

AS Citadele banka

INTERIM REPORT

For the nine months ended
30 September 2026

Key figures and events of the Group

Citadele delivered a solid financial performance in 9M 2026, generating operating income of EUR 169.2 million and net profit of EUR 63.4 million. Return on equity (ROE) was 14.3%, while the cost-to-income ratio (CIR) stood at 49.7%.

In Q3 2026, Citadele generated EUR 59.8 million in operating income and EUR 23.6 million in net profit. Return on equity (ROE) was 16.5%, while the cost-to-income ratio (CIR) was 48.8%.

The net loan portfolio reached EUR 4.1 billion as of 30 September 2026, representing a 9% increase since 31 December 2025.

Overall loan portfolio quality remained strong. The non-performing gross loans ratio was 1.8% as of 30 September 2026, compared with 1.7% as of 31 December 2025.

Citadele's deposit base totalled EUR 4.5 billion as of 30 September 2026, representing a 3% increase since 31 December 2025.

The number of active customers reached 416.9 thousand as of 30 September 2026.

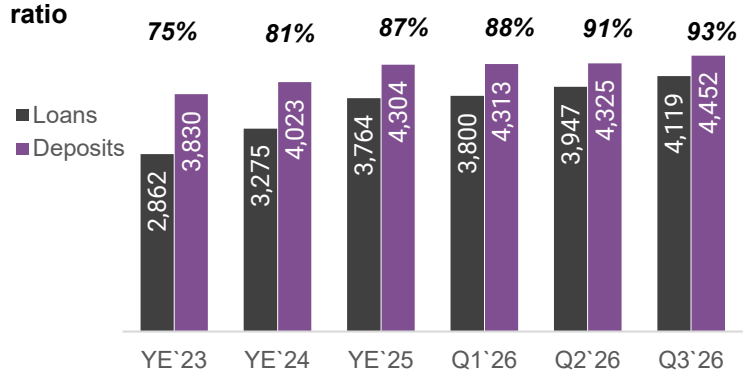
Citadele continued to maintain strong capital and liquidity positions. As of 30 September 2026, the Group's Common Equity Tier 1 (CET1) ratio was 17.3%, the Capital Adequacy Ratio (CAR) stood at 20.9%, and the Liquidity Coverage Ratio (LCR) was 168%.

As of 30 September 2026, the Group had 1,334 full-time equivalent active employees (1,281 as of 31 December 2025).

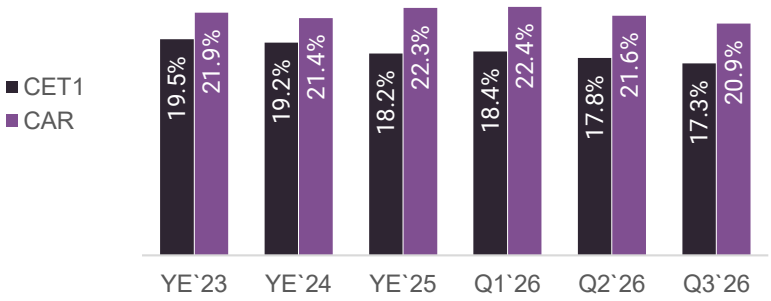
EUR millions	9m 2026	9m 2025	Q3 2026	Q3 2025
Net interest income	138.6	132.9	49.1	43.8
Net fee and commission income	28.5	28.3	10.0	9.9
Net financial and other income	2.1	5.7	0.8	1.9
Operating income	**169.2**	**167.0**	**59.8**	**55.6**
Operating expense	(84.2)	(79.6)	(29.2)	(27.2)
Net credit losses and impairments	(6.6)	(7.2)	(1.4)	(2.7)
Net profit from continuous operations (after tax)	**63.4**	**63.8**	**23.6**	**20.4**
Return on average assets (ROA)	1.5%	1.6%	1.7%	1.6%
Return on average equity (ROE)	14.3%	14.9%	16.5%	14.4%
Net interest margin (NIM)	3.7%	3.7%	3.9%	3.7%
Cost to income ratio (CIR)	49.7%	47.7%	48.8%	48.9%
Cost of risk ratio (COR)	0.2%	0.3%	0.1%	0.3%

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)



For definitions of Alternative Performance Measures refer to Definitions, alternative performance measures and abbreviations section of this report

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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 Measures used throughout these interim condensed financial statements refer to Definitions, alternative performance measures and abbreviations section of this report.



Rūta Ežerskiene
Chair of the Management Board, Chief Executive Officer

Second energy shock and rising interest rates test Baltic resilience

Q3 2026 brought a second energy shock to the global economy. Renewed hostilities in the Middle East in July and intensified attacks on oil infrastructure in September pushed oil and gas prices sharply higher, ending the brief relief that followed the spring ceasefire. Even so, the global economy again proved resilient: business surveys reached multi-year highs, although part of this strength reflected precautionary stock-building and hard data were more subdued.

In the euro area, growth held up better than expected, but an 18.9% increase in energy prices lifted headline inflation to 3.8% in September. The European Central Bank responded with its second rate increase this year, taking the deposit rate to 2.50%, while the US Federal Reserve raised rates for the first time since 2023. Long-term yields rose sharply, and markets now expect further tightening. For households and businesses, this means a more demanding financing environment at a time when energy costs have risen again.

While the crisis in the Middle East has had the most visible impact on the Baltic economies in 2026, it has come on top of the ongoing war in Ukraine, which continues to weigh on our region. Nevertheless, the Baltic economies continued to outperform the euro area, yet the picture was uneven. Lithuania stayed the growth leader, supported by strong consumer demand, resilient manufacturing and a strong construction sector cycle. Latvia's growth became more balanced with manufacturing and domestic demand acting as major growth accelerators. Estonian economic cycle is gradually picking up, but the growth remains uneven. Retail sales are the main driver of economic recovery, while manufacturing lags (despite a strong pick-up in the Nordic business cycle, which is yet to show up in the manufacturing and export data).

Looking ahead, a resilient euro area economy, defense-related spending, rising real incomes and a strong labor market should continue to support Baltic growth. However, higher energy prices, tighter financing conditions will test the resilience of households and businesses. The key question heading into 2027 is whether the energy shock proves temporary, allowing inflation to ease and interest rate expectations to stabilize, or whether further escalation in the Middle East keeps prices and borrowing costs higher for longer.

Resilient Financial Performance

In the first nine months of 2026, Citadele continued to demonstrate resilience amid an uncertain economic and geopolitical environment, delivering operating income of EUR 169.2 million, net profit of EUR 63.4 million and a return on equity of 14.3%. In Q3 2026 alone, net profit from continuing operations reached EUR 23.6 million, up 15.7% compared with Q3 2025.

Net interest income increased by 4% to EUR 138.6 million in 9M 2026 from EUR 132.9 million in the same period of 2025, supported by continued loan portfolio growth despite changes in the interest rate environment. In Q3 2026, net interest income reached EUR 49.1 million, up 12% compared with Q3 2025. The loan portfolio reached EUR 4.12 billion as of 30 September 2026, up 12% year-on-year and 9% since year-end 2025. Net interest margin remained stable at 3.7% in 9M 2026, unchanged from 9M 2025.

The third quarter saw continued strong customer activity, particularly among SME and retail clients. New financing reached EUR 446 million in Q3 2026, representing a 7% increase compared with Q2 2026 and 9% compared with Q3 2025. Over the first nine months of the year, Citadele provided EUR 1.2 billion in new financing to private, SME and corporate clients, supporting economic development across the Baltics. The Group also continued to support customers in their transition to a more sustainable economy, providing EUR 89.9 million in green financing.

Credit quality remained sound across the loan portfolio, supported by the stable financial position of our customers. As of 30 September 2026, the non-performing gross loans ratio stood at 1.8%, compared with 1.7% at year-end 2025.

As of 30 September 2026, Citadele maintained a strong capital position, providing a solid foundation for the Group's continued growth. The total capital adequacy ratio (CAR) stood at 20.9%, while the CET1 ratio reached 17.3%.

An expanding customer base and greater customer interest in savings products continued to be key drivers of deposit growth. The deposit base increased by 9% (EUR 351 million) compared with 30 September 2025 and by 3% (EUR 147 million) since year-end 2025, reaching EUR 4.45 billion as of 30 September 2026. The Group's liquidity position remained sound, with the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) standing at 168% and 136%, respectively.

Client Base Growth, Service Excellence and Digital Engagement

Citadele continued to expand its customer base across the region, strengthening its position among both private and business customers. As of 30

September 2026, the active customer base stood at 416.9 thousand, representing a 2.6% increase year-on-year.

Customer satisfaction also reached a record high, with Citadele achieving its highest-ever Net Promoter Score (NPS) in its annual customer survey. More than 90% of customers expressed satisfaction with the Bank's communication, support and value provided, reflecting continued trust in Citadele's services. Digital engagement remained strong, with 87.9% of customers actively using digital channels during the first nine months of 2026, reflecting the growing importance of digital banking in everyday customer interactions.

Innovations and Business Development

Citadele continued to enhance its digital offering for business customers with the introduction of C Business, a next-generation business banking platform that brings everyday banking, financial information and access to additional services together in one place. Designed to simplify financial management and reduce administrative burdens, the platform provides businesses with a comprehensive overview of their finances. The platform will continue to evolve, with further functionality and integrations planned to enhance the customer experience.

Klix, Citadele's e-commerce checkout solution, continued to gain momentum during the third quarter of 2026. As of 30 September, the Klix had expanded its merchant network to 3.6 thousand live merchants. During the quarter, Klix processed 9.9 million transactions with a total value of EUR 430 million, 44% higher than in Q3 2025, reflecting the continued adoption of Klix by customers and merchants across the Baltics.

Citadele Group company C Capital Markets received an investment services licence from the Bank of Latvia, marking an important step in expanding the Group's capital markets offering. This development strengthens Citadele's ability to support Baltic businesses with alternative financing solutions, complementing traditional bank lending. The licence enables C Capital Markets to provide financial instrument placement and related issuance services in Latvia, primarily supporting bond issuances and, where appropriate, initial public offerings (IPOs).

Successful EUR 50 Million Senior Preferred Bond Issuance

On 28 September 2026, Citadele successfully issued EUR 50 million of Senior Unsecured Preferred Bonds with a fixed interest rate of 5.15% per annum until the reset date. The issuance attracted strong investor demand, with orders reaching 1.35 times the offering size, reflecting investor confidence in Citadele. The transaction supports Citadele's long-term funding strategy and future lending growth. The proceeds will be used for general corporate purposes, including meeting MREL requirements and repurchasing Citadele's outstanding EUR 40 million subordinated bonds.

Recent Changes in Management - nomination of a New Chief Risk Officer

On 30 September 2026, Citadele announced its intention to nominate Erkka Näsäkkälä as Chief Risk Officer and Member of the Management Board, subject to the required corporate and regulatory approvals. He brings more than 25 years of international risk management experience, including senior roles at SEB. Until the approvals are received, he will support Citadele's Risk function in an advisory capacity. He is expected to succeed Jūlija Lebedinska-Ļitvinova, who stepped down as Chief Risk Officer and Member of the Management Board on 15 May 2026.

Looking Ahead

The first nine months of 2026 demonstrated continued business momentum, strong customer activity and further progress in delivering our strategic priorities. With a solid financial position, a growing customer base and continued investment in digital innovation, we remain well positioned to navigate the evolving economic environment and support our customers' changing needs. As we approach the end of the year, our focus remains on maintaining this momentum, strengthening our market position and creating sustainable long-term value for all stakeholders.

I would like to express my sincere gratitude to our customers, employees and partners for their continued trust and support. I look forward to building on our achievements and continuing our successful cooperation in the months ahead.

Financial review of the Group

Results and profitability in 9M 2026

The Group delivered a solid financial performance in 9M 2026, with operating income of EUR 169.2 million, compared with EUR 167.0 million in 9M 2025. In Q3 2026, operating income amounted to EUR 59.8 million, compared with EUR 55.6 million in Q3 2025.

Net interest income amounted to EUR 138.6 million in 9M 2026, compared with EUR 132.9 million in 9M 2025. Net interest margin was 3.7%, unchanged from 9M 2025, while continued growth in the loan portfolio supported an increase in net interest income. In Q3 2026, net interest income increased to EUR 49.1 million, compared with EUR 43.8 million in Q3 2025, with net interest margin at 3.9%, compared with 3.7% in Q3 2025.

The Group's net fee and commission income amounted to EUR 28.5 million in 9M 2026, compared to EUR 28.3 million in the same period of 2025, remaining broadly flat. In Q3 2026, net fee and commission income was EUR 10.0 million, compared to EUR 9.9 million in Q3 2025.

Operating expenses in 9M 2026 amounted to EUR 84.2 million, representing a 6% increase compared to 9M 2025, primarily due to higher staff costs and other operating expenses, partly offset by lower depreciation and amortisation. In Q3 2026, operating expenses were EUR 29.2 million, compared to EUR 27.2 million in Q3 2025.

In 9M 2026, staff costs represented 64% of total expenses, followed by other costs at 29% and depreciation and amortisation at 7%.

Staff costs amounted to EUR 54.0 million in 9M 2026, compared to EUR 51.8 million in 9M 2025 (+4%). In Q3 2026, staff costs were EUR 18.3 million, compared to EUR 15.9 million in Q3 2025 (+15%). The increase reflects several factors, including an average salary increase, aimed at maintaining market competitiveness and further improving internal pay consistency and fairness, as well as workforce expansion. Full-time equivalent employees totalled 1,334 as of 30 September 2026, up from 1,287 as of 30 September 2025 (1,281 at year-end 2025).

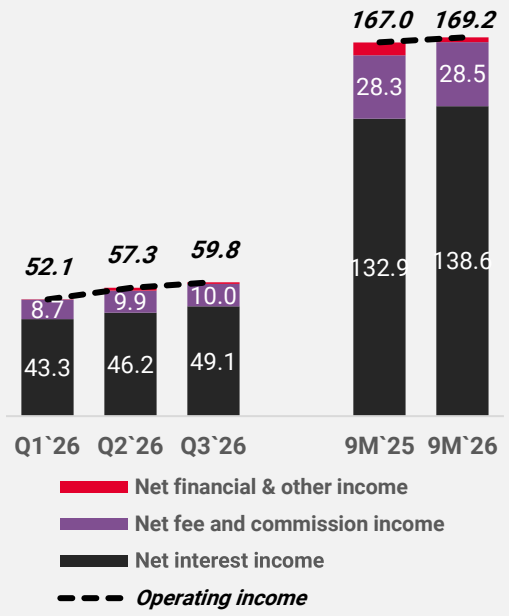
Other operating expenses totalled EUR 24.5 million in 9M 2026, an increase of 17% compared with 9M 2025. The increase was mainly driven by higher IT and communications expenses of EUR 8.6 million (+16%) and consulting and other services expenses of EUR 6.3 million (+17%). Non-refundable VAT increased to EUR 3.0 million (+38%), advertising and marketing expenses to EUR 3.2 million (+30%), and other expenses to EUR 1.7 million (+17%). Rent, premises and real estate expenses decreased by 17% to EUR 1.9 million. In Q3 2026, other operating expenses totalled EUR 9.0 million, compared with EUR 8.7 million in Q3 2025. Depreciation and amortisation decreased by 17% to EUR 5.7 million in 9M 2026.

Citadele's cost-to-income ratio was 49.7% in 9M 2026, compared with 47.7% in 9M 2025. In Q3 2026, the cost-to-income ratio was 48.8%, compared with 48.9% in Q3 2025.

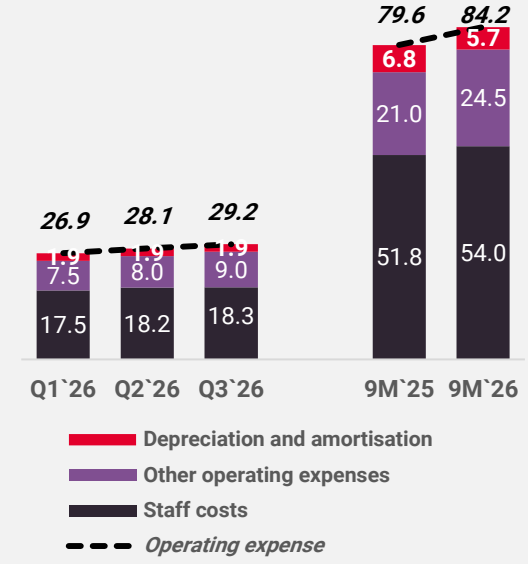
Net credit losses and impairments amounted to EUR 6.6 million in 9M 2026, compared to EUR 7.2 million in 9M 2025. The decrease mainly reflects higher recoveries of written-off assets (EUR 2.7 million vs EUR 2.0 million), while impairment charges on loans to public were stable. Impairment overlays were updated for the events in the Middle East. Non-performing gross loans ratio was 1.8%, compared with 1.7% at year-end 2025. In Q3 2026, net credit losses and impairments amounted to EUR 1.4 million, compared to EUR 2.7 million in Q3 2025.

