



AS Citadele Banka

Financial Results Presentation

2024

About us

Citadele Group – pan-Baltic full-service financial group

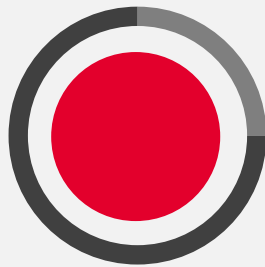
- Universal bank offering a wide range of banking products to our retail, SME and corporate customer base. The bank also provides wealth management, asset management, life insurance, pension, leasing and factoring products.
- Alongside traditional banking services, Citadele offers a range of services based on next-generation financial technology, incl. a modern MobileApp, contactless and instant payments, modern client onboarding practices and technologically-enabled best-in-class customer service.
- The Group's main market is the Baltics (Latvia, Lithuania and Estonia).

Shareholders

74.2%
Ripplewood and co-investors

24.7%
EBRD

1.1%
Management and employees



Moody's rating

Baa1, stable

/6 December 2024⁽¹⁾/

History – key highlights

- 2010** ● Citadele commenced operations on 1 August 2010.
- 2015** ● **Change of ownership** - Ripplewood Advisors LLC and co-investors acquired a 75% +1 share. EBRD holds a 25% -1 share. European Commission's restrictions removed.
- 2016** ● EUR 40 million subordinated bonds listed on Nasdaq Riga Stock Exchange Baltic Bond List.
- 2017** ● EUR 20 million subordinated bonds listed on Nasdaq Riga Stock Exchange Baltic Bond List.
- 2020** ● Citadele's **credit rating** upgraded to **investment grade** by Moody's, assigning Baa3 rating with stable outlook.
- 2021** ● Citadele becomes the **100% owner of SIA UniCredit Leasing**.
Citadele's **credit rating** upgraded by Moody's to **Baa2 with stable outlook**.
Citadele issues EUR 200 million of senior unsecured preferred bonds. The purpose of the issuance is to meet Minimum Requirement for own funds and Eligible Liabilities (MREL).
- 2022** ● The European Central Bank (ECB) has concluded the Asset Quality Review (AQR) of Citadele. The result of ECB's exercise highlights the quality of Citadele's asset base and risk underwriting. CET1 ratio post-AQR is 16.03% (pre-AQR ratio being 16.31%).
- 2024** ● Moody's **affirms** Citadele's **Baa2 credit rating**, changing outlook to positive. Citadele completes a **x3 oversubscribed issuance** of EUR 20 million subordinated bonds.

(1) Detailed information about ratings can be found on the web page of the rating agency www.moody's.com

Citadele overview

Complete portfolio of banking services

Private customers

Private individuals are serviced in Latvia, Lithuania and Estonia. The segment includes universal banking offer provided through branches, internet bank and mobile banking application.

Leasing

Leasing and factoring services provided to private individuals and companies in Latvia, Lithuania and Estonia.

Wealth management

Private banking, advisory, investment and wealth management services provided to high net-worth individuals serviced in Latvia, Lithuania and Estonia.

SME

Micro, Small and medium-sized companies in Latvia, Lithuania and Estonia serviced through branches, internet bank and mobile banking application. Focus on POS.

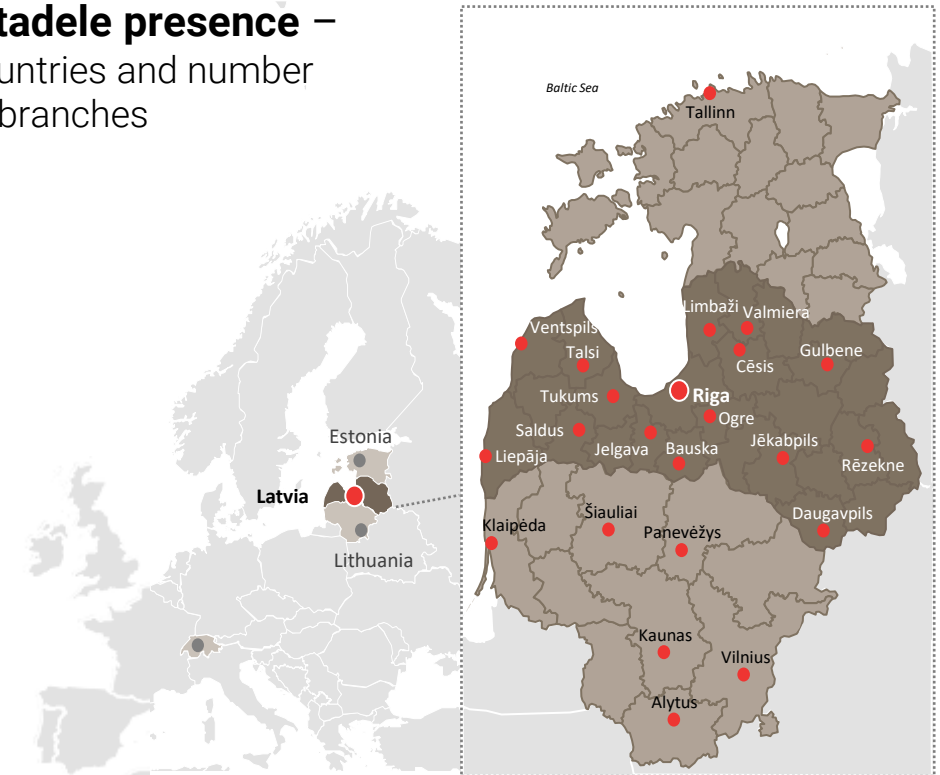
Corporates

Large customers serviced in Latvia, Lithuania and Estonia. Yearly turnover of the customer is above EUR 5 million or total risk exposure with Citadele Group is above EUR 1 million or the customer needs complex financing solutions.

Investment management

CBL Asset Management is one of the leading investment management companies in the Baltic area serving state-funded pension plans, corporations and other institutional clients.

Citadele presence – countries and number of branches



Branches*

11 in Latvia
6 in Lithuania
1 in Estonia



401k

Active Clients
(+6% y-o-y)



89.3%

Active digital channel users, %
of total customers



269k

MobileApp users
(+5% y-o-y)

**Citadele banka has 11 branches and client service centres in Latvia, 1 branch in Estonia and 1 branch with 6 customer service units in Lithuania. Information about branches, client service centres and ATMs is available in the Citadele web page's section "Branches and ATMs". Citadele is present also in Switzerland through AG Kaleido Privatbank (31 Employees), currently in a sales process.*

Values and strategy

Strategic focus

Citadele aims to become a modern banking platform for the Baltics. Increasingly digital bank with a wide product suite and unique offerings for its private and business clients, complemented by innovative stand-alone solutions with unique value proposition.

Tactical steps

Becoming Bank in the Pocket for mass and affluent retail customers by increasing new and existing customers that use Citadele as their primary bank

Driving growth in the underserved SMEs and micro-SMEs segments by offering most competitive proposition and digital tools to retailers in the region

Supporting growing Baltic Corporates, aiming for the leading roles in their industries

Establishing Citadele Leasing as flexible, digital and most trustful Vendor finance player in the Baltics



Core values

Act

We create our own opportunities and deliver on promises.

Aspire

We find solution for every client to support local economy.

Innovate

We set the standard through innovative experience.

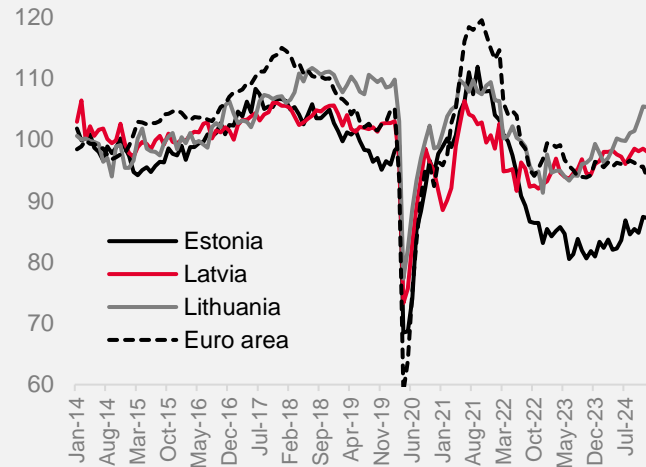
Personalize

We see people first and add human touch to banking.

