**	**(8,743)**	**(9,424)**	**(2,230)**	**(2,058)**
Other personnel expense, net of insurance acquisition cash flow adjustment	**(911)**	**(1,139)**	**(279)**	**(156)**	**(962)**	**(1,155)**	**(270)**	**(311)**
Total personnel expense	**(69,155)**	**(69,382)**	**(17,352)**	**(15,666)**	**(57,913)**	**(58,681)**	**(14,474)**	**(13,112)**

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 several share-based long-term incentive plans for its employees comprising share options. The expense for share-based incentive plans is recognised on a straight-line basis over the period of the remuneration program as intention is to receive services from employees over the whole period. In 2024 management's remuneration expense decreased 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

	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Continuing operations	1,281	1,316	1,077	1,112
Discontinued operations	-	26	-	-
Total full-time equivalent employees	**1,281**	**1,342**	**1,077**	**1,112**

NOTE 10. OTHER OPERATING EXPENSES

	EUR thousands							
	Group				Bank			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Information technologies and communications	(10,924)	(9,177)	(3,562)	(2,722)	(9,870)	(8,140)	(3,290)	(2,423)
Consulting and other services	(6,103)	(10,730)	(747)	(5,500)	(5,687)	(10,345)	(625)	(5,394)
Advertising and marketing	(4,581)	(3,878)	(2,159)	(1,443)	(4,340)	(3,701)	(2,103)	(1,398)
Non-refundable value added tax	(3,596)	(4,589)	(1,459)	(1,567)	(3,451)	(4,438)	(1,431)	(1,535)
Rent, premises and real estate	(3,000)	(2,932)	(755)	(939)	(2,850)	(2,805)	(710)	(908)
Other	(2,673)	(2,109)	(1,237)	(684)	(2,449)	(1,851)	(1,215)	(638)
Total other expenses	**(30,877)**	**(33,415)**	**(9,919)**	**(12,855)**	**(28,647)**	**(31,280)**	**(9,374)**	**(12,296)**

NOTE 11. NET CREDIT LOSSES

Total net impairment allowance charged to the income statement

	EUR thousands							
	Group				Bank			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Loans to credit institutions	3	1	-	-	18	16	-	(1)
Debt securities	61	198	(14)	20	67	189	(15)	19
Loans to public	(7,906)	(3,869)	1,295	(3,172)	(4,164)	(2,819)	3,505	(4,891)
Loan commitments, guarantees and letters of credit	406	2,070	444	389	421	2,066	444	431
Recovered written-off assets	2,968	2,066	962	795	2,871	1,947	939	748
Total net losses on financial instruments	**(4,468)**	**466**	**2,687**	**(1,968)**	**(787)**	**1,399**	**4,873**	**(3,694)**

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 overlays mainly to Stage1 classified loans to public exposures. The impairment overlays address uncertainty regarding the forward looking economic conditions and performance of the specific industries. 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.

Classification of impairment stages

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

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

Stage 3 – Credit-impaired financial instruments

POCI – Purchased or originated credit impaired financial instruments

Changes in the allowances for credit losses and provisions

	Group, EUR thousands						
	Opening balance 01/01/2025	Charged to statement of income			Write-offs of allowances	Other adjust-ments	Closing balance 31/12/2025
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	2	3	(4)	(2)	-	1	-
Debt securities	385	90	(105)	(46)	-	-	324
Loans to public	44,881	19,252	(6,676)	(16,505)	-	(14)	40,938
Loan commitments, guarantees and letters of credit	2,523	1,842	(1,252)	(1,291)	-	14	1,836
Total stage 1 credit losses and provisions	**47,791**	**21,187**	**(8,037)**	**(17,844)**	**-**	**1**	**43,098**
Stage 2							
Loans to public	11,475	595	(2,674)	(1,072)	-	(17)	8,307
Loan commitments, guarantees and letters of credit	79	37	(98)	45	-	-	63
Total stage 2 credit losses and provisions	**11,554**	**632**	**(2,772)**	**(1,027)**	**-**	**(17)**	**8,370**
Stage 3							
Loans to public	38,297	-	(5,655)	21,222	(20,771)	(1,564)	31,529
Loan commitments, guarantees and letters of credit	131	-	(378)	689	-	-	442
Total stage 3 credit losses and provisions	**38,428**	**-**	**(6,033)**	**21,911**	**(20,771)**	**(1,564)**	**31,971**
POCI							
Loans to public	512	-	(1,127)	546	(71)	669	529
Total POCI credit losses and provisions	**512**	**-**	**(1,127)**	**546**	**(71)**	**669**	**529**
Total allowances for credit losses and provisions	**98,285**	**21,819**	**(17,969)**	**3,586**	**(20,842)**	**(911)**	**83,968**
Including for debt securities classified at fair value through other comprehensive income	*39*						*19*

Total Group's provisions of EUR 3,816 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 2,341 thousand (2024: EUR 2,733 thousand) and other non-ECL provisions of EUR 1,475 thousand (2024: 0). Total Bank's provisions of EUR 3,727 thousand (2024: EUR 2,675 thousand) as of the period end comprise EUR 2,252 thousand (2024: EUR 2,675 thousand) for loan commitments, guarantees and letters of credit and EUR 1,475 thousand (2024: EUR 0) 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 31/12/2024
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	3	171	(187)	15	-	-	2
Debt securities	583	25	(20)	(203)	-	-	385
Loans to public	52,173	15,511	(3,841)	(19,007)	-	45	44,881
Loan commitments, guarantees and letters of credit	4,502	2,108	(895)	(3,196)	-	4	2,523
Total stage 1 credit losses and provisions	**57,261**	**17,815**	**(4,943)**	**(22,391)**	**-**	**49**	**47,791**
Stage 2							
Loans to public	15,652	417	(1,634)	(2,981)	-	21	11,475
Loan commitments, guarantees and letters of credit	157	5	(297)	214	-	-	79
Total stage 2 credit losses and provisions	**15,809**	**422**	**(1,931)**	**(2,767)**	**-**	**21**	**11,554**
Stage 3							
Loans to public	30,585	-	(5,908)	21,363	(11,315)	3,572	38,297
Loan commitments, guarantees and letters of credit	140	-	(481)	472	-	-	131
Total stage 3 credit losses and provisions	**30,725**	**-**	**(6,389)**	**21,835**	**(11,315)**	**3,572**	**38,428**
POCI							
Loans to public	563	-	(313)	262	-	-	512
Total POCI credit losses and provisions	**563**	**-**	**(313)**	**262**	**-**	**-**	**512**
Total allowances for credit losses and provisions	**104,358**	**18,237**	**(13,576)**	**(3,061)**	**(11,315)**	**3,642**	**98,285**
Including for debt securities classified at fair value through other comprehensive income	*101*						*39*

	Bank, EUR thousands						
	Opening balance 01/01/2025	Charged to statement of income			Write-offs of allowances	Other adjust-ments	Closing balance 31/12/2025
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	18	24	(40)	(2)	-	-	-
Debt securities	369	78	(105)	(40)	-	-	302
Loans to public	34,004	12,384	(5,140)	(12,284)	-	(6)	28,958
Loan commitments, guarantees and letters of credit	2,466	1,587	(1,063)	(1,232)	-	(2)	1,756
Total stage 1 credit losses and provisions	**36,857**	**14,073**	**(6,348)**	**(13,558)**	**-**	**(8)**	**31,016**
Stage 2							
Loans to public	6,368	311	(2,258)	90	-	2	4,513
Loan commitments, guarantees and letters of credit	77	36	(97)	43	-	-	59
Total stage 2 credit losses and provisions	**6,445**	**347**	**(2,355)**	**133**	**-**	**2**	**4,572**
Stage 3							
Loans to public	32,611	-	(4,687)	15,748	(20,598)	(1,613)	21,461
Loan commitments, guarantees and letters of credit	132	-	(341)	646	-	-	437
Total stage 3 credit losses and provisions	**32,743**	**-**	**(5,028)**	**16,394**	**(20,598)**	**(1,613)**	**21,898**
Total allowances for credit losses and provisions	**76,045**	**14,420**	**(13,731)**	**2,969**	**(20,598)**	**(1,619)**	**57,486**
Including for debt securities classified at fair value through other comprehensive income	*27*						*13*