The Group's net profit was EUR 63.4 million in 9M 2026, compared to EUR 60.6 million in 9M 2025 (+5%). In Q3 2026, net profit was EUR 23.6 million, compared to EUR 20.8 million in Q3 2025 (+14%).

Operating income, EURm
Continuing operations



Operating expense, EURm
Continuing operations



Balance sheet overview

The Group's assets stood at EUR 5,634 million as of 30 September 2026, representing a 4% increase compared with year-end 2025.

The net loan portfolio was EUR 4,119 million as of 30 September 2026, representing a 9% increase from year-end 2025. The overall credit quality of the loan portfolio remained strong. The non-performing gross loans ratio was 1.8% as of 30 September 2026, compared with 1.7% as at 31 December 2025.

New financing in 9M 2026 reached EUR 1,195.7 million, representing a 2% increase compared with the same period in 2025. EUR 447.1 million was issued to private customers, EUR 555.1 million to SMEs, and EUR 189.5 million to corporate customers. Green and transition financing amounted to EUR 89.9 million, representing 7.5% of total new lending (10.8% in 9M 2025), and included green mortgages, loans for electric vehicles, and corporate loans supporting environmentally sustainable activities.

As of 30 September 2026, Lithuania accounted for 42% of the loan portfolio with EUR 1,747 million (compared to 40% as of year-end 2025), followed by Latvia at 39% with EUR 1,590 million (vs. 41% as of year-end 2025), Estonia at 19% with EUR 779 million (vs. 19% as of year-end 2025).

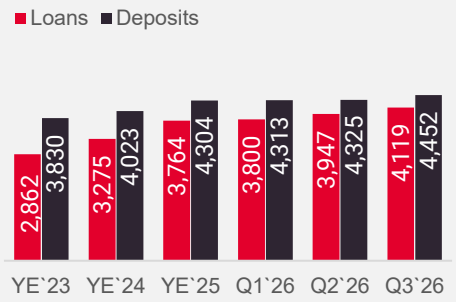
As of 30 September 2026, loans to households represented 47% of the total loan portfolio (compared to 46% as of year-end 2025). Mortgage loans increased by 7% from year-end 2025 and amounted to EUR 1,026 million. Finance leases to households grew by 15% to EUR 520 million (vs. EUR 453 million at year-end 2025). Consumer lending increased by 17% reaching EUR 308 million, while card lending remained broadly stable at EUR 59 million. Corporate lending remained well diversified, with the largest sector exposures in real estate purchase and management (13% of total loans), manufacturing (7%), trade (6%), and transport and communications (6%).

The Group's securities portfolio, along with cash and bank balances, forms part of its liquidity resources. The debt securities portfolio decreased by 3% compared to year-end 2025 to EUR 1,012 million, while cash and bank balances decreased by 27% over the same period. 97% of the debt securities portfolio consists of securities rated A or higher. The main change during the period was a 30% decrease (EUR 23 million) in AA/Aa-rated bonds since year-end 2025, while AAA/Aaa-rated bonds increased by 5% and A-rated bonds decreased by 1%.

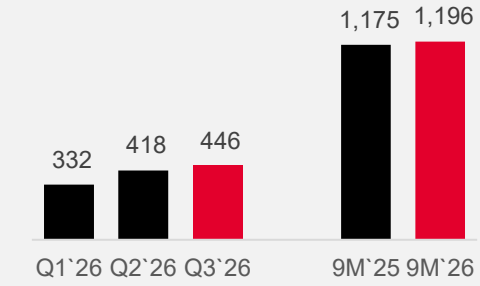
The Group's LCR and NSFR remained at healthy levels, standing at 168% and 136%, respectively, as of 30 September 2026, compared to 181% and 141% at year-end 2025.

Customer deposits, Citadele's primary source of funding, increased by EUR 147 million from the year-end 2025 to EUR 4,452 million as of 30 September 2026. Term deposits share out of total deposits stood at 25% as of 30 September 2026, as compared to 26% as of end of year 2025. Baltic domestic customer deposits formed 99% of total deposits or EUR 4,393 million (compared to 99% as of year-end 2025).

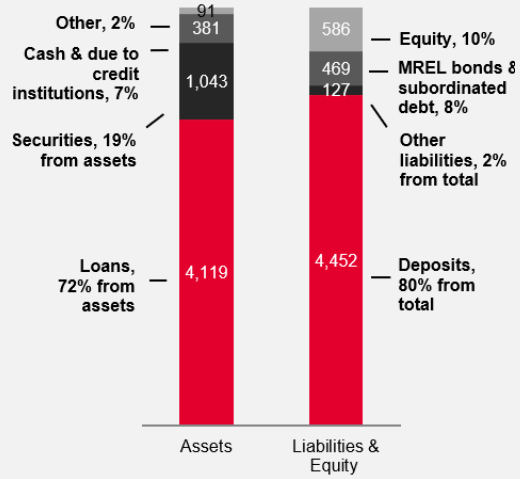
Loans and Deposits, EURm



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 (21 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	*A3/P-2*
BCA./ Adj. BCA	*baa3/ baa3*
Counterparty Risk Assessment	*A3(cr)/P-2(cr)*
Senior Unsecured -Dom Curr	*Baa2*
Pref. Stock Non-cumulative-Dom Curr	*Ba3 (hyb)*

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

Segment Highlights

Retail Private and Affluent segment

The Retail Private and Affluent segment maintained positive momentum in 9M 2026, supported by continued lending growth and solid customer demand. New lending to private individuals reached EUR 447.1 million in 9M 2026, up 6% year-on-year. Of this, EUR 161.5 million was disbursed in Q3 2026. The number of mortgages issued increased by 20.5% quarter-on-quarter in Q3 2026, reflecting continued demand for housing finance. While the total volume of new mortgage lending remained broadly stable, the average loan amount decreased as customers increasingly opted for more affordable properties, particularly apartments. Demand for green products remained solid, with green mortgages amounting to EUR 4.4 million and accounting for 9% of new mortgage lending. Total loans to private individuals reached EUR 1,771 million as of 30 September 2026, representing a 9% increase, or EUR 149 million, compared with year-end 2025, with loan quality remaining strong. Deposits from private individuals totalled EUR 2,179 million, an increase of 3%, or EUR 60 million, compared with year-end 2025.

In 9M 2026, the FTP-adjusted operating income of the Retail Private and Affluent segments amounted to EUR 70.2 million, compared with EUR 68.4 million in 9M 2025. Of this, EUR 25.2 million was generated in Q3 2026 (EUR 22.3 million in Q3 2025).

SME segment

The SME segment delivered solid results in 9M 2026, supported by growth in lending activity and an expanding loan portfolio. New lending totalled EUR 555.1 million in 9M 2026, an increase of EUR 22.8 million, or 4%, compared with 9M 2025. Q3 2026 accounted for EUR 209.9 million of new lending, 12% more than in Q2 2026. Total loans to SMEs stood at EUR 1,426 million as of 30 September 2026, increasing by 13% compared with year-end 2025, while loan quality remained strong. SME deposits amounted to EUR 1,044 million, a 3% increase compared with 31 December 2025.

In 9M 2026, the SME segment's FTP-adjusted operating income reached EUR 49.9 million, reflecting a 5% increase compared with 9M 2025. Of this, EUR 17.9 million was generated in Q3 2026 (EUR 16.4 million in Q3 2025).

Corporate segment

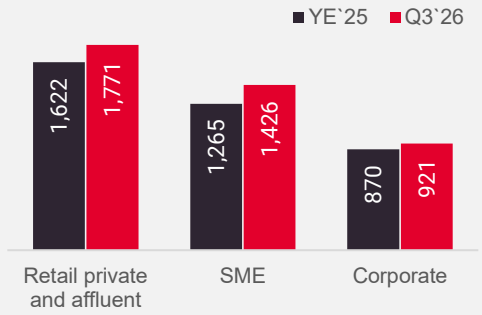
The Corporate segment maintained stable performance in 9M 2026, supported by growth in its loan portfolio and deposits. The total corporate loan portfolio stood at EUR 921 million, increasing by 6% compared with year-end 2025. The quality of the credit portfolio remained strong. New financing totalled EUR 189.5 million in 9M 2026, EUR 26.2 million lower than in 9M 2025. Disbursements amounted to EUR 73.0 million in Q3 2026, compared with EUR 74.1 million in Q2 2026. The Corporate deposit portfolio amounted to EUR 1,129 million as of 30 September 2026, reflecting a 6% increase compared with year-end 2025.

The Corporate segment's FTP-adjusted operating income reached EUR 23.4 million in 9M 2026, representing a 1% increase compared with 9M 2025. Of this, EUR 8.2 million was generated in Q3 2026 (EUR 7.7 million in Q3 2025).

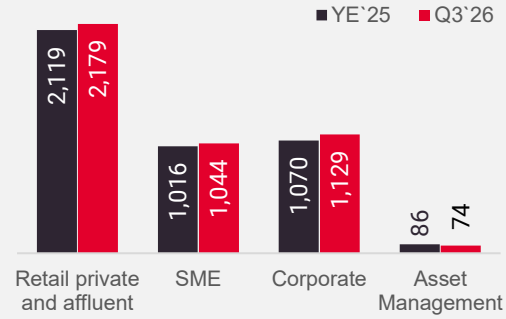
Asset Management

Assets under management increased further, supporting long-term business growth. Total customer assets under management stood at EUR 1.6 billion, an 18% increase compared with year-end 2025. Asset Management's FTP-adjusted operating income reached EUR 6.3 million in 9M 2026, increasing by 2% as compared with the same period last year. Of this, EUR 2.3 million was generated in Q3 2026 (EUR 2.0 million in Q3 2025).

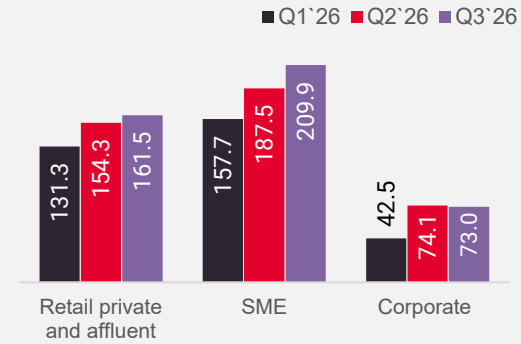
Loans, EURm



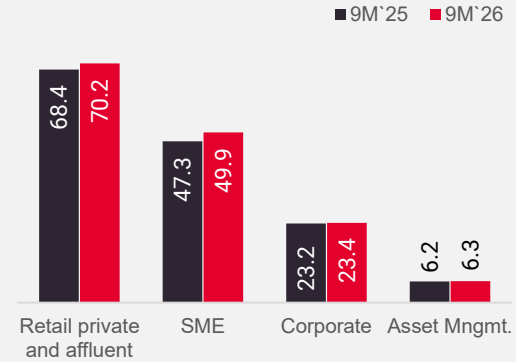
Deposits, EURm



New lending, EURm



Operating income, EURm



Business Environment

A Second Energy Shock Tests Global Resilience

The relative calm that followed the US - Iran ceasefire proved short-lived. In July, attacks on commercial shipping in the Strait of Hormuz were followed by US strikes on Iran and Iranian missile and drone attacks on Gulf states, while in September attacks on oil infrastructure intensified, temporarily halting flows through Saudi Arabia's East-West pipeline. Brent crude futures rose from about USD 73 per barrel at the end of June to around USD 104 at the end of September, while spot prices averaged USD 114 in September. European gas prices rose by around two-thirds. With Brent futures close to USD 110 in the second half of October, energy remains the main source of uncertainty.

Economic activity nevertheless proved remarkably resilient. Business surveys strengthened further: the global manufacturing PMI rose to 53.0 in September, its highest level since early 2022, and the euro area composite PMI reached a 41-month high. As in the previous quarter, part of this strength reflected precautionary stock-building amid supply concerns, while hard data were more subdued, euro area manufacturing output was 1.7% lower year-on-year in August. Financial markets absorbed the shock relatively well: US equities set new record highs in August, although European equities ended the quarter slightly lower amid rising energy prices and bond yields.

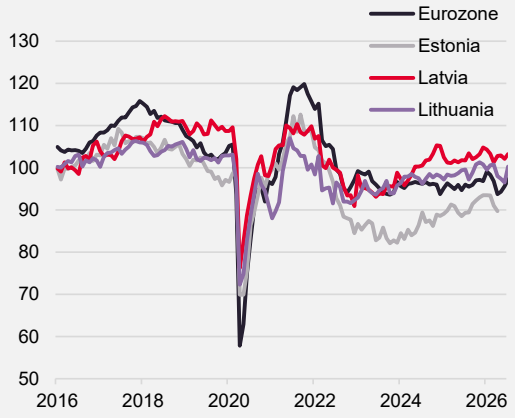
The US economy expanded at an annualized rate of 2.2% in Q2, but the labor market cooled noticeably, with non-farm payrolls rising by only around 50,000 per month on average in Q3. Euro area GDP increased by 0.6% quarter-on-quarter in Q2 after stagnating in Q1, although the swing again reflected volatile Irish data (+10.2% after −7.8% in Q1); French GDP was flat, while German GDP rose by 0.3%. Retail sales remained subdued, rising by only 0.8% year-on-year in August. European Central Bank staff nevertheless raised their 2026 euro area growth projection to 0.9%, citing the economy's resilience.

The energy shock pushed inflation higher again. Euro area inflation rose from 2.8% in June to 3.8% in September as energy inflation reached 18.9%, while core inflation remained stable at around 2.5%. Judging the shock too large to look through, the ECB raised its deposit facility rate by a further 25 basis points to 2.50% in September; its staff projections see inflation averaging 3.0% in 2026 and easing to 2.5% in 2027. In the United States, inflation rose to 3.7% in September, and the Federal Reserve raised its policy rate to 3.75–4.00%, its first increase since 2023, with the median FOMC projection implying one more hike this year. Long-term yields rose sharply, with the 10-year US Treasury yield exceeding 5%, and futures price 3-month Euribor at around 3.4% in late 2027, compared with 2.6% in September.

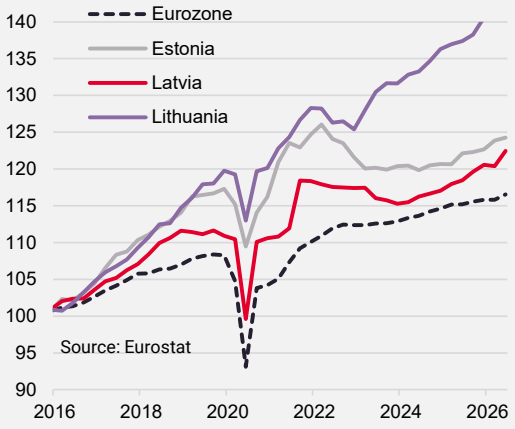
Baltic Economies: Solid Growth, but Inflation Pressures Return

Second-quarter data confirmed that the Baltic economies continued to outperform the euro area, with seasonally adjusted GDP rising by 3.9% year-on-year in Lithuania, 3.5% in Latvia and 1.8% in Estonia. Since the summer, consensus growth forecasts for 2026 have been revised up for Lithuania and Latvia, while Estonia's remained unchanged. However, higher energy prices

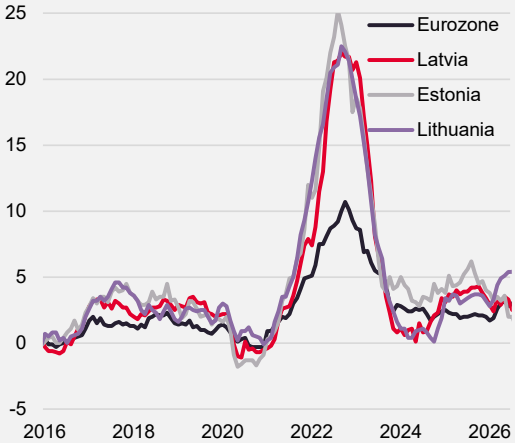
Economic sentiment indicator



Real GDP, indexed, 2016 = 100



Inflation (%, year-on-year)



pushed inflation up again in Lithuania and Estonia in September, while labor markets in Lithuania and Estonia softened.

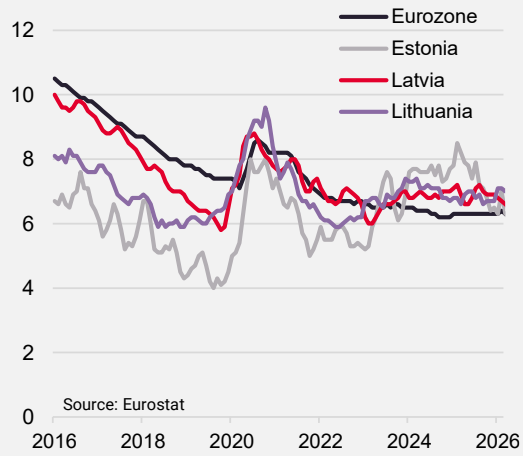
Latvia's growth became more balanced. Manufacturing output increased by 6.9% year-on-year on a three-month-average basis in August and reached a record high in July, supported by strong growth in fabricated metals, machinery, electronics, chemicals and food production, while wood processing declined slightly. Domestic demand also strengthened: retail sales rose by 5.1% year-on-year in June - August, and the July cut in VAT on bread, milk, fresh poultry and eggs from 21% to 12% contributed to a 4.8% annual fall in food prices in September. Consumer confidence recovered markedly from its June low. However, wage growth slowed to 4.3% in Q2, the weakest since 2016, but unemployment remained low. For 2026, consensus forecasts point to GDP growth of 2.1%, while the Ministry of Finance projects growth of 2.4% and inflation of 3.4%.