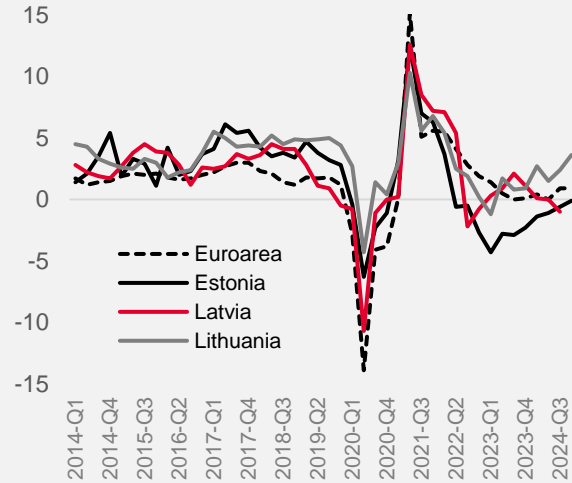
Citadele

Business environment

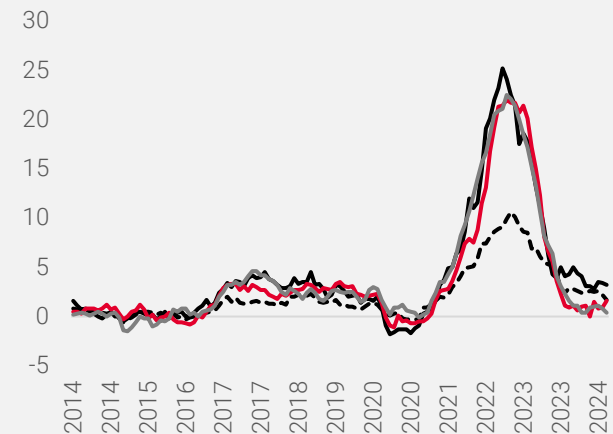
Economic sentiment indicator



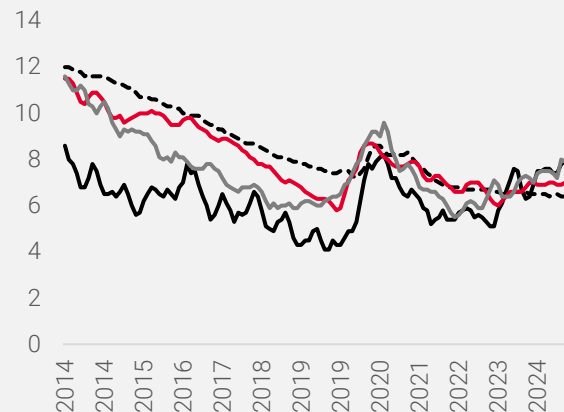
GDP (constant prices, % year-on year)



Inflation (% , year-on-year)



Unemployment rate (%)



— Latvia — Lithuania — Estonia - - - - Euro area

The global economy continues to face various challenges, including trade tensions and diverging monetary policies across regions. While the US economy demonstrates resilient growth, the eurozone economy struggles to recover from stagnation. Despite some recovery in the first three quarters of the year, economic momentum in the euro area weakened again, highlighting persistent vulnerabilities.

The Baltic economies followed distinct trajectories. Lithuania continued to demonstrate stable growth, underpinned by strong fundamentals. Latvia's economy remained broadly flat, but showed resilience in the face of external headwinds, with opportunities for strengthening through productivity gains. Estonia began to show early signs of recovery, signaling a potential turnaround in the coming quarters. Easing inflationary pressures have reinforced consumer confidence and purchasing power, while strong labour market has contributed to wage growth and bolstering household consumption. Given the relatively low debt levels among both households and businesses, lending activity in the Baltics continues to expand. Recently, growth in mortgage loans has become more pronounced. Lithuania's loan market has emerged as the most dynamic in the region.

Monetary policy decisions and developments in trade relations will continue to shape the economic landscape in the Baltics. Looking ahead, we remain cautiously optimistic about 2025. While external challenges persist, including geopolitical uncertainties, improving credit conditions, stabilizing inflation, and the potential for stronger economic momentum provide a solid foundation for continued growth.

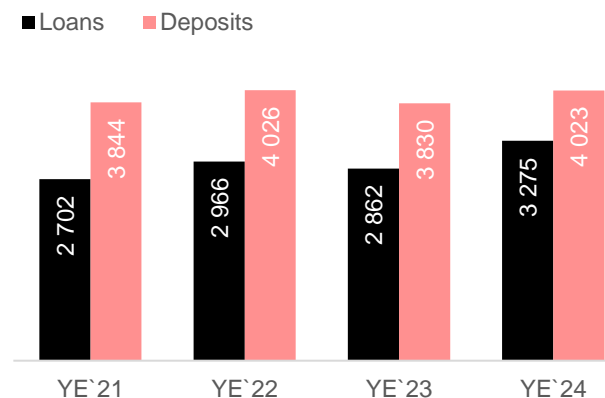
Key figures and events

- Citadele's operating income in 2024 reached EUR 234.8 million. Return on equity stood at 17.5%, while the cost-to-income ratio (CIR) was 48.4%.
- In Q4 2024, operating income was EUR 60.0 million, reflecting a 2% increase quarter-over-quarter. In 2024, the loan portfolio increased by 14%, reaching EUR 3,275 million as of 31 December 2024. EUR 1,346 million was issued in new financing to support Baltic private, SME, and corporate customers during this period, with EUR 402 million issued in Q4 2024.
- The overall credit quality of the loan book remained strong. The Stage 3 loans to public gross ratio was 2.3% as of 31 December 2024, compared to 2.1% as of 31 December 2023.
- Citadele's deposit base totalled EUR 4,023 million as of 31 December 2024 reflecting a 5% increase since the end of 2023.
- Citadele's active customers increased by 6% year-over-year, reaching 400.7 thousand as of 31 December 2024. The number of active mobile app users reached 269 thousand, growing by 5% year-over-year. Active digital channel users accounted for 89.3% of total customers.
- Citadele continues to operate with adequate capital and liquidity ratios. The Group's CAR was 21.4%, CET1 was 19.2%, and the LCR was 181% as of 31 December 2024.
- As of 31 December 2024, Citadele had 1,342 full-time employees.

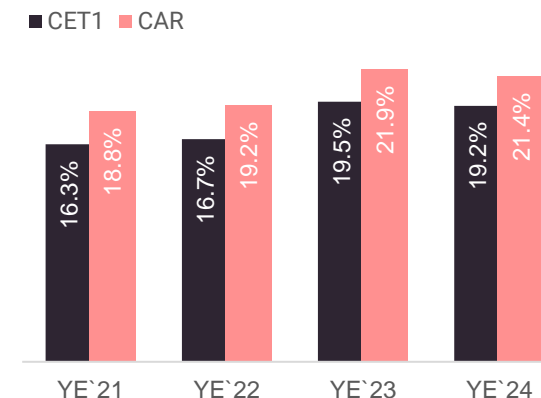
EUR millions, Continuous operations

	2024	2023	Q4 2024	Q4 2023
Net interest income	192.5	187.9	47.7	49.2
Net fee and commission income	36.3	37.8	10.9	8.8
Net financial and other income	6.0	8.2	1.4	1.6
Operating income	234.8	233.9	60.0	59.6
Operating expense	(113.6)	(104.5)	(32.1)	(31.0)
Net credit losses and impairments	0.6	4.5	(1.9)	(1.9)
Net profit from continuous operations (after tax)	94.5	110.4	19.4	10.2
Return on average assets (ROA)	1.9%	2.2%	1.6%	0.9%
Return on average equity (ROE)	17.5%	23.6%	14.1%	8.0%
Cost to income ratio (CIR)	48.4%	44.7%	53.5%	52.0%
Cost of risk ratio (COR)	(0.0%)	(0.2%)	0.2%	0.3%