	Bank, EUR thousands						
	Opening balance 01/01/2024	Charged to statement of income			Write-offs of allowances	Other adjust-ments	Closing balance 31/12/2024
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	33	170	(186)	-	-	1	18
Debt securities	558	25	(18)	(196)	-	-	369
Loans to public	40,719	10,228	(2,360)	(14,599)	-	16	34,004
Loan commitments, guarantees and letters of credit	4,455	2,008	(916)	(3,082)	-	1	2,466
Total stage 1 credit losses and provisions	**45,765**	**12,431**	**(3,480)**	**(17,877)**	**-**	**18**	**36,857**
Stage 2							
Loans to public	9,942	216	(396)	(3,394)	-	-	6,368
Loan commitments, guarantees and letters of credit	144	5	(297)	225	-	-	77
Total stage 2 credit losses and provisions	**10,086**	**221**	**(693)**	**(3,169)**	**-**	**-**	**6,445**
Stage 3							
Loans to public	28,827	-	(2,226)	15,350	(10,504)	1,164	32,611
Loan commitments, guarantees and letters of credit	141	-	(481)	472	-	-	132
Total stage 3 credit losses and provisions	**28,968**	**-**	**(2,707)**	**15,822**	**(10,504)**	**1,164**	**32,743**
Total allowances for credit losses and provisions	**84,819**	**12,652**	**(6,880)**	**(5,224)**	**(10,504)**	**1,182**	**76,045**
Including for debt securities classified at fair value through other comprehensive income	*82*						*27*

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			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Stage 1	6,529	8,579	4,661	5,795
Stage 2	49	1,286	-	1,236
Total impairment overlay	**6,578**	**9,865**	**4,661**	**7,031**

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
Transfers during 2025						
Loans to public	174,539	68,629	20,144	3,698	11,110	2,217
Financial commitments, guarantees and letters of credit	10,871	3,367	88	105	107	63
Transfers during 2024						
Loans to public	141,208	63,426	23,359	2,247	16,000	430
Financial commitments, guarantees and letters of credit	3,659	2,737	226	22	397	29

NOTE 12. TAXATION

Corporate income tax expense

	EUR thousands							
	Group				Bank			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Current corporate income tax	(20,418)	(17,876)	(5,683)	(4,357)	(18,041)	(15,378)	(5,109)	(2,730)
Deferred income tax	(2,414)	148	(1,215)	412	45	(156)	73	62
Total corporate income tax expense	**(22,832)**	**(17,728)**	**(6,898)**	**(3,945)**	**(17,996)**	**(15,534)**	**(5,036)**	**(2,668)**
Mortgage loan levy and bank tax	**-**	**(9,647)**	**-**	**(2,246)**	**-**	**(9,605)**	**-**	**(2,235)**

In Latvia an advance corporate income tax (CIT) is payable at 20% rate on unadjusted accounting profits earned in Latvia 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. For other Latvian operations, CIT is still payable only when the profits are distributed.

For distributions of Latvian profits, a 20% CIT rate apply and is calculated as 0.2/0.8 from net distributed dividend (effectively 25% tax rate). The profit distribution tax payment is decreased by the already paid CIT advance on profits. Thus, incremental profit distribution tax expense on profits from Latvian banking and leasing operations 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			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Current income tax assets	-	22	-	-
Deferred income tax assets	1,053	1,636	999	1,572
Tax assets	**1,053**	**1,658**	**999**	**1,572**
Current income tax liabilities	(13,879)	(14,218)	(12,392)	(12,301)
Deferred income tax liabilities	(2,450)	-	-	-
Tax liabilities	**(16,329)**	**(14,218)**	**(12,392)**	**(12,301)**
Mortgage loan levy and bank tax	**-**	**180**	**-**	**180**

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

	EUR thousands			
	2025 Group	2024 Group	2025 Bank	2024 Bank
As at the beginning of the period	1,636	339	1,572	579
Charge to statement of income	(2,415)	148	45	(156)
Securities fair value revaluation reserve	(618)	1,149	(618)	1,149
Net deferred income tax asset at the period end	**(1,397)**	**1,636**	**999**	**1,572**

	Group, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/12/2025
Securities fair value revaluation reserve	1,149	-	(618)	531
Deferred income and accrued expense	471	51	-	522
Fair value amortisation on the acquired loan portfolio	15	(15)	-	-
Expected distribution of retained earnings	-	(2,450)	-	(2,450)
Other items, net	1	(1)	-	-
Deferred income tax assets, net	**1,636**	**(2,415)**	**(618)**	**(1,397)**

	Group, EUR thousands			
	Opening balance 01/01/2024	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/12/2024
Securities fair value revaluation reserve	-	-	1,149	1,149
Deferred income and accrued expense	631	(160)	-	471
Fair value amortisation on the acquired loan portfolio	84	(69)	-	15
Expected distribution of retained earnings	(375)	375	-	-
Other items, net	(1)	2	-	1
Deferred income tax assets, net	**339**	**148**	**1,149**	**1,636**

	Bank, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/12/2025
Securities fair value revaluation reserve	1,149	-	(618)	531
Deferred income and accrued expense	423	45	-	468
Deferred income tax assets, net	**1,572**	**45**	**(618)**	**999**

	Bank, EUR thousands			
	Opening balance 01/01/2024	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/12/2024
Securities fair value revaluation reserve	-	-	1,149	1,149
Deferred income and accrued expense	579	(156)	-	423
Deferred income tax assets, net	**579**	**(156)**	**1,149**	**1,572**

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

	EUR thousands			
	2025 Group	2024 Group	2025 Bank	2024 Bank
Profit before corporate income tax from continuous operations before non-current assets held for sale	108,106	112,120	92,244	101,133
Corporate income tax (at 20%)	**21,621**	**22,424**	**18,449**	**20,227**
Undistributed earnings taxable on distribution	(1,804)	(1,340)	-	-
Non-taxable income and impact from bank tax expense	(237)	(1,542)	(153)	(1,129)
Effect of tax rates in foreign jurisdictions	(325)	(1,356)	(108)	(975)
Non-deductible expense	653	373	91	119
Expected distribution of retained earnings within the Group	2,470	858	-	-
Other tax differences, net*	454	(1,689)	(283)	(2,708)
Total effective corporate income tax from continuous operations	**22,832**	**17,728**	**17,996**	**15,534**

* Including eligible loss on discontinued operations and non-current assets held for sale of EUR -306 thousand for the Bank and the Group (2024: EUR -2,989 thousand).

