



AS Citadele banka

# INTERIM REPORT

For the three months ended  
31 March 2026

## Key figures and events of the Group

Citadele delivered a solid financial performance in Q1 2026, with operating income reaching EUR 52.1 million. Net profit from continuing operations was EUR 19.0 million. Return on equity stood at 13.1%, while the cost-to-income ratio (CIR) was 51.6%.

The loan portfolio reached EUR 3.8 billion as of 31 March 2026, a 1% increase since 31 December 2025.

The overall credit quality of the loan portfolio remained strong. The Stage 3 loans gross ratio was 1.9% as of 31 March 2026, compared to 1.7% as of 31 December 2025.

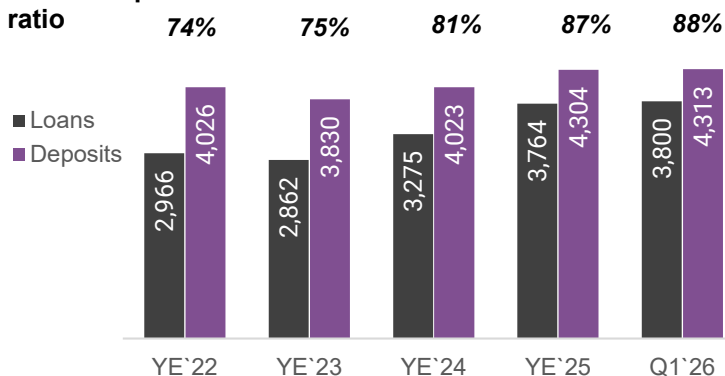
Citadele's deposit base totalled EUR 4.3 billion as of 31 March 2026, remaining broadly stable compared to 31 December 2025.

Citadele's active customer base reached 413.2 thousand as of 31 March 2026. The number of active mobile app users was 286 thousand.

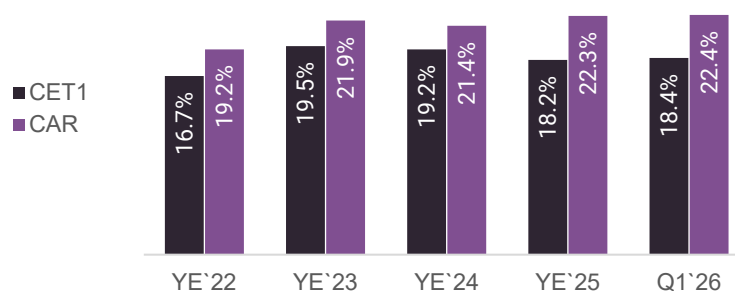
Citadele continues to operate with strong capital and liquidity ratios. The Group's CAR was 22.4%, CET1 was 18.4%, and the LCR was 191% as of 31 March 2026.

As of 31 March 2026, the Group had 1,308 full time equivalent active employees (1,281 as of 31 December 2025).

<i>EUR millions</i>	Q1 2026	Q4 2025	Q1 2025
Net interest income	43.3	44.2	44.6
Net fee and commission income	8.7	8.7	8.7
Net financial and other income	0.2	1.5	0.2
Operating income	<b>52.1</b>	<b>54.5</b>	<b>53.4</b>
Operating expense	(26.9)	(29.3)	(25.6)
Net credit losses and impairments	(2.4)	2.7	(0.6)
<b>Net profit from continuous operations (after tax)</b>	<b>19.0</b>	<b>20.9</b>	<b>21.5</b>
Return on average assets (ROA)	1.4%	1.6%	1.7%
Return on average equity (ROE)	13.1%	14.3%	15.0%
Cost to income ratio (CIR)	51.6%	53.7%	47.9%
Cost of risk ratio (COR)	0.3%	(0.3)%	0.1%

Loans and deposits  
*EURm*Loan to deposit  
ratio

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



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

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**Rounding and Percentages**

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

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

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



**Rūta Ežerskiene**

*Chair of the Management Board, Chief Executive Officer*

### **Baltic economies enter 2026 with shared growth momentum - while inflation risks re-emerge**

The first months of 2026 showed that the world economy is still slowing down without tipping into recession, while inflation remains an important factor shaping economic conditions. Rising tensions in the Middle East have lifted oil and gas prices, which quickly feeds into everyday costs like fuel, heating, and transport. As a result, headline inflation has picked up again, leading central banks to proceed with greater caution as they assess whether this development reflects a temporary energy shock or a risk of more persistent price pressures.

In the euro area, the recovery remains gradual and increasingly driven by domestic demand, while trade continues to face frictions and geopolitical uncertainty. Inflation has returned to the centre of the macroeconomic agenda: after easing meaningfully towards the end of 2025, renewed volatility in energy markets has lifted headline inflation again, keeping the outlook firmly data-dependent. A key question for 2026 is how long disruptions to trade routes in the Middle East will persist and whether energy-driven price increases begin to influence wages, expectations, and core inflation.

Across the Baltics, growth is becoming more synchronized, supported by improving real incomes, and public investment. At the same time, inflation dynamics remain a defining factor. Latvia has entered 2026 with solid domestic momentum, where strong wage growth supports demand even as headline inflation has accelerated in recent months. Lithuania remains the fastest-growing economy in the region, though higher inflation makes the balance between robust demand and price stability more delicate. Estonia has returned to growth after a prolonged downturn, while inflation has moderated from earlier peaks, while energy prices remain a key swing factor.

Looking ahead, the region's base case continues to be one of moderate expansion, with the inflation outlook shaped largely by geopolitical developments and energy markets. If Middle East tensions persist and energy prices remain elevated, headline inflation could stay higher for longer, weighing household purchasing power and complicating the pace of policy normalisation. Conversely, if energy pressures ease, the Baltics are well positioned to convert improving confidence and investment into a steadier, more sustainable phase of growth.

### **Resilient Financial Performance**

Despite the onset of market uncertainty, Citadele delivered sound financial performance in the first quarter of 2026, with operating income of EUR 52.1 million, net profit of EUR 19.0 million and a return on equity of 13.1%.

Interest income was broadly stable compared with Q1 2025, reflecting resilience in a lower interest rate environment. This performance reflected the Group's continued focus on supporting customers and expanding its loan portfolio, which reached EUR 3.80 billion, representing a 13% increase compared with the same period last year and further growth since year-end 2025. Citadele also reinforced its role as a trusted partner for regional economic development, providing EUR 332 million in new financing to private, SME and corporate clients. Activity was particularly strong in the private and SME segments, with new lending increasing by 8% and 9%, respectively, while corporate financing activity remained more selective. Sustainability continued to guide new financing decisions across the Group, reflecting a commitment to creating lasting value for customers and society. Customers' financial standing remained stable, and loan portfolio quality remained sound. The Stage 3 loans gross ratio stood at 1.9% as of Q1 2026, compared with 2.3% in Q1 2025 and 1.7% at year-end 2025.

In the first quarter of 2026, Citadele maintained a strong capital position, underscoring its continued financial resilience in a period of market volatility. The total capital adequacy ratio (CAR) stood at 22.4%, while the CET1 ratio reached 18.4%.

Strong growth in customer engagement in daily banking and savings continued to be a key driver of deposit growth, with the deposit base increasing by 11% (EUR 434 million) compared with Q1 2025 and reaching EUR 4.31 billion by the end of the period. The Group maintained a very robust liquidity profile, with the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) at 191% and 140% respectively as of 31 March 2026, increasing from 181% and 141% since year end.

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

### **Client Base Growth, Service Excellence and Digital Innovation**

Citadele continued to grow its customer base, strengthening its presence among private individuals and businesses across the region. As of 31 March 2026, our active customer base reached 413.2 thousand, marking a 2.4% year-on-year increase. Elevated customer engagement reinforced the Bank's focus on digital innovation, reflecting growing demand for simple and efficient digital solutions. During the first quarter, 87.2% of customers actively used digital channels. The mobile app user base grew to 286 thousand, marking a 5% increase compared with the same period last year.

## Innovations and development

Innovation remains a key strategic priority for Citadele, with continued investment in digital solutions designed to meet the evolving needs of individuals, families and businesses. This commitment was reflected in tangible progress during the first quarter of 2026, as the group further advanced its digital agenda and strengthened the customer experience.

Reflecting the growing preference for digital and contactless payments across the Baltics, Citadele launched its first C lite virtual card. The solution allows customers to start using the card immediately upon ordering and offers the same functionality as a physical card, including payments and secure online shopping. As a fully digital, plastic-free solution, it also contributes to sustainability by reducing material use and environmental impact.

Another key milestone was Citadele's launch of a full-service leasing solution with a fixed monthly fee, in line with customers' need for simple and predictable solutions that bundle key vehicle-related costs into one product. The offering covers vehicle maintenance, tyres, insurance and other servicing, and is delivered in partnership with leading automotive providers.

In the first quarter of 2026, we continued to integrate artificial intelligence more deeply into the Bank's daily operations, with a clear focus on enhancing the customer experience and improving service efficiency. Our virtual assistant, Adele, further strengthened its role within Citadele's digital offering, now handling 40% of all digital customer requests. Usage increased significantly, with chat volumes in March 2026 up 89% year-on-year, while response quality remained high at 87%. We are advancing these capabilities in a measured and responsible way, guided by strong governance, transparency, and data protection standards, so that innovation consistently strengthens the trust our customers place in Citadele.

Klix, Citadele's e-commerce checkout solution, continued to demonstrate strong growth momentum in Q1 2026. As of 31 March, Klix supported 3.7 thousand merchants, while its registered user base reached a record high of 600 thousand, growing by 22% year-on-year and confirming sustained customer adoption. During the quarter, Klix processed 7.4 million transactions with a total value of EUR 332.8 million, representing a 39% increase compared to the same period last year.

### **Citadele successfully completed EUR 50 million one-time special share buyback**

Following the successful issuance of EUR 50 million in perpetual Additional Tier 1 (AT1) temporary write down notes in October 2025, 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.

### **Recent changes in Management - Slavomir Mizak steps down from Citadele Management Board**

Slavomir Mizak, Member of the Management Board and Chief Technology and Operations Officer, stepped down from his position as a Member of the Management Board of AS Citadele banka, effective March 31, 2026. Until the appointment of a new Chief Technology Officer, the relevant responsibilities will be distributed among senior members of the management team, ensuring seamless continuity.

Citadele remains committed to maintaining stability while continuing its growth trajectory, as the management team advances the Bank's mission to modernise the financial sector by combining next-generation, technology-driven solutions with strong traditional banking products.

### **Events after the reporting period**

#### **Moody's updates Citadele's ratings**

On 21 April 2026, Moody's Ratings announced rating updates for Citadele following changes to the EU Bank Recovery and Resolution Directive (BRRD) and to the Deposit Guarantee Scheme Directive (DGSD) that introduced full depositor preference across the European Union. As part of this action, Citadele's long-term deposit rating was upgraded to A3, while the senior unsecured debt rating was reverted to Baa2 - returning to the same level as at the time of the Bank's most recent EUR 300 million senior unsecured MREL-eligible issuance in September 2025. The stable outlook reflects Moody's expectation of continued financial stability at Citadele over the outlook horizon.

#### **Dividend payment**

The Group's dividend policy targets a payout ratio of 50%. In light of heightened geopolitical uncertainty, a prudent approach was taken, resulting in a dividend payout ratio of 31.5%. Dividends totalling EUR 25.7 million, equivalent to EUR 0.183 per share, were distributed, while shareholders have the opportunity to revisit this decision later in the year and consider an additional distribution of the remaining EUR 15.1 million, in line with the policy and subject to market conditions.

#### **Looking Ahead**

Citadele made a solid and resilient start to the year, even as financial market conditions became more demanding towards the end of the quarter. Across the Baltics, economic activity continues to be supported by domestic demand and public investment, while inflation dynamics remain closely linked to developments in energy markets and geopolitics. With a solid regional presence, a customer proposition built around next-generation digital solutions, and a strong balance sheet, Citadele is well positioned to support its customers and the economies it serves during periods of uncertainty, while continuing to create long-term value for its shareholders.

As we begin 2026, I would like to express my sincere appreciation to our customers, employees and partners for the trust they place in Citadele, and I look forward to continuing our close cooperation.

## Financial review of the Group

### Results and profitability in Q1 2026

The Group delivered a solid financial performance in Q1 2026, with operating income amounting to EUR 52.1 million, compared to EUR 53.4 million in Q1 2025.

Net interest income amounted to EUR 43.3 million in Q1 2026, compared to EUR 44.6 million in Q1 2025, mainly due to higher funding costs from debt securities issued, partly offset by lower deposit expenses and higher interest income on loans to public.

The Group's net fee and commission income amounted to EUR 8.7 million in Q1 2026, remaining flat as compared to the same period of 2025.

Operating expenses in Q1 2026 amounted to EUR 26.9 million, representing a 5% increase compared to Q1 2025, primarily due to higher consulting, IT, and communications expenses. Compared to Q4 2025, operating expenses decreased by 8%, mainly driven by lower advertising and marketing costs, as well as IT and communications.

By category, staff costs represented 65% of total expenses, followed by other costs at 28% and depreciation and amortisation at 7%.

Staff costs amounted to EUR 17.5 million in Q1 2026, compared to EUR 18.0 million in Q1 2025. Full-time equivalent employees totalled 1,308 as of 31 March 2026, up from 1,281 at year-end 2025.

Other operating expenses totalled EUR 7.5 million, marking a 34% increase compared to Q1 2025, primarily driven by higher consulting and other services (EUR 1.7 million, +59%) and IT and communications (EUR 2.8 million, +23%). Rent, premises, and real estate expenses amounted to EUR 0.6 million, advertising and marketing to EUR 0.7 million, non-refundable VAT to EUR 0.9 million, and other expenses to EUR 0.8 million.

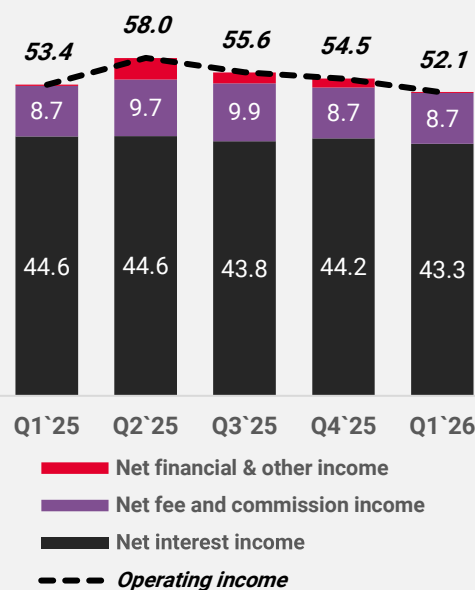
Citadele's cost-to-income ratio was 51.6% in Q1 2026, compared to 47.9% in Q1 2025. The cost-to-income ratio for Q4 2025 was 53.7%.

Net credit losses and impairments amounted to EUR 2.4 million in Q1 2026, compared to EUR 0.5 million in Q1 2025 and a reversal of EUR 2.7 million in Q4 2025. This increase was partly driven by growth in household lending, the migration of certain exposures to higher impairment stages, with the Stage 3 gross ratio rising to 1.9% from 1.7% at year-end 2025, and updated macroeconomic assumptions used in expected credit loss models.

The Group's net profit was EUR 19.0 million in Q1 2026, compared to EUR 20.4 million in Q1 2025 (-7%).

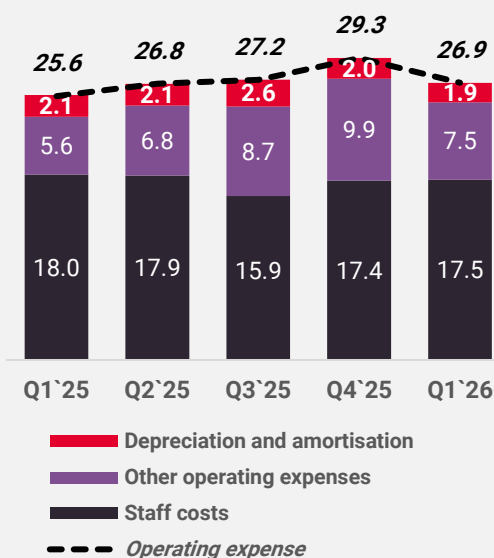
### Operating income, EURm

Continuing operations



### Operating expense, EURm

Continuing operations



## Balance sheet overview

The Group's assets stood at EUR 5,403 million as of 31 March 2026, remaining unchanged as compared to year-end 2025.

The net loan portfolio was EUR 3,800 million as of 31 March 2026, representing a 1% increase from year-end 2025. The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio was 1.9% as of 31 March 2026, up from 1.7% as at 31 December 2025.

New financing in Q1 2026 reached EUR 332.3 million, representing a 6% decrease compared to the same period in 2025, mainly due to lower lending volumes in the corporate segment. EUR 131.1 million was issued to private customers, EUR 157.7 million to SMEs, and EUR 42.5 million to corporate customers. EUR 24.8 million, or 7% of total new lending, was allocated to green and transition financing, including green mortgages, loans for electric vehicles, and corporate loans supporting environmentally sustainable activities.

As of 31 March 2026, Latvia accounted for 40% of the loan portfolio with EUR 1,527 million (compared to 41% as of year-end 2025), followed by Lithuania at 41% with EUR 1,547 million (vs. 40% as of year-end 2025), Estonia at 19% with EUR 732 million (vs. 19% as of year-end 2025).

