Important Notices

IMPORTANT: **You must read the following before continuing.** The following notices apply to the base prospectus (the "**Base Prospectus**") following this page, whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Prospectus. In reading, accessing or making any other use of the Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Prospectus, including any modifications made to them any time you receive any information as a result of such access. If you are in any doubt as to what action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other appropriately authorised independent financial adviser.

THE FOLLOWING DOCUMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. INTENDED ADDRESSEES - THE BASE PROSPECTUS AND ANY OFFER OF THE SECURITIES PURSUANT TO IT ARE ONLY ADDRESSED TO AND DIRECTED AT, AND MAY ONLY BE DISTRIBUTED TO OR ACTED ON BY, PERSONS LOCATED IN LATVIA, LITHUANIA, ESTONIA AND OTHER MEMBER STATES OF THE EUROPEAN ECONOMIC AREA (THE "**EEA**") WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC, AS AMENDED ("**PROSPECTUS REGULATION**") (INCLUDING ANY RELEVANT DELEGATED REGULATIONS).

ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS ELECTRONIC TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF THE ISSUER IN THE UNITED STATES OF AMERICA OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE BASE PROSPECTUS, THE BASE PROSPECTUS AND ANY FINAL TERMS MAY NOT BE ADDRESSED TO AND THE BONDS DESCRIBED IN THE BASE PROSPECTUS SHALL NOT BE OFFERED, SOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY, TO ANY RUSSIAN OR BELARUSIAN NATIONAL OR NATURAL PERSON RESIDING IN RUSSIA OR BELARUS, OR ANY LEGAL PERSON, ENTITY OR BODY ESTABLISHED IN RUSSIA OR BELARUS (EXCEPT TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND REGULATIONS, SUCH AS COUNCIL REGULATION (EU) NO 833/2014 OF 31 JULY 2014 CONCERNING RESTRICTIVE MEASURES IN VIEW OF RUSSIA'S ACTIONS DESTABILISING THE SITUATION IN UKRAINE, AS AMENDED) AND REGARDLESS OF NATIONALITY, RESIDENCE OR ESTABLISHMENT, TO ANY PERSON TO WHOM SUCH OFFERING, SALE, TRANSFER OR DELIVERY OF THE BONDS DESCRIBED IN THE BASE PROSPECTUS IS RESTRICTED OR PROHIBITED BY INTERNATIONAL SANCTIONS, NATIONAL TRANSACTION RESTRICTIONS OR OTHER SIMILAR MEASURES ESTABLISHED BY AN INTERNATIONAL ORGANISATION OR ANY COUNTRY (INCLUDING THE EUROPEAN UNION, THE UNITED NATIONS OR THE UNITED STATES OF AMERICA).

ANY SECURITIES TO BE ISSUED HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OF AMERICA (WHICH TERM INCLUDES THE TERRITORIES, THE POSSESSIONS, AND ALL OTHER AREAS SUBJECT TO THE JURISDICTION OF THE UNITED STATES) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds described in the Base Prospectus are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended, ("**PRIIPs Regulation**") for offering or selling the Bonds described in the Base Prospectus or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds described in the Base Prospectus or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS - The Bonds described in the Base Prospectus are not intended to be offered, sold or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no key disclosure document required by the FCA Product Disclosure Sourcebook for offering, selling or distributing the Bonds described in the Base Prospectus or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds described in the Base Prospectus or otherwise making them available to any retail investor in the UK may be unlawful under the FCA Product Disclosure Sourcebook and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II product governance / Professional investors and eligible counterparties only target market: Solely for the purposes of each manufacturers' product approval process, the target market assessment in respect of the Bonds described in the Base Prospectus, taking into account the five (5) categories referred to in item 19 of the Guidelines published by the European Securities and Markets Authority on 3 August 2023, has led to the conclusion that: (i) the target market for the Bonds described in the Base Prospectus is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Bonds described in the Base Prospectus to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds described in the Base Prospectus (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds described in the Base Prospectus (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and eligible counterparties only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds described in the Base Prospectus has led to the conclusion that: (i) the target market for the Bonds described in the Base Prospectus is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of UK domestic law by virtue of EUWA; and (ii) all channels for distribution of the Bonds described in the Base Prospectus to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds described in the Base Prospectus (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds described in the Base Prospectus (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Confirmation of your representations: The Base Prospectus is being accessed by you via electronic transmission at your request and by accessing, reading or making any other use of the Base Prospectus, you shall be deemed to have represented to AS "Citadele banka" that:

1. you have understood and agree to the terms set out herein; AND

2. the e-mail address to which, pursuant to your request, the attached document has been delivered by electronic transmission is not located in the United States of America, its territories, its possessions and other areas subject to its jurisdiction; and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands; AND

3. you are a qualified investor within the meaning of the Prospectus Regulation and you are neither a retail investor in the EEA or UK (as described above), nor a person located in the United States of America, Russia or Belarus, a U.S. person, Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus, and you are not purchasing any of the securities for, or for the account or benefit of, any such person; AND

4. you consent to delivery of the Base Prospectus by electronic transmission; AND

5. you will not transmit the attached Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with consent of AS "Citadele banka"; AND

6. you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase any of the securities.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus to any other person and, in particular, (i) to any U.S. address, (ii) to any other person who is not a qualified investor within the meaning of the Prospectus Regulation nor (iii) to any other person who is Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus. Failure to comply may result in a direct violation of the U.S. Securities Act of 1933, as amended, or the applicable laws of another jurisdiction. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, neither AS "Citadele banka", nor any person who controls any of the foregoing, nor any director, officer, employee nor agent of any of the foregoing or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hardcopy version available to you on request from AS "Citadele banka". By accessing the Base Prospectus, you consent to its delivery in electronic form (and any amendments or supplements thereto by electronic transmission). You are responsible for protecting against viruses and other destructive items. Your use of this electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the attached document comes are required to inform themselves about, and to observe, any such restrictions. Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Persons into whose possession the attached document comes are required by us to inform themselves about, and to observe, any such restrictions. You should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the reply function on your e-mail software, will be ignored and rejected.

Base Prospectus dated 14 September 2026

AS "Citadele banka"

(incorporated with limited liability and registered in Latvia, with registration number 40103303559)

€ 50,000,000
Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme

Under this € 50,000,000 (fifty million euro) Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme (the "**Programme**") described in this base prospectus (the "**Base Prospectus**"), AS "Citadele banka", a stock company with limited liability incorporated in, and operating under the laws of, the Republic of Latvia, and registered with the Commercial Register of Latvia under the registration number: 40103303559, legal address: Republikas laukums 2A, Riga, LV-1010, Latvia, telephone: +371 67010000, e-mail: info@citadele.lv, website: www.citadele.lv ("**Citadele**"), subject to compliance with all relevant laws and regulations, may issue and offer to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, most recently by Regulation (EU) 2024/2809 of the European Parliament and of the Council of 23 October 2024 (the "**Prospectus Regulation**") in Latvia, Lithuania and Estonia, as well as elsewhere in the European Economic Area ("**EEA**") from time to time in one or several series (the "**Series**") non-convertible senior unsecured and unguaranteed preferred bonds denominated in EUR, having maturity of up to 4 years and with fixed/floating interest rate (the "**Bonds**"). The maximum aggregate nominal amount of all Bonds outstanding issued under the Programme shall not at any time exceed € 50,000,000.

References herein to "this Base Prospectus" shall, where applicable, be deemed to be references to this Base Prospectus as supplemented or amended from time to time. To the extent not set forth in this Base Prospectus, the specific terms of any Bonds will be included in the relevant final terms (the "**Final Terms**") (a form of which is contained herein) therefore the prospectus relating to Series issued under the Programme consists of this Base Prospectus and the respective Final Terms. The language of this Base Prospectus is English. The offering of the Bonds under the Programme pursuant to the Base Prospectus and the applicable Final Terms shall be hereinafter referred to as the "**Offer**".

The Bonds may be issued in such denominations as may be specified in the relevant Final Terms save that the minimum denomination of each Bond shall be €10,000. The Bonds shall be governed by Latvian law. Each Series may comprise one or more tranches of Bonds (each a "**Tranche**"). The Final Terms must include a corresponding indication, if the respective Series will consist of only one Tranche.

The Bank of Latvia (in Latvian – *Latvijas Banka*) (the "**BL**"), as the competent authority in Latvia under the Prospectus Regulation, has approved this Base Prospectus as a base prospectus *inter alia* in accordance with the requirements of the Financial Instruments Market Law of the Republic of Latvia of 2003, as amended (the "**Latvian Financial Instruments Market Law**"), and Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended, most recently by Commission Delegated Regulation (EU) 2026/1061 of 7 May 2026 (the "**Delegated Regulation**"). The BL has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency under the Prospectus Regulation. Such approval of this Base Prospectus by BL is not to be considered as an endorsement of Citadele or the quality of the Bonds that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds. Citadele has requested that the BL notifies this Base Prospectus to the competent authorities in Estonia

(Estonian Financial Supervision and Resolution Authority (in Estonian - *Finantsinspektsioon*) (the **"EFSA"**)) and Lithuania (the Bank of Lithuania (In Lithuanian - *Lietuvos Bankas*) (the **"Bank of Lithuania"**), as well as provides them with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

Application will be made to the Nasdaq Riga AS, registration number: 40003167049, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia (**"Nasdaq Riga"**) for admitting each Tranche to listing and trading on the official bond list (Baltic Bond List) of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within 3 (three) months after the issue date of the respective Tranche (the "**Issue Date**"). Trading of the respective Tranche on the Baltic Bond List of the Nasdaq Riga Stock Exchange is expected to commence within 1 (one) month after the above-mentioned application has been made. All dealings in the Bonds of the respective Tranche prior to the commencement of unconditional dealings on the Baltic Bond List of the Nasdaq Riga Stock Exchange may take place as private over-the-counter transactions and shall be entirely at the risk of the parties involved. The Nasdaq Riga Stock Exchange is a regulated market for the purposes of the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended (**"MiFID II"**). Unless the context requires otherwise, references in this Base Prospectus to the Bonds being "listed" (and all related expressions) shall mean that such Bonds have been listed and admitted to trading on the Baltic Bond List of the Nasdaq Riga Stock Exchange, as specified in the applicable Final Terms.

This Base Prospectus has been drawn up and published by Citadele in connection with the offering and listing of the Bonds. Except where specified otherwise, capitalised words and expressions in this Base Prospectus have the meaning given to them in the section entitled "*Glossary of Terms*". This Base Prospectus and any supplement thereto will be published on the website of (a) the BL (www.bank.lv) and (b) Citadele (www.cblgroup.com), and copies may be obtained at the registered office of Citadele during normal business hours on any weekday. See the section entitled "*Documents Available"* for more information.

The Bonds shall be issued in the bearer dematerialised form and registered with Nasdaq CSD SE, registration number: 40003242879, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia (the "**Nasdaq CSD**") in book-entry form with the securities settlement system governed by Latvian law (the "**Latvian SSS**"). Investors may hold Bonds through Nasdaq CSD participants participating in Latvian SSS. See the general terms and conditions of the Bonds as described in the section entitled „*General Terms and Conditions of the Bonds*" (the „**General Terms and Conditions of the Bonds**").

The Bonds are senior, unsecured, unguaranteed, unsubordinated, direct, general and unconditional obligations of Citadele which at all times rank *pari passu* without any preference among themselves and (a) equally with all other present and future claims against Citadele arising from debt instruments where the principal amount of the liabilities under the provisions governing such debt instruments are wholly subordinated to claims arising from the excluded liabilities referred to in Article 72a(2) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended (the "CRR") (as provided for in paragraph 3^1 of Article 139^3 of the Credit Institutions Law of the Republic of Latvia of 1995, as amended (the "Latvian Credit Institutions Law")) but not otherwise subordinated; (b) junior to all present and future claims referred to in Article 139^2 and paragraphs 1 and 3 of Article 139^3 of the Latvian Credit Institutions Law, as well as all excluded liabilities referred to in Article 72a (2) of the CRR (as provided for in paragraph 3^1 of Article 139^3 of the Latvian Credit Institutions Law); and (c) senior to all present and future claims ranking or expressed to rank junior to the Bonds (to the extent allowed under applicable law) or that have such lower ranking pursuant to applicable law, including, but not limited to, unsecured claims resulting from non-preferred debt instruments of Citadele as provided for in paragraph 3^2 of Article 139^3 of the Latvian Credit Institutions Law and certain other unsecured claims as provided for in paragraphs 4, 5, 6 and 7 of Article 139^3 of the Latvian Credit Institutions Law. The Bonds and the rights of the holders of the Bonds (the "Bondholders") arising from the Bonds are subject to any and all restrictions as may be provided in any present and future rules of Latvian law relating to insolvency, recovery and resolution of the credit institutions which may be applicable to the Bonds and Citadele's obligations arising out of the Bonds. See the section entitled "*General Terms and Conditions of the Bonds —Status and Ranking*". The net proceeds from the Bonds will be used by Citadele for the purposes specified in section entitled "*Reasons for the Offer, Use of Proceeds and Expenses*" below, including for meeting the mandatory minimum requirement for own funds and eligible liabilities ("MREL") applicable to Citadele, as well as Citadele and its Subsidiaries (the "Citadele Group") at the consolidated level.

The Bonds may be redeemed prematurely by Citadele on the grounds set forth in this Base Prospectus. See the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase*" for more information.

From and including the Reset Date (as defined below), interest and/or other amounts payable under the Bonds may be calculated by reference to certain benchmarks, such as EURIBOR (as defined below). The Final Terms will set out the relevant benchmarks and their administrators, including information on whether, as at the date of this Base Prospectus, such administrators appeared on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of Regulation (EU) No 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended (the "EU Benchmark Regulation"). The registration status of any administrator is a matter of public record and, except to the extent required by applicable laws and regulations, Citadele shall not be obliged to update the Final Terms to reflect any changes in such registration status.

Investing in the Bonds issued under the Programme involves a high degree of risk and may not be suitable for all investors. See section entitled "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Bonds. While every care has been taken to ensure that this Base Prospectus presents a fair and complete overview of the risks related to Citadele, the operations of Citadele Group and to the Bonds, the value of any investment in the Bonds may be adversely affected by circumstances that are either not evident at the date hereof or not reflected in this Base Prospectus.

This Base Prospectus and any Final Terms do not constitute an offer to sell, or a solicitation of an offer to buy, the Bonds in any jurisdiction in which such offer or solicitation would be unlawful. Notwithstanding anything to the contrary contained in this Base Prospectus, this Base Prospectus and any Final Terms may not be addressed to and the Bonds shall not be offered, sold, transferred or delivered, directly or indirectly, to any Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus (except to the extent permitted by applicable laws and regulations, such as Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended) and regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the European Union (the "**EU**"), the United Nations (the "**UN**") or the United States of America (the "**US**")). The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state of the United States of America or other jurisdiction. Accordingly, the Bonds may not be offered, sold or delivered at any time, directly or indirectly, within the United States of America (which term includes the territories, the possessions, and all other areas subject to the jurisdiction of the United States) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the United States Securities Act of 1933, as amended). Neither the U.S. Securities and Exchange Commission nor any state securities commission in the United States of America, nor any other U.S. regulatory authority, has approved or disapproved of the Bonds, passed upon or endorsed the merits of the offering of the Bonds, or determined that this Base Prospectus or any Final Terms are accurate or complete. Any representation to the contrary is a criminal offence in the United States.

This Base Prospectus shall be valid for 12 months after its approval by the BL. Citadele shall not be obligated to supplement this Base Prospectus in the event of significant new facts, material mistakes or material inaccuracies after the end of the validity period of this Base Prospectus. This Base Prospectus and any Final Terms are issued in compliance with the Latvian Financial Instruments Market Law and the Prospectus Regulation, for the purpose of giving information with regard to Citadele Group and the Bonds. This Base Prospectus should be read and construed together with the information incorporated by reference, any supplement hereto and the relevant Final Terms.

Table of Contents

1. General Description of the Programme

This section constitutes a general description of the Programme for the purposes of Article 25(1) of the Delegated Regulation, and it must be read as an introduction to this Base Prospectus. Any decision to invest in the Bonds should be based on a consideration of this Base Prospectus as a whole, including the information incorporated by reference, together with any supplement hereto and the relevant Final Terms. Words and expressions defined in the section entitled "*Glossary of Terms*"" below or elsewhere in this Base Prospectus have the same meanings in this section.

The Issuer:	Akciju sabiedrība "Citadele banka", registration number: 40103303559, legal entity identifier ("LEI"): 2138009Y59EAR7H1UO97.
Programme:	€ 50,000,000 Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme.
Programme size:	up to € 50,000,000 in aggregate nominal amount of all Bonds outstanding issued under the Programme.
The Bonds:	non-convertible senior unsecured and unguaranteed preferred bonds denominated in EUR, having maturity of up to 4 years and with fixed/floating interest rate.
Method of Issue:	the Bonds will be issued in one or several Series. Each Series may comprise one or more Tranches of Bonds. Each Tranche is subject to the Final Terms applicable to the particular Tranche.
Currency and Denomination:	the Bonds will be issued in euro (€) in such denominations as may be specified in the relevant Final Terms save that the minimum denomination of each Bond shall be €10,000.
Minimum Investment Amount:	the Bonds will be offered for subscription for the minimum investment amount which will be specified in the relevant Final Terms.
Issue Date:	the Issue Date of each Tranche will be specified in the relevant Final Terms applicable to the particular Tranche.
Issue Price:	the Issue Price of each Tranche will be specified in the relevant Final Terms applicable to the particular Tranche.
Interest:	the Bonds will carry interest on their outstanding principal amount from and including the Issue Date to but excluding the Reset Date

at a fixed annual interest rate and thereafter at a a floating annual interest rate as specified in the relevant Final Terms.

Interest Payment Dates: interest on the Bonds of the respective Tranche will be paid on the dates specified in the relevant Final Terms semi-annually in arrear from and including the Issue Date to and including the Reset Date and quarterly in arrear thereafter until the Maturity Date or the Early Redemption Date, whichever occurs first.

Maturity: up to 4 years starting from the Issue Date. The Maturity Date for each Tranche will be specified in the relevant Final Terms applicable to the particular Tranche.

Status and Ranking: the Bonds are senior, unsecured, unguaranteed, unsubordinated, direct, general and unconditional obligations of Citadele which at all times rank *pari passu* without any preference among themselves and (a) equally with all other present and future claims against Citadele arising from debt instruments where the principal amount of the liabilities under the provisions governing such debt instruments are wholly subordinated to claims arising from the excluded liabilities referred to in Article 72a(2) of the CRR (as provided for in paragraph 3^1 of Article 139^3 of the Latvian Credit Institutions Law) but not otherwise subordinated; (b) junior to all present and future claims referred to in Article 139^2 and paragraphs 1 and 3 of Article 139^3 of the Latvian Credit Institutions Law, as well as all excluded liabilities referred to in Article 72a (2) of the CRR (as provided for in paragraph 3^1 of Article 139^3 of the Latvian Credit Institutions Law); and (c) senior to all present and future claims ranking or expressed to rank junior to the Bonds (to the extent allowed under applicable law) or that have such lower ranking pursuant to applicable law, including, but not limited to, unsecured claims resulting from non-preferred debt instruments of Citadele as provided for in paragraph 3^2 of Article 139^3 of the Latvian Credit Institutions Law and certain other unsecured claims as provided for in paragraphs 4, 5, 6 and 7 of Article 139^3 of the Latvian Credit Institutions Law. The Bonds and the rights of the Bondholders arising from the Bonds are subject to any and all restrictions as may be provided in any present and future rules of Latvian law relating to insolvency, recovery and resolution of the credit institutions which may be applicable to the Bonds and Citadele's obligations arising out of the Bonds.

Form and Registration: the Bonds are dematerialized debt securities which will be issued in bearer form and registered with Nasdaq CSD in book-entry form with Latvian SSS. Investors may hold Bonds through Nasdaq CSD participants participating in Latvian SSS.

Redemption at Maturity: unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their nominal value (principal amount) on the Maturity Date specified in the relevant Final Terms applicable to the particular Tranche.

Optional Early Redemption:	Citadele may, at its option, redeem the Bonds (subject to the section entitled "*General Terms and Conditions of the Bonds — Maturity, Redemption and Purchase —Conditions for redemption or purchase*") in whole, but not in part, on the Interest Payment Date falling on the Reset Date, at their principal amount together with interest (accrued to but excluding the date of redemption), as described in section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase —Optional early redemption*".
Early Redemption for Tax Reasons:	upon the occurrence of a Withholding Tax Event or a Tax Event, Citadele may, at its option, redeem the Bonds of a particular Tranche, in whole, but not in part, at their principal amount, together with interest accrued (if any) as described in and subject to section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase —Early redemption for tax reasons*".
Early Redemption Due to MREL Disqualification Event:	upon the occurrence of a MREL Disqualification Event, Citadele may, at its option, redeem the Bonds of a particular Tranche, in whole, but not in part, at their principal amount, together with interest accrued (if any) as described in and subject to section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase —Early redemption due to MREL Disqualification Event*".
Substitution and Variation:	Citadele may substitute or vary the terms of all (but not some only) of the Bonds as provided in section entitled "*General Terms and Conditions of the Bonds —Substitution and Variation*" without any requirement for the consent or approval of Bondholders.
Taxation:	all payments of interest in respect of the Bonds by or on behalf of Citadele shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Latvia or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by applicable law. In that event, in respect of interest, Citadele shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in section entitled "*General Terms and Conditions of the Bonds —Taxation*" below.
Events of Default:	the Bonds provide for events of default in certain circumstances, but do not contain any cross-default or cross-acceleration obligations binding Citadele.

Applicable Law:	the Bonds and any non-contractual obligations arising out of or in connection with the Bonds, as well as issue and offering of each Series are governed by and shall be construed in accordance with Latvian law.
Acknowledgement of Bail-in Powers:	pursuant to and as further set out in section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers"* below, notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understanding between Citadele and any Bondholder (which, for these purposes, includes each holder of a beneficial interest in the Bonds), by its acquisition of the Bonds, each Bondholder acknowledges and accepts that any liability arising under the Bonds may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority.
No Set-Off:	no Bondholder may exercise, claim or plead any right of set-off, netting, counterclaim, compensation or retention in respect of any amount owed to it by Citadele directly or indirectly arising under, or in connection with, the Bonds and each Bondholder shall, by virtue of its holding of any Bonds, be deemed to have waived all such rights of set-off, netting, counterclaim, compensation or retention to the fullest extent permitted by applicable law. By its acquisition of the Bonds, each Bondholder and beneficial owner agrees to be bound by these provisions. All payments made by Citadele in connection with Bonds are calculated and paid without set-off, netting or counterclaims. Notwithstanding the preceding sentence, if any amount payable by Citadele in respect of, or arising under or in connection with, any Bond to any holder of such Bond is discharged by set-off or any netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to Citadele and, until such time as payment is made, shall hold an amount equal to such amount for the benefit and on behalf of Citadele and, accordingly, any such discharge shall be deemed not to have taken place.
Listing and Trading:	application will be made to Nasdaq Riga for admitting each Tranche to listing and trading on the official bond list (Baltic Bond List) of Nasdaq Riga not later than within 3 (three) months after the Issue Date.
Restrictions on Distribution:	for a description of certain restrictions on offers, sales and deliveries of the Bonds and on the distribution of the Base Prospectus and offering materials in the European Economic Area, the United Kingdom and the United States of America, see section entitled "*Information About This Base Prospectus —Restrictions on Distribution"*.

Risk Factors:	investing in the Bonds involves risks. The principal risk factors that may affect Citadele's ability to fulfil its obligations under the Bonds and the risks related to the Bonds are discussed under section entitled "*Risk Factors*" below.
Financial Information:	see section entitled "*Financial Information —Selected Financial Information*" below.
Use of Proceeds:	the net proceeds of the Offer will be used by Citadele for general corporate purposes, including, without limitation, for meeting the mandatory minimum requirement for own funds and eligible liabilities applicable to Citadele and Citadele Group at the consolidated level and to repurchase Citadele's outstanding EUR 40,000,000 Subordinated Bonds (ISIN: LV0000880102) issued under its EUR 40,000,000 Fourth Unsecured Subordinated Bonds Programme. If in respect of any particular Tranche, there is another particular identified use of proceeds, this will be stated in the relevant Final Terms applicable to the particular Tranche.

2. Risk Factors

2.1. Introduction

Any investment in the Bonds is subject to a number of risks. Prospective investors should carefully review this Base Prospectus in its entirety and should, in particular, consider, among other things, all risks inherent in making such an investment, including the following risks and uncertainties, before deciding to invest in the Bonds. Prospective investors should be aware that the value of the Bonds and any income derived from them may go down as well as up and that investors may not be able to rely on their initial investment. If any of the following risks materialise, Citadele Group's business, prospects, financial condition, results of operations or cash flows, as well as Citadele's ability to fulfil its obligations under the Bonds could be materially adversely affected. In such a case, the value and the market price of the Bonds could also decline and investors could lose all or part of their investment.

Prospective investors should note that, although the factors described below represent the principal risks inherent in investing in the Bonds, there may be additional risks and uncertainties that are not currently known to Citadele Group or that are currently considered as immaterial and which may individually or cumulatively also have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only.

Most of these risk factors are contingencies which may or may not occur and Citadele is not in a position to assess or express a view on the likelihood of any such contingency occurring. This Base Prospectus is not, and does not purport to be, investment advice or an investment recommendation to invest in the Bonds. Prospective investors should make their own independent review, analysis and evaluations of the risks associated with an investment in the Bonds and whether an investment into the Bonds is consistent with its financial needs and investment objectives and whether such investment is consistent with any rules, requirements and restrictions as may be applicable to that investor, such as investment policies and guidelines, laws and regulations of the relevant authorities, etc. Prospective investors should consult with their own professional advisers, if they consider it necessary, and consider carefully whether an investment in the Bonds is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

2.2. Economic and Market Environment Risks

Citadele Group is exposed to risk arising from changes in the economic environment

Citadele Group's business is affected by European and global economic conditions and future economic prospects, particularly in Latvia and the other Baltic States in which Citadele Group's revenue is predominantly generated. Latvia, Lithuania and Estonia (the "**Baltic States**") are currently all members of the Eurozone and are thus affected by economic and macroeconomic developments in the Eurozone.

External economic factors such as weak global macroeconomic conditions, domestic macroeconomic imbalances, recessions, global financial market turmoil, volatility, high unemployment levels, reduced consumer and government spending levels, government monetary and fiscal policies, credit spreads, currency exchange rates, market indices, investor sentiment and confidence in the financial markets, reduced consumer confidence, the level and volatility of equity prices, demographic trends, commodity prices, interest rates, inflation rates, real estate prices, elevated energy prices, increased cost of living and related changes in customer behaviour and competitiveness in export sectors have affected and may continue to affect Citadele Group's business, financial performance and the activity level of Citadele Group's customers as well as the banking sectors in the Baltic States generally. For example, in 2022 and 2023, inflation in the Baltic States rose twice as fast as in the rest of Europe and exceeded 20%. As a result, purchasing power in the Baltics declined and growth of the gross domestic product ("**GDP**") in the Baltic States stagnated and lagged behind other European countries. Since 2022, the Baltic States have moved from high inflation and stagnation to a broad recovery, although at differing speeds across the three countries. Lithuania has led the regional recovery, with GDP growth accelerating to 3.8% year-on-year in the second quarter of 2026, its fastest pace since late 2024; Latvia has returned to steady growth of around 2.5% after climbing out of its 2023–2024 stagnation; and Estonia has emerged more gradually from the deepest downturn, having posted five consecutive quarters of expansion following three years of contraction. While inflationary pressures across the region have eased relative to 2022–2023, inflation remains elevated and has more recently been driven by higher energy and fuel prices. There can be no assurance that this recovery will be sustained or that inflationary pressures will not re-intensify.

Furthermore, other factors or events may affect the Baltic, European and global economic conditions, including, but not limited to, heightened geopolitical tensions, trade barriers due to higher tariffs, war, acts of terrorism, disease, pandemics or other public health emergencies (such as the COVID-19 pandemic), natural disasters, Russia's war of aggression against Ukraine or conflict in the Middle East or other similar events outside Citadele Group's control. Economic conditions may also be affected by the changing demographics in the markets that Citadele Group serves, increasing social and other inequalities, or rapid changes to the economic environment due to the adoption of technology, automation and artificial intelligence ("**AI**"), or due to climate change, environmental degradation, biodiversity loss and/or other sustainability risks. Ongoing uncertainty around the future development of global trade, including geopolitical tensions, evolving trade policies, supply-chain disruptions and sector-specific tariff measures, continues to pose risks to the global economy. Such developments may adversely affect global trade flows and economic activity, including in the Baltic States where Citadele Group operates. Any sustained deterioration in global trade conditions could lead to reduced economic activity and renewed inflationary pressures in Citadele Group's operating regions.

Citadele Group has no control over economic or macroeconomic events and changing market conditions and may be unable to foresee, predict or adequately manage their effects. Weaker macroeconomic conditions such as the factors described above may, among other things, lead to a decline in Citadele Group's quality and loan portfolio growth, the ability of Citadele Group's customers to meet financial obligations (and result in a greater number of customers defaulting on their loans, increasing Citadele Group's credit losses). Similarly, market volatility may result in increased cost of funding and/or reduced availability of funding to Citadele Group, deterioration in the value and liquidity of assets (including collateral), uncertainty in pricing certain assets or products, higher provisioning for certain liabilities, including increased loan impairment charges, and overall slower growth and earnings. Customer behaviour, including demand for Citadele Group's product offerings and services, price sensitivity, adoption of digital products and more, may change in unpredictable ways as a result of macroeconomic conditions. Consequently, a market downturn or a worsening of the situation in the Baltic States, European or global economies may negatively impact or have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and limit Citadele Group's ability to implement its business strategy.

Russia's ongoing war of aggression against Ukraine poses regional geopolitical risk and any escalation may disrupt and/or otherwise negatively impact the operations of Citadele Group and/or its customers

Russia's ongoing war against Ukraine has caused disruption in the economies of the Baltic States and may continue to cause disruption going forward. Whilst sanctions against Russia and other retaliatory measures have already reduced trade and other economic links between the Baltics and Russia, the Baltics remain vulnerable to spill-over effects from the ongoing war, particularly if the war were to escalate to the rest of Eastern Europe or the rest of Europe or if investors' threat perception regarding any potential conflict with Russia were to change materially. Sovereign credit spreads in the euro area, including the Baltics, may fluctuate in response to geopolitical developments and shifts in investor sentiment. Russia's ongoing war of aggression against Ukraine and other regional security developments continue to create heightened uncertainty in the Baltic region. Any escalation of Russia's war of aggression against Ukraine or further deterioration in the regional geopolitical environment could adversely affect investor confidence in the Baltic States, lead to widening of sovereign credit spreads and further increase of borrowing costs in the Baltics, reduce governments' fiscal flexibility to respond to future economic shocks and contribute to capital outflows from the region. Citadele Group has no control over the possible events related to Russia's war against Ukraine or other international conflict or hostilities that may cause disruption or other negative impact on Citadele Group and may be unable to foresee, predict or adequately manage their effects. Consequently, a worsening of the ongoing war, or any increased regional impact resulting therefrom, may negatively impact or have a material adverse effect on Citadele Group's business, business continuity, prospects, financial condition, results of operations or cash flows, and limit Citadele Group's ability to implement its business strategy.