NOTE 13. DEBT SECURITIES

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

	Group, EUR thousands							
	31/12/2025				31/12/2024			
	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,702	62,187	1,786	69,675	5,782	64,343	1,509	71,634
AA/Aa	9,948	67,380	573	77,901	16,375	154,726	4,435	175,536
A	69,355	589,409	201,745	860,509	115,084	690,554	162,003	967,641
BBB/Baa	3,477	13,459	-	16,936	8,657	13,875	-	22,532
Lower ratings or unrated	-	15,882	-	15,882	247	38,368	-	38,615
Total debt securities	**88,482**	**748,317**	**204,104**	**1,040,903**	**146,145**	**961,866**	**167,947**	**1,275,958**
Including general government	*72,324*	*586,427*	*202,317*	*861,068*	*119,261*	*683,492*	*166,438*	*969,191*
Including credit institutions	*3,109*	*47,861*	*-*	*50,970*	*8,015*	*101,028*	*-*	*109,043*
Including classified in stage 1	*88,482*	*748,317*	*n/a*	*n/a*	*146,145*	*961,866*	*n/a*	*n/a*

	Bank, EUR thousands							
	31/12/2025				31/12/2024			
	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehen-sive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,702	57,827	-	63,529	5,782	59,411	-	65,193
AA/Aa	9,948	66,370	-	76,318	16,375	154,726	-	171,101
A	59,428	582,789	196,950	839,167	100,295	683,985	162,003	946,283
BBB/Baa	-	11,450	-	11,450	1,517	12,365	-	13,882
Lower ratings or unrated	-	14,364	-	14,364	-	38,368	-	38,368
Total debt securities	**75,078**	**732,800**	**196,950**	**1,004,828**	**123,969**	**948,855**	**162,003**	**1,234,827**
Including general government	*67,663*	*583,704*	*196,950*	*848,317*	*110,738*	*677,433*	*162,003*	*950,174*
Including credit institutions	*-*	*47,861*	*-*	*47,861*	*1,721*	*101,028*	*-*	*102,749*
Including classified in stage 1	*75,079*	*732,800*	*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					
	31/12/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	378,028	18,050	396,078	339,751	50,829	390,580
Latvia	355,838	4,392	360,230	490,543	1,615	492,158
Estonia	81,336	27,306	108,642	81,374	18,077	99,451
Germany	-	45,175	45,175	-	88,377	88,377
United States	12,469	21,580	34,049	19,879	22,474	42,353
Canada	2,160	15,361	17,521	2,448	31,798	34,246
Slovakia	17,823	2,778	20,601	18,798	5,663	24,461
Austria	-	6,652	6,652	-	6,742	6,742
Czech Republic	4,922	1,255	6,177	4,874	1,547	6,421
Poland	506	4,370	4,876	798	5,181	5,979
Belgium	2,183	-	2,183	1,694	3,726	5,420
Sweden	-	-	-	-	25,224	25,224
Other countries	5,803	7,623	13,426	9,032	14,663	23,695
Multilateral development banks and international organisations	-	25,293	25,293	-	30,851	30,851
Total debt securities	**861,068**	**179,835**	**1,040,903**	**969,191**	**306,767**	**1,275,958**

	Bank, EUR thousands					
	31/12/2025			31/12/2024		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	376,739	16,898	393,637	337,497	49,445	386,942
Latvia	351,146	2,874	354,020	484,270	859	485,129
Estonia	81,336	26,880	108,216	81,374	17,144	98,518
Germany	-	43,641	43,641	-	88,377	88,377
United States	12,469	15,197	27,666	19,879	17,085	36,964
Canada	2,160	15,361	17,521	2,448	31,798	34,246
Slovakia	17,424	2,268	19,692	17,704	5,153	22,857
Austria	-	6,652	6,652	-	6,742	6,742
Czech Republic	4,922	-	4,922	4,874	-	4,874
Poland	-	3,011	3,011	-	3,027	3,027
Belgium	-	-	-	-	3,726	3,726
Sweden	-	-	-	-	25,224	25,224
Other countries	2,121	4,583	6,704	2,128	11,664	13,792
Multilateral development banks and international organisations	-	19,146	19,146	-	24,409	24,409
Total debt securities	**848,317**	**156,511**	**1,004,828**	**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					
	31/12/2025					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,515,932	235,231	26,448	1,073	(53,505)	3,725,179
Past due <=30 days	6,295	14,108	3,171	-	(4,949)	18,625
Past due >30 and ≤90 days	-	7,761	2,521	-	(3,280)	7,002
Past due >90 days	-	-	32,015	954	(19,569)	13,400
Total loans to public	**3,522,227**	**257,100**	**64,155**	**2,027**	**(81,303)**	**3,764,206**
including credit impaired			*64,155*	*954*	*(32,056)*	*33,053*
Guarantees and letters of credit	101,908	526	33	-	(553)	101,914
Financial commitments	381,020	12,370	691	-	(1,788)	392,293
Total credit exposure to public	**4,005,155**	**269,996**	**64,879**	**2,027**	**(83,644)**	**4,258,413**

	Group, EUR thousands					
	31/12/2024					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,018,781	201,776	26,690	2,979	(53,509)	3,196,717
Past due <=30 days	32,353	14,019	3,886	105	(7,309)	43,054
Past due >30 and ≤90 days	-	23,533	14,347	57	(8,622)	29,315
Past due >90 days	-	-	30,276	944	(25,725)	5,495
Total loans to public	**3,051,134**	**239,328**	**75,199**	**4,085**	**(95,165)**	**3,274,581**
including credit impaired			*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				
	31/12/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Loans to public					
Not past due	3,570,034	89,912	10,300	(34,758)	3,635,488
Past due <=30 days	5,546	6,725	1,874	(3,611)	10,534
Past due >30 and ≤90 days	-	4,071	684	(1,967)	2,788
Past due >90 days	-	-	21,248	(14,596)	6,652
Total loans to public	**3,575,580**	**100,708**	**34,106**	**(54,932)**	**3,655,462**
Guarantees and letters of credit	101,908	526	33	(553)	101,914
Financial commitments	370,509	9,572	540	(1,699)	378,922
Total credit exposure to public	**4,047,997**	**110,806**	**34,679**	**(57,184)**	**4,136,298**

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

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

	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Non-performing* gross loans ratio	1.7%	2.3%	0.9%	1.7%
Non-performing* net loans ratio	0.9%	1.2%	0.3%	0.7%
Non-performing* loan impairment ratio	49%	50%	63%	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				
	31/12/2025				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Financial and non-financial corporations	(17,614)	(3,821)	(20,853)	(451)	(42,739)
Households	(23,137)	(4,477)	(10,676)	(78)	(38,368)
General government	(187)	(9)	-	-	(196)
Expected credit loss allowance	**(40,938)**	**(8,307)**	**(31,529)**	**(529)**	**(81,303)**

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

	Bank, EUR thousands			
	31/12/2025			
	Expected credit loss allowance			Total
	Stage 1	Stage 2	Stage 3	
Financial and non-financial corporations	(9,931)	(1,256)	(13,114)	(24,301)
Households	(19,024)	(3,257)	(8,347)	(30,628)
General government	(3)	-	-	(3)
Expected credit loss allowance	**(28,958)**	**(4,513)**	**(21,461)**	**(54,932)**

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

Loans by customer profile and impairment stage

	Group, EUR thousands					
	31/12/2025					
	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	456,672	20,559	1,345	-	(4,118)	474,458
Manufacturing	251,445	21,059	8,569	867	(5,714)	276,226
Trade	233,557	25,308	7,813	2	(6,844)	259,836
Transport and communications	176,540	29,832	3,199	127	(3,451)	206,247
Agriculture and forestry	154,057	35,059	21,814	1	(13,803)	197,128
Electricity, gas and water supply	154,806	12,560	378	-	(1,243)	166,501
Construction	149,521	13,386	3,517	10	(3,611)	162,823
Financial intermediation	27,417	1,151	35	-	(324)	28,279
Hotels, restaurants	30,778	6,547	108	1	(522)	36,912
Other industries	176,477	16,203	2,065	862	(3,109)	192,498
Total financial and non-financial corporations	**1,811,270**	**181,664**	**48,843**	**1,870**	**(42,739)**	**2,000,908**
Households						
Mortgage loans	946,099	26,256	6,531	96	(16,383)	962,599
Finance leases	423,383	31,974	4,302	51	(6,860)	452,850
Credit for consumption	258,815	12,231	2,678	-	(10,320)	263,404
Card lending	58,578	2,738	882	-	(3,743)	58,455
Other lending	6,298	1,898	919	10	(1,062)	8,063
Total households	**1,693,173**	**75,097**	**15,312**	**157**	**(38,368)**	**1,745,371**
General government	**17,784**	**339**	**-**	**-**	**(196)**	**17,927**
Total loans to public	**3,522,227**	**257,100**	**64,155**	**2,027**	**(81,303)**	**3,764,206**