Loans to and deposits from the public, EURm



CET1 and CAR ratios

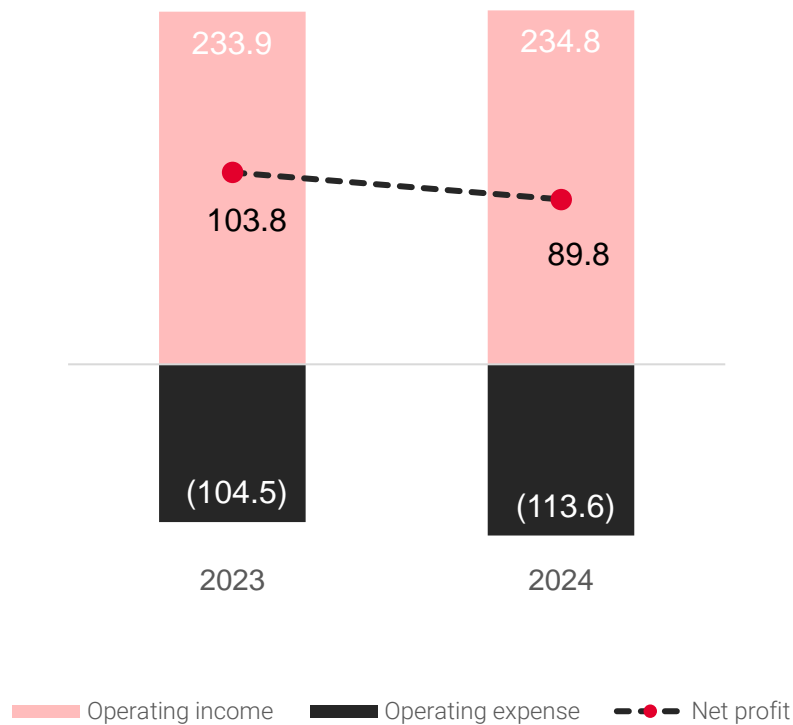


Financial Highlights



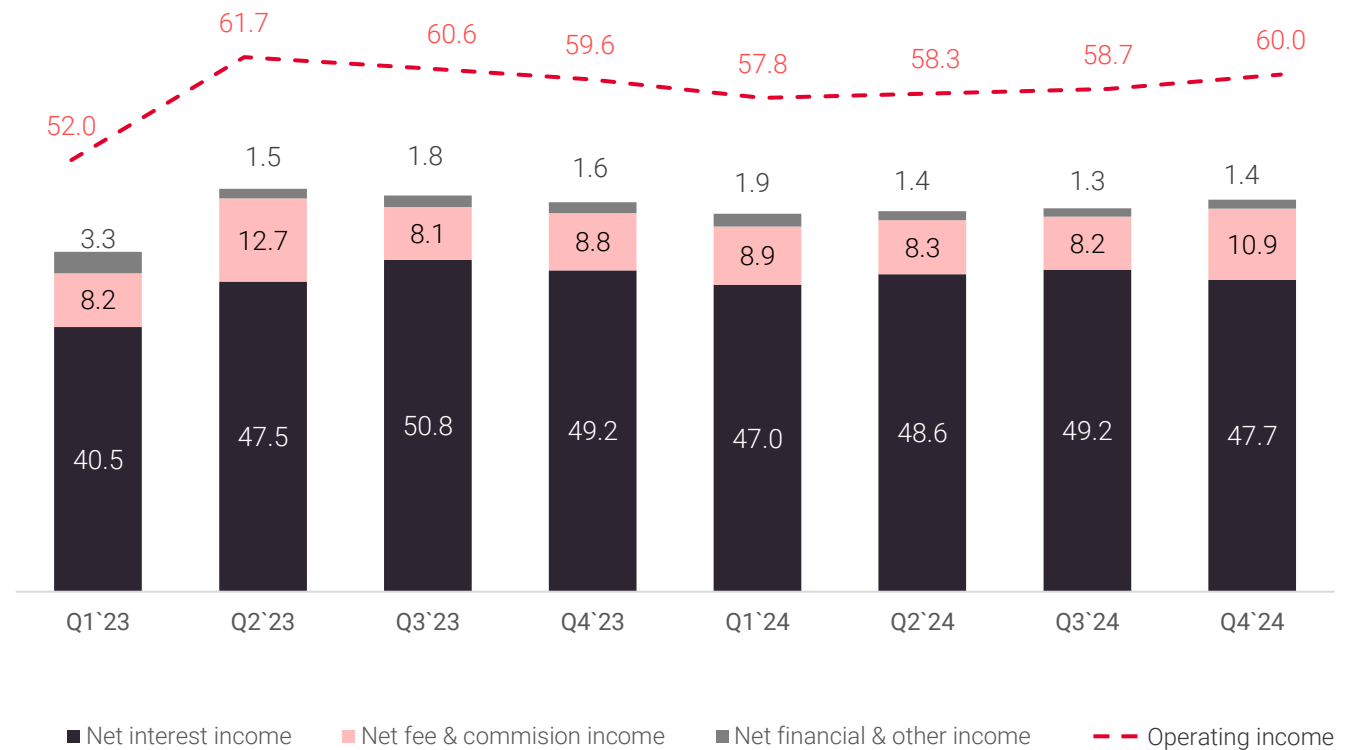
Financial result development 2024 vs. 2023