As of 31 March 2026, loans to households represented 47% of the total loan portfolio (compared to 46% as of year-end 2025). Mortgage loans increased by 2% from year-end 2025 and amounted to EUR 984 million. Finance leases to households grew by 2% to EUR 463 million (vs. EUR 453 million at year-end 2025). Consumer lending increased by 2% reaching EUR 268 million, while card lending remained stable at EUR 58 million. In terms of corporate exposures, the main industry concentrations were in Real estate purchase and management (13% of total loans), Manufacturing (8%), Trade (6%), and Transport and communications (5%).

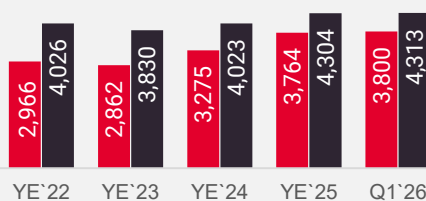
The Group's securities portfolio, along with cash and bank balances, forms part of its liquidity resources. The securities portfolio increased by 3% in Q1 2026 compared to year-end 2025, while cash and bank balances decreased by 14% over the same period. 97% of the debt securities portfolio consists of securities rated A or higher. The most significant change was a 15% decrease (EUR 12 million) in AA/aa-rated bonds since year-end 2025, while the remainder of the portfolio remained broadly stable, with a slight 2% increase in both AAA/Aaa- and A-rated bonds.

The Group's LCR and NSFR remained at healthy levels, standing at 191% and 140%, respectively, as of 31 March 2026, compared to 181% and 141% at year-end 2025.

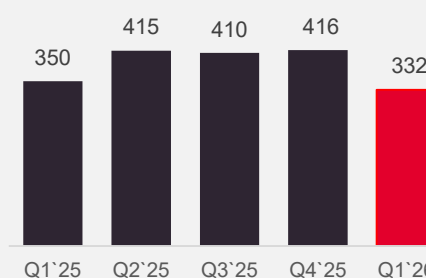
The main source of Citadele's funding, customer deposits was EUR 4,313 million at 31 March 2026, increasing by EUR 36 million as compared to year-end 2025. Term deposits share out of total deposits stood at 26% as of 31 March 2026, as compared to 26% as of end of year 2025. Baltic domestic customer deposits formed 99% of total deposits or EUR 4,250 million (compared to 99% as of year-end 2025).

## Loans and Deposits, EURm

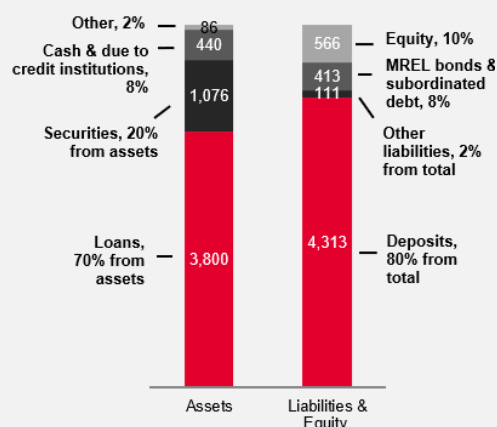
■ Loans ■ Deposits



## New financing, EURm



## Balance sheet structure, EURm



## Ratings

Citadele holds a long-term deposit rating of A3 and a senior unsecured debt rating of Baa2, assigned by Moody's (22 April 2026). The outlook is stable.

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	A/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.moody's.com](http://www.moody's.com)

## Segment Highlights

### Retail Private and Affluent segment

In Q1 2026, FTP-adjusted operating income of the Retail Private and Affluent segments amounted to EUR 21.6 million, as compared to EUR 22.2 million in Q1 2025.

New lending to private individuals reached EUR 131.3 million in Q1 2026, representing a EUR 9.9 million or 8% increase compared to Q1 2025. Notable demand seen for green products, with green mortgage loans reaching EUR 8.6 million in Q1 2026, accounting for 17%, of total new mortgages.

Total loans to private individuals reached EUR 1,658 million as of 31 March 2026, representing a 2% increase, or EUR 36 million, since year-end 2025, with loan quality remaining strong. Deposits from private individuals totalled EUR 2,128 million and remained stable compared to year-end 2025.

### SME segment

In Q1 2026, the SME segment's FTP-adjusted operating income reached EUR 15.4 million, reflecting a 1% increase compared to Q1 2025.

New lending totalled EUR 157.7 million in Q1 2026, an increase of EUR 12.7 million, or 9%, compared to Q1 2025.

Total loans to SMEs stood at EUR 1,266 million as of 31 March 2026, remaining flat compared to year-end 2025, while loan quality remained strong. SME deposits amounted to EUR 979 million, a 4% decrease compared to 31 December 2025.

### Corporate segment

The corporate segment's FTP-adjusted operating income reached EUR 7.2 million in Q1 2026, representing a 7% decrease compared to Q1 2025.

Corporate new financing amounted to EUR 42.5 million, reflecting a decrease of more than twofold compared to the same period a year ago.

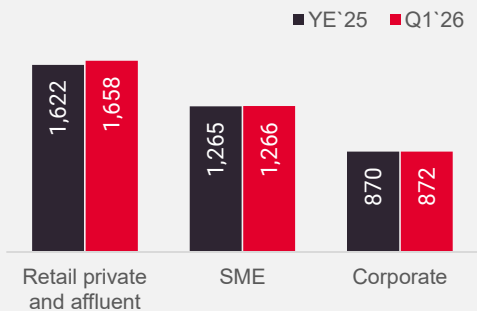
The total corporate loan portfolio stood at EUR 872 million, remaining flat compared to year-end 2025. The quality of the credit portfolio remained strong.

The corporate deposit portfolio amounted to EUR 1,080 million as of 31 March 2026, reflecting a 1% increase compared to year-end 2025.

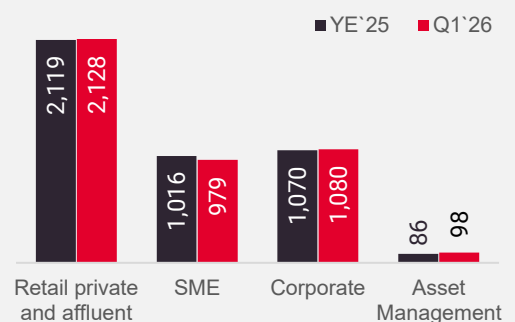
### Asset Management

Asset Management FTP adjusted operating income reached EUR 1.9 million in Q1 2026, decreasing by 16% as compared to the same period a year ago. Total customer assets under management stood at EUR 1.4 billion, a 2% increase from year-end 2025.

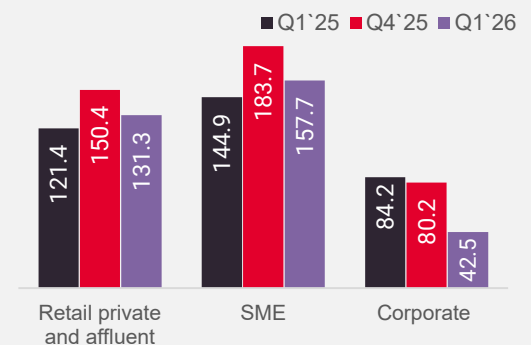
### Loans, EURm



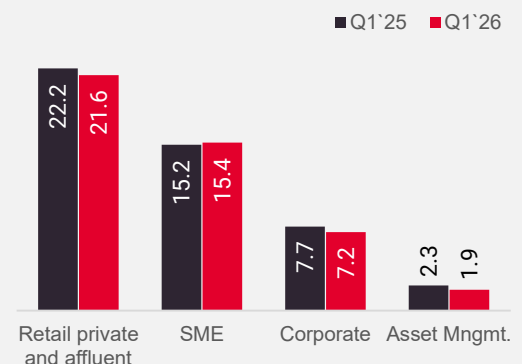
### Deposits, EURm



### New lending, EURm



### Operating income, EURm



## Business Environment

### Global Backdrop: Softer Momentum, Policy Caution Returns

Entering Q1 2026, the global economy remains on a soft-landing trajectory, though momentum has moderated and uncertainties have intensified. Growth remains relatively resilient in the United States, supported by still-solid households and public spending, while the euro area continues to rely primarily on domestic demand as trade remains constrained by persistent tariff regimes and geopolitical risks. Disinflation has largely progressed, but recent energy-driven price volatility has reminded policymakers that the last mile toward price stability remains uneven.

After solid growth through most of 2025, U.S. economic activity slowed modestly at the turn of the year, in part reflecting fading tariff-related demand front-loading and tighter fiscal conditions. Consumer spending remains supported by accumulated real income gains and a cooling labour market. Inflation dynamics had improved materially during H2 2025, yet headline CPI temporarily rebounded to 3.3% YoY in March 2026, driven by higher energy prices following renewed geopolitical tensions in the Middle East, while core inflation remained closer to 2.6% YoY.

After delivering three 25 bp rate cuts between September and December 2025, the Federal Reserve kept the federal funds rate unchanged in January and March 2026, emphasizing a need to assess whether the recent energy-price shock feeds more persistently into broader inflation expectations. Updated FOMC projections from March 2026 continue to imply gradual easing later in the year, with real GDP growth around 2.5% in 2026 and inflation converging back toward target over the medium term.

In the euro area, the cyclical picture remains more subdued but increasingly balanced. External demand has softened further amid lingering trade frictions and a relatively firm euro, while domestic demand has gradually strengthened as financing conditions eased. HICP inflation reached 1.9% YoY in December 2025, briefly dipping below the ECB's target, before edging higher to around 2.6% YoY by March 2026, largely reflecting energy prices.

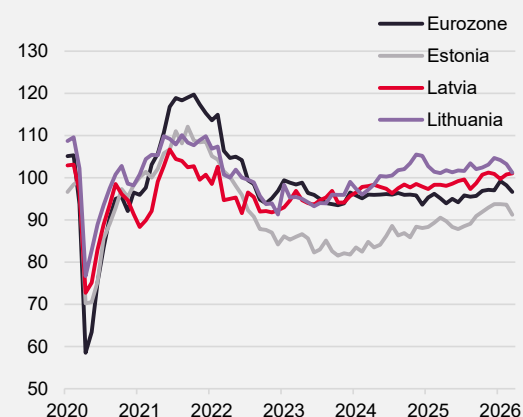
Against this backdrop, the ECB kept the deposit facility rate unchanged at 2.00% through Q1 2026, reiterating a meeting-by-meeting, data-dependent stance. ECB staff projections continue to see inflation returning sustainably to target over 2026–27, with growth improving only gradually from relatively weak 2025 levels.

### Baltic Economies: Recovery Broadens and Synchronises

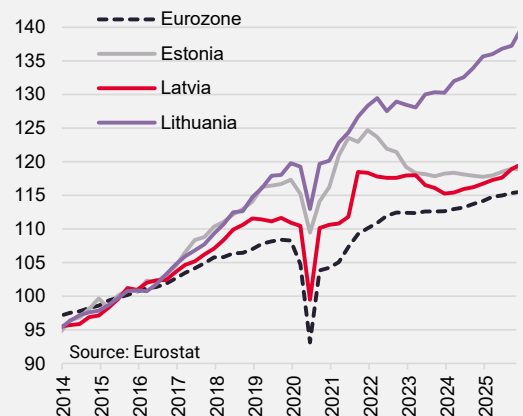
The Baltic economies entered 2026 on a firmer footing, as easing monetary conditions, recovering real incomes, and public investment continue to support domestic activity. While sectoral and country-specific differences remain, the regional cycle is increasingly synchronized, with all three economies now in expansion.

Latvia's recovery strengthened into late-2025 and carried into Q1 2026, underpinned by investment and household consumption. GDP grew by 2.9% YoY in Q4 2025, bringing full-year growth to 2.1%, clearly outperforming earlier expectations. Growth was broad-based, led by manufacturing, construction, trade, and ICT, while domestic demand provided the main impulse.

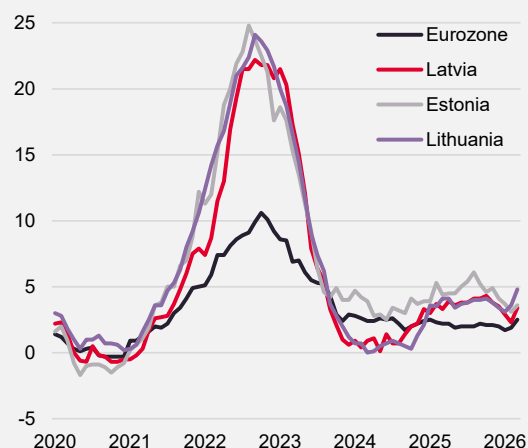
### Economic sentiment indicator



### Real GDP, indexed, 2015 = 100



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



Inflation moderated meaningfully toward year-end, with HICP easing to 2.3 YoY in February 2026, improving real income dynamics. The HICP accelerated to 3.4% in March 2026. Rapid nominal wage growth continues to support consumption. Investment remains buoyed by EU-funded projects, defence-related spending, and improving bank credit dynamics. While goods exports remain constrained by external uncertainty, services and regional trade provide partial offsets. Overall, Latvia enters 2026 with solid internal momentum and improving confidence.

Lithuania remains the fastest-growing economy in the region, despite increasing dispersion across sectors. Following a brief pause in mid-2025, GDP expanded by around 2.9% YoY in Q4 2025, closing the year with growth close to 3%, among the strongest in the euro area.

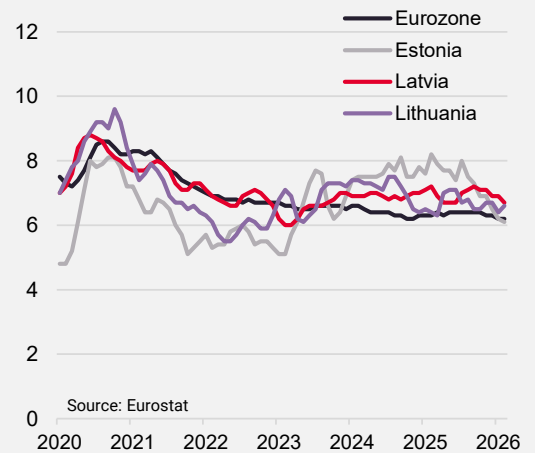
Household consumption continues to benefit from strong wage growth and tight labour market conditions, while credit growth and an expansionary fiscal stance - particularly rising defence outlays - support investment. Inflation remains higher than in Latvia, with HICP 4.4% in March 2026. Looking ahead, Lithuania is well positioned to sustain above-average growth into 2026, as domestic demand offsets softer external demand.

Estonia finally exited a prolonged downturn in 2025, with GDP rising 0.7% YoY in Q4 and 0.6% for the year. Growth has been driven by manufacturing and information-and-communication services, alongside public investment, while private consumption has lagged following the VAT increase implemented in mid-2025.

Inflation peaked around mid-2025 and slowed notably thereafter, reaching 4.1% YoY in December 2025 and 3.5% in March 2026. As real incomes recover further, private consumption is expected to strengthen gradually.

While trade policy, geopolitics, and energy prices remain the dominant risk factors, the region enters 2026 in moderate, synchronized growth cycle

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, excluding own shares, 70.0 % of shares in AS Citadele banka are owned by a consortium of international investors represented by Ripplewood Advisors LLC, 27.9 % of the shares are owned by the European Bank for Reconstruction and Development (EBRD) and 2.1 % of the shares are owned by the management, employees, and other investors.

The Statement of Corporate Governance is published on the Bank's website [www.cblgroup.com](http://www.cblgroup.com).

### **Supervisory Board of the Bank as of 31/03/2026:**

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
Paul Louis Jean de Leusse	Member of the Supervisory Board	29 January 2026

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 31/03/2026:**

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

Slavomir Mizak has announced resignation from AS Citadele banka Management Board effective from 1 April 2026. Jūlija Lebedinska-Ļitvinova will step down from her role effective 15 May 2026.