	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**

	Bank, EUR thousands				
	31/12/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Financial and non-financial corporations					
Real estate purchase and management	436,219	17,872	1,076	(3,691)	451,476
Manufacturing	147,723	7,073	1,627	(2,429)	153,994
Trade	80,904	7,364	3,618	(3,866)	88,020
Transport and communications	13,539	1,703	473	(777)	14,938
Agriculture and forestry	63,306	8,640	15,189	(9,122)	78,013
Electricity, gas and water supply	137,604	11,501	81	(969)	148,217
Construction	43,975	2,204	898	(1,442)	45,635
Financial intermediation	1,364,714	151	-	(1,011)	1,363,854
Hotels, restaurants	20,534	4,788	88	(363)	25,047
Other industries	32,327	1,453	191	(631)	33,340
Total financial and non-financial corporations	**2,340,845**	**62,749**	**23,241**	**(24,301)**	**2,402,534**
Households					
Mortgage loans	945,307	25,881	6,531	(16,325)	961,394
Finance leases	-	-	-	-	-
Credit for consumption	223,268	7,575	2,580	(9,539)	223,884
Card lending	58,577	2,739	882	(3,743)	58,455
Other lending	3,364	1,764	872	(1,021)	4,979
Total households	**1,230,516**	**37,959**	**10,865**	**(30,628)**	**1,248,712**
General government	**4,219**	**-**	**-**	**(3)**	**4,216**
Total loans to public	**3,575,580**	**100,708**	**34,106**	**(54,932)**	**3,655,462**

	Bank, EUR thousands				
	31/12/2024				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Financial and non-financial corporations					
Real estate purchase and management	405,589	22,251	561	(3,987)	424,414
Manufacturing	97,631	12,917	2,177	(3,283)	109,442
Trade	67,844	6,383	4,061	(3,001)	75,287
Transport and communications	12,157	3,473	600	(862)	15,368
Agriculture and forestry	54,561	8,831	17,037	(6,492)	73,937
Electricity, gas and water supply	120,502	2,586	1,517	(887)	123,718
Construction	50,774	1,585	637	(1,267)	51,729
Financial intermediation	1,142,962	-	27	(1,873)	1,141,116
Hotels, restaurants	20,818	1,931	34	(283)	22,500
Other industries	25,771	970	486	(732)	26,495
Total financial and non-financial corporations	**1,998,609**	**60,927**	**27,137**	**(22,667)**	**2,064,006**
Households					
Mortgage loans	863,817	16,310	23,408	(30,995)	872,540
Finance leases	-	-	-	-	-
Credit for consumption	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							
	31/12/2025				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	21,999	284	-	22,283	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	**21,999**	**406**	**21**	**22,426**	**25,108**	**814**	**21**	**25,943**
Including unit-linked insurance plan assets	*13,235*	-	-	*13,235*	*15,909*	-	-	*15,909*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	*13,845*	-	-	*13,845*	*14,952*	-	-	*14,952*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management and which relate to unit-linked contracts	*10,776*	-	-	*10,776*	*11,129*	-	-	*11,129*

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

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

	Bank, EUR thousands							
	31/12/2025				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	-	284	-	284	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	**-**	**406**	**21**	**427**	**838**	**814**	**21**	**1,673**
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	-	-	-	-	*838*	-	-	*838*

NOTE 16. INVESTMENTS IN RELATED ENTITIES

Changes in investments in related entities of the Bank

	EUR thousands	
	2025	**2024**
Balance at the beginning of the period, net	**48,759**	**47,939**
Change in impairment allowance	4,210	1,068
Transfer to discontinued operations held for sale	-	(248)
Balance at the end of the period, net	**52,969**	**48,759**
Including gross investment in subsidiaries	*60,598*	*60,598*

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 investment in 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 and improvement in expected future profitability of the operations 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 factoring (2024: 13.5%). Other key inputs of the model are 13.9% (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	
							31/12/2025	**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	14,058	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
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							**52,969**	**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			
	2025	2024	Q4 2025	Q4 2024	2025	2024	Q4 2025	Q4 2024
Net interest income	1,261	3,287	-	748	-	-	-	-
Net fee and commission income	2,101	4,069	-	1,481	-	-	-	-
Other operating income / (expense)	366	873	-	298	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	(5,838)	(12,383)	-	(2,877)	-	-	-	-
Net credit losses and other impairment losses	(17)	236	-	31	-	-	-	-
Impairment of non-financial assets and other provisions	(1,002)	(847)	-	(104)	-	-	-	-
Income tax	(21)	6	-	3	-	-	-	-
Net result from discontinued operations	**(3,150)**	**(4,759)**	**-**	**(420)**	**-**	**-**	**-**	**-**
Result from non-current assets held for sale	(590)	123	(99)	(367)	(1,528)	(14,943)	(99)	(366)
Net result from non-current assets held for sale and discontinued operations	**(3,740)**	**(4,636)**	**(99)**	**(787)**	**(1,528)**	**(14,943)**	**(99)**	**(366)**

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

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 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	
	2025	2024
Cash flows from operating activities	51,873	(20,591)
Cash flows from investing activities	5,609	8,852
Cash flows from financing activities	-	(288)
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	(69,468)	-
Cash flows for the period	**(11,986)**	**(12,027)**
Cash and cash equivalents at the beginning of the period	**11,986**	**24,013**
Cash and cash equivalents at the end of the period	**-**	**11,986**

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			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Deposits and collateral accounts of credit institutions	2,599	3,027	2,599	3,027
Deposits and accounts of central banks	-	201	-	202
Borrowing from central banks	-	-	-	-
Deposits from Citadele Group bank	-	-	-	50,867
Total deposits from credit institutions and central banks	**2,599**	**3,228**	**2,599**	**54,096**

NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS

Deposits and borrowings by profile of the customer

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Households	2,162,409	2,091,336	2,127,698	2,042,315
Non-financial corporations	1,777,540	1,621,908	1,778,600	1,622,326
Financial corporations	290,287	223,496	324,675	252,231
General government	63,657	64,346	63,657	64,346
Other	10,308	22,394	10,307	22,393
Total deposits from customers	**4,304,201**	**4,023,480**	**4,304,937**	**4,003,611**

Deposits and borrowings from customers by contractual maturity

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Demand deposits	3,205,135	2,929,370	3,215,491	2,935,832
Term deposits due within:				
less than 1 month	304,490	323,165	303,005	340,715
more than 1 month and less than 3 months	232,970	264,492	231,871	263,332
more than 3 months and less than 6 months	299,180	248,853	297,784	246,377
more than 6 months and less than 12 months	203,581	179,960	218,540	172,160
more than 1 year and less than 5 years	54,236	73,459	38,093	44,823
more than 5 years	4,609	4,181	153	372
Total term deposits	1,099,066	1,094,110	1,089,446	1,067,779
Total deposits from customers	**4,304,201**	**4,023,480**	**4,304,937**	**4,003,611**

Deposits and borrowings from customers by categories

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
At amortised cost	4,290,085	4,006,153	4,304,937	4,003,611
At fair value through profit or loss	14,116	17,327	-	-
Total deposits from customers	**4,304,201**	**4,023,480**	**4,304,937**	**4,003,611**
Including unit-linked insurance plan liabilities	*12,796*	*15,630*	-	-

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

NOTE 20. DEBT SECURITIES ISSUED

Publicly listed debt securities

ISIN code of the issued bond	Eligibility	Currency	Interest rate, as of the period end	Initial maturity date	Principal, EUR thousands	Amortised cost, EUR thousands	
						31/12/2025	31/12/2024
XS3148256913	MREL eligible	EUR	3.875%	23/12/2029	300,000	298,697	-
XS2393742122	MREL eligible	EUR	1.625%	22/11/2026	200,000	-	199,705
XS3060301168	AT1 eligible	EUR	7.13%	n/a	50,000	49,874	-
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,104	40,104
LV0000804334	MREL eligible	EUR	5.00%	14/10/2026	35,000	-	35,353
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,186	20,162
LV0000880011	Subordinated	EUR	5.50%	24/11/2027	20,000	-	20,098
						408,861	**315,422**

Key features of the issued bonds

EUR 300 million Senior Unsecured Preferred Bonds (XS3148256913) have a maturity date on 23 December 2029. These bonds have 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. These bonds are listed on Euronext Dublin.