EURm



Operating income by revenue line 2024 vs. previous periods

EURm

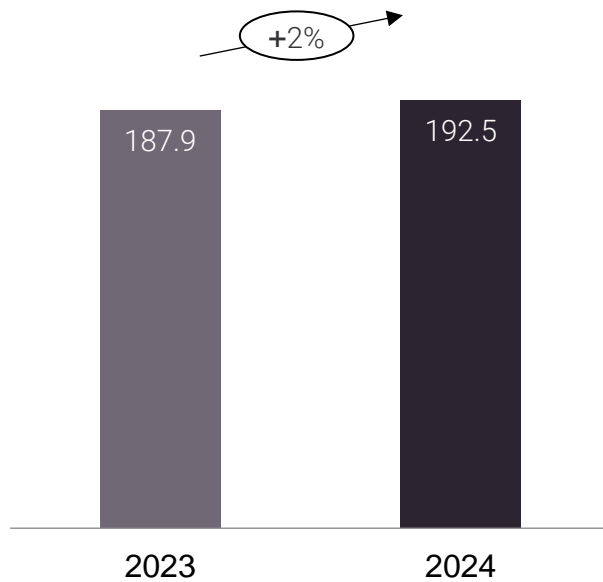


Net interest income



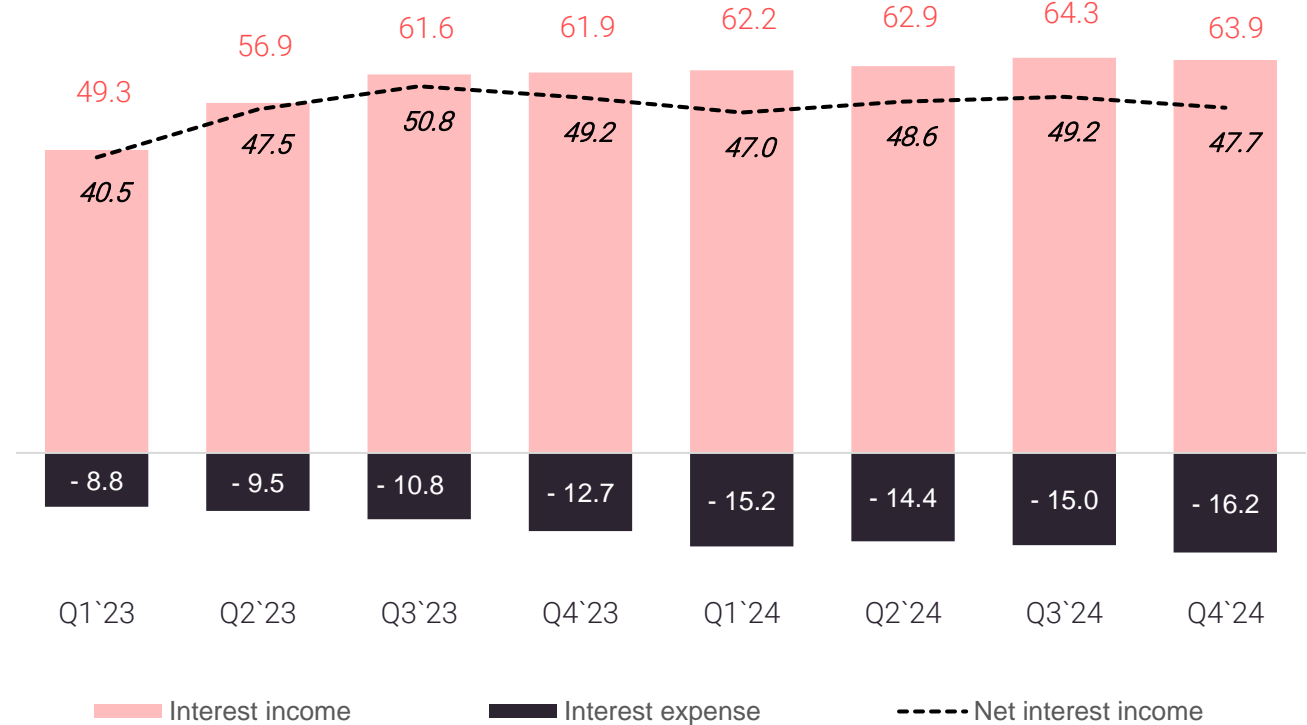
Net interest income 2024 vs. 2023

EURm



Net interest income development 2024 vs. previous periods

EURm

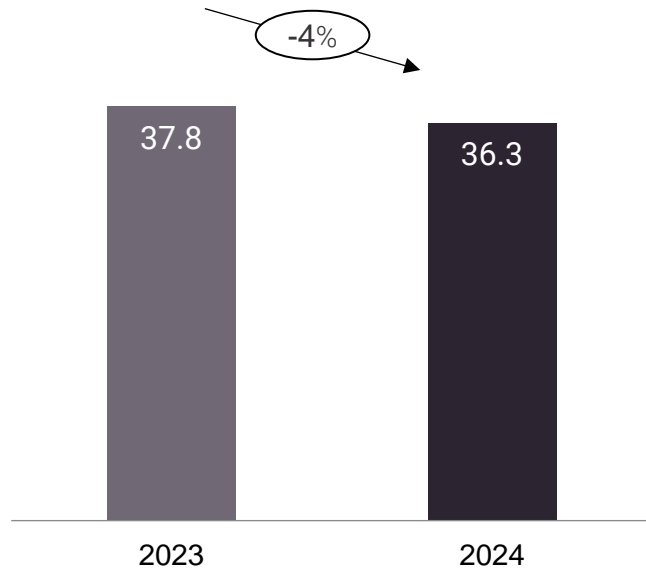


Net fee and commission income development



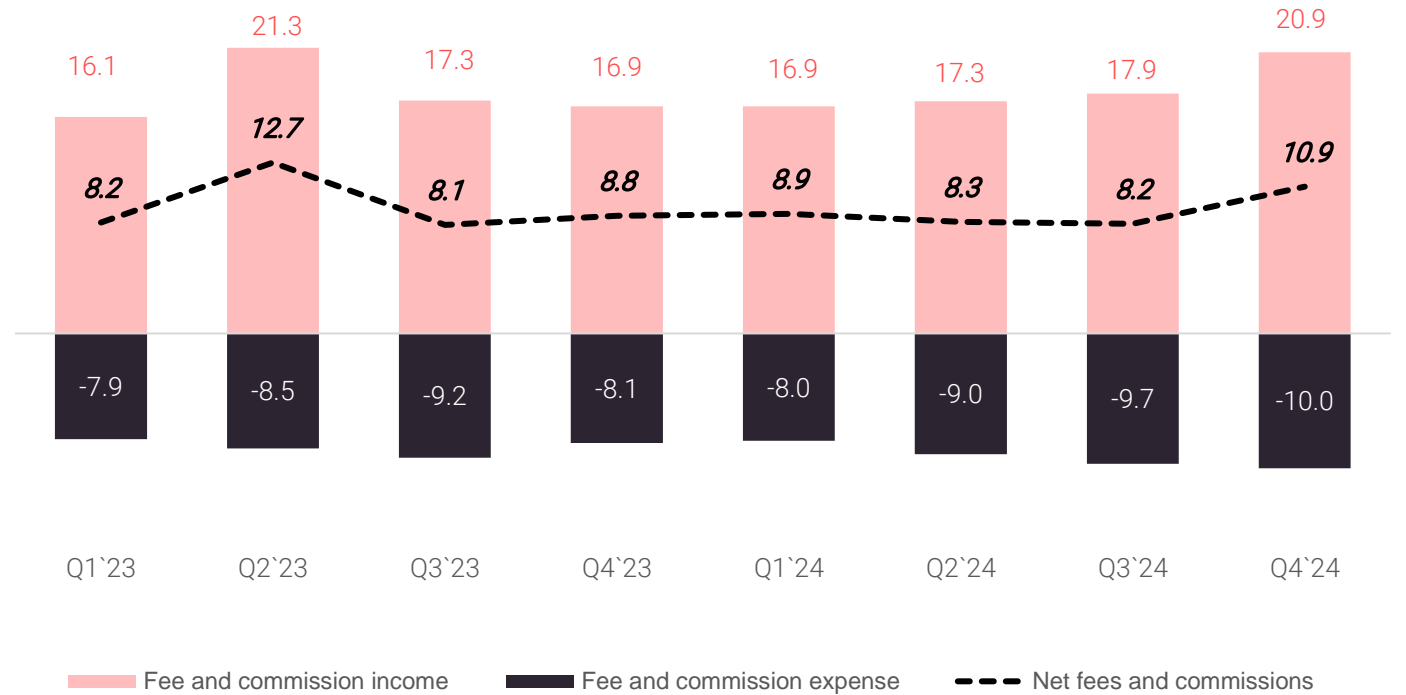