## Statement of Management's Responsibility

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

The interim condensed financial statements are prepared in accordance with the source documents and present the financial position of the Bank and the Group as of 31 March 2026 and the results of their operations for the three months period ended 31 March 2026, changes in shareholders' equity and cash flows for the three months period ended 31 March 2026 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 29 April 2026 approved these interim condensed financial statements.*

## CONDENSED STATEMENT OF INCOME

		EUR thousands							
		Group				Bank			
Note		3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
	Interest income calculated using the effective interest method	5	40,532	38,853	40,532	38,853	47,897	48,877	48,877
	Other interest income	5	17,899	19,419	17,899	19,419	1,613	1,401	1,401
	Interest expense	5	(15,168)	(13,706)	(15,168)	(13,706)	(15,291)	(14,471)	(14,471)
	<b>Net interest income</b>		<b>43,263</b>	<b>44,566</b>	<b>43,263</b>	<b>44,566</b>	<b>34,219</b>	<b>35,807</b>	<b>35,807</b>
	Fee and commission income	6	18,046	17,701	18,046	17,701	16,413	16,162	16,162
	Fee and commission expense	6	(9,367)	(9,009)	(9,367)	(9,009)	(8,869)	(8,490)	(8,490)
	<b>Net fee and commission income</b>		<b>8,679</b>	<b>8,692</b>	<b>8,679</b>	<b>8,692</b>	<b>7,544</b>	<b>7,672</b>	<b>7,672</b>
	Net financial income	7	1,178	1,139	1,178	1,139	1,386	1,260	1,260
	Net other income / (expense)	8	(1,026)	(965)	(1,026)	(965)	(523)	(685)	(685)
	<b>Operating income</b>		<b>52,094</b>	<b>53,432</b>	<b>52,094</b>	<b>53,432</b>	<b>44,054</b>	<b>42,626</b>	<b>44,054</b>
	Staff costs	9	(17,546)	(17,978)	(17,546)	(17,978)	(14,738)	(15,058)	(15,058)
	Other operating expenses	10	(7,454)	(5,551)	(7,454)	(5,551)	(6,746)	(4,996)	(4,996)
	Depreciation and amortisation		(1,896)	(2,082)	(1,896)	(2,082)	(1,624)	(1,624)	(1,796)
	<b>Operating expense</b>		<b>(26,896)</b>	<b>(25,611)</b>	<b>(26,896)</b>	<b>(25,611)</b>	<b>(23,108)</b>	<b>(21,850)</b>	<b>(23,108)</b>
	<b>Profit from continuous operations before impairment, other taxes and levies and non-current assets held for sale</b>		<b>25,198</b>	<b>27,821</b>	<b>25,198</b>	<b>27,821</b>	<b>19,518</b>	<b>22,204</b>	<b>22,204</b>
	Net credit losses	11	(2,436)	(527)	(2,436)	(527)	(2,394)	144	144
	Other impairment losses and other provisions		(9)	(49)	(9)	(49)	372	(36)	(36)
	<b>Operating profit from continuous operations before other taxes and levies and non-current assets held for sale</b>		<b>22,753</b>	<b>27,245</b>	<b>22,753</b>	<b>27,245</b>	<b>17,496</b>	<b>22,312</b>	<b>22,312</b>
	Mortgage loan levy and bank tax	12	-	(22)	-	(22)	-	(22)	(22)
	Result from non-current assets held for sale and discontinued operations, net of tax	17	-	(1,325)	-	(1,325)	-	(256)	(256)
	<b>Operating profit</b>		<b>22,753</b>	<b>25,898</b>	<b>22,753</b>	<b>25,898</b>	<b>17,496</b>	<b>22,034</b>	<b>22,034</b>
	Income tax	12	(3,757)	(5,499)	(3,757)	(5,499)	(3,359)	(4,372)	(4,372)
	<b>Net profit</b>		<b>18,996</b>	<b>20,399</b>	<b>18,996</b>	<b>20,399</b>	<b>14,137</b>	<b>17,662</b>	<b>17,662</b>
	Basic earnings / (loss) per share in EUR	21	0.13	0.13	0.13	0.13	0.09	0.11	0.11
	<i>from continuing operations</i>		0.13	0.14	0.13	0.14	0.09	0.11	0.11
	<i>from discontinued operations</i>		-	(0.01)	-	(0.01)	-	-	-
	Diluted earnings / (loss) per share in EUR	21	0.13	0.13	0.13	0.13	0.09	0.11	0.11
	<i>from continuing operations</i>		0.13	0.13	0.13	0.13	0.09	0.11	0.11
	<i>from discontinued operations</i>		-	(0.01)	-	(0.01)	-	-	-

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

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
<b>Net profit</b>	<b>18,996</b>	<b>20,399</b>	<b>18,996</b>	<b>20,399</b>	<b>14,137</b>	<b>17,662</b>	<b>14,137</b>	<b>17,662</b>
Items that may be reclassified to profit or loss:								
<i>Debt securities at fair value through other comprehensive income (continuing operations)</i>								
Gains or losses transferred to profit or loss	-	-	-	-	-	-	-	-
Valuation gains or losses taken to equity	34	1,148	34	1,148	17	1,005	17	1,005
Income tax taken to equity	(3)	(201)	(3)	(201)	(3)	(201)	(3)	(201)
<i>Debt securities at fair value through other comprehensive income (discontinued operations)</i>								
Gains or losses transferred to profit or loss	-	25	-	25	-	-	-	-
Valuation gains or losses taken to equity	-	30	-	30	-	-	-	-
Income tax taken to equity	-	(13)	-	(13)	-	-	-	-
<i>Other reserves (discontinued operations)</i>								
Foreign exchange retranslation	-	(173)	-	(173)	-	-	-	-
Items that will not be reclassified to profit or loss:								
<i>Equity and similar instruments at fair value through other comprehensive income (continuing operations)</i>								
Valuation gains or losses taken to equity	-	-	-	-	-	-	-	-
Transfer to retained earnings at disposal	-	-	-	-	-	-	-	-
<b>Other comprehensive income / (loss)</b>	<b>31</b>	<b>816</b>	<b>31</b>	<b>816</b>	<b>14</b>	<b>804</b>	<b>14</b>	<b>804</b>
<b>Total comprehensive income</b>	<b>19,027</b>	<b>21,215</b>	<b>19,027</b>	<b>21,215</b>	<b>14,151</b>	<b>18,466</b>	<b>14,151</b>	<b>18,466</b>

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

## CONDENSED BALANCE SHEET

		EUR thousands			
		31/03/2026	31/12/2025	31/03/2026	31/12/2025
		Group	Group	Bank	Bank
<b>Assets</b>					
Cash and cash balances at central banks	24	434,391	511,451	434,391	511,451
Loans to credit institutions		6,027	7,099	4,610	5,701
Debt securities	13	1,049,043	1,040,903	1,014,171	1,004,828
Loans to public	14	3,800,269	3,764,206	3,683,595	3,655,462
Equity instruments	15	391	427	391	427
Other financial instruments	15	20,831	21,999	-	-
Derivatives		5,873	1,747	5,873	1,747
Investments in related entities	16	-	-	53,349	52,969
Tangible assets		35,944	30,755	20,015	16,543
Intangible assets		5,722	5,691	3,587	3,492
Current income tax assets	12	953	-	948	-
Deferred income tax assets	12	997	1,053	969	999
Other assets		42,473	39,405	35,473	30,097
<b>Total assets</b>		<b>5,402,914</b>	<b>5,424,736</b>	<b>5,257,372</b>	<b>5,283,716</b>
<b>Liabilities</b>					
Deposits from credit institutions and central banks	18	4,946	2,599	4,946	2,599
Deposits and borrowings from customers	19	4,313,076	4,304,201	4,319,044	4,304,937
Debt securities issued	20	412,894	408,861	412,894	408,861
Derivatives		2,138	2,767	2,138	2,767
Provisions	11	3,532	3,816	3,476	3,727
Current income tax liabilities	12	3,776	13,879	2,209	12,392
Deferred income tax liabilities	12	2,450	2,450	-	-
Other liabilities		93,721	88,905	35,512	35,528
<b>Total liabilities</b>		<b>4,836,533</b>	<b>4,827,478</b>	<b>4,780,219</b>	<b>4,770,811</b>
<b>Equity</b>					
Share capital	21	140,224	159,178	140,224	159,178
Reserves and other capital components		4,978	4,850	5,157	5,046
Retained earnings		421,179	433,230	331,772	348,681
<b>Total equity</b>		<b>566,381</b>	<b>597,258</b>	<b>477,153</b>	<b>512,905</b>
<b>Total liabilities and equity</b>		<b>5,402,914</b>	<b>5,424,736</b>	<b>5,257,372</b>	<b>5,283,716</b>
<b>Off-balance sheet items</b>					
Guarantees and letters of credit	22	101,004	102,467	101,004	102,467
Financial commitments	22	371,489	394,081	370,427	380,621

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

## CONDENSED STATEMENT OF CHANGES IN EQUITY

	Group, EUR thousands						
	Issued share capital	Share premium	Securities fair value revaluation reserve (Note 13)	Foreign currency retranslation	Share based payments	Retained earnings	Total equity
<b>Balance as of 31/12/2024</b>	<b>158,813</b>	<b>2,213</b>	<b>(5,320)</b>	<b>7,395</b>	<b>3,100</b>	<b>396,481</b>	<b>562,682</b>
Dividends to shareholders (Note 21)	-	-	-	-	-	-	-
Share based payments to employees (Note 9 and Note 21)	-	-	-	-	577	-	577
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>989</b>	<b>(173)</b>	<b>-</b>	<b>20,399</b>	<b>21,215</b>
Net result for the period	-	-	-	-	-	20,399	20,399
Other comprehensive income / (loss) for the period	-	-	989	(173)	-	-	816
<b>Balance as of 31/03/2025</b>	<b>158,813</b>	<b>2,213</b>	<b>(4,331)</b>	<b>7,222</b>	<b>3,677</b>	<b>416,880</b>	<b>584,474</b>
<b>Balance as of 31/12/2025</b>	<b>159,178</b>	<b>2,829</b>	<b>(2,319)</b>	<b>-</b>	<b>4,340</b>	<b>433,230</b>	<b>597,258</b>
Dividends to shareholders (Note 21)	-	-	-	-	-	-	-
Share buy-back	(18,954)	-	-	-	-	(31,046)	(50,000)
Share based payments to employees (Note 9 and Note 21)	-	-	-	-	97	(1)	96
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>18,996</b>	<b>19,027</b>
Net result for the period	-	-	-	-	-	18,996	18,996
Other comprehensive income / (loss) for the period	-	-	31	-	-	-	31
<b>Balance as of 31/03/2026</b>	<b>140,224</b>	<b>2,829</b>	<b>(2,288)</b>	<b>-</b>	<b>4,437</b>	<b>421,179</b>	<b>566,381</b>

	Bank, EUR thousands					
	Issued share capital	Share premium	Securities fair value revaluation reserve (Note 13)	Share based payments	Retained earnings	Total equity
<b>Balance as of 31/12/2024</b>	<b>158,813</b>	<b>2,213</b>	<b>(4,596)</b>	<b>3,100</b>	<b>320,746</b>	<b>480,276</b>
Dividends to shareholders (Note 21)	-	-	-	-	-	-
Share based payments to employees (Note 9 and Note 21)	-	-	-	577	-	577
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>804</b>	<b>-</b>	<b>17,662</b>	<b>18,466</b>
Net result for the period	-	-	-	-	17,662	17,662
Other comprehensive income / (loss) for the period	-	-	804	-	-	804
<b>Balance as of 31/03/2025</b>	<b>158,813</b>	<b>2,213</b>	<b>(3,792)</b>	<b>3,677</b>	<b>338,408</b>	<b>499,319</b>
<b>Balance as of 31/12/2025</b>	<b>159,178</b>	<b>2,829</b>	<b>(2,123)</b>	<b>4,340</b>	<b>348,681</b>	<b>512,905</b>
Dividends to shareholders (Note 21)	-	-	-	-	-	-
Share buy-back	(18,954)	-	-	-	(31,046)	(50,000)
Share based payments to employees (Note 9 and Note 21)	-	-	-	97	-	97
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14,137</b>	<b>14,151</b>
Net result for the period	-	-	-	-	14,137	14,137
Other comprehensive income / (loss) for the period	-	-	14	-	-	14
<b>Balance as of 31/03/2026</b>	<b>140,224</b>	<b>2,829</b>	<b>(2,109)</b>	<b>4,437</b>	<b>331,772</b>	<b>477,153</b>

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

## CONDENSED STATEMENT OF CASH FLOWS

		EUR thousands			
	Note	3m 2026 Group	3m 2025 Group	3m 2026 Bank	3m 2025 Bank
<b>Operating activities</b>					
Operating profit before tax (discontinued net of tax and continuing)		22,753	25,898	17,496	22,034
Tax expense from discontinued operations	17	-	21	-	-
Interest income	5	(58,431)	(58,981)	(49,510)	(50,278)
Interest expense	5	15,168	13,781	15,291	14,471
Dividends income		(1)	(3)	(1)	(3)
Depreciation and amortisation		1,896	2,180	1,624	1,796
Impairment allowances and provisions		2,445	(494)	2,022	(108)
Currency translation and other non-cash items		4,029	3,441	2,924	2,347
<b>Cash flows from the income statement</b>		<b>(12,141)</b>	<b>(14,157)</b>	<b>(10,154)</b>	<b>(9,741)</b>
(Increase) / decrease in loans to public		(39,334)	(90,899)	(31,235)	(91,410)
Increase / (decrease) in deposits and borrowings from customers		8,544	(143,434)	13,675	(140,945)
(Increase) / decrease in loans to credit institutions		1,094	4,554	1,094	5,105
Increase / (decrease) in deposits from central banks and credit institutions		150	(2,040)	150	(52,785)
(Increase) / decrease in other items at fair value through profit or loss		(4,755)	4,602	(4,755)	4,602
(Increase) / decrease in other assets		(3,041)	395	(5,348)	15,564
(Increase) / decrease in tangible assets under operating lease		(1,569)	(1,052)	-	-
Increase / (decrease) in other liabilities		1,633	11,349	(3,203)	(3,650)
<b>Cash flows from operating activities before interest and corporate income tax</b>		<b>(49,419)</b>	<b>(230,682)</b>	<b>(39,776)</b>	<b>(273,260)</b>
Interest received		59,000	59,849	49,986	51,263
Interest paid		(10,178)	(13,204)	(10,200)	(14,133)
Corporate income tax paid		(14,759)	(4,678)	(14,460)	(3,205)
<b>Cash flows from operating activities</b>		<b>(15,356)</b>	<b>(188,715)</b>	<b>(14,450)</b>	<b>(239,335)</b>
<b>Investing activities</b>					
Acquisition of tangible and intangible assets		(2,103)	(3,905)	(1,135)	(1,117)
Disposal of tangible and intangible assets		18	8	18	8
Investments in debt securities and other financial instruments		(49,523)	(76,448)	(48,227)	(71,693)
Proceeds from debt securities and other financial instruments		39,530	151,292	36,317	146,099
Dividends received		1	3	1	3
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	17	-	-	-	-
Sale or investments in subsidiaries and associates		-	-	-	-
<b>Cash flows from investing activities</b>		<b>(12,077)</b>	<b>70,950</b>	<b>(13,026)</b>	<b>73,300</b>
<b>Financing activities</b>					
Dividends paid		-	-	-	-
Proceeds from issue of debt securities		-	-	-	-
(Repayment) of debt securities		-	(20,000)	-	(20,000)
Interest paid on debt securities issued		(916)	(152)	(916)	(152)
Share buy-back		(50,000)	-	(50,000)	-
Repayment of lease liabilities		(909)	(781)	(885)	(860)
<b>Cash flows from financing activities</b>		<b>(51,825)</b>	<b>(20,933)</b>	<b>(51,801)</b>	<b>(21,012)</b>
<b>Cash flows for the period</b>		<b>(79,258)</b>	<b>(138,698)</b>	<b>(79,277)</b>	<b>(187,047)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>513,515</b>	<b>366,371</b>	<b>512,117</b>	<b>353,441</b>
<b>Cash and cash equivalents at the end of the period</b>	24	<b>434,257</b>	<b>227,673</b>	<b>432,840</b>	<b>166,394</b>

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 2025 or for the three months period ended 31 March 2025.

### 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 March 2026, the Group had 1,308 (2025: 1,281) and the Bank had 1,100 (2025: 1,077) 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 2025 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 2025.

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 2026, 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 2026 which did not have a significant effect to the Group**

*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)*

*Annual Improvements to IFRS Accounting Standards. Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows (expected to be effective from 1 January 2026).*

**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 2026 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.

*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)*

*IAS 21 – The Effects of Changes in Foreign Exchange Rates (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)*

**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 and deferred tax liabilities. 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 (2025: EUR +/- 0.0 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 (2025: EUR +/- 0.1 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 +/- 0.35

million change in impairment allowance for the Bank (2025: EUR +/- 0.27 million) and EUR +/- 0.44 million for the Group (2025: EUR +/- 0.44 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 +/- 7.0 million for the Group (2025: EUR +/- 4.0 million for the Bank and EUR +/- 6.8 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 +/- 7.4 million for the Bank and EUR +/- 10.0 million for the Group (2025: EUR +/- 7.5 million for the Bank and EUR +/- 10.1 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 future economic development.