Interest rate of the Perpetual Additional Tier 1 temporary write down notes (XS3060301168) is 7.125% until the interest rate first reset date on 9 January 2031. After the interest rate first reset date, the rate is calculated as per mechanism described in the bond prospectus. Proceeds from the issuance were used to repurchase a part of the share capital of AS Citadele banka which took place in January 2026. For more information on subsequent events refer to the note *Events After the Reporting Date*.

EUR 40 million (LV0000880102) and EUR 20 million (LV0000803054) unsecured subordinated bonds have ten years maturity and issuer's optional early redemption rights.

Unsecured subordinated bonds and additional tier 1 bonds qualify for inclusion in the Bank's and the Group's regulatory 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 an early redemption of EUR 20 million unsecured subordinated bonds (LV0000880011), EUR 35 million senior unsecured preferred bonds (LV0000804334) and EUR 200 million Senior Unsecured Preferred Bonds (XS2393742122) took place.

In the reporting period EUR 300 million of senior preferred unsecured bonds (XS3148256913) and EUR 50 million Perpetual Additional Tier 1 temporary write down notes (XS3060301168) were originated.

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

ISIN code of the issued bond	Last coupon or origination date	Number of bondholders	Legal and professional investors			Private individuals		
			Number	EUR th.	%	Number	EUR th.	%
LV0000880102	December 2025	171	55	25,910	65%	116	14,090	35%
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 depositary (Nasdaq CSD SE). As of the period end the Bank's total paid capital is EUR 159,224,758 (2024: EUR 158,902,560) and conditional capital is EUR 3,123,456 (2024: EUR 3,145,654). The conditional capital represents the maximum number of shares that may be allocated for awarding to employees as share options. As of the period end the Bank owns EUR 47,160 (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.

Subsequent to the period end in January 2026 a part of the share capital of AS Citadele banka was repurchased. For subsequent events refer to the note *Events After the Reporting Date*.

Shareholders of the Bank

	31/12/2025		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	14,006,426	14,006,426	13,762,082	13,762,082
Total	**159,177,598**	**159,177,598**	**158,812,551**	**158,812,551**
Own shares	47,160		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.

	2025 Group	2024 Group	2025 Bank	2024 Bank
Profit for the period, EUR thousands	81,534	89,756	72,720	70,656
Weighted average number of the shares outstanding in thousands	158,995	158,479	158,995	158,479
Basic earnings per share in EUR	**0.51**	**0.57**	**0.46**	**0.45**
Weighted average number of the shares (basic) outstanding in thousands	158,995	158,479	158,995	158,479
Effect of share options in issue in thousands	1,199	1,195	1,199	1,195
Weighted average number of the shares (diluted) outstanding during the period in thousands	**160,194**	**159,674**	**160,194**	**159,674**
Profit for the period, EUR thousands	81,534	89,756	72,720	70,656
Weighted average number of the shares (diluted) outstanding in thousands	160,194	159,674	160,194	159,674
Diluted earnings per share in EUR	**0.51**	**0.56**	**0.45**	**0.44**
Net loss from discontinued operations (Note 17)	(3,150)	(4,759)	-	-
Profit for the period from continuing operations, EUR thousands	84,684	94,515	72,720	70,656
Basic earnings / (loss) per share in EUR	0.51	0.57	0.46	0.45
from continuing operations	*0.53*	*0.60*	*0.46*	*0.45*
from discontinued operations	*(0.02)*	*(0.03)*	-	-
Diluted earnings / (loss) per share in EUR	0.51	0.56	0.45	0.44
from continuing operations	*0.53*	*0.59*	*0.45*	*0.44*
from discontinued operations	*(0.02)*	*(0.03)*	-	-

NOTE 22. OFF-BALANCE SHEET ITEMS

Contingent liabilities and financial commitments outstanding

	EUR thousands			
	31/12/2025 Group	**31/12/2024 Group**	**31/12/2025 Bank**	**31/12/2024 Bank**
Contingent liabilities:				
Outstanding guarantees	102,304	87,705	102,304	96,692
Outstanding letters of credit	163	340	163	341
Total contingent liabilities	**102,467**	**88,045**	**102,467**	**97,033**
Provisions for credit risk	(553)	(259)	(553)	(262)
Net credit risk exposure for guarantees and letters of credit	**101,914**	**87,786**	**101,914**	**96,771**
Financial commitments:				
Unutilised credit lines and loans granted, not fully drawn down	180,596	159,974	251,784	281,821
Card commitments	113,569	113,090	113,596	113,111
Factoring commitments	84,675	55,827	-	-
Performance commitments (guarantees)	15,241	14,397	15,241	14,397
Total financial commitments	**394,081**	**343,288**	**380,621**	**409,329**
Provisions for financial commitments	(1,788)	(2,474)	(1,699)	(2,413)
Net credit risk exposure for financial commitments	**392,293**	**340,814**	**378,922**	**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			
	31/12/2025 Group	**31/12/2024 Group**	**31/12/2025 Bank**	**31/12/2024 Bank**
Fixed income securities:				
Government bonds	131,254	115,670	-	-
Corporate bonds	126,305	138,819	-	-
Credit institution bonds	55,601	59,766	-	-
Other financial institution bonds	30,856	26,954	-	-
Loans	540	557	540	557
Total investments in fixed income securities	**344,556**	**341,766**	**540**	**557**
Other investments:				
Investment funds	838,454	686,306	-	-
Shares	140,464	134,917	-	-
Real estate	-	4,920	-	-
Deposits with credit institutions	-	1,117	-	-
Compensations for distribution on behalf of deposit guarantee fund	-	24,298	-	24,298
Other	54,050	24,919	-	-
Total other investments	**1,032,968**	**876,477**	**-**	**24,298**
Total assets under management	**1,377,524**	**1,218,243**	**540**	**24,855**

Customer profile on whose behalf the funds are managed

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Pension plans	1,071,515	908,626	-	-
Insurance companies, investment and pension funds	165,973	158,424	-	-
Private individuals	139,496	125,222	-	-
Other companies and government	540	25,971	540	24,855
Total liabilities under management	**1,377,524**	**1,218,243**	**540**	**24,855**

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

NOTE 24. CASH AND CASH EQUIVALENTS

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Cash and cash balances with central banks	511,451	349,940	511,451	349,940
Loans on demand to credit institutions (excluding encumbered)	4,663	5,383	3,265	4,561
Demand deposits from central banks and credit institutions	(2,599)	(938)	(2,599)	(1,060)
Cash equivalents in discontinued operations	-	11,986	-	-
Total cash and cash equivalents	**513,515**	**366,371**	**512,117**	**353,441**