Net fees and commissions 2024 vs. 2023

EURm



Net fee and commission income development 2024 vs. previous periods

EURm

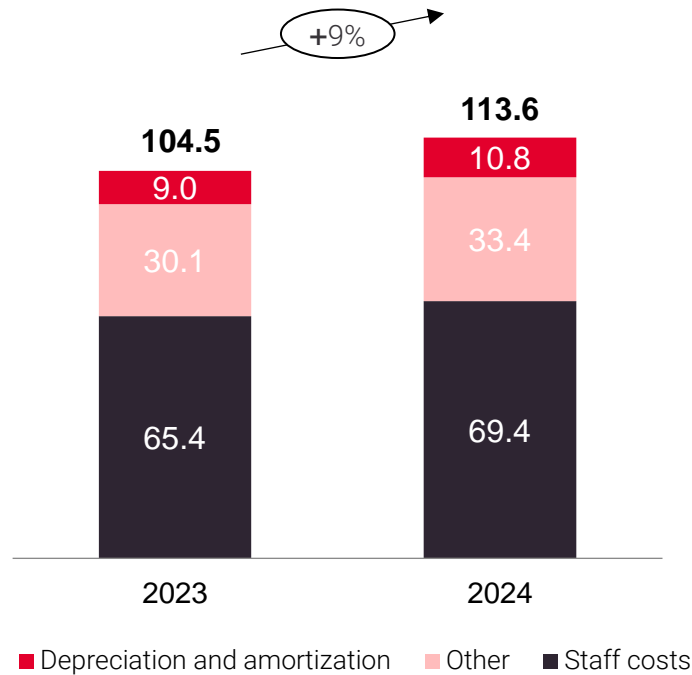


Operating expenses development



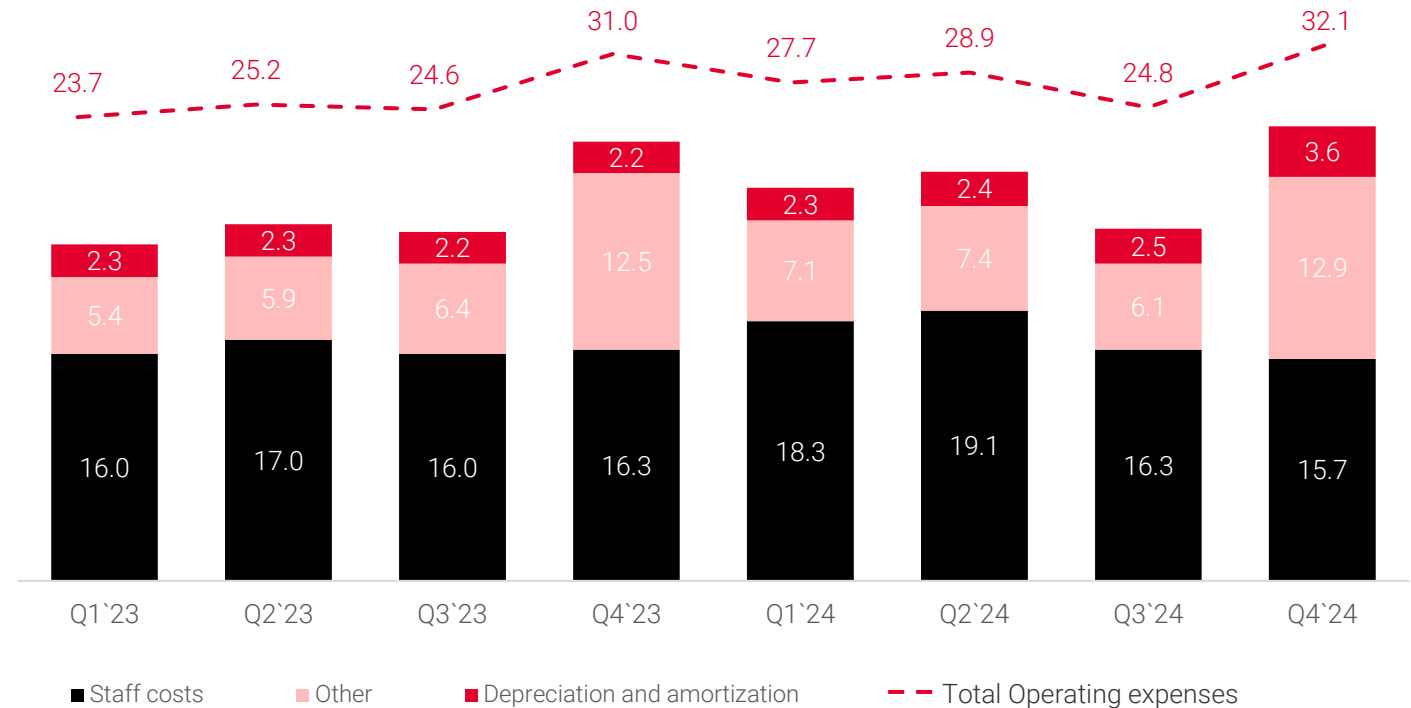
Operating expenses 2024 vs. 9M 2023

EURm



Operating expenses development 2024 vs. previous periods

EURm



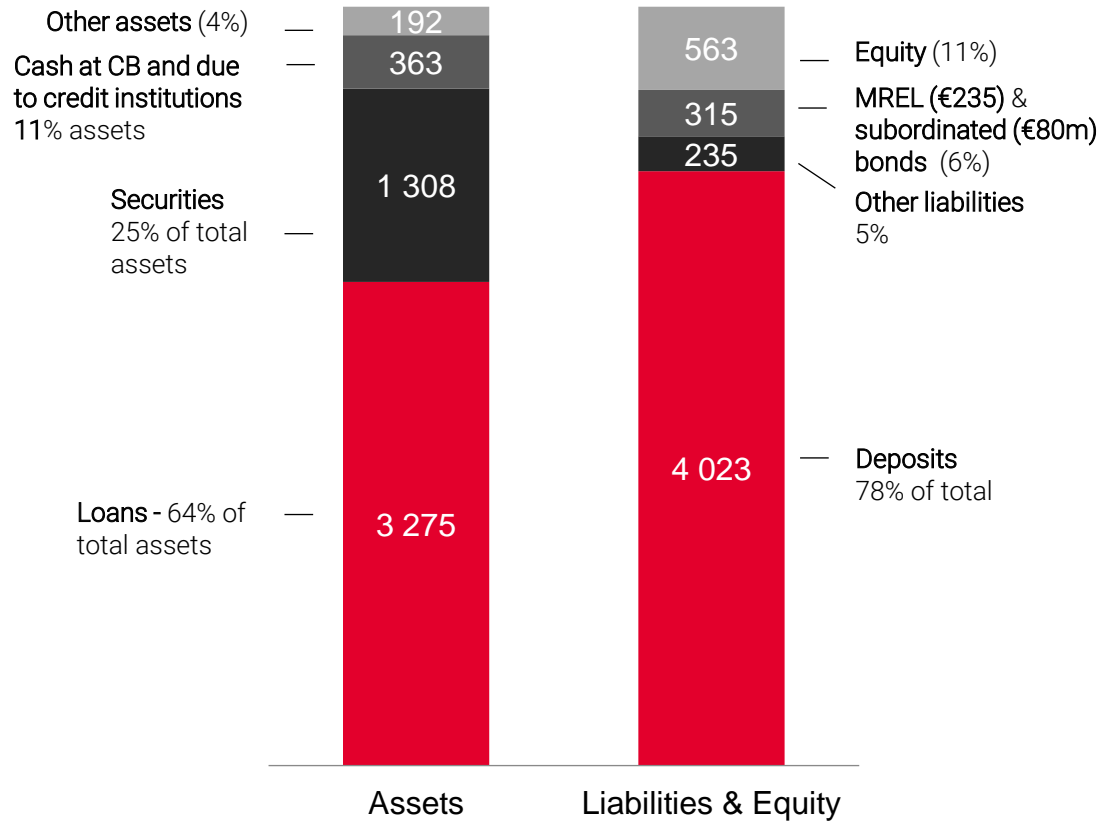
Stable asset quality and strong balance sheet