**Key forward-looking information variables for measurement of expected credit losses as of 31 March 2026 (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
<b>Latvia</b>									
GDP (annual change)	2.0%	2.3%	2.2%	(1.6%)	0.8%	2.2%	4.2%	4.2%	2.8%
Unemployment rate	6.4%	6.3%	6.3%	7.2%	7.0%	6.3%	5.5%	4.8%	4.8%
Average gross wage (annual change)	6.4%	5.8%	5.4%	(0.6%)	2.3%	3.4%	10.8%	9.4%	6.7%
Interest rate	2.5%	2.6%	2.7%	2.8%	2.6%	2.1%	1.2%	0.3%	0.1%
<b>Lithuania</b>									
GDP (annual change)	2.8%	2.3%	2.5%	(0.7%)	0.8%	2.5%	4.9%	4.2%	3.0%
Unemployment rate	6.8%	6.6%	6.4%	7.6%	7.4%	6.4%	6.0%	5.2%	5.0%
Average gross wage (annual change)	7.2%	6.0%	6.0%	0.2%	2.5%	4.0%	11.4%	9.8%	7.0%
Interest rate	2.5%	2.6%	2.7%	2.8%	2.6%	2.1%	1.2%	0.3%	0.1%
<b>Estonia</b>									
GDP (annual change)	2.2%	2.4%	2.2%	(1.4%)	0.9%	2.2%	4.7%	4.2%	2.7%
Unemployment rate	7.2%	6.5%	6.4%	8.0%	7.3%	6.4%	6.0%	4.8%	4.7%
Average gross wage (annual change)	5.7%	5.5%	5.6%	(1.3%)	2.0%	3.6%	10.8%	9.2%	6.6%
Interest rate	2.5%	2.6%	2.7%	2.8%	2.6%	2.1%	1.2%	0.3%	0.1%

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
<b>Latvia</b>									
GDP (annual change)	2.0%	2.4%	2.3%	(2.0%)	0.4%	2.4%	4.2%	4.6%	2.9%
Unemployment rate	6.5%	6.3%	6.3%	7.3%	7.3%	6.3%	5.8%	4.8%	4.8%
Average gross wage (annual change)	6.5%	6.1%	5.2%	(1.6%)	2.1%	3.2%	10.9%	10.6%	6.5%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.8%	3.1%	1.5%	0.5%	0.1%
<b>Lithuania</b>									
GDP (annual change)	3.0%	2.3%	2.5%	(1.1%)	0.3%	2.5%	5.0%	4.7%	3.0%
Unemployment rate	6.8%	6.7%	6.4%	7.6%	7.7%	6.4%	6.3%	5.2%	5.0%
Average gross wage (annual change)	7.5%	6.0%	6.0%	(0.5%)	2.0%	4.0%	11.6%	10.7%	7.0%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.8%	3.1%	1.5%	0.5%	0.1%
<b>Estonia</b>									
GDP (annual change)	2.2%	2.5%	2.3%	(1.7%)	0.5%	2.3%	4.9%	4.8%	2.8%
Unemployment rate	7.2%	6.6%	6.4%	8.0%	7.7%	6.4%	6.3%	4.9%	4.7%
Average gross wage (annual change)	5.7%	5.6%	5.6%	(2.3%)	1.6%	3.6%	11.0%	10.3%	6.6%
Interest rate	2.1%	2.2%	2.4%	2.1%	2.8%	3.1%	1.5%	0.5%	0.1%

The current forward-looking adjustment, weights baseline scenario at 60% likelihood, the adverse scenario at 30% likelihood and positive scenario at 10% likelihood (2025: 50% base case scenario, 45% adverse scenario and 5% positive scenario). The 60% vs. 30% vs. 10% 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 5.7 million and for the Group by EUR 8.0 million as of the period end (2025: EUR 9.0 million for the Bank and EUR 13.2 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 23.9 million and for the Group by EUR 34.3 million as of the period end (2025: EUR 12.8 million for the Bank and EUR 18.6 million for the Group). If the weighting of the positive scenario was to increase to 100%, the expected credit loss allowance of the Bank would decrease by EUR 26.6 million and for the Group by EUR 39.0 million as of the period end (2025: EUR 21.3 million for the Bank and EUR 31.6 million for the Group).

For additional information, 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*.

#### Deferred tax liabilities

The Group has recognised deferred tax liabilities for expected distribution of retained earnings. Estimated of expected distribution of retained earnings within the Group affects the recognised expense on deferred tax liability for medium term future tax payments on intragroup dividends.

#### 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 has 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-plus margin.

*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 3m 2026, EUR thousands						
	Reportable segments						Total
	Retail Private	Private affluent	SME	Corporate	Asset Management	Other	
Interest income	22,017	738	17,664	11,940	225	5,847	58,431
Interest expense	(4,494)	(967)	(3,091)	(6,296)	(127)	(193)	(15,168)
<b>Net interest income</b>	<b>17,523</b>	<b>(229)</b>	<b>14,573</b>	<b>5,644</b>	<b>98</b>	<b>5,654</b>	<b>43,263</b>
Fee and commission income	7,488	840	5,022	2,411	1,908	377	18,046
Fee and commission expense	(4,365)	(330)	(2,247)	(1,740)	(285)	(400)	(9,367)
<b>Net fee and commission income</b>	<b>3,123</b>	<b>510</b>	<b>2,775</b>	<b>671</b>	<b>1,623</b>	<b>(23)</b>	<b>8,679</b>
Net financial income	42	147	536	207	(151)	397	1,178
Net other income / (expense)	(730)	(59)	(219)	(223)	172	33	(1,026)
<b>Operating income</b>	<b>19,958</b>	<b>369</b>	<b>17,665</b>	<b>6,299</b>	<b>1,742</b>	<b>6,061</b>	<b>52,094</b>
Net funding allocation	(401)	1,639	(2,279)	879	170	(8)	-
<b>FTP adjusted operating income</b>	<b>19,557</b>	<b>2,008</b>	<b>15,386</b>	<b>7,178</b>	<b>1,912</b>	<b>6,053</b>	<b>52,094</b>
Operating expense adjusted for indirect costs	(11,135)	(1,073)	(7,801)	(3,345)	(1,770)	(1,772)	(26,896)
Net credit losses	(336)	354	(2,309)	(200)	1	54	(2,436)
Other impairment losses and other provisions	(5)	-	(4)	-	-	-	(9)
Mortgage loan levy and bank tax	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>8,081</b>	<b>1,289</b>	<b>5,272</b>	<b>3,633</b>	<b>143</b>	<b>4,335</b>	<b>22,753</b>

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

## Group as of 31/03/2026, EUR thousands

	Reportable segments					Other	Total
	Retail Private	Private affluent	SME	Corporate	Asset Management		
<b>Assets</b>							
Cash, balances at central banks	-	-	-	-	-	434,391	434,391
Loans to credit institutions	-	-	-	-	1,417	4,610	6,027
Debt securities	-	-	-	14,584	34,872	999,587	1,049,043
Loans to public	1,591,438	66,619	1,266,317	872,466	-	3,429	3,800,269
Equity instruments	-	-	-	-	-	391	391
Other financial instruments	-	-	-	-	20,831	-	20,831
All other assets	-	-	41	63	3,937	87,921	91,962
<b>Total segmented assets</b>	<b>1,591,438</b>	<b>66,619</b>	<b>1,266,358</b>	<b>887,113</b>	<b>61,057</b>	<b>1,530,329</b>	<b>5,402,914</b>
<b>Liabilities</b>							
Deposits from banks	-	-	-	-	-	4,946	4,946
Deposits from customers	1,731,176	396,886	979,219	1,080,188	98,412	27,195	4,313,076
Debt securities issued	145,875	4,790	131,878	128,947	-	1,404	412,894
All other liabilities	-	-	30	-	34,078	71,509	105,617
<b>Total segmented liabilities</b>	<b>1,877,051</b>	<b>401,676</b>	<b>1,111,127</b>	<b>1,209,135</b>	<b>132,490</b>	<b>105,054</b>	<b>4,836,533</b>

## Group as of 31/12/2025, EUR thousands

	Reportable segments					Other	Total
	Retail Private	Private affluent	SME	Corporate	Asset Management		
<b>Assets</b>							
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
<b>Total segmented assets</b>	<b>1,558,481</b>	<b>63,518</b>	<b>1,264,606</b>	<b>884,721</b>	<b>63,377</b>	<b>1,590,033</b>	<b>5,424,736</b>
<b>Liabilities</b>							
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
<b>Total segmented liabilities</b>	<b>1,853,229</b>	<b>413,661</b>	<b>1,147,502</b>	<b>1,196,895</b>	<b>118,163</b>	<b>98,028</b>	<b>4,827,478</b>

**NOTE 5. INTEREST INCOME AND EXPENSE**

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Interest income calculated using the effective interest method:								
Financial instruments at amortised cost:								
<i>Loans to public</i>	35,754	33,980	35,754	33,980	43,296	44,038	43,296	44,038
<i>Debt securities</i>	2,602	2,742	2,602	2,742	2,525	2,710	2,525	2,710
<i>Balances from central banks and credit institutions</i>	1,941	1,889	1,941	1,889	1,941	2,036	1,941	2,036
<i>Deposits from public at negative interest rates</i>	90	117	90	117	17	12	17	12
Debt securities at fair value through other comprehensive income	145	125	145	125	118	81	118	81
Other interest income:								
Debt securities at fair value through profit or loss	1,659	1,439	1,659	1,439	1,613	1,401	1,613	1,401
Interest income on finance leases (part of loans to public)	16,240	17,980	16,240	17,980	-	-	-	-
<b>Total interest income</b>	<b>58,431</b>	<b>58,272</b>	<b>58,431</b>	<b>58,272</b>	<b>49,510</b>	<b>50,278</b>	<b>49,510</b>	<b>50,278</b>
Interest expense on:								
Financial instruments at amortised cost:								
<i>Deposits and borrowing from public</i>	(9,672)	(10,961)	(9,672)	(10,961)	(9,804)	(11,109)	(9,804)	(11,109)
<i>Debt securities issued</i>	(4,949)	(2,269)	(4,949)	(2,269)	(4,949)	(2,269)	(4,949)	(2,269)
<i>Deposits from credit institutions and central banks</i>	(1)	(2)	(1)	(2)	(1)	(633)	(1)	(633)
<i>Other assets at negative interest rates</i>	(11)	(40)	(11)	(40)	(7)	(30)	(7)	(30)
Financial liabilities at fair value through profit or loss								
<i>Deposits and borrowing from public</i>	(3)	(4)	(3)	(4)	-	-	-	-
Lease liabilities	(85)	(69)	(85)	(69)	(82)	(69)	(82)	(69)
Other interest expense	(447)	(361)	(447)	(361)	(448)	(361)	(448)	(361)
<b>Total interest expense</b>	<b>(15,168)</b>	<b>(13,706)</b>	<b>(15,168)</b>	<b>(13,706)</b>	<b>(15,291)</b>	<b>(14,471)</b>	<b>(15,291)</b>	<b>(14,471)</b>
<b>Net interest income</b>	<b>43,263</b>	<b>44,566</b>	<b>43,263</b>	<b>44,566</b>	<b>34,219</b>	<b>35,807</b>	<b>34,219</b>	<b>35,807</b>

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			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Fee and commission income:								
Cards	12,146	11,394	12,146	11,394	12,146	11,394	12,146	11,394
Payments and transactions	2,801	2,874	2,801	2,874	2,808	2,881	2,808	2,881
Asset management and custody	2,013	1,997	2,013	1,997	514	485	514	485
Securities brokerage	179	195	179	195	180	199	180	199
Other fees	537	529	537	529	479	499	479	499
<b>Total fee and commission income from contracts with customers</b>	<b>17,676</b>	<b>16,989</b>	<b>17,676</b>	<b>16,989</b>	<b>16,127</b>	<b>15,458</b>	<b>16,127</b>	<b>15,458</b>
Guarantees, letters of credit and loans	370	712	370	712	286	704	286	704
<b>Total fee and commission income, after guarantees</b>	<b>18,046</b>	<b>17,701</b>	<b>18,046</b>	<b>17,701</b>	<b>16,413</b>	<b>16,162</b>	<b>16,413</b>	<b>16,162</b>
Fee and commission expense on:								
Cards	(6,750)	(7,061)	(6,750)	(7,061)	(6,748)	(7,059)	(6,748)	(7,059)
Payments and transactions	(1,726)	(883)	(1,726)	(883)	(1,726)	(883)	(1,726)	(883)
Securitisation	(385)	(617)	(385)	(617)	(99)	(133)	(99)	(133)
Asset management custody and securities brokerage	(238)	(230)	(238)	(230)	(238)	(226)	(238)	(226)
Other fees	(268)	(218)	(268)	(218)	(58)	(189)	(58)	(189)
<b>Total fee and commission expense</b>	<b>(9,367)</b>	<b>(9,009)</b>	<b>(9,367)</b>	<b>(9,009)</b>	<b>(8,869)</b>	<b>(8,490)</b>	<b>(8,869)</b>	<b>(8,490)</b>
<b>Net fee and commission income</b>	<b>8,679</b>	<b>8,692</b>	<b>8,679</b>	<b>8,692</b>	<b>7,544</b>	<b>7,672</b>	<b>7,544</b>	<b>7,672</b>

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 additional loans and leases to businesses in the Baltics over a three-year period. The last replenishment took place in September 2024.

**NOTE 7. NET FINANCIAL INCOME**

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Foreign exchange trading, revaluation and related derivatives	2,060	2,044	2,060	2,044	2,046	2,056	2,046	2,056
Non-trading assets and liabilities at fair value through profit or loss	(643)	(627)	(643)	(627)	(421)	(518)	(421)	(518)
Derecognition of assets at amortised cost	-	-	-	-	-	-	-	-
Assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Modifications in cash flows which do not result in derecognition	(239)	(278)	(239)	(278)	(239)	(278)	(239)	(278)
<b>Total net financial income</b>	<b>1,178</b>	<b>1,139</b>	<b>1,178</b>	<b>1,139</b>	<b>1,386</b>	<b>1,260</b>	<b>1,386</b>	<b>1,260</b>

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			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Operating lease income	708	309	708	309	-	-	-	-
Dividend income	1	3	1	3	1	3	1	3
Other income	265	186	265	186	682	620	682	620
<b>Total other income</b>	<b>974</b>	<b>498</b>	<b>974</b>	<b>498</b>	<b>683</b>	<b>623</b>	<b>683</b>	<b>623</b>
Insurance contracts:								
<i>Insurance revenue</i>	397	291	397	291	-	-	-	-
<i>Insurance expense</i>	(33)	(45)	(33)	(45)	-	-	-	-
<i>Financing</i>	(6)	144	(6)	144	-	-	-	-
Reinsurance contracts:								
<i>Net income / (expenses)</i>	(83)	(58)	(83)	(58)	-	-	-	-
<i>Financing</i>	15	42	15	42	-	-	-	-
<b>Net insurance result</b>	<b>290</b>	<b>374</b>	<b>290</b>	<b>374</b>	-	-	-	-
Supervisory fees	(595)	(495)	(595)	(495)	(576)	(480)	(576)	(480)
Depreciation of assets under operating lease	(757)	(262)	(757)	(262)	-	-	-	-
Other expenses	(938)	(1,080)	(938)	(1,080)	(630)	(828)	(630)	(828)
<b>Total other expense</b>	<b>(2,290)</b>	<b>(1,837)</b>	<b>(2,290)</b>	<b>(1,837)</b>	<b>(1,206)</b>	<b>(1,308)</b>	<b>(1,206)</b>	<b>(1,308)</b>
<b>Total net other income / (expense)</b>	<b>(1,026)</b>	<b>(965)</b>	<b>(1,026)</b>	<b>(965)</b>	<b>(523)</b>	<b>(685)</b>	<b>(523)</b>	<b>(685)</b>

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

**NOTE 9. STAFF COSTS**

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

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Remuneration:								
- management	(646)	(1,447)	(646)	(1,447)	(498)	(1,260)	(498)	(1,260)
- other personnel	(13,748)	(13,410)	(13,748)	(13,410)	(11,570)	(11,162)	(11,570)	(11,162)
<b>Total remuneration for work</b>	<b>(14,394)</b>	<b>(14,857)</b>	<b>(14,394)</b>	<b>(14,857)</b>	<b>(12,068)</b>	<b>(12,422)</b>	<b>(12,068)</b>	<b>(12,422)</b>
Social security and solidarity tax contributions:								
- management	(176)	(257)	(176)	(257)	(142)	(219)	(142)	(219)
- other personnel	(2,680)	(2,626)	(2,680)	(2,626)	(2,232)	(2,174)	(2,232)	(2,174)
<b>Total social security and solidarity tax contributions</b>	<b>(2,856)</b>	<b>(2,883)</b>	<b>(2,856)</b>	<b>(2,883)</b>	<b>(2,374)</b>	<b>(2,393)</b>	<b>(2,374)</b>	<b>(2,393)</b>
<b>Other personnel expense, net of insurance acquisition cash flow adjustment</b>	<b>(296)</b>	<b>(238)</b>	<b>(296)</b>	<b>(238)</b>	<b>(296)</b>	<b>(243)</b>	<b>(296)</b>	<b>(243)</b>
<b>Total personnel expense</b>	<b>(17,546)</b>	<b>(17,978)</b>	<b>(17,546)</b>	<b>(17,978)</b>	<b>(14,738)</b>	<b>(15,058)</b>	<b>(14,738)</b>	<b>(15,058)</b>

**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. As of period end the Group and the Bank has a compulsory non-share-based deferred remuneration commitment (including related social security and solidarity tax contributions) to its employees in the amount of EUR 869 thousand and EUR 690 thousand which will become payable in the subsequent year, if certain conditions are met (2025: EUR 778 thousand and EUR 627 thousand).

**Share-based long-term incentive plans**

Citadele has several share-based long-term incentive plans for its employees. To qualify for the share options (vesting requirement), among other conditions the participant in most cases is required to remain employed until the end of the respective deferral period. The personnel options were issued in line with the meaning of the Latvian Commercial Law. Each option has the following parameters: registered share with the nominal value of EUR 1 (one euro); convertible to the ordinary shares of Citadele (all Citadele's ordinary shares have equal voting rights, equal rights to dividend and equal liquidation quota), an exercise price of null euros, vesting dates are predetermined. Clawback and malus provisions apply in the event of a material misstatement, an act of gross misconduct or an error in the assessment of performance targets. For options granted performance is measured over a pre-agreed period ranging from three-years to five-years. The expense is recognised as the service is rendered. At the end of the performance measurement period, the Remuneration Committee of the Supervisory Board has absolute discretion to determine the extent to which the awards will vest, if at all, on account of underlying Group, individual and share price performance. The Remuneration Committee of the Supervisory Board may, in its absolute discretion, adjust upwards or downwards and including to nil the number of options which would otherwise vest. In accordance of the rules of the respective program, delivery is immediately, in one years or in two years after vesting. Performance targets relate to both financial and non-financial measures linked to the long-term business strategy of the Group, including but not limited to: Group net income, return on capital, and strategic objectives of the Group.