In addition, such events may result in an increased cost of funding and/or reduced availability of funding to Citadele Group and may have a material adverse effect on Citadele Group's counterparties and/or customers, which could result in increased default risk in the performance of the obligations of Citadele Group's counterparties and/or customers and ultimately expose Citadele Group to an increased number of defaults and insolvencies amongst its counterparties and/or customers, further resulting in increased provisioning requirements of Citadele Group. This may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and may limit Citadele Group's ability to implement its business strategy.

Escalation of geopolitical tensions in the Middle East, including the conflict between Israel, the United States and Iran, and changes in United States trade policy, including the introduction or modification of tariffs, may disrupt and/or otherwise negatively impact the operations of Citadele Group and/or its customers

Beyond Russia's war against Ukraine, Citadele Group is exposed to risks arising from other ongoing and potential geopolitical and trade-related developments, including heightened tensions involving Israel, Iran and the United States, the Israel–Hamas conflict and related unrest in Gaza, and continued instability elsewhere in the Middle East and the Red Sea region. Any escalation of hostilities or further deterioration in regional security conditions could disrupt global energy, food and commodity markets, impede key shipping routes through the Red Sea, and adversely affect global supply chains, inflation dynamics and growth prospects, including in the Baltic States and the Eurozone where Citadele Group operates.

Separately, changes in United States trade policy, including the introduction or modification of tariffs and other protectionist measures, and any related countermeasures or trade disputes initiated by affected trading partners have contributed, and may continue to contribute, to volatility in global financial markets and to uncertainty regarding the outlook for global and regional economic growth. The scope, duration and ultimate impact of such trade measures, and of any related legal or political challenges to them, cannot be predicted with certainty.

Citadele Group has no control over the possible events related to the conflicts described above, changes in United States trade policy, or other international conflict or hostilities that may cause disruption or other negative impact on the Citadele Group, and may be unable to foresee, predict or adequately manage their effects. Consequently, a worsening or escalation of any of the foregoing conflicts, the introduction of further trade restrictions, or any increased regional or global impact resulting therefrom, may negatively impact or have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and may limit Citadele Group's ability to implement its business strategy.

Volatility in European energy markets, driven in part by the ongoing conflict in the Middle East, has affected the economies of the Baltic States and may disrupt and/or otherwise negatively impact the operations of Citadele Group and/or its customers

European energy markets have experienced renewed volatility since early 2026, driven in significant part by escalating geopolitical tensions involving Israel, Iran and the United States and by disruptions to key oil and gas supply routes in the Middle East, including the Red Sea and the Strait of Hormuz. These developments have already affected, and may continue to affect, economic conditions in the Baltic States where Citadele Group operates. While the scale and duration of this disruption remain uncertain, energy prices in Europe — including natural gas prices — have risen materially above the levels observed prior to the escalation of the conflict and remain elevated. Since 2022, the Baltic States and the wider EU have taken significant steps to reduce dependency on Russian energy imports and diversify supply, including through increased LNG imports from the United States, Norway and Qatar and expanded renewable energy capacity. Russian gas imports into the EU have fallen substantially since 2021, with the share of Russian gas in EU gas imports declining from 45% in 2021 to 12% in 2025. Notwithstanding these developments, the Baltic States remain vulnerable to further increases in energy prices resulting from the conflict in the Middle East or from other geopolitical shocks, unexpected increases in global energy demand, delays in the energy transition or other disruptions in global energy markets. In addition, physical damage to energy or communications infrastructure in the Baltic Sea region, including subsea cables and pipelines connecting the Baltic States to other countries, whether as a result of accident, sabotage or otherwise, has occurred on a number of occasions in recent years and could recur, and could result in increased energy prices or energy supply disruption risk in the Baltic States. The Citadele Group has no control over these possible events and may be unable to foresee, predict or adequately manage their effects.

Moreover, a further increase of the energy prices may have a material adverse effect on Citadele Group's counterparties and/or customers, which could result in increased default risk in the performance of the obligations of Citadele Group's counterparties and/or customers and ultimately expose Citadele Group to an increased number of defaults and insolvencies amongst its counterparties and/or customers, further resulting in increased provisioning requirements of Citadele Group. Any of the foregoing could have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and may limit Citadele Group's ability to implement its business strategy.

Increasing competition and technology disruption in the banking sectors of the Baltic States could have a material adverse effect on Citadele Group

The markets within which Citadele Group operates are highly competitive, and Citadele Group expects such competition to continue and intensify in response to various market changes. These changes include evolving customer behaviour, technological changes (including digital currencies and other instruments, stablecoins and the growth of digital banking, such as from FinTech entrants), competitor behaviour, new market entrants, industry trends resulting in increased disaggregation or unbundling of financial services, the impact of regulatory actions and other factors. Innovations such as biometrics, AI, automation, the cloud, blockchain, cryptocurrencies and quantum computing may rapidly facilitate industry transformation.

Citadele Group faces significant competition from both foreign and domestic banks in all Baltic States. According to data published by the respective regulatory bodies across the Baltics, as of 30 June 2026, there were ten banks and four branches of foreign credit institutions actively operating in Latvia, fourteen banks and six branches of foreign credit institutions in Lithuania and eight banks and five branches of foreign credit institutions in Estonia. In December 2024 Germany's Commerzbank opened a representative office in Lithuania for serving as a hub for its Baltic operations. High levels of competition in Latvia, Lithuania or Estonia may have a material adverse effect on Citadele Group's market share in the Baltic States and may limit its ability to expand its operations and product offerings to customers. As there is only a limited pool of high-quality borrowers in the Baltic States, Citadele Group may lose market share if its competitors seek to expand and it is unable to effectively compete. Citadele Group may be unable to offer new products or services at the same rate or level of profitability as its competitors, and Citadele Group may be unable to enhance its existing products or services before or in line with its competitors. Citadele Group does not actively target customers in the low-interest rate segment of these markets and does not engage in so-called "interest rate wars" with other banks. Accordingly, should a competitor lower its interest rates on loans or increase interest rates on savings products, Citadele Group's ability or desire to match such rates, particularly in relation to its corporate loan products, would be limited. Certain of Citadele Group's current or future competitors may be more successful in implementing innovative technologies for delivering products or services to their customers. These competitors may be better able to attract and retain customers and key employees, may have more advanced IT systems and may have access to lower-cost funding and/or be able to attract deposits or provide investment-banking services on more favourable terms than Citadele Group. If Citadele Group is unable to offer competitive, attractive and innovative products that are also profitable and timely, it will lose market share, incur losses on some or all of its initiatives and lose opportunities for growth.

In addition to the competitive threat posed by traditional banks, Citadele Group also faces competition from a number of small, independent financial technology companies from the Baltic States and elsewhere. The number of "FinTech" companies has expanded significantly in recent years, as has their product offering, and their aim is to disrupt the incumbent financial system by offering lower-cost, software-focused financial services, particularly in relation to the consumer loans, credit cards, payment transfers and foreign exchange segments of the banking sector. In addition, many of the products and services offered by Citadele Group are, and are expected to become, more technology intensive, including through digitalisation, automation and the use of AI. Citadele Group's ability to develop or acquire such services (which also comply with applicable and evolving regulations) has become increasingly important to retaining and growing Citadele Group's businesses across the Baltic States. There can be no certainty that Citadele Group's innovation strategy (which includes investment in its IT capabilities, intended to improve core infrastructure and customer interface capabilities as well as investments and partnerships with third-party technology providers) will be successful or that it will allow Citadele Group to continue to maintain or grow such services in the future.

Any failure by Citadele Group to successfully compete in the Baltic States may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and may limit Citadele Group's ability to implement its business strategy.

Citadele Group may be adversely affected by changes in market interest rates

Market interest rates steadily increased since July 2022 in the Eurozone and in the Baltic States, peaking in 2024. Following an easing cycle that brought the European Central Bank ("**ECB**") bank overnight deposit facility rate down to 2.00% by June 2025, the monetary policy stance shifted. Due to renewed inflationary pressures from energy shocks and geopolitical tensions, the ECB pivoted and raised the rate by 25 basis points in June 2026, setting the deposit facility rate at 2.25%, followed by an additional 25-basis-point increase announced in September 2026, bringing the deposit facility rate to 2.50%. The ECB's interest rate policy remains uncertain, shifting market expectations away from further cuts toward a potential further tightening, strongly depending on inflation dynamics, global trade developments and their impact on the Eurozone economy. Changes in the market interest rates are influenced by a number of factors outside of Citadele Group's control, including the fiscal and monetary policies of governments and central banks, such as the ECB, and international political and economic conditions. Market interest rates may continue increasing, remain steady at their currently high levels, decline further than currently reflected in the markets, indicated by the ECB or otherwise be subject to changes in ways that Citadele Group is unable to foresee, predict or adequately manage, and may have a disproportionate or different effect on Citadele Group relative to its competitors. Market interest rates, particularly in the Eurozone, and the trend in the change of such rates have a material impact on Citadele Group's interest income from its loan and securities portfolios. As of 30 June 2026, the vast majority of Citadele Group's loan portfolio consisted of floating rate loans, whereas the majority of Citadele Group's securities portfolio consisted of fixed rate instruments. Changes in market interest rates also have a material impact on Citadele Group's interest expense, particularly with respect to the interest rates it pays on its customer deposit base. As Citadele Group derives the majority of its total income from net interest income, changes in market interest rates may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Changes in market interest rates impact the interest expense that Citadele Group is required to pay in order to (i) preserve liquidity by holding cash at the BL or other monetary financial institutions and (ii) maintain its customer deposit base, as well as in respect of payments on its liabilities to its other creditors. As interest rates have historically been low and significant increases in interest rates are relatively recent, and because the likely path of interest rates is uncertain, Citadele Group is unable to foresee or predict customer behaviour in respect of changing market interest rates. If market interest rates decline further, Citadele Group may not be able to reduce its interest expense to fully offset the decline in interest income from Citadele Group's floating loan portfolio, which would decline due to repricing period driven delays in interest rate changes taking effect with respect to individual loans. In addition, an increase in market interest rates may negatively impact Citadele's shareholders' equity due to the revaluation of Citadele Group's fair-valued securities portfolio, as well as a potential future negative impact on Citadele Group's income statement upon the sale of an affected security. If, instead, market interest rates do rise further, there would be a greater risk that borrowers would be unable to remain current with their increased payments and that income from higher interest rates would be offset by increased default and impairment rates on Citadele Group's loan portfolio, including increased credit losses. As a result, this could ultimately reduce Citadele Group's Net Interest Margin (continuous operations). Movements in interest rates also influence and reflect the macroeconomic situation more broadly, affecting factors such as business and consumer confidence, property prices, default rates on loans and other indicators that may indirectly affect Citadele Group, and may adversely affect its future results, financial condition and/or prospects.

The volatility and unpredictability associated with market interest rates could materially impact Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group's ability to achieve certain targets is dependent upon certain assumptions involving factors that are beyond its control and are subject to known and unknown risks, uncertainties and other factors

Citadele Group's performance in the first half of the year 2026 continued being strong, with a growing active customer base reaching 415.5 thousand as of 30 June 2026. Citadele Group continues to offer modern banking services and products, with an emphasis on digital innovation and developments. Citadele Group's performance demonstrates the resilience of its business model as it faces challenging macroeconomic pressures, including Russia's ongoing war of aggression against Ukraine, geopolitical tensions in the Middle East and the volatile European energy markets and interest rate environment.

The achievement of Citadele Group's strategic targets, including, but not limited to, achieving certain returns, customer growth, asset quality and capital ratios, in a timely manner or at all, will depend on factors which are significantly or entirely beyond its control and subject to known and unknown risks, uncertainties and other factors that may result in management failing to achieve these targets. These factors include those detailed elsewhere in this section and, in particular:

- Citadele Group's ability to successfully implement its business strategy in all respects;
- Citadele Group's ability to successfully meet applicable regulatory requirements;
- Citadele Group's ability to successfully meet its capital, funding and leverage ratio targets, as well as other regulatory and prudential targets;
- the economic and macroeconomic conditions, such as market interest rates in the Baltic States and the Eurozone and the Russia's ongoing war of aggression against Ukraine;
- the financial condition of Citadele Group's customers;
- reductions in Citadele's credit ratings;
- growth of the financial markets in the Baltic States and the Eurozone;
- currency fluctuations;
- the actions of regulators;
- changes in the political, social and regulatory framework in the Baltic States and the Eurozone; and
- technological trends or conditions and changes in customer behaviour.

If one or more of these assumptions is inaccurate, Citadele may be unable to achieve one or more of its targets, which may have a material adverse effect on Citadele's business, financial condition, results of operation and prospects.

2.3. Risks Relating to Citadele Group's Strategy, Brand and Business

Citadele Group may not be able to successfully implement its business strategy

Citadele Group may not successfully implement its business strategy. According to its business strategy, Citadele Group aims to become the modern banking platform of choice for the Baltics - an increasingly digital bank with a wide product suite and compelling offerings for its private, small and medium sized enterprises (entities with annual turnover of up to EUR 15 million, including micro SME entities) ("**SME**"), and corporate customers. There is no guarantee that Citadele Group will be successful in implementing its business strategy or any part of it, and the implementation of all or any part of Citadele Group's business strategy, and any such implementation may be less effective, less profitable or less rapid than Citadele Group anticipates. Citadele

Group’s business strategy is subject to a number of challenges and risks, including that Citadele Group may be unable to:

- evolve “Bank in the Pocket” as a digital mobile banking platform for private retail and private affluent customers by increasing the number of new and existing customers that use Citadele as a primary bank in the Baltic States, develop its current account product into a key tool to attract customers and expand its range of digital services via mobile and online channels, as well as improve the quality of its personalised customer service;
- successfully enhance its consumer lending and mortgage product offering to its retail customers via mobile and online channels in the Baltic States, in particular as a result of a failure by Citadele Group to increase the use of card products among its existing and potential customer base, maintain its existing customer base, market share and revenue levels in the retail lending business, or leverage its information technology (“**IT**”) systems and increase automation in the underwriting process whilst maintaining existing risk levels;
- successfully develop its SME and corporate businesses in the Baltic States, which are focused on small and medium-sized enterprises, in particular, as a result of a failure by Citadele Group to increase its product and service penetration in the SME business, retain customer relationships with SMEs that grow into larger, more complex businesses or maintain or grow its revenue levels in the SME and corporate businesses;
- drive revenue growth from its existing SME and corporate customer base, in particular as result of a failure by Citadele Group to implement new product offerings, improve the effectiveness of its sales and distribution channels and enhance its relationship managers’ roles in its customer service process, or maintain its existing customer base, market share and revenue levels in the SME and corporate businesses;
- expand its leasing business in the Baltic States, in particular as a result of a failure by Citadele Group to build a competitive “one click” leasing offering, become provider of choice for dealerships and partners, or to provide best in class customer service to customers, dealers and partners;
- successfully market and scale-up its Klix (e-commerce and payments) offering, in particular as a result of a failure by Citadele Group to become go-to choice for consumers, merchants and lenders for their e-commerce payments and lending needs;
- expand its Insurance proposition, in particular as a result of a failure by Citadele Group to penetrate existing insurance products and expand into new areas through digital and cross-sell;
- grow local wealth management, asset management and pension product offerings to individual customers inside the Baltic States, in particular, as a result of a failure by Citadele Group to cross-sell its product offerings, asset management and pension operations, or maintain its market share and revenue levels in its wealth management business;
- maintain its prudent liquidity and funding profile and enhance its capital base whilst delivering strong medium-term returns on equity, in particular as a result of a failure by Citadele Group to maintain adequate liquidity, grow its customer deposit base, manage costs associated with its funding base or secure additional sources of liquidity as necessary; and
- generate sufficient profits from its operations to enable it to meet all applicable prudential regulatory requirements including liquidity, capital and minimum requirements for own funds and eligible liabilities, as specified in the CRR, Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (“**BRRD**”), as amended *inter alia* by Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-

absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**") or as may be imposed from time to time by the BL, ECB or the Single Resolution Board ("**SRB**").

If Citadele Group fails to implement its strategy in full or in part, it may be unable to further grow its business, and even if it is successful, there is no guarantee that the successful implementation of Citadele Group's business strategy will improve Citadele Group's profitability or operating efficiency to the extent that Citadele Group desires or at all. Any of the foregoing risks may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group is reliant upon the success of its brand and reputation to differentiate itself from the wider banking industry which impacts its ability to acquire and retain customers

Citadele Group has sought to develop its brand and reputation in Latvia and the other Baltic States on the basis of high levels of customer service and innovative digital proposition, and Citadele believes that the strength of its brand is a key factor in allowing it to acquire and retain customers. Citadele Group's ongoing commercial success has relied on a positive public perception of its brand in Latvia in order to grow its customer deposit base, as well as the growing recognition of its brand and products in Lithuania and Estonia. Any event that has a detrimental impact upon the public perception of Citadele's brand, including, for example, information circulating in the media or any overly forceful debt collection techniques employed by debt collection companies to whom Citadele Group has sold certain of its non-performing loans, may, despite Citadele Group's best efforts to limit such impact, lead to significant damage to Citadele Group's business and reputation in the eyes of its customers, business partners, owners, employees, investors or supervisory authorities and may dissuade current and potential future customers from using Citadele Group's products or services, which may in turn have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows and may limit or prevent Citadele Group from successfully implementing its business strategy.

To protect the strength and value of its brand, Citadele Group relies on enforcement of trademark and trade name rights, and failure to obtain or maintain adequate protection of such trademark or trade name rights could have a detrimental impact on the strength and value of Citadele Group's brand. Citadele Group's current and future trademark applications in Latvia and other foreign jurisdictions, including the EU and the other Baltic States, may not be allowed or may subsequently be opposed. Once filed and registered, Citadele Group's trademarks or trade names may be challenged, infringed, circumvented or declared generic, or determined to be infringing on other marks. As a means to enforce its trademark rights and prevent infringement, Citadele Group may be required to file trademark claims against third parties or initiate trademark opposition proceedings. This can be expensive and time-consuming. Citadele Group may not be able to protect its rights to these trademarks and trade names, which Citadele Group needs to build recognition of its brand and products among potential partners or customers in Citadele Group's markets of interest. At times, competitors may adopt trade names or trademarks similar to those of Citadele Group, thereby impeding Citadele Group's ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of Citadele Group's registered or unregistered trademarks or trade names. Over the long term, if Citadele Group is unable to establish brand recognition based on its trademarks and trade names, then it may not be able to compete effectively and its business may be adversely affected. Citadele Group's efforts to enforce or protect its proprietary rights related to trademarks, domain names or other intellectual property may be ineffective and could result in substantial costs and diversion of resources.

In developing and securing its current brand, Citadele Group has entered into an IP coexistence agreement with a third party in relation to the use of the "Citadele" name in the Baltic States, which limits Citadele Group's ability to use and expand the "Citadele" brand anywhere beyond the Baltic States. Notwithstanding this co-existence agreement, Citadele Group may be required to rebrand itself or certain of its subsidiaries if the use of its brand in certain markets is successfully challenged by such third party or other third parties. Citadele Group may also elect to rebrand itself or certain of its subsidiaries in order to avoid costly and time-consuming challenges to the use of its brand. For example, Citadele Group has already rebranded its asset management business due to the IP coexistence agreement with the third party as IPAS "CBL Asset Management" in order to avoid potential challenges to its use of its brand in the Baltic States. For similar reasons, Citadele Group named its capital markets brokerage business, licensed by the BL in July 2026, SIA "C Capital Markets" rather than using the "Citadele" name. In addition, use of the “Citadele” brand in the Baltic States by other companies may adversely affect the perception of Citadele Group’s brand by diverting potential partners or customers of Citadele Group to such other companies or associating Citadele Group’s operations with any harmful actions or loss of reputation associated with such other companies.

If Citadele Group rebrands its businesses in certain markets, it may not be able to transfer the public trust, reputation or goodwill that it has established under the “Citadele” brand to the new brand, which may limit Citadele Group’s ability to successfully compete in those markets and may have a material adverse effect on Citadele Group’s business, prospects, financial condition, results of operations or cash flows.

Citadele Group’s risk management strategies, techniques and policies may fail to adequately identify and manage the risks that Citadele Group faces and the losses that could result from them

Although Citadele Group takes steps and has systems in place to manage the risks to which it is exposed, such as implementing tail risk defensive measures in the form of acquiring certain option contracts in 2020 in light of then-existing regional and global uncertainty, there can be no assurance that Citadele Group has adequately identified all of the risks that it faces or the losses that could result from them. In addition, there may be other risks that Citadele Group has not yet identified, anticipated or been made aware of, and the impact of such risks, including any subsequent losses for Citadele Group, may be far greater than the impacts that Citadele Group has otherwise anticipated. The risk management systems adopted by Citadele Group may not be fully effective or consistently applied to mitigate Citadele Group’s exposure against all types of risks that it faces, including risks that are unidentified or unanticipated, or the losses that it might incur.

Any change in Citadele Group’s approach to risk management, including as a result of identifying new risks, may result in a higher impairment level for certain of Citadele Group’s assets or higher economic capital demand, which in turn may adversely affect Citadele Group’s profitability. The estimation of impairment levels to cover potential credit losses is inherently uncertain and dependent upon many factors, such as historical loan performance, future economic conditions, the trading performance or future cash flows of borrowers and the value of the underlying collateral, for which there may not be a readily accessible market.

Citadele Group’s business involves the use of quantitative models for varying purposes and such models may be inaccurate or fail to perform as intended

Citadele Group uses quantitative models across its business, including in its risk management, underwriting practices, setting strategic targets, evaluating environmental, social and governance (“**ESG**”) related targets and other purposes. These models help inform Citadele of, among other things, the value of certain of its assets (such as certain loans; financial instruments, including illiquid financial instruments where market prices are not readily available; goodwill or other intangible assets) and liabilities, Citadele’s risk exposure, the creditworthiness of existing and potential customers and Citadele’s performance. Whilst the financial models utilised by Citadele Group are designed in line with industry standards, there is no guarantee that the models are accurate or perform in the intended way. These financial models also generally require Citadele Group to make assumptions, judgements and estimates in connection with input data, which, in many cases, are inherently uncertain. For example, a model may require predictive inputs for expected cash flows, the ability of borrowers to service debt, residential and commercial property price appreciation and depreciation, and relative levels of defaults and deficiencies, none of which can be certain when utilised in a predictive manner in connection with a model. Furthermore, such assumptions, judgements and estimates may need to be updated to reflect changing facts, trends and market conditions and may result in a decrease in the value of, and consequently an impairment of, Citadele Group’s assets, an increase in Citadele Group’s liabilities, an increase in Citadele’s risk exposure or an increase in Citadele Group’s capital requirements, any of which may have a material adverse effect on Citadele’s financial condition, results of operations and prospects.

Any failure by Citadele Group to accurately assess or manage the risks or losses that it faces, or any change in the approach to risk management, including the failure of any quantitative models utilised by Citadele Group, may have a material adverse effect on Citadele Group’s business, prospects, financial condition, results of operations or cash flows.

Citadele Group's business, prospects, financial condition, results of operations or cash flows may be affected by liquidity risks

Citadele Group has funded its operations since its inception primarily through customer deposits and limited incurrence of debt financing and whilst Citadele Group is currently able to generate sufficient cash to fund its ongoing operations, there is no guarantee that Citadele Group will be able to continue to do so in the future.

Citadele Group is substantially dependent on its ability to attract and retain customer deposits in order to provide sufficient liquidity for its operations and may be unable to attract and retain customer deposits at the same volume or cost that it currently enjoys. The interest rates that Citadele Group offers on customer deposits are not only affected by current market interest rates, but are also dependent on Citadele Group's short-term and long-term liquidity targets, as well as its market position and the level of competition in the markets where it operates. As many of the Citadele Group's competitors in the Baltic States have access to broader customer bases and lower-cost funding options, they may be able to offer higher interest rates on customer deposits compared to Citadele Group, which may limit Citadele Group's ability to attract customer deposits.

If market interest rates rise significantly, Citadele Group's demand deposit base might convert to term deposits, making Citadele Group's funding more stable in the short term, but also more price sensitive. If a significant proportion of Citadele Group's term deposits becomes price-sensitive, Citadele Group may be forced to pass on the increasing market interest rates to customers in order to retain price-sensitive customers. As of 30 June 2026, 17% of Citadele Group's customer deposits come from Citadele Group's top 25 customers (inclusive of connected customer groups) (compared to 19% and 18% as of 31 December 2025 and 31 December 2024, respectively) and any changes in interest rates, price sensitivity or other factors impacting customer behaviour may impact Citadele Group's ability to retain these customers' deposits. Any significant withdrawal of deposits may have an adverse effect on Citadele's funding position. Such withdrawal events often occur suddenly, and Citadele Group may not be able to foresee, predict or adequately manage the impact of such events.

If Citadele Group is unable to attract or retain sufficient customer deposits to meet its funding needs, Citadele Group may require additional capital and may decide to engage in equity or debt financings or enter into credit facilities, and Citadele Group may not be able to secure any such debt or equity financing or refinancing on terms satisfactory to it, in a timely manner, or at all. Whilst Citadele Group regularly runs an internal liquidity adequacy assessment process ("**ILAAP**") evaluating current and expected liquidity and funding needs and tests its access to market liquidity, Citadele Group's ability to raise funds may be limited by numerous factors, including general economic and macroeconomic conditions, the availability of funding in the capital markets generally or from Citadele's shareholders, investor confidence in Citadele Group, sentiment towards the Latvian economy or the economies of the other Baltic States, and the credit rating of Citadele Group and the financial condition, performance and prospects of Citadele Group. Even if Citadele Group were able to secure financing without the issuance of equity or debt, any debt financing obtained by Citadele Group in the future could also involve restrictive covenants (such as a negative pledge) or arrangements (such as required use of escrow accounts) relating to Citadele Group's capital-raising activities and other financial and operational matters impacting the ordinary management of the business (such as a limitation in the carrying out of extraordinary transactions), which may make it more difficult for Citadele Group to obtain additional capital and to pursue business opportunities, including potential acquisitions, and may also restrict the payment of dividends.

Any failure by Citadele Group to attract and retain sufficient customer deposits or to access additional sources of funding on acceptable terms may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be exposed to potentially heightened credit risk by concentrating its business in certain products and industry sectors

Citadele Group's product offerings and loan portfolio are concentrated in certain products, borrowers and sectors of the Baltic economy, with substantial exposure to leasing, mortgages and other business lending. In the event of economic developments adversely affecting Citadele Group's customers in the sectors described above, or if any such customers were to move or reduce their business with Citadele Group or were to experience financial difficulties or other difficulties servicing and satisfying their loan obligations, the performance of Citadele Group's loan portfolio may be materially and adversely affected, which may in turn have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be exposed to potentially heightened credit risk by lending to SME and micro SME customers.

Lending to SME and micro SME customers generally carries a greater risk of credit exposure than lending to larger corporate customers. Loans to these customers are often more difficult to accurately price because these customers are generally less financially stable than larger corporate customers and generally have less available credit history. Financial instability within the Baltic States may affect these customers more significantly than it would affect larger corporate customers. In the case of wider regional or global financial instability (such as a renewed credit crisis or global recession), Citadele Group may suffer higher losses in connection with its SME and micro SME loans due to the greater likelihood of SME or micro SME customers going out of business, which may lead to increases in overdue payments and reduce the ability of such customers to service their debts. Any failure by Citadele Group to accurately assess the credit risk and loan performance of its SME and micro SME customers may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be exposed to potentially heightened credit risk in the event the value of its collateral declines

The majority of Citadele Group's loans are provided on a secured basis. As of 30 June 2026, for 62% or EUR 2.4 billion of Citadele Group's loans to the public, the value of the underlying collateral exceeded the net carrying amount of the loan. The remaining 38% of Citadele Group's loans to the public were partially secured or unsecured with an estimated fair value of the collateral being EUR 0.8 billion for 1.5 billion of Citadele Group's loan portfolio. Downturns in the secondary markets for such collateral or a general deterioration of economic conditions, such as that which occurred during the global financial crisis in 2008 and 2009, may result in illiquidity and a decline in the value of the collateral securing Citadele Group's loans, including a decline to levels below the outstanding principal balance of those loans. Citadele Group's loan portfolio and collateral base are particularly exposed to changes in residential real estate prices in the Baltics, as any significant decline in the prices of residential real estate may be accompanied by an increased risk of mortgagors defaulting on their mortgage payments because declining residential real estate prices would likely be caused by adverse economic developments which would also affect the ability of Citadele Group's customers to satisfy their loan repayment obligations. In addition, in relatively small markets, such as those of the Baltic States, there is a risk that increased sales of real estate collateral may result in decreased prices of real estate, in which case sales of collateral may not be an effective way to recover losses on defaulted loans.

Citadele Group is also exposed to price volatility in respect of leased asset collateral, such as light vehicles, trucks and trailers. A decline in prices in the secondary markets for the types of leased asset collateral held by Citadele Group may affect Citadele Group's ability to recover exposure to such assets in full, for example, as the result of customer defaults or vendor inability to execute buy-back obligations in full.

Declining or unstable prices of collateral in the Baltic States may make it difficult for Citadele Group to accurately value the collateral held by it. The value of any collateral ultimately realised by Citadele Group will depend on the value Citadele Group is able to realise upon enforcement, which may be different from the current or estimated value. If the value of the collateral held by Citadele Group declines significantly in the future, Citadele Group could be required to take additional impairment charges and could experience lower-than-expected recovery levels on collateralised loans. Any change in the value of collateral held by Citadele Group and any failure by Citadele Group to accurately value that collateral may have a material adverse effect on Citadele Group's loan portfolio and on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be exposed to potentially heightened credit risk as a result of concentrations in its securities portfolio in Baltic government bonds

Citadele Group's securities portfolio is concentrated in Baltic States' government bonds (constituting 79% of Citadele Group's total securities portfolio as of 30 June 2026). As a result of this concentration, Citadele Group's securities portfolio is particularly exposed to default by any of these countries. In addition, the default of a government of another Member State of the EU would also likely have a significant impact on the fiscal and political situation of the EU and the economic performance of the Eurozone, which may have a significant impact on Citadele Group's fixed income portfolio.

Similarly, any credit default by any other country to which Citadele Group has a direct credit exposure may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. Whilst the vast majority of the securities in Citadele Group's securities portfolio have investment-grade credit ratings, such securities may fall in value or become less liquid as a result of the financial performance of their respective issuers, any downgrade or loss of credit ratings or as a result of market conditions in general. Although Citadele Group assesses the fair value of its securities portfolio through the use of valuation techniques, including quoted market prices, observable market data and other data, there can be no assurance that the fair values that Citadele Group determines for its securities portfolio accurately reflect the underlying value of such instruments. In addition, the fair values of Citadele Group's securities portfolio may change rapidly and unexpectedly based on movements in the markets to which Citadele Group's securities portfolio is exposed, even if Citadele Group believes that the underlying value of the securities has not changed. Any decrease in the value, liquidity or fair values of Citadele Group's securities portfolio may require Citadele Group to acquire additional sources of liquidity or capital and may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group is subject to operational risks, including, in particular, those arising from fraud or misconduct of its employees or customers

Citadele Group is exposed to the risk of a complete or partial failure of internal processes to comply with the requirements of applicable laws, binding external regulations and internal regulations. This may arise as a result of a variety of factors, including the acts of Citadele's employees, inadequate system operations, irregularities in internal processes, acts of third parties and other external conditions, such as floods, fires and pandemics. Citadele Group is exposed to fraud committed by its customers, suppliers and third parties, such as cyber criminals, as well as fraud or misconduct committed by employees. Cyber-criminals are increasingly targeting banking customers in the Baltics and in Europe by manipulating customers to authorise payments or engaging in other forms of fraudulent activities. Such fraud or misconduct may arise or persist with respect to Citadele Group's customers as a result of the failure or inadequacy of Citadele Group's risk management or corporate governance procedures, weaknesses in IT infrastructure or the failure of third-party contractors to identify or prevent such fraud or misconduct. Many customers with fraud-related claims are not eligible to receive compensation from Citadele Group or other sources due to the customer's gross negligence under applicable law. However, the European Commission (the "**EC**") has acknowledged that the Payment Services Directive (EU) 2015/2366 on payment services in the internal market (PSD2) is not equipped to regulate certain emerging forms of fraudulent conduct, and in response to that the EC has introduced Payment Services Directive (PSD3) and the Payment Services Regulation (PSR) providing for additional measures for fraud prevention and compensation for customers who are victims of such conduct.