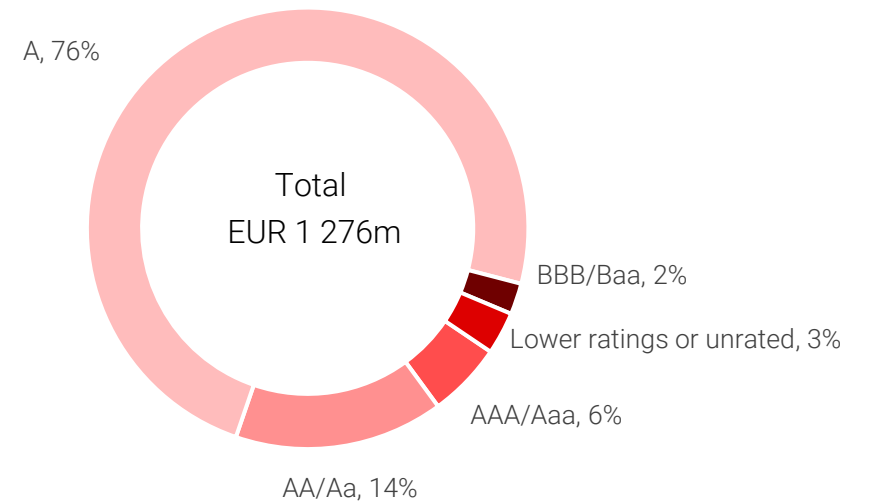
Total assets
€5 137m

Liabilities
€4 574m

Equity
€563m



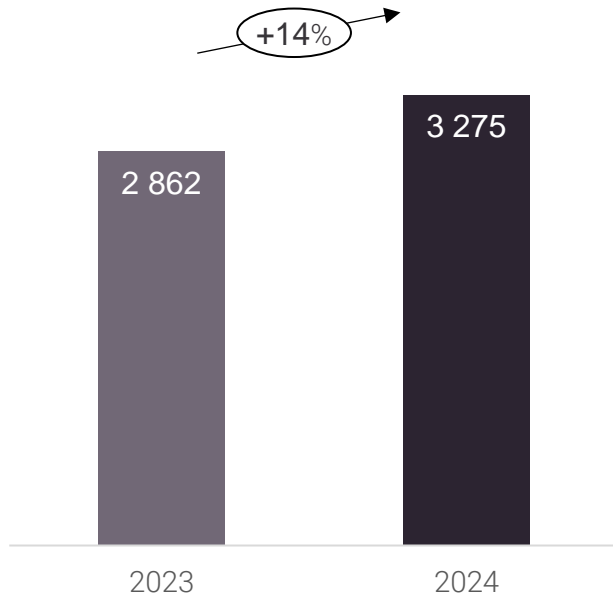
Debt securities by credit rating grade



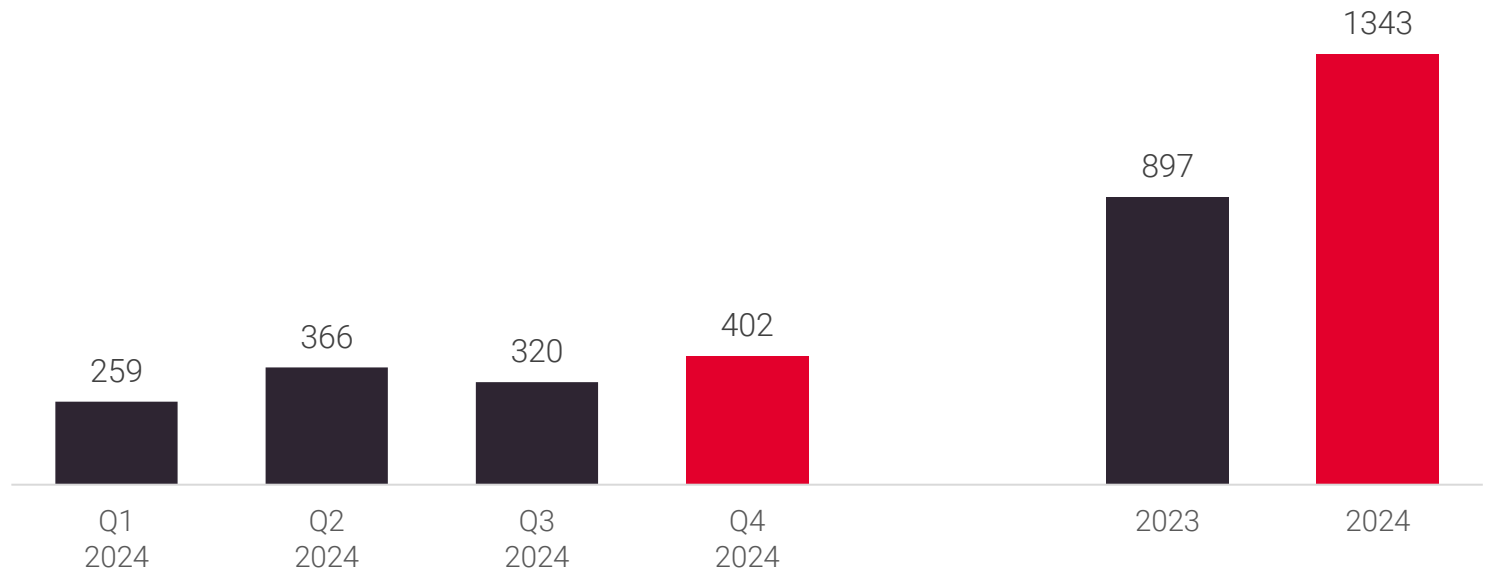
Balance sheet overview - loans



Loans
2024 vs. YE 2023
EURm



New financing
2024 vs. previous periods
EURm

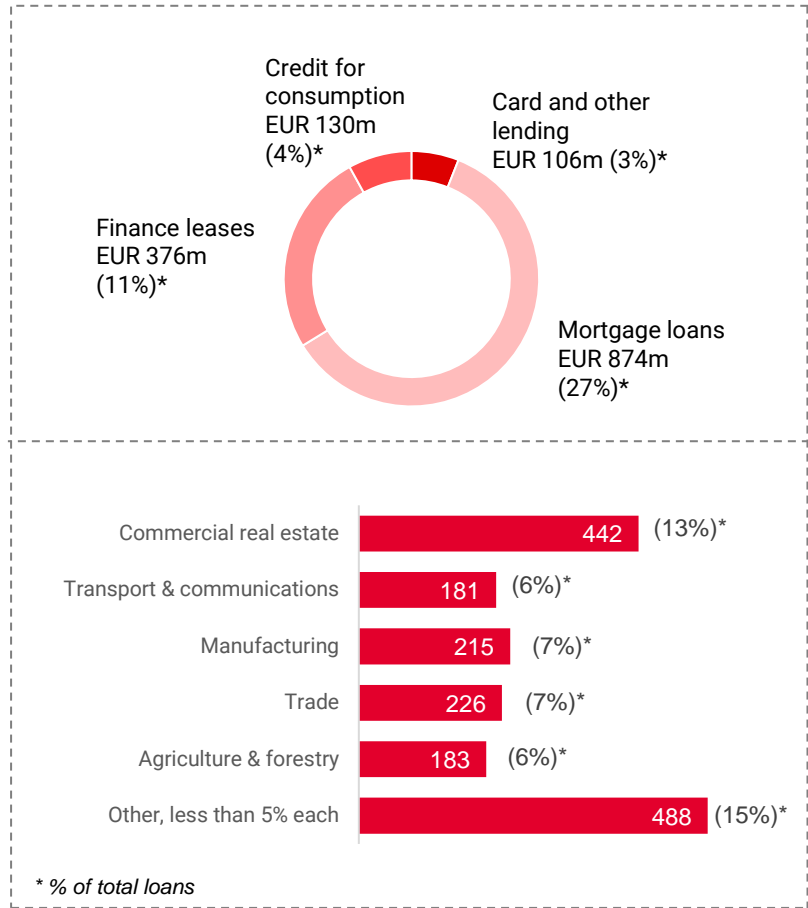
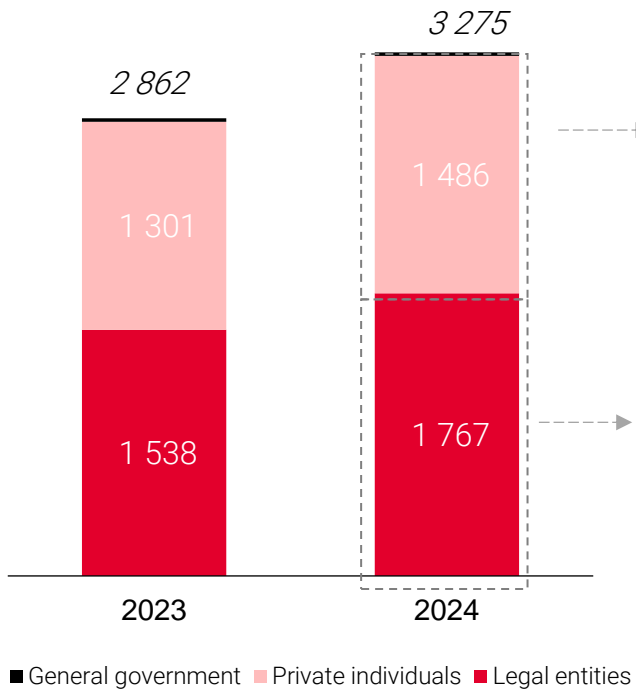


Balance sheet overview - loans

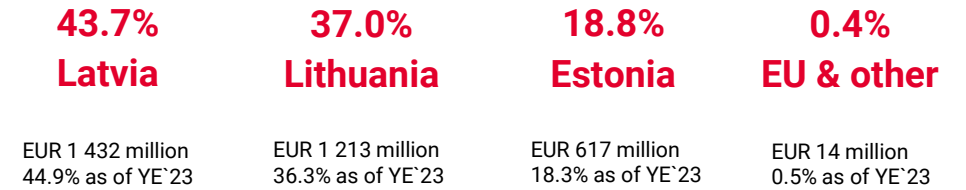


Gross loans by customer profile
YE 2024 vs. YE 2023

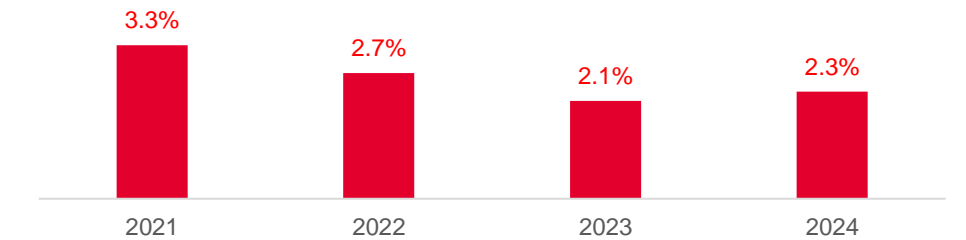
EURm



Loan portfolio's geographical profile
31 December 2024



Non-performing loans, % of total gross loans
31 December 2024 vs. previous periods

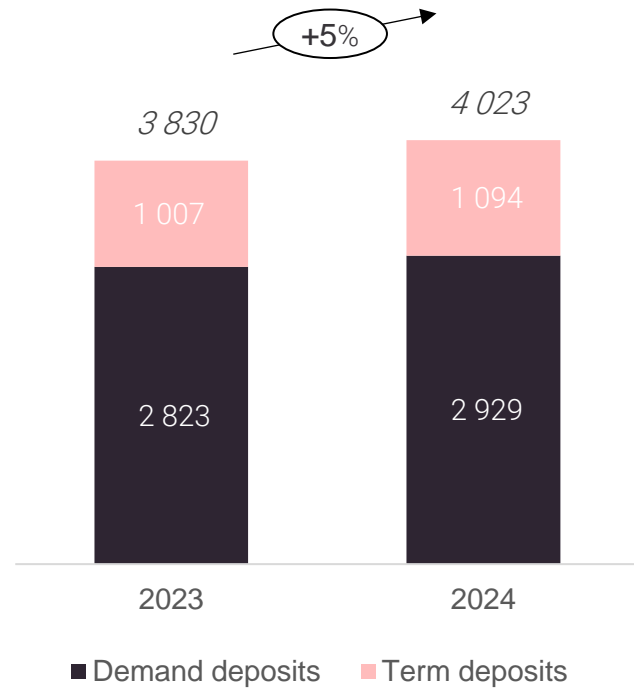


Stable funding structure



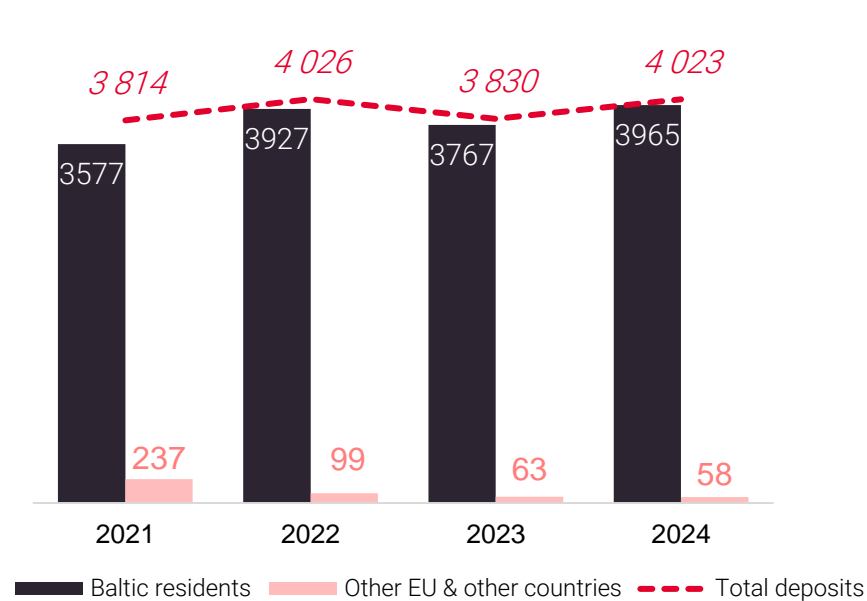
Deposits 2024 vs. 2023

EURm



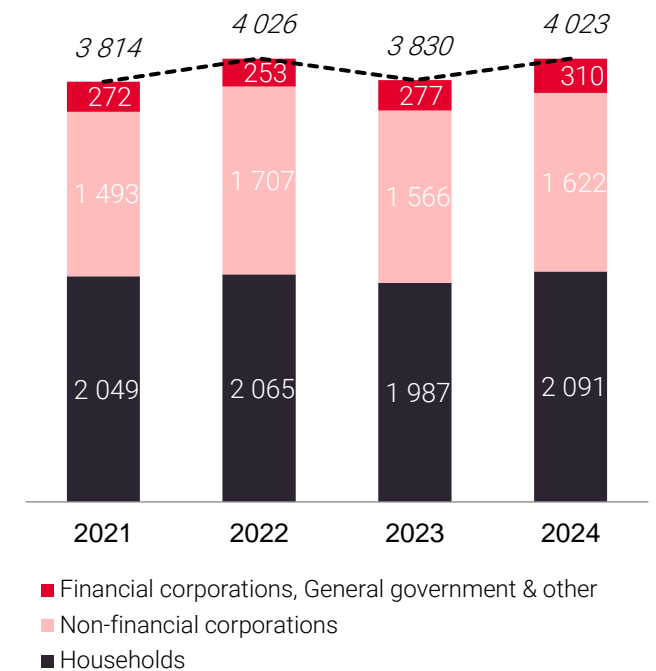
Domestic deposits – 99% of total 2024 vs. previous periods