**Number of full-time equivalent employees at the period end**

	31/03/2026	31/12/2025	31/03/2026	31/12/2025
	Group	Group	Bank	Bank
Continuing operations	1,308	1,281	1,100	1,077
<b>Total full-time equivalent employees</b>	<b>1,308</b>	<b>1,281</b>	<b>1,100</b>	<b>1,077</b>

**NOTE 10. OTHER OPERATING EXPENSES**

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Information technologies and communications	(2,753)	(2,239)	(2,753)	(2,239)	(2,489)	(1,957)	(2,489)	(1,957)
Consulting and other services	(1,679)	(1,057)	(1,679)	(1,057)	(1,577)	(988)	(1,577)	(988)
Advertising and marketing	(733)	(436)	(733)	(436)	(664)	(399)	(664)	(399)
Non-refundable value added tax	(928)	(674)	(928)	(674)	(880)	(633)	(880)	(633)
Rent, premises and real estate	(601)	(658)	(601)	(658)	(567)	(619)	(567)	(619)
Other	(760)	(487)	(760)	(487)	(569)	(400)	(569)	(400)
<b>Total other expenses</b>	<b>(7,454)</b>	<b>(5,551)</b>	<b>(7,454)</b>	<b>(5,551)</b>	<b>(6,746)</b>	<b>(4,996)</b>	<b>(6,746)</b>	<b>(4,996)</b>

**NOTE 11. NET CREDIT LOSSES**

Total net impairment allowance charged to the income statement

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Loans to credit institutions	-	-	-	-	-	12	-	12
Debt securities	(41)	(9)	(41)	(9)	(42)	(10)	(42)	(10)
Loans to public	(4,148)	(1,392)	(4,148)	(1,392)	(4,056)	(759)	(4,056)	(759)
Loan commitments, guarantees and letters of credit	284	306	284	306	251	350	251	350
Recovered written-off assets	1,469	568	1,469	568	1,453	551	1,453	551
<b>Total net losses on financial instruments</b>	<b>(2,436)</b>	<b>(527)</b>	<b>(2,436)</b>	<b>(527)</b>	<b>(2,394)</b>	<b>144</b>	<b>(2,394)</b>	<b>144</b>

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.

**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						Closing balance 31/03/2026
	Opening balance 01/01/2026	Charged to statement of income			Write-offs of allowances	Other adjustments	
		Origination	Repayment	Credit risk, net			
<b>Stage 1</b>							
Loans to credit institutions	-	-	-	-	-	-	-
Debt securities	324	5	-	36	-	-	365
Loans to public	40,938	3,488	(1,375)	(4,111)	-	9	38,949
Loan commitments, guarantees and letters of credit	1,836	321	(210)	(329)	-	-	1,618
<b>Total stage 1 credit losses and provisions</b>	<b>43,098</b>	<b>3,814</b>	<b>(1,585)</b>	<b>(4,404)</b>	<b>-</b>	<b>9</b>	<b>40,932</b>
<b>Stage 2</b>							
Loans to public	8,307	142	(302)	511	(32)	(6)	8,620
Loan commitments, guarantees and letters of credit	63	8	(10)	(22)	-	-	39
<b>Total stage 2 credit losses and provisions</b>	<b>8,370</b>	<b>150</b>	<b>(312)</b>	<b>489</b>	<b>(32)</b>	<b>(6)</b>	<b>8,659</b>
<b>Stage 3</b>							
Loans to public	31,529	-	(1,697)	7,316	(2,197)	4	34,955
Loan commitments, guarantees and letters of credit	442	-	(67)	25	-	-	400
<b>Total stage 3 credit losses and provisions</b>	<b>31,971</b>	<b>-</b>	<b>(1,764)</b>	<b>7,341</b>	<b>(2,197)</b>	<b>4</b>	<b>35,355</b>
<b>POCI</b>							
Loans to public	529	-	(3)	179	-	3	708
<b>Total POCI credit losses and provisions</b>	<b>529</b>	<b>-</b>	<b>(3)</b>	<b>179</b>	<b>-</b>	<b>3</b>	<b>708</b>
<b>Total allowances for credit losses and provisions</b>	<b>83,968</b>	<b>3,964</b>	<b>(3,664)</b>	<b>3,605</b>	<b>(2,229)</b>	<b>10</b>	<b>85,654</b>
<i>Including for debt securities classified at fair value through other comprehensive income</i>	19						21

Total Group's provisions of EUR 3,532 thousand (2025: EUR 3,816 thousand) as of the period end comprise of ECL allowances for loan commitments, guarantees and letters of credit of EUR 2,057 thousand (2025: EUR 2,341 thousand) and other non-ECL provisions of EUR 1,475 thousand (2025: 1,475). Total Bank's provisions of EUR 3,476 thousand (2025: EUR 3,727 thousand) as of the period end comprise EUR 2,001 thousand (2025: EUR 2,252 thousand) for loan commitments, guarantees and letters of credit and EUR 1,475 thousand (2025: EUR 1,475) for other non-ECL provisions.

## Group, EUR thousands

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

## Bank, EUR thousands

	Opening balance 01/01/2026	Charged to statement of income			Write-offs of allowances	Other adjustments	Closing balance 31/03/2026
		Origination	Repayment	Credit risk, net			
<b>Stage 1</b>							
Loans to credit institutions	-	-	-	-	-	-	-
Debt securities	302	5	-	37	-	-	344
Loans to public	28,958	1,994	(1,033)	(2,187)	-	2	27,734
Loan commitments, guarantees and letters of credit	1,756	213	(189)	(205)	-	-	1,575
<b>Total stage 1 credit losses and provisions</b>	<b>31,016</b>	<b>2,212</b>	<b>(1,222)</b>	<b>(2,355)</b>	-	<b>2</b>	<b>29,653</b>
<b>Stage 2</b>							
Loans to public	4,513	70	(197)	316	-	(3)	4,699
Loan commitments, guarantees and letters of credit	59	8	(10)	(21)	-	-	36
<b>Total stage 2 credit losses and provisions</b>	<b>4,572</b>	<b>78</b>	<b>(207)</b>	<b>295</b>	-	<b>(3)</b>	<b>4,735</b>
<b>Stage 3</b>							
Loans to public	21,461	-	(791)	5,884	(2,176)	1	24,379
Loan commitments, guarantees and letters of credit	437	-	(48)	1	-	-	390
<b>Total stage 3 credit losses and provisions</b>	<b>21,898</b>	-	<b>(839)</b>	<b>5,885</b>	<b>(2,176)</b>	<b>1</b>	<b>24,769</b>
<b>Total allowances for credit losses and provisions</b>	<b>57,486</b>	<b>2,290</b>	<b>(2,268)</b>	<b>3,825</b>	<b>(2,176)</b>	-	<b>59,157</b>
<i>Including for debt securities classified at fair value through other comprehensive income</i>	13						17

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

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			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Stage 1	6,196	6,528	4,405	4,661
Stage 2	1	49	-	-
<b>Total impairment overlay</b>	<b>6,197</b>	<b>6,577</b>	<b>4,405</b>	<b>4,661</b>

The Group and the Bank has recognised an impairment overlays mainly to Stage 1 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.

## 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 3m 2026						
Loans to public	100,815	68,817	16,724	2,777	2,072	-
Financial commitments, guarantees and letters of credit	1,134	4,660	155	26	81	-
Transfers during 3m 2025						
Loans to public	70,076	48,568	10,155	1,311	1,105	974
Financial commitments, guarantees and letters of credit	1,652	2,738	133	20	491	40

**NOTE 12. TAXATION**

## Corporate income tax expense

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Current corporate income tax	(3,704)	(4,811)	(3,704)	(4,811)	(3,333)	(4,261)	(3,333)	(4,261)
Deferred income tax	(53)	(688)	(53)	(688)	(26)	(111)	(26)	(111)
<b>Total corporate income tax expense</b>	<b>(3,757)</b>	<b>(5,499)</b>	<b>(3,757)</b>	<b>(5,499)</b>	<b>(3,359)</b>	<b>(4,372)</b>	<b>(3,359)</b>	<b>(4,372)</b>
<b>Mortgage loan levy and bank tax</b>	-	(22)	-	(22)	-	(22)	-	(22)

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.

Solidarity Contributions Law is effective from 2025. 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 2026 a 18% tax advance rate applies (2025: 18%). On dividend disbursement in 2026 CIT is calculated based on proportion 22/78 which effectively is approximately 28% tax rate (2025: 22/78 which effectively is 28% tax rate). The calculated profit distribution tax payment is decreased by the already paid CIT advance.

Corporate income tax in Lithuania is calculated at 17% rate on taxable profits (2025: 16%), 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			
	31/03/2026	31/12/2025	31/03/2026	31/12/2025
	Group	Group	Bank	Bank
Current income tax assets	953	-	948	-
Deferred income tax assets	997	1,053	969	999
<b>Tax assets</b>	<b>1,950</b>	<b>1,053</b>	<b>1,917</b>	<b>999</b>
Current income tax liabilities	(3,776)	(13,879)	(2,209)	(12,392)
Deferred income tax liabilities	(2,450)	(2,450)	-	-
<b>Tax liabilities</b>	<b>(6,226)</b>	<b>(16,329)</b>	<b>(2,209)</b>	<b>(12,392)</b>
<b>Mortgage loan levy and bank tax</b>	-	-	-	-

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

	EUR thousands			
	3m 2026 Group	3m 2025 Group	3m 2026 Bank	3m 2025 Bank
As at the beginning of the period	(1,397)	1,636	999	1,572
Charge to statement of income	(53)	(688)	(26)	(111)
Securities fair value revaluation reserve	(3)	(201)	(4)	(201)
<b>Net deferred income tax asset at the period end</b>	<b>(1,453)</b>	<b>747</b>	<b>969</b>	<b>1,260</b>

	Group, EUR thousands			
	Opening balance 01/01/2026	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/03/2026
Securities fair value revaluation reserve	530	-	(3)	527
Deferred income and accrued expense	523	(53)	-	470
Expected distribution of retained earnings	(2,450)	-	-	(2,450)
<b>Deferred income tax assets, net</b>	<b>(1,397)</b>	<b>(53)</b>	<b>(3)</b>	<b>(1,453)</b>

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

	Bank, EUR thousands			
	Opening balance 01/01/2026	Recognised in statement of income	Recognised in statement of OCI	Closing balance 31/03/2026
Securities fair value revaluation reserve	531	-	(4)	527
Deferred income and accrued expense	468	(26)	-	442
<b>Deferred income tax assets, net</b>	<b>999</b>	<b>(26)</b>	<b>(4)</b>	<b>969</b>

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

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

	EUR thousands			
	3m 2026 Group	3m 2025 Group	3m 2026 Bank	3m 2025 Bank
Profit before corporate income tax from continuous operations before non-current assets held for sale	22,753	27,223	17,496	22,290
<b>Corporate income tax (at 20%)</b>	<b>4,551</b>	<b>5,445</b>	<b>3,499</b>	<b>4,458</b>
Undistributed earnings taxable on distribution	(680)	(721)	-	(229)
Non-taxable income and impact from bank tax expense	(204)	(52)	(197)	(34)
Effect of tax rates in foreign jurisdictions	(68)	(56)	(21)	10
Non-deductible expense	45	173	33	143
Expected distribution of retained earnings within the Group	-	548	-	-
Other tax differences, net*	113	162	45	24
<b>Total effective corporate income tax from continuous operations</b>	<b>3,757</b>	<b>5,499</b>	<b>3,359</b>	<b>4,372</b>

Other tax differences include eligible loss on discontinued operations and non-current assets held for sale of EUR 0 thousand for the Bank and the Group (2025: EUR -51 thousand). Expected distribution of retained earnings within the Group represents expense on deferred tax liability recognition for medium term future tax payments on intragroup dividends.

**NOTE 13. DEBT SECURITIES**

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

	Group, EUR thousands							
	31/03/2026				31/12/2025			
	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	5,781	63,566	1,765	71,112	5,702	62,187	1,786	69,675
AA/Aa	10,127	55,557	568	66,252	9,948	67,380	573	77,901
A	58,997	621,155	198,479	878,631	69,355	589,409	201,745	860,509
BBB/Baa	3,448	13,498	-	16,946	3,477	13,459	-	16,936
Lower ratings or unrated	-	16,102	-	16,102	-	15,882	-	15,882
<b>Total debt securities</b>	<b>78,353</b>	<b>769,878</b>	<b>200,812</b>	<b>1,049,043</b>	<b>88,482</b>	<b>748,317</b>	<b>204,104</b>	<b>1,040,903</b>
<i>Including general government</i>	<i>63,045</i>	<i>614,760</i>	<i>199,047</i>	<i>876,852</i>	<i>72,324</i>	<i>586,427</i>	<i>202,317</i>	<i>861,068</i>
<i>Including credit institutions</i>	<i>3,115</i>	<i>48,876</i>	<i>-</i>	<i>51,991</i>	<i>3,109</i>	<i>47,861</i>	<i>-</i>	<i>50,970</i>
<i>Including classified in stage 1</i>	<i>78,353</i>	<i>769,878</i>	<i>n/a</i>	<i>n/a</i>	<i>88,482</i>	<i>748,317</i>	<i>n/a</i>	<i>n/a</i>

	Bank, EUR thousands							
	31/03/2026				31/12/2025			
	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total	At fair value through other comprehensive income	At amortised cost	Designated at fair value through profit or loss, non-trading	Total
Investment grade:								
AAA/Aaa	5,781	58,159	-	63,940	5,702	57,827	-	63,529
AA/Aa	10,127	54,540	-	64,667	9,948	66,370	-	76,318
A	51,270	614,518	193,706	859,494	59,428	582,789	196,950	839,167
BBB/Baa	-	11,487	-	11,487	-	11,450	-	11,450
Lower ratings or unrated	-	14,583	-	14,583	-	14,364	-	14,364
<b>Total debt securities</b>	<b>67,178</b>	<b>753,287</b>	<b>193,706</b>	<b>1,014,171</b>	<b>75,078</b>	<b>732,800</b>	<b>196,950</b>	<b>1,004,828</b>
<i>Including general government</i>	<i>59,674</i>	<i>612,037</i>	<i>193,706</i>	<i>865,417</i>	<i>67,663</i>	<i>583,704</i>	<i>196,950</i>	<i>848,317</i>
<i>Including credit institutions</i>	<i>-</i>	<i>47,850</i>	<i>-</i>	<i>47,850</i>	<i>-</i>	<i>47,861</i>	<i>-</i>	<i>47,861</i>
<i>Including classified in stage 1</i>	<i>67,178</i>	<i>753,287</i>	<i>n/a</i>	<i>n/a</i>	<i>75,078</i>	<i>732,800</i>	<i>n/a</i>	<i>n/a</i>

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					
	31/03/2026			31/12/2025		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	373,281	18,230	391,511	378,028	18,050	396,078
Latvia	380,845	4,462	385,307	355,838	4,392	360,230
Estonia	81,374	28,271	109,645	81,336	27,306	108,642
Germany	-	38,578	38,578	-	45,175	45,175
United States	8,404	19,939	28,343	12,469	21,580	34,049
Canada	2,231	14,509	16,740	2,160	15,361	17,521
Slovakia	17,832	2,790	20,622	17,823	2,778	20,601
Austria	-	6,652	6,652	-	6,652	6,652
Czech Republic	4,934	1,255	6,189	4,922	1,255	6,177
Poland	-	4,386	4,386	506	4,370	4,876
Other countries	7,951	7,696	15,647	7,986	7,623	15,609
Multilateral development banks and international organisations	-	25,423	25,423	-	25,293	25,293
<b>Total debt securities</b>	<b>876,852</b>	<b>172,191</b>	<b>1,049,043</b>	<b>861,068</b>	<b>179,835</b>	<b>1,040,903</b>

	Bank, EUR thousands					
	31/03/2026			31/12/2025		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Lithuania	372,790	17,072	389,862	376,739	16,898	393,637
Latvia	376,143	2,945	379,088	351,146	2,874	354,020
Estonia	81,374	26,816	108,190	81,336	26,880	108,216
Germany	-	37,043	37,043	-	43,641	43,641
United States	8,404	14,454	22,858	12,469	15,197	27,666
Canada	2,231	14,509	16,740	2,160	15,361	17,521
Slovakia	17,431	2,287	19,718	17,424	2,268	19,692
Austria	-	6,652	6,652	-	6,652	6,652
Czech Republic	4,934	-	4,934	4,922	-	4,922
Poland	-	3,019	3,019	-	3,011	3,011
Other countries	2,110	4,680	6,790	2,121	4,583	6,704
Multilateral development banks and international organisations	-	19,277	19,277	-	19,146	19,146
<b>Total debt securities</b>	<b>865,417</b>	<b>148,754</b>	<b>1,014,171</b>	<b>848,317</b>	<b>156,511</b>	<b>1,004,828</b>

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						
31/03/2026						
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
<b>Loans to public</b>						
Not past due	3,544,331	232,200	33,472	602	(55,019)	3,755,586
Past due <=30 days	7,659	16,598	2,403	-	(4,962)	21,698
Past due >30 and <=90 days	-	8,721	4,801	-	(4,353)	9,169
Past due >90 days	-	-	31,761	953	(18,898)	13,816
<b>Total loans to public</b>	<b>3,551,990</b>	<b>257,519</b>	<b>72,437</b>	<b>1,555</b>	<b>(83,232)</b>	<b>3,800,269</b>
<i>including credit impaired</i>			72,437	953	(35,660)	37,730
Guarantees and letters of credit	100,300	630	74	-	(466)	100,538
Financial commitments	362,167	8,430	892	-	(1,591)	369,898
<b>Total credit exposure to public</b>	<b>4,014,457</b>	<b>266,579</b>	<b>73,403</b>	<b>1,555</b>	<b>(85,289)</b>	<b>4,270,705</b>