NOTE 25. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

Fair value hierarchy

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

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

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

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

			Fair value hierarchy (where applicable)		
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	88,482	88,482	88,369	113	-
Equity instruments	143	143	-	-	143
Non-trading financial assets at fair value through profit or loss:					
Debt securities	204,104	204,104	196,790	7,314	-
Equity instruments	284	284	-	-	284
Other financial instruments	21,999	21,999	21,999	-	-
Other financial assets at fair value through profit or loss					
Derivatives	1,747	1,747	-	1,747	-
Financial assets not measured at fair value:					
Cash and balances at central banks	511,451	511,451	-	-	-
Loans to credit institutions	7,099	7,099	-	-	-
Debt securities	748,317	707,955	648,505	59,450	-
Loans to public	3,764,206	3,782,448	-	-	3,782,448
Total assets	**5,347,832**	**5,325,712**	**955,663**	**68,624**	**3,782,875**
Financial liabilities measured at fair value:					
Derivatives	2,767	2,767	-	2,767	-
Deposits and borrowings from customers	14,116	14,116	12,796	-	1,320
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	2,599	2,599	-	-	-
Deposits and borrowings from customers	4,290,085	4,291,157	-	-	4,291,157
Debt securities issued	408,861	413,100	300,836	112,264	-
Total liabilities	**4,718,428**	**4,723,739**	**313,632**	**115,031**	**4,292,477**

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

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	146,145	146,145	141,848	4,297	-
Equity instruments	126	126	-	-	126
Non-trading financial assets at fair value through profit or loss:					
Debt securities	167,947	167,947	160,698	7,249	-
Equity instruments	709	709	-	-	709
Other financial instruments	25,108	25,108	25,108	-	-
Other financial assets at fair value through profit or loss					
Derivatives	5,690	5,690	-	5,690	-
Financial assets not measured at fair value:					
Cash and balances at central banks	349,940	349,940	-	-	-
Loans to credit institutions	12,944	12,944	-	-	-
Debt securities	961,866	907,564	803,939	103,625	-
Loans to public	3,274,581	3,325,428	-	-	3,325,428
Financial assets constituting discontinued operations:					
Cash, balances at central banks and loans to credit institutions	12,125	12,125	-	-	-
Debt securities measured at fair value through other comprehensive income	6,704	6,704	6,704	-	-
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**
Financial liabilities measured at fair value:					
Derivatives	4,008	4,008	-	4,008	-
Deposits and borrowings from customers	17,327	17,327	15,630	-	1,697
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	3,228	3,228	-	-	-
Deposits and borrowings from customers	4,006,153	4,006,854	-	-	4,006,854
Debt securities issued	315,422	309,463	-	309,463	-
Financial liabilities constituting discontinued operations:					
Deposits from credit institutions	140	140	-	-	-
Deposits and borrowings from customers not measured at fair value	129,601	129,601	-	-	129,601
Derivatives	209	209	-	209	-
Total liabilities	**4,476,088**	**4,470,830**	**15,630**	**313,680**	**4,138,152**

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

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Financial assets measured at fair value through other comprehensive income:					
Debt securities	75,078	75,078	74,966	112	-
Equity instruments	143	143	-	-	143
Non-trading financial assets at fair value through profit or loss:					
Debt securities	196,950	196,950	189,637	7,313	-
Equity instruments	284	284	-	-	284
Other financial instruments	-	-	-	-	-
Other financial assets at fair value through profit or loss					
Derivatives	1,747	1,747	-	1,747	-
Financial assets not measured at fair value:					
Cash and balances at central banks	511,451	511,451	-	-	-
Loans to credit institutions	5,701	5,701	-	-	-
Debt securities	732,800	692,628	635,020	57,608	-
Loans to public	3,655,462	3,673,704	-	-	3,673,704
Total assets	**5,179,616**	**5,157,686**	**899,623**	**66,780**	**3,674,131**
Financial liabilities measured at fair value:					
Derivatives	2,767	2,767	-	2,767	-
Financial liabilities not measured at fair value:					
Deposits from credit institutions and central banks	2,599	2,599	-	-	-
Deposits and borrowings from customers	4,304,937	4,306,384	-	-	4,306,384
Debt securities issued	408,861	413,100	300,836	112,264	-
Total liabilities	**4,719,164**	**4,724,850**	**300,836**	**115,031**	**4,306,384**

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

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

Reclassifications of debt securities accounted for at fair value

	EUR thousands 2025 Group	2024 Group	2025 Bank	2024 Bank
Debt securities at fair value through other comprehensive income				
Presented as Level 1, reclassified from Level 2	1,960	32,649	1,450	30,765
Presented as Level 2, reclassified from Level 1	-	-	-	-
Debt securities at fair value through profit or loss				
Presented as Level 1, reclassified from Level 2	-	25,642	-	25,642
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 2025 Group	2024 Group	2025 Bank	2024 Bank
As of the beginning of the period, net	**835**	**1,239**	**835**	**1,239**
Settlement on sale	*(1,096)*	*(893)*	*(1,096)*	*(893)*
Revaluation gain recognised in statement of income	*671*	*485*	*671*	*485*
Revaluation gain recognised in other comprehensive income	*17*	*4*	*17*	*4*
As of the end of the period, net	**427**	**835**	**427**	**835**

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	
	2025 Group	2024 Group
Balance as at the beginning of the period	**1,697**	**2,246**
Premiums received	294	368
Commissions and risk charges	(13)	(15)
Paid to policyholders	(708)	(1,031)
Other	52	114
Currency revaluation result	(2)	15
Balance as at the end of the period	**1,320**	**1,697**

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 -36 thousand in the net financial income line of the statement of income (2024: EUR -95 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

	2025				2024			
	EUR thousands				EUR thousands			
	Operating income	**Operating profit before bank and income tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end	**Operating income**	**Operating profit before tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end
Latvia	142,368	66,239	(15,300)	916	164,557	78,025	(18,508)	969
Lithuania	54,073	27,563	(5,606)	254	46,119	29,713	(5,839)	248
Estonia	25,064	14,304	(1,926)	111	24,084	14,029	(3,028)	99
Total continuing operations before non-current assets held for sale	**221,505**	**108,106**	**(22,832)**	**1,281**	**234,760**	**121,767**	**(27,375)**	**1,316**
Latvia (result from non-current assets held for sale)	-	(590)	-	-	-	123	-	-
Switzerland (discontinued operations)	3,728	(3,129)	(21)	-	8,229	(4,765)	6	26
Total operations	**225,233**	**104,387**	**(22,853)**	**1,281**	**242,989**	**117,125**	**(27,369)**	**1,342**

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. 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 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 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 provides recommendations to the Bank's Management Board regarding improvements of the risk management system. Risk management within the Group is controlled by an independent unit – the Risk Division.

The main risks to which the Group is exposed are credit risk, market risk (including interest rate risk), liquidity risk, currency risk and operational risk and environmental and climate-related risk. For each of these risks the Group has approved risk management policies and other internal regulations defining key risk management principles and processes, functions and responsibilities of units, risk concentration limits, as well as control and reporting system. The Bank's Supervisory Board approves risk management policies and ensures the control of efficiency of the risk management system. The Bank's Management Board and CRO ensure implementation of the risk management policies and development of internal regulations for the management of each material risk within the Group. In order to assess and monitor material and complex risk exposures, the Bank's Management Board establishes risk committees. Members of risk committees represent various units of the Group to ensure the balance between the units responsible for risk monitoring and control and the units with business orientation.

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

Insurance reserves

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Insurance reserves:				
Annuity pension products	22,192	17,088	-	-
Other life insurance reserves	3,219	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 -59/+59 thousands (2024: EUR -19/+19thousands). 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 +1.4/-1.6 million (2024: EUR +1.1/-1.3 million).