Lithuania remained the fastest-growing Baltic economy. Retail sales volumes hovered around record highs and were 5.4% higher year-on-year in June - August, supported by wage growth of 10.1% in Q2. Around EUR 3.5 billion had been paid out under the second-pillar pension reform by August, although the central bank estimates that only about EUR 0.6 billion had been spent on consumption by end-June. Manufacturing output rose by 6.2% in June - August, with particularly strong growth in electronics, optical products, and rubber and plastics, and economic sentiment improved further. Inflation, however, accelerated to 6.1%, the highest in the region, as energy prices rose by 33% year-on-year. For 2026, consensus forecasts point to GDP growth of 3.1%, while the central bank projects growth of 2.7% and average inflation of 5.1%.

Estonia's recovery remained the most fragile. GDP grew by only 0.3% quarter-on-quarter in Q2, driven mainly by goods exports, while corporate investment declined. Manufacturing output was still 1.3% lower year-on-year in June - August and around 13% below its 2022 peak, although July and August brought modest growth, with strong gains in machinery, basic metals and electrical equipment. Retail sales rose by 3.4% year-on-year in June - August, helped by this year's income tax changes. However, unemployment rose to 8.0% in August, the highest in the Baltics, and inflation climbed to 3.1% in September, with motor fuels accounting for almost half of annual price growth. For 2026, consensus forecasts point to GDP growth of 2.0%, while the Ministry of Finance projects growth of 2.5% and inflation of 3.2%.

Overall, the Baltic region enters the final quarter of 2026 with solid growth momentum, but risks have increased. Defense-related manufacturing, public investment, EU funds and rising real incomes in Lithuania should continue to support activity. At the same time, renewed energy-price pressures, tighter monetary policy and the risk of further escalation in the Middle East remain the principal risks.

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, 70.3 % of shares in AS Citadele banka are owned by a consortium of international investors represented by Ripplewood Advisors LLC, 27.8 % of the shares are owned by the European Bank for Reconstruction and Development (EBRD) and 1.9 % 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 corporate governance section.

Supervisory Board of the Bank as of 30/09/2026:

Name	Current Position	Date of first appointment
Timothy Clark Collins	Chair of the Supervisory Board	20 April 2015
Paul Louis Jean de Leusse	Deputy Chair of the Supervisory Board	29 January 2026
Elizabeth Critchley	Member 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

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. In September 2026 Paul Louis Jean de Leusse was elected as Deputy Chair of the Supervisory Board.

Management Board of the Bank as of 30/09/2026:

Name	Current position	Responsibility
Rūta Ežerskienė	Chair of the Management Board	Chief Executive Officer
Valters Ābele	Member of the Management Board	Chief Financial Officer
Vaidas Žagūnis	Member of the Management Board	Chief Corporate Commercial 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 resigned from AS Citadele banka Management Board effective from 31 March 2026. Jūlija Lebedinska-Ļitvinova stepped down from her role effective from 15 May 2026.

On 30 September 2026 Citadele Bank announces its intention to nominate Erkka Näsäkkälä as its new Chief Risk Officer and member of the Management Board, subject to the necessary corporate and regulatory approvals.

Statement of Management's Responsibility

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

The interim condensed financial statements are prepared in accordance with the source documents and present the financial position of the Bank and the Group as of 30 September 2026 and the results of their operations for the nine months period ended 30 September 2026, changes in shareholders' equity and cash flows for the nine months period ended 30 September 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.

The Management Board of AS Citadele banka on 28 October 2026 approved these interim condensed financial statements.

CONDENSED STATEMENT OF INCOME

		EUR thousands							
		Group				Bank			
	Note	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Interest income calculated using the effective interest method	5	128,339	113,186	44,770	37,099	152,790	141,544	54,024	46,100
Other interest income	5	57,622	58,411	20,823	19,674	4,892	4,672	1,648	1,648
Interest expense	5	(47,381)	(38,653)	(16,502)	(13,016)	(47,830)	(39,924)	(16,676)	(13,133)
Net interest income		**138,580**	**132,944**	**49,091**	**43,757**	**109,852**	**106,292**	**38,996**	**34,615**
Fee and commission income	6	58,493	56,369	20,657	19,618	53,361	51,917	18,782	18,061
Fee and commission expense	6	(29,975)	(28,030)	(10,689)	(9,689)	(28,505)	(26,508)	(10,255)	(9,170)
Net fee and commission income		**28,518**	**28,339**	**9,968**	**9,929**	**24,856**	**25,409**	**8,527**	**8,891**
Net financial income	7	4,301	7,306	721	2,838	5,083	7,261	1,630	2,831
Net other income / (expense)	8	(2,182)	(1,577)	38	(964)	(1,714)	(355)	(634)	(543)
Operating income		**169,217**	**167,012**	**59,818**	**55,560**	**138,077**	**138,607**	**48,519**	**45,794**
Staff costs	9	(54,022)	(51,803)	(18,280)	(15,880)	(45,153)	(43,439)	(15,259)	(13,285)
Other operating expenses	10	(24,492)	(20,958)	(8,997)	(8,655)	(22,627)	(19,273)	(8,479)	(8,050)
Depreciation and amortisation		(5,666)	(6,846)	(1,897)	(2,618)	(4,837)	(5,954)	(1,615)	(2,299)
Operating expense		**(84,180)**	**(79,607)**	**(29,174)**	**(27,153)**	**(72,617)**	**(68,666)**	**(25,353)**	**(23,634)**
Profit from continuous operations before impairment, other taxes and levies and non-current assets held for sale		**85,037**	**87,405**	**30,644**	**28,407**	**65,460**	**69,941**	**23,166**	**22,160**
Net credit losses	11	(6,629)	(7,155)	(1,407)	(2,715)	(1,661)	(5,660)	85	(2,065)
Other impairment losses and other provisions		(5)	(67)	(4)	(1)	1,070	1,184	353	212
Operating profit from continuous operations before other taxes and levies and non-current assets held for sale		**78,403**	**80,183**	**29,233**	**25,691**	**64,869**	**65,465**	**23,604**	**20,307**
Mortgage loan levy and bank tax	12	-	-	-	22	-	-	-	22
Result from non-current assets held for sale and discontinued operations, net of tax	17	-	(3,641)	-	648	-	(1,429)	-	255
Operating profit		**78,403**	**76,542**	**29,233**	**26,361**	**64,869**	**64,036**	**23,604**	**20,584**
Income tax	12	(14,992)	(15,934)	(5,599)	(5,542)	(13,001)	(12,960)	(4,808)	(4,394)
Net profit		**63,411**	**60,608**	**23,634**	**20,819**	**51,868**	**51,076**	**18,796**	**16,190**
Basic earnings / (loss) per share in EUR	21	0.45	0.38	0.17	0.13	0.37	0.32	0.13	0.10
from continuing operations		*0.45*	*0.40*	*0.17*	*0.13*	*0.37*	*0.32*	*0.13*	*0.10*
from discontinued operations		-	*(0.02)*	-	-	-	-	-	-
Diluted earnings / (loss) per share in EUR	21	0.45	0.38	0.17	0.13	0.37	0.32	0.14	0.10
from continuing operations		*0.45*	*0.40*	*0.17*	*0.13*	*0.37*	*0.32*	*0.14*	*0.10*
from discontinued operations		-	*(0.02)*	-	-	-	-	-	-

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Net profit	**63,411**	**60,608**	**23,634**	**20,819**	**51,868**	**51,076**	**18,796**	**16,190**
Items that may be reclassified to profit or loss:								
Debt securities at fair value through other comprehensive income (continuing operations)								
Gains or losses transferred to profit or loss	(61)	(28)	-	-	(61)	(28)	-	-
Valuation gains or losses taken to equity	319	3,058	(229)	641	213	2,657	(255)	567
Income tax taken to equity	(54)	(529)	50	(124)	(54)	(529)	50	(124)
Debt securities at fair value through other comprehensive income (discontinued operations)								
Gains or losses transferred to profit or loss	-	67	-	-	-	-	-	-
Valuation gains or losses taken to equity	-	35	-	12	-	-	-	-
Income tax taken to equity	-	(25)	-	(3)	-	-	-	-
Other reserves (discontinued operations)								
Foreign exchange retranslation	-	(7,395)	-	(7,487)	-	-	-	-
Items that will not be reclassified to profit or loss:								
Equity and similar instruments at fair value through other comprehensive income (continuing operations)								
Valuation gains or losses taken to equity	117	17	-	-	117	17	-	-
Transfer to retained earnings at disposal	-	-	-	-	-	-	-	-
Other comprehensive income / (loss)	**321**	**(4,800)**	**(179)**	**(6,961)**	**215**	**2,117**	**(205)**	**443**
Total comprehensive income	**63,732**	**55,808**	**23,455**	**13,858**	**52,083**	**53,193**	**18,591**	**16,633**

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

CONDENSED BALANCE SHEET

	Note	EUR thousands 30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Assets					
Cash and cash balances at central banks	25	372,790	511,451	372,681	511,451
Loans to credit institutions		8,215	7,099	6,747	5,701
Debt securities	13	1,012,376	1,040,903	972,681	1,004,828
Loans to public	14	4,119,251	3,764,206	4,006,322	3,655,462
Equity instruments	15	438	427	438	427
Other financial instruments	15	18,376	21,999	-	-
Derivatives	23	11,776	1,747	11,776	1,747
Investments in related entities	16	-	-	54,294	52,969
Tangible assets		43,376	30,755	18,547	16,543
Intangible assets		6,382	5,691	4,143	3,492
Current income tax assets	12	8,047	-	8,000	-
Deferred income tax assets	12	1,062	1,053	1,015	999
Other assets		31,890	39,405	24,616	30,097
Total assets		**5,633,979**	**5,424,736**	**5,481,260**	**5,283,716**
Liabilities					
Deposits from credit institutions and central banks	18	12,390	2,599	12,390	2,599
Deposits and borrowings from customers	19	4,451,690	4,304,201	4,460,982	4,304,937
Debt securities issued	20	469,044	408,861	469,044	408,861
Derivatives	23	990	2,767	990	2,767
Provisions	11	4,048	3,816	3,775	3,727
Current income tax liabilities	12	8,864	13,879	7,698	12,392
Deferred income tax liabilities	12	2,472	2,450	22	-
Other liabilities		98,623	88,905	36,502	35,528
Total liabilities		**5,048,121**	**4,827,478**	**4,991,403**	**4,770,811**
Equity					
Share capital	21	140,599	159,178	140,599	159,178
Reserves and other capital components		5,326	4,850	5,416	5,046
Retained earnings		439,933	433,230	343,842	348,681
Total equity		**585,858**	**597,258**	**489,857**	**512,905**
Total liabilities and equity		**5,633,979**	**5,424,736**	**5,481,260**	**5,283,716**
Off-balance sheet items					
Guarantees and letters of credit	22	102,169	102,467	102,169	102,467
Financial commitments	22	414,764	394,081	413,621	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* and *Note 23)***	**Foreign currency retrans-lation**	**Share based payments**	**Retained earnings**	**Total equity**
Balance as of 31/12/2024	**158,813**	**2,213**	**(5,320)**	**7,395**	**3,100**	**396,481**	**562,682**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	(44,785)	(44,785)
Share based payments to employees *(Note 9* and *Note 21)*	335	570	-	-	759	-	1,664
Total comprehensive income	**-**	**-**	***2,595***	***(7,395)***	**-**	***60,608***	***55,808***
Net result for the period	-	-	-	-	-	60,608	60,608
Other comprehensive income / (loss) for the period	-	-	2,595	(7,395)	-	-	(4,800)
Balance as of 30/09/2025	**159,148**	**2,783**	**(2,725)**	**-**	**3,859**	**412,304**	**575,369**
Balance as of 31/12/2025	**159,178**	**2,829**	**(2,319)**	**-**	**4,340**	**433,230**	**597,258**
Dividends to shareholders *(Note 21)*	-	-	-	-	-	(25,661)	(25,661)
Share buy-back *(Note 21)*	(18,954)	-	-	-	-	(31,046)	(50,000)
Share based payments to employees *(Note 9* and *Note 21)*	375	729	-	-	(574)	(1)	529
Total comprehensive income	**-**	**-**	***321***	**-**	**-**	***63,411***	***63,732***
Net result for the period	-	-	-	-	-	63,411	63,411
Other comprehensive income / (loss) for the period	-	-	321	-	-	-	321
Balance as of 30/09/2026	**140,599**	**3,558**	**(1,998)**	**-**	**3,766**	**439,933**	**585,858**

	Bank, EUR thousands					
	Issued share capital	**Share premium**	**Securities fair value revaluation reserve *(Note 13* and *Note 23)***	**Share based payments**	**Retained earnings**	**Total equity**
Balance as of 31/12/2024	**158,813**	**2,213**	**(4,596)**	**3,100**	**320,746**	**480,276**
Dividends to shareholders *(Note 21)*	-	-	-	-	(44,785)	(44,785)
Share based payments to employees *(Note 9* and *Note 21)*	335	570	-	759	(1)	1,663
Total comprehensive income	**-**	**-**	***2,117***	**-**	***51,076***	***53,193***
Net result for the period	-	-	-	-	51,076	51,076
Other comprehensive income / (loss) for the period	-	-	2,117	-	-	2,117
Balance as of 30/09/2025	**159,148**	**2,783**	**(2,479)**	**3,859**	**327,036**	**490,347**
Balance as of 31/12/2025	**159,178**	**2,829**	**(2,123)**	**4,340**	**348,681**	**512,905**
Dividends to shareholders *(Note 21)*	-	-	-	-	(25,661)	(25,661)
Share buy-back *(Note 21)*	(18,954)	-	-	-	(31,046)	(50,000)
Share based payments to employees *(Note 9* and *Note 21)*	375	729	-	(574)	-	530
Total comprehensive income	**-**	**-**	***215***	**-**	***51,868***	***52,083***
Net result for the period	-	-	-	-	51,868	51,868
Other comprehensive income / (loss) for the period	-	-	215	-	-	215
Balance as of 30/09/2026	**140,599**	**3,558**	**(1,908)**	**3,766**	**343,842**	**489,857**

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

CONDENSED STATEMENT OF CASH FLOWS

	Note	EUR thousands 9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
Operating activities					
Operating profit before tax (discontinued net of tax and continuing)		78,403	76,542	64,869	64,036
Tax expense from discontinued operations	17	-	21	-	-
Interest income	5	(185,961)	(173,006)	(157,682)	(146,216)
Interest expense	5	47,381	38,801	47,830	39,924
Dividends income		(4)	(9)	(4)	(111)
Depreciation and amortisation		7,700	8,002	4,837	5,954
Impairment allowances and provisions		6,634	8,241	591	6,327
Currency translation and other non-cash items		(1,303)	8,500	616	8,630
Cash flows from the income statement		**(47,150)**	**(32,908)**	**(38,943)**	**(21,456)**
(Increase) / decrease in loans to public		(361,652)	(397,736)	(352,617)	(398,688)
Increase / (decrease) in deposits and borrowings from customers		146,828	85,985	155,335	94,889
(Increase) / decrease in loans to credit institutions		84	4,660	364	16,301
Increase / (decrease) in deposits from central banks and credit institutions		206	17,959	206	(32,782)
(Increase) / decrease in other items at fair value through profit or loss		(1,913)	3,718	(1,913)	3,718
(Increase) / decrease in other assets		7,499	19,228	5,465	14,716
(Increase) / decrease in tangible assets under operating lease		(10,242)	(7,868)	-	-
Increase / (decrease) in other liabilities		8,534	5,220	(262)	(841)
Cash flows from operating activities before interest and corporate income tax		**(257,806)**	**(301,742)**	**(232,365)**	**(324,143)**
Interest received		185,830	175,410	157,486	147,716
Interest paid		(32,621)	(35,875)	(33,021)	(37,215)
Corporate income tax paid		(27,992)	(20,113)	(25,695)	(17,491)
Cash flows from operating activities		**(132,589)**	**(182,320)**	**(133,595)**	**(231,133)**
Investing activities					
Acquisition of tangible and intangible assets		(2,112)	(5,831)	(1,435)	(3,719)
Disposal of tangible and intangible assets		66	22	66	22
Investments in debt securities and other financial instruments		(79,599)	(147,884)	(67,901)	(135,112)
Proceeds from debt securities and other financial instruments		100,144	359,510	89,053	334,251
Dividends received		4	9	4	111
Decrease in cash and cash equivalents as a result of disposal of discontinued operations		-	(69,468)	-	-
Investments in subsidiaries and associates		-	-	(250)	1,182
Cash flows from investing activities		**18,503**	**136,358**	**19,537**	**196,735**
Financing activities					
Dividends paid	21	(25,661)	(44,785)	(25,661)	(44,785)
Proceeds from issue of debt securities	20	49,913	298,482	49,913	298,482
(Repayment) of debt securities	20	-	(129,230)	-	(129,230)
Interest paid on debt securities issued	20	(4,497)	(4,326)	(4,497)	(4,326)
Share buy-back	21	(50,000)	-	(50,000)	-
Repayment of lease liabilities		(2,737)	(2,798)	(2,664)	(2,736)
Cash flows from financing activities		**(32,982)**	**117,343**	**(32,909)**	**117,405**
Cash flows for the period		**(147,068)**	**71,381**	**(146,967)**	**83,007**
Cash and cash equivalents at the beginning of the period		**513,515**	**366,371**	**512,117**	**353,441**
Cash and cash equivalents at the end of the period	25	**366,447**	**437,752**	**365,150**	**436,448**

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 nine months period ended 30 September 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, Baltics focused full-service financial group offering a wide range of banking products to retail, SME and corporate customers as well as wealth and assets management, life insurance, pension, leasing and factoring products. Alongside traditional banking services, Citadele has a modern mobile application, contactless and instant payments, modern client onboarding practices and technologically-enabled best-in-class customer service.