Group, EUR thousands						
31/12/2025						
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
<b>Loans to public</b>						
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
<b>Total loans to public</b>	<b>3,522,227</b>	<b>257,100</b>	<b>64,155</b>	<b>2,027</b>	<b>(81,303)</b>	<b>3,764,206</b>
<i>including credit impaired</i>			64,155	954	(32,057)	33,052
Guarantees and letters of credit	101,908	526	33	-	(553)	101,914
Financial commitments	381,017	12,373	691	-	(1,788)	392,293
<b>Total credit exposure to public</b>	<b>4,005,152</b>	<b>269,999</b>	<b>64,879</b>	<b>2,027</b>	<b>(83,644)</b>	<b>4,258,413</b>

Bank, EUR thousands						
31/03/2026						
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
<b>Loans to public</b>						
Not past due	3,584,719	96,381	17,389	-	(36,142)	3,662,347
Past due <=30 days	6,363	6,954	1,457	-	(3,538)	11,236
Past due >30 and <=90 days	-	3,332	1,806	-	(2,566)	2,572
Past due >90 days	-	-	22,006	-	(14,566)	7,440
<b>Total loans to public</b>	<b>3,591,082</b>	<b>106,667</b>	<b>42,658</b>	<b>-</b>	<b>(56,812)</b>	<b>3,683,595</b>
Guarantees and letters of credit	100,300	630	74	-	(466)	100,538
Financial commitments	363,213	6,569	645	-	(1,535)	368,892
<b>Total credit exposure to public</b>	<b>4,054,595</b>	<b>113,866</b>	<b>43,377</b>	<b>-</b>	<b>(58,813)</b>	<b>4,153,025</b>

	Bank, EUR thousands				
	31/12/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
Stage 1	Stage 2	Stage 3			
<b>Loans to public</b>					
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
<b>Total loans to public</b>	<b>3,575,580</b>	<b>100,708</b>	<b>34,106</b>	<b>(54,932)</b>	<b>3,655,462</b>
Guarantees and letters of credit	101,908	526	33	(553)	101,914
Financial commitments	370,506	9,575	540	(1,699)	378,922
<b>Total credit exposure to public</b>	<b>4,047,994</b>	<b>110,809</b>	<b>34,679</b>	<b>(57,184)</b>	<b>4,136,298</b>

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

	31/03/2026	31/12/2025	31/03/2026	31/12/2025
	Group	Group	Bank	Bank
<b>Non-performing* gross loans ratio</b>	<b>1.9%</b>	<b>1.7%</b>	<b>1.1%</b>	<b>0.9%</b>
<b>Non-performing* net loans ratio</b>	<b>1.0%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.3%</b>
<b>Non-performing* loan impairment ratio</b>	<b>49%</b>	<b>49%</b>	<b>57%</b>	<b>63%</b>

\* 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				
	31/03/2026				
	Expected credit loss allowance				Total
Stage 1	Stage 2	Stage 3	POCI		
Financial and non-financial corporations	(17,135)	(4,106)	(23,172)	(631)	(45,044)
Households	(21,668)	(4,513)	(11,783)	(77)	(38,041)
General government	(146)	(1)	-	-	(147)
<b>Expected credit loss allowance</b>	<b>(38,949)</b>	<b>(8,620)</b>	<b>(34,955)</b>	<b>(708)</b>	<b>(83,232)</b>

	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)
<b>Expected credit loss allowance</b>	<b>(40,938)</b>	<b>(8,307)</b>	<b>(31,529)</b>	<b>(529)</b>	<b>(81,303)</b>

	Bank, EUR thousands			
	31/03/2026			
	Expected credit loss allowance			Total
Stage 1	Stage 2	Stage 3		
Financial and non-financial corporations	(10,019)	(1,477)	(15,074)	(26,570)
Households	(17,713)	(3,221)	(9,305)	(30,239)
General government	(2)	(1)	-	(3)
<b>Expected credit loss allowance</b>	<b>(27,734)</b>	<b>(4,699)</b>	<b>(24,379)</b>	<b>(56,812)</b>

	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)
<b>Expected credit loss allowance</b>	<b>(28,958)</b>	<b>(4,513)</b>	<b>(21,461)</b>	<b>(54,932)</b>

## Loans to public by customer profile and impairment stage

	Group, EUR thousands					
	31/03/2026					
	Gross amount				Expected credit loss allowance	Net carrying amount
Stage 1	Stage 2	Stage 3	POCI			
<b>Financial and non-financial corporations</b>						
Real estate purchase and management	480,067	13,470	2,077	-	(4,613)	491,001
Manufacturing	264,022	19,695	7,866	861	(6,159)	286,285
Trade	218,953	24,379	6,563	2	(5,971)	243,926
Transport and communications	183,045	25,516	3,363	80	(3,301)	208,703
Agriculture and forestry	151,351	35,300	22,860	1	(14,340)	195,172
Electricity, gas and water supply	127,495	22,008	5,905	-	(2,418)	152,990
Construction	143,022	16,692	3,555	2	(3,803)	159,468
Financial intermediation	27,943	1,008	22	-	(421)	28,552
Hotels, restaurants	17,025	5,649	343	1	(453)	22,565
Other industries	196,640	16,623	2,135	453	(3,565)	212,286
<b>Total financial and non-financial corporations</b>	<b>1,809,563</b>	<b>180,340</b>	<b>54,689</b>	<b>1,400</b>	<b>(45,044)</b>	<b>2,000,948</b>
<b>Households</b>						
Mortgage loans	966,443	25,468	7,555	94	(15,294)	984,266
Finance leases	434,822	30,301	4,323	51	(6,596)	462,901
Credit for consumption	260,555	15,292	3,760	-	(11,135)	268,472
Card lending	56,939	4,160	812	-	(3,666)	58,245
Other lending	7,185	1,836	1,298	10	(1,350)	8,979
<b>Total households</b>	<b>1,725,944</b>	<b>77,057</b>	<b>17,748</b>	<b>155</b>	<b>(38,041)</b>	<b>1,782,863</b>
<b>General government</b>	<b>16,483</b>	<b>122</b>	<b>-</b>	<b>-</b>	<b>(147)</b>	<b>16,458</b>
<b>Total loans to public</b>	<b>3,551,990</b>	<b>257,519</b>	<b>72,437</b>	<b>1,555</b>	<b>(83,232)</b>	<b>3,800,269</b>

	Group, EUR thousands					
	31/12/2025					
	Gross amount				Expected credit loss allowance	Net carrying amount
Stage 1	Stage 2	Stage 3	POCI			
<b>Financial and non-financial corporations</b>						
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
<b>Total financial and non-financial corporations</b>	<b>1,811,270</b>	<b>181,664</b>	<b>48,843</b>	<b>1,870</b>	<b>(42,739)</b>	<b>2,000,908</b>
<b>Households</b>						
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
<b>Total households</b>	<b>1,693,173</b>	<b>75,097</b>	<b>15,312</b>	<b>157</b>	<b>(38,368)</b>	<b>1,745,371</b>
<b>General government</b>	<b>17,784</b>	<b>339</b>	<b>-</b>	<b>-</b>	<b>(196)</b>	<b>17,927</b>
<b>Total loans to public</b>	<b>3,522,227</b>	<b>257,100</b>	<b>64,155</b>	<b>2,027</b>	<b>(81,303)</b>	<b>3,764,206</b>

Bank, EUR thousands					
31/03/2026					
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
<b>Financial and non-financial corporations</b>					
Real estate purchase and management	455,995	10,213	1,779	(4,165)	463,822
Manufacturing	156,076	4,459	2,233	(2,726)	160,042
Trade	74,716	6,798	2,727	(3,286)	80,955
Transport and communications	14,041	1,483	445	(758)	15,211
Agriculture and forestry	56,419	14,003	15,288	(9,480)	76,230
Electricity, gas and water supply	109,193	20,433	5,759	(2,191)	133,194
Construction	34,543	2,220	1,298	(1,813)	36,248
Financial intermediation	1,393,599	131	-	(1,128)	1,392,602
Hotels, restaurants	5,773	3,932	275	(274)	9,706
Other industries	35,285	692	255	(749)	35,483
<b>Total financial and non-financial corporations</b>	<b>2,335,640</b>	<b>64,364</b>	<b>30,059</b>	<b>(26,570)</b>	<b>2,403,493</b>
<b>Households</b>					
Mortgage loans	965,734	25,143	7,555	(15,225)	983,207
Credit for consumption	225,409	11,232	2,978	(10,047)	229,572
Card lending	56,939	4,160	812	(3,666)	58,245
Other lending	3,677	1,690	1,254	(1,301)	5,320
<b>Total households</b>	<b>1,251,759</b>	<b>42,225</b>	<b>12,599</b>	<b>(30,239)</b>	<b>1,276,344</b>
<b>General government</b>	<b>3,683</b>	<b>78.00</b>	<b>-</b>	<b>(3)</b>	<b>3,758</b>
<b>Total loans to public</b>	<b>3,591,082</b>	<b>106,667</b>	<b>42,658</b>	<b>(56,812)</b>	<b>3,683,595</b>

Bank, EUR thousands					
31/12/2025					
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
<b>Financial and non-financial corporations</b>					
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	151.00	-	(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
<b>Total financial and non-financial corporations</b>	<b>2,340,845</b>	<b>62,749</b>	<b>23,241</b>	<b>(24,301)</b>	<b>2,402,534</b>
<b>Households</b>					
Mortgage loans	945,307	25,881	6,531	(16,325)	961,394
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
<b>Total households</b>	<b>1,230,516</b>	<b>37,959</b>	<b>10,865</b>	<b>(30,628)</b>	<b>1,248,712</b>
<b>General government</b>	<b>4,219</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>4,216</b>
<b>Total loans to public</b>	<b>3,575,580</b>	<b>100,708</b>	<b>34,106</b>	<b>(54,932)</b>	<b>3,655,462</b>

**NOTE 15. EQUITY AND OTHER FINANCIAL INSTRUMENTS**

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

	Group, EUR thousands							
	31/03/2026				31/12/2025			
	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	20,831	248	-	21,079	21,999	284	-	22,283
Financial assets at fair value through other comprehensive income	-	122	21	143	-	122	21	143
<b>Total non-fixed income securities, net</b>	<b>20,831</b>	<b>370</b>	<b>21</b>	<b>21,222</b>	<b>21,999</b>	<b>406</b>	<b>21</b>	<b>22,426</b>
<i>Including unit-linked insurance plan assets</i>	12,355	-	-	12,355	13,235	-	-	13,235
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management</i>	12,897	-	-	12,897	13,845	-	-	13,845
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management and which relate to unit-linked contracts</i>	10,039	-	-	10,039	10,776	-	-	10,776

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

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

	Bank, EUR thousands							
	31/03/2026				31/12/2025			
	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	-	248	-	248	-	284	-	284
Financial assets at fair value through other comprehensive income	-	122	21	143	-	122	21	143
<b>Total non-fixed income securities, net</b>	<b>-</b>	<b>370</b>	<b>21</b>	<b>391</b>	<b>-</b>	<b>406</b>	<b>21</b>	<b>427</b>
<i>Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management</i>	-	-	-	-	-	-	-	-

**NOTE 16. INVESTMENTS IN RELATED ENTITIES**

Changes in investments in related entities of the Bank

	EUR thousands	
	3m 2026	3m 2025
<b>Balance at the beginning of the period, net</b>	<b>52,969</b>	<b>48,759</b>
Change in impairment allowance	380	-
<b>Balance at the end of the period, net</b>	<b>53,349</b>	<b>48,759</b>
Gross investment in subsidiaries	60,598	60,598

Changes in investments in related entities

In July 2025 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*), was sold.

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 13.9% and includes allocated charges for all banking risks inherent in the business model of the factoring (2025: 13.4%). Other key inputs of the model are 14.3% (2025: 13.9%) discount rate and future profitability of the operations of the entity.

Carrying value of the investment in AS CBL Atklātais Pensiju Fonds is derived from future profitability and expected free equity distributable to the only shareholders. The model has no other key inputs which would significantly affect the valuation.

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	
							31/03/2026	31/12/2025
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	14,438	14,058
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	1,208
AS CBL Atklātais Pensiju Fonds	40003397312	Latvia	PFO	MS	100	100	-	-
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	-	-
<b>Total net investments in subsidiaries and associated entities</b>							<b>53,349</b>	<b>52,969</b>

\*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. Sales result was recognised in the statement of income. Reclassification of accumulated foreign exchange retranslation reserve was recognised in other comprehensive income.

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

	EUR thousands							
	Group				Bank			
	3m 2026	3m 2025	Q1 2026	Q1 2025	3m 2026	3m 2025	Q1 2026	Q1 2025
Net interest income	-	634	-	634	-	-	-	-
Net fee and commission income	-	1,182	-	1,182	-	-	-	-
Other operating income / (expense)	-	286	-	286	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	-	(3,069)	-	(3,069)	-	-	-	-
Net credit losses and other impairment losses	-	(43)	-	(43)	-	-	-	-
Impairment of non-financial assets and other provisions	-	(39)	-	(39)	-	-	-	-
Income tax	-	(21)	-	(21)	-	-	-	-
<b>Net result from discontinued operations</b>	-	<b>(1,070)</b>	-	<b>(1,070)</b>	-	-	-	-
Result from non-current assets held for sale	-	(255)	-	(255)	-	(256)	-	(256)
<b>Net result from non-current assets held for sale and discontinued operations</b>	-	<b>(1,325)</b>	-	<b>(1,325)</b>	-	<b>(256)</b>	-	<b>(256)</b>

### Cash flows from discontinued operations of the Group

	EUR thousands	
	3m 2026	3m 2025
Cash flows from operating activities	-	6,462
Cash flows from investing activities	-	1,650
Cash flows from financing activities	-	98
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	-	-
<b>Cash flows for the period</b>	-	<b>8,210</b>
Cash and cash equivalents at the beginning of the period	-	<b>11,986</b>
Cash and cash equivalents at the end of the period	-	<b>20,196</b>

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, 12m 2025, EUR thousands		
	Before the disposal	Impact of the disposal	After the disposal
<b>Total comprehensive income from discontinued operations</b>			
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			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Deposits and collateral accounts of credit institutions	4,946	2,599	4,946	2,599
Deposits and accounts of central banks	-	-	-	-
<b>Total deposits from credit institutions and central banks</b>	<b>4,946</b>	<b>2,599</b>	<b>4,946</b>	<b>2,599</b>

**NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS**

Deposits and borrowings by profile of the customer

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Households	2,180,852	2,162,409	2,149,886	2,127,698
Non-financial corporations	1,730,890	1,777,540	1,731,943	1,778,600
Financial corporations	279,511	290,287	315,392	324,675
General government	107,096	63,657	107,096	63,657
Other	14,727	10,308	14,727	10,307
<b>Total deposits from customers</b>	<b>4,313,076</b>	<b>4,304,201</b>	<b>4,319,044</b>	<b>4,304,937</b>

Deposits and borrowings from customers by contractual maturity

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Demand deposits	2,939,711	2,975,041	2,950,424	2,983,403
Saving accounts	253,720	230,094	255,738	232,088
Term deposits due within:				
less than 1 month	296,859	304,490	296,156	303,005
more than 1 month and less than 3 months	359,422	232,970	358,854	231,871
more than 3 months and less than 6 months	251,805	299,180	270,784	297,784
more than 6 months and less than 12 months	155,573	203,581	148,765	218,540
more than 1 year and less than 5 years	51,765	54,236	38,182	38,093
more than 5 years	4,221	4,609	141	153
Total term deposits	1,119,645	1,099,066	1,112,882	1,089,446
<b>Total deposits from customers</b>	<b>4,313,076</b>	<b>4,304,201</b>	<b>4,319,044</b>	<b>4,304,937</b>

Deposits and borrowings from customers by categories

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
At amortised cost	4,299,969	4,290,085	4,319,044	4,304,937
At fair value through profit or loss	13,107	14,116	-	-
<b>Total deposits from customers</b>	<b>4,313,076</b>	<b>4,304,201</b>	<b>4,319,044</b>	<b>4,304,937</b>
<i>Including unit-linked insurance plan liabilities</i>	<i>11,863</i>	<i>12,796</i>	<i>-</i>	<i>-</i>

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

**NOTE 20. DEBT SECURITIES ISSUED**

## Publicly listed debt securities

ISIN code of the issued bond	Eligibility	Currency	Interest rate, as of the period end	Initial maturity date	Principal, EUR thousands	Amortised cost, EUR thousands	
						31/03/2026	31/12/2025
XS3148256913	MREL eligible	EUR	3.875%	23/12/2029	300,000	301,776	298,697
XS3060301168	AT1 eligible	EUR	7.13%	n/a	50,000	49,921	49,874
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,599	40,104
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,598	20,186
						<b>412,894</b>	<b>408,861</b>

**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. These bonds are listed on Euronext Dublin. Proceeds from the issuance were used to repurchase a part of the share capital of AS Citadele banka which took place in January 2026.