The scope of the operational risks associated with Citadele Group's employees is broad and may include risks that Citadele Group is unable to identify or mitigate in advance. Such risks include the risk of financial losses resulting from employees' lack of knowledge, inadequate training or violation of laws, rules and regulations or any other misconduct or fraudulent behaviour. Misconduct and fraud have been seen across the global financial services industry and could involve conduct such as, but not limited to, the improper use or disclosure of confidential information or the violation of laws and regulations concerning financial abuse and money laundering. The occurrence of any type of misconduct or fraud could result in penalties or sanctions being levied against Citadele Group, in addition to the risk that Citadele Group may suffer serious reputational or commercial harm as a result. In addition, there is a risk that key security and transaction documents held by Citadele, including title deeds for secured property, personal guarantees and fully executed transaction documents may be lost, misplaced or destroyed. Any such documents that are lost or destroyed would reduce Citadele's ability to enforce its security or its rights against the relevant counterparty in the relevant court. Any violation of Citadele Group's internal risk management procedures, monitoring systems for foreign exchange transactions and control procedures on bond limits could also result in Citadele Group inadvertently entering into binding transactions that exceed authorised limits. There is also a risk of sudden stoppages in Citadele Group's systems due to unexpected severe internal or external operational risk event(s), which may result in critical service disruptions, negatively impact Citadele Group's reputation, and result in severe financial losses.

Any failure or interruption in or breach or cyberattack of Citadele Group's IT systems or security, or those of the third parties upon which Citadele Group relies, may result in lost business and other losses

Citadele Group relies heavily on its IT systems and security to conduct its business and protect its computer systems, networks and information, and its clients' data and such reliance may only increase as Citadele Group's business continues becoming increasingly digitised and technology focused. Whilst Citadele Group has invested substantial resources in upgrading its IT systems and security, Citadele Group may not be able to successfully maintain or upgrade its IT systems or security in the future, resulting in performance or security issues, including in relation to payment card limits on ATM transactions, unauthorised account overdrafts, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") sanctions filters or improper use of personal data. In addition, any maintenance and upgrade programme and license renewal may be more expensive or more time-consuming than Citadele Group anticipates. Failure to maintain and upgrade Citadele Group's existing IT systems may place Citadele and Citadele Group at a competitive disadvantage relative to competing banks and other financial organisations in the Baltic States, may adversely affect the confidence Citadele Group's customers have in its IT security and may limit Citadele Group's ability to attract and retain new customers or customer deposits, any of which may in turn have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Any disruption in the functionality or data integrity of Citadele Group's IT systems could, among other things, lead to the misappropriation of funds of Citadele Group's customers or Citadele Group itself, impair Citadele Group's decision-making and risk management procedures and business activities, disclosure, destruction or misuse of confidential information, as well as result in additional costs, losses or reputational damages. Citadele Group has from time to time experienced unauthorised transactions as a result of external fraud or inadequacies in its IT systems and may experience losses in the future from any failure of its controls to detect or contain any future operational risk. Citadele Group's IT systems may also be disrupted by factors beyond Citadele Group's control, such as internet interruptions; disruptions or losses; misplaced or lost data; acts of vandalism, theft, fraud or misconduct on the part of employees, other internal sources or third parties; natural disasters; fires; terrorism; war; faults arising from cables, connections or other electronics upon which Citadele Group's IT systems are reliant or attempts by third parties to breach Citadele Group's IT security and infiltrate its IT networks or otherwise adversely affect its online operations, data or functionality, for example, by way of physical or electronic break-ins, hacking, viruses, malware, denial-of-service attacks, phishing attacks, ransomware, unauthorised encryption, social engineering, unauthorised access, spam or other attacks, physical damages to data centres or cloud infrastructure and other wrongdoing. In particular, Citadele Group and its customers are subject to increasingly sophisticated and frequent attempted cyber-attacks or other acts of a malicious nature from a broad range of threat actors from around the world, including foreign governments, criminals, competitors, computer hackers, cyber terrorists and politically motivated groups or individuals, which may compromise the security of Citadele Group's servers, data and systems and disrupt the flow of funds to and from the bank. As cybersecurity threats and incidents continue to evolve, Citadele Group may be required to expend significant additional resources to continue to modify or enhance its protective measures or to investigate and remediate any information security vulnerabilities. Citadele Group also relies upon third parties for the performance of certain outsourced activities and these third parties, their employees and their IT systems may fail to perform adequately or may be vulnerable to any of the foregoing risks which may also compromise the IT security, customer data protection and operations of Citadele Group.

Although Citadele Group has backup and disaster recovery systems in place, if Citadele Group's IT systems, or those of its third-party service providers, fail, whether for a short period of time or due to a longer outage, such as following the occurrence of an internet or electrical interruption, cyberattack, data security breach, natural disaster or for some other reason, Citadele Group may be unable to continue to serve its customers' needs at the level they are accustomed to or at all. Such failures or shutdowns, whether extended or momentary, may result in Citadele Group incurring substantial additional costs and may result in the loss of a substantial number of Citadele Group's customers. In addition, IT system failures may result in reputational damage to Citadele Group if customers perceive that Citadele Group's IT systems are less secure or less reliable than those of its competitors. Any media reports about any such shutdowns or failures or Citadele Group's failure to make adequate or timely disclosures to the public or law enforcement agencies following any such shutdowns or failures, whether accurate or not, could significantly damage Citadele Group's reputation with its customers, associates, investors and other third parties. Furthermore, public announcements regarding any cybersecurity incidents and any steps that Citadele Group takes to respond to or remediate such incidents could cause securities analysts or investors to perceive these announcements to be negative. Such failures or shutdowns could also lead to violations of regulations regarding data protection and/or other regulations; exposure to fines, litigation or similar proceedings; reimbursement and compensation payments; and additional regulatory compliance expenses or penalties. There can be no assurance that the limitations of liability in Citadele Group's contracts with its customers, partners and third-party service providers would be enforceable or adequate or would otherwise protect Citadele Group from liabilities or damages, and in some cases, the applicable agreement may not limit Citadele Group's remediation costs or liability with respect to data breaches. Additionally, any litigation or similar proceedings could require Citadele Group to fundamentally change its business activities and practices or modify Citadele Group's products and/or technology capabilities in response to such litigation, which could have an adverse effect on Citadele Group's business. Citadele Group's exposure to these risks has increased in recent years due to Citadele Group's strategy of expanding its range of digital services via mobile, online banking and other digital channels.

Information security risks in the financial services industry, in particular, are significant, in part because of new technologies, the use of the internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organised criminals, perpetrators of fraud, hackers, terrorists and other malicious third parties. In addition, there have been a number of well-publicised attacks or breaches affecting companies in the financial services industry that have heightened concern by customers, which could also intensify regulatory focus, cause customers to lose trust in the security of the industry in general and result in reduced use of Citadele Group's services and increased costs.

Whilst Citadele Group maintains cybersecurity insurance, Citadele Group may not have adequate insurance coverage with respect to liabilities that result from any cyberattacks, data security breaches or other similar incidents or disruptions suffered by Citadele Group or third parties upon which Citadele Group relies. The successful assertion of one or more large claims against Citadele Group that exceeds its available insurance coverage, or results in changes to its insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on Citadele Group's business. In addition, Citadele Group cannot be sure that its existing insurance coverage will continue to be available on acceptable terms, or at all, or that Citadele Group's insurers will not deny coverage as to any future claim.

Any of the foregoing could have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group's ongoing success depends on the members of its Supervisory Board and its senior management team and its ability to recruit and retain key personnel

To meet commercial challenges and maintain effective operations, Citadele Group must recruit and retain appropriately skilled individuals. Citadele's Supervisory Board and senior management team contributes significant expertise in, and experience with, the industries in which Citadele Group operates, and has allowed Citadele Group to maintain and develop business with many of its key corporate and high-net-worth customers. Implementation of Citadele Group's business strategy by its senior management may distract senior management from the day-to-day operation of Citadele Group's business and may result in their inability to devote sufficient attention to maintaining and improving these customer relationships. Citadele Group is reliant upon its senior management team for the implementation of its business strategy, its day-to-day operational activities and its ability to attract, develop and retain key personnel, and any change or disruption in the senior management team may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. Strategic guidance by Citadele's Supervisory Board is a significant contributor to Citadele Group's strategy and any change or disruption in the composition of the Supervisory Board may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group's ability to continue to attract, retain and motivate qualified and experienced banking and management personnel is vital to its business. Attracting and retaining highly professional and motivated employees has been challenging at all times. Citadele Group closely monitors the market in terms of pay to ensure employees are adequately remunerated, but there is ongoing competition for talent. Given the shortage of skilled labour in the Baltic States and the resulting competition and increased salary pressure for skilled labour, Citadele Group may be unable to retain existing personnel or hire new qualified personnel, and Citadele Group may be required to further increase salaries and other benefits offered to experienced banking and management staff, which would increase Citadele Group's personnel costs. Any failure by Citadele Group to retain experienced personnel or hire new qualified personnel (and, particularly, in specialist roles such as relationship managers, quants, digital product development and IT) may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group is exposed to counterparty risk as a result of its relationships with a limited set of key strategic partners

Citadele Group relies on a limited number of counterparties for critical payment infrastructure, including Citibank N.A. for U.S. dollar processing, as well as Commerzbank AG and Raiffeisen Bank International AG for other non-EUR currencies. While Latvia's improved standing in combating financial crime has supported greater access to international financial services for local institutions, Citadele's business scale still constrains its ability to build a broader multi-partner correspondent network for core segments such as Nostro accounts. Should Citibank N.A. or another key counterparty withdraw or terminate its relationship without an adequate alternative in place, Citadele could face disruptions in processing customer payments, potential loss of payment, custody, and brokerage fee income, and reputational impact on its wealth management and corporate banking businesses — any of which could materially adversely affect Citadele Group's business, financial condition, or results of operations.

Citadele Group is exposed to a risk of counterparty default that arises, for example, from entering into swaps or other derivative contracts under which counterparties have financial obligations to make payments to the Citadele Group and hedging mismatches in relation to such derivative contracts

Citadele Group is exposed to credit risk as a result of its banking relationships with multiple credit institutions which it maintains in order to process customer transactions in a prompt and efficient manner. Citadele Group manages its exposure to commercial banks and brokerage companies by monitoring on a regular basis the credit ratings of such institutions, conducting due diligence of their credit profiles and monitoring the individual exposure limits applicable to counterparties set by the Financial Market and Counterparty Risk Committee ("**FMCRC**"). Citadele Group's exposures to derivative counterparties arise from its activities in managing liquidity, foreign exchange, interest rate and credit risks through derivatives that do not expose it to material counterparty risk. Citadele Group's financial instruments derivative portfolio consists of interest rate swaps, foreign exchange swaps and forwards. As of 30 June 2026, the net value of Citadele Group's derivatives was EUR 6.346 million in assets and EUR 2.211 million in liabilities. A default by, or even concerns about the financial resilience of, one or more financial services institutions could lead to systemic liquidity problems, losses or defaults by other financial institutions, which could have a material and adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Furthermore, it is not always possible for Citadele Group to hedge directly its exposures that it is seeking to address through such derivative contracts and to the extent there is any mismatch is such exposures it may also risk losses that could have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group and the Baltic States may not be able to maintain their credit ratings

On 21 April 2026, Moody's Investors Service Ltd and related entities ("**Moody's**") assigned to Citadele a long-term deposit rating of A3 and a senior unsecured debt rating of Baa2, while maintaining a stable outlook. However, Citadele's credit ratings are subject to change at any time and could be downgraded as a result of many factors, including unsatisfactory financial results, the failure of Citadele Group to successfully implement its strategy or general downgrading of the credit ratings of financial institutions in the Latvian banking sector. Furthermore, there is no assurance that Citadele or the Baltic States will be able to maintain their credit ratings, and any deterioration in the general economic environment in, or credit ratings of, the Baltic States or in Citadele Group's financial condition could cause downgrades which could adversely affect Citadele's liquidity and competitive position, undermine confidence in Citadele Group, increase its borrowing costs and limit its access to capital markets in the future. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. Credit ratings are not a guarantee of Citadele Group's future performance. Any change in the credit ratings of Citadele or the Baltic States may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group faces execution risks associated with certain of its product offerings, including, but not limited to, its pension fund operations

Citadele Group offers a number of varied products to its customers, the performance of which is dependent on Citadele Group's successful implementation of its business strategy, operations and other factors outside of Citadele Group's control. Citadele Group faces risks associated with, among other of its products and services, its pension fund operations and insurance offerings.

Citadele Group offers a number of pension products to its customers, including funds for discretionary personal contributions (so called Pillar III pensions), as well as contributions made by the Latvian State from social tax contributions made by customers (so called Pillar II pensions). If Citadele Group suffers reputational harm or the investment performance of Citadele Group's pension products is materially worse than that of its competitors in a given period, this may result in a significant number of customers withdrawing their pension fund assets from Citadele Group and moving them to a competitor. Any decrease in the number of pension funds customers or in the amount deposited in those funds may have a detrimental effect on Citadele Group's commission and fee income, which may in turn have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group provides life and accident insurance products to its customers, the underlying economics of which are based on a number of assumptions relating to the timing and scale of potential claims. If Citadele Group's assumptions prove to be inaccurate or incorrect, Citadele Group may face increased exposure under such policies, including the risk of increased or accelerated liability. Citadele Group's existing practices of re-insuring a certain proportion of insurance liabilities may not prove effective, resulting in Citadele Group being unable to be reimbursed for the already paid-out claims.

Any increase or accelerated liability, or enhanced regulatory oversight, may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group's insurance policies may not cover particular future losses

Whilst Citadele Group believes that the insurance policies presently held by Citadele Group to cover its assets and operations are sufficient, there is no guarantee that Citadele Group's insurance adequately covers every possible future loss, or that currently implemented insurance limits will be sufficient to cover losses as they occur. There could be cases which are not covered by Citadele Group's existing insurance policies and which may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows, and even if covered, may result in increased insurance costs or difficulties in acquiring insurance in the future for Citadele Group.

Citadele Group faces uncertainty in connection with its investments

Citadele Group invests in other businesses from time to time, including businesses in the banking, technology, payments, insurance and business infrastructure sectors and it may seek to sell these investments from time to time (for example, Citadele Group Group's investment in SIA Mobilly, a company focused on payments within the transportation sector in which Citadele Group owned 12.5% stake since 2018 was sold in 2024 and Citadele Group's Swiss subsidiary, Kaleido Privatbank AG (now Banque Richelieu Switzerland) was sold in 2025). As such investments are relatively illiquid, Citadele Group's ability to promptly sell such investments may be limited and Citadele Group cannot predict whether a sale will be possible for the price or on the terms that Citadele Group sets or whether any price or other terms offered by a prospective purchaser would be acceptable to Citadele Group. Citadele Group also cannot predict the length of time needed to find a willing purchaser and to close the sale of any such investments, including as a result of any applicable regulatory approvals. Any of the above could expose Citadele Group to possible liabilities and losses and have a material adverse effect on its business, financial condition and results of operations.

Citadele continues to assess various strategic options

As initially announced in July 2023, Citadele is exploring strategic alternatives that can deliver value for Citadele's shareholders and customers. Such alternatives could include an initial public offering of its shares or other possible strategic transactions, including mergers and acquisitions. As announced in August 2024, economic and geopolitical uncertainty has led to a slower pace in evaluating the strategic options for Citadele but despite this volatility Citadele continues to assess various strategic options.

In exploring and assessing the various strategic options, Citadele has engaged, and will continue to engage, financial, legal and other professional advisers, including investment bankers, and will take such further steps as may be necessary for Citadele and its shareholders. This may be a time-consuming and costly process, may distract management from the day-to-day operations of Citadele, and may create uncertainty that could hinder Citadele's ability to attract and retain key personnel, secure new business or maintain existing customer relationships.

As Citadele explores and assesses different strategic transactions, there can be no assurance as to the timing of any such transaction or whether Citadele will be successful in bringing such a transaction to completion, including whether acceptable terms for such a transaction can be reached, and that any required regulatory, antitrust, shareholder or other approvals will be obtained.

Should such a transaction involve initial public offering or other sale of Citadele's shares, or a merger or acquisition, this could result in a change of control of Citadele and/or significant changes in Citadele's business or strategy, which could have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

2.4. Regulatory, Tax and Legal Risks

Citadele Group is exposed to risks arising from changes in the prudential regulatory environment in which it operates

Citadele Group, like other financial institutions operating within the EU, faces increasing risks associated with an uncertain and rapidly changing regulatory environment, in particular the prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital resources and to satisfy specified capital or other ratios. While Citadele Group is in compliance with existing capital adequacy requirements, there is a risk that more stringent capital adequacy requirements could be introduced in relation to the quality or the quantity of capital required to be held. Effective management of Citadele Group's capital is critical to the success of its commercial operations and the implementation of its business strategy. Citadele's

Management Board sets its internal capital targets after assessing the risk profile of the business, market expectations and regulatory requirements. If regulatory requirements as to capital levels increase, driven by, for example, new regulatory measures, Citadele Group may be required to comply with increased capital ratios, e.g., due to changes in the combined buffer requirement or individual assessment made by the Joint Supervisory Team on an annual basis.

In addition to the minimum capital adequacy ratios as set by CRR, Citadele Group currently has to comply with a 2.4% regulatory Pillar 2 requirement, 2.5% capital conservation buffer, 1.25% other systemically important institution (O-SII) capital buffer, and 1.08% countercyclical capital buffer (as of 30 June 2026), which represents a countercyclical buffer based on Citadele's risk exposure by virtue of Citadele Group's geographical distribution in the respective countries in which it operates.

In order to meet its projected capital adequacy requirements, Citadele Group has assumed that its net profits available for distribution will be included as part of its Common Equity Tier 1 (CET 1) capital, subject to the provisions in Citadele Group’s Dividend Policy. By their very nature, profits may be volatile and unpredictable, and there is no guarantee that Citadele Group will be able to achieve the net profits that it anticipates in the future. Citadele Group may also need to increase its capital level in response to changing market conditions or expectations. If Citadele Group is unable to so increase its capital, it may no longer comply with regulatory requirements or satisfy market expectations related to its capital strength, which may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. Any change that limits Citadele Group's ability to effectively manage its capital (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets, or the inability to raise capital or funding through wholesale markets as a result of market conditions or otherwise) may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations, liquidity or cash flows.

Citadele Group's future borrowing costs and capital requirements could be affected by prudential regulatory developments. These might include: (i) implementing various proposals of the Basel Committee in the EU and amending and supplementing the existing CRR and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive No 2002/87/EC and repealing Directives No 2006/48/EC and No 2006/49/EC, as amended ("**CRD Directive**"), as well as other regulatory developments impacting Citadele Group's capital position; (ii) changes to the BRRD and (iii) changes to the regulation of asset managers in Latvia (on which discussions are ongoing), with respect to (i) and (ii) each as amended, supplemented or replaced from time to time. Whilst any future regulatory developments may increase protection for depositors and reduce the extent to which the banking industry is exposed to future finance shocks (which is the overall objective of the CRR/CRD Directive, Basel III and the BRRD), any such regulatory developments may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations and cash flows.

The capital requirements and required buffers under the CRR/CRD Directive were fully phased-in in 2019. The CRR/CRD Directive requirements adopted in Latvia and other Baltic States may change, whether as a result of further changes to the CRR/CRD Directive agreed by EU legislators, binding regulatory technical standards developed by the European Banking Authority (“**EBA**”), changes to the way in which the relevant regional authorities interpret and apply these requirements to Citadele Group's operations. Such changes, either individually or in the aggregate, may lead to further unexpected enhanced requirements in relation to Citadele Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated, which may, in turn, have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group ensures compliance with the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) requirement. Citadele Group may be unable to comply with the regulatory required liquidity ratios, or may only be able to do so at the expense of disposing of certain of its more profitable but illiquid investments or limiting the frequency or value of its business activities. This may, in turn, have a material adverse effect on Citadele's business, prospects, financial condition, results of operations or cash flows.

The ECB has classified Citadele as a significant credit institution, commencing its direct supervision as of 1

January 2021. The BL continues to participate in the supervision of Citadele and cooperates with the ECB. In addition, the Bank of Lithuania and the EFSA continue local supervision of Citadele’s branches and/or subsidiaries in Lithuania and Estonia, as applicable. This could result in the imposition of new regulatory restrictions, disclosures and/or information requests upon Citadele Group, and may lead to increased costs and review of Citadele Group's impairment levels. It may also result in an increase of the time spent by Citadele's management in order to ensure full regulatory compliance. The imposition of any such restrictions, increased costs and/or impairments as well as extra management time may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Finally, Citadele Group’s private and asset management operations fall within the scope of certain non-binding industry guidelines, principles and best practice parameters set by bodies such as the Consumer Rights Protection Centre in Latvia and the Finance Latvia Association, and equivalent institutions in Lithuania and Estonia. These guidelines cover, for example, the preparation of fair agreements for use in consumer lending and the fair application of penalties. Whilst Citadele Group’s management believes Citadele Group is in full compliance with such guidelines as of the date of this Base Prospectus, any failure to adequately comply with these guidelines or principles, now or in the future as a result of any changes to such guidelines or principles, may also result in operational and reputational risk or harm to Citadele Group.

Citadele Group may be adversely affected if it is unable to maintain minimum statutory capital requirements

Citadele Group regularly undergoes an internal capital adequacy assessment process (“**ICAAP**”) that details Citadele Group’s plan on how it will continuously meet applicable capital adequacy requirements. ICAAP and stress test assessments are based on a number of assumptions, including Citadele Group’s projected revenue development and the anticipated development of its asset base in line with its business strategy. However, whilst these assumptions, including profit forecasts for future periods, have been prepared as accurately as possible based upon information available at the time they are made, and whilst Citadele is of the opinion that the capital, funding and liquidity available to Citadele Group is sufficient, these assumptions may prove to be inaccurate or incorrect due to factors outside of Citadele Group’s control or expectations, which in turn may affect Citadele Group’s ability to meet its capital requirements or other prudential requirements under respective laws or regulations. In case regulations related to prudential supervision and requirements are amended at any point of time in the future, Citadele Group may need to revise its business strategy, capital plan or both in order to ensure compliance with such regulations. Any such revisions may have adverse implications on the financial performance of Citadele Group. The investment of capital in projects aimed at growth may affect Citadele Group’s overall capital position and may in turn affect its ability to meet the capital requirements imposed by the Joint Supervisory Team of supervisors responsible for supervision of Citadele. Any failure by Citadele Group to meet minimum statutory capital requirements may have a material adverse effect on Citadele Group’s business, prospects, financial condition, results of operations or cash flows.

Citadele Group's business may be adversely affected if it is unable to meet its MREL under the BRRD

According to the BRRD, Citadele is subject to MREL. The SRB determined the consolidated MREL target for Citadele Group at the level of 23.15%. of Total Risk Exposure Amount (TREA) and 5.91% of Leverage Ratio Exposure (LRE). The MREL target is updated by the SRB annually, with the new requirement of 23.15% of TREA having become applicable from December 2025. Citadele will have to continue issuing a significant amount of MREL eligible liabilities in order to maintain compliance with the new requirements within the defined timeframes. Moreover, the SRB has imposed a statutory subordination requirement under Article 45c(6) of the BRRD II which requires, starting from 17 July 2027, that a proportion of the overall MREL requirement of Citadele Group is met with subordinated instruments, namely 13.50% of TREA, plus a combined buffer requirement, as well as a higher 6.59% leverage ratio. The need for issuance of MREL eligible liabilities, including the higher costs associated with interest payments under such instruments, may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. Any failure by Citadele to comply with its MREL requirements also may have a material adverse effect on Citadele Group's business, financial conditions and results of operations.

Citadele Group’s measures to comply with anti-money laundering, countering the financing of terrorism and proliferation and sanctions compliance requirements may not be effective in all material respects

Citadele Group is subject to extensive anti-money laundering (“**AML**”), counter terrorism financing (“**CTF**”), countering proliferation financing (“**CPF**”) and sanctions compliance laws and regulations. The European AML/CTF framework is currently undergoing significant reform through the introduction of the new EU AML Package, including the establishment of the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA), the Anti-Money Laundering Regulation (AMLR), and related regulatory technical standards and guidelines expected to become applicable by July 2027. Although Citadele Group is actively preparing for these changes and has allocated appropriate resources for implementation, a substantial part of the future framework remains subject to further regulatory guidance and interpretation. As a result, there can be no assurance that Citadele Group's implementation and application of new requirements will fully align with future supervisory expectations, which could result in regulatory findings, remediation measures, increased compliance costs, fines or other supervisory actions.

Citadele Group has established policies, procedures, systems and controls designed to detect, prevent and report money laundering, terrorism and proliferation financing (“**ML/TF/PF**”) and sanctions breaches, including customer due diligence, transaction monitoring, sanctions screening and staff training. However, financial crime methods continue to evolve, and there can be no assurance that Citadele Group's controls will identify and prevent all instances of actual or attempted ML/TF/PF or sanctions evasion.

If Citadele Group's measures are found to be inadequate, if financial crime is conducted through Citadele Group despite its controls, or if Citadele Group otherwise fails to comply with applicable anti-money laundering, counter terrorism and proliferation financing (“**AML/CTF/CPF**”) or sanctions compliance requirements, it could be exposed to regulatory investigations, administrative penalties, increased regulatory scrutiny, remediation costs, business restrictions, reputational damage and other adverse consequences, any of which could have a material adverse effect on Citadele Group's business and financial condition.

Citadele Group’s measures to comply with sanctions regulations may not be effective in all material respects

Citadele Group is obliged to comply with the Law on International Sanctions and National Sanctions of the Republic of Latvia of 2016, as amended, and those sanctions imposed by, amongst others, the United Nations, EU and OFAC and the Office of Financial Sanctions Implementation (OFSI). Citadele Group has in place a Sanctions Compliance policy setting out the means by which Citadele Group manages the risk of breaching sanctions as well as the enforcement principles which Citadele Group intends to maintain, but there can be no guarantee that this policy will be wholly effective in preventing a breach of sanctions by Citadele Group or its employees.

On 24 February 2022, Russia launched a war of aggression against Ukraine. This has led to unprecedented EU and U.S. government sanctions against Russian and Belarusian companies and individuals, as well as restrictions being imposed on specific goods and services, and territories of Ukraine temporarily occupied by Russia. The highest inherent sanctions risks are related to the so called “sectoral sanctions” against goods and services due to geographical and prior trade relationship factors. Failure to comply with the applicable sanctions could have serious legal and reputational consequences for Citadele Group, including exposure to fines as well as criminal and civil penalties.

Citadele Group has implemented significant controls to mitigate the aforementioned risks, including specific sanctions related scenarios in client behaviour monitoring systems, client risk scoring and online screening, as well as regular monthly webinars on the newest typologies and red flags are organised on a group level. Citadele Group also participates in regular public-private and private-private partnership formats on sanctions compliance.

However, any failure by Citadele Group to fully implement functional and effective sanctions procedures or to comply with all of the relevant Latvian, EU or other laws or regulations on sanctions, which continue to evolve, could subject Citadele Group to significant fines, sanctions and/or result in harm to Citadele Group's reputation and even lead to business disruption. There can be no assurance that Citadele Group or its employees have not breached such laws or regulations in the past or that Citadele Group or its employees will not breach such laws or regulations in the future, which could have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group is dependent on obtaining banking licenses and satisfying other regulatory requirements in Latvia and the other jurisdictions where it operates

Citadele Group is subject to banking regulations and requirements in Latvia which have been issued by the BL. The BL is the national competent authority within the meaning of Article 2(2) of Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions. Citadele Group is also subject to the applicable banking regulations and requirements of Lithuania and Estonia, and the other jurisdictions where it conducts business, as well as banking regulations and requirements of the EU.

All banking operations and various related operations in Latvia require a credit institution operating licence from the ECB. Credit institutions are required to comply with mandatory financial and capital ratios and file periodic reports, and comply with minimum reserve requirements. Latvian authorities, such as the BL, the State Revenue Service of the Republic of Latvia (in Latvian – *Latvijas Republikas Valsts ieņēmumu dienests*) ("**SRS**"), the State Labour Inspectorate, the Competition Council, Data State Inspectorate and others, have the right to, and do, conduct periodic and random inspections of Citadele's operations throughout each year. The ECB or BL may impose certain conditions or limitations on, or revoke the credit institution operating licence of, Citadele if it concludes that Citadele has breached the applicable banking regulations.

Citadele Group has current licences for all of its banking and other operations in Latvia and the other jurisdictions in which it conducts operations. When launching new services, Citadele Group carefully evaluates whether the activity requires obtaining a license, usually consulting with the BL, if necessary. Although Citadele Group believes that it is currently in compliance with its existing material licence and reporting obligations to the BL and other relevant regulators, there is no assurance that Citadele Group will be able to maintain the necessary licences or obtain other required licences in the future due to, among other things, changes in licensing regulations or a change in circumstance of Citadele. The loss of a licence, a breach of the terms of a licence by Citadele Group or a failure to obtain any further licences that may be required in the future may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. If the ECB were to revoke Citadele's credit institution operating licence as a result of Citadele's non-compliance or otherwise, Citadele Group would be unable to accept deposits in Latvia, which would severely restrict its ability to continue to operate and would likely lead to Citadele Group's liquidation and the cessation of its operations both inside and outside of Latvia.

Citadele Group is subject to stringent, complex and evolving laws, rules, regulations and standards in many jurisdictions, as well as contractual obligations, relating to data protection and privacy. Any actual or perceived failure to comply could harm Citadele Group's reputation, give rise to fines or regulatory censure or result in other outcomes that may have a material adverse effect on Citadele Group's business

Citadele Group collects and processes a significant volume of personal data and other regulated data from its employees, customers and business partners as part of the operation of its business, and therefore is subject to stringent, complex and evolving laws, rules, regulations and standards, as well as contractual obligations, relating to data protection and privacy. Such data protection and privacy laws, rules, regulations and standards around the world are rapidly evolving, may be subject to uncertain or inconsistent interpretations and enforcement and may conflict among various jurisdictions. These laws, rules, regulations and standards, as well as contractual obligations, generally impose certain requirements on Citadele Group in respect of the collection, control, use, sharing, disclosure and other processing of such personal data, and any failure or perceived failure by Citadele Group to comply with its privacy policies, or applicable data privacy and security laws, rules, regulations, standards or contractual obligations, or any compromise of security that results in unauthorised access to, or unauthorised loss, destruction, use, modification, acquisition, disclosure, release or transfer of personal information, could potentially lead to requirements to modify or cease certain operations or practices, proceedings or actions against Citadele Group, legal liability, governmental investigations, enforcement actions, claims, judgements, awards, penalties, sanctions and costly litigation (including class actions), regulatory censure, fines, reputational and financial costs or other outcomes that may have a material adverse effect on Citadele Group's business.