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

Group as of 31/12/2025, EUR thousands	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	469,535	40,012	1,904	-	-	511,451
Loans to credit institutions	1,398	-	-	3,897	1,804	7,099
Debt securities	360,229	396,078	108,642	119,168	56,786	1,040,903
Loans to public	1,529,904	1,513,334	712,658	5,918	2,392	3,764,206
Equity instruments	21	-	-	122	284	427
Other financial instruments	13,845	-	-	8,148	6	21,999
Derivatives	485	8	-	1,249	5	1,747
Discontinued operations	-	-	-	-	-	-
Other assets	60,959	10,899	5,008	35	3	76,904
Total assets	**2,436,376**	**1,960,331**	**828,212**	**138,537**	**61,280**	**5,424,736**
Liabilities						
Deposits from credit institutions and central banks	7	-	-	2,410	182	2,599
Deposits and borrowings from customers	3,189,353	940,743	113,883	19,622	40,600	4,304,201
Debt securities issued	408,861	-	-	-	-	408,861
Derivatives	516	12	-	2,237	2	2,767
Discontinued operations	-	-	-	-	-	-
Other liabilities	83,046	15,489	10,116	161	238	109,050
Total liabilities	**3,681,783**	**956,244**	**123,999**	**24,430**	**41,022**	**4,827,478**
Off-balance sheet items						
Contingent liabilities	5,131	78,977	16,681	1,668	10	102,467
Financial commitments	230,739	135,384	27,644	260	54	394,081

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 31/12/2025, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	469,535	40,012	1,904	-	-	511,451
Loans to credit institutions	-	-	-	3,897	1,804	5,701
Debt securities	354,020	393,637	108,216	101,209	47,746	1,004,828
Loans to public	2,376,596	896,798	374,051	5,726	2,291	3,655,462
Equity instruments	21	-	-	122	284	427
Other financial instruments	-	-	-	-	-	-
Derivatives	485	8	-	1249	5	1,747
Other assets	92,715	10,079	1,296	10	0	104,100
Total assets	**3,293,372**	**1,340,534**	**485,467**	**112,213**	**52,130**	**5,283,716**
Liabilities						
Deposits from credit institutions and central banks	7	-	-	2,410	182	2,599
Deposits and borrowings from customers	3,191,930	941,337	113,936	19,521	38,213	4,304,937
Debt securities issued	408,861	-	-	-	-	408,861
Derivatives	516	12	-	2,237	2	2,767
Other liabilities	41,931	7,871	1,753	86	6	51,647
Total liabilities	**3,643,245**	**949,220**	**115,689**	**24,254**	**38,403**	**4,770,811**
Off-balance sheet items						
Contingent liabilities	5,131	78,977	16,681	1,668	10	102,467
Financial commitments	249,837	113,355	17,115	260	54	380,621

	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%. LCR represents the amount of liquidity available to cover calculated net future liquidity outflows. The Bank and the Group is compliant with LCR requirements.

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Liquidity buffer	1,385,183	1,373,288	1,385,183	1,338,651
Net liquidity outflow	764,882	759,478	786,831	815,661
Liquidity coverage ratio	**181%**	**181%**	**176%**	**164%**

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 Q4 2025 interim profits are included, for the Group is 141% and for the Bank is 210%.

	EUR thousands			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Total available stable funding	4,153,057	3,952,029	4,088,983	3,800,248
Total required stable funding	2,940,393	2,764,509	1,944,257	1,887,189
Net stable funding ratio	**141%**	**143%**	**210%**	**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 becames 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. If CRR3 was implemented as of 31 December 2024 the Group's exposure amounts for operational risk would decrease by EUR 73 million, risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk would decrease by EUR 84 million while exposure amounts for market risk would increase 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 2.40% 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 10.4% (which includes a Pillar 2 additional own funds requirement of 2.4% 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 1.25%.

Countercyclical capital buffer norms at each balance sheet date are calculated based on the actual risk exposure geographical distribution and the countercyclical buffer rates applicable for each geographical location. Increases in countercyclical capital buffer norms, when announced by the respective country, become effective after prespecified delay. Decreases take effect immediately.

The Pillar 2 Guidance (P2G) is a bank-specific recommendation that indicates the level of capital that the supervisory authority expects banks to maintain in addition to their binding capital requirements. It serves as a buffer for banks to withstand stress. The Pillar 2 Guidance is determined as part of the Supervisory Review and Evaluation Process (SREP) and for Citadele as of period end is set at 1.5%. Unlike the Pillar 2 Requirement, the Pillar 2 Guidance is not legally binding.

The Bank has to comply with the regulatory requirements both at the Bank's standalone level and at the Group's consolidated level. As of the period end both the Bank and the Group have sufficient capital to comply with the capital adequacy requirements. The long-term regulatory capital position of the Group and the Bank is planned and managed in line with these and other expected upcoming regulatory requirements.

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

Regulatory capital requirements

	Group					
	31/12/2025			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)	1.35%	1.80%	2.40%	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)	1.25%	1.25%	1.25%	1.50%	1.50%	1.50%
Systemic risk buffer	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Countercyclical capital buffer	1.08%	1.08%	1.08%	0.84%	0.84%	0.84%
Capital requirement	**10.75%**	**12.70%**	**15.30%**	**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	**12.25%**	**14.20%**	**16.80%**	**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 0.09% 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 9.50%, Tier 1 capital ratio requirement is 11.45% and Total capital adequacy ratio requirement is 14.05%. 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			
	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Common equity Tier 1 capital				
Paid up capital instruments and share premium	143,053	161,026	143,053	161,026
Retained earnings	398,545	393,967	317,635	320,746
Proposed or estimated dividends	(40,767)	(44,785)	(40,767)	(44,785)
Regulatory deductions and other negative capital components	(10,588)	(9,908)	(4,978)	(7,330)
Other capital components	4,340	5,821	4,340	3,100
Additional Tier 1 capital				
Eligible additional Tier 1 instruments	50,000	-	50,000	-
Tier 2 capital				
Eligible part of subordinated liabilities	60,000	60,000	60,000	60,000
Total own funds	**604,583**	**566,121**	**529,283**	**492,757**
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,398,551	2,249,254	1,572,459	1,528,578
Total exposure amounts for market risk	2,679	4,392	2,679	3,954
Total exposure amounts for operational risk	311,967	377,626	298,672	345,200
Total exposure amounts for credit valuation adjustment	3,172	10,437	3,174	10,111
Total risk exposure amount	**2,716,369**	**2,641,709**	**1,876,984**	**1,887,843**
Common equity Tier 1 capital ratio	**18.2%**	**19.2%**	**22.3%**	**22.9%**
Tier 1 capital ratio	**20.0%**	**19.2%**	**25.0%**	**22.9%**
Total capital adequacy ratio	**22.3%**	**21.4%**	**28.2%**	**26.1%**

Subsequent to the period end, in January 2026 a part of the share capital of AS Citadele banka was repurchased for a total amount of EUR 50 million. For more information on the subsequent events refer to the note *Events After the Reporting Date*. For capital adequacy ratio purposes *Paid up capital instruments and share premium* and *Retained earnings* have been decreased by as of the year end planned share capital repurchased.

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 nine months period end 30 September 2025. Below is presented a scenario, where no Q4 2025 interim profits are included. 2025 audited annual profits will become eligible for inclusion in the regulatory capital after the institution will take a formal decision confirming the final profit or loss for the year.

	EUR thousands	
	31/12/2025 Group	31/12/2025 Bank
Common equity Tier 1 capital	484,612	406,031
Additional Tier 1 capital	50,000	50,000
Tier 2 capital	60,000	60,000
Total own funds	**594,612**	**516,031**
Total risk exposure amount	**2,716,369**	**1,876,984**
Common equity Tier 1 capital ratio	**17.8%**	**21.6%**
Tier 1 capital ratio	**19.7%**	**24.3%**
Total capital adequacy ratio	**21.9%**	**27.5%**

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 Q4 2025 interim profits are included, for the Group is 9.8% and for the Bank is 8.5%.