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

As of 30 September 2026, the Group had 1,334 (2025: 1,281) and the Bank had 1,122 (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 the 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 these 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 (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 it's accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statement of Cash flows (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)
IAS 28 – Investments in Associates and Joint Ventures (expected to be effective from 1 January 2027)
IFRS 20 – Regulatory Assets and Regulatory Liabilities (expected to be effective from 1 January 2029)
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 foreign subsidiaries, and the Group's functional and presentation currency, is Euro ("EUR"). 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 result in changes to the impairment allowance by EUR +/- 0.3 million for the Bank (2025: EUR +/- 0.0 million) and EUR +/- 0.3 million (2025: EUR +/- 0.1 million) for the Group. Change in estimated value of collateral by +/-5% for loans to public for which expected credit losses are individually assessed would result in EUR +/- 0.3 million change in impairment allowance for the Bank (2025: EUR +/- 0.3 million) and EUR +/- 0.4 million for the Group (2025: EUR +/- 0.4 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 and is 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 reassessed and continued to recognize impairment overlay. After re-assessment impairment overlay will continue to amortise as exposures are repaid, refinanced or move 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 manufacturing, agriculture and trade sector exposures which have been negatively affected by external factors and private individuals adressing purchasing power and debt-servicing capacity due to inflationary pressures. 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 economic environment.

Changes in all applied LGD rates by 500 basis points would result in change in collectively estimated impairment allowance and provisions by EUR +/- 4.1 million for the Bank and EUR +/- 7.2 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 +/- 7.0 million for the Bank and EUR +/- 10.2 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 30 September 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
Latvia									
GDP (annual change)	2.1%	2.3%	2.2%	(1.0%)	(0.2%)	1.7%	3.7%	4.5%	3.2%
Unemployment rate	6.2%	6.3%	6.3%	6.8%	7.2%	6.6%	5.7%	5.0%	4.8%
Average gross wage (annual change)	6.1%	5.4%	5.4%	0.1%	0.4%	2.9%	9.4%	7.5%	6.7%
Interest rate	3.0%	3.0%	3.0%	3.0%	3.1%	2.3%	0.7%	0.1%	0.1%
Lithuania									
GDP (annual change)	2.2%	2.5%	2.5%	0.7%	2.0%	2.5%	3.7%	4.8%	3.5%
Unemployment rate	6.7%	6.4%	6.4%	7.5%	6.7%	6.4%	6.3%	5.2%	5.0%
Average gross wage (annual change)	7.0%	6.4%	6.5%	4.0%	3.9%	4.5%	10.0%	11.0%	8.4%
Interest rate	3.0%	3.0%	3.0%	3.0%	3.1%	2.3%	0.7%	0.1%	0.1%
Estonia									
GDP (annual change)	2.5%	2.5%	2.4%	(0.5%)	(0.1%)	1.9%	4.5%	4.9%	3.4%
Unemployment rate	6.4%	6.0%	5.9%	7.0%	6.9%	6.2%	5.7%	4.5%	4.2%
Average gross wage (annual change)	5.5%	5.6%	5.7%	(0.5%)	0.6%	3.2%	9.5%	10.4%	7.6%
Interest rate	3.0%	3.0%	3.0%	3.0%	3.1%	2.3%	0.7%	0.1%	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
Latvia									
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%
Lithuania									
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%
Estonia									
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 2.8 million and for the Group by EUR 4.0 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 16.0 million and for the Group by EUR 24.5 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 24.7 million and for the Group by EUR 38.9 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 profitability of the business. 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. Estimate of the 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.

During the reporting period, the methodology for adjustment for indirect costs was marginally updated, yielding slightly more precise allocation of expenses among segments for the reporting period. Comparatives were not revised due to limited impact and older comparative data point retrospective re-mapping complexities.

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.

Segments of the Group

	Group 9m 2026, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Interest income	69,927	2,451	56,913	38,474	674	17,522	185,961
Interest expense	(14,407)	(3,100)	(9,595)	(19,311)	(362)	(606)	(47,381)
Net interest income	**55,520**	**(649)**	**47,318**	**19,163**	**312**	**16,916**	**138,580**
Fee and commission income	23,875	2,556	16,537	8,186	5,949	1,390	58,493
Fee and commission expense	(13,198)	(933)	(7,676)	(5,999)	(869)	(1,300)	(29,975)
Net fee and commission income	**10,677**	**1,623**	**8,861**	**2,187**	**5,080**	**90**	**28,518**
Net financial income	359	292	1,675	355	(646)	2,266	4,301
Net other income / (expense)	(1,955)	(159)	(327)	(572)	966	(135)	(2,182)
Operating income	**64,601**	**1,107**	**57,527**	**21,133**	**5,712**	**19,137**	**169,217**
Net funding allocation	(706)	5,204	(7,654)	2,265	636	255	-
FTP adjusted operating income	**63,895**	**6,311**	**49,873**	**23,398**	**6,348**	**19,392**	**169,217**
Operating expense adjusted for indirect costs	(38,004)	(3,272)	(24,877)	(12,308)	(5,107)	(612)	(84,180)
Net credit losses	(4,640)	135	(5,305)	3,106	2	73	(6,629)
Other impairment losses and other provisions	(20)	(2)	(6)	22	-	1	(5)
Operating profit, before tax	**21,231**	**3,172**	**19,685**	**14,218**	**1,243**	**18,854**	**78,403**

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

	Group as of 30/09/2026, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Assets							
Cash, balances at central banks	-	-	-	-	-	372,790	372,790
Loans to credit institutions	-	-	-	-	1,468	6,747	8,215
Debt securities	-	-	-	17,226	39,694	955,456	1,012,376
Loans to public	1,695,770	74,840	1,426,262	920,757	-	1,622	4,119,251
Equity instruments	-	-	-	-	-	438	438
Other financial instruments	-	-	-	-	18,376	-	18,376
All other assets	-	-	49	200	3,741	98,543	102,533
Total segmented assets	**1,695,770**	**74,840**	**1,426,311**	**938,183**	**63,279**	**1,435,596**	**5,633,979**
Liabilities							
Deposits from banks	-	-	-	-	-	12,390	12,390
Deposits from customers	1,790,588	388,192	1,044,065	1,129,200	73,541	26,104	4,451,690
Debt securities issued	165,010	5,675	160,132	138,040	-	187	469,044
All other liabilities	-	-	58	97	37,251	77,591	114,997
Total segmented liabilities	**1,955,598**	**393,867**	**1,204,255**	**1,267,337**	**110,792**	**116,272**	**5,048,121**

	Group as of 31/12/2025, EUR thousands						
	Reportable segments						
	Retail Private	Private affluent	SME	Corporate	Asset Manage-ment	Other	Total
Assets							
Cash, balances at central banks	-	-	-	-	-	511,451	511,451
Loans to credit institutions	-	-	-	-	1,398	5,701	7,099
Debt securities	-	-	-	14,364	36,076	990,463	1,040,903
Loans to public	1,558,481	63,518	1,264,570	870,340	-	7,297	3,764,206
Equity instruments	-	-	-	-	-	427	427
Other financial instruments	-	-	-	-	21,999	-	21,999
All other assets	-	-	36	17	3,904	74,694	78,651
Total segmented assets	**1,558,481**	**63,518**	**1,264,606**	**884,721**	**63,377**	**1,590,033**	**5,424,736**
Liabilities							
Deposits from banks	-	-	-	-	-	2,599	2,599
Deposits from customers	1,709,637	409,123	1,015,714	1,069,698	86,245	13,784	4,304,201
Debt securities issued	143,592	4,538	131,776	127,197	-	1,758	408,861
All other liabilities	-	-	12	-	31,918	79,887	111,817
Total segmented liabilities	**1,853,229**	**413,661**	**1,147,502**	**1,196,895**	**118,163**	**98,028**	**4,827,478**

NOTE 5. INTEREST INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Interest income calculated using the effective interest method:								
Financial instruments at amortised cost:								
Loans to public	113,924	100,403	40,167	33,303	138,907	129,135	49,597	42,509
Debt securities	7,874	8,076	2,578	2,538	7,617	7,922	2,484	2,461
Balances from central banks and credit institutions	5,792	4,068	1,753	1,072	5,788	4,263	1,751	1,071
Deposits from public at negative interest rates	242	331	74	104	39	34	11	11
Debt securities at fair value through other comprehensive income	507	308	198	82	439	190	181	48
Other interest income:								
Debt securities at fair value through profit or loss	5,036	4,805	1,699	1,696	4,892	4,672	1,648	1,648
Interest income on finance leases (part of loans to public)	52,586	53,606	19,124	17,978	-	-	-	-
Total interest income	**185,961**	**171,597**	**65,593**	**56,773**	**157,682**	**146,216**	**55,672**	**47,748**
Interest expense on:								
Financial instruments at amortised cost:								
Deposits and borrowing from public	(30,794)	(29,608)	(11,014)	(9,487)	(31,275)	(30,010)	(11,200)	(9,609)
Debt securities issued	(14,767)	(7,280)	(4,928)	(2,774)	(14,767)	(7,280)	(4,928)	(2,774)
Deposits from credit institutions and central banks	(4)	(289)	(2)	(275)	(4)	(1,184)	(2)	(274)
Other interest expense	(65)	(73)	(33)	(11)	(51)	(61)	(28)	(12)
Financial liabilities at fair value through profit or loss								
Deposits and borrowing from public	(10)	(12)	(3)	(4)	-	-	-	-
Lease liabilities	(247)	(204)	(79)	(72)	(238)	(201)	(76)	(69)
Other interest expense	(1,494)	(1,187)	(443)	(393)	(1,495)	(1,188)	(442)	(395)
Total interest expense	**(47,381)**	**(38,653)**	**(16,502)**	**(13,016)**	**(47,830)**	**(39,924)**	**(16,676)**	**(13,133)**
Net interest income	**138,580**	**132,944**	**49,091**	**43,757**	**109,852**	**106,292**	**38,996**	**34,615**

NOTE 6. FEE AND COMMISSION INCOME AND EXPENSE

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Fee and commission income:								
Cards	40,098	37,816	14,234	13,544	40,098	37,816	14,234	13,544
Payments and transactions	8,595	8,708	2,942	2,937	8,619	8,729	2,951	2,945
Asset management and custody	6,329	5,946	2,199	1,958	1,604	1,654	553	524
Securities brokerage	491	570	160	201	507	580	175	205
Other fees	1,724	1,523	639	490	1,501	1,455	458	460
Total fee and commission income from contracts with customers	**57,237**	**54,563**	**20,174**	**19,130**	**52,329**	**50,234**	**18,371**	**17,678**
Guarantees, letters of credit and loans	1,256	1,806	483	488	1,032	1,683	411	383
Total fee and commission income	**58,493**	**56,369**	**20,657**	**19,618**	**53,361**	**51,917**	**18,782**	**18,061**
Fee and commission expense on:								
Cards	(23,000)	(22,076)	(8,377)	(7,853)	(22,995)	(22,073)	(8,376)	(7,852)
Payments and transactions	(4,412)	(2,928)	(1,521)	(995)	(4,412)	(2,928)	(1,521)	(996)
Securitisation	(1,021)	(1,627)	(284)	(479)	(227)	(353)	(65)	(105)
Asset management custody and securities brokerage	(691)	(709)	(226)	(236)	(691)	(704)	(226)	(236)
Other fees	(851)	(690)	(281)	(126)	(180)	(450)	(67)	19
Total fee and commission expense	**(29,975)**	**(28,030)**	**(10,689)**	**(9,689)**	**(28,505)**	**(26,508)**	**(10,255)**	**(9,170)**
Net fee and commission income	**28,518**	**28,339**	**9,968**	**9,929**	**24,856**	**25,409**	**8,527**	**8,891**

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			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Foreign exchange trading and revaluation, foreign exchange derivatives and interest rate swaps	6,341	6,494	2,165	2,432	6,322	6,557	2,163	2,438
Non-trading assets and liabilities at fair value through profit or loss	(1,211)	1,867	(1,045)	712	(410)	1,759	(135)	699
Derecognition of assets at amortised cost	-	214	-	-	-	214	-	-
Assets at fair value through other comprehensive income	61	28	-	-	61	28	-	-
Gain or loss on the hedging instruments (Note *Derivatives*)	2,066	-	1,698	-	2,066	-	1,698	-
Hedging gain or loss on the hedged items (Note *Derivatives*)	(2,066)	-	(1,698)	-	(2,066)	-	(1,698)	-
Modifications in cash flows which do not result in derecognition	(890)	(1,297)	(399)	(306)	(890)	(1,297)	(398)	(306)
Total net financial income	**4,301**	**7,306**	**721**	**2,838**	**5,083**	**7,261**	**1,630**	**2,831**

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

NOTE 8. NET OTHER INCOME AND EXPENSE

EUR thousands	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Operating lease income	2,467	1,133	1,024	466	-	-	-	-
Dividend income	4	9	1	3	4	111	1	3
Other income	646	2,074	161	348	1,856	3,046	541	702
Total other income	**3,117**	**3,216**	**1,186**	**817**	**1,860**	**3,157**	**542**	**705**
Insurance contracts:								
Insurance revenue	1,579	1,173	466	487	-	-	-	-
Insurance expense	(417)	(299)	(84)	(116)	-	-	-	-
Financing	302	(164)	738	(125)	-	-	-	-
Reinsurance contracts:								
Net income / (expenses)	(256)	(210)	(71)	(76)	-	-	-	-
Financing	112	85	107	29	-	-	-	-
Net insurance result	**1,320**	**585**	**1,156**	**199**	**-**	**-**	**-**	**-**
Supervisory fees	(1,707)	(1,505)	(571)	(535)	(1,647)	(1,454)	(549)	(513)
Depreciation of assets under operating lease	(2,034)	(959)	(831)	(396)	-	-	-	-
Other expenses	(2,878)	(2,914)	(902)	(1,049)	(1,927)	(2,058)	(627)	(735)
Total other expense	**(6,619)**	**(5,378)**	**(2,304)**	**(1,980)**	**(3,574)**	**(3,512)**	**(1,176)**	**(1,248)**
Total net other income / (expense)	**(2,182)**	**(1,577)**	**38**	**(964)**	**(1,714)**	**(355)**	**(634)**	**(543)**

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

Staff 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.

EUR thousands	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Remuneration:								
- management	(2,128)	(3,610)	(964)	(1,257)	(1,647)	(3,143)	(799)	(1,109)
- other personnel	(42,404)	(39,630)	(14,300)	(12,343)	(35,481)	(33,091)	(11,908)	(10,283)
Total remuneration for work	**(44,532)**	**(43,240)**	**(15,264)**	**(13,600)**	**(37,128)**	**(36,234)**	**(12,707)**	**(11,392)**
Social security and solidarity tax contributions:								
- management	(472)	(296)	(116)	135	(360)	(186)	(78)	170
- other personnel	(8,228)	(7,635)	(2,695)	(2,259)	(6,852)	(6,327)	(2,242)	(1,873)
Total social security and solidarity tax contributions	**(8,700)**	**(7,931)**	**(2,811)**	**(2,124)**	**(7,212)**	**(6,513)**	**(2,320)**	**(1,703)**
Other personnel expense, net of insurance acquisition cash flow adjustment	**(790)**	**(632)**	**(205)**	**(156)**	**(813)**	**(692)**	**(232)**	**(190)**
Total staff costs	**(54,022)**	**(51,803)**	**(18,280)**	**(15,880)**	**(45,153)**	**(43,439)**	**(15,259)**	**(13,285)**

In the reporting period management's remuneration expense decreased as a result of revised estimate of the number of share options expected to vest. Revision of estimates is mainly related to resignations of members of the Bank's management board.

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 873 thousand and EUR 694 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 the Group's net income, return on equity, and strategic objectives.