Citadele Group seeks to ensure that procedures are in place to comply with relevant data protection regulations by its employees and any third-party suppliers and service providers, and also to implement security measures to help prevent cyber theft. Such efforts to ensure compliance with such requirements and implement such measures can increase operating costs, impact the development of new products or services and reduce operational efficiency. Notwithstanding such efforts, Citadele Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of applicable data protection laws, rules, regulations, standards and contractual obligations. In addition, Citadele Group may not have appropriate controls in place currently and may be unable to invest on an ongoing basis to ensure such controls are up to date and keep pace with growing threats.

In particular, Citadele Group is subject to the General Data Protection Regulation - Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, as amended (GDPR), which has been in effect since 25 May 2018. The GDPR increased the regulatory burden on Citadele Group, as well as third-party providers on which Citadele Group relies, in processing personal data of customers, employees and business partners and other data in the conduct of its business and may also increase the potential sanctions for breach as the GDPR includes significant financial penalties up to the higher of 4% of the annual worldwide turnover of group companies or EUR 20 million.

Whilst Citadele Group has taken steps to comply with the GDPR, Citadele Group will be required to continue to monitor and implement additional amendments to agreements, controls, procedures and policies in the future to achieve and maintain GDPR compliance (in particular due to expected increases in sale of smart and connected products). Ensuring compliance with the GDPR is an ongoing process and it is possible that, despite Citadele Group's efforts, supervisory authorities or other third parties will assert that Citadele Group's practices do not comply with aspects of the GDPR. If Citadele Group is not fully compliant with its obligations under the GDPR, Citadele Group may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage.

Although Citadele Group may have contractual protections with its third-party service providers, contractors and consultants, any actual or perceived security breaches could harm Citadele Group's reputation and brand, expose Citadele Group to potential liability or require Citadele Group to expend significant resources on data security and in responding to any such actual or perceived breaches. Any contractual protections Citadele Group may have from its third-party services providers, contractors and consultants may not be sufficient to adequately protect Citadele Group from any such liabilities and losses, and Citadele Group may be unable to enforce any such contractual protections. Citadele Group expects that there will continue to be new proposed laws and regulations concerning data privacy and security, and Citadele Group cannot yet determine the impact of such future laws, regulations and standards on Citadele Group's business. Furthermore, as the interpretation and application of data protection laws, regulations, standards and other obligations are still uncertain, and often contradictory and in flux, it is possible that the scope and requirements of such obligations may be interpreted and applied in a manner that is inconsistent with Citadele Group's practices, and Citadele Group's efforts to comply with the evolving data protection rules may be unsuccessful.

Citadele Group makes public statements about its use and disclosure of personal data through Citadele Group's privacy policy, information provided on its website and press statements. Although Citadele Group endeavours to comply with its public statements and documentation, Citadele Group may at times fail to do so or be alleged to have failed to do so. The publication of Citadele Group's privacy policy and other statements that provide promises and assurances about data privacy and security can subject Citadele Group to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of Citadele Group's actual practices. In addition, from time to time, concerns may be expressed about whether Citadele Group's products and services compromise the privacy of its users and others. Any concerns about Citadele Group's data privacy and security practices (even if unfounded), or any failure, real or perceived, by Citadele Group to comply with its posted privacy policy or with any legal or regulatory requirements, standards, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to Citadele Group could cause Citadele Group's customers to reduce their use of Citadele Group's products and services.

From time to time, Citadele Group may utilise AI, machine learning, data analytics and similar tools that collect, aggregate and analyse data (Data Tools) in connection with Citadele Group's business. There are significant risks involved in utilising Data Tools and no assurance can be provided that the usage of such Data Tools will enhance Citadele Group's business or assist Citadele Group's business in being more efficient or profitable. Data Tools may have errors or inadequacies that are not easily detectable. For example, certain Data Tools may utilise historical market or sector data in their analytics. To the extent that such historical data is not indicative of the current or future conditions in the applicable market or sector, or the Data Tools fail to filter biases in the underlying data or collection methods, the usage of Data Tools may lead Citadele Group to make determinations on behalf of Citadele Group's business, including potentially purchase and sale decisions, which have an adverse effect. Data Tools may also be subject to data herding and interconnectedness (*i.e.*, multiple market participants utilising the same data), which may adversely impact Citadele Group's business. If Data Tools are incorrectly designed or the data used to train them is incomplete, inadequate or biased in some way, Citadele Group's use of Data Tools may inadvertently reduce Citadele Group's efficiency or cause unintentional or unexpected outputs that are incorrect, do not match Citadele Group's business goals, do not comply with Citadele Group's policies or interfere with the performance of Citadele Group's products, services, business and reputation. Additionally, Citadele Group's reliance on Data Tools could pose ethical concerns and lead to a lack of human oversight and control, which could have negative implications for Citadele Group's organisation.

In addition, the use of Data Tools may enhance intellectual property, cybersecurity, operational and technological risks. The technologies underlying Data Tools and their use cases are subject to a variety of laws, including intellectual property, privacy, consumer protection and equal opportunity laws. If Citadele Group does not have sufficient rights to use the data on which Data Tools rely, Citadele Group may incur liability through the violation of such laws, third-party privacy or other rights or contracts to which Citadele Group is a party. Furthermore, the technologies underlying Data Tools are complex and rapidly developing, and as a result, it is not possible to predict all of the legal, operational or technological risks related to the use of Data Tools. Moreover, Data Tools are the subject of evolving review by various governmental and regulatory agencies and changes in laws, rules, directives and regulations governing the use of Data Tools may adversely affect the ability of Citadele Group's business to use Data Tools.

Any of the foregoing could harm Citadele Group's reputation, distract Citadele Group's management and technical personnel, increase Citadele Group's costs of doing business, adversely affect the demand for Citadele Group's products and services, and ultimately result in the imposition of liability, any of which could have a material adverse effect on Citadele Group's business, results of operations, financial condition and prospects.

Citadele Group is subject to environmental, social and governance risks that could adversely affect its reputation, business, financial condition, results of operations and/or prospects

Regulators, investors and other market participants have been increasingly focusing on ESG risks, in particular climate-related risks (such as harm to people and property arising from acute, climate-related events, such as floods, hurricanes, heatwaves, wildfires, and chronic, longer-term shifts in climate patterns, such as higher global average temperatures, rising sea levels and water stress). Such events could disrupt Citadele Group's operations or those of Citadele Group's customers or third parties on which Citadele Group relies, including through direct damage to physical assets and indirect impacts from supply chain disruption and market volatility. Over the longer term, these events could impact the ability of certain of Citadele Group's customers to repay their obligations, reduce the value of collateral, limit insurance coverage and result in other effects.

Additionally, incorporating ESG-related considerations into Citadele Group's business and operations involves transition risks, reputational risks and disclosure risks, including changes in consumer and business sentiment, related technologies, shareholder preferences, mandatory and voluntary disclosure regimes and regulatory and legislative requirements. Climate-related risks are an integral part of Citadele Group's risk management framework. An annual climate-related risk materiality assessment is conducted to identify material risk categories across all prudential risk areas, including credit risk, market risk, liquidity risk, operational risk and strategic risk. The material transition and physical risks identified through this assessment are regularly monitored.

Citadele Group has already implemented, or is in the process of implementing, a number of specific ESG-related actions. For example, Citadele Group has set a goal to reach net-zero financed portfolio emissions by 2050. Reaching the net-zero financed portfolio target will likely require adaptation of Citadele Group's business model to address climate change challenges in accordance with national and international ESG standards and practices. Failure to implement effective climate change resilient governance, procedures, systems, controls and disclosures in compliance with legal and regulatory expectations to manage climate and sustainability-related risks and voluntary goals set by Citadele Group may have negative impact on Citadele Group's reputation and upholding of stakeholder expectations. ESG risks also include the risk associated with over-stating ESG credentials. The reliability and extent of ESG data published by Citadele Group is dependent on access to reliable, verifiable and comparable ESG-related data from Citadele Group's customers and counterparties and the quality of ESG-related data disclosures by Citadele Group is limited by low availability of counterparty ESG data and the lack of standardisation in the industry. The challenge of limited ESG data availability is mitigated through the use of proxy calculations based on approved methodologies, ongoing plans to enhance ESG data collection processes and active cooperation within the local banking association to address broader data availability issues. Finally, legislative or regulatory uncertainties and change regarding climate and ESG-related risks, including inconsistent perspectives or requirements, are also likely to result in higher regulatory, compliance, enforcement, litigation, credit, reputational and other risks and costs and may have a material adverse effect on Citadele Group's business, results of operations, financial condition and prospects.

Citadele Group's use of "open source" software could subject Citadele Group's proprietary software to general release, adversely affect Citadele Group's ability to sell Citadele Group's products and services and subject Citadele Group to possible litigation

Citadele Group uses open-source software in connection with a portion of its proprietary software and expects to continue to use open-source software in the future. Under certain circumstances, some open-source licences require users of the licensed code to provide the user's own proprietary source code to third parties upon request, or prohibit users from charging a fee to third parties in connection with the use of the user's proprietary code. Citadele Group cannot guarantee that all open-source software is reviewed prior to use in Citadele Group's products and services, that Citadele Group's developers have not incorporated open-source software into Citadele Group's products and services or that they will not do so in the future. Accordingly, Citadele Group may face claims from others challenging Citadele Group's use of open-source software, claiming ownership of, or seeking to enforce the licence terms applicable to such open-source software, including by demanding release of the open-source software, derivative works or Citadele Group's proprietary source code that was developed or distributed with such software. Such claims could also require Citadele Group to purchase a commercial licence or require Citadele Group to devote additional research and development resources to change Citadele Group's software, any of which would have a negative effect on Citadele Group's business and results of operations. Furthermore, if the licence terms for the open-source code change, Citadele Group may be forced to re-engineer its software or incur additional costs. Additionally, the terms of many open-source licences to which Citadele Group is subject may not have been interpreted by Latvian or foreign courts. There is a risk that open-source software licences could be construed in a manner that imposes unanticipated conditions or restrictions on Citadele Group's ability to market or provide its products and services.

Citadele Group may be subject to statutory resolution

On 15 May 2014, the EU Council adopted the BRRD, as amended *inter alia* by the BRRD II, which sets out the necessary steps and powers to ensure that bank and banking group failures across the EU are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers. The BRRD is designed to provide authorities with a harmonised set of tools and powers to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contemplates that powers will be granted to the resolution authorities including (but not limited to) the introduction of a statutory "write-down and conversion power" (exercisable in relation to Tier 1 capital instruments and Tier 2 capital instruments) and a “bail-in and loss absorption power” (exercisable in relation to other securities such as the Bonds that are not Tier 1 or Tier 2 capital instruments), which will give the resolution authority under the BRRD and Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended *inter alia* by Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 ("**SRM Regulation**") (the "**Relevant Resolution Authority**"), the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Bonds) of a failing financial institution and/or to convert certain debt claims (which could include the Bonds) into another security, including equity instruments of the surviving Citadele entity, if any. The Latvian legislation implementing the BRRD, the Latvian Credit Institutions and Investment Firms Recovery and Resolution Law of 2015, as amended (the "**Latvian Resolution Law**"), entered into force on 16 July 2015, and the amendments to the Latvian Resolution Law transposing the requirements introduced by the BRRD II into Latvian law entered into force on 29 October 2021. For more information on the implementation of the BRRD and BRRD II in Latvia, see section entitled “*Risk Factors —Regulatory, Tax and Legal Risks —The Latvian resolution legislation implementing the BRRD and BRRD II*" below.

As well as a "write-down and conversion power" and a "bail-in and loss absorption" power as described above, the powers granted to the Relevant Resolution Authority under the BRRD include the power to apply the resolution tools to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply (known as the “sale of business tool”), (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" which is wholly or partially owned by a publicly controlled entity (known as the “bridge institution tool”) and (iii) transfer assets of the relevant financial institution to an asset management vehicle which is wholly or partially owned by public authorities to allow them to be managed over time (known as the “asset separation tool”). In addition, among the broader powers granted to the Relevant Resolution Authority under the BRRD, the BRRD provides powers to the Relevant Resolution Authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The write-down and conversion power can be used to ensure Tier 1 and Tier 2 capital instruments fully absorb losses at the point of non-viability of an institution (or, if applicable, its group) and before any other resolution action is taken.

Pursuant to section entitled “*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers”*, each Bondholder acknowledges and accepts that any liability arising under the Bonds may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority. The exercise of any such power or any suggestion of such exercise could materially adversely affect the value of any Bonds subject to the BRRD and could lead to the Bondholders losing some or all of their investment in the Bonds. Prospective investors in the Bonds should consult their own professional advisers as to the consequences of the implementation of the BRRD.

In addition to the BRRD, the EU has adopted a directly applicable SRM Regulation which governs the resolution of the most significant financial institutions in the Eurozone, i.e. a regulation establishing a Single Resolution Mechanism for them. The SRM Regulation establishes a Single Resolution Board (the SRB) which has resolution powers over the entities that are subject to the SRM Regulation, thus replacing or exceeding the powers of the national resolution authorities. Citadele is included the list of significant entities directly supervised by the ECB, and as such Citadele is subject to the SRM Regulation.

Under Article 5(1) of the SRM Regulation, the SRB has been granted those responsibilities and powers granted to the Member States’ resolution authorities under the BRRD for those banks subject to direct supervision by the ECB. The SRM Regulation mirrors the BRRD and, to a large part, refers to the BRRD so that the SRB is able to apply the same powers that would otherwise be available to the relevant national resolution authority. These resolution powers include the application of resolution tools (such as the sale of business tool, the bridge institution tool, the asset separation tool, the bail-in tool) and the mandatory write-down and conversion power in respect of capital instruments. The use of one or more of these tools will be included in a resolution scheme to be adopted by the SRB. National resolution authorities will remain responsible for the execution of the resolution scheme according to the instructions of the SRB.

The SRB is responsible for preparing and adopting a resolution plan for the entities subject to its powers, including Citadele. It also determines, after consulting competent authorities including the ECB, the MREL, which Citadele is expected to be required to meet at all times (the MREL requirements applicable to Citadele have been summarised in section entitled "*Corporate Governance —Capital Adequacy Management*"). The SRB will also have the powers of early intervention as set forth in the SRM Regulation, including the power to require Citadele to contact potential purchasers in order to prepare for resolution of Citadele. The SRB will have the authority to exercise the specific resolution powers under the SRM Regulation. These will be launched if the SRB assesses that the following conditions are met: (i) Citadele is failing or is likely to fail; (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action or the write-down or conversion of relevant capital instruments, taken in respect of Citadele would prevent its failure within a reasonable timeframe; and (iii) a resolution action is necessary in the public interest.

In 2023, the EC proposed a legislative package to revise and strengthen the EU bank crisis management and deposit insurance framework (CMDI) which has since been adopted. The CMDI reform comprises amendments to the BRRD, the SRM Regulation and the Deposit Guarantee Schemes Directive (DGSD), resulting in BRRD III (Directive (EU) 2026/806), SRMR III (Regulation (EU) 2026/808), and DGSD II (Directive (EU) 2026/804). The package introduces amendments to the BRRD, the SRM Regulation and the Deposit Guarantee Schemes Directive with the aim of enhancing the effectiveness of resolution tools, improving the continuity of access to deposits, and enabling a more flexible and targeted use of industry-funded safety nets to protect depositors in the event of a bank failure. Most of the substantive amendments to the BRRD and the Deposit Guarantee Schemes Directive will apply starting from May 2028.

The exercise of any resolution powers or early intervention measures by the SRB or any powers pursuant to the BRRD and the SRM Regulation with respect to Citadele or Citadele Group any suggestion of such exercise will likely materially adversely affect the price or value of an investment in the Bonds and/or Citadele's ability to satisfy its obligations under such Bonds and could lead to the Bondholders losing some or all of their investment in the Bonds.

The Latvian resolution legislation implementing the BRRD and BRRD II

The BRRD, including as amended by BRRD II and Directive (EU) 2024/1174 of the European Parliament and of the Council of 11 April 2024 amending the BRRD and the SRM Regulation, was implemented in Latvia by the Latvian Resolution Law. Under the Latvian Resolution Law, the Relevant Resolution Authority is the BL. The Latvian Resolution Law provides for certain resolution measures, including the power to impose in certain circumstances a suspension of activities. Any suspension of activities can, to the extent determined by the BL, result in the partial or complete suspension of the performance of agreements entered into by Citadele. The Latvian Resolution Law also grants the power to the BL to take a number of resolution measures which may apply to Citadele, including (i) a forced sale of the credit institution (sale of business), (ii) the establishment of a bridge institution or, (iii) the forced transfer of all or part of the assets, rights or obligations of the credit institution (asset separation) and (iv) the application of the bail-in tool. In addition, the Latvian Resolution Law sets forth that credit institutions must at all times meet the MREL determined by the BL for each credit institution. Amendments to the Latvian Resolution Law transposing the requirements contemplated by BRRD II entered into force on 29 October 2021.

The powers set out in the resolution legislation will impact how credit institutions are managed as well as, in certain circumstances, the rights of creditors. If the bail-in tool becomes applicable to Citadele or Citadele Group, the Bonds may be subject to write-down or conversion into equity on any application of such bail-in tool, which may result in Bondholders losing some or all of their investment. Subject to certain conditions, the terms of the obligations owed by Citadele may also be varied by the Relevant Resolution Authority (e.g., as to maturity, interest and interest payment dates). The exercise of any power under the resolution legislation or any suggestion of such exercise could materially adversely affect the rights of Bondholders, the price or value of their investment in any Bonds and/or the ability of Citadele to satisfy its obligations under any Bonds.

Regardless of the above, the centralised power of resolution is entrusted to the SRB and the BL will work in close cooperation with it.

Citadele Group faces risks associated with taxation and changes in taxation legislation

Future actions by governments (whether in Latvia or elsewhere) or relevant European bodies to increase tax rates or to impose additional taxes could reduce Citadele Group's profitability. The interpretation of Latvian, Lithuanian and Estonian tax laws and regulations may be unclear and changes unfavourable to Citadele may be introduced, any of which may have a material adverse effect on Citadele's business, prospects, financial condition, results of operations or cash flows.

Legal entities in general (including financial institutions) that are tax residents in the Baltic States (or which are otherwise liable to local tax), are required to pay certain taxes in Latvia, Lithuania and Estonia, which are typical of the taxes applicable in EU Member States. Citadele Group is subject to, or responsible for, a number of taxes in Latvia, including value added tax, social security contributions, personal income tax (to the extent it is withheld at source as payroll tax or withholding tax applicable to other sources of income of private individuals), corporate income tax, real estate tax, vehicle operation tax and company car tax, as well as other taxes specified in domestic legal acts and international agreements ratified by the Latvian Parliament from time to time. In addition to the regular taxes, Citadele has recently been subject to special taxes and levies introduced for financial institutions in Latvia and Lithuania, including Latvian solidarity contributions which continue to be applicable. The tax policy of governments (including Latvia, the other Baltic States or elsewhere) may change in a manner which may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

If Citadele Group fails to adequately plan, manage or comply with changes in relevant taxation law or the interpretation thereof, including with respect to transfer pricing, Citadele Group's operations may be adversely affected, either through reduced profitability or by being subject to additional tax payments and penalties from the relevant tax authority. Citadele Group may also suffer reputational risk if it is perceived as not paying its fair share of tax, which could damage its brand. Any failure by Citadele Group to properly manage taxation rates or tax laws may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be subject to periodic tax audits by the tax authorities

Citadele Group is subject to periodic audits by the Latvian, Lithuanian and Estonian tax authorities. Citadele Group is unable to predict the timing of these audits, and these audits may discover tax issues or problems of which Citadele Group was previously unaware. Complying with these audits may be difficult, time-consuming and expensive, and may require substantial attention from management. Whilst Citadele Group regularly evaluates its compliance with tax legislation and uncertain tax positions, any adverse outcomes from these audits may result in the imposition of additional tax payments and penalties which may have an adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Citadele Group may be subject to litigation, administrative or other proceedings and investigations

Citadele Group may be subject to litigation by its customers, employees, shareholders or other persons through private actions, administrative proceedings, regulatory actions or other litigation. In the Baltic States, tax authorities generally apply limitation periods of several years, varying by tax type and jurisdiction, and these periods may be extended when a criminal case is initiated and determining tax-related damage to the state is required. It is difficult to predict the outcome of such proceedings, both those to which Citadele Group is currently exposed and those that may arise in the future. Claimants in these types of actions against Citadele Group may, in particular, seek recovery of large or indeterminate amounts or other remedies, or challenge the actions taken or resolutions adopted by the Management Board, the Supervisory Board and the general meeting of shareholders of Citadele (the "**GMS**"), which may affect Citadele Group's ability to conduct its business, and the magnitude of the potential losses relating to such actions may remain unknown for substantial periods of time.

Citadele Group has been the subject of investigations conducted by U.S. government authorities in the past, including in relation to assets which are taxable under U.S. legislation. Although Citadele Group has not been adjudged to be in breach of any applicable law or regulation as a result of these investigations, there remains a risk that Citadele Group may be the subject of future investigations by regulators and/or governmental authorities in the jurisdictions where it conducts business.

In addition, Citadele is also subject to a number of regular audits by the relevant Baltic banking regulators as well as a number of external auditors. Although findings (if any) by external auditors are not disclosed publicly, findings as well as fines (if any) of banking regulators may negatively impact Citadele's reputation and valuation as well as its co-operation with foreign correspondent banks.

The cost of defending future actions may be significant and may require significant attention on the part of Citadele Group's senior management and employees. There may also be adverse publicity associated with litigation that could negatively affect the reputation of Citadele Group, regardless of whether the allegations are valid or whether Citadele Group is ultimately found liable. The occurrence of any litigation or similar proceedings, investigations or actions may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

2.5. Risks Relating to the Bonds, Offer and Listing

Amendments to the Bonds may be made and these amendments will legally bind all Bondholders

The General Terms and Conditions of the Bonds stated in the section entitled "*General Terms and Conditions of the Bonds*" contain provisions for convening meetings of Bondholders to consider and decide on amendments to the General Terms and Conditions of the Bonds, the Final Terms of the Tranches of the relevant Series or other matters relating to the Bonds that may significantly affect the interests of the Bondholders (including granting of any consents or waivers), as well as provisions for passing resolutions in writing outside the meetings of the Bondholders. These provisions permit defined majorities to legally bind all Bondholders including those Bondholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, as well as those Bondholders who voted in a manner contrary to the majority. Changes in the material terms of the General Terms and Conditions of the Bonds, such as interest payable on the Bonds or the maturity term of the Bonds, may have adverse effect on the rate of return from an investment into the Bonds.

Furthermore, the General Terms and Conditions of the Bonds provide that Citadele shall have a right, without the consent of the Bondholders or the Bondholders' Meeting, at any time at its sole discretion to amend the Bonds, the General Terms and Conditions of the Bonds or the Final Terms of the Tranches of the relevant Series, if such amendments, in the opinion of Citadele, are either not prejudicial to the interests of the Bondholders and/or they are formal, minor or technical in nature or are made to correct a manifest error, and/or they are necessitated by the changes in applicable mandatory rules of Latvian law or other applicable law.

Additionally, Citadele may make certain changes to the interest calculation provisions of the Bonds in the circumstances and as otherwise set out in section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*" without the requirement for consent of the Bondholders or the Bondholders' Meeting. Citadele cannot foresee, as at the date of this Base Prospectus, what such changes may entail, however, any changes made will be binding on Bondholders.

The Bonds may not be a suitable investment for all investors

The Bonds may not be a suitable investment for all investors. Thus, potential investors in the Bonds must determine the suitability and appropriateness of that investment considering their own circumstances. A potential investor should not invest in the Bonds unless such investor has the expertise (either alone or with the relevant support from a professional advisor) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Credit risk

An investment in the Bonds is subject to credit risk, which means that Citadele may fail to meet its obligations arising from the Bonds in a duly and timely manner. Citadele's ability to meet its obligations arising from the Bonds and the ability of the Bondholders to receive payments arising from the Bonds depend on the financial position and the results of operations of Citadele and Citadele Group, which are subject to other risks as described in this Base Prospectus. The Bonds are not bank deposits in Citadele and are not guaranteed by the Deposit Guarantee Fund (in Latvian – *Noguldījumu garantiju fonds*).

The qualification of the Bonds as "eligible liabilities" is subject to uncertainty

The Bonds are intended to be "eligible liabilities" (or any equivalent or successor term) which are available to count towards Citadele's and/or Citadele Group's eligible liabilities and/or loss absorbing capacity ("**MREL Eligible Liabilities**"). However, there is uncertainty regarding the final substance of the applicable MREL regulations and how those regulations, once enacted, are to be interpreted and applied and Citadele cannot provide any assurance that the Bonds will be (or thereafter remain) MREL Eligible Liabilities. Citadele may be entitled to redeem the Bonds in whole (but not in part) if a MREL Disqualification Event occurs.

The Bonds may be redeemed prematurely on the initiative of Citadele and under certain circumstances Citadele's ability to redeem the Bonds may be limited

The Bonds may be redeemed prematurely on the initiative of Citadele in certain circumstances as described in section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase*" of this Base Prospectus. The exercise of any optional redemption feature is likely to limit the market value of the Bonds. During any period when Citadele may, or is perceived to be able to, elect to redeem the Bonds, the market value of the Bonds generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. If the early redemption right is exercised by Citadele, the rate of return from an investment in the Bonds may be lower than initially anticipated. It may not be possible for Bondholders thereafter to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Bonds. Bondholders may only be able to do so at a significantly lower rate.

Citadele will be entitled to redeem the Bonds prematurely only if such redemption is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the approval or permission of the Competent Authority and/or the Relevant Resolution Authority (if required under the Applicable Banking Regulations). The decision on granting such approvals or permissions may involve certain amount of discretion by the Competent Authority and/or the Relevant Resolution Authority and the early redemption or purchase of the Bonds may therefore be beyond the control of Citadele and under certain circumstances, Citadele's ability to redeem the Bonds may be limited.

The Bonds may be subjected in the future to the bail-in tool by the Relevant Resolution Authority and to the mandatory burden sharing measures for the provision of precautionary capital support which may result into their write-down in full

Under the law applicable to Citadele and Citadele Group, powers have been granted to the Relevant Resolution Authority which include the bail-in tool through which a credit institution or banking group subjected to resolution may be recapitalised either by way of write-down or conversion of liabilities into ordinary shares. The bail-in tool may be imposed either as a sole resolution measure or in combination with the rest of the resolution tools that may be imposed by the Relevant Resolution Authority in case of the resolution of a failing credit institution or group.

The Bonds may be subjected to the said bail-in tool. As such, if Citadele or Citadele Group is subjected to resolution measures in the future, then the value of the Bonds may be written down (up to zero) as a result of the imposition of the bail-in tool. Furthermore, the Bonds may be subject to modifications or the disapplication of provisions in the General Terms and Conditions of the Bonds, including alteration of the principal amount or any interest payable on the Bonds, the maturity date or any other dates on which payments may be due, as well as the suspension of payments for a certain period.

Pursuant to section entitled "*General Terms and Conditions of the Bonds —Acknowledgment of Bail-in and Loss Absorption Powers"*, each Bondholder acknowledges and accepts that any liability arising under the Bonds may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority.

Certain rights of the Bondholders under the Bonds would not be enforceable upon commencement of resolution proceedings

The General Terms and Conditions of the Bonds stated in the section entitled "*General Terms and Conditions of the Bonds*" allowing the Bonds to be declared due and payable on the grounds of any order by a competent court or resolution passed for the winding up or dissolution of Citadele (save for the purposes of reorganisation on terms previously approved by a decision of the Bondholders' Meeting) would not be effective and enforceable pursuant to Latvian law to the extent they relate to the imposition of resolution proceedings. Pursuant to the Latvian Resolution Law, the fact of taking a crisis prevention measure or a crisis management measure, suspending certain obligations or making a decision on the commencement of resolution proceedings shall not be deemed to be an enforcement event. Furthermore, the Latvian Resolution Law provides that where the obligations under the contract, including payment and delivery obligations, and provision of collateral, continue to be performed by the institution under resolution proceedings, a decision on the application of a crisis prevention measure, the suspension of certain obligations or the commencement of the resolution proceedings or the occurrence of any event directly linked to such application shall not serve as basis for exercising any termination, suspension, modification or set off or close out netting rights.

Therefore, in order to be effective pursuant to Latvian law, a declaration of a default and demand for payment under the General Terms and Conditions of the Bonds would have to (i) be made before commencement of resolution proceedings, or (ii) otherwise be a default that is not triggered, as of itself, by commencement of resolution proceedings (such as non-payment or other winding up or dissolution of Citadele, as set out in section entitled "*General Terms and Conditions of the Bonds —Events of Default*".

The exercise of any power under the resolution legislation in respect of Citadele or Citadele Group could materially adversely affect the rights of Bondholders, the price or value of their investment in any Bonds and/or the ability of Citadele to satisfy its obligations under the Bonds. Further, BRRD II (as transposed by the Latvian Resolution Law), includes the power of the resolution authorities to suspend, for a limited time period, certain contractual obligations of a credit institution or its holding company in the circumstances where the credit institution or holding company is failing or likely to fail, if applicable private sector measures that would prevent the failure of the credit institution are not immediately available, the suspension is necessary to avoid further deterioration of the credit institution or an entity belonging to the consolidation group of the credit institution and the suspension measure is necessary due to public interest or for the purposes of determination of appropriate resolution measures or the effective application of resolution measures by the relevant resolution authority. The scope and time limit for the suspension (which may not, however, exceed two business days pursuant to the Latvian Resolution Law) shall be determined by the Relevant Resolution Authority on a case-by-case basis, and the right of suspension may be exercised prior to the adoption of a resolution decision by the Relevant Resolution Authority. Therefore, the exercise of the right to suspend contractual obligations of Citadele could affect the rights of Bondholders prior to the official initiation of resolution proceedings with respect to Citadele.

Changes in laws or administrative practices could entail risks

The Bonds are governed by and based on the laws of Republic of Latvia in effect as at the date of issue of the relevant Bonds and as in force from time to time. Latvian laws (including but not limited to tax laws) and regulations governing the Bonds may change during the life of the Bonds, and new judicial decisions can be given and administrative practices may take place. Furthermore, Citadele and Citadele Group operate in a heavily regulated environment and have to comply with extensive regulations in the Republic of Latvia and other jurisdictions. No assurance can be given as to the impact of any possible change of laws or regulations, or new judicial decision or administrative practice taking place after the date of this Base Prospectus. Such change may have a material adverse effect on the Citadele Group's business, financial condition, results of operations and/or future prospects and, thereby, Citadele's ability to fulfil its obligations under the Bonds, taxation of the Bonds, as well as the market price and value of the Bonds. Such event may also result in material financial losses or damage to the Bondholders. Adverse changes in the tax regime applicable in respect of transacting with the Bonds or receiving interest or principal payments based on the Bonds may result in an increased tax burden of the Bondholders and may therefore have adverse effect on the rate of return from the investment into the Bonds.

The Bonds do not carry any beneficial interest in the equity or voting rights

An investment into the Bonds is an investment into non-convertible debt instruments, which does not confer any legal or beneficial interest in the equity of Citadele or any part of Citadele Group, any rights to receive dividends, other rights which may arise from equity instruments or right to convert the Bonds into such instruments. Investors are being offered the Bonds which do not entitle the Bondholders to any voting rights at the GMS. Only the shareholders of Citadele have voting rights at the GMS. The Bonds carry no such voting rights. The value of the Bonds may be affected by the actions of Citadele's shareholders over which the investors in Bonds do not have control. The Bondholders will not be able to influence any decisions by Citadele's shareholders, including decisions on the capital structure of Citadele and any other decisions and corporate matters relating to Citadele that could adversely impact the liquidity or price of the Bonds or the Bonds' desirability in the future. The Bonds represent an unsecured and non-convertible debt obligation of Citadele, granting the Bondholders only such rights as set forth in the section entitled "*General Terms and Conditions of the Bonds*".