	31/12/2025 Group	31/12/2024 Group	31/12/2025 Bank	31/12/2024 Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.0%	9.8%	8.7%	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.

Single Resolution Board (SRB) as of the period end has determined the consolidated MREL target for the Group at the level of 23.15% 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 33.3% based on TREA criteria and 16.6% based on leverage ratio criteria. If Q4 2025 interim profits were excluded from the calculation, the ratios would be 32.9% and 16.4% 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 6.59% leverage ratio.

Managing Environmental, Social and Governance (ESG) Risks

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. Citadele is focused on integrating C&E risks into the broader risk management framework. 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.

Social and Governance risk

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. In own operations these risks are managed through Operational risk.

Citadele's ESG 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 ESG risks in Citadele risk management framework is continuous and it is regularly reviewed and updated to align with scientific consensus and regulatory expectations. Within ESG risk management, integrating ECB expectations for safe and prudent management of ESG 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. In own operations – identification of C&E, Social and Governance risk drivers that can directly affect Citadele's operations.
- Assessment: environmental and social risk assessment for new exposures exceeding EUR 1.0 million, quantification of physical and transition risk exposure on portfolio level. Integration of ESG flags in Operational risk assessment process.
- Managing risk: acceptable risk level thresholds in risk appetite, mitigating actions.
- Monitoring: risk appetite threshold monitoring, monitoring of environmental and social risk events.

Risk identification

C&E 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. In own operations ESG risk is managed through Operational risk channel. Material risk drivers, which can potentially impact Citadele's operations are identified and included in regular stress testing process.

Materiality assessment

To understand Citadele Group's exposure and potential vulnerability to physical and transition risks, an annual ESG Risk Materiality Assessment is performed. It covers all major risk areas, such as Credit risk, Liquidity risk, Market risk, Operational risk and Strategic risk The Assessment includes analysis of transition and physical risk drivers for all relevant geographies, granular industry-level analysis, consideration of the short (0-3 years), medium (3-5 years) and long-term (>5 years) horizon.

Quantification of exposure to ESG 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 scenario).

Managing ESG 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.

All ESG 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.

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 environmental and social risk aspects into credit decisions.

Citadele realizes that ESG area in general may be new to many of customers and are determined to support customers in navigating the requirements.

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

In own operations ESG risks are managed through Operational risk by considering the potential adverse impact related to environmental, social and governance risk events on its Business Continuity Plan, potential reputational and litigation risk.

NOTE 28. EVENTS AFTER THE REPORTING DATE

A one-time special buyback of AS Citadele banka shares

In January 2026 AS Citadele banka completed a one-time special buyback of its shares following the recent issuance of Additional Tier 1 notes. A total of 18,953,752 shares of AS Citadele banka, each with a nominal value of EUR 1, were repurchased from eligible shareholders at a price of EUR 2.638 per share. The transaction represents slightly less than 12% of the bank's registered share capital. The qualifying offers were accepted on a pro rata basis, and the settlement was carried out in accordance with the Terms and Conditions of One-Time Special Share Buyback. The total settlement amount reached EUR 49,999,997.80.

QUARTERLY STATEMENTS OF INCOME AND BALANCE SHEETS OF THE GROUP

	Group, EUR, thousands				
	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
Interest income	59,526	56,773	56,552	58,272	63,875
Interest expense	(15,281)	(13,016)	(11,931)	(13,706)	(16,169)
Net interest income	**44,245**	**43,757**	**44,621**	**44,566**	**47,706**
Fee and commission income	19,318	19,618	19,050	17,701	20,934
Fee and commission expense	(10,616)	(9,689)	(9,332)	(9,009)	(10,021)
Net fee and commission income	**8,702**	**9,929**	**9,718**	**8,692**	**10,913**
Net financial income	2,483	2,838	3,329	1,139	2,072
Net other income / (expense)	(937)	(964)	352	(965)	(679)
Operating income	**54,493**	**55,560**	**58,020**	**53,432**	**60,012**
Staff costs	(17,352)	(15,880)	(17,945)	(17,978)	(15,666)
Other operating expenses	(9,919)	(8,655)	(6,752)	(5,551)	(12,855)
Depreciation and amortisation	(2,003)	(2,618)	(2,146)	(2,082)	(3,562)
Operating expense	**(29,274)**	**(27,153)**	**(26,843)**	**(25,611)**	**(32,083)**
Profit from continuous operations before impairment, bank tax, mortgage loan levy and non-current assets held for sale	**25,219**	**28,407**	**31,177**	**27,821**	**27,929**
Net credit losses	2,687	(2,715)	(3,913)	(527)	(1,968)
Other impairment losses	17	(1)	(17)	(49)	26
Operating profit from continuous operations before bank tax, mortgage loan levy and non-current assets held for sale	**27,923**	**25,691**	**27,247**	**27,245**	**25,987**
Mortgage loan levy and bank tax	-	22	-	(22)	(2,246)
Result from non-current assets held for sale and discontinued operations, net of tax	(99)	648	(2,964)	(1,325)	(787)
Operating profit	**27,824**	**26,361**	**24,283**	**25,898**	**22,954**
Income tax	(6,898)	(5,542)	(4,893)	(5,499)	(3,945)
Net profit	**20,926**	**20,819**	**19,390**	**20,399**	**19,009**

	Group, EUR, thousands				
	31/12/2025	30/09/2025	30/06/2025	31/03/2025	31/12/2024
Assets					
Cash and cash balances at central banks	511,451	448,983	223,322	210,393	349,940
Loans to credit institutions	7,099	10,253	12,829	9,447	12,944
Debt securities	1,040,903	1,070,703	1,111,817	1,203,018	1,275,958
Loans to public	3,764,206	3,668,540	3,538,683	3,366,397	3,274,581
Equity instruments	427	1,022	839	859	835
Other financial instruments	21,999	23,825	23,658	23,707	25,108
Derivatives	1,747	1,025	1,384	2,056	5,690
Tangible assets	30,755	29,689	22,436	20,021	17,993
Intangible assets	5,691	5,856	6,442	6,268	6,132
Current income tax assets	-	1,093	174	47	22
Deferred income tax assets	1,053	1,057	1,123	1,295	1,636
Bank tax assets	-	-	-	-	180
Discontinued operations and non-current assets held for sale	-	-	97,979	115,061	103,636
Other assets	39,405	43,587	51,109	47,088	61,942
Total assets	**5,424,736**	**5,305,633**	**5,091,795**	**5,005,657**	**5,136,597**
Liabilities					
Deposits from credit institutions and central banks	2,599	38,889	5,016	9,596	3,228
Deposits and borrowings from customers	4,304,201	4,100,978	3,986,785	3,879,046	4,023,480
Debt securities issued	408,861	487,628	297,100	297,539	315,422
Derivatives	2,767	3,061	8,321	4,976	4,008
Provisions	3,816	4,259	2,773	2,426	2,733
Current income tax liabilities	13,879	9,981	7,026	14,504	14,218
Deferred income tax liabilities	2,450	1,150	500	548	-
Bank tax liabilities	-	-	22	-	-
Discontinued operations	-	-	139,322	134,794	133,131
Other liabilities	88,905	84,318	84,187	77,754	77,695
Total liabilities	**4,827,478**	**4,730,264**	**4,531,052**	**4,421,183**	**4,573,915**
Equity					
Share capital	159,178	159,148	159,138	158,813	158,813
Reserves and other capital components	4,850	3,917	10,120	8,781	7,388
Retained earnings	433,230	412,304	391,485	416,880	396,481
Total equity	**597,258**	**575,369**	**560,743**	**584,474**	**562,682**
Total liabilities and equity	**5,424,736**	**5,305,633**	**5,091,795**	**5,005,657**	**5,136,597**

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.