Number of full-time equivalent employees at the period end

	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Continuing operations	1,334	1,281	1,122	1,077
Total full-time equivalent employees	**1,334**	**1,281**	**1,122**	**1,077**

NOTE 10. OTHER OPERATING EXPENSES

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Information technologies and communications	(8,563)	(7,362)	(3,089)	(2,869)	(7,832)	(6,580)	(2,868)	(2,604)
Consulting and other services	(6,279)	(5,356)	(2,652)	(2,838)	(5,927)	(5,062)	(2,537)	(2,705)
Advertising and marketing	(3,159)	(2,422)	(1,140)	(1,075)	(2,937)	(2,237)	(1,093)	(1,002)
Non-refundable value added tax	(2,953)	(2,137)	(1,081)	(552)	(2,787)	(2,020)	(1,008)	(507)
Rent, premises and real estate	(1,863)	(2,245)	(600)	(849)	(1,744)	(2,140)	(575)	(812)
Other	(1,675)	(1,436)	(435)	(472)	(1,400)	(1,234)	(398)	(420)
Total other operating expenses	**(24,492)**	**(20,958)**	**(8,997)**	**(8,655)**	**(22,627)**	**(19,273)**	**(8,479)**	**(8,050)**

NOTE 11. NET CREDIT LOSSES

Total net impairment allowance charged to the income statement

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Loans to credit institutions	(1)	3	(1)	3	(1)	18	(1)	3
Debt securities	9	75	45	3	7	82	45	9
Loans to public	(9,386)	(9,201)	(1,698)	(3,517)	(4,537)	(7,669)	(351)	(2,790)
Loan commitments, guarantees and letters of credit	78	(38)	(197)	4	263	(23)	(35)	(60)
Recovered written-off assets	2,671	2,006	444	792	2,607	1,932	427	773
Total net losses on financial instruments	**(6,629)**	**(7,155)**	**(1,407)**	**(2,715)**	**(1,661)**	**(5,660)**	**85**	**(2,065)**

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 outlook.

Classification of impairment stages

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

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

Stage 3 – Credit-impaired financial instruments

POCI – Purchased or originated credit impaired financial instruments

Changes in the allowances for credit losses and provisions

	Group, EUR thousands						
	Opening balance 01/01/2026	Charged to statement of income			Write-offs of allowances	Other adjustments	Closing balance 30/09/2026
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	-	2	(1)	-	-	-	1
Debt securities	324	15	(1)	(23)	-	-	315
Loans to public	40,938	12,066	(3,893)	(7,742)	-	(1)	41,368
Loan commitments, guarantees and letters of credit	1,836	1,112	(713)	(297)	-	-	1,938
Total stage 1 credit losses and provisions	**43,098**	**13,195**	**(4,608)**	**(8,062)**	**-**	**(1)**	**43,622**
Stage 2							
Loans to public	8,307	343	(784)	1,308	-	-	9,174
Loan commitments, guarantees and letters of credit	63	17	(21)	(9)	-	-	50
Total stage 2 credit losses and provisions	**8,370**	**360**	**(805)**	**1,299**	**-**	**-**	**9,224**
Stage 3							
Loans to public	31,529	-	(8,164)	15,959	(5,815)	9	33,518
Loan commitments, guarantees and letters of credit	442	-	(343)	176	-	-	275
Total stage 3 credit losses and provisions	**31,971**	**-**	**(8,507)**	**16,135**	**(5,815)**	**9**	**33,793**
POCI							
Loans to public	529	-	(11)	304	(1)	12	833
Total POCI credit losses and provisions	**529**	**-**	**(11)**	**304**	**(1)**	**12**	**833**
Total allowances for credit losses and provisions	**83,968**	**13,555**	**(13,931)**	**9,676**	**(5,816)**	**20**	**87,472**
Including for debt securities classified at fair value through other comprehensive income	*19*						*17*

Total Group's provisions of EUR 4,048 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 2,263 thousand (2025: EUR 2,341 thousand) and other non-ECL provisions of EUR 1,785 thousand (2025: EUR 1,475 thousand). Total Bank's provisions of EUR 3,775 thousand (2025: EUR 3,727 thousand) as of the period end comprise EUR 1,990 thousand (2025: EUR 2,252 thousand) for loan commitments, guarantees and letters of credit and EUR 1,785 thousand (2025: EUR 1,475 thousand) 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 30/09/2025
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	2	3	(3)	(3)	-	1	-
Debt securities	385	66	(103)	(38)	-	-	310
Loans to public	44,881	15,290	(5,052)	(9,322)	-	(24)	45,773
Loan commitments, guarantees and letters of credit	2,523	1,412	(921)	(670)	-	13	2,357
Total stage 1 credit losses and provisions	**47,791**	**16,771**	**(6,079)**	**(10,033)**	**-**	**(10)**	**48,440**
Stage 2							
Loans to public	11,475	529	(2,252)	1,015	-	-	10,767
Loan commitments, guarantees and letters of credit	79	24	(84)	70	-	-	89
Total stage 2 credit losses and provisions	**11,554**	**553**	**(2,336)**	**1,085**	**-**	**-**	**10,856**
Stage 3							
Loans to public	38,297	-	(4,485)	14,096	(4,151)	(1,848)	41,909
Loan commitments, guarantees and letters of credit	131	-	(196)	403	-	-	338
Total stage 3 credit losses and provisions	**38,428**	**-**	**(4,681)**	**14,499**	**(4,151)**	**(1,848)**	**42,247**
POCI							
Loans to public	512	-	(511)	(107)	(24)	631	501
Total POCI credit losses and provisions	**512**	**-**	**(511)**	**(107)**	**(24)**	**631**	**501**
Total allowances for credit losses and provisions	**98,285**	**17,324**	**(13,607)**	**5,444**	**(4,175)**	**(1,227)**	**102,044**
Including for debt securities classified at fair value through other comprehensive income	*39*						*26*

	Bank, EUR thousands						
	Opening balance 01/01/2026	Charged to statement of income			Write-offs of allowances	Other adjustments	Closing balance 30/09/2026
		Origination	Repayment	Credit risk, net			
Stage 1							
Loans to credit institutions	-	2	(1)	-	-	-	1
Debt securities	302	13	(1)	(19)	-	-	295
Loans to public	28,958	6,689	(2,873)	(6,030)	-	1	26,745
Loan commitments, guarantees and letters of credit	1,756	777	(607)	(241)	-	1	1,686
Total stage 1 credit losses and provisions	**31,016**	**7,481**	**(3,482)**	**(6,290)**	**-**	**2**	**28,727**
Stage 2							
Loans to public	4,513	175	(545)	893	-	(2)	5,034
Loan commitments, guarantees and letters of credit	59	16	(21)	(6)	-	-	48
Total stage 2 credit losses and provisions	**4,572**	**191**	**(566)**	**887**	**-**	**(2)**	**5,082**
Stage 3							
Loans to public	21,461	-	(6,043)	12,271	(5,431)	-	22,258
Loan commitments, guarantees and letters of credit	437	-	(272)	91	-	-	256
Total stage 3 credit losses and provisions	**21,898**	**-**	**(6,315)**	**12,362**	**(5,431)**	**-**	**22,514**
Total allowances for credit losses and provisions	**57,486**	**7,672**	**(10,363)**	**6,959**	**(5,431)**	**-**	**56,323**
Including for debt securities classified at fair value through other comprehensive income	*13*						*15*

Bank, EUR thousands

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

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

Impairment overlay for loans to public

EUR thousands

	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Stage 1	6,748	6,528	4,158	4,661
Stage 2	-	49	-	-
Total impairment overlay	**6,748**	**6,577**	**4,158**	**4,661**

The Group and the Bank have recognised impairment overlays for 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*.

Due to the events in the Middle East, the Group and the Bank have updated and revised portfolio-wide impairment overlays (inflation for private individuals) and industry-specific impairment overlays (manufacturing, agriculture and trade). The Group and the Bank re-assesses impairment overlay annually or more often if significant changes in macroeconomic conditions or in the loan portfolio performance are observed. Between re-assessments overlays amortize within the existing framework with the exposures being repaid or moving to different stages where ECL models capture credit risk.

Transfers of gross loans to public between impairment stages

	Group, EUR thousands									
	30/09/2026					31/12/2025				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to public										
Opening balance	**3,522,227**	**257,100**	**64,155**	**2,027**	**3,845,509**	**3,051,134**	**239,328**	**75,198**	**4,086**	**3,369,746**
Origination and utilisation of existing limit	1,391,502	23,092	9,108	1	1,423,703	1,798,399	35,010	5,723	204	1,839,336
Repayment	(945,883)	(77,089)	(35,548)	(792)	(1,059,312)	(1,183,039)	(124,605)	(32,896)	(2,192)	(1,342,732)
Transfer between impairment stages										
from Stage 1 to Stage 2	*(303,975)*	*303,975*	*-*	*-*	*-*	*(370,986)*	*370,986*	*-*	*-*	*-*
from Stage 1 to Stage 3	*(6,947)*	*-*	*6,947*	*-*	*-*	*(13,851)*	*-*	*13,851*	*-*	*-*
from Stage 2 to Stage 1	*193,606*	*(193,606)*	*-*	*-*	*-*	*235,541*	*(235,541)*	*-*	*-*	*-*
from Stage 2 to Stage 3	*-*	*(50,970)*	*50,970*	*-*	*-*	*-*	*(46,700)*	*46,700*	*-*	*-*
from Stage 3 to Stage 1	*113*	*-*	*(113)*	*-*	*-*	*5,029*	*-*	*(5,029)*	*-*	*-*
from Stage 3 to Stage 2	*-*	*13,205*	*(13,205)*	*-*	*-*	*-*	*18,622*	*(18,622)*	*-*	*-*
Total transfers	(117,203)	72,604	44,599	-	-	(144,267)	107,367	36,900	-	-
Write-offs	-	-	(5,755)	(1)	(5,756)	-	-	(20,770)	(71)	(20,841)
Closing balance	**3,850,643**	**275,707**	**76,559**	**1,235**	**4,204,144**	**3,522,227**	**257,100**	**64,155**	**2,027**	**3,845,509**

	Bank, EUR thousands							
	30/09/2026				31/12/2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Loans to public								
Opening balance	**3,575,580**	**100,708**	**34,106**	**3,710,394**	**3,098,830**	**90,270**	**54,455**	**3,243,555**
Origination and utilisation of existing limit	915,653	11,231	7,593	934,477	1,357,660	17,906	3,110	1,378,676
Repayment	(533,886)	(25,785)	(19,410)	(579,081)	(816,431)	(57,368)	(17,440)	(891,239)
Transfer between impairment stages								
from Stage 1 to Stage 2	*(118,197)*	*118,197*	*-*	*-*	*(120,812)*	*120,812*	*-*	*-*
from Stage 1 to Stage 3	*(4,070)*	*-*	*4,070*	*-*	*(6,631)*	*-*	*6,631*	*-*
from Stage 2 to Stage 1	*61,486*	*(61,486)*	*-*	*-*	*61,467*	*(61,467)*	*-*	*-*
from Stage 2 to Stage 3	*-*	*(30,695)*	*30,695*	*-*	*-*	*(19,808)*	*19,808*	*-*
from Stage 3 to Stage 1	*107*	*-*	*(107)*	*-*	*1,497*	*-*	*(1,497)*	*-*
from Stage 3 to Stage 2	*-*	*5,222*	*(5,222)*	*-*	*-*	*10,363*	*(10,363)*	*-*
Total transfers	(60,674)	31,238	29,436	-	(64,479)	49,900	14,579	-
Write-offs	-	-	(5,431)	(5,431)	-	-	(20,598)	(20,598)
Closing balance	**3,896,673**	**117,392**	**46,294**	**4,060,359**	**3,575,580**	**100,708**	**34,106**	**3,710,394**

NOTE 12. TAXATION

Corporate income tax expense

	EUR thousands							
	Group				Bank			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Current corporate income tax	(15,033)	(14,734)	(5,642)	(4,950)	(13,049)	(12,932)	(4,833)	(4,446)
Deferred income tax	41	(1,200)	43	(592)	48	(28)	25	52
Total corporate income tax expense	**(14,992)**	**(15,934)**	**(5,599)**	**(5,542)**	**(13,001)**	**(12,960)**	**(4,808)**	**(4,394)**
Mortgage loan levy and bank tax	**-**	**-**	**-**	**22**	**-**	**-**	**-**	**22**

In Latvia an advance corporate income tax (CIT) is payable at 20% rate on generally unadjusted accounting pre-tax 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.

In Latvia 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.

As part of the share capital buy-back transaction in early 2026, the Group assessed the potential tax implications under the applicable income tax legislation, including the rules applicable to banks. The Group has treated the share buy-back as a dividend distribution, the related tax effect of which may be offset against the income tax payments required to be made by banks in Latvia. There is no established market precedent regarding the interpretation of the Income Tax Law in this context, however this interpretation is consistent with expected clarifications in the Income Tax Law. Accordingly, no incremental tax expense has been recognised in relation to the transaction.

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.

Income tax assets and liabilities

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Current income tax assets	8,047	-	8,000	-
Deferred income tax assets	1,062	1,053	1,015	999
Tax assets	**9,109**	**1,053**	**9,015**	**999**
Current income tax liabilities	(8,864)	(13,879)	(7,698)	(12,392)
Deferred income tax liabilities	(2,472)	(2,450)	(22)	-
Tax liabilities	**(11,336)**	**(16,329)**	**(7,720)**	**(12,392)**
Mortgage loan levy and bank tax	**-**	**-**	**-**	**-**

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

	EUR thousands			
	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
As at the beginning of the period	(1,397)	1,636	999	1,572
Charge to statement of income	41	(1,200)	48	(28)
Securities fair value revaluation reserve	(54)	(529)	(54)	(529)
Net deferred income tax asset at the period end	**(1,410)**	**(93)**	**993**	**1,015**

	Group, EUR thousands			
	Opening balance 01/01/2026	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2026
Securities fair value revaluation reserve	530	-	(54)	476
Deferred income and accrued expense	523	41	-	564
Expected distribution of retained earnings	(2,450)	-	-	(2,450)
Deferred income tax assets, net	**(1,397)**	**41**	**(54)**	**(1,410)**

	Group, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2025
Securities fair value revaluation reserve	1,149	-	(529)	620
Deferred income and accrued expense	471	(34)	-	437
Fair value amortisation on the acquired loan portfolio	15	(15)	-	-
Expected distribution of retained earnings	-	(1,150)	-	(1,150)
Other items, net	1	(1)	-	-
Deferred income tax assets, net	**1,636**	**(1,200)**	**(529)**	**(93)**

	Bank, EUR thousands			
	Opening balance 01/01/2026	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2026
Securities fair value revaluation reserve	531	-	(54)	477
Deferred income and accrued expense	468	48	-	516
Deferred income tax assets, net	**999**	**48**	**(54)**	**993**

	Bank, EUR thousands			
	Opening balance 01/01/2025	Recognised in statement of income	Recognised in statement of OCI	Closing balance 30/09/2026
Securities fair value revaluation reserve	1,149	-	(529)	620
Deferred income and accrued expense	423	(28)	-	395
Deferred income tax assets, net	**1,572**	**(28)**	**(529)**	**1,015**

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

	EUR thousands			
	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
Profit before corporate income tax from continuous operations before non-current assets held for sale	78,403	80,183	64,869	65,465
Corporate income tax (at 20%)	**15,681**	**16,037**	**12,974**	**13,093**
Undistributed earnings taxable on distribution	(1,188)	(1,366)	-	-
Non-taxable income and impact from bank tax expense	(226)	(199)	(168)	(135)
Effect of tax rates in foreign jurisdictions	43	(308)	168	(132)
Non-deductible expense	464	239	55	85
Expected distribution of retained earnings within the Group	-	1,170	-	-
Other tax differences, net	218	361	(28)	49
Total effective corporate income tax from continuous operations	**14,992**	**15,934**	**13,001**	**12,960**

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 35 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							
	30/09/2026				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	-	70,374	2,751	73,125	5,702	62,187	1,786	69,675
AA/Aa	10,029	42,617	2,213	54,859	9,948	67,380	573	77,901
A	59,836	595,336	194,607	849,779	69,355	589,409	201,745	860,509
BBB/Baa	2,458	13,411	-	15,869	3,477	13,459	-	16,936
Lower ratings or unrated	-	18,744	-	18,744	-	15,882	-	15,882
Total debt securities	**72,323**	**740,482**	**199,571**	**1,012,376**	**88,482**	**748,317**	**204,104**	**1,040,903**
Including:								
general government	*65,458*	*595,754*	*197,896*	*859,108*	*72,324*	*586,427*	*202,317*	*861,068*
credit institutions	*2,194*	*44,647*	-	*46,841*	*3,109*	*47,861*	-	*50,970*
classified in Stage 1	*72,323*	*740,482*	*n/a*	*n/a*	*88,482*	*748,317*	*n/a*	*n/a*
hedged items (Note Derivatives)	*14,811*	*24,826*	-	*39,637*	-	-	-	-
accumulated adjustment on the hedged items/ FV reserve	*(636)*	*(1,430)*	-	*(2,066)*	-	-	-	-