EURm



Deposits by customer profile 2024 vs. previous periods

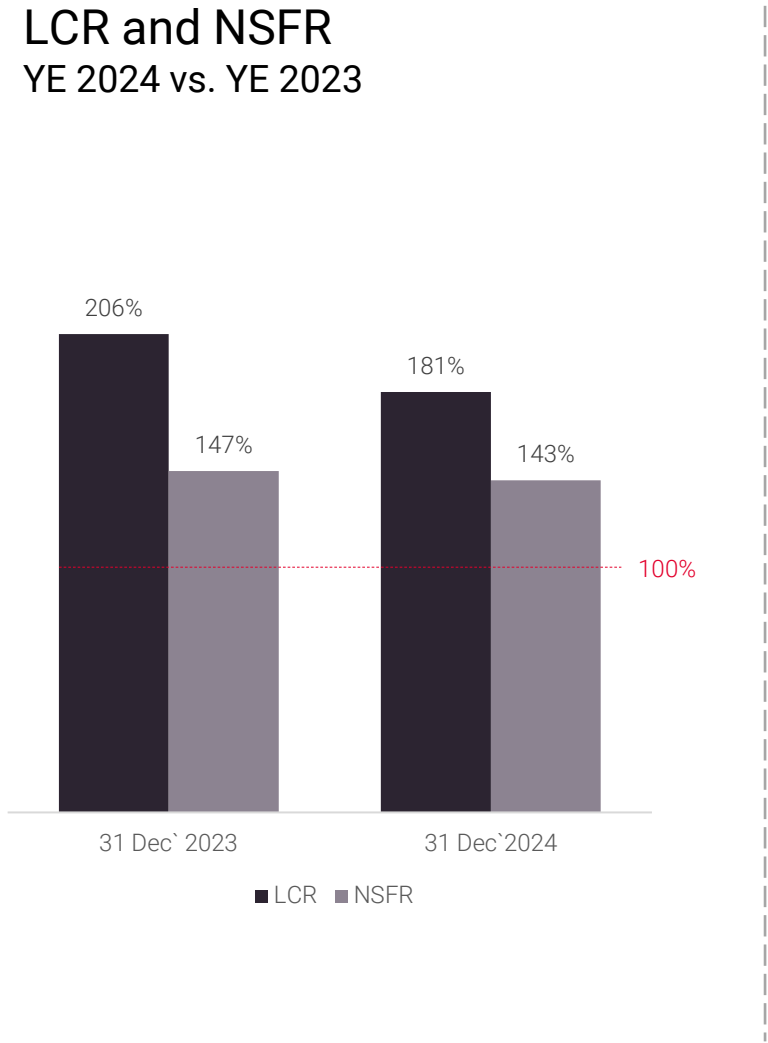
EURm



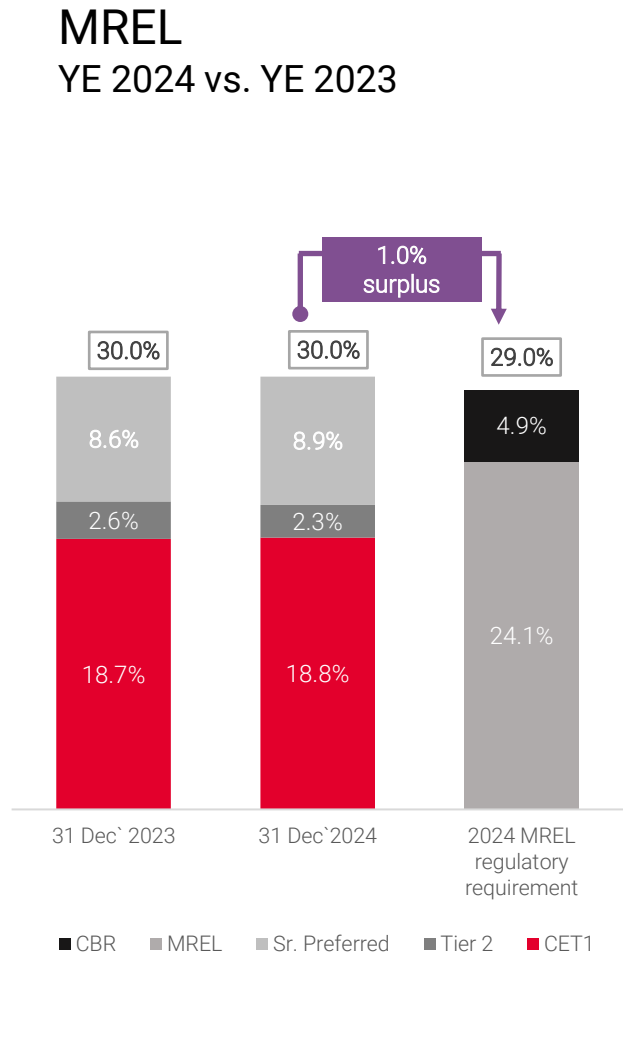
Liquidity, capital and MREL



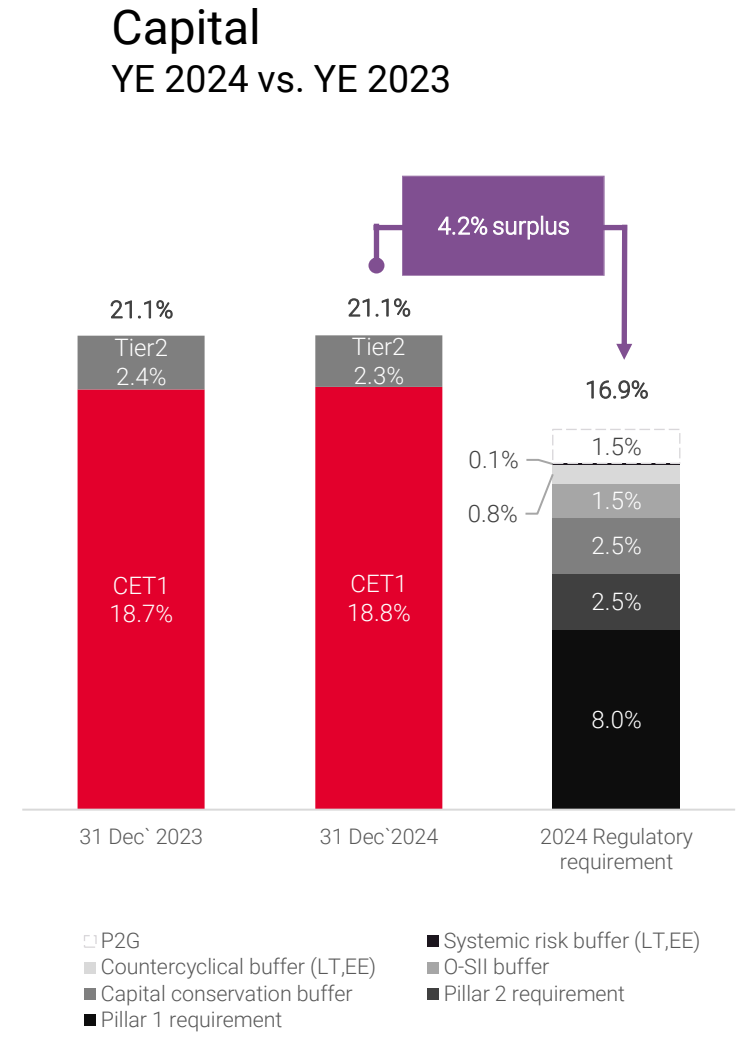
LCR and NSFR YE 2024 vs. YE 2023



MREL YE 2024 vs. YE 2023



Capital YE 2024 vs. YE 2023



Customer overview

- Increasing customer base and user experience
- Bank with one of the best customer service in the Baltics
- NPS of individual banks – 2nd place in Latvia and in Lithuania
- NPS Mobile Apps – 2nd place in Latvia and Lithuania



Awards

1st place in Latvia and Lithuania, 2nd place in Estonia for servicing clients remotely

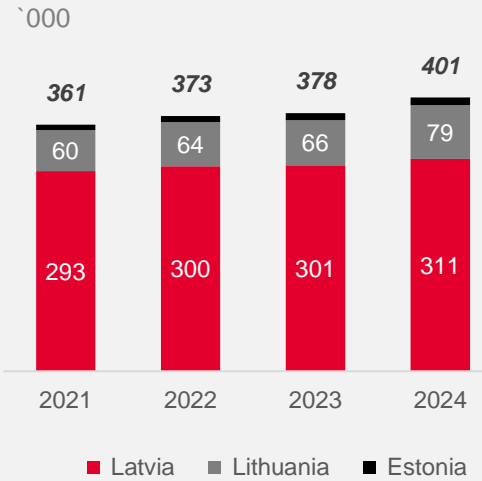
1st place in Latvia and 2nd place in Lithuania and Estonia for servicing clients in-person