No limitation on issuing additional debt by Citadele, no negative pledge and change of control obligations as well as no rights of set-off, netting or counterclaim

Citadele is not prohibited from issuing further debt. There is no restriction on the amount of debt or on the amount of securities that Citadele may issue that rank *pari passu* with or senior to the Bonds. The issue of any such debt or securities may reduce the amount recoverable by Bondholders in the event of voluntary or involuntary liquidation or bankruptcy of Citadele. There are no provisions binding Citadele in respect of the Bonds which will affect Citadele's right to create security interests in favour of third parties over Citadele Group's properties, such as a negative pledge, or any cross-default or cross-acceleration obligations binding Citadele and there are no "Change of Control" obligations binding Citadele in respect of the Bonds and therefore change of control over Citadele by any means will not confer any rights whatsoever to the Bondholders. Furthermore, Bondholders will not be entitled to exercise any right of set-off, netting or counterclaim against amounts owed by Citadele in respect of such Bonds. Therefore, the Bondholders will not be entitled (subject to applicable law) to set off Citadele's obligations under the Bonds against obligations owed by them to Citadele.

The Bonds do not contain covenants governing Citadele's operations and do not limit its ability to merge, effect asset sales or otherwise effect significant transactions that may have a material adverse effect on the Bonds and the Bondholders

The Bonds do not contain any provisions designed to protect the Bondholders from a reduction in the creditworthiness of Citadele. In particular, the General Terms and Conditions of the Bonds stated in the section entitled "*General Terms and Conditions of the Bonds*" do not restrict Citadele's ability to conduct its operations as it deems fit, at its sole discretion, including to increase or decrease its share capital, to enter into a merger, asset sale or other significant transaction that could materially alter its existence, jurisdiction of organization or regulatory regime and/or its composition and business. In the event that Citadele enters into such a transaction, Bondholders could be materially adversely affected. Furthermore, the said provisions do not restrict the current shareholders of Citadele from disposing any or all of their shareholdings in any way.

The Offer may be cancelled

Although Citadele will strive to ensure that the Offer of all Tranches is successful, Citadele cannot provide any assurance that the Offer of all Tranches will be successful and that the investors will receive any Bonds they have subscribed for. Citadele is entitled to cancel the Offer of any Tranche on the terms and conditions described in the section entitled "*General Terms and Conditions of the Offer*".

Citadele may be unable to list the Bonds on the Nasdaq Riga, the Bonds may be delisted from the Nasdaq Riga or trading in the Bonds may be suspended

Citadele will apply for the listing of the Bonds on the Baltic Bond List of the Nasdaq Riga Stock Exchange; however, although every effort will be made by Citadele to ensure the listing of the Bonds as anticipated by Citadele, no assurance can be provided that the Bonds will be listed and admitted to trading. Furthermore, even if the Bonds are listed on the Baltic Bond List of the Nasdaq Riga Stock Exchange, in certain circumstances the Bonds may be delisted or their trading suspended pursuant to the requirements of the applicable laws, rules and regulations. There can be no assurance that the Bonds will not be delisted or suspended from trading, which may in turn result in an inability to trade or sell the Bonds, a corresponding lack of liquidity and a reduction in value of the Bonds. The occurrence of any of the above may have a material adverse effect on the value and liquidity of the Bonds.

There has been no prior trading market for the Bonds

Although Citadele has issued and listed different types of debt securities in the past, the Bonds constitute a new issue of securities by Citadele. Prior to the offering and admission to trading on the regulated market of the Bonds, there has been no public trading market for the Bonds. The Offer Price will be determined by Citadele and, as a result, may not be accurately indicative of the market price for the Bonds following their admission to trading. Moreover, admission of the Bonds to trading on the Baltic Bond List of the Nasdaq Riga Stock Exchange may not occur concurrently with or immediately after the settlement and delivery of the Bonds, therefore, until such listing occurs, investors in Bonds will be unable to publicly trade their Bonds until their listing.

An active and liquid market for the Bonds may not develop

Even if the Bonds are listed on the Baltic Bond List of the Nasdaq Riga Stock Exchange, an active and liquid public trading market for the Bonds may not develop or be sustained after the Offer and Citadele is not under any obligation to sustain such market. The Nasdaq Riga Stock Exchange is substantially less liquid and more volatile than established markets. The relatively small market capitalisation and low liquidity of the Nasdaq Riga Stock Exchange may impair the ability of the Bondholders to sell their Bonds on the open market, use them as collateral for other obligations or engage in other transactions requiring the existence of an active market, or could increase the volatility of the price of the Bonds. If an active market for the Bonds does not develop or is not sustained, it may result in a material decline in the market price of the Bonds, and the liquidity of the Bonds may be adversely affected.

The value of the Bonds can fluctuate on the securities market due to events and the materialisation of risks related to Citadele, but also because of events outside Citadele's control, such as economic, financial or political events, changes of interest rate levels or currency exchange rates, policy of central banks, changes in the demand or supply of securities of the same type in general or of the Bonds. For instance, if at any point a person holding a large block of Bonds decided to sell such Bonds, the demand on the Nasdaq Riga Stock Exchange may not be sufficient to accommodate such a sale or issue and any sale may take longer than originally expected or a sale may take place at a lower price than expected. There can be no assurance that a liquid market for the Bonds will be maintained. The investors may find it difficult to sell their Bonds or to sell them at prices producing a return comparable to returns on similar investments in the secondary market. Further, if additional and competing financial instruments are introduced on the markets, this may also result in a material decline in the market price and value of the Bonds.

Investors in Bonds will depend on the functionality of securities settlement system of Nasdaq CSD

The Bonds will be affiliated to and recorded in Latvian SSS of the Nasdaq CSD, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within the Nasdaq CSD's book-entry system (Latvian SSS) as well as payment of interest and repayment of the principal. Investors in Bonds will therefore dependent on the functionality of securities settlement system of Nasdaq CSD and will have to rely on Nasdaq CSD's procedures for transfers, payments and communication with Citadele.

Bondholders may be required to comply with requests for information

Bondholders or beneficial owners of the Bonds may, from time to time, be requested pursuant to applicable requirements of Latvian law by Citadele, Nasdaq CSD or any competent authority to provide information as to the capacity in which they hold the Bonds and the nature of their interest and the interest of any other affiliated person in such Bonds. Failure to comply with such requests for information may result in breaches of applicable requirements of Latvian law on the part of Citadele and the relevant Bondholder or beneficial owner of the Bonds.

Interest rate risks

The Bonds bear interest on their outstanding principal at a fixed rate to but excluding the Reset Date (as defined below). During that time, Bondholders are exposed to the risk that the price of such Bonds may fall because of changes in the market yield. While the nominal interest rate (i.e. the coupon) of the Bonds is fixed until (but excluding) the Reset Date, the market yield typically changes on a daily basis. As the market yield changes, the price of the Bonds changes in the opposite direction. If the market yield increases, the price of the Bonds falls. If the market yield falls, the price of the Bonds increases. Bondholders should be aware that movements of the market yield can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

Bondholders should also be aware that the market yield has two components, namely the risk-free rate and the credit spread. The credit spread is reflective of the yield that investors require in addition to the yield on a risk–free investment of equal tenor as a compensation for the risks inherent in the Bonds. The credit spread changes over time and can decrease as well as increase for a large number of different reasons.

The market yield of the Bonds can change due to changes in the credit spread, the risk-free rate, or both.

If the Bonds are not called by the Reset Date, the Bonds will bear interest at a floating rate from, and including, the Reset Date until the Maturity Date (as defined below) or the Early Redemption Date (as defined below), whichever occurs first. The floating rate applicable to the Bonds from (and including) the Reset Date is based on two components, namely the Margin (as defined below) and the Screen Rate (as defined below). The floating rate (i.e. the coupon) is payable quarterly, and will be determined as described in the section entitled *"General Terms and Conditions of the Bonds —Interest"*.

Bondholders should be aware that the floating rate interest income is subject to changes to the Screen Rate and therefore cannot be anticipated. Hence, Bondholders are not able to determine a definite yield of the Bonds at the time of purchase, so that their return on investment cannot be compared with that of investments in simple fixed rate (i.e. fixed rate coupons only) instruments.

Since the Margin is fixed at the Issue Date, Bondholders are subject to the risk that the Margin does not reflect the spread that investors require in addition to the Screen Rate as a compensation for the risks inherent in the Bonds (market spread). The market spread typically changes on a daily basis. As the market spread changes, the price of the Bonds changes in the opposite direction. A decrease in the market spread has a positive impact on the price of the Bonds; an increase in the market spread has a negative impact on the price of the Bonds. However, the price of the Bonds is subject to changes in the market spread, changes in the Screen Rate or both. Bondholders should be aware that movements in the market spread can adversely affect the price of the Bonds and can lead to losses for the Bondholders.

In addition, Bondholders are exposed to reinvestment risk with respect to proceeds from coupon payments or early redemptions by Citadele. If the market yield (or market spread respectively) declines, and if Bondholders want to invest such proceeds in comparable transactions, Bondholders will only be able to reinvest such proceeds in comparable transactions at the then prevailing lower market yields (or market spreads respectively).

Certain benchmark rates, including EURIBOR, may be discontinued or reformed in the future

Rates and indices which are deemed to be "benchmarks", such as the Euro Interbank Offered Rate which is administered by the European Money Markets Institute (or any other person which takes over such administration) ("**EURIBOR**"), are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Bonds.

EU Benchmark Regulation applies to the provision of "benchmarks" and the contribution of input data to a "benchmark" and the use of a "benchmark" within the EU. The EU Benchmark Regulation, together with other international, national or other reforms or the general increased regulatory scrutiny of "benchmarks" could have a material impact on any Bonds linked to the EURIBOR or other "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the EU Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the "benchmark". More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

On 21 September 2017, the ECB announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current "benchmarks" used in a variety of financial instruments and contracts in the euro area. On 13 September 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on 2 October 2019. Although EURIBOR has been reformed in order to comply with the terms of the EU Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative "benchmark".

The elimination of EURIBOR (or any successor benchmark), or changes in the manner of administration of EURIBOR (or any successor benchmark), could require or result in an adjustment to the reset interest calculation provisions of the General Terms and Conditions of the Bonds (as further described in section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*") or result in adverse consequences to the Bondholders. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to EURIBOR (or any successor benchmark) may adversely affect such benchmark during the term of the Bonds, the return on the Bonds and the trading market for securities (including the Bonds) based on EURIBOR (or any successor benchmark).

The General Terms and Conditions of the Bonds provide for certain fallback arrangements in the event that a Benchmark Event (as defined below) occurs, including if the Original Reference Rate (as defined below) ceases to be published as a result of such benchmark ceasing to be calculated or administered, or if the Calculation Agent (as defined below) is no longer permitted lawfully to calculate interest on any Bonds by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate with or without an adjustment spread and may include amendments to the General Terms and Conditions of the Bonds to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser (as defined below) without any requirement for the consent or approval of the Bondholders, as described in the section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*". An adjustment spread, if applied could be positive or negative and, to the extent an adjustment spread is not recommended or provided by any Relevant

Nominating Body (as defined below); or determined by the Independent Adviser not to be customarily applied in international debt capital market transactions to produce an industry-accepted replace rate for the Original Reference Rate (as defined below) or recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, the adjustment spread may be determined by the Independent Adviser with a view to reducing or eliminating, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Bondholders as a result of the replacement of the Original Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a successor rate or alternative reference rate may nonetheless be used to determine the rate of interest.

The use of a successor rate or alternative reference rate (including with the application of an adjustment spread) will still result in any Bonds linked to or referencing a benchmark performing differently (which may include payment of a lower rate of interest) than they would if the benchmark were to continue to apply in its current form. If, following the occurrence of a Benchmark Event: (i) Citadele is unable to appoint an Independent Adviser; or (ii) no successor rate or alternative reference rate is determined, or (iii) in Citadele's determination, the determination or implementation of a successor rate, an alternative reference rate, the applicable adjustment spread or any consequential amendments could reasonably be expected to prejudice the qualification of the Bonds being MREL Eligible Liabilities (for the purposes of, and in accordance with, the relevant Applicable Banking Regulations) or could reasonably be expected to result in the Competent Authority and/or the Relevant Resolution Authority treating a future Interest Payment Date as the effective maturity of such Bonds, rather than the Maturity Date (as defined below) for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of Citadele, then the ultimate fallback rate of interest for the purposes of calculation of the Floating Interest Rate for a particular Interest Period may result in the Floating Interest Rate for the immediately preceding Interest Period being used (unless such immediately preceding Interest Period ended prior to the Reset Date, in which case the Floating Interest Rate shall be the last observable Screen Rate as determined by the Calculation Agent plus the Margin). This may result in the effective application of a fixed rate for the Bonds based on the last Floating Interest Rate or the last observable Screen Rate. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. No successor rate or alternative reference rate will be adopted to the extent that it could reasonably be expected to prejudice the qualification of the Bonds being MREL Eligible Liabilities (for the purposes of, and in accordance with, the relevant Applicable Banking Regulations) or it could reasonably be expected to result in the Competent Authority and/or the Relevant Resolution Authority treating a future Interest Payment Date as the effective maturity of such Bonds, rather than the Maturity Date (as defined below) for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of Citadele.

Any such consequences could have a material adverse effect on the value of and return on the Bonds. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of Citadele to meet its obligations under the Bonds or could have a material adverse effect on the value or liquidity of, and the amount payable under the Bonds. Investors should consider these matters and consult their own independent advisers when making their investment decision with respect to the Bonds and make their own assessment about the potential risks related to the EU Benchmarks Regulation and national, international and other regulatory reforms, as well as the possible application of the "benchmark" replacement provisions set out in section entitled *"General Terms and Conditions of the Bonds —Interest —Benchmark replacement"*.

Exchange rate fluctuations and exchange controls may adversely affect the value of the Bonds

Citadele will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the Investor's Currency) other than EUR. These include the risk that exchange rates may significantly change (including changes due to devaluation of EUR or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease the Investor's Currency equivalent: (i) yield on the Bonds; (ii) value of the principal payable on the Bonds; and (iii) market value of the

Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect the applicable exchange rate. As a result, Bondholders may receive less interest or principal than expected, or no interest or principal at all.

Adverse change in the credit rating of Citadele and/or credit rating of the Bonds may adversely affect the trading price of the Bonds

One or more independent credit rating agencies may assign credit ratings to Citadele and/or the Bonds. In case the Bonds are rated by the credit rating agencies, such ratings may not reflect the potential impact of all the risks related to structure, market, additional factors discussed above, or other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. Any adverse change in an applicable credit rating of Citadele and/or credit rating of the Bonds could adversely affect the trading price of the Bonds.

In general, EEA regulated investors are restricted under the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. If the status of the rating agency rating the Bonds changes for the purposes of the CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA and the Bonds may have a different regulatory treatment, which may impact the value of the Bonds and their liquidity in the secondary market.

Legal investment considerations may restrict certain investments in Bonds

The investment activities of certain investors are subject to legal investment laws and regulations, or reviews or regulations by certain authorities. Prospective investors in Bonds should consult their legal advisers to determine whether and to what extent: (i) the Bonds are legal investments for the respective investor; (ii) the Bonds can be used as collateral for various types of borrowings; and (iii) other restrictions apply to its purchase or pledge of any Bonds.

The transferability of the Bonds may be restricted

Citadele has not undertaken to register the Bonds and the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended, or any U.S. state securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States and any Bondholder may not offer, sell, pledge or otherwise transfer the Bonds in the United States. Furthermore, Citadele has not registered the Bonds under any other country's securities laws, other than laws of Latvia. Each prospective investor should read the information under the section entitled "*Information About This Base Prospectus —Restrictions on Distribution*" for further information about the transfer restrictions that apply to the Bonds. It is the Bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

Citadele's gross-up obligation under the Bonds is limited

Citadele's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of the Bonds applies only to payments of interest due and paid under such Bonds, subject to limitations set out in section entitled "*General Terms and Conditions of the Bonds —Taxation*", and not to payments of principal (which term, for these purposes, includes any premium, final redemption amount, early redemption amount, optional redemption amount and any other amount (other than interest) which may from time to time be payable in respect of such Bonds). As such, Citadele would not be required to pay any additional amounts under the terms of the Bonds to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Bonds, such Bondholders would, upon repayment or redemption of such Bonds, be entitled to receive only the net amount of such redemption or repayment proceeds after deduction of the amount required to be withheld. Therefore, Bondholders may receive less than the full amount due under such Bonds, and the market value of such Bonds may be adversely affected as a result.

Citadele could, in certain circumstances, substitute or vary the terms of the Bonds

In certain circumstances (such as if a MREL Disqualification Event or Withholding Tax Event or Tax Event has occurred, or in order to ensure the effectiveness of provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*"), Citadele may, in accordance with Applicable Banking Regulations and without the consent or approval of the Bondholders, substitute all (but not some only) of the Bonds of a particular Tranche for new Bonds, which are Qualifying Securities (as defined below) or vary the terms of the Bonds of a particular Tranche in order to ensure that, if applicable, they continue to qualify as eligible liabilities, in accordance with the General Terms and Conditions of the Bonds, or in order to ensure the effectiveness and enforceability of the provisions of section entitled "*General Terms and Conditions of the Bonds— Acknowledgement of Bail-in and Loss Absorption Powers*". Such substitution or variation of the Bonds shall comply with the provisions of section entitled "*General Terms and Conditions of the Bonds —Substitution and Variation*").

There can be no assurance as to whether any of these changes will negatively affect any particular Bondholder. In addition, the tax and stamp duty consequences of holding such varied Bonds could be different for some categories of Bondholders from the tax and stamp duty consequences for them of holding the Bonds prior to such substitution or variation.

Remedies in case of default on the Bonds are severely limited

The Bonds contain limited events of default relating to non-payment by Citadele of any amounts of principal or interest due, as well as the winding-up or dissolution of Citadele, whether in Latvia or elsewhere. In such circumstances, as described in more detail in section entitled "*General Terms and Conditions of the Bonds — Events of Default*", a Bondholder may institute proceedings for the winding-up or dissolution of Citadele, in each case, in Latvia and not elsewhere, and prove or claim in the winding-up or dissolution of Citadele. In each case, however, the holder of such Bonds may claim payment in respect of such Bonds only in the winding-up or dissolution of Citadele.

3. Information About This Base Prospectus

3.1. Restrictions on Distribution

General

This Base Prospectus and any Final Terms have been prepared by Citadele for use in connection with the Offer and the listing of the Bonds on the Baltic Bond List of Nasdaq Riga Stock Exchange. This Base Prospectus has been approved by the BL and for the purposes of passporting the Offer to Estonia and Lithuania - notified to EFSA and the Bank of Lithuania with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

The distribution of this Base Prospectus, any Final Terms and the offer and sale of the Bonds may be restricted by law in certain other countries and jurisdictions. Any person residing outside Latvia may receive this Base Prospectus and any Final Terms only within the limits of applicable special provisions or restrictions. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Base Prospectus and any Final Terms nor any other offering material or advertisement in connection with the Bonds may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Persons into whose possession this Base Prospectus and any Final Terms come should inform themselves about and observe any restrictions on the distribution of this Base Prospectus and any Final Terms and the offer and sale of the Bonds offered in the Offer. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Citadele and any of its respective affiliates or advisers are not making an offer to sell the Bonds or a solicitation of an offer to buy any of the Bonds to any person in any jurisdiction except where such an offer or solicitation is permitted. Accordingly, this this Base Prospectus and any Final Terms do not constitute an offer to subscribe for or buy any of the Bonds offered in the Offer to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

Citadele or its representatives or advisers do not accept any legal responsibility whatsoever for any such violations, for any violation by any person, whether or not a prospective investor, of any such restrictions and whether or not such a person is aware of such restrictions. Prospective investors must comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer or sell the Bonds or possess or distribute this Base Prospectus and any Final Terms. Prospective investors must obtain any consent, approval or permission required for their purchase, offer or sale of the Bonds under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers or sales.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Bonds, or distribution of this Base Prospectus, any Final Terms or any supplementary prospectus or any amendment or supplement thereto in connection with the proposed resale of the Bonds or any other offering material in any country or jurisdiction where action for that purpose is required.

Notwithstanding anything to the contrary contained in this Base Prospectus, this Base Prospectus and any Final Terms may not be addressed to and the Bonds shall not be offered, sold, transferred or delivered, directly or indirectly, to any Russian or Belarusian national or natural person residing in Russia or Belarus, or any legal person, entity or body established in Russia or Belarus (except to the extent permitted by applicable laws and regulations, such as Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, as amended) and regardless of nationality, residence or establishment, to any person to whom such offering, sale, transfer or delivery of the Bonds is restricted or prohibited by international sanctions, national transaction restrictions or other similar measures established by an international organisation or any country (including the EU, the United Nations or the United States).

This Base Prospectus and any Final Terms may not be distributed or published and, unless specifically otherwise stated in this Base Prospectus, the Bonds may not be, directly or indirectly, offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which such offer, sale, re-sale or transfer would be unlawful or require measures other than those required under Latvian laws, including, if applicable, the United States of America. Citadele reserves the right at its sole discretion to reject subscription to the Bonds, which it believes would cause the violation or breach of any law, rule or regulation for the time being in force.

European Economic Area

This Base Prospectus has been prepared on the basis that any offer of the Bonds will be made to the qualified investors as defined under the Prospectus Regulation pursuant to an exemption under Article 1(4) of the Prospectus Regulation, from the requirement to produce a prospectus for offers of the Bonds. Accordingly, any person making or intending to make an offer within the EEA of the Bonds which are the subject of an offering contemplated by the relevant Final Terms (other than the offer of the Bonds in Latvia, Lithuania and Estonia) may only do so in circumstances in which no obligation arises for Citadele to publish a prospectus pursuant to Article 3(1) of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Citadele has not authorised, nor does it authorise, the making of any offer of the Bonds in circumstances in which an obligation arises for Citadele to publish or supplement a prospectus for such offer.

In the case of any Bonds being offered to a financial intermediary, as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will be deemed to have represented and agreed that the Bonds acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Bonds to the public other than their offer or resale in a Member State of the EEA to qualified investors who are not financial intermediaries as so defined.

Each person in the Member State of the EEA who receives any communication in respect of the Bonds or who acquires any Bonds under the offers contemplated in this Base Prospectus will be deemed to have represented, warranted and agreed to and with Citadele that it is a “qualified investor” within the meaning of Article 2(e) of the Prospectus Regulation; and in the case of any Bonds acquired by it as a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, warranted and agreed that the Bonds acquired by it have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State of the EEA other than qualified investors, as that term is defined in the Prospectus Regulation. Citadele and its affiliates and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Notwithstanding the above, a person who is not a qualified investor and who has notified Citadele of such fact in writing may, with the consent of Citadele, be permitted to subscribe for or purchase the Bonds.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended, ("**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

United Kingdom

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a “retail investor” means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no key disclosure document required by the FCA Product Disclosure Sourcebook for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the FCA Product Disclosure Sourcebook and the Consumer Composite Investments (Designated Activities) Regulations 2024.

United States

THE BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. ACCORDINGLY, THE BONDS MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES (WHICH TERM INCLUDES THE TERRITORIES, THE POSSESSIONS, AND ALL OTHER AREAS SUBJECT TO THE JURISDICTION OF THE UNITED STATES) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED).

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES, NOR ANY OTHER U.S. REGULATORY AUTHORITY, HAS APPROVED OR DISAPPROVED OF THE BONDS, PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE BONDS, OR DETERMINED THAT THIS BASE PROSPECTUS OR ANY FINAL TERMS ARE ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

3.2. Other Limitations

This Base Prospectus and any Final Terms are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by Citadele or any of its respective affiliates or advisers that any recipient of this Base Prospectus and any Final Terms should purchase, or subscribe for, any Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Base Prospectus and any Final Terms, and its purchase of Bonds should be based upon such investigation, as it deems necessary. None of Citadele, or any of its respective affiliates or advisers, makes any representation to any offeree or purchaser of the Bonds regarding the legality of an investment in the Bonds by such offeree or purchaser under appropriate investment or similar laws.

In making an investment decision regarding the Bonds, prospective investors must rely on their own examination, analysis and enquiry of Citadele Group and the terms of the Offer, including the merits and risks involved, and prospective investors should rely only on the information contained in this Base Prospectus and any Final Terms. Citadele and Citadele Group has not authorised any person to provide prospective investors with different information or to give any information or to make any representation not contained in this Base Prospectus and any Final Terms. If anyone provides prospective investors with different or inconsistent information or makes any such representation, prospective investors should not rely on such information and representation. Prospective investors should assume that the information appearing in this Base Prospectus and any Final Terms is accurate only as of their date. Citadele Group’s business, financial condition, results of operations, prospects and the information set forth in this Base Prospectus and any Final Terms may have changed since the date hereof. Neither the delivery of this Base Prospectus and any Final Terms nor any offer, sale or delivery of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in Citadele Group’s affairs since the date hereof or that the information contained in this Base Prospectus and any Final Terms is correct as of a date after their date.

Prospective investors should not consider any information in this Base Prospectus and any Final Terms to be investment, business, legal or tax advice. Prospective investors should consult their own professional advisers (counsels, accountants and other advisers for legal, tax, business, financial and related advice) as to the legal, tax, business, financial and related aspects of a purchase of the Bonds before making any investment decision with regard to the Bonds, among other things, to consider such investment decision in light of their personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase, subscribe for, or hold the Bonds.

Citadele reserves the right to reject any offer to purchase the Bonds, in whole or in part, for any reason and to sell to any prospective investor less than full amount of the Bonds sought by such investor (other than those offers, if any, set out in section entitled "*General Terms and Conditions of the Offer —Allotment —Guaranteed Allocations*"). The Base Prospectus and any Final Terms do not constitute or form part of an offer to sell, or a solicitation of an offer to buy, any security other than the Bonds under this Base Prospectus.

3.3. Persons Responsible

Citadele, represented by the members of its Management Board (being, at the date of this Base Prospectus, Ms. Rūta Ežerskienė, Mr. Valters Ābele, Mr. Vaidas Žagūnis, Mr. Edward Rebane and Ms. Liene Grūtupa) accepts responsibility for the information contained in this Base Prospectus, and having taken all reasonable care to ensure that such is the case, Citadele and its Management Board confirm that the information contained in this Base Prospectus is, to the best of Citadele's knowledge and the knowledge of the members of the Management Board, in accordance with the facts and contains no omissions likely to affect its import.

Riga, 14 September 2026

Management Board of AS "Citadele banka":

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

3.4. Applicable Law and Dispute Resolution

This Base Prospectus has been drawn up by Citadele in accordance with and is governed by Latvian law, in particular, the Latvian Financial Instruments Market Law, Prospectus Regulation and Delegated Regulation, in particular the Annexes 7 and 14 of the Delegated Regulation. The Base Prospectus is comprised of a securities note of the Bonds drawn up in accordance with Annex 14 of the Delegated Regulation, and the registration document of Citadele drawn up in accordance with Annex 7 of the Delegated Regulation. Citadele will, as deemed necessary, supplement the Base Prospectus with updated information pursuant to the Prospectus Regulation and Latvian Financial Instruments Market Law. Any Final Terms will be drawn up by Citadele in accordance with and are governed by Latvian law and Prospectus Regulation.

Any disputes relating to or arising from this Base Prospectus and/or the Final Terms will be settled solely by the courts of the Republic of Latvia of competent jurisdiction.

3.5. Presentation of Information

Financial Information

The consolidated financial information of Citadele Group and the financial information of Citadele set forth herein has, unless otherwise indicated, been derived from Citadele's audited consolidated financial statements as of and for the year ended 31 December 2024 (the „**2024 Audited Consolidated Financial Statements**"), Citadele's audited consolidated financial statements as of and for the year ended 31 December 2025 (the „**2025 Audited Consolidated Financial Statements**") and Citadele's reviewed consolidated interim financial report for the six months ended 30 June 2026 (the „**2026 Reviewed Consolidated Interim Financial Report for the six months**") (all prepared according to International Financial Reporting Standards, as adopted by the EU ("**IFRS**"), and 2026 Reviewed Consolidated Interim Financial Report for the six months have been prepared in accordance with IAS 34 "*Interim Financial Reporting*", as adopted by the EU), parts of which are incorporated in, and to form part of, this Base Prospectus by reference (see section entitled "*Information About This Base Prospectus —Information Incorporated by Reference*" below).

References in this Base Prospectus to financial information for the years 2024 or 2025 refer to financial information as of or for the years ended 31 December 2024 and 31 December 2025, respectively, and references to financial information for the first half of 2026 refer to financial information as of or for the six months ended 30 June 2026.

References to "Citadele Group" or "Citadele" and Other Definitions

In this Base Prospectus, references to "Citadele Group" mean Citadele and its Subsidiaries as listed in the section entitled "*Corporate Information, Strategy, Performance and Business Environment —Structure of Citadele Group"*, unless the context requires otherwise. References to "Citadele" or "Issuer" are to Citadele only. For details of other defined terms used in this Base Prospectus, see the section entitled "*Glossary of Terms*".

Rounding and Percentages

Some numerical figures included in the financial statements and this Base Prospectus may 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 this Base Prospectus, Citadele may have included certain percentage figures for convenience purposes in comparing changes in financial and other data over time. However, certain percentages greater than 100% may have been excluded and replaced with a dash in the applicable tables. In addition, certain percentages may not sum to 100% due to rounding.

Third Party Information and Statement by Experts and Declarations of Any Interest

2024 Audited Consolidated Financial Statements and 2025 Audited Consolidated Financial Statements attached to this Base Prospectus contain auditor's reports. See the section entitled "*Information About This Base Prospectus —Independent Auditors*" for more information on auditors. Citadele's consolidated interim financial report for the six months ended 30 June 2026 has been reviewed by KPMG Baltics SIA.

Citadele has derived certain information in this Base Prospectus, including certain information and statistics concerning the Baltic banking market and its competitors, from private and publicly available information, including principally annual reports, industry publications, market research, press releases, filings under various securities laws and official data published by certain Latvian Government agencies.

Where third-party information is set out, it has been sourced from official and industry sources and other sources which Citadele believes to be reliable. Such information, data and statistics have been accurately reproduced and, as far as Citadele is aware and is able to ascertain from relevant publicly available information published by the aforementioned sources, no facts have been omitted which would render the reproduced information, data and statistics inaccurate or misleading. However, information provided by different third parties may not necessarily be comparable. Prospective investors are advised to use such information with caution.

Websites

Unless specifically incorporated by reference into this Base Prospectus, neither (i) the contents of Citadele's or Citadele Group's websites, including any websites directly or indirectly linked thereto, nor (ii) the contents of any other website referred to in this Base Prospectus, are incorporated by reference into, or form part of, this Base Prospectus.

Currency Presentation and Exchange Rate Information

Solely for the convenience of the reader, references in this Base Prospectus to "U.S. dollars" and "U.S.$" or "USD" are to the currency of the United States; and references to "Euro" and "EUR" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended by the Treaty on the Functioning of the European Union. References to "Pound sterling", "£" or "GBP" are references to the lawful currency of the United Kingdom. Unless otherwise indicated, financial and statistical data included in this Base Prospectus are expressed in Euro. 2024 Audited Consolidated Financial Statements, 2025 Audited Consolidated Financial Statements and 2026 Reviewed Consolidated Interim Financial Report for the six months are presented in Euro, which is Citadele's functional and presentation currency.