EUR 40 million (LV0000880102) and EUR 20 million (LV0000803054) unsecured subordinated bonds have ten years initial maturity and issuer's optional early redemption rights. These bonds are listed on Nasdaq Riga.

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*.

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

ISIN code of the issued bond	Relevant 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	March 2026	482	173	10,860	54%	309	9,140	46%

**Change in debt securities**

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
<b>Opening balance</b>	<b>408,861</b>	<b>315,422</b>	<b>408,861</b>	<b>315,422</b>
Proceeds from issue of debt securities	-	347,329	-	347,329
Repayment of debt securities	-	(255,000)	-	(255,000)
Interest expense	4,949	12,380	4,949	12,380
Interest paid on debt securities issued	(916)	(11,270)	(916)	(11,270)
<b>Closing balance</b>	<b>412,894</b>	<b>408,861</b>	<b>412,894</b>	<b>408,861</b>

**NOTE 21. SHARE CAPITAL**

The Bank has one class dematerialised shares, i.e. recorded in the depository (Nasdaq CSD SE). As of the period end the Bank's total paid capital is EUR 159,224,758 (2025: EUR 159,224,758) and conditional capital is EUR 3,123,456 (2025: EUR 3,123,456). Subsequent to the period end in April 2026 conditional capital was increased to EUR 3,776,456. 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 19,000,912 (2025: EUR 47,160) 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 31 March 2026 a dividend of EUR 0.183 per share, which is EUR 25.7 million in total, was approved by the shareholders and on 27 April 2026 distributed to the shareholders. 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.

Citadele's dividend policy targets a payout of 50% of annual profit. In light of recent developments in the Middle East and the associated market uncertainty, a prudent approach was taken, resulting in a dividend payout ratio of 31.5%. Shareholders retain the flexibility to reassess this decision later in the year and may consider distributing the remaining EUR 15.1 million within the policy framework, subject to market conditions.

In January 2026 AS Citadele banka completed a one-time special buy-back 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 Buy-back. The total settlement amount reached EUR 49,999,997.80.

#### Shareholders of the Bank

	31/03/2026		31/12/2025	
	Paid-in share capital (EUR)	Total shares with voting rights	Paid-in share capital (EUR)	Total shares with voting rights
RA Citadele Holdings LLC <sup>1</sup>	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 <sup>3</sup>	10,404,591	10,404,591	17,635,133	17,635,133
Amolino Holdings Inc. <sup>4</sup>	7,959,336	7,959,336	13,490,578	13,490,578
Delan S.à.r.l. <sup>2</sup>	12,477,728	12,477,728	12,477,728	12,477,728
Shuco LLC <sup>5</sup>	5,804,437	5,804,437	9,838,158	9,838,158
Members of the Management Board of the Bank and parties related to them	1,069,640	1,069,640	1,041,415	1,041,415
Other shareholders	11,819,954	11,819,954	14,006,426	14,006,426
<b>Total</b>	<b>140,223,846</b>	<b>140,223,846</b>	<b>159,177,598</b>	<b>159,177,598</b>
Own shares	19,000,912		47,160	
<b>Total paid capital</b>	<b>159,224,758</b>		<b>159,224,758</b>	

<sup>1</sup> RA Citadele Holdings LLC (United States) is a wholly owned subsidiary of Ripplewood Advisors LLC and is beneficially owned by Mr Timothy Collins

<sup>2</sup> Delan S.à.r.l. is beneficially owned by the Baupost Group LLC

<sup>3</sup> EMS LB LLC is beneficially owned by Mr Edmond M. Safra

<sup>4</sup> Amolino Holdings Inc. is beneficially owned by Mr James L. Balsillie

<sup>5</sup> Shuco LLC is beneficially owned by Mr Stanley S. Shuman

#### Earnings per share

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

	3m 2026	3m 2025	3m 2026	3m 2025
	Group	Group	Bank	Bank
Profit for the period, EUR thousands	18,996	20,399	14,137	17,662
Weighted average number of the shares outstanding in thousands	149,701	158,813	149,701	158,813
<b>Basic earnings per share in EUR</b>	<b>0.13</b>	<b>0.13</b>	<b>0.09</b>	<b>0.11</b>
Weighted average number of the shares (basic) outstanding in thousands	149,701	158,813	149,701	158,813
Effect of share options in issue in thousands	1,352	1,146	1,352	1,146
<b>Weighted average number of the shares (diluted) outstanding during the period in thousands</b>	<b>151,053</b>	<b>159,959</b>	<b>151,053</b>	<b>159,959</b>
Profit for the period, EUR thousands	18,996	20,399	14,137	17,662
Weighted average number of the shares (diluted) outstanding in thousands	151,053	159,959	151,053	159,959
<b>Diluted earnings per share in EUR</b>	<b>0.13</b>	<b>0.14</b>	<b>0.09</b>	<b>0.11</b>
Net loss from discontinued operations (Note 17)	-	(1,070)	-	-
Profit for the period from continuing operations, EUR thousands	18,996	21,469	14,137	17,662
Basic earnings / (loss) per share in EUR	0.13	0.13	0.09	0.11
<i>from continuing operations</i>	0.13	0.14	0.09	0.11
<i>from discontinued operations</i>	-	(0.01)	-	-
Diluted earnings / (loss) per share in EUR	0.13	0.13	0.09	0.11
<i>from continuing operations</i>	0.13	0.13	0.09	0.11
<i>from discontinued operations</i>	-	(0.01)	-	-

**NOTE 22. OFF-BALANCE SHEET ITEMS**

## Contingent liabilities and financial commitments outstanding

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Contingent liabilities:				
Outstanding guarantees	100,964	102,304	100,964	102,304
Outstanding letters of credit	40	163	40	163
<b>Total contingent liabilities</b>	<b>101,004</b>	<b>102,467</b>	<b>101,004</b>	<b>102,467</b>
Provisions for credit risk	(466)	(553)	(466)	(553)
<b>Net credit risk exposure for guarantees and letters of credit</b>	<b>100,538</b>	<b>101,914</b>	<b>100,538</b>	<b>101,914</b>
Financial commitments:				
Unutilised credit lines and loans granted, not fully drawn down	176,579	180,596	244,890	251,784
Card commitments	112,215	113,569	112,242	113,596
Factoring commitments	69,400	84,675	-	-
Performance commitments (guarantees)	13,295	15,241	13,295	15,241
<b>Total financial commitments</b>	<b>371,489</b>	<b>394,081</b>	<b>370,427</b>	<b>380,621</b>
Provisions for financial commitments	(1,591)	(1,788)	(1,535)	(1,699)
<b>Net credit risk exposure for financial commitments</b>	<b>369,898</b>	<b>392,293</b>	<b>368,892</b>	<b>378,922</b>

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

**NOTE 23. ASSETS UNDER MANAGEMENT**

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

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Fixed income securities:				
Government bonds	137,466	131,254	-	-
Corporate bonds	118,617	126,305	-	-
Credit institution bonds	55,997	55,601	-	-
Other financial institution bonds	29,175	30,856	-	-
Loans	536	540	536	540
<b>Total investments in fixed income securities</b>	<b>341,791</b>	<b>344,556</b>	<b>536</b>	<b>540</b>
Other investments:				
Investment funds	890,542	838,454	-	-
Shares	99,258	140,464	-	-
Other	68,559	54,050	-	-
<b>Total other investments</b>	<b>1,058,359</b>	<b>1,032,968</b>	<b>-</b>	<b>-</b>
<b>Total assets under management</b>	<b>1,400,150</b>	<b>1,377,524</b>	<b>536</b>	<b>540</b>

## Customer profile on whose behalf the funds are managed

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Pension plans	1,099,125	1,071,515	-	-
Insurance companies, investment and pension funds	159,377	165,973	-	-
Private individuals	141,111	139,496	-	-
Other companies and government	536	540	536	540
<b>Total liabilities under management</b>	<b>1,400,149</b>	<b>1,377,524</b>	<b>536</b>	<b>540</b>

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

**NOTE 24. CASH AND CASH EQUIVALENTS**

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Cash and cash balances with central banks	434,391	511,451	434,391	511,451
Loans on demand to credit institutions (excluding encumbered)	4,662	4,663	3,245	3,265
Demand deposits from central banks and credit institutions	(4,796)	(2,599)	(4,796)	(2,599)
<b>Total cash and cash equivalents</b>	<b>434,257</b>	<b>513,515</b>	<b>432,840</b>	<b>512,117</b>

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

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

**Fair value hierarchy**

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

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

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

**Fair values of financial assets and liabilities of the Group on 31 March 2026**

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	78,353	78,353	78,353	-	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	200,812	200,812	193,515	7,297	-
Equity instruments	248	248	-	-	248
Other financial instruments	20,831	20,831	20,831	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	5,873	5,873	-	5,873	-
<i>Financial assets not measured at fair value:</i>					
Debt securities	769,878	726,470	680,413	45,064	993
Loans to public	3,800,269	3,814,672	-	-	3,814,672
<i>Financial liabilities measured at fair value:</i>					
Derivatives	2,138	2,138	-	2,138	-
Deposits and borrowings from customers	13,107	13,107	11,863	-	1,244
<i>Financial liabilities not measured at fair value:</i>					
Deposits from credit institutions and central banks	4,946	4,946	-	-	-
Deposits and borrowings from customers	4,299,969	4,300,885	-	-	4,300,885
Debt securities issued	412,894	411,851	300,363	111,488	-

## Fair values of financial assets and liabilities of the Group 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
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	88,482	88,482	88,369	113	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	204,104	204,104	196,790	7,314	-
Equity instruments	284	284	-	-	284
Other financial instruments	21,999	21,999	21,999	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	1,747	1,747	-	1,747	-
<i>Financial assets not measured at fair value:</i>					
Debt securities	748,317	707,955	648,505	59,450	-
Loans to public	3,764,206	3,782,448	-	-	3,782,448
<i>Financial liabilities measured at fair value:</i>					
Derivatives	2,767	2,767	-	2,767	-
Deposits and borrowings from customers	14,116	14,116	12,796	-	1,320
<i>Financial liabilities not measured at fair value:</i>					
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	-

## Fair values of financial assets and liabilities of the Bank on 31 March 2026

	Carrying value	Total fair value	Fair value hierarchy (where applicable)		
			Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	67,178	67,178	67,178	-	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	193,706	193,706	186,409	7,297	-
Equity instruments	248	248	-	-	248
Other financial instruments	-	-	-	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	5,873	5,873	-	5,873	-
<i>Financial assets not measured at fair value:</i>					
Cash and balances at central banks	434,391	434,391	-	-	-
Loans to credit institutions	4,610	4,610	-	-	-
Debt securities	753,287	710,168	666,650	42,525	993
Loans to public	3,683,595	3,697,998	-	-	3,697,998
<i>Financial liabilities measured at fair value:</i>					
Derivatives	2,138	2,138	-	2,138	-
<i>Financial liabilities not measured at fair value:</i>					
Deposits from credit institutions and central banks	4,946	4,946	-	-	-
Deposits and borrowings from customers	4,319,044	4,320,227	-	-	4,320,227
Debt securities issued	412,894	411,851	300,363	111,488	-

## 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
<i>Financial assets measured at fair value through other comprehensive income:</i>					
Debt securities	75,078	75,078	74,966	112	-
Equity instruments	143	143	-	-	143
<i>Non-trading financial assets at fair value through profit or loss:</i>					
Debt securities	196,950	196,950	189,637	7,313	-
Equity instruments	284	284	-	-	284
Other financial instruments	-	-	-	-	-
<i>Other financial assets at fair value through profit or loss</i>					
Derivatives	1,747	1,747	-	1,747	-
<i>Financial assets not measured at fair value:</i>					
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
<i>Financial liabilities measured at fair value:</i>					
Derivatives	2,767	2,767	-	2,767	-
<i>Financial liabilities not measured at fair value:</i>					
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	-

## Reclassifications in fair value hierarchy levels of debt securities accounted for at fair value

	EUR thousands			
	3m 2026 Group	3m 2025 Group	3m 2026 Bank	3m 2025 Bank
Debt securities at fair value through other comprehensive income				
Presented as Level 1, reclassified from Level 2	112	498	112	-
Presented as Level 2, reclassified from Level 1	-	931	-	-
Debt securities at fair value through profit or loss				
Presented as Level 1, reclassified from Level 2	-	-	-	-
Presented as Level 2, reclassified from Level 1	-	-	-	-

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

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

	EUR thousands			
	3m 2026 Group	3m 2025 Group	3m 2026 Bank	3m 2025 Bank
<b>As of the beginning of the period, net</b>	<b>427</b>	<b>1,239</b>	<b>427</b>	<b>1,239</b>
Conversion to Level 1 instruments	-	(893)	-	(893)
Revaluation gain recognised in statement of income	(36)	485	(36)	485
Revaluation gain recognised in other comprehensive income	-	4	-	4
<b>As of the end of the period, net</b>	<b>391</b>	<b>835</b>	<b>391</b>	<b>835</b>

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

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

	EUR thousands	
	3m 2026 Group	3m 2025 Group
<b>Balance as at the beginning of the period</b>	<b>1,320</b>	<b>1,697</b>
Premiums received	28	37
Commissions and risk charges	(2)	(3)
Paid to policyholders	(105)	(89)
Other	3	21
Currency revaluation result	-	-
<b>Balance as at the end of the period</b>	<b>1,244</b>	<b>1,663</b>

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 0 thousand in the net financial income line of the statement of income (2025: EUR -36 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

	3m 2026				3m 2025			
	EUR thousands			FTE equivalent employees at the period end	EUR thousands			FTE equivalent employees at the period end
Operating income	Operating profit before bank and income tax	Income and bank tax, mortgage loan levy	Operating income		Operating profit before tax	Income and bank tax, mortgage loan levy		
Latvia	31,549	10,395	(1,744)	930	34,141	17,317	(3,773)	954
Lithuania	14,059	8,721	(1,576)	260	13,031	5,385	(1,131)	252
Estonia	6,486	3,637	(437)	118	6,260	4,543	(617)	101
<b>Total continuing operations before non-current assets held for sale</b>	<b>52,094</b>	<b>22,753</b>	<b>(3,757)</b>	<b>1,308</b>	<b>53,432</b>	<b>27,245</b>	<b>(5,521)</b>	<b>1,307</b>
Latvia (result from non-current assets held for sale)	-	-	-	-	-	(255)	-	-
Switzerland (discontinued operations)	-	-	-	-	2,102	(1,049)	(21)	28
<b>Total operations</b>	<b>52,094</b>	<b>22,753</b>	<b>(3,757)</b>	<b>1,308</b>	<b>55,534</b>	<b>25,941</b>	<b>(5,542)</b>	<b>1,335</b>

During the reporting period no direct public subsidies were received from the public sector of the respective countries where the Group operates (2025: EUR 0.0 million). Regulation requires disclosure of total revenue, the operating income disclosed above is the total revenue of the Group.

**NOTE 27. RISK MANAGEMENT*****Risk management policies***

The Group considers risk management to be an essential component of its management process. The Group pursues prudent risk management that is aligned with its business ambitions and aims to achieve effective risk mitigation. To assess and monitor complex risk exposures, the Group applies a wide range of risk management tools in conjunction with risk committees. Members of the risk committees represent various operations of the Group to balance business and risk within the respective risk committees. Annually Group defines its Risk Appetite Framework which sets acceptable risk-taking limits across all relevant risk types, considering business goals, macroeconomic environment, identified material risk drives and regulatory setting. Risk appetite limits are cascaded to all risk management strategies and implemented operationally through detailed internal regulations.

The Group's risk management principles are set out in its Risk Management Policy. The Group adheres to the following key risk management principles:

- The Group aims to ensure that it maintains low overall risk exposure, diversified asset portfolio, limited risks in financial markets and low levels of operational risk;
- The Group aims to ensure an acceptable risk level in all operations. Risks are always assessed in relation to their expected return. Risk exposures that are not acceptable are avoided, limited or hedged;
- The Group does not assume high or uncontrollable risks irrespective of the return they provide and assumes risks only in economic fields and geographical regions in relation to which it believes it has sufficient knowledge and expertise;
- Risk management is based on each Group's employee's responsibility for the transactions carried out by him/her and awareness of the related risks and adequate control framework;
- Risk limit system and strict controls are essential risk management elements. Control over risk levels and compliance with the imposed limits is achieved by the existence of structured risk limit systems for all material risks.

The aim of the risk management in the Group is to facilitate the achievement of the Group's goals, sustainable growth, long-term financial stability and to protect the Group from unidentified risks. The Bank has appointed a Chief Risk Officer (CRO) who serves as a member of the Management Board. Importantly, the CRO's role is distinct and independent from operational activities to ensure unbiased risk oversight. To facilitate effective governance, the CRO maintains direct access to the Bank's Supervisory Board. The Risk Committee, which is subordinated to the Bank's Supervisory Board, has been established in the Bank. The main task of the Risk Committee is to provide support to the Bank's Supervisory Board in relation to the monitoring of the Group's risk management system. The Risk Committee established by the Bank's Supervisory Board provides recommendations to the Bank's Management Board regarding improvements of the risk management system. Risk management function 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, operational risk (including ICT and fraud), novelty risks (e.g. geopolitics), ML/TF/PF risks and Sanctions risk, compliance risk and environmental and climate-related risk. For each of these risks the Group has approved risk management policies and other internal regulations defining key risk management principles and processes, functions and responsibilities of units, risk concentration limits, as well as control and reporting system. The Bank's Supervisory Board approves risk management policies and ensures the control of efficiency of the risk management system. The Bank's Management Board and CRO ensure implementation of the risk management policies and development of internal regulations for the management of each material risk within the Group. In order to assess and monitor material and complex risk exposures, the Bank's Management Board establishes risk committees. Members of risk committees represent various units of the Group to ensure the balance between the units responsible for risk monitoring and control and the units with business orientation.