Bank with the best customer service in Latvia



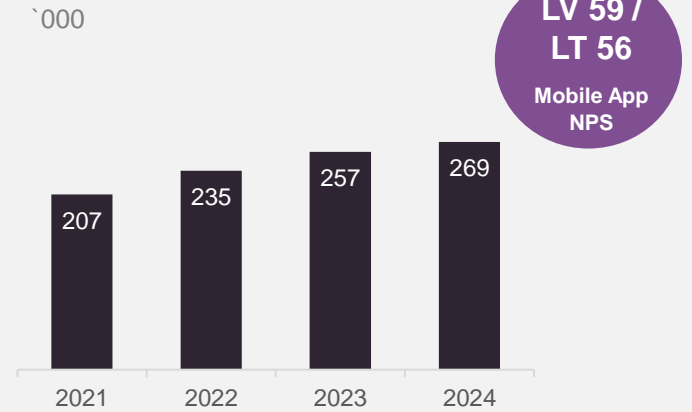
Active customers

2024 vs. previous years

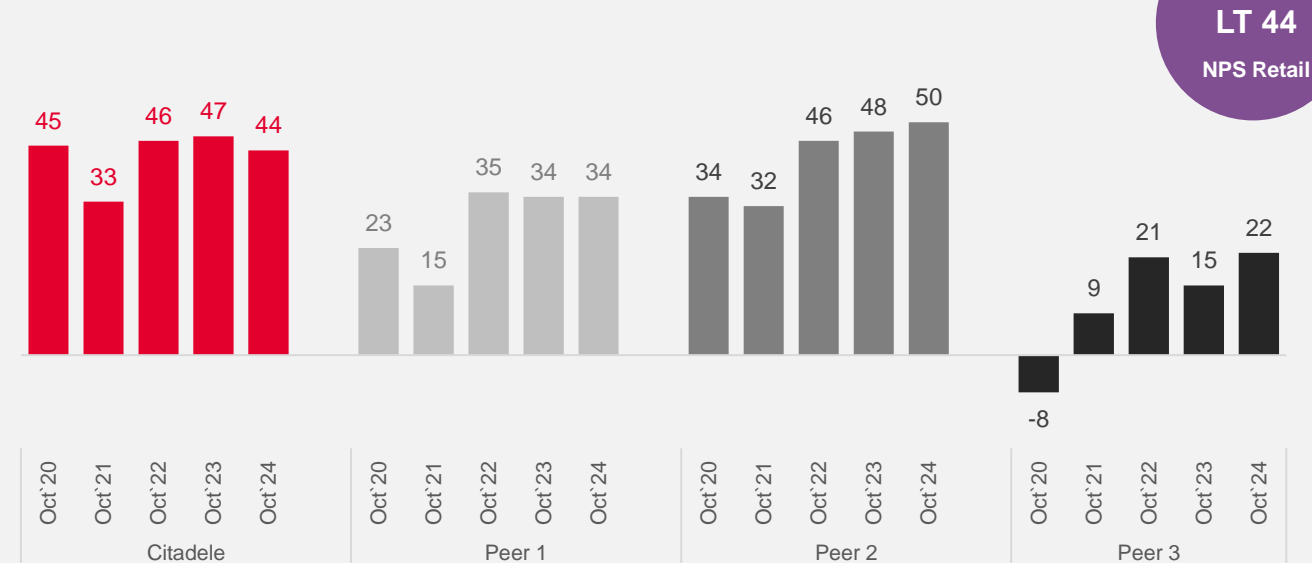


Mobile App active users

2024 vs. previous years



Net Promoter Scores of individual banks in Latvia



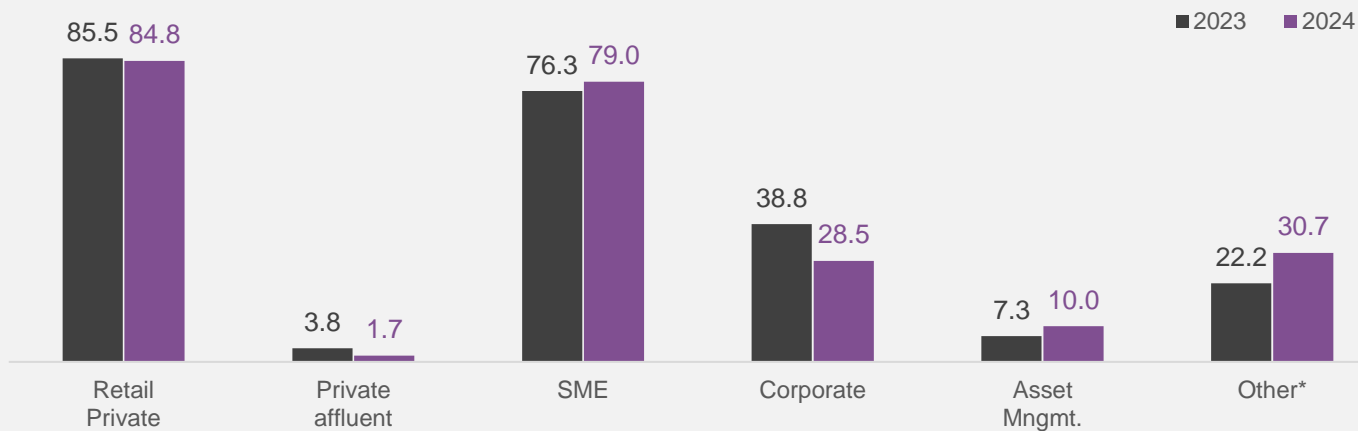
Segment overview

2024, EUR m	Retail Private	Private affluent	SME	Corporate	AM	Other*	Total
Net interest income	76.1	- 1.3	66.3	26.7	0.3	24.4	192.5
Net fee & commission income	11.3	2.8	10.0	2.7	9.3	0.3	36.3
Net financial and other income	- 2.5	0.2	2.7	- 0.9	0.4	6.0	6.0
Operating income	84.8	1.7	79.0	28.5	10.0	30.7	234.8

Operating income

2024 vs. 2023

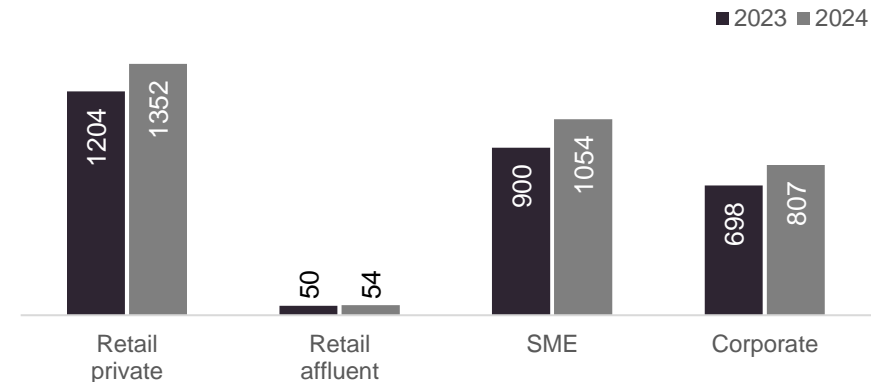
EURm



*Group's treasury functions and other business support functions, including results of the subsidiaries of the Group operating in non-financial sector. This comprises discontinued operations, namely operations of Kaleido Privatbank AG (a Swiss registered banking subsidiary) which Citadele has agreed to sell.

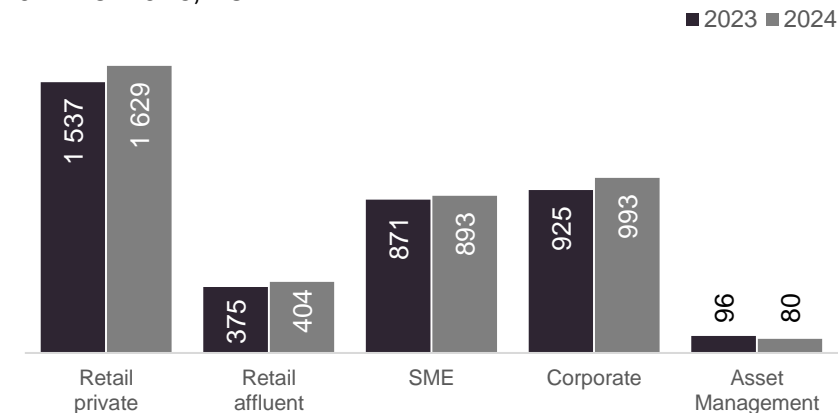
Loans

2024 vs. 2023, EURm



Deposits

2024 vs. 2023, EURm



Citadele

Medium Term Targets

Metrics	Targets	Commentary
Loan Growth	5-10%	Achieve at least 5-10% annual growth over the medium term
Customer Growth	5-10%	At least 5-10% annual growth in active customers over the medium term (including Klix)
Net Promoter Score	#1 Position OR NPS >30pts	1st position or NPS above 30pts across the Baltics
Cost to Income	50% (excluding non-capitalized operating costs related to strategic projects)	Achieve cost to income ratio of 50% excluding non-capitalized operating costs related to strategic projects
Cost of Risk	<50bps	Maintain cost of risk target of less than 50bps over the cycle, reflecting the evolving business mix
Profitability	15% (on normalised capital base)	Achieve a return on average equity of 15% on a normalised capital base
Capitalisation	≥18%	Maintain Total capital ratio of at least 18% over the medium term
Capital Returns	50% payout	<ul style="list-style-type: none"> ▪ Distribute dividends of 50% of the Group's profits, inclusive of all relevant taxes, taking into account internal capital targets ▪ Excess capital above CET1 target deployed into growth or inorganic M&A opportunities or considered for additional returns



Citadele

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