Forward Looking Statements

Certain statements in this Base Prospectus are not historical facts and are forward-looking statements which are based on Citadele's Management Board's views and understanding of the Citadele Group and its operating environment and on the assumptions made based on the factors known to Citadele's Management Board as of the date of this Base Prospectus. Forward-looking statements are identified by words such as "believe", "anticipate", "predict", "expect", "estimate", "intend", "plan", "will", "would", "may", "might", "could", "consider" or "likely" and variations of such words or any other similar expressions and statements, but these expressions are not the exclusive means of identifying such statements. Forward-looking statements may appear, without limitation, under the headings "*Risk Factors*", "*Corporate Governance*" and "*Corporate Information, Strategy, Performance and Business Environment*". Citadele may from time to time make written or oral forward-looking statements in reports to shareholders and in other communications. Examples of such forward-looking statements include, but are not limited to:

- statements of Citadele's or Citadele Group's plans, objectives or goals, including those related to its strategy, products or services;
- statements of future economic performance of Citadele or Citadele Group or the industries and markets in which it operates; and
- statements of assumptions underlying such statements.

Forward-looking statements that may be made by Citadele Group from time to time (but that are not included in this Base Prospectus) may also include projections or expectations of revenues, income (or loss), earnings (or loss) per share, dividends, capital structure or other financial items or ratios. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other forward-looking statements will not be achieved. Prospective investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements.

When relying on forward-looking statements, prospective investors should carefully consider such factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which Citadele operates. Such forward-looking statements speak only as of the date on which they are made. Accordingly, Citadele does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, except as required by law, the rules of the BL or the Nasdaq Riga. Citadele does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

The section entitled "*Risk Factors*" includes risks, uncertainties and other important factors, which may affect Citadele's and Citadele Group's business operations, financial position and/or business result. The risk factors described in the Base Prospectus do not necessarily include all risks and new risks may surface. If one or more of the risk factors described in this Base Prospectus or any other risk factors or uncertainties would materialise or any of the assumptions made would turn out to be erroneous, Citadele's and Citadele Group's actual business result and/or financial position may differ materially from that anticipated, believed, estimated or expected.

Other Information

Citadele may have included its own estimates, assessments, adjustments and judgements in preparing some of the market information contained in this Base Prospectus and any Final Terms, which have not been verified by an independent third party. Market information that may be included herein is, therefore, unless otherwise attributed to a third party source, to a certain degree subjective. Whilst Citadele believes that its own estimates, assessments, adjustments and judgements are reasonable and that the market information prepared by it generally reflects the industry and the markets in which Citadele operates, there is no assurance that Citadele's own estimates, assessments, adjustments or judgements are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

3.6. Information Incorporated by Reference

The documents set out below shall be deemed to be incorporated in, and to form part of, this Base Prospectus provided however that any statement contained in any document incorporated by reference in, and forming part of, this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such statement.

1. 2024 Audited Consolidated Financial Statements (including the auditors' report thereon and notes thereto) (set out on pages 89 to 182) (available at: https://www.cblgroup.com/media/W1siZiIsIjIwMjUvMDMvMjYvM21pNWx1dXpodV9DaXRhZGVsZV9Bbm51YWxfcmVwb3J0XzIwMjQucGRmIl1d?sha=763fd74191ec3584);
2. 2025 Audited Consolidated Financial Statements (including the auditors' report thereon and notes thereto) (set out on pages 112 to 204) (available at:

   https://www.cblgroup.com/media/W1siZiIsIjIwMjYvMDMvMTkvOG9icXc4MzVubV9DaXRhZGVsZV9Bbm51YWxfcmVwb3J0XzIwMjUucGRmIl1d?sha=e68c93f08d3acc0c); and
3. 2026 Reviewed Consolidated Interim Financial Report for the six months (including the auditors' review report thereon and notes thereto) (set out on pages 13 to 62) (available at: https://www.cblgroup.com/media/W1siZiIsIjIwMjYvMDgvMDUvNTh4c2I0cDRzM19DaXRhZGVsZV82bTIwMjZfRU4ucGRmIl1d?sha=6f81681556b09959).

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

3.7. Competent Authority Approval of the Base Prospectus

The Bank of Latvia (in Latvian – *Latvijas Banka*) (the "**BL**"), as the competent authority in Latvia under the Prospectus Regulation, has approved this Base Prospectus. The BL has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency under the Prospectus Regulation. Approval of this Base Prospectus by BL is not to be considered as an endorsement of Citadele or the quality of the Bonds that are the subject of this Base Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

The BL will notify the ESMA and the competent authorities of Estonia and Lithuania for passporting in accordance with Articles 24 and 25 of the Prospectus Regulation. This Base Prospectus will be notified to EFSA and the Bank of Lithuania with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. Citadele may, on or after the date of this Base Prospectus, make applications for one or more such certificates of approval to be issued by the BL to the competent authority in any other Member State of the EEA.

3.8. Interests of Natural and Legal persons in the Offer

In so far as Citadele is aware, no person involved in the Offer has an interest material to the Offer, nor any conflicting interests.

If in respect of any particular Tranche, such interests are identified by Citadele, this will be stated in the relevant Final Terms applicable to the particular Tranche.

3.9. Advisors

Legal Adviser to Citadele:

Poga & Associates ZAB SIA
Republikas laukums 2A,
Riga, LV-1010, Latvia
www.poga.legal

Advisors to Citadele are not liable for the correctness of the information presented and any representations made in this Base Prospectus and any Final Terms.

3.10. Independent Auditors

The 2024 Audited Consolidated Financial Statements and 2025 Audited Consolidated Financial Statements were audited and the 2026 Reviewed Consolidated Interim Financial Report for the six months was reviewed by KPMG Baltics SIA (registration number: 40003235171, legal address: Roberta Hirša Street 1, Riga, LV-1045, Latvia). KPMG Baltics SIA is included in the register of companies of certified auditors maintained by the Latvian Association of Certified Auditors. KPMG Baltics SIA has no material interest in Citadele or Citadele Group.

3.11. Credit Ratings

The credit ratings included in this Base Prospectus have been issued, for the purposes of CRA Regulation, by Moody's. Moody's is established in the EU and registered under the CRA Regulation. As such, Moody's is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulation. As of the date of this Base Prospectus, Citadele holds a long-term deposit rating of A3 and a senior unsecured debt rating of Baa2, assigned by Moody's on 21 April 2026. The outlook is stable.

Each Tranche may, on or after the relevant issue, be assigned a rating specified in the relevant Final Terms by any rating agency which may be appointed from time to time by Citadele in relation to any issuance of the Bonds or for the remaining duration of the Programme, to the extent that any of them at the relevant time provides ratings in respect of any Tranches. Whether or not each credit rating applied for in relation to relevant Tranche will be issued by a credit rating agency established in the EU and registered under the CRA Regulation will be disclosed in the Final Terms. If rated, such ratings will not necessarily be the same as the rating assigned to Citadele.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating organisation. Credit ratings are not a guarantee of Citadele Group's future performance.

4. Reasons for the Offer, Use of Proceeds and Expenses

4.1. Reasons for the Offer and Use of Proceeds

Citadele expects to receive net proceeds of up to EUR 50,000,000 from this Offer less total expenses related to the issuance of the Bonds, the conduct of the Offer and the admission of the Bonds to trading. The final amount of net proceeds will depend on the aggregate principal amount of Bonds issued and the total amount of such expenses, as specified in the Final Terms.

The net proceeds from the Offer are to be used by Citadele for general corporate purposes, including, without limitation, for meeting the mandatory minimum requirement for own funds and eligible liabilities applicable to Citadele and Citadele Group at the consolidated level and to repurchase Citadele's outstanding EUR 40,000,000 Subordinated Bonds (ISIN: LV0000880102) issued under its EUR 40,000,000 Fourth Unsecured Subordinated Bonds Programme.

If in respect of any particular Tranche, there is another particular identified use of proceeds, this will be stated in the relevant Final Terms applicable to the particular Tranche.

4.2. Expenses

Total issue, offer and admission to trading expenses related to a particular Tranche, including fees payable to the competent authorities, listing and admission fees, legal and advisory costs, and any other related charges, will be specified in the relevant Final Terms for that Tranche. All such expenses are borne by Citadele unless otherwise indicated in the Final Terms and are not expected to be material in the context of the overall Offer size.

5. General Terms and Conditions of the Bonds

5.1. General

The terms and conditions of each Tranche shall consist of these general terms and conditions of the Bonds (the "**General Terms and Conditions of the Bonds**") and the applicable Final Terms. The General Terms and Conditions of the Bonds shall apply to each Tranche. Specific terms and conditions specified in the applicable Final Terms may be different in respect of each individual Tranche. In order to identify each Series and Tranche, the Final Terms shall stipulate a serial number of a respective Series and a serial number of a respective Tranche.

5.2. Type, Class and ISIN Code

The Bonds are freely transferable non-convertible senior unsecured and unguaranteed preferred bonds denominated in EUR, having maturity of up to 4 years and with fixed/floating interest rate, which contain senior, unsecured, unguaranteed, unsubordinated, direct and unconditional payment obligations of Citadele towards the Bondholders.

Under no circumstances shall the Bonds be convertible into ordinary shares of Citadele or other equity instruments of Citadele, except as ordered by the competent authorities in accordance with the requirements of law which, from time to time, may be applicable to Citadele and the Bonds.

Each Tranche will be assigned a separate ISIN (International Security Identification Number) code, which will be different from the ISIN code of the other Tranches. Before commencement of the offering of the Tranche, Nasdaq CSD, upon request of Citadele, will assign to the respective Tranche an ISIN code. Where a further Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the existing Tranche, the Bonds of such further Tranche shall be assigned its own ISIN code, which is different from the ISIN codes assigned to the relevant Tranches of the same Series. The ISIN code of respective Tranche will be specified in the Final Terms.

5.3. Applicable Law and Dispute Resolution

Applicable law

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds, as well as issue and offering of each Series are governed by and shall be construed in accordance with Latvian law, including the Latvian Financial Instruments Market Law, as well as rules and regulations of the BL, Nasdaq CSD and Nasdaq Riga.

Dispute resolution

Any dispute relating to or arising out of or in connection with the Bonds (including a dispute regarding any non-contractual obligation arising out of or in connection with the Bonds) will be settled solely by the courts of the Republic of Latvia which shall have exclusive jurisdiction in this regard. Citadele agrees that the courts of the Republic of Latvia are the most appropriate and convenient courts to settle any such dispute and, accordingly, that it will not argue to the contrary. Nevertheless, any Bondholder may take proceedings relating to any such dispute in any other courts with jurisdiction and, to the extent allowed by law, the Bondholders may take concurrent such proceedings in any number of jurisdictions.

Waiver of immunity

To the extent that Citadele may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to Citadele or its assets or revenues, Citadele agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

5.4. Form and Registration

The Bonds are dematerialized debt securities in bearer form and registered with Nasdaq CSD in book-entry form with the Latvian SSS. Investors may hold Bonds through Nasdaq CSD participants participating in Latvian SSS.

5.5. Currency and Denomination

The Bonds will be issued in euro (€). The nominal value (face value or principal amount) of each Bond shall be specified in the Final Terms but it shall amount to at least EUR 10,000.

5.6. Status and Ranking

The Bonds are senior, unsecured, unguaranteed, unsubordinated, direct, general and unconditional obligations of Citadele which at all times rank *pari passu* without any preference among themselves and

- equally with all other present and future claims against Citadele arising from debt instruments where the principal amount of the liabilities under the provisions governing such debt instruments are wholly subordinated to claims arising from the excluded liabilities referred to in Article 72a(2) of the CRR (as provided for in paragraph 3^1 of Article 139^3 of the Latvian Credit Institutions Law) but not otherwise subordinated;

- junior to: (a) all present and future claims referred to in Article 139^2 and paragraphs 1 and 3 of Article 139^3 of the Latvian Credit Institutions Law and (b) all excluded liabilities referred to in Article 72a (2) of the CRR (as provided for in paragraph 3^1 of Article 139^3 of the Latvian Credit Institutions Law); and

- senior to all present and future claims ranking or expressed to rank junior to the Bonds (to the extent allowed under applicable law) or that have such lower ranking pursuant to applicable law, including, but not limited to, unsecured claims resulting from non-preferred debt instruments of Citadele as provided for in paragraph 3^2 of Article 139^3 of the Latvian Credit Institutions Law and certain other unsecured claims as provided for in paragraphs 4, 5, 6 and 7 of Article 139^3 of the Latvian Credit Institutions Law.

The Bonds and the rights of the Bondholders arising from the Bonds are subject to any and all restrictions as may be provided in any present and future rules of Latvian law relating to insolvency, recovery and resolution of credit institutions which may be applicable to the Bonds and Citadele's obligations arising out of the Bonds.

The net proceeds from the Bonds will be used by Citadele for the purposes specified in section entitled "*Reasons for the Offer, Use of Proceeds and Expenses*", including for meeting the mandatory minimum requirement for own funds and eligible liabilities applicable to Citadele and Citadele Group at the consolidated level.

5.7. Rights Attached to the Bonds and Limitations

Rights attached to the Bonds

Without prejudice to section entitled "*General Terms and Conditions of the Bonds —Events of Default*" below, the only rights of the Bondholders arising from the Bonds are the right to the redemption of the Bonds on the Maturity Date (as defined below) and the right to receive interest, subject to the limitations of these rights as described in these General Terms and Conditions of the Bonds. The Bondholders are not entitled to any delay interest or penalty fees in case of delay in making any payments due under the Bonds by Citadele. The rights arising from the Bonds can be exercised by the Bondholders in accordance with the General Terms and Conditions of the Bonds, the applicable Final Terms and the applicable rules of Latvian law.

No „Change of Control" obligations. There will be no „Change of Control" obligations binding Citadele in respect of the Bonds and the Bonds will not have the benefit of and investors in Bonds will not have protection of a „Change of Control". Consequently, change of control over Citadele by any means will not confer any rights whatsoever to the Bondholders.

No „Negative Pledge" or „Cross-Default or "Cross-Acceleration" obligations. There will be no „Negative Pledge", „Cross-Default" or "Cross-Acceleration" obligations binding Citadele in respect of the Bonds and the Bonds will not have the benefit of and investors in Bonds will not have protection of „Negative Pledge", „Cross-Default" or "Cross-Acceleration".

No Set-off. No Bondholder may exercise, claim or plead any right of set-off, netting, counterclaim, compensation or retention in respect of any amount owed to it by Citadele directly or indirectly arising under, or in connection with, the Bonds and each Bondholder shall, by virtue of its holding of any Bonds, be deemed to have waived all such rights of set-off, netting, counterclaim, compensation or retention to the fullest extent permitted by applicable law. By its acquisition of the Bonds, each Bondholder and beneficial owner agrees to be bound by these provisions. All payments made by Citadele in connection with Bonds are calculated and paid without set-off, netting or counterclaims. Notwithstanding the preceding sentence, if any amount payable by Citadele in respect of, or arising under or in connection with, any Bond to any holder of such Bond is discharged by set-off or any netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to Citadele and, until such time as payment is made, shall hold an amount equal to such amount for the benefit and on behalf of Citadele and, accordingly, any such discharge shall be deemed not to have taken place. Nothing in this section is intended to provide, or shall be construed as acknowledging, any right of set-off, netting, counterclaim, compensation or retention or that any such right is or would be available to any Bondholder but for this section.

No obligations of Citadele regarding its operations. There will be no restrictions on Citadele's ability to conduct its operations as it deems fit, at its sole discretion. The Bonds do not contain any provisions designed to protect the Bondholders from a reduction in the creditworthiness of Citadele.

Meetings of the Bondholders

Save as otherwise provided in respect to the amendments which may be made by Citadele without the consent of the Bondholders or the Bondholders' Meeting below, if Citadele intends to amend these General Terms and Conditions of the Bonds or the Final Terms of the Tranches of the relevant Series, or, in the opinion of Citadele, other matters relating to the Bonds that may significantly affect the interests of the Bondholders (including granting of any consents or waivers) need to be considered, Citadele shall at any time convene a meeting of the Bondholders or the Bondholders of the relevant Series (as applicable) (the "**Bondholders' Meeting**") to decide on such amendments or other matters. The following rules shall apply to any Bondholders' Meeting:

- All expenses in relation to the convening and holding the Bondholders' Meeting shall be covered by Citadele;
- Notice of the Bondholders' Meeting shall be published in accordance with the section entitled "*General Terms and Conditions of the Bonds —Notices"* below no later than 10 (ten) Business Days prior to the respective Bondholders' Meeting. Furthermore, the notice shall specify the time, place and agenda of the respective Bondholders' Meeting, as well as any action required on the part of the Bondholders who will attend the respective Bondholders' Meeting. No matters other than those referred to in the notice may be resolved at the respective Bondholders' Meeting;
- Only those who, according to the information gathered by the Nasdaq CSD in respect of the Bonds, were registered as the Bondholders on the 6th (sixth) Business Day prior to the date of respective Bondholders' Meeting or proxies authorised by such Bondholders, shall be entitled to vote at the meeting and shall be recorded in the list of the Bondholders participating in the respective Bondholders' Meeting;
- The Bondholders' Meeting shall be held in Riga, Latvia (or conducted by any other means of communication, including, without limitation, video conference), and its chairman shall be a representative of Citadele appointed by Citadele;
- Voting rights of the Bondholders shall be determined according to the principal amount of the Bonds held;
- The Bondholders' Meeting shall be held in English with translation into Latvian, unless the Bondholders present in the respective Bondholders' Meeting unanimously decide that the respective Bondholders' Meeting shall be held in Latvian or English only;

- A representative of Citadele and/or a person authorised to act for Citadele may attend and speak at the Bondholders' Meeting;
- Minutes of the Bondholders' Meeting shall be kept by a representative of Citadele, recording the date and time of the meeting, attendees, their votes represented, matters discussed, results of voting, and resolutions which were adopted. The minutes shall be signed by a representative of Citadele as the keeper of the minutes. The minutes shall be attested by one of the persons appointed by the Bondholders' Meeting to attest the minutes by a simple majority vote of the Bondholders present at the respective Bondholders' Meeting. The minutes shall be published in accordance with the section entitled "*General Terms and Conditions of the Bonds —Notices*" below after the Bondholders' Meeting as soon as possible and without any delay. If applicable, new or amended General Terms and Conditions of the Bonds or Final Terms of the Tranches of the relevant Series (as applicable) shall be appended to the minutes. The minutes shall be stored in a secure manner by Citadele;
- The Bondholders' Meeting shall be organised by a representative of Citadele acting as the chairman of the Bondholders' Meeting;
- The Bondholders' Meeting is entitled to adopt decisions that are binding upon all the Bondholders with the consent of the Bondholders holding at least 75 (seventy-five) per cent of the aggregate principal amount of the outstanding Bonds. The meeting of the Bondholders of the relevant Series is entitled to make decisions that are binding on all the Bondholders of the relevant Series with the consent of the Bondholders of the relevant Series holding at least 75 (seventy-five) per cent of the aggregate principal amount of the outstanding Bonds of the respective Series. If Citadele and/or its Subsidiaries are the Bondholders, the principal amount of the Bonds held by them shall be disregarded when calculating the aforementioned thresholds;
- Resolutions passed at the Bondholders' Meeting shall be binding on all Bondholders irrespective of whether they have been present at the Bondholders' Meeting;

Amendments outside the meetings of the Bondholders

In addition, a resolution in writing affecting all Bondholders signed by or on behalf of Bondholders holding at least 75 (seventy-five) per cent of aggregate principal amount of the outstanding Bonds shall take effect as if it was a decision affecting all Bondholders adopted by the Bondholders' Meeting. A resolution in writing affecting the Bondholders of the relevant Series signed by or on behalf of Bondholders of the relevant Series holding at least 75 (seventy-five) per cent of aggregate principal amount of the outstanding Bonds of the relevant Series shall take effect as if it was a decision affecting the Bondholders of the relevant Series adopted by the meeting of the Bondholders of the relevant Series. Such resolutions in writing may be contained in a single document or several documents in the same form, each signed by or on behalf of one or more relevant Bondholders.

Amendments not requiring consent of the Bondholders

Citadele shall have a right, without the consent or approval of the Bondholders or the Bondholders' Meeting, at any time at its sole discretion to amend the Bonds, these General Terms and Conditions of the Bonds or the Final Terms of the Tranches of the relevant Series, if such amendments, in the opinion of Citadele, are either not prejudicial to the interests of the Bondholders and/or they are formal, minor or technical in nature or are made to correct a manifest error, and/or they are necessitated by the changes in applicable mandatory rules of Latvian law or other applicable law.

In addition, pursuant to the section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*" certain changes may be made to the interest calculation provisions of the Bonds in the circumstances and as otherwise set out in that section, without the requirement for consent of the Bondholders or the Bondholders' Meeting.

Compliance with the Applicable Banking Regulations

All amendments to the Bonds, these General Terms and Conditions of the Bonds or the Final Terms of the Tranches shall be effected in accordance with the Applicable Banking Regulations.

5.8. Interest

Interest accrual

The Bonds shall carry interest at the Applicable Interest Rate (as defined below) to be calculated on the outstanding principal amount of the Bonds of the respective Tranche from and including the Issue Date until the Maturity Date (as defined below) or the Early Redemption Date (as defined below), whichever occurs first.

Interest shall accrue for each interest period (the "**Interest Period**") from and including the first day of the Interest Period to the last day of the Interest Period on the principal amount of the Bonds of the respective Tranche outstanding from time to time. The first Interest Period commences on and includes the Issue Date and lasts until the first closest Interest Payment Date (as defined below) (but excluding it). Each successive Interest Period begins on the Interest Payment Date (including it) and lasts until the following Interest Payment Date (but excluding it). The last Interest Period ends on the Maturity Date (as defined below) or the Early Redemption Date (as defined below), whichever occurs first.

Interest payments

Subject to the section entitled "*General Terms and Conditions of the Bonds —Payments*" of this Base Prospectus, the interest on the Bonds of the respective Tranche shall be paid on the dates specified in the Final Terms ("**Interest Payment Dates**") semi-annually in arrear from and including the Issue Date to and including the Reset Date and quarterly in arrear thereafter until the Maturity Date (as defined below) or the Early Redemption Date (as defined below), whichever occurs first.

If the Offer Period is extended according to the section entitled "*General Terms and Conditions of the Offer —Offer Period*" of this Base Prospectus, the final Interest Payment Dates will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.

Interest calculation

Interest in respect of the Bonds shall be calculated on the basis of the actual number of days elapsed in the relevant Interest Period divided by 365 (or, in the case of a leap year, 366), i.e. a day count convention Act/Act (ICMA) will be used.

When interest is required to be calculated in respect of a period of less than an Interest Period other than in respect of the first Interest Period, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

Interest rate

The rate of interest applicable to the Bonds of the respective Tranche (the "**Applicable Interest Rate**") and payable in respect of each Interest Period ending prior to the Reset Date shall be a fixed annual interest rate (the "**Fixed Interest Rate**") and the rate of interest applicable to the Bonds of the respective Tranche and payable in respect of each Interest Period starting on or after the Reset Date shall be a floating annual interest rate (the "**Floating Interest Rate**"). The Applicable Interest Rate, in particular, the Fixed Interest Rate and the indicators for determining the Floating Interest Rate (the Margin and the Screen Rate) shall be specified in the Final Terms. Instead of specifying a single Fixed Interest Rate in the Final Terms, Citadele may indicate a range of Fixed Interest Rate levels (i.e., two or more possible Fixed Interest Rate levels) within which the Fixed Interest Rate will be determined at Citadele's sole discretion on the next Business Day following the Offer Period, in accordance with the section entitled "*General Terms and Conditions of the Offer —Allotment*". In such case, the Fixed Interest Rate and the final Applicable Interest Rate will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. Citadele has a right at its sole discretion to amend the Applicable Interest Rate, in particular, the Fixed Interest Rate or the range of possible Fixed Interest Rate levels, as applicable, and/or the indicators for determining the Floating Interest Rate, once or several times until the end of the applicable Offer Period and announce the updated Applicable Interest Rate, in particular, the Fixed Interest Rate or the range of possible Fixed Interest Rate levels, as applicable, and/or the indicators for determining the Floating Interest Rate (the "**Updated Applicable Interest Rate**"). The Updated Applicable Interest Rate will be published on Citadele's website www.cblgroup.com. Investors should follow the information on the aforementioned website and they shall have a right to modify or cancel their Purchase Orders if the Applicable Interest Rate has been updated, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the applicable Offer Period. If during the Offer Period Citadele amends the Applicable Interest Rate, the final Applicable Interest Rate will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. A number of factors may be considered in determining the Updated Applicable Interest Rate such as, *inter alia*, the level and nature of the demand for the Bonds of the respective Tranche by the investors and prevailing market conditions.

Moreover, if the Offer Period is extended according to the section entitled "*General Terms and Conditions of the Offer —Offer Period*" of this Base Prospectus, the final Reset Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.

Determination of the Floating Interest Rate and Interest Amount

The Floating Interest Rate shall be determined by the Calculation Agent on the following basis:

- on each Interest Determination Date, the Calculation Agent shall determine the Screen Rate at approximately 12.00 a.m. (Riga time) on that Interest Determination Date. If the Screen Rate is unavailable, Citadele will request the principal Eurozone office of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in euro are offered by it to prime banks in the Euro-zone interbank market for 3 (three) months at approximately 12.00 a.m. (Riga time) on the Interest Determination Date in question and for a Representative Amount;

- the Floating Interest Rate for the Interest Period shall be the Screen Rate plus the Margin or, if the Screen Rate is unavailable, and at least 2 (two) of the Reference Banks provide such rates, the arithmetic mean (rounded if necessary as provided in the section entitled "*General Terms and Conditions of the Bonds — Rounding*") as established by the Calculation Agent of such rates, plus the Margin; and

- if fewer than two rates are provided as requested, the Floating Interest Rate for that Interest Period shall be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by Citadele and communicated to the Calculation Agent, at approximately 12.00 a.m. (Riga time) on the 1st (first) day of such Interest Period for loans in euro to leading European banks for a period of 3 (three) months commencing on the first day of such Interest Period and for a Representative Amount, plus the Margin. If the Floating Interest Rate cannot be determined in accordance with the above provisions, the Floating Interest Rate shall be determined as at the last preceding Interest Determination Date (unless such Interest Determination Date was applicable to an Interest Period ending prior to the Reset Date, in which case the Floating Interest Rate shall be the last observable Screen Rate as determined by the Calculation Agent plus the Margin).

In respect of each Interest Period starting on or after the Reset Date, the Calculation Agent shall, as soon as practicable after 12.00 a.m. (Riga time) on each Interest Determination Date, but in no event later than on the 3rd (third) Business Day thereafter, determine, on the basis of the applicable Floating Interest Rate, the euro amount payable in respect of interest on each Bond of the respective Tranche for the relevant Interest Period (the "**Interest Amount**").

Notification of Floating Interest Rate and Interest Amount

The Calculation Agent shall cause the Floating Interest Rate and the Interest Amount for each Interest Period starting on or after the Reset Date and the relative Interest Payment Date to be notified to Citadele (by no later than the first day of each Interest Period) and notified to the Bondholders in accordance with section entitled "*General Terms and Conditions of the Bonds —Notices*" of this Base Prospectus as soon as possible after their determination, and in no event later than the 2nd (second) Business Day thereafter. The Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

Notifications, determinations etc. to be final

All notifications, determinations, opinions, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this section, whether by the Reference Banks (or any of them) or the Calculation Agent, will (in the absence of manifest error) be binding on Citadele, the Calculation Agent and all Bondholders and (in the absence of willful default and bad faith) no liability towards Citadele, the Calculation Agent or the Bondholders shall attach to the Reference Banks (or any of them) or the Calculation Agent in connection with the exercise or non-exercise by any of them of their powers, duties and discretions under this section.

Benchmark replacement

In addition, notwithstanding the above provisions of this section, if a Benchmark Event (as defined below) occurs, then the following provisions shall apply.

- Citadele shall notify the Calculation Agent and shall use its reasonable endeavours to appoint an Independent Adviser (as defined below), as soon as reasonably practicable, to determine a Successor Rate (as defined below), failing which an Alternative Rate (as defined below) and, in either case, an Adjustment Spread (as defined below), if any, and any Benchmark Amendments (as defined below);
- In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to Citadele, Calculation Agent or the Bondholders for any determination made by it pursuant to this section of the Base Prospectus;
- If the Independent Adviser determines in its discretion that: (a) there is a Successor Rate, then such Successor Rate shall (subject to application of the Adjustment Spread, if any) subsequently be used in place of the Original Reference Rate (as defined below) to determine the Floating Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Bonds (subject to the further operation of this section of the Base Prospectus); or (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to application of the Adjustment Spread, if any) subsequently be used in place of the Original Reference Rate to determine the Floating Interest Rate (or the relevant component part(s) thereof) for all relevant future payments of interest on the Bonds (subject to the further operation of this section of the Base Prospectus);
- If the Independent Adviser determines in its discretion: (a) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (b) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be for each subsequent determination of the Floating Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable));
- If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this section of the Base Prospectus and the Independent Adviser determines: (a) that amendments to the General Terms and Conditions of the Bonds are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (b) the terms of the Benchmark Amendments, then Citadele shall, following consultation with the Calculation Agent, subject to Citadele giving notice thereof in accordance with the next paragraph, without any requirement for the consent or approval of the Bondholders, vary the General Terms and Conditions of the Bonds to give effect to such Benchmark Amendments with effect from the date specified in such notice;
- Citadele shall notify the Calculation Agent and, in accordance with the section entitled "*General Terms and Conditions of the Bonds —Notices*" below, the Bondholders promptly of any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments (such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any);
- The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such notice will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any)) be binding on Citadele, the Calculation Agent and the Bondholders;
- Citadele shall compose and deliver to the Calculation Agent a certificate signed by two authorised signatories of Citadele: (a) confirming that a Benchmark Event has occurred, as well as the Successor Rate or, as the case may be, Alternative Rate and, where applicable, the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this section; and (b) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate or Alternative Rate, as the case may be;
- The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark

Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on Citadele, the Calculation Agent and the Bondholders;

- Without prejudice to the obligations of Citadele under the provisions of this section, the Original Reference Rate will continue to apply unless and until a Benchmark Event has occurred and only then once the Calculation Agent and the Bondholders have been notified of the Successor Rate or Alternative Rate (as the case may be) and any Adjustment Spread (if applicable) and Benchmark Amendments (if applicable) as provided above;
- If, following the occurrence of a Benchmark Event and in relation to the determination of the Floating Interest Rate on the relevant Interest Determination Date, (a) Citadele is unable to appoint an Independent Advisor or (b) no Successor Rate or Alternative Rate (as applicable) is determined pursuant to this section by such Interest Determination Date, the Floating Interest Rate applicable to the next succeeding Interest Period shall be equal to the Floating Interest Rate last determined in relation to the Bonds in respect of the immediately preceding Interest Period (unless such Interest Determination Date was in respect of an Interest Period ending prior to the Reset Date, in which case the Floating Interest Rate shall be the last observable Screen Rate as determined by the Calculation Agent plus the Margin). For the avoidance of doubt, this section of the Base Prospectus shall apply to the determination of the Floating Interest Rate on the relevant Interest Determination Date only, and the Floating Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this section of the Base Prospectus;
- Notwithstanding any other provision of this section of the Base Prospectus, no Successor Rate or Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no amendments to the General Terms and Conditions of the Bonds will be made pursuant to this section, if and to the extent that, in the determination of Citadele (a) the same could reasonably be expected to prejudice the qualification of the Bonds being MREL Eligible Liabilities (for the purposes of, and in accordance with, the relevant Applicable Banking Regulations) or (b) the same could reasonably be expected to result in the Competent Authority and/or the Relevant Resolution Authority treating a future Interest Payment Date as the effective maturity of such Bonds, rather than the Maturity Date (as defined below) for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of Citadele.