	Bank, EUR thousands							
	30/09/2026				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	-	64,941	-	64,941	5,702	57,827	-	63,529
AA/Aa	10,029	41,611	-	51,640	9,948	66,370	-	76,318
A	54,133	584,591	188,741	827,465	59,428	582,789	196,950	839,167
BBB/Baa	-	11,408	-	11,408	-	11,450	-	11,450
Lower ratings or unrated	-	17,227	-	17,227	-	14,364	-	14,364
Total debt securities	**64,162**	**719,778**	**188,741**	**972,681**	**75,078**	**732,800**	**196,950**	**1,004,828**
Including:								
general government	*62,448*	*588,635*	*188,741*	*839,824*	*67,663*	*583,704*	*196,950*	*848,317*
credit institutions	*-*	*43,608*	*-*	*43,608*	*-*	*47,861*	*-*	*47,861*
classified in Stage 1	*64,162*	*719,778*	*n/a*	*n/a*	*75,078*	*732,800*	*n/a*	*n/a*
hedged items (Note Derivatives)	*14,811*	*24,826*	*-*	*39,637*	*-*	*-*	*-*	*-*
accumulated adjustment on the hedged items /FV reserve	*(636)*	*(1,430)*	*-*	*(2,066)*	*-*	*-*	*-*	*-*

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

Debt securities by country of issuer

	Group, EUR thousands					
	30/09/2026			31/12/2025		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Latvia	377,519	6,007	383,526	355,838	4,392	360,230
Lithuania	344,188	19,268	363,456	378,028	18,050	396,078
Estonia	76,778	27,812	104,590	81,336	27,306	108,642
Germany	1,076	33,668	34,744	-	45,175	45,175
United States	8,316	18,334	26,650	12,469	21,580	34,049
Slovakia	17,298	506	17,804	17,823	2,778	20,601
Canada	2,257	14,524	16,781	2,160	15,361	17,521
Austria	2,213	6,561	8,774	-	6,652	6,652
Czech Republic	4,958	744	5,702	4,922	1,255	6,177
Poland	-	2,028	2,028	506	4,370	4,876
Other countries	24,505	7,747	32,252	7,986	7,623	15,609
Multilateral development banks and international organisations	-	16,069	16,069	-	25,293	25,293
Total debt securities	**859,108**	**153,268**	**1,012,376**	**861,068**	**179,835**	**1,040,903**

	Bank, EUR thousands					
	30/09/2026			31/12/2025		
	Government bonds	Other securities	Total	Government bonds	Other securities	Total
Latvia	371,562	4,490	376,052	351,146	2,874	354,020
Lithuania	340,522	18,119	358,641	376,739	16,898	393,637
Estonia	76,778	26,773	103,551	81,336	26,880	108,216
Germany	-	32,148	32,148	-	43,641	43,641
United States	8,316	14,373	22,689	12,469	15,197	27,666
Slovakia	17,298	-	17,298	17,424	2,268	19,692
Canada	2,257	14,524	16,781	2,160	15,361	17,521
Austria	-	6,561	6,561	-	6,652	6,652
Czech Republic	4,958	-	4,958	4,922	-	4,922
Poland	-	1,178	1,178	-	3,011	3,011
Other countries	18,133	4,692	22,825	2,121	4,583	6,704
Multilateral development banks and international organisations	-	9,999	9,999	-	19,146	19,146
Total debt securities	**839,824**	**132,857**	**972,681**	**848,317**	**156,511**	**1,004,828**

No payments on the debt securities are past due.

NOTE 14. LOANS TO PUBLIC

Loans to public, financial commitments, guarantees and letters of credit by overdue days and impairment stage

	Group, EUR thousands					
	30/09/2026					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,840,302	247,634	47,735	290	(59,751)	4,076,210
Past due <=30 days	10,341	21,266	3,416	-	(5,857)	29,166
Past due >30 and ≤90 days	-	6,807	2,927	-	(3,453)	6,281
Past due >90 days	-	-	22,481	945	(15,832)	7,594
Total loans to public	**3,850,643**	**275,707**	**76,559**	**1,235**	**(84,893)**	**4,119,251**
including credit impaired	-	-	*76,559*	*946*	*(34,350)*	*43,155*
Guarantees and letters of credit	101,943	179	47	-	(428)	101,741
Financial commitments	408,165	5,668	931	-	(1,835)	412,929
Total credit exposure to public	**4,360,751**	**281,554**	**77,537**	**1,235**	**(87,156)**	**4,633,921**

	Group, EUR thousands					
	31/12/2025					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Loans to public						
Not past due	3,515,932	235,231	26,448	1,073	(53,505)	3,725,179
Past due <=30 days	6,295	14,108	3,171	-	(4,949)	18,625
Past due >30 and ≤90 days	-	7,761	2,521	-	(3,280)	7,002
Past due >90 days	-	-	32,015	954	(19,569)	13,400
Total loans to public	**3,522,227**	**257,100**	**64,155**	**2,027**	**(81,303)**	**3,764,206**
including credit impaired	-	-	*64,155*	*954*	*(32,057)*	*33,052*
Guarantees and letters of credit	101,908	526	33	-	(553)	101,914
Financial commitments	381,020	12,370	691	-	(1,788)	392,293
Total credit exposure to public	**4,005,155**	**269,996**	**64,879**	**2,027**	**(83,644)**	**4,258,413**

	Bank, EUR thousands				
	30/09/2026				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Loans to public					
Not past due	3,888,191	104,542	30,151	(37,188)	3,985,696
Past due <=30 days	8,482	9,136	2,313	(4,101)	15,830
Past due >30 and ≤90 days	-	3,714	1,852	(2,541)	3,025
Past due >90 days	-	-	11,978	(10,207)	1,771
Total loans to public	**3,896,673**	**117,392**	**46,294**	**(54,037)**	**4,006,322**
Guarantees and letters of credit	101,943	179	47	(428)	101,741
Financial commitments	408,001	5,121	499	(1,562)	412,059
Total credit exposure to public	**4,406,617**	**122,692**	**46,840**	**(56,027)**	**4,520,122**

	Bank, EUR thousands				
	31/12/2025				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Loans to public					
Not past due	3,570,034	89,912	10,300	(34,758)	3,635,488
Past due <=30 days	5,546	6,725	1,874	(3,611)	10,534
Past due >30 and ≤90 days	-	4,071	684	(1,967)	2,788
Past due >90 days	-	-	21,248	(14,596)	6,652
Total loans to public	**3,575,580**	**100,708**	**34,106**	**(54,932)**	**3,655,462**
Guarantees and letters of credit	101,908	526	33	(553)	101,914
Financial commitments	370,509	9,572	540	(1,699)	378,922
Total credit exposure to public	**4,047,997**	**110,806**	**34,679**	**(57,184)**	**4,136,298**

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

Non-performing loans to public ratios

	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Non-performing* gross loans ratio	**1.8%**	**1.7%**	**1.1%**	**0.9%**
Non-performing* net loans ratio	**1.0%**	**0.9%**	**0.6%**	**0.3%**
Non-performing* loans impairment ratio	**44%**	**49%**	**48%**	**63%**

* Stage 3 and part of POCI

Expected credit loss allowance by customer profile and impairment stage

	Group, EUR thousands				
	30/09/2026				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Corporations	(17,914)	(4,204)	(20,364)	(760)	(43,242)
Households	(23,364)	(4,970)	(13,154)	(73)	(41,561)
General government	(90)	-	-	-	(90)
Expected credit loss allowance	**(41,368)**	**(9,174)**	**(33,518)**	**(833)**	**(84,893)**

	Group, EUR thousands				
	31/12/2025				
	Expected credit loss allowance				Total
	Stage 1	Stage 2	Stage 3	POCI	
Corporations	(17,614)	(3,821)	(20,853)	(451)	(42,739)
Households	(23,137)	(4,477)	(10,676)	(78)	(38,368)
General government	(187)	(9)	-	-	(196)
Expected credit loss allowance	**(40,938)**	**(8,307)**	**(31,529)**	**(529)**	**(81,303)**

	Bank, EUR thousands			
	30/09/2026			
	Expected credit loss allowance			Total
	Stage 1	Stage 2	Stage 3	
Corporations	(8,173)	(1,342)	(11,506)	(21,021)
Households	(18,571)	(3,692)	(10,752)	(33,015)
General government	(1)	-	-	(1)
Expected credit loss allowance	**(26,745)**	**(5,034)**	**(22,258)**	**(54,037)**

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

Loans to public by customer profile and impairment stage

	Group, EUR thousands					
	30/09/2026					
	Gross amount				Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3	POCI		
Corporations						
Real estate purchase and management	521,577	23,419	916	-	(2,586)	543,326
Manufacturing and professional, scientific and technical activities	268,524	20,743	6,439	844	(7,362)	289,188
Trade	243,701	23,861	6,697	2	(7,226)	267,035
Transport and communications	203,594	28,862	2,823	21	(3,610)	231,690
Agriculture and forestry	164,572	29,800	23,871	1	(11,817)	206,427
Electricity, gas and water supply	141,724	16,170	5,614	-	(1,860)	161,648
Construction	157,666	17,400	5,067	2	(4,298)	175,837
Financial intermediation	31,386	5,117	37	-	(322)	36,218
Hotels, restaurants	20,288	2,245	1,580	-	(433)	23,680
Other industries	231,502	16,717	2,860	225	(3,728)	247,576
Total corporations	**1,984,534**	**184,334**	**55,904**	**1,095**	**(43,242)**	**2,182,625**
Households						
Mortgage loans	1,004,363	28,542	9,119	88	(15,731)	1,026,381
Finance leases	486,902	35,034	4,869	42	(7,291)	519,556
Credit for consumption	296,529	20,969	3,856	-	(13,200)	308,154
Card lending	56,452	5,123	979	-	(3,590)	58,964
Other lending	7,127	1,616	1,832	10	(1,749)	8,836
Total households	**1,851,373**	**91,284**	**20,655**	**140**	**(41,561)**	**1,921,891**
General government	**14,736**	**89**	**-**	**-**	**(90)**	**14,735**
Total loans to public	**3,850,643**	**275,707**	**76,559**	**1,235**	**(84,893)**	**4,119,251**

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

	Bank, EUR thousands				
	30/09/2026				
	Gross amount			Expected credit loss allowance	Net carrying amount
	Stage 1	Stage 2	Stage 3		
Corporations					
Real estate purchase and management	495,453	19,103	630	(2,080)	513,106
Manufacturing and professional, scientific and technical activities	152,046	5,891	2,073	(3,477)	156,533
Trade	98,084	9,815	3,199	(3,328)	107,770
Transport and communications	13,502	2,171	477	(686)	15,464
Agriculture and forestry	60,620	6,544	15,268	(6,274)	76,158
Electricity, gas and water supply	123,591	15,158	5,531	(1,608)	142,672
Construction	35,095	1,916	1,765	(1,772)	37,004
Financial intermediation	1,554,072	3,847	-	(819)	1,557,100
Hotels, restaurants	7,428	734	1,544	(238)	9,468
Other industries	39,556	1,914	337	(739)	41,068
Total corporations	**2,579,447**	**67,093**	**30,824**	**(21,021)**	**2,656,343**
Households					
Mortgage loans	1,003,506	28,536	9,120	(15,697)	1,025,465
Credit for consumption	250,260	15,066	3,579	(12,036)	256,869
Card lending	56,452	5,123	979	(3,590)	58,964
Other lending	3,993	1,495	1,792	(1,692)	5,588
Total households	**1,314,211**	**50,220**	**15,470**	**(33,015)**	**1,346,886**
General government	**3,015**	**79**	**-**	**(1)**	**3,093**
Total loans to public	**3,896,673**	**117,392**	**46,294**	**(54,037)**	**4,006,322**

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

NOTE 15. EQUITY AND OTHER FINANCIAL INSTRUMENTS

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

	Group, EUR thousands							
	30/09/2026				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	18,376	302	-	18,678	21,999	284	-	22,283
Financial assets at fair value through other comprehensive income	-	136	-	136	-	122	21	143
Total non-fixed income securities, net	**18,376**	**438**	**-**	**18,814**	**21,999**	**406**	**21**	**22,426**
Including unit-linked insurance plan assets	*12,773*	-	-	*12,773*	*13,235*	-	-	*13,235*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management	*13,535*	-	-	*13,535*	*13,845*	-	-	*13,845*
Including investments in mutual investment funds, which are managed by IPAS CBL Asset Management and which relate to unit-linked contracts	*10,335*	-	-	*10,335*	*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 investments in mutual investment funds, which are managed by IPAS CBL Asset Management, are related to unit-linked contracts, where the risk associated with the investments made is fully attributable to the counterparty entering the insurance agreement and not the underwriter. These exposures have been acquired only with investment intentions. The Bank has no exposure to investments related to unit-linked contracts.

	Bank, EUR thousands							
	30/09/2026				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	-	302	-	302	-	284	-	284
Financial assets at fair value through other comprehensive income	-	136	-	136	-	122	21	143
Total non-fixed income securities, net	**-**	**438**	**-**	**438**	**-**	**406**	**21**	**427**

NOTE 16. INVESTMENTS IN RELATED ENTITIES

Changes in investments in related entities of the Bank

	EUR thousands	
	9m 2026	9m 2025
Balance at the beginning of the period, net	**52,969**	**48,759**
Change in impairment allowance	1,075	1,238
Investment in subsidiaries	250	-
Balance at the end of the period, net	**54,294**	**49,997**
Gross investment in subsidiaries	*60,848*	*60,598*

Changes in investments in related entities

In June 2026 a new subsidiary SIA C Capital Markets was established by the Bank. 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 valuation model are 14.6% (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 sole shareholder. The valuation 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	
							30/09/2026	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	15,133	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
OU Citadele Factoring	10925733	Estonia	LIZ	MS	100	100	445	445
SIA C Capital Markets	40203751667	Latvia	IBS	MS	100	100	250	-
AS CBL Atklātais Pensiju Fonds	40003397312	Latvia	PFO	MS	100	100	-	-
SIA CL Insurance Broker	40003983430	Latvia	PLS	MMS	100	100	-	-
AAS CBL Life	40003786859	Latvia	APS	MMS	100	100	-	-
Total net investments in subsidiaries and associated entities							**54,294**	**52,969**

* BNK – bank, ENI – authorized electronic money institution, IBS – investment brokerage company, IPS – investment management company, PFO – pension fund, CFI – other financial institution, LIZ – leasing and factoring 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			
	9m 2026	9m 2025	Q3 2026	Q3 2025	9m 2026	9m 2025	Q3 2026	Q3 2025
Net interest income	-	1,261	-	-	-	-	-	-
Net fee and commission income	-	2,101	-	-	-	-	-	-
Other operating income / (expense)	-	366	-	(8)	-	-	-	-
Staff costs, other operating expenses, depreciation and amortisation	-	(5,838)	-	-	-	-	-	-
Net credit losses and other impairment losses	-	(17)	-	(1)	-	-	-	-
Impairment of non-financial assets and other provisions	-	(1,002)	-	403	-	-	-	-
Income tax	-	(21)	-	-	-	-	-	-
Net result from discontinued operations	**-**	**(3,150)**	**-**	**394**	**-**	**-**	**-**	**-**
Result from non-current assets held for sale	-	(491)	-	254	-	(1,429)	-	255
Net result from non-current assets held for sale and discontinued operations	**-**	**(3,641)**	**-**	**648**	**-**	**(1,429)**	**-**	**255**

Cash flows from discontinued operations of the Group

	EUR thousands	
	9m 2026	9m 2025
Cash flows from operating activities	-	51,873
Cash flows from investing activities	-	5,609
Cash flows from financing activities	-	-
Decrease in cash and cash equivalents as a result of disposal of discontinued operations	-	(69,468)
Cash flows for the period	**-**	**(11,986)**
Cash and cash equivalents at the beginning of the period	-	**11,986**
Cash and cash equivalents at the end of the period	-	-

Cash and cash equivalents decreased as a result of disposal of discontinued operations due to cash equivalents 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.