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

**Insurance reserves**

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Insurance reserves:				
Annuity pension products	24,886	22,192	-	-
Life insurance reserves for unit-linked products	2,499	2,376	-	-
Other life insurance reserves	883	843	-	-

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 -63/+63 thousands (2025: EUR -59/+59thousands). 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 +1.5/-1.7 million (2025: EUR +1.4/-1.6 million).

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

	Group as of 31/03/2026, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
<b>Assets</b>						
Cash and cash balances at central banks	384,536	47,257	2,598	-	-	434,391
Loans to credit institutions	1,417	-	-	3,071	1,539	6,027
Debt securities	385,308	391,511	109,644	112,226	50,354	1,049,043
Loans to public	1,527,075	1,546,939	723,368	595	2,292	3,800,269
Equity instruments	21	-	-	122	248	391
Other financial instruments	12,897	-	-	7,927	7	20,831
Derivatives	1,036	9	-	4,827	1	5,873
Other assets	70,296	11,997	3,655	70	71	86,089
<b>Total assets</b>	<b>2,382,586</b>	<b>1,997,713</b>	<b>839,265</b>	<b>128,838</b>	<b>54,512</b>	<b>5,402,914</b>
<b>Liabilities</b>						
Deposits from credit institutions and central banks	152	7	-	4,440	347	4,946
Deposits and borrowings from customers	3,256,767	931,447	61,989	20,378	42,495	4,313,076
Debt securities issued	412,894	-	-	-	-	412,894
Derivatives	548	29	-	1,558	3	2,138
Other liabilities	76,183	15,292	11,808	191	5	103,479
<b>Total liabilities</b>	<b>3,746,544</b>	<b>946,775</b>	<b>73,797</b>	<b>26,567</b>	<b>42,850</b>	<b>4,836,533</b>
<b>Off-balance sheet items</b>						
Contingent liabilities	4,780	77,909	16,681	1,594	40	101,004
Financial commitments	220,224	128,898	21,343	974	50	371,489

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 31/12/2025, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
<b>Assets</b>						
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
Other assets	60,959	10,899	5,008	35	3	76,904
<b>Total assets</b>	<b>2,436,376</b>	<b>1,960,331</b>	<b>828,212</b>	<b>138,537</b>	<b>61,280</b>	<b>5,424,736</b>
<b>Liabilities</b>						
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
Other liabilities	83,046	15,489	10,116	161	238	109,050
<b>Total liabilities</b>	<b>3,681,783</b>	<b>956,244</b>	<b>123,999</b>	<b>24,430</b>	<b>41,022</b>	<b>4,827,478</b>
<b>Off-balance sheet items</b>						
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

	Bank as of 31/03/2026, EUR thousands					Total
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	
<b>Assets</b>						
Cash and cash balances at central banks	384,536	47,257	2,598	-	-	434,391
Loans to credit institutions	-	-	-	3,071	1,539	4,610
Debt securities	379,087	389,862	108,190	94,795	42,237	1,014,171
Loans to public	2,391,604	915,497	373,953	325	2,216	3,683,595
Equity instruments	21	-	-	122	248	391
Other financial instruments	-	-	-	-	-	-
Derivatives	1,036	9	-	4827	1	5,873
Other assets	101,309	11,542	1,349	70	71	114,341
<b>Total assets</b>	<b>3,257,593</b>	<b>1,364,167</b>	<b>486,090</b>	<b>103,210</b>	<b>46,312</b>	<b>5,257,372</b>
<b>Liabilities</b>						
Deposits from credit institutions and central banks	152	7	-	4,440	347	4,946
Deposits and borrowings from customers	3,264,890	931,718	62,038	20,279	40,119	4,319,044
Debt securities issued	412,894	-	-	-	-	412,894
Derivatives	548	29	-	1,558	3	2,138
Other liabilities	31,954	7,270	1,868	100	5	41,197
<b>Total liabilities</b>	<b>3,710,438</b>	<b>939,024</b>	<b>63,906</b>	<b>26,377</b>	<b>40,474</b>	<b>4,780,219</b>
<b>Off-balance sheet items</b>						
Contingent liabilities	4,780	77,909	16,681	1,594	40	101,004
Financial commitments	238,932	112,946	18,286	213	50	370,427

	Bank as of 31/12/2025, EUR thousands					Total
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	
<b>Assets</b>						
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	-	1,249	5	1,747
Other assets	92,715	10,079	1,296	10	-	104,100
<b>Total assets</b>	<b>3,293,372</b>	<b>1,340,534</b>	<b>485,467</b>	<b>112,213</b>	<b>52,130</b>	<b>5,283,716</b>
<b>Liabilities</b>						
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
<b>Total liabilities</b>	<b>3,643,245</b>	<b>949,220</b>	<b>115,689</b>	<b>24,254</b>	<b>38,403</b>	<b>4,770,811</b>
<b>Off-balance sheet items</b>						
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

#### 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			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Liquidity buffer	1,320,323	1,385,183	1,320,323	1,385,183
Net liquidity outflow	690,536	764,882	727,720	786,831
<b>Liquidity coverage ratio</b>	<b>191%</b>	<b>181%</b>	<b>181%</b>	<b>176%</b>

**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 eligible part of the Q1 2026 interim profits is included, for the Group is 140% and for the Bank is 209%.

	EUR thousands			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Total available stable funding	4,154,961	4,153,057	4,075,265	4,088,983
Total required stable funding	2,957,363	2,940,393	1,946,919	1,944,257
<b>Net stable funding ratio</b>	<b>140%</b>	<b>141%</b>	<b>209%</b>	<b>210%</b>

**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 and amendments. 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. For credit risk Citadele applies standardised approach.

The regulations require credit institutions to maintain a minimum Total Capital adequacy ratio, minimum Common Equity Tier 1 capital ratio and minimum Tier 1 capital ratio. These include additional pillar 2 capital requirement which is re-assessed annually by the supervisory authority. 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. Pillar 2 additional own funds requirement is to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital.

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 met with Common Equity Tier 1 capital. For the Group and the Bank, the capital conservation buffer applies. Citadele is identified as "other systemically important institution" (O-SII), thus the Group must also comply with the O-SII capital buffer requirement set by the supervisory authority. Besides those Countercyclical capital buffer requirements for the Bank and the Group are calculated based on the actual risk exposure geographical distribution and the country specific countercyclical buffer rate. Increases in the countercyclical capital buffer requirement, when announced by the respective countries, become effective with a delay, but decreases take effect immediately.

The Pillar 2 Guidance (P2G) is a Citadele specific regulatory recommendation that indicates the level of capital that the supervisory authority expects banks to maintain in addition to their binding capital requirements and mandatory reserves. The P2G 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).

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

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

## Regulatory capital requirements

	Group					
	31/03/2026			31/12/2025		
	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%	1.35%	1.80%	2.40%
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%	1.25%	1.25%	1.25%
Systemic risk buffer	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Countercyclical capital buffer	1.08%	1.08%	1.08%	1.08%	1.08%	1.08%
<b>Capital requirement</b>	<b>10.75%</b>	<b>12.70%</b>	<b>15.30%</b>	<b>10.75%</b>	<b>12.70%</b>	<b>15.30%</b>
Pillar 2 Guidance (P2G)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<b>Capital requirement with non-legally binding Pillar 2 Guidance</b>	<b>12.25%</b>	<b>14.20%</b>	<b>16.80%</b>	<b>12.25%</b>	<b>14.20%</b>	<b>16.80%</b>

For the Bank as of period end Other systemically important institution buffer requirement is not applicable, Systemic risk buffer applies at 0.11% and institution specific Countercyclical capital buffer requirement is 1.06%. Thus, for the Bank as of period end Common equity Tier 1 capital ratio requirement is 9.52%, Tier 1 capital ratio requirement is 11.47% and Total capital adequacy ratio requirement is 14.07%. 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			
	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Common equity Tier 1 capital				
Paid up capital instruments and share premium	143,053	143,053	143,053	143,053
Retained earnings	417,416	398,545	331,772	317,635
Proposed or estimated dividends	(50,265)	(40,767)	(50,265)	(40,767)
Regulatory deductions and other negative capital components	(10,912)	(10,588)	(5,450)	(4,978)
Other capital components	4,437	4,340	4,437	4,340
Additional Tier 1 capital				
Eligible additional Tier 1 instruments	50,000	50,000	50,000	50,000
Tier 2 capital				
Eligible part of subordinated liabilities	60,000	60,000	60,000	60,000
<b>Total own funds</b>	<b>613,729</b>	<b>604,583</b>	<b>533,547</b>	<b>529,283</b>
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,421,750	2,398,551	1,501,084	1,572,459
Total exposure amounts for market risk	5,085	2,679	5,085	2,679
Total exposure amounts for operational risk	311,967	311,967	298,673	298,673
Total exposure amounts for credit valuation adjustment	4,487	3,172	4,488	3,173
<b>Total risk exposure amount</b>	<b>2,743,289</b>	<b>2,716,369</b>	<b>1,809,330</b>	<b>1,876,984</b>
<b>Common equity Tier 1 capital ratio</b>	<b>18.4%</b>	<b>18.2%</b>	<b>23.4%</b>	<b>22.3%</b>
<b>Tier 1 capital ratio</b>	<b>20.2%</b>	<b>20.0%</b>	<b>26.2%</b>	<b>25.0%</b>
<b>Total capital adequacy ratio</b>	<b>22.4%</b>	<b>22.3%</b>	<b>29.5%</b>	<b>28.2%</b>

In January 2026 a part of the share capital of AS Citadele banka was repurchased for a total amount of EUR 50 million. As of 31 December 2025 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 not been received for the three months period end 31 March 2026. Below is presented a scenario, where no Q1 2026 interim profits are included. 2025 audited annual profits became eligible for inclusion in the regulatory capital after the institution took a formal decision confirming the final profit or loss for the year.

	EUR thousands	
	31/03/2026 Group	31/03/2026 Bank
Common equity Tier 1 capital	494,356	418,908
Additional Tier 1 capital	50,000	50,000
Tier 2 capital	60,000	60,000
<b>Total own funds</b>	<b>604,356</b>	<b>528,908</b>
<b>Total risk exposure amount</b>	<b>2,743,289</b>	<b>1,809,330</b>
<b>Common equity Tier 1 capital ratio</b>	<b>18.0%</b>	<b>23.2%</b>
<b>Tier 1 capital ratio</b>	<b>19.8%</b>	<b>25.9%</b>
<b>Total capital adequacy ratio</b>	<b>22.0%</b>	<b>29.2%</b>

**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 Q1 2026 interim profits are included, for the Group is 10.0% and for the Bank is 8.8%.

	31/03/2026 Group	31/12/2025 Group	31/03/2026 Bank	31/12/2025 Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.2%	10.0%	8.8%	8.7%

**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 16.8% based on leverage ratio criteria. If eligible part of the quarterly interim profits were excluded from the calculation, the ratios would be 33.0% and 16.6% respectively.

Starting from 16 July 2027, a proportion of the overall MREL requirement would have to be met by the Group with subordinated instruments, namely 13.50% of TREA, plus a combined buffer requirement, as well as a higher 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**

### ***Dividend payment***

Shareholders' meeting of AS Citadele banka on 31 March 2026 approved distribution of dividends in the amount of EUR 0.183 per share, representing a total payout of EUR 25.7 million.

Citadele's dividend policy targets a payout ratio of 50% of annual net profit. In light of recent developments in the Middle East and the associated market uncertainty, a prudent approach was taken, resulting in a dividend payout ratio of 31.5%. Shareholders retain flexibility to reassess this decision later in the year and may consider distributing the remaining EUR 15.1 million within the policy framework, subject to market conditions.

Dividends was paid to shareholders who held AS Citadele banka shares on 31 March 2026. The payment was settled on 27 April 2026.

## QUARTERLY STATEMENTS OF INCOME AND BALANCE SHEETS OF THE GROUP

	Group, EUR, thousands				
	Q1 2026	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Interest income	58,431	59,526	56,773	56,552	58,272
Interest expense	(15,168)	(15,281)	(13,016)	(11,931)	(13,706)
<b>Net interest income</b>	<b>43,263</b>	<b>44,245</b>	<b>43,757</b>	<b>44,621</b>	<b>44,566</b>
Fee and commission income	18,046	19,318	19,618	19,050	17,701
Fee and commission expense	(9,367)	(10,616)	(9,689)	(9,332)	(9,009)
<b>Net fee and commission income</b>	<b>8,679</b>	<b>8,702</b>	<b>9,929</b>	<b>9,718</b>	<b>8,692</b>
Net financial income	1,178	2,483	2,838	3,329	1,139
Net other income / (expense)	(1,026)	(937)	(964)	352	(965)
<b>Operating income</b>	<b>52,094</b>	<b>54,493</b>	<b>55,560</b>	<b>58,020</b>	<b>53,432</b>
Staff costs	(17,546)	(17,352)	(15,880)	(17,945)	(17,978)
Other operating expenses	(7,454)	(9,919)	(8,655)	(6,752)	(5,551)
Depreciation and amortisation	(1,896)	(2,003)	(2,618)	(2,146)	(2,082)
<b>Operating expense</b>	<b>(26,896)</b>	<b>(29,274)</b>	<b>(27,153)</b>	<b>(26,843)</b>	<b>(25,611)</b>
<b>Profit from continuous operations before impairment, other taxes and levies and non-current assets held for sale</b>	<b>25,198</b>	<b>25,219</b>	<b>28,407</b>	<b>31,177</b>	<b>27,821</b>
Net credit losses	(2,436)	2,687	(2,715)	(3,913)	(527)
Other impairment losses	(9)	17	(1)	(17)	(49)
<b>Operating profit from continuous operations before other taxes and levies and non-current assets held for sale</b>	<b>22,753</b>	<b>27,923</b>	<b>25,691</b>	<b>27,247</b>	<b>27,245</b>
Mortgage loan levy and bank tax	-	-	22	-	(22)
Result from non-current assets held for sale and discontinued operations, net of tax	-	(99)	648	(2,964)	(1,325)
<b>Operating profit</b>	<b>22,753</b>	<b>27,824</b>	<b>26,361</b>	<b>24,283</b>	<b>25,898</b>
Income tax	(3,757)	(6,898)	(5,542)	(4,893)	(5,499)
<b>Net profit</b>	<b>18,996</b>	<b>20,926</b>	<b>20,819</b>	<b>19,390</b>	<b>20,399</b>

	Group, EUR, thousands				
	31/03/2026	31/12/2025	30/09/2025	30/06/2025	31/03/2025
<b>Assets</b>					
Cash and cash balances at central banks	434,391	511,451	448,983	223,322	210,393
Loans to credit institutions	6,027	7,099	10,253	12,829	9,447
Debt securities	1,049,043	1,040,903	1,070,703	1,111,817	1,203,018
Loans to public	3,800,269	3,764,206	3,668,540	3,538,683	3,366,397
Equity instruments	391	427	1,022	839	859
Other financial instruments	20,831	21,999	23,825	23,658	23,707
Derivatives	5,873	1,747	1,025	1,384	2,056
Tangible assets	35,944	30,755	29,689	22,436	20,021
Intangible assets	5,722	5,691	5,856	6,442	6,268
Current income tax assets	953	-	1,093	174	47
Deferred income tax assets	997	1,053	1,057	1,123	1,295
Bank tax assets	-	-	-	-	-
Discontinued operations and non-current assets held for sale	-	-	-	97,979	115,061
Other assets	42,473	39,405	43,587	51,109	47,088
<b>Total assets</b>	<b>5,402,914</b>	<b>5,424,736</b>	<b>5,305,633</b>	<b>5,091,795</b>	<b>5,005,657</b>
<b>Liabilities</b>					
Deposits from credit institutions and central banks	4,946	2,599	38,889	5,016	9,596
Deposits and borrowings from customers	4,313,076	4,304,201	4,100,978	3,986,785	3,879,046
Debt securities issued	412,894	408,861	487,628	297,100	297,539
Derivatives	2,138	2,767	3,061	8,321	4,976
Provisions	3,532	3,816	4,259	2,773	2,426
Current income tax liabilities	3,776	13,879	9,981	7,026	14,504
Deferred income tax liabilities	2,450	2,450	1,150	500	548
Bank tax liabilities	-	-	-	22	-
Discontinued operations	-	-	-	139,322	134,794
Other liabilities	93,721	88,905	84,318	84,187	77,754
<b>Total liabilities</b>	<b>4,836,533</b>	<b>4,827,478</b>	<b>4,730,264</b>	<b>4,531,052</b>	<b>4,421,183</b>
<b>Equity</b>					
Share capital	140,224	159,178	159,148	159,138	158,813
Reserves and other capital components	4,978	4,850	3,917	10,120	8,781
Retained earnings	421,179	433,230	412,304	391,485	416,880
<b>Total equity</b>	<b>566,381</b>	<b>597,258</b>	<b>575,369</b>	<b>560,743</b>	<b>584,474</b>
<b>Total liabilities and equity</b>	<b>5,402,914</b>	<b>5,424,736</b>	<b>5,305,633</b>	<b>5,091,795</b>	<b>5,005,657</b>

## 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.

**FMCR** – 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 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.