5.9. Maturity, Redemption and Purchase

Redemption at maturity

The Bonds may have a maturity of up to 4 (four) years starting from the Issue Date. Unless previously redeemed, or purchased and cancelled, the Bonds shall be redeemed at their nominal value (principal amount) on the maturity date which will be specified in the Final Terms (the "**Maturity Date**"), subject to the section entitled "*General Terms and Conditions of the Bonds —Payments*" of this Base Prospectus.

If the Offer Period is extended according to the section entitled "*General Terms and Conditions of the Offer —Offer Period*" of this Base Prospectus, the final Maturity Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.

Optional early redemption

The Bonds of a particular Tranche may be redeemed at the option of Citadele, subject to the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase —Conditions for redemption or purchase*" of this Base Prospectus, in whole, but not in part, on the Interest Payment Date falling on the Reset Date, at their principal amount together with interest (accrued to but excluding the date of redemption), by notifying the Bondholders at least 15 (fifteen) days but not more than 60 (sixty) days in advance (such notice shall be irrevocable and shall specify the date of early redemption of the relevant Bonds (the "**Early Redemption Date**")) in accordance with the section entitled "*General Terms and Conditions of the Bonds —Notices*" below.

Early redemption for tax reasons

The Bonds of a particular Tranche may be redeemed at the option of Citadele, subject to the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase —Conditions for redemption or purchase*" of this Base Prospectus, in whole, but not in part, at any time, at their principal amount, together with interest accrued (if any) to but excluding the Early Redemption Date, by notifying the Bondholders at least 15 (fifteen) days but not more than 60 (sixty) days in advance (such notice shall be irrevocable and shall specify the Early Redemption Date) in accordance with the section entitled "*General Terms and Conditions of the Bonds — Notices"* below, if a Withholding Tax Event or a Tax Event occurs provided, however, that, where Citadele would be obliged to pay additional amounts, no such notice of redemption shall be given earlier than 90 (ninety) days prior to the earliest date on which Citadele would be obliged to pay such additional amounts, if a payment in respect of the relevant Bonds were then due. Upon the expiry of any such notice as is referred to in this section Citadele shall be bound to redeem the relevant Bonds in accordance with this section.

Prior to the publication of any notice of redemption pursuant to this section, Citadele shall deliver to the Calculation Agent a certificate signed by Citadele stating that Citadele is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of Citadele so to redeem have occurred together with an opinion of independent legal advisers of recognised standing in the relevant Taxing Jurisdiction confirming the existence of circumstances giving rise to a Withholding Tax Event or a Tax Event.

Early redemption due to MREL Disqualification Event

The Bonds of a particular Tranche may be redeemed at the option of Citadele, subject to the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase — Conditions for redemption or purchase*" of this Base Prospectus, in whole, but not in part, at any time, at their principal amount, together with interest accrued (if any) to but excluding the Early Redemption Date, by notifying the Bondholders at least 15 (fifteen) days but not more than 60 (sixty) days in advance (such notice shall be irrevocable and shall specify the Early Redemption Date) in accordance with the section entitled "*General Terms and Conditions of the Bonds — Notices"* below, if a MREL Disqualification Event occurs.

No other redemption

Citadele shall not be entitled to redeem the Bonds otherwise than as provided in this section.

The Bondholders are not entitled to claim premature redemption of the Bonds before the Maturity Date under any circumstances. By purchasing the Bonds any investor unconditionally and irrevocably relinquishes the right to demand premature redemption of any Bonds to the fullest extent permitted by applicable law, if such a right exists under applicable law.

Purchase

Citadele or any of its Subsidiaries may at any time purchase the Bonds in any manner and at any price in the open market or otherwise, *provided that* any such purchases will be made in accordance with the Applicable Banking Regulations and subject to the prior approval of or permission from the Competent Authority and/or the Relevant Resolution Authority (in each case to the extent such approval is then required under the Applicable Banking Regulations). Such Bonds may be held, resold or surrendered by the purchaser through Citadele for cancellation. Any refusal by the Competent Authority and/or the Relevant Resolution Authority (if required) to grant its approval or permission as described above shall not constitute an event of default under the Bonds.

Conditions for redemption or purchase

Other than in the case of a redemption at maturity in accordance with section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase — Redemption at maturity*" of this Base Prospectus, Citadele may redeem or purchase the Bonds (and give notice thereof to the Bondholders) only if such redemption or purchase is in accordance with the Applicable Banking Regulations (if applicable) and it has been granted the approval or permission of the Competent Authority and/or the Relevant Resolution Authority (if required under the Applicable Banking Regulations). Any refusal by the Competent Authority and/or the Relevant Resolution Authority (if required) to grant its approval or permission as described above shall not constitute an event of default under the Bonds. The decision on granting such approvals or permissions may involve certain amount of discretion by the Competent Authority and/or the Relevant Resolution Authority and the early redemption or purchase of the Bonds may therefore be beyond the control of Citadele.

Cancellation

All Bonds that are redeemed and surrendered for cancellation by Citadele or any of its Subsidiaries shall be cancelled and may not be reissued or resold.

5.10. Yield

An expected yield on the Bonds being offered, based on the final Issue Price (as defined below) and the final Applicable Interest Rate, will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.

5.11. Representation of the Bondholders

Within the Programme, the rights of the Bondholders to establish and/or authorize an organization/person to represent the interests of all or a part of the Bondholders are not contemplated, but, on the other hand, these rights are not restricted. The Bondholders should themselves cover all costs/fees of such representative(s).

5.12. Resolutions, Authorisations and Approvals

Citadele's shareholders have authorised issuance, offering and listing of the Bonds at the GMS on 31 August 2026 (Meeting minutes No. 2/2026) and authorised the Citadele's Management Board to approve the characteristics of the Bonds, the Base Prospectus and any of the documents thereto, as well as any amendments and supplements thereof. The Citadele's Management Board has approved the Base Prospectus at its meeting on 14 September 2026.

5.13. Issue Date and Issue Price

The Issue Date shall be specified in the Final Terms. If the Offer Period is extended according to the section entitled "*General Terms and Conditions of the Offer —Offer Period*" of this Base Prospectus, the final Issue Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.

The Bonds may be issued at their nominal value or at a discount or a premium to their nominal value (the "**Issue Price**"). The Issue Price shall be specified in the Final Terms. Citadele has a right at its sole discretion to amend the Issue Price once or several times until the end of the applicable Offer Period and announce the updated Issue Price (the "**Updated Issue Price**"). The Updated Issue Price will be published on Citadele's website www.cblgroup.com. Investors should follow the information on the aforementioned website and they shall have a right to modify or cancel their Purchase Orders if the Issue Price has been updated, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the applicable Offer Period. If during the Offer Period Citadele amends the Issue Price, the final Issue Price will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. A number of factors may be considered in determining the Updated Issue Price such as, *inter alia*, the level and nature of the demand for the Bonds of the respective Tranche by the investors and prevailing market conditions.

5.14. Title and Transferability

Title to the Bonds will pass by delivery to the investors when corresponding entries evidencing the ownership of the Bonds are made in their securities accounts. The Bonds are freely transferrable and disposable without any restrictions. However, transfer of the Bonds is subject to selling and transfer restrictions under the relevant laws in certain jurisdictions applicable to the transferor or transferee. The Bonds cannot be offered, sold, resold, transferred or delivered in such countries or jurisdictions or otherwise in such circumstances in which such offer, sale, re-sale or transfer would be unlawful or require measures other than those required under Latvian laws to be taken by Citadele, including, if applicable, the United States of America. See the section entitled "*Information About This Base Prospectus —Restrictions on Distribution*".

5.15. Payments

Principal payment

The principal of the Bonds shall be paid through Nasdaq CSD in accordance with the applicable rules of Nasdaq CSD, as amended or replaced from time to time, to the persons who were registered as the Bondholders at the end of the Business Day immediately preceding the Maturity Date or the Early Redemption Date, as the case may be. Should the Maturity Date or the Early Redemption Date fall on a date which is not a Business Day and the TARGET Settlement Day (as defined below) at the same time, the payment of the amount due will be postponed to the next Business Day which is also a TARGET Settlement Day (as defined below). The postponement of the payment date shall not affect in any manner the amount payable and no interest on such payment will accrue or other liability for Citadele will arise in respect of the delay.

Interest payments

Interest on the Bonds shall be paid through Nasdaq CSD in accordance with the applicable rules of Nasdaq CSD, as amended or replaced from time to time, to the persons who were registered as the Bondholders at the end of 8 (eight) Business Days prior to the Interest Payment Date. Should any Interest Payment Date fall on a date which is not a Business Day and the TARGET Settlement Day (as defined below) at the same time, the payment of the interest due will be postponed to the next Business Day which is also a TARGET Settlement Day (as defined below). The postponement of the payment date shall not affect in any manner the amount payable and no interest on such payment will accrue or other liability for Citadele will arise in respect of the delay.

Payments subject to fiscal laws

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations applicable thereto in the place of payment or any other laws and regulations to which Citadele are subject, but without prejudice to the provisions of section entitled "*General Terms and Conditions of the Bonds —Taxation*". No commissions or expenses will be charged by Citadele in respect of such payments. See also section entitled "*General Terms and Conditions of the Offer —Estimated Expenses Charged to the Investors*".

Partial payments

If a partial payment is made in respect of any Bond, Citadele will procure that the amount and date of such payment are noted on the Nasdaq CSD.

5.16. Prescription

The Bonds are issued in accordance with Latvian law and all claims arising from the Bonds shall expire in accordance with the statutory terms of Latvian law, except that the claims for principal shall become void unless the relevant Bonds are presented for payment within 10 (ten) years of the appropriate Relevant Date and claims for interest shall become void unless they are presented for payment within 5 (five) years of the appropriate Relevant Date.

5.17. Events of Default

Non-payment

If Citadele fails to pay any amount of principal due in respect of the Bonds on the due date for payment thereof or fails to pay any amount of interest due in respect of the Bonds for more than 10 (ten) Business Days, any Bondholder may institute proceedings for the winding-up or dissolution of Citadele, in each case, in Latvia and not elsewhere, and prove or claim in the winding-up or dissolution of Citadele.

Winding-up etc.

If any order is made by any competent court or resolution passed for the winding up or dissolution of Citadele, save for the purposes of reorganisation on terms previously approved by a decision of the Bondholders' Meeting, any Bondholder may:

- prove or claim in the winding up or dissolution of Citadele, whether in Latvia or elsewhere and instituted by Citadele itself or by a third party, but (in either case) such Bondholder may claim payment in respect of the Bonds held by him/her only in the winding up or dissolution of Citadele; and/or
- by notice to Citadele, declare such Bonds to be due and payable, and such Bonds shall accordingly become due and payable at their outstanding principal amount together with accrued interest to the date of payment but subject to such Bondholder only being able to claim payment in respect of the Bonds in the winding up or dissolution of Citadele.

Institution of proceedings

Any Bondholder may at its discretion institute such proceedings against Citadele as it may think fit to enforce any obligation, condition, undertaking or provision binding on Citadele under the Bonds (other than, without prejudice to the above provisions of this section, any obligation for the payment of any principal or interest in respect of the Bonds) provided that Citadele shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it, except with the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if such approval is then required under the Applicable Banking Regulations).

No other remedy

No remedy against Citadele, other than as provided in this section, shall be available to the Bondholders, whether for the recovery of amounts owing in respect of the Bonds or in respect of any breach by Citadele of any of its obligations or undertakings with respect to the Bonds.

Resolution action

For the avoidance of doubt, any resolution action shall not constitute an event of default.

5.18. Acknowledgment of Bail-in and Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Bonds or any other agreements, arrangements or understanding between Citadele and any Bondholder (which, for the purposes of this section includes each holder of a beneficial interest in the Bonds), by its acquisition of the Bonds, each Bondholder acknowledges and accepts that any liability arising under the Bonds may be subject to the exercise of such Bail-in and Loss Absorption Powers as may be exercised by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

- the effect of the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in some or any of the following, or a combination thereof: (i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Bonds, (ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Bonds into shares, other securities or other obligations of Citadele or another person, and the issue to or conferral on the Bondholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Bonds, (iii) the cancellation of the Bonds or the Relevant Amounts in respect of the Bonds and (iv) the amendment or alteration of the maturity of the Bonds or amendment of the amount of interest payable on the Bonds, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

- the variation of the terms of the Bonds, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority.

The exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority will not constitute a default for any purposes in respect of the Bonds. No repayment or payment of Relevant Amounts in respect of the Bonds will become due and payable or be paid after the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority, if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Upon the exercise of the Bail-in and Loss Absorption Powers by the Relevant Resolution Authority with respect to the Bonds, Citadele will provide a written notice to the Bondholders in accordance section entitled "*General Terms and Conditions of the Bonds —Notices"* as soon as practicable regarding such exercise of the Bail-in and Loss Absorption Powers but any delay or failure to provide such notice shall not affect the validity or enforceability of such exercise of the Bail-in and Loss Absorption Powers.

5.19. Further Issues

Citadele may, from time to time, without the consent of and notice to the Bondholders, create and issue further bonds whether such further bonds form a single Series with already issued Bonds or not (the Final Terms must include a corresponding indication, if the respective Series will consist of only one Tranche) and whether issued within the Programme or not. For the avoidance of doubt, Citadele's right to issue any other notes and securities is not restricted in any way.

5.20. Substitution and Variation

If at any time an MREL Disqualification Event or Withholding Tax Event or Tax Event occurs, or to ensure the effectiveness or enforceability of the provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*" of this Base Prospectus, Citadele may, subject to the Applicable Banking Regulations (without any requirement for the consent or approval of the Bondholders) and having given not less than 30 (thirty) nor more than 60 (sixty) days' notice to the Bondholders (which notice shall be irrevocable), at any time either substitute all (but not some only) of the Bonds of a particular Tranche for new Bonds, which are Qualifying Securities or vary the terms of the Bonds of a particular Tranche so that they remain or, as appropriate, become, Qualifying Securities, provided that, in each case:

- such variation or substitution does not itself give rise to any right of Citadele to redeem the varied or substituted securities; and
- such variation or substitution would not itself directly lead to a downgrade in any of the credit ratings of the relevant Bonds as assigned by any rating agency immediately prior to such variation or substitution (unless any such downgrade is solely attributable to the effectiveness and enforceability of the provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*"; and
- such variation or substitution is not materially less favourable to the Bondholders (unless any such prejudice is solely attributable to the effectiveness and enforceability of the provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*").

For the purpose of this section variation or substitution shall be "materially less favourable to the Bondholders" if such varied or substituted securities do not:

- include a ranking at least equal to that of the relevant Bonds pursuant to section entitled "*General Terms and Conditions of the Bonds —Status and Ranking*" of this Base Prospectus;
- have the same interest rate and the same interest payment dates as those from time to time applying to the relevant Bonds;
- have equivalent redemption rights as in case of the relevant Bonds;

- have the same currency of payment, maturity, denomination and original aggregate outstanding nominal amount as the relevant Bonds prior to such variation or substitution;
- preserve any existing rights under the relevant Bonds to any accrued interest which has not been paid in respect of the period from (and including) the interest payment date last preceding the date of substitution or variation; or
- have a listing on a recognised stock exchange, if the relevant Bonds were listed immediately prior to such variation or substitution.

For the avoidance of doubt, any such substitution or variation shall not be deemed to be a modification or amendment requiring a decision of the Bondholders' Meeting under section entitled *"General Terms and Conditions of the Bonds —Rights Attached to the Bonds and Limitations"* of this Base Prospectus.

Any substitution or variation in accordance with this section is subject to Citadele obtaining a prior written consent of the Competent Authority and/or the Relevant Resolution Authority (in each case to the extent such consent is then required under the Applicable Banking Regulations) and complying with the rules of any competent authority, stock exchange and/or quotation system by or on which the Bonds are, for the time being, listed, traded and/or quoted.

5.21. Notices

The Bondholders shall be advised of matters relating to the Bonds through a press release and by a notice published in English and Latvian on Citadele's website (www.cblgroup.com) and, after the Bonds are admitted to the regulated market, also on the Nasdaq Riga website or otherwise as prescribed by the applicable rules of Latvian law. Any such notice shall be deemed to have been received by the Bondholders when published in the manner specified above.

5.22. Publication of the Final Terms

The Final Terms of each Tranche will be approved by Citadele's Management Board. Before the Offer of the respective Tranche commences, the initial Final Terms:

- will be submitted to the BL who will forward them to the EFSA and the Bank of Lithuania; and
- will be published on Citadele's website www.cblgroup.com.

The Final Terms containing information about the established aggregate principal amount of the respective Tranche and definitive amount of the Bonds to be issued, as well as the final Offer Period, Applicable Interest Rate, Issue Price, Issue Date, Reset Date, Maturity Date and Interest Payment Dates will be published on Citadele's website www.cblgroup.com and submitted to the BL after allotment of the Bonds to the investors.

5.23. Force Majeure

Citadele shall be entitled to postpone the fulfilment of its obligations under the Bonds and this Base Prospectus and any relevant Final Terms, in case the performance is not possible or becomes unreasonably difficult due to continuous existence of any of the following circumstances beyond the reasonable control of Citadele:

- action of any authorities, war or threat of war, hybrid warfare, rebellion, terrorism or civil unrest;
- disturbances in postal, telephone or electronic communications that materially affect operations of Citadele;
- any interruption of or delay in any functions or measures of Citadele as a result of fire, virus outbreak, other epidemiological event, hacking or other similar disaster or wrongdoing;
- any industrial action, such as strike, lockout, boycott or blockade affecting materially the activities of Citadele even if it only affects part of Citadele's employees and whether Citadele is involved therein or not; or
- any other similar force majeure or hindrance which makes it unreasonably difficult to carry on the activities of Citadele.

In such case the fulfilment of the obligations may be postponed for the period of the existence of the respective circumstances and shall be resumed immediately after such circumstances cease to exist, provided that Citadele shall use all best efforts to limit the effect of the above referred circumstances and to resume the fulfilment of its obligations, as soon as reasonably practicable.

5.24. Rounding

Unless expressly stated otherwise in the General Terms and Conditions of the Bonds and/or the relevant Final Terms, all percentages resulting from any calculations made under the General Terms and Conditions of the Bonds shall be rounded, if necessary, to 5th (fifth) decimal place with 0.000005 being rounded upwards.

5.25. Taxation

The tax legislation of the investor's country and of the Citadele's country of incorporation may have an impact on the income received from the Bonds.

All payments of interest in respect of the Bonds by or on behalf of Citadele shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Latvia or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by applicable law. In that event, in respect of interest, Citadele shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond presented for payment:

- by or on behalf of a Bondholder which is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of it having some connection with the Republic of Latvia other than the mere holding of the Bond;

- by or on behalf of a Bondholder which is resident in, located in, established in or incorporated in a country or territory included in the list of low-tax or no-tax countries and territories approved by the Cabinet of Ministers of the Republic of Latvia (as further described in section entitled "*Taxation —Latvian Tax Considerations —Taxation of Non-Resident individuals and entities located in "tax haven" countries/territories*" below); or

- more than 30 (thirty) days after the Relevant Date except to the extent that the Bondholder would have been entitled to such additional amounts on presenting such Bond for payment on the last day of such period of 30 (thirty) days.

Nevertheless, neither Citadele nor any other person will be required to pay any additional amounts in respect of any withholding that is or will be required pursuant to FATCA or IGA (as explained in more detail in section entitled *"Taxation —FATCA"*) with respect to payments on the Bonds.

Any reference in the General Terms and Conditions of the Bonds to interest shall be deemed to include any additional amounts in respect of interest which may be payable under this section. If Citadele becomes subject at any time to any taxing jurisdiction other than the Republic of Latvia, references in this section to the Republic of Latvia shall be construed as references to the Republic of Latvia and/or such other jurisdiction.

6. General Terms and Conditions of the Offer

6.1. General

The maximum aggregate nominal amount of all Bonds outstanding issued under the Programme shall not at any time exceed € 50,000,000. The aggregate principal amount of each Tranche and amount of the Bonds to be issued within the respective Tranche will be specified in the relevant Final Terms. The following terms and conditions will apply to the Offer.

6.2. Right to Participate in the Offer

The Offer is directed to the qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in Latvia, Lithuania and Estonia, as well as to qualified investors located in the Member State of the EEA (other than Latvia, Lithuania and Estonia) pursuant to an exemption under Article 1(4) of the Prospectus Regulation.

6.3. Minimum Investment Amount

The Bonds will be offered for subscription for the minimum investment amount (the "**Minimum Investment Amount**") which will be specified in the relevant Final Terms.

6.4. Placement Account

Initially the Bonds of the respective Tranche will be book-entered in the Latvian SSS distribution account of Citadele with the Nasdaq CSD.

6.5. Offer Period

The offer period for each Tranche, including any and all its extensions as indicated below (the "**Offer Period**") will be specified in the relevant Final Terms.

Until the end of the applicable Offer Period, Citadele may extend the Offer Period at its sole discretion once or several times. The minimum length of any such extension should be at least 2 (two) Business Days. The notification about extension of the Offer Period will be published on Citadele's website www.cblgroup.com. Investors should follow the information on the aforementioned website and they shall have a right to modify or cancel their Purchase Orders if the Offer Period has been extended, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the Offer Period.

If the Offer Period is extended, the final Offer Period will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.

6.6. Submission of Purchase Orders

The investors wishing to purchase the Bonds shall submit their orders to purchase the Bonds (the "**Purchase Orders**") at any time during the Offer Period to Citadele (fulfilling the functions of the issuing agent) and its agents, which will be specified in the Final Terms. The procedure of submission of the Purchase Orders will be specified in the Final Terms.

6.7. Purchase Orders and Invalid Purchase Orders

The Purchase Order shall indicate the total amount of the Bonds to be purchased by the respective investor based on the applicable Issue Price and Applicable Interest Rate at the time of making of the Purchase Order, which shall be at least equal to the Minimum Investment Amount. If Citadele offers the Bonds on the basis of a range of Fixed Interest Rates specified in the relevant Final Terms, each Purchase Order shall indicate a specific Fixed

Interest Rate level within that range. For the avoidance of doubt, investors may submit multiple Purchase Orders at different Fixed Interest Rate levels, provided that each Purchase Order complies with the Minimum Investment Amount requirement. All Purchase Orders constitute a binding and irrevocable commitment to acquire the allotted Bonds, subject only to the exceptions expressly set out in this Base Prospectus. However, if Citadele offers the Bonds on the basis of a range of Fixed Interest Rates specified in the relevant Final Terms, investors shall have the right to modify their Purchase Orders solely with respect to the Fixed Interest Rate level on which such Purchase Orders were based, provided that Citadele receives the modification before the end of the Offer Period.

The Purchase Order shall not be considered valid and shall not be processed in case the purchase amount indicated in the Purchase Order is less than the Minimum Investment Amount, the Purchase Order was received after the Offer Period, the Issue Price based on which the Purchase Order was made is lower than the final Issue Price applicable at the end of the Offer Period and/or the Applicable Interest Rate based on which the Purchase Order was made is higher than the Applicable Interest Rate applicable at the end of the Offer Period (and if Citadele offers the Bonds on the basis of a range of Fixed Interest Rates specified in the relevant Final Terms - the Fixed Interest Rate level based on which the Purchase Order was made is higher than the final Fixed Interest Rate determined by Citadele pursuant to the section entitled „*General Terms and Conditions of the Offer — Allotment"*).

Only valid Purchase Orders which comply with the requirements of:

- the Minimum Investment Amount,
- reception of the Purchase Order within the Offer Period,
- the Issue Price based on which the Purchase Order was made being equal to or higher than the final Issue Price applicable at the end of the Offer Period and the Applicable Interest Rate based on which the Purchase Order was made being equal to or lower than the Applicable Interest Rate applicable at the end of the Offer Period, and
- where Citadele offers the Bonds on the basis of a range of Fixed Interest Rates specified in the relevant Final Terms - the Fixed Interest Rate level based on which the Purchase Order was made being equal to or lower than the final Fixed Interest Rate determined by Citadele pursuant to the section entitled „*General Terms and Conditions of the Offer —Allotment"*

shall be treated as qualifying Purchase Orders (the "**Qualifying Purchase Orders**").

Citadele does not have any obligation to inform investors about the fact that their Purchase Orders are invalid.

6.8. Cancellation of the Offer

On the next Business Day following the Offer Period Citadele will decide whether to proceed with the Offer of a particular Tranche or cancel it. In case the Offer of a Tranche is cancelled, Citadele will publish an announcement on Citadele's website www.cblgroup.com and submit it to the BL. All rights and obligations of the parties in relation to the cancelled Offer will be considered as having been terminated as of the moment when such announcement is made public.

6.9. Allotment

In case Citadele decides to proceed with the Offer of a Tranche, on the next Business Day following the Offer Period the following actions shall be taken:

(a) Determination of the Fixed Interest Rate. Where Citadele offers the Bonds on the basis of a range of Fixed Interest Rate specified in the relevant Final Terms, Citadele shall, at its sole discretion, determine the Fixed Interest Rate within that range by setting the Fixed Interest Rate at any one of the Fixed Interest Rate levels specified in the relevant Final Terms. A number of factors may be considered in determining the Fixed Interest Rate and final Applicable Interest Rate such as, *inter alia*, the level and nature of the demand for the Bonds of the respective Tranche by the investors and prevailing market conditions.

(b) Establishment of the Qualifying Purchase Orders. Citadele shall, at its sole discretion, determine which Purchase Orders can be treated as Qualifying Purchase Orders, and the extent of their satisfaction.

(c) Determination of the final aggregate principal amount of the respective Tranche and allotment of the Bonds to the Investors. Upon determination of the Qualifying Purchase Orders, Citadele will establish the exact amount of the Bonds to be allotted with respect to each Qualifying Purchase Order and thus determine the final aggregate principal amount of the respective Tranche. Citadele will, at its sole discretion, decide upon the final allocation of the Bonds to each investor and Citadele is entitled to reject any Purchase Orders, in whole or in part, for any reason at its sole discretion.

(d) Guaranteed Allocations. Unless indicated otherwise in the respective Final Terms regarding the Bonds subject to underwriting, Citadele has a general discretion to reject any Purchase Orders, in whole or in part, for any reason at its sole discretion, and no person is guaranteed to receive any number of Bonds. However, if Citadele offers the Bonds on the basis of a range of Fixed Interest Rate specified in the relevant Final Terms, Citadele may, and is likely to, at its sole discretion, prioritise Purchase Orders submitted at the lower Fixed Interest Rate levels specified in the relevant Final Terms.

(e) Announcement of the Final Terms. The Final Terms containing the information about the final Offer Period, Applicable Interest Rate, Issue Price, Issue Date, Maturity Date and Interest Payment Dates, the aggregate principal amount of the respective Tranche and definitive amount of the Bonds to be issued within the respective Tranche will be published on Citadele's web-site www.cblgroup.com, as well as submitted to the BL.

(f) Allotment Notifications. After completion of the allotment with respect to each Qualifying Purchase Order Citadele shall submit an allotment notification (the "**Notification**") to each investor. The Notification will evidence the extent of satisfaction or rejection of the Purchase Order submitted by the investor, the number of Bonds allotted to the investor, the final Applicable Interest Rate, Issue Price and the purchase price payable for the Bonds.

Citadele will send the Notification to each investor through the channels of communication agreed with the respective investor's brokers. However, if an investor has opened a securities account with Citadele and is acting through Citadele in respect to purchase of the Bonds, the Notification will be sent to the respective investor in accordance with the terms and conditions of the agreements concluded between Citadele and such investor.

6.10. Settlement and Delivery

The settlement for the Bonds will be carried out in accordance with the delivery-versus-payment (DvP) principle pursuant to the applicable rules of Nasdaq CSD. The settlement will take place on the Issue Date. All paid up Bonds shall be treated as issued. The Bonds which are not paid up shall be cancelled in accordance with the applicable rules of Nasdaq CSD.

However, if an investor has opened a securities account with Citadele and is acting through Citadele in respect to purchase of the Bonds, the settlement for the Bonds will be carried in accordance with the terms and conditions of the agreements concluded between Citadele and such investor.

No dealing may begin before full completion of the settlement and delivery of the Bonds.

6.11. Information About the Results of the Offer

Information about the results of the Offer of each Tranche (amount of the Bonds issued and aggregate principal amount of the respective Tranche) shall be published on Citadele's website www.cblgroup.com, within 3 (three) Business Days after the Issue Date.

6.12. Estimated Expenses Charged to the Investors

No expenses or taxes will be charged to the investors by Citadele in respect to the issue of the Bonds. However, the investors may be obliged to cover commissions and/or expenses which are related to the opening of securities accounts with the credit institutions or investment brokerage firms, as well as commissions and/or expenses which are charged by the credit institutions or investment brokerage firms in relation to the execution of the investor's purchase or selling orders of the Bonds, the holding of the Bonds or any other operations in relation to the Bonds. Citadele shall have no obligation whatsoever to compensate the Bondholders for any such expenses.

6.13. Underwriting

The Bonds may be subject to underwriting. The Final Terms shall include an indication as to whether any underwriting arrangement is applicable to the particular Tranche.

7. Admission to Trading

7.1. Listing of the Bonds

Citadele shall submit an application for admitting each Tranche to listing and trading on the official bond list (Baltic Bond List) of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within 3 (three) months after the Issue Date of the respective Tranche. Trading of the respective Tranche on the Baltic Bond List of the Nasdaq Riga Stock Exchange is expected to commence within 1 (one) month after the above-mentioned application has been made.

All dealings in the Bonds of the respective Tranche prior to the commencement of unconditional dealings on the Baltic Bond List of the Nasdaq Riga Stock Exchange may take place as private over-the-counter transactions and shall be entirely at the risk of the parties involved. The Nasdaq Riga Stock Exchange is a regulated market for the purposes of MiFID II.

Unless the context requires otherwise, references in this Base Prospectus to the Bonds being "listed" (and all related expressions) shall mean that such Bonds have been listed and admitted to trading on the Baltic Bond List of the Nasdaq Riga Stock Exchange, as specified in the applicable Final Terms.

7.2. Listing Maintenance

Citadele shall use its best efforts to ensure that the respective Tranche remains listed on the official bond list (Baltic Bond List) of Nasdaq Riga or, if such listing cannot be obtained or maintained, on another regulated market. Following the listing or admission to trading, Citadele shall take all reasonable actions required on its part as a consequence of such listing or trading of the respective Tranche. Citadele shall bear all costs related to the admission of the respective Tranche to the relevant regulated market.

8. Use of the Base Prospectus

8.1. Use of the Base Prospectus

This Base Prospectus is prepared solely for the purposes of the Offer of the Bonds issued under the Programme and admission to listing and trading of the Bonds on the Baltic Bond List of the Nasdaq Riga Stock Exchange. Citadele has not consented to the use of the Base Prospectus for and this Base Prospectus does not apply to any subsequent resale or final placement of the Bonds by financial intermediaries.

Each prospective investor, by accepting delivery of this Base Prospectus and any Final Terms, agrees that this Base Prospectus and any Final Terms are being furnished by Citadele solely for the purpose of enabling a prospective investor to consider the purchase of the Bonds. This Base Prospectus may not be used for any other purpose than for making the decision of participating in the Offer or investing into the Bonds.

Any reproduction or distribution of this Base Prospectus and/or any Final Terms, in whole or in part, any disclosure of their contents or use of any information herein for any purpose other than considering an investment in the Bonds is prohibited, except to the extent that such information is otherwise publicly available.