NOTE 18. DEPOSITS FROM CREDIT INSTITUTIONS AND CENTRAL BANKS

Credit institution deposits and borrowings by type

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Deposits and collateral accounts of credit institutions	12,390	2,599	12,390	2,599
Deposits and accounts of central banks	-	-	-	-
Total deposits from credit institutions and central banks	**12,390**	**2,599**	**12,390**	**2,599**

NOTE 19. DEPOSITS AND BORROWINGS FROM CUSTOMERS

Deposits and borrowings by profile of the customer

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Households	2,231,934	2,162,409	2,203,805	2,127,698
Non-financial corporations	1,775,498	1,777,540	1,776,552	1,778,600
Financial corporations	299,789	290,287	336,156	324,675
General government	129,539	63,657	129,539	63,657
Other	14,930	10,308	14,930	10,307
Total deposits and borrowings from customers	**4,451,690**	**4,304,201**	**4,460,982**	**4,304,937**

Deposits and borrowings from customers by contractual maturity

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Demand deposits	3,032,935	2,975,041	3,035,255	2,983,403
Saving accounts due within less than 2 months	288,320	230,094	290,472	232,088
Term deposits due within:				
less than 1 month	*244,535*	*304,490*	*245,610*	*303,005*
more than 1 month and less than 3 months	*266,180*	*232,970*	*285,982*	*231,871*
more than 3 months and less than 6 months	*277,820*	*299,180*	*280,065*	*297,784*
more than 6 months and less than 12 months	*281,701*	*203,581*	*279,629*	*218,540*
more than 1 year and less than 5 years	*55,585*	*54,236*	*43,717*	*38,093*
more than 5 years	*4,614*	*4,609*	*252*	*153*
Total term deposits	1,130,435	1,099,066	1,135,255	1,089,446
Total deposits and borrowings from customers	**4,451,690**	**4,304,201**	**4,460,982**	**4,304,937**

Deposits and borrowings from customers by categories

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
At amortised cost	4,437,987	4,290,085	4,460,982	4,304,937
At fair value through profit or loss	13,703	14,116	-	-
Total deposits and borrowings from customers	**4,451,690**	**4,304,201**	**4,460,982**	**4,304,937**
Including unit-linked insurance plan liabilities	*12,459*	*12,796*	-	-

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

NOTE 20. DEBT SECURITIES ISSUED

Publicly listed debt securities

ISIN code of the issued bond	Eligibility	Currency	Interest rate, as of the period end	Initial maturity date	Principal, EUR thousands	Amortised cost, EUR thousands	
						30/09/2026	31/12/2025
XS3148256913	MREL eligible	EUR	3.875%	23/12/2029	300,000	307,864	298,697
XS3060301168	AT1 eligible	EUR	7.125%	n/a	50,000	50,013	49,874
LV0000113439	MREL eligible	EUR	5.150%	28/12/2029	50,000	49,935	-
LV0000880102	Subordinated	EUR	5.00%	13/12/2031	40,000	40,601	40,104
LV0000803054	Subordinated	EUR	8.00%	05/04/2034	20,000	20,631	20,186
						469,044	**408,861**

Key features of the issued bonds

EUR 300 million Senior Unsecured Preferred Bond (XS3148256913) with maturity date on 23 December 2029. This bond has 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. This bond is Minimum Requirement for own funds and Eligible Liabilities (MREL) eligible. This bond is listed on Euronext Dublin.

Interest rate of the Perpetual Additional Tier 1 temporary write down note (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. This bond is 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. EUR 50 million (LV0000113439) bond is MREL eligible with initial maturity of three and one quarter years and is listed on Nasdaq Riga.

Unsecured subordinated bonds and additional tier 1 bond qualify for inclusion in the Bank's and the Group's regulatory capital and contribute to a stronger capital position. During their final five years of maturity, eligible capital amount of the subordinated bonds linearly amortizes to zero. 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 bonds which are listed on Nasdaq Riga

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.	%
LV0000113439	September 2026	24	24	50,000	100%	-	-	-
LV0000880102	June 2026	168	54	26,130	65%	114	13,870	35%
LV0000803054	March 2026	482	173	10,860	54%	309	9,140	46%

Change in debt securities

	EUR thousands			
	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
Opening balance	**408,861**	**315,422**	**408,861**	**315,422**
Proceeds from issue of debt securities	49,913	298,482	49,913	298,482
Repayment of debt securities	-	(129,230)	-	(129,230)
Interest expense	14,767	7,280	14,767	7,280
Interest paid on debt securities issued	(4,497)	(4,326)	(4,497)	(4,326)
Closing balance	**469,044**	**487,628**	**469,044**	**487,628**

NOTE 21. SHARE CAPITAL

The Bank has one class dematerialised shares, i.e. recorded in the depositary (Nasdaq CSD SE). As of the period end the Bank's total paid capital is EUR 159,224,758 (2025: EUR 159,224,758) and conditional capital is EUR 3,776,456 (2025: EUR 3,123,456). 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 18,625,978 (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

	30/09/2026		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[1]	51,916,037	51,916,037	51,549,212	51,549,212
European Bank for Reconstruction and Development	39,138,948	39,138,948	39,138,948	39,138,948
EMS LB LLC[3]	10,404,591	10,404,591	17,635,133	17,635,133
Amolino Holdings Inc.[4]	7,959,336	7,959,336	13,490,578	13,490,578
Delan S.à.r.l.[2]	12,477,728	12,477,728	12,477,728	12,477,728
Shuco LLC[5]	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	765,603	765,603	1,041,415	1,041,415
Other shareholders	12,132,100	12,132,100	14,006,426	14,006,426
Total	**140,598,780**	**140,598,780**	**159,177,598**	**159,177,598**
Own shares	18,625,978		47,160	
Total paid capital	**159,224,758**		**159,224,758**	

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

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

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

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

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

Earnings per share

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

	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
Profit for the period, EUR thousands	63,411	60,608	51,868	51,076
Weighted average number of shares outstanding in thousands	140,411	158,980	140,411	158,980
Basic earnings per share in EUR	**0.45**	**0.38**	**0.37**	**0.32**
Weighted average number of the shares (basic) outstanding in thousands	140,411	158,980	140,411	158,980
Effect of share options in issue in thousands	1,223	1,137	1,223	1,137
Weighted average number of shares (diluted) outstanding during the period in thousands	**141,634**	**160,117**	**141,634**	**160,117**
Profit for the period, EUR thousands	63,411	60,608	51,868	51,076
Weighted average number of the shares (diluted) outstanding in thousands	141,634	160,117	141,634	160,117
Diluted earnings per share in EUR	**0.45**	**0.38**	**0.37**	**0.32**
Net loss from discontinued operations (Note *Discontinued operations and non-current assets held for sale*)	-	(3,150)	-	-
Profit for the period from continuing operations, EUR thousands	63,411	63,758	51,868	51,076
Basic earnings / (loss) per share in EUR	0.45	0.38	0.37	0.32
from continuing operations	*0.45*	*0.40*	*0.37*	*0.32*
from discontinued operations	-	*(0.02)*	-	-
Diluted earnings / (loss) per share in EUR	0.45	0.38	0.37	0.32
from continuing operations	*0.45*	*0.40*	*0.37*	*0.32*
from discontinued operations	-	*(0.02)*	-	-

NOTE 22. OFF-BALANCE SHEET ITEMS

Contingent liabilities and financial commitments outstanding

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Contingent liabilities:				
Outstanding guarantees	98,129	102,304	98,129	102,304
Outstanding letters of credit	4,040	163	4,040	163
Total contingent liabilities	**102,169**	**102,467**	**102,169**	**102,467**
Provisions for credit risk	(428)	(553)	(428)	(553)
Net credit risk exposure for guarantees and letters of credit	**101,741**	**101,914**	**101,741**	**101,914**
Financial commitments:				
Unutilised credit lines and loans granted, not fully drawn down	185,727	180,596	288,334	251,784
Card commitments	111,434	113,569	111,456	113,596
Factoring commitments	103,772	84,675	-	-
Performance commitments (guarantees)	13,831	15,241	13,831	15,241
Total financial commitments	**414,764**	**394,081**	**413,621**	**380,621**
Provisions for financial commitments	(1,835)	(1,788)	(1,562)	(1,699)
Net credit risk exposure for financial commitments	**412,929**	**392,293**	**412,059**	**378,922**

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. DERIVATIVES

Notional amounts and fair values of derivatives of the Group and the Bank

	Notional amount EUR thousands		Fair value EUR thousands			
	30/09/2026	31/12/2025	30/09/2026		31/12/2025	
			Assets	Liabilities	Assets	Liabilities
Foreign exchange contracts:						
Swaps	333,539	315,214	2,788	(775)	786	(636)
Forwards	22,931	3,634	186	(107)	15	(14)
Total foreign exchange contracts	**356,470**	**318,848**	**2,974**	**(882)**	**801**	**(650)**
Interest rate contracts:						
Interest rate swaps in no hedge accounting relationship	190,400	190,400	6,764	(108)	946	(2,117)
Interest rate swaps to hedge interest rate risk of debt securities at fair value through other comprehensive income (Note *Debt Securities* and *OCI*)	15,000	-	636	-	-	-
Interest rate swaps to hedge interest rate risk of debt securities at amortised cost (Note *Debt Securities*)	25,000	-	1,402	-	-	-
Total interest rate contracts	**230,400**	**190,400**	**8,802**	**(108)**	**946**	**(2,117)**
Derivatives	**586,870**	**509,248**	**11,776**	**(990)**	**1,747**	**(2,767)**

Change in fair value of hedging instruments and hedged items and hedge ineffectiveness of the Group and the Bank

	EUR thousands					
	9m 2026			9m 2025		
	Change in fair value in the reporting period used as a basis for recognising hedge ineffectiveness		Ineffectiveness recognised for the reporting period	Change in fair value in the reporting period used as a basis for recognising hedge ineffectiveness		Ineffectiveness recognised for the reporting period
	Hedging instruments	Hedged items (Note *Debt Securities*)		Hedging instruments	Hedged items (Note *Debt Securities*)	
Hedging the interest rate risk of debt securities:						
at fair value through other comprehensive income	636	(636)	-	-	-	-
at amortised cost	1,430	(1,430)	-	-	-	-
Total (Note *Net Financial Income*)	**2,066**	**(2,066)**	**-**	**-**	**-**	**-**

Contractual maturity profile and average price of hedging instruments of the Group and the Bank

	30/09/2026			31/12/2025		
	Within 1 year	2-5 years	Over 5 years	Within 1 year	2-5 years	Over 5 years
Notional amount, EUR thousands	-	-	40,000	-	-	-
Average fixed interest rate, %	-	-	2.61	-	-	-

The Group and the Bank use derivative foreign exchange instruments to manage currency positions, which arise also due to derivative foreign exchange contracts concluded with clients. Interest rate swaps are used to manage interest rate risk in debt securities portfolio, including for hedge accounting. Before entering into derivative agreement with a private individual or a company, the Group and the Bank assess the counterparty for its ability to meet contractual provisions. To minimise counterparty credit risk in the interest rate derivative transactions, the Group engages only with highly credible counterparties whose credit rating meets high internal threshold, also collateral and clearing requirements apply. For the Bank and the Group, as of the period end, none (2025: none) of the receivables arising out of derivative transactions were past due.

The Group and the Bank apply fair value hedge accounting for designated fixed-rate debt securities, both classified as at fair value through other comprehensive income and at amortised cost. The risk component hedged is changes in fair value due to changes in benchmark interest rates. Fixed-to-variable interest rate swaps are used for hedging purposes. Interest rate swaps are matched to each debt security exposure hedged (the hedged item) with closely aligned critical terms, including settlement dates. The hedge ratio is aligned with economic relationship to minimise hedge accounting ineffectiveness. Periodic hedge rebalancing is permitted to account for unwinding of discount or premium as maturity approaches. This approach is established by the Group's risk management strategy and applied to manage interest rate risk (part of the Group's market risk). For each hedge relation an economic relationship should exist, and a prospective hedge effectiveness assessment should be satisfied. The fair value of the hedged item has to respond similarly to similar risk to the hedging instrument by moving in an opposite direction as a result of changes in the hedged benchmark interest rate risk.

Interest rate swaps designated as hedging instruments are reported as derivative assets and derivative liabilities. The gain or loss on the hedging instrument (derivatives) is recognised in profit or loss as is the offsetting hedging gain or loss on the hedged item (debt securities). For amortised cost classified hedged items the basis adjustment adjusts the carrying amount of the hedged item, for fair value through other comprehensive income classified hedged items - the fair value reserve. If the hedged item is a financial instrument measured at amortised cost the amortisation of the fair value adjustment shall begin no later than when the hedged item ceases to be adjusted for hedging gains and losses. In the case of a hedged item that is measured at fair value through other comprehensive income, amortisation shall begin likewise and is applied in the same manner, but to the amount that represents the cumulative hedging gain or loss previously recognised. Any hedging ineffectiveness is immediately recognised in the statement of income.

The Group establishes a hedge ratio by aligning the par amount of the fixed-rate debt security and the notional amount of the interest rate swap designated as hedging instrument. Under the Group's policy, the hedge is effective, if changes in interest rates in the hedged debt security, as observed by changes in interest rate for swap contracts, are replicated by the hedging instruments. In the hedging relationship, the main source of ineffectiveness are expected to be differences in cash flow timing of the interest rate swaps and debt securities and not re-balanced changes in hedge ratio as discount or premium for the debt security unwinds.

Value changes in interest rate swaps versus value changes due to interest rate changes in the hedge debt securities are used as the basis for recognising hedge ineffectiveness for hedged interest rate risk. The above table discloses hedge ineffectiveness recognised in the profit or loss and change in fair value for the period for hedging instruments and hedged items and changes in fair value of the hedging instruments for the reporting period used as a basis for recognising hedge ineffectiveness. Cumulative changes in fair value of the hedged item used as a basis for recognising hedge ineffectiveness is disclosed in the note *Debt Securites.*

NOTE 24. ASSETS UNDER MANAGEMENT

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

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Fixed income investments:				
Government bonds	150,327	131,254	-	-
Corporate bonds	108,284	126,305	-	-
Credit institution bonds	52,454	55,601	-	-
Other financial institution bonds	31,744	30,856	-	-
Loans	498	540	498	540
Total fixed income investments	**343,307**	**344,556**	**498**	**540**
Other investments:				
Investment funds	1,119,746	838,454	-	-
Shares	121,837	140,464	-	-
Other	46,554	54,050	-	-
Total other investments	**1,288,137**	**1,032,968**	**-**	**-**
Total assets under management	**1,631,444**	**1,377,524**	**498**	**540**

Customer profile on whose behalf the funds are managed

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Pension plans	1,304,673	1,071,515	-	-
Insurance companies, investment and pension funds	174,515	165,973	-	-
Private individuals	151,758	139,496	-	-
Other companies and government	498	540	498	540
Total liabilities under management	**1,631,444**	**1,377,524**	**498**	**540**

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 25. CASH AND CASH EQUIVALENTS

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Cash and cash balances with central banks	372,790	511,451	372,681	511,451
Loans on demand to credit institutions (excluding encumbered)	5,841	4,663	4,653	3,265
Demand deposits from central banks and credit institutions	(12,184)	(2,599)	(12,184)	(2,599)
Total cash and cash equivalents	**366,447**	**513,515**	**365,150**	**512,117**

NOTE 26. 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.

Carrying value for cash and balances at central banks, loans to credit institutions, and deposits from credit institutions and central banks approximates their fair value.

Fair value hierarchy

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

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

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

Fair values of financial assets and liabilities of the Group on 30 September 2026

			Fair value hierarchy		
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Assets					
Financial assets measured at fair value through other comprehensive income:					
Debt securities	72,323	72,323	72,323	-	-
Equity instruments	136	136	-	-	136
Non-trading financial assets at fair value through profit or loss:					
Debt securities	199,571	199,571	199,571	-	-
Equity instruments	302	302	-	-	302
Other financial instruments	18,376	18,376	18,376	-	-
Other financial assets at fair value through profit or loss					
Derivatives	11,776	11,776	-	11,776	-
Financial assets not measured at fair value:					
Debt securities	740,482	695,192	658,274	35,930	988
Loans to public	4,119,251	4,124,400	-	-	4,124,400
Liabilities					
Financial liabilities measured at fair value:					
Derivatives	990	990	-	990	-
Deposits and borrowings from customers	13,703	13,703	12,459	-	1,244
Financial liabilities not measured at fair value:					
Deposits and borrowings from customers	4,437,987	4,439,832	-	-	4,439,832
Debt securities issued	469,044	465,218	303,669	161,549	-

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

			Fair value hierarchy		
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Assets					
Financial assets measured at fair value through other comprehensive income:					
Debt securities	88,482	88,482	88,369	113	-
Equity instruments	143	143	-	-	143
Non-trading financial assets at fair value through profit or loss:					
Debt securities	204,104	204,104	196,790	7,314	-
Equity instruments	284	284	-	-	284
Other financial instruments	21,999	21,999	21,999	-	-
Other financial assets at fair value through profit or loss					
Derivatives	1,747	1,747	-	1,747	-
Financial assets not measured at fair value:					
Debt securities	748,317	707,955	648,505	59,450	-
Loans to public	3,764,206	3,782,448	-	-	3,782,448
Liabilities					
Financial liabilities measured at fair value:					
Derivatives	2,767	2,767	-	2,767	-
Deposits and borrowings from customers	14,116	14,116	12,796	-	1,320
Financial liabilities not measured at fair value:					
Deposits 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 30 September 2026

			Fair value hierarchy		
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Assets					
Financial assets measured at fair value through other comprehensive income:					
Debt securities	64,162	64,162	64,162	-	-
Equity instruments	136	136	-	-	136
Non-trading financial assets at fair value through profit or loss:					
Debt securities	188,741	188,741	188,741	-	-
Equity instruments	302	302	-	-	302
Other financial assets at fair value through profit or loss					
Derivatives	11,776	11,776	-	11,776	-
Financial assets not measured at fair value:					
Debt securities	719,778	674,846	640,418	33,440	988
Loans to public	4,006,322	4,011,471	-	-	4,011,471
Liabilities					
Financial liabilities measured at fair value:					
Derivatives	990	990	-	990	-
Financial liabilities not measured at fair value:					
Deposits and borrowings from customers	4,460,982	4,462,731	-	-	4,462,731
Debt securities issued	469,044	465,218	303,669	161,549	-

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

			Fair value hierarchy		
	Carrying value	Total fair value	Quoted market prices	Valuation technique - observable inputs	Valuation technique – non-market observable inputs
Assets					
Financial assets measured at fair value through other comprehensive income:					
Debt securities	75,078	75,078	74,966	112	-
Equity instruments	143	143	-	-	143
Non-trading financial assets at fair value through profit or loss:					
Debt securities	196,950	196,950	189,637	7,313	-
Equity instruments	284	284	-	-	284
Other financial assets at fair value through profit or loss					
Derivatives	1,747	1,747	-	1,747	-
Financial assets not measured at fair value:					
Debt securities	732,800	692,628	635,020	57,608	-
Loans to public	3,655,462	3,673,704	-	-	3,673,704
Liabilities					
Financial liabilities measured at fair value:					
Derivatives	2,767	2,767	-	2,767	-
Financial liabilities not measured at fair value:					
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			
	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
Debt securities at fair value through other comprehensive income				
Presented as Level 1, reclassified from Level 2	111	1,950	111	1,442
Presented as Level 2, reclassified from Level 1	-	493	-	-
Debt securities at fair value through profit or loss				
Presented as Level 1, reclassified from Level 2	7,332	-	7,332	-
Presented as Level 2, reclassified from Level 1	-	-	-	-

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

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

	EUR thousands			
	9m 2026 Group	9m 2025 Group	9m 2026 Bank	9m 2025 Bank
As of the beginning of the period, net	**427**	**835**	**427**	**835**
Settlement	(185)	-	(185)	-
Revaluation gain recognised in statement of income	*79*	*170*	*79*	*170*
Revaluation gain recognised in other comprehensive income	*117*	*17*	*117*	*17*
As of the end of the period, net	**438**	**1,022**	**438**	**1,022**

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

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

	EUR thousands	
	9m 2026 Group	9m 2025 Group
Balance as at the beginning of the period	**1,320**	**1,697**
Premiums received	97	122
Commissions and risk charges	(7)	(10)
Paid to policyholders	(162)	(245)
Other	(4)	43
Currency revaluation result	-	(2)
Balance as at the end of the period	**1,244**	**1,605**

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 14 thousand in the net financial income line of the statement of income (2025: EUR -30 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 27. GEOGRAPHICAL DISTRIBUTION OF REVENUE

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

	9m 2026 EUR thousands				9m 2025 EUR thousands			
	Operating income	**Operating profit before bank and income tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end	**Operating income**	**Operating profit before tax**	**Income and bank tax, mortgage loan levy**	FTE equivalent employees at the period end
Latvia	105,141	40,675	(7,504)	941	109,331	49,333	(10,254)	928
Lithuania	45,068	27,841	(5,931)	273	40,031	20,714	(4,030)	251
Estonia	20,361	11,105	(1,557)	120	18,706	12,005	(1,650)	108
Eliminations and consolidation adjustments	(1,353)	(1,218)	-	-	(1,056)	(1,869)	-	-
Total continuing operations before non-current assets held for sale	**169,217**	**78,403**	**(14,992)**	**1,334**	**167,012**	**80,183**	**(15,934)**	**1,287**
Latvia (result from non-current assets held for sale)	-	-	-	-	-	(491)	-	-
Switzerland (discontinued operations)	-	-	-	-	3,728	(3,129)	(21)	-
Total operations	**169,217**	**78,403**	**(14,992)**	**1,334**	**170,740**	**76,563**	**(15,955)**	**1,287**

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 28. 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 drivers 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 appoints a Chief Risk Officer (CRO) who serves as a member of the Management Board or temporarily an employee who is not 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			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Insurance reserves:				
Annuity pension products	27,801	22,192	-	-
Life insurance reserves for unit-linked products	2,310	2,376	-	-
Other life insurance reserves	950	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 -66/+66 thousands (2025: EUR -59/+59 thousands). If discount rates applied to the annuity pension product reserves as of the period end were to change by +/-1.0 percentage point, the Group's net result would change by EUR +1.7/-1.9 million (2025: EUR +1.4/-1.6 million).

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

	Group as of 30/09/2026, EUR thousands					
	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	316,714	53,665	2,411	-	-	372,790
Loans to credit institutions	1,468	-	-	3,444	3,303	8,215
Debt securities	383,526	363,456	104,590	112,026	48,778	1,012,376
Loans to public	1,590,214	1,747,187	779,125	670	2,055	4,119,251
Equity instruments	-	-	-	136	302	438
Other financial instruments	13,536	-	-	4,839	1	18,376
Derivatives	1,267	19	-	10,489	1	11,776
Other assets	76,019	10,802	3,552	384	-	90,757
Total assets	**2,382,744**	**2,175,129**	**889,678**	**131,988**	**54,440**	**5,633,979**
Liabilities						
Deposits from credit institutions and central banks	209	7	-	12,056	118	12,390
Deposits and borrowings from customers	3,172,261	1,092,368	128,817	19,688	38,556	4,451,690
Debt securities issued	469,044	-	-	-	-	469,044
Derivatives	694	51	-	244	1	990
Other liabilities	88,481	15,469	9,244	294	519	114,007
Total liabilities	**3,730,689**	**1,107,895**	**138,061**	**32,282**	**39,194**	**5,048,121**
Off-balance sheet items						
Contingent liabilities	8,676	76,169	17,033	4	287	102,169
Financial commitments	256,111	124,726	32,644	1,154	129	414,764

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

Bank as of 30/09/2026, EUR thousands	Latvia	Lithuania	Estonia	Other EU countries and development banks	Other countries	Total
Assets						
Cash and cash balances at central banks	316,713	53,665	2,303	-	-	372,681
Loans to credit institutions	-	-	-	3,444	3,303	6,747
Debt securities	376,051	358,641	103,551	92,289	42,149	972,681
Loans to public	2,594,497	1,016,134	393,370	324	1,997	4,006,322
Equity instruments	-	-	-	136	302	438
Other financial instruments	-	-	-	-	-	-
Derivatives	1,267	19	-	10,489	1	11,776
Other assets	99,160	9,858	1,213	384	-	110,615
Total assets	**3,387,688**	**1,438,317**	**500,437**	**107,066**	**47,752**	**5,481,260**
Liabilities						
Deposits from credit institutions and central banks	209	7	-	12,056	118	12,390
Deposits and borrowings from customers	3,183,525	1,092,834	128,860	19,688	36,075	4,460,982
Debt securities issued	469,044	-	-	-	-	469,044
Derivatives	694	51	-	244	1.00	990
Other liabilities	38,490	7,449	1,764	101	193	47,997
Total liabilities	**3,691,962**	**1,100,341**	**130,624**	**32,089**	**36,387**	**4,991,403**
Off-balance sheet items						
Contingent liabilities	8,676	76,169	17,033	4	287	102,169
Financial commitments	278,867	108,103	26,156	366	129	413,621

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

Liquidity coverage ratio

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

EUR thousands	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Liquidity buffer	1,212,139	1,385,183	1,212,139	1,385,183
Net liquidity outflow	723,557	764,882	758,060	786,831
Liquidity coverage ratio	**168%**	**181%**	**160%**	**176%**

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 Q3 2026 interim profits is included, for the Group is 136% and for the Bank is 205%.

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Total available stable funding	4,369,271	4,153,057	4,284,035	4,088,983
Total required stable funding	3,203,087	2,940,393	2,090,444	1,944,257
Net stable funding ratio	**136%**	**141%**	**205%**	**210%**

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 and the Bank 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 Measures refer to Definitions, alternative performance measures and abbreviations section of these financial statements.

Regulatory capital requirements

	Group					
	30/09/2026			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%
Capital requirement	**10.75%**	**12.70%**	**15.30%**	**10.75%**	**12.70%**	**15.30%**
Pillar 2 Guidance (P2G)	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Capital requirement with non-legally binding Pillar 2 Guidance	**12.25%**	**14.20%**	**16.80%**	**12.25%**	**14.20%**	**16.80%**

For the Bank as of the period end Other systemically important institution buffer requirement applies at 1.25%, 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 10.77%, Tier 1 capital ratio requirement is 12.72% and Total capital adequacy ratio requirement is 15.32%. On top of the capital ratio requirements a 1.50% Pillar 2 Guidance applies.

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

	EUR thousands			
	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Common equity Tier 1 capital				
Paid up capital instruments and share premium	144,157	143,053	144,157	143,053
Retained earnings	435,586	398,545	343,842	317,635
Proposed or estimated dividends	(46,811)	(40,767)	(46,811)	(40,767)
Regulatory deductions and other negative capital components	(11,896)	(10,588)	(6,165)	(4,978)
Other capital components	3,766	4,340	3,766	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
Total own funds	**634,802**	**604,583**	**548,789**	**529,283**
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,715,772	2,398,551	1,637,016	1,572,459
Total exposure amounts for market risk	5,181	2,679	5,181	2,679
Total exposure amounts for operational risk	312,032	311,967	298,738	298,673
Total exposure amounts for credit valuation adjustment	6,179	3,172	6,180	3,173
Total risk exposure amount	**3,039,164**	**2,716,369**	**1,947,115**	**1,876,984**
Common equity Tier 1 capital ratio	**17.3%**	**18.2%**	**22.5%**	**22.3%**
Tier 1 capital ratio	**18.9%**	**20.0%**	**25.1%**	**25.0%**
Total capital adequacy ratio	**20.9%**	**22.3%**	**28.2%**	**28.2%**

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 repurchase.

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 part of the 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 Q3 2026 period. Below is presented a scenario, where no Q3 2026 interim profits are included. Audited annual profits became eligible for inclusion in the regulatory capital after the institution takes a formal decision confirming the final profit or loss for the year.

	EUR thousands	
	30/09/2026 Group	30/09/2026 Bank
Common equity Tier 1 capital	513,295	431,810
Additional Tier 1 capital	50,000	50,000
Tier 2 capital	60,000	60,000
Total own funds	**623,295**	**541,810**
Total risk exposure amount	**3,039,164**	**1,947,115**
Common equity Tier 1 capital ratio	**16.9%**	**22.2%**
Tier 1 capital ratio	**18.5%**	**24.7%**
Total capital adequacy ratio	**20.5%**	**27.8%**

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. 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 Q3 2026 interim profits are included, for the Group is 9.9% and for the Bank is 8.6%.

	30/09/2026 Group	31/12/2025 Group	30/09/2026 Bank	31/12/2025 Bank
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.1%	10.0%	8.7%	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 (2025: 23.15% and 5.91% respectively). 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 32.4% based on TREA criteria and 17.3% based on leverage ratio criteria. If eligible part of the interim profits were excluded from the calculation, the ratios would be 32.0% and 17.1% 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.

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

To the shareholders of AS "Citadele banka"

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

Introduction

We have reviewed the condensed interim separate financial information of AS "Citadele banka" ("the Bank") and the condensed interim consolidated financial information of the Bank and its subsidiaries ("the Group") set out on pages 13 to 61 of the accompanying Interim Report, which comprise:

- the separate and consolidated condensed balance sheets as at 30 September 2026,
- the separate and consolidated condensed statements of income for the three and nine months periods ended 30 September 2026,
- the separate and consolidated condensed statements of comprehensive income for the three and nine months periods ended 30 September 2026,
- the separate and consolidated condensed statements of changes in equity for the nine months period ended 30 September 2026,
- the separate and consolidated condensed statements of cash flows for the nine months period ended 30 September 2026, and
- the notes to the condensed interim separate and the condensed consolidated interim financial information.

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

Scope of review

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

KPMG Baltics SIA, a Latvian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Conclusion

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

Anders Tagde
Partner
KPMG Baltics SIA authorised representative
Riga, Latvia

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

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

QUARTERLY STATEMENTS OF INCOME AND BALANCE SHEETS OF THE GROUP

	Group, EUR, thousands				
	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
Interest income	65,593	61,937	58,431	59,526	56,773
Interest expense	(16,502)	(15,711)	(15,168)	(15,281)	(13,016)
Net interest income	**49,091**	**46,226**	**43,263**	**44,245**	**43,757**
Fee and commission income	20,657	19,790	18,046	19,318	19,618
Fee and commission expense	(10,689)	(9,919)	(9,367)	(10,616)	(9,689)
Net fee and commission income	**9,968**	**9,871**	**8,679**	**8,702**	**9,929**
Net financial income	721	2,402	1,178	2,483	2,838
Net other income / (expense)	38	(1,194)	(1,026)	(937)	(964)
Operating income	**59,818**	**57,305**	**52,094**	**54,493**	**55,560**
Staff costs	(18,280)	(18,196)	(17,546)	(17,352)	(15,880)
Other operating expenses	(8,997)	(8,041)	(7,454)	(9,919)	(8,655)
Depreciation and amortisation	(1,897)	(1,873)	(1,896)	(2,003)	(2,618)
Operating expense	**(29,174)**	**(28,110)**	**(26,896)**	**(29,274)**	**(27,153)**
Profit from continuous operations before impairment, other taxes and levies and non-current assets held for sale	**30,644**	**29,195**	**25,198**	**25,219**	**28,407**
Net credit losses	(1,407)	(2,786)	(2,436)	2,687	(2,715)
Other impairment losses	(4)	8	(9)	17	(1)
Operating profit from continuous operations before other taxes and levies and non-current assets held for sale	**29,233**	**26,417**	**22,753**	**27,923**	**25,691**
Mortgage loan levy and bank tax	-	-	-	-	22
Result from non-current assets held for sale and discontinued operations, net of tax	-	-	-	(99)	648
Operating profit	**29,233**	**26,417**	**22,753**	**27,824**	**26,361**
Income tax	(5,599)	(5,636)	(3,757)	(6,898)	(5,542)
Net profit	**23,634**	**20,781**	**18,996**	**20,926**	**20,819**

	Group, EUR, thousands				
	30/09/2026	30/06/2026	31/03/2026	31/12/2025	30/09/2025
Assets					
Cash and cash balances at central banks	372,790	315,631	434,391	511,451	448,983
Loans to credit institutions	8,215	6,240	6,027	7,099	10,253
Debt securities	1,012,376	1,036,212	1,049,043	1,040,903	1,070,703
Loans to public	4,119,251	3,946,820	3,800,269	3,764,206	3,668,540
Equity instruments	438	417	391	427	1,022
Other financial instruments	18,376	22,099	20,831	21,999	23,825
Derivatives	11,776	6,346	5,873	1,747	1,025
Tangible assets	43,376	39,026	35,944	30,755	29,689
Intangible assets	6,382	6,136	5,722	5,691	5,856
Current income tax assets	8,047	-	953	-	1,093
Deferred income tax assets	1,062	969	997	1,053	1,057
Other assets	31,890	44,843	42,473	39,405	43,587
Total assets	**5,633,979**	**5,424,739**	**5,402,914**	**5,424,736**	**5,305,633**
Liabilities					
Deposits from credit institutions and central banks	12,390	4,646	4,946	2,599	38,889
Deposits and borrowings from customers	4,451,690	4,325,330	4,313,076	4,304,201	4,100,978
Debt securities issued	469,044	415,984	412,894	408,861	487,628
Derivatives	990	2,211	2,138	2,767	3,061
Provisions	4,048	3,542	3,532	3,816	4,259
Current income tax liabilities	8,864	6,308	3,776	13,879	9,981
Deferred income tax liabilities	2,472	2,472	2,450	2,450	1,150
Bank tax liabilities	-	-	-	-	-
Other liabilities	98,623	102,376	93,721	88,905	84,318
Total liabilities	**5,048,121**	**4,862,869**	**4,836,533**	**4,827,478**	**4,730,264**
Equity					
Share capital	140,599	140,569	140,224	159,178	159,148
Reserves and other capital components	5,326	5,001	4,978	4,850	3,917
Retained earnings	439,933	416,300	421,179	433,230	412,304
Total equity	**585,858**	**561,870**	**566,381**	**597,258**	**575,369**
Total liabilities and equity	**5,633,979**	**5,424,739**	**5,402,914**	**5,424,736**	**5,305,633**

DEFINITIONS, ALTERNATIVE PERFORMANCE MEASURES AND ABBREVIATIONS

This section summarises abbreviations and alternative performance measures (APM) used throughout these interim condensed financial statements. APMs may not be comparable across companies. Profit-related APM 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.

Definitions of regulatory ratios

CAR – Total capital adequacy ratio as defined in the Regulation (EU) 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 (EU) 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.

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

LR – Leverage ratio as defined in Regulation (EU) 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.

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

Alternative performance measures

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.

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.

NIM – Net interest margin is a measure of profitability of interest earning assets and is calculated as net interest income divided by average interest earning assets at the beginning and the end of the period. Loans to credit institutions, debt securities and loans to public comprise interest earning assets.

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 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.

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 the 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 the 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.

Abbreviations

ALCO – Assets and Liabilities Management Committee.
AML – Anti-money laundering.
BRRD – Bank recovery and resolution directive.
CTF – Combating terrorist financing.
ECB - European Central Bank.
EU – European Union.
FMCRC – Financial Market and Counterparty Risk Committee.
IAS – International accounting standards.
ICAAP – Internal capital adequacy assessment process.
IFRS – International financial reporting standards.
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.
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.
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.