9. Corporate Information, Strategy, Performance and Business Environment

9.1. General Corporate Information

The legal and commercial name of Citadele is AS „Citadele banka". Citadele is a stock company with limited liability (in Latvian – *akciju sabiedrība* or *AS*) incorporated in, and operating under the laws of, the Republic of Latvia, including the Commercial Law of the Republic of Latvia of 2000, as amended ("**Latvian Commercial Law**") and is registered with the Commercial Register of the Republic of Latvia under the registration number: 40103303559 (date of registration: 30 June, 2010). Citadele's legal address is at Republikas laukums 2A, Riga, LV-1010, Latvia, telephone: +371 67010000, e-mail: info@citadele.lv, website: www.citadele.lv. Citadele's legal entity identifier ("LEI"): 2138009Y59EAR7H1UO97.

The latest version of the Articles of Association of Citadele was adopted by the respective resolution of the GMS, dated 27 March 2025 and amended by the respective resolution of the Supervisory Board, dated 21 May 2025. The Articles of Association are available on the website of Citadele www.cblgroup.com.

The objects and purposes of Citadele are stated in Clause 2 of the Articles of Association which contains a non-exhaustive description of the types of commercial activities which it may undertake, including monetary intermediation, financial leasing, granting other forms of credit, providing financial services other than insurance and pension funding, and securities transactions. However, as these activities do not constitute an exhaustive list beyond which Citadele is constitutionally prevented from undertaking, under the Latvian Commercial Law, Citadele's objects are effectively unlimited.

9.2. Business Overview

General

Citadele Group is one of the leading banking groups in the Baltic States and the largest non-Nordic owned bank in Latvia. It serves customers across the three Baltic States (Latvia, Lithuania and Estonia) and, as of 30 June 2026, had a customer base of 415 thousand active customers. At the end of first quarter of 2026, Citadele Group had a total market share in the Baltic States of 4.5% in total loans and 3.8% in deposits (excluding Revolut Holdings Europe, UAB) according to its calculations based on consolidated data published by the relevant regulatory bodies in Latvia, Lithuania and Estonia.

Citadele Group offers a wide range of banking products to its private, SME and corporate customer base. It also provides wealth management, asset management, insurance, pension, cards, loans, leasing trade finance and factoring products, and Klix (payments) e-commerce and buy now, pay later (BNPL) platform. Alongside traditional banking services, Citadele offers a range of services based on next-generation financial technology, including a modern MobileApp, and technologically enabled best-in-class AI customer service. Citadele won an award for its digital transformation by Latvian Information and Communications Technology Association (LIKTA) ("Platina pele") in 2018 and has won numerous Dive awards for its customer service, including most recently being named the bank with the best customer service in Latvia for the seventh time and top three in Lithuania and Estonia. As of 30 June 2026, Citadele Group had 1,314 full-time employees. Its distribution network comprised 18 branches and client service centres: 11 branches and client service centres in Latvia, one branch with six customer service units in Lithuania, and one branch in Estonia.

Citadele Group's strategy, discussed further below in section entitled "*Corporate Information, Strategy, Performance and Business Environment —Business Overview —Strategies and objectives*", which was adopted following the acquisition of the majority stake in Citadele by the investment consortium led by RA Citadele, LLC in 2015, is aimed at strengthening Citadele Group's market position in the domestic Baltic market by becoming the modern banking platform for the Baltic States. Management believes that this strategy will deliver greater customer engagement and will increase Citadele Group's revenue-earning potential. Citadele Group intends to maintain all of its existing business lines as it develops itself as an increasingly digital bank with a wide product suite and unique offerings for its private, SME and corporate customers.

In addition to its private, SME and corporate businesses, Citadele aims to differentiate itself from its competitors by developing and continuing to grow the following distinctive platforms in the Baltic States:

- Vendor finance services: Citadele Group's objective is to establish Citadele Leasing as a flexible, digital and trusted vendor finance player;
- Klix (payments) e-commerce and BNPL platforms: Citadele Group aims to scale these platforms to become the platforms of choice for consumers, merchants and lenders;
- Insurance offering: Citadele Group aims to develop its insurance offerings to deliver further penetration of existing insurance products and expand into new areas through digital propositions and cross-selling.
- Loyalty and rewards ecosystem: Citadele Group aims to build a leading Baltic loyalty and rewards proposition, anchored by its unique C Rewards platform, which is already live, and complemented by co-branded card partnerships with leading Baltic brands, with the objective of deepening customer engagement, increasing transaction volumes and card usage, and creating recurring partnership revenue streams across the region; and
- AI-enabled banking: Citadele Group aims to embed AI across its operations and customer propositions, deploying AI to enhance customer service and personalisation, improve credit decisioning and risk management, and increase operational efficiency, thereby supporting scalable growth while maintaining a disciplined cost base.

Citadele's head office is located at Republikas laukums 2A, Riga, LV-1010, Latvia, and its telephone number is +371 67010000. Citadele's registration number is 40103303559.

Historical Timeline and Milestone Events

Citadele was registered in Latvia as a stock company with limited liability on 30 June 2010 under the Latvian Commercial Law and commenced operations on 1 August 2010.

Following the 2009 financial crisis, Citadele was newly established as part of the nationalisation, reorganisation and ultimate privatisation of AS "Parex Banka" (later renamed to AS "Reverta" and subsequently liquidated). At the time, the European Bank for Reconstruction and Development ("**EBRD**") obtained a shareholding of 25% minus one share in Citadele. As part of the privatisation of Citadele led by the Latvian Privatisation Agency, RA Citadele Holdings, LLC and certain other shareholders belonging to a consortium of investors led by Ripplewood Advisors LLC obtained a stake of 75% plus one share in Citadele on 20 April 2015.

Since 2015, Citadele has made significant investment in its future business. As a result of these investments, Citadele has been able to revamp its business processes, define and execute on new growth strategies, introduce an entrepreneurial approach to its business, expand its product offerings (including, for example, digital lending, microloans, insurance, Klix (payments) e-commerce and BNPL platform and more), improve its IT posture through its digital offerings, upgrade IT systems and strengthen cybersecurity, build its best-in-class mobile app, pioneer payments and other innovative platforms in the Baltics and grow both organically and by pursuing inorganic growth opportunities.

Milestone events since 2015 include the following:

- In 2016, Citadele listed for the first time bond instruments with its December 2016 listing of EUR 40 million in subordinated bonds on Nasdaq Riga. As of the date of this Base Prospectus, Citadele has four outstanding listed bond instruments. See section entitled "*Shareholder and Other Information —Material Contracts —Financial instruments*".

- In 2018, Citadele launched its next-generation modern mobile application, through which Citadele has been able to develop and offer digitally advanced solutions to its customers.
- In 2018, Citadele substantially completed de-risking its high-risk customer base.
- In 2019, Citadele received first place net promoter score of individual banks in Latvia.
- In December 2019, Citadele announced that it had agreed to acquire UniCredit's Baltic leasing operations with its lease portfolio in the amount of total committed lending of up to EUR 880 million. The transaction successfully closed on 4 January 2021. As a result, Citadele is now one of the three largest players in the Latvian leasing market and has significantly strengthened its footprint in the leasing market across the Baltic States.
- In 2020, Citadele launched its e-commerce platform Klix that offers a shopping, payments and lending experience in the Baltic States through three pillars: (1) Klix Pay, providing an all-in-one payments solution with top banks and card providers, (2) Klix BNPL, providing a digital, real-time BNPL solution with highest in-market acceptance rates as a result of the platform's multi-lender aggregation and (3) Klix post-purchase lending, providing customers with options to refinance past purchases on the Klix multi-lender platform.
- In March 2021, Citadele announced the acquisition of the majority of the mortgage portfolio of AS "ABLV Bank" in liquidation. The portfolio consisted of several thousand mortgage loans with a total exposure of above EUR 170.0 million. On 2 July 2021, in the first phase of the transaction, mortgage loans with net exposure amounting to EUR 114.0 million were acquired. On 3 December 2021, the second part of the transaction closed and mortgage loans with net exposure amounting to EUR 43.1 million were acquired.
- Since completion of the Asset Quality Review (AQR) in March 2023, Citadele has remained under direct ECB/SSM supervision and has undergone the annual supervisory review and evaluation process in each subsequent cycle. Over this period Citadele Group has participated in the applicable supervisory activities and exercises and has maintained ongoing dialogue with its supervisors.
- As of 31 December 2023, Citadele has been ranked as the bank with the best customer experience in Latvia eight times. Citadele Group has consistently ranked highly in Net Promoter Score surveys in Latvia and Lithuania. In January 2024, Citadele Group ranked number one in individual bank and Mobile App NPS surveys in Latvia. In the same period, it ranked number two in individual bank NPS survey in Lithuania.
- On 6 December 2024, Moody's upgraded Citadele's long-term deposit rating to Baa1 from Baa2 and its senior unsecured debt rating to Baa2 from Baa3, revising the outlook to stable. Moody's highlighted Citadele's improved asset quality, strong capitalisation and resilient profitability as key drivers of the upgrade, further strengthening Citadele Group's investment-grade credit profile.
- In July 2025, Citadele completed the sale of 100% of its Swiss subsidiary, Kaleido Privatbank AG (now Banque Richelieu Switzerland), to a regulated French banking group. The transaction represented a further step in Citadele's strategy to focus on its core Baltic markets and strengthen its position as a leading financial services provider in the region.
- In September 2025, Citadele successfully issued EUR 300 million of senior preferred unsecured bonds in the international capital markets. The 4.25-year transaction attracted strong demand from institutional investors, with orders exceeding the issue size by approximately nine times. The proceeds support Citadele Group's MREL requirements and general corporate purposes, demonstrating continued access to diversified wholesale funding markets.
- In October 2025, Citadele successfully issued EUR 50 million of perpetual Additional Tier 1 (AT1) notes. The issuance was approximately 3.6 times oversubscribed and further strengthened Citadele Group's capital structure, while broadening its investor base in the international capital markets. Following AT1 issuance, Citadele completed a onetime special share buyback in January 2026 to support future long-term incentive and retention programs and reduce outstanding share capital.
- In April 2026, Moody's upgraded Citadele's long-term deposit rating to A3 from Baa1 following the introduction of full depositor preference across the EU, with a stable outlook.

Strategies and objectives

Citadele Group's objective is to become the bank of choice for individuals and businesses in the Baltic States by evolving into a digital-first banking platform. To achieve this, Citadele Group intends to grow revenue from its existing customer base while proactively attracting new private, SME (including micro-SME) and corporate customers - supported by an expanding product suite, innovative stand-alone solutions, and a continued emphasis on service quality across all customer segments.

Citadele Group's management believes that its core strengths will allow it to increase market penetration of both its banking and non-banking services in the Baltic States, attract customers from local competitors and drive further revenue growth. The resilience and growth potential of the Baltic economies, together with the resumption of growth in the underpenetrated Baltic banking sector, are expected to open additional growth avenues in each market. While the business strategy is common to all three countries, its implementation is tailored to customer requirements in each market, and the infrastructure to deliver growth across all segments is already in place in Latvia, Lithuania and Estonia. As a leading local bank, Citadele Group is well positioned to understand and respond to the needs of its customers, adapt quickly to competitive dynamics and apply local expertise in pricing and risk management.

Citadele Group's management believes that its business strategy will allow it to continue evolving its product mix, digital capabilities and customer base, while capturing attractive revenue opportunities in segments such as vendor finance, payments, BNPL and bancassurance. With its established distribution network, digital and IT capabilities, experienced team and comprehensive risk management framework in place, Citadele Group is well positioned to execute a focused growth strategy.

Specifically, Citadele Group intends to:

- grow the number of private customers using Citadele Group as their primary bank by evolving "Bank in the Pocket" into a digital-only proposition;
- become the "Bank of Choice" for SMEs by offering competitive propositions, digital and e-commerce tools and embedded banking solutions;
- support the growth of Baltic corporates through long-term financing relationships;
- expand vendor finance into new verticals and markets;
- strengthen Klix's position as the leading payments platform in the Baltic States and scale its BNPL offering;
- scale the insurance offering through digital channels and cross-sales to the existing customer base;
- maintain operational excellence and scalability; and
- deliver best-in-class customer experience.

Citadele Group aims to deliver a consistently high standard of service across all customer interactions, focusing on seamless and personalised customer journeys. Citadele Group's management believes that this approach builds long-term customer relationships based on trust and value, supporting customer loyalty, retention and advocacy.

The key elements of Citadele Group's customer experience approach are:

- Personalisation: using data and insights to tailor interactions, recommendations and solutions to individual customers;
- Omnichannel consistency: providing cohesive service across all touchpoints, whether in-person, online, mobile or via other channels;
- Proactive service: anticipating and addressing potential issues before they impact the customer, with prompt response times across all communication channels;
- Ease of use: designing intuitive, user-friendly products and interactions that minimise customer effort;
- Empowered employees: equipping frontline staff with the training, tools and authority to resolve customer needs; and
- Continuous improvement: actively using customer feedback to improve processes, products and

services.

Customer experience at Citadele Group is not a departmental function but an organisation-wide priority, ingrained in Citadele Group's culture and supported by every employee. Progress is measured through defined metrics, including Net Promoter Score (NPS), customer retention rates and other customer satisfaction measures.

Citadele Group's management believes that the implementation of this strategy will position Citadele Group as a leading digital-first banking platform, with efficient and expanding core operations, advanced digital capabilities and tailored offerings across customer segments, built on best-in-class customer experience.

Business description

Citadele Group focuses on serving three key business areas: private, SME and corporate, offering traditional banking and other financial services, such as wealth management, asset management, life insurance, pension, leasing, factoring and Klix (payments) e-commerce and BNPL platforms.

Citadele Group serves customers across the three Baltic States (Latvia, Lithuania and Estonia) and has a customer base of 415 thousand active customers as of 30 June 2026.

Citadele Group’s sales channels include:

- Physical branch network consisting of 18 branches and customer service centres across the Baltic States, each located in major cities and providing sales support and service transactions across all Citadele Group’s segments and products;
- Award-winning digital channels, including an in-house-developed mobile banking app with market differentiating features and in-house developed online bank;
- Skybranch (remote service centre) that caters all inbound and outbound telephone, sms and email transactions; and
- Dedicated customer service advisors for private (affluent) and corporate customers.

Most of the volume sales and service processing activities have been either centralised in a single operations unit to realise scale efficiencies or were automated to remove manual handling and improve customer service levels (such as digital onboarding and unsecured lending origination).

As of 31 December 2025, Latvia, Lithuania and Estonia accounted for 44.9%, 36.1% and 15.3%, respectively, of Citadele Group’s total assets (as compared to 45.9%, 31.6% and 14.1%, respectively, of Citadele Group’s assets as of 31 December 2024).

Key business segments

Private segment

Citadele Group's private business serves retail and affluent customers, offering full banking, leasing and advisory services through branches, internet banking and the Citadele mobile banking application in Latvia, Lithuania and Estonia.

Citadele Group's key products for private customers include:

- Digital onboarding: customers can open accounts remotely through the mobile application via "selfie" identification and apply for Citadele Group's card products.
- Card products: Citadele Group offers a wide range of Visa and Mastercard credit and debit cards, with credit limits assigned based on customer information verified in accordance with Citadele Group's systems and controls. A major part of the card portfolio is linked to the Citadele Rewards loyalty programme, unique in the Baltics. In 2026, Citadele Group launched the first co-branded bank-airline card in the Baltic States, issued in partnership with a leading regional airline. Citadele Group also supports a

wide range of digital wallets (Apple Pay, Google Pay, Garmin Pay and others) and wearable payment solutions, including rings, bracelets and stickers.

- Deposit products: Citadele Group offers demand deposits and fixed-term deposits with maturities of up to five years, with interest paid to the customer's current account or accumulated on the deposit. The offering also includes the Savings account+, a green savings account (with deposits invested in environmentally friendly initiatives) and savings accounts for children under 18.
- Mortgages: primarily for the acquisition, construction, improvement or repair of residential homes. Citadele Group evaluates each customer's solvency, regular income and credit history, and requires security in the form of a charge over the property, supplemented by guarantees where appropriate.
- Consumer loans: with size, rates and terms set by Citadele Group based on the customer's evidenced salary income.
- Leasing: financial leases, operational leases and leaseback products, subject to evaluation of the customer's solvency, regular income and credit history.
- Insurance: life and non-life insurance products provided through the wholly owned life insurer CBL Life, insurance broker CL Insurance Broker and external bancassurance partnerships, covering property, motor, life, accident, travel and lifestyle insurance.
- Pensions: Pension Pillar II, Pension Pillar III and lifetime pension (annuity) products, distributed digitally and available at branches.

Private affluent customers additionally have access to in-house asset management products, including discretionary investment portfolios and mutual funds, as well as brokerage and custody services for executing their own investment decisions. While the emphasis for affluent customers is on savings and investments, Citadele Group addresses both sides of the household balance sheet, also offering financing solutions.

A distinguishing attribute of Citadele Group's affluent offering is the combination of daily banking via the mobile application with dedicated private bankers handling complex financial needs. Affluent customers are offered the premium Visa Infinite card, with access to an extensive loyalty programme and an in-house concierge service — a combination that differentiates Citadele Group in the region and serves as an engagement tool for introducing customers to its savings and investment products.

All offerings to private customers are distributed through a multichannel approach with a key focus on digital sales.

SME segment

Citadele Group's SME business serves small and medium-sized enterprises, including a micro-SME segment, through branches, internet banking and the Citadele mobile banking application.

Citadele Group's key products for SME customers include:

- Digital onboarding: customers can open accounts remotely and apply for Citadele Group's payment plans and lending products, including microlending and secured loans.
- Card products: a wide range of Visa and Mastercard credit and debit cards, with credit limits assigned based on customer information verified in accordance with Citadele Group's systems and controls.
- Payment plans: bundled service plans including unlimited free electronic transfers to Citadele accounts, a set number of free electronic EUR transfers to other banks in Europe, business cards commission-free for the first year and free current accounts.
- Acquiring and e-commerce: payment services for in-store and online commerce, including over 25.2 thousand physical POS terminals serving approximately 6 thousand merchants as of 30 June 2026, a fully integrated Merchant Portal for invoicing, payments, reporting and subscriptions, Phone POS for Android devices, and the Klix e-commerce platform offering card acquiring, PSD2 and BNPL payment services.

- Savings products: demand deposits and fixed-term deposits with maturities of up to five years, with interest paid to the customer's current account or accumulated on the deposit, as well as the Savings account+ for business customers.
- Investment loans: financing for equipment purchases, real estate acquisition or development and new product development. Citadele Group requires evidence of sufficient cash flows and adequate security, typically a charge over fixed assets such as real estate or machinery, supplemented by personal guarantees from the SME's owners or management.
- Credit lines: working capital financing, subject to analysis of the customer's financial performance and outlook and adequate security — charges over fixed assets, floating assets such as stock or raw materials, personal guarantees from owners or management, or guarantees under government guarantee schemes.
- Leasing and factoring: financial leases, operational leases, leaseback and factoring products, subject to evaluation of the customer's solvency, income and credit history.

Citadele Group's SME loan portfolio is well diversified across sectors, including trade, agriculture and forestry, manufacturing, transportation and communications, construction and real estate.

Corporate segment

Citadele Group's corporate customers operate across a wide range of industries, including manufacturing, agriculture, forestry, retail, real estate, wholesale trade and transport. Corporate customers are those with an annual turnover above EUR 5 million, a total risk exposure with Citadele Group above EUR 1 million, or a need for complex financing solutions.

Citadele Group aims to build long-term relationships with leading companies across industries, treating each customer as a partner. Citadele Group's management believes this approach supports a high-quality loan portfolio of market-leading customers while developing its employees' cross-industry expertise, which in turn strengthens the quality of service it can provide.

In recent years, Citadele Group has established a strong market position in Latvia and Lithuania, supported by a growing loan book and an experienced team with established relationships across the Baltic States. This enables Citadele Group to compete for financing mandates from blue-chip companies with turnover above EUR 100 million and to provide larger-ticket financing to individual customer groups. Citadele Group continues to expand its mid-sized corporate portfolio and to grow transaction banking services, increasing the share of non-lending income in total income. Its relationship managers maintain a deep understanding of the industries in which corporate customers operate, enabling flexible and effective partnership and fostering customer loyalty.

Across its corporate lending products, Citadele Group assesses the sufficiency and stability of the customer's cash flows and requires adequate security to mitigate default risk, typically in the form of a charge over real estate or fixed assets, supplemented by personal guarantees from key shareholders.

Citadele Group's key corporate products include:

- Cash management and point-of-sale services: deposits, payment execution, trade finance arrangements, salary account arrangements and cash collection, enabling corporate customers to manage business funds efficiently. For merchants, Citadele Group enables in-store and online payment acceptance, and uses its acquiring services together with cash management operations to cross-sell credit and leasing products.
- Investment loans: medium-term loans, typically of 5 to 10 years (averaging 3 to 4 years when aggregated with loans provided together with credit lines), financing business expansion, fixed assets and other significant capital expenditure or investment.
- Credit lines: short-term working capital financing with a revolving facility option, subject to assessment of the customer's cash flow stability, asset quality and working capital cycle.
- Guarantees: covering counterparty risk on customer transactions, with Citadele Group additionally seeking to hold customer deposits to cover potential exposure under the guarantee.

- Letters of credit: covering counterparty risk on transactions, with the relevant funds held on deposit prior to issuance.
- Leasing and factoring: financial leases, operational leases, leaseback and factoring products, subject to evaluation of the customer's solvency, income and credit history.
- Card products: a wide range of Visa and Mastercard credit and debit cards, with credit limits assigned based on verified customer information.
- Payment plans: bundled service plans including unlimited free electronic transfers to Citadele accounts, a set number of free electronic EUR transfers to other banks in Europe, business cards commission-free for the first year and free current accounts.
- FX and derivatives: solutions to facilitate foreign exchange transactions and manage foreign exchange risk.

Other operations

Asset management and pensions

Citadele Group's asset management subsidiary was established in 2002, and Citadele Group has, since its formation, grown its asset management business into one of the top four asset managers in Latvia with EUR 1.6 billion in customers' assets under management as of 30 June 2026. Assets under management are mainly in investment funds.

The Asset Management business includes operations of IPAS "CBL Asset Management", AS "CBL Atklātais pensiju fonds" and AAS "CBL Life". The services offered by Citadele Group's asset management business include investment fund and discretionary portfolio management for its customers based mostly in the Baltic States. Citadele Group offers its customers a wide and comprehensive range of funds in which to invest, including regional equity, fixed income and balanced risk funds. Citadele Group's asset management services are available to customers in Latvia and Lithuania, but not in Estonia.

Citadele Group is a manager of Pillar II and Pillar III pension funds in Latvia. It is also one of the top service providers in relation to state-funded pension plan management in Latvia. Citadele Group manages assets for pension plans, insurance companies, investment and pension funds, private individuals and other companies and governments and serves three categories of customers:

- "Pillar II" pension customers: these are Latvian resident customers who accrue state pensions through their contributions to state income taxation in Latvia and are able to choose which pension fund provider (including Citadele Group) manages their contributions. Citadele Group uses its extensive network of branch offices in Latvia as the key distribution channel to capture as much of the "Pillar II" pension value as possible;
- affluent, high-net-worth customers, seeking to invest a portion of their funds in segregated portfolios or mutual funds; and
- "Pillar III" pension customers: these are Latvian resident customers contributing voluntarily to their pensions into Citadele's Subsidiary, AS "CBL Atklātais pensiju fonds".

Vendor Financing (Leasing)

Citadele Group's leasing operations, effected through the SIA "Citadele Leasing" and SIA "Citadele Factoring" subsidiaries, provides a range of leasing products in Latvia for private individuals and companies. These leasing products include financial leases, operational leases and leaseback products. Citadele Group focuses primarily on leasing for automotive, agriculture and commercial transport across the Baltic States. Loans to vendor financing customers are relatively equally split across the Baltic States, with the highest amount of loans extended to customers in Lithuania and the lowest amount of loans extended to customers in Estonia.

In December 2019, Citadele Group announced that it had entered into a binding agreement with UniCredit S.p.A.

pursuant to which Citadele Group acquired UniCredit's Baltic leasing operations through the acquisition of 100% of the shares in SIA "UniCredit Leasing" (including its Estonian and Lithuanian branches), along with its 100% owned subsidiary SIA "UniCredit Insurance Broker" (including its Estonian branch). The completion of the acquisition took place on 4 January 2021. For more information, see section entitled "*Corporate Information, Strategy, Performance and Business Environment —Business Overview —Principal investments since 2020*".

Insurance

Citadele Group provides its customers with life and non-life insurance products through Citadele Group's life insurance Subsidiary, AAS "CBL Life", insurance broker, CL Insurance Broker, and external bancassurance partnerships. Through these entities and partnerships, Citadele Group provides the following insurance offerings:

- Property: real estate and property insurance for mortgage clients; equipment insurance;
- Motor: motor insurance for leasing customers, Casco (MOD) + MTPL (Motor Third Party Liability Insurance);
- Life: personal life, borrower's life, personal accident, pension, group life; and
- Lifestyle: damage and theft insurance for purchases; alternative vehicles such as bicycles, travel insurance via Citadele Cards subscription and for voluntary purchasing via mobile app.

Citadele Group utilises its wide network of branch offices and wealth management business to sell such insurance products. Citadele Group's life insurance products are offered almost exclusively in Latvia, with minor offerings in Lithuania and no offerings in Estonia. In 2023, Citadele Group launched three subscription-based insurance plans via mobile app and plans to further expand its digital insurance offerings.

Operations in Lithuania

Citadele Group has been present in the Lithuanian market since 2000. Today, Citadele conducts operations in Lithuania through its Lithuanian branch. Citadele's subsidiary, AB Citadele bankas (Lithuania) was transformed into the Lithuanian branch of Citadele in January 2019 when the subsidiary's assets, liabilities and equity were merged into Citadele's balance sheet. This reorganisation was in line with Citadele Group's strategy to become the primary bank of choice in the Baltic States. It enables an aligned product and service offering and quicker introduction of new banking services to Lithuanian customers, as well as improvement of Citadele Group's operational efficiency. Citadele Group's Lithuanian operations offer products and services across the private, SME and corporate businesses.

Citadele Group aims to offer a harmonised product and service proposition across its Baltic operations, ensuring that customers in Lithuania have access to a largely consistent offering with those in Latvia and Estonia. Citadele Group aims to grow its customer base in Lithuania, with a particular focus on the private and SME businesses. Deposits from Lithuanian customers provide sufficient funding for Citadele Group's Lithuanian lending operations and ensure full compliance with applicable liquidity requirements in Lithuania.

Operations in Estonia

The legal branch in Estonia has a stable deposit base which has provided sufficient funding for Citadele's operations in Estonia and has the further benefit of increasing the sources of funding for Citadele Group more generally. As of the date of this Base Prospectus, Citadele Group has one customer service centre located in central Tallinn which is focused upon providing a full range of universal banking products primarily to private and SME customers.

The majority of products offered in Estonia are harmonised with Citadele Group's proposition across its Baltic operations in the private, SME and corporate businesses. Citadele Group intends to maintain this consistent Baltic-wide proposition and to grow its customer base in Estonia, with a particular focus on the private and SME businesses, supported by Citadele Group's digital offerings, cards and lending services.

Competition

The largest banks by assets in the Baltics are Swedbank and SEB bank, Scandinavian banks with significant operations in the Baltic States. Luminor and Citadele are the largest Baltic banks. Additionally, local challengers — Artea in Lithuania and LHV in Estonia — are notable competitors to Citadele Group. Each Baltic State also has a number of significantly smaller banks, alongside other Baltic and international fintech firms which altogether form an additional layer of competition. Citadele, SEB, Swedbank and Luminor - all operate in each of the three Baltic States and account for 59% of aggregate deposit and 70% of loan balances at the end of the first quarter 2026. In December 2024, Germany's Commerzbank established a representative office in Lithuania as a regional hub for the Baltic States, increasing its presence in the corporate and institutional banking segment of the region.

According to data published by the Bank of Latvia, as of 30 June 2026, there were ten banks and four branches of foreign credit institutions operating in Latvia. The Latvian market is relatively concentrated, with the four largest banks, Swedbank, SEB banka, Citadele and Luminor, accounting for 87.3% of total deposits, and 85.8% of total loans (as of 31 March 2026). The foreign banks present in Latvia through a subsidiary are Scandinavian-owned Swedbank and SEB banka, which represent 38% and 23% of total deposits and 34% and 23% of total loans of the Latvian banking sector, respectively, making them two of the largest banks in Latvia. Citadele and Luminor are the largest Baltic-based banks in Latvia, each representing 13% of deposits and 10% and 19% of loans held by the Latvian banking sector, respectively.

According to the data published by Bank of Lithuania, at the end of the second quarter of 2026, there were fourteen banks and six branches of foreign credit institutions in Lithuania. As of 31 March 2026, the three largest banks by assets (excluding Revolut Holdings Europe, UAB), Swedbank, SEB bankas and Luminor, accounted for 83% of the deposits and 76% of the loans in Lithuania. The other notable banks in Lithuania include Citadele and Artea.

According to the data published by the EFSA, at the end of the first quarter of 2026, there were eight banks and five branches of foreign credit institutions in Estonia. As of 31 March 2026, the three largest by banks by assets, Swedbank, SEB Pank and LHV, accounted for 77% of the deposits and 69% of the loans in Estonia. The other notable banks in Estonia include Citadele, Coop and Luminor (combined market share of 9% for deposits and of 15% for loans).

The level of competition in the Baltic banking sector, especially in Latvia, has a significant impact on Citadele Group's cost of funding, net interest income, net interest margin, net commission and fee income and volume of loans and customer deposits. Increased competition in the banking sector typically leads to increased competition for lending and deposit products, creating downward pressure on Citadele Group's net interest margin, and potentially its profitability, by forcing Citadele Group to offer lower interest rates on loans and higher interest rates on customer deposits, which are the predominant source of funding for Citadele Group. Citadele Group's commission and fee income and commission and fee expense are also affected by competition in the banking sector. Accordingly, Citadele Group's operating results could be materially impacted by changes in the competitive landscape in the Latvian, Lithuanian or Estonian banking sectors.

Premises

Over recent years, Citadele Group has been divesting its real estate assets used for business operations. All premises used for business operations are leased from third parties.

As of 30 June 2026, Citadele is leasing following properties (minor leases to place ATMs on third party premises are not included):

- Headquarter premises in Riga, Latvia (9 376.90 sq.m. of main lease plus 778.50 sq.m. of temporary short-term lease starting on 1 September 2026);
- Secondary headquarter premises (call centre) in Riga, Latvia (794 sq.m.);
- Headquarter premises in Vilnius, Lithuania (2154 sq.m.);
- Headquarter premises in Tallinn, Estonia (974 sq.m.); and

- In addition, Citadele Group has a number of lesser leases:
    - in Latvia: 16 additional leases (retail branches, storage space and backup data center);
    - in Lithuania: 5 additional leases (retail branches);
    - in Estonia: 1 additional lease (retail branch) scheduled to start on 1 November 2026

Riga headquarter lease expires by the end-of-2032. Vilnius headquarter lease expires in July 2032. All other leases are of shorter duration. Citadele continuously searches for ways to optimise its office utilisation rate in the most cost-efficient way.

Information systems and cybersecurity

Citadele Group operates a unified IT architecture across Latvia, Lithuania and Estonia, comprising more than 80 applications supported by an in-house IT function of approximately 200 employees. Substantially all customer transactions are executed through digital channels.

Front- and back-office functions across the three Baltic States are centrally managed through the Temenos Transact core banking system, operated as a single instance serving all three countries. Transact is the system of record and the operating environment for Citadele Group's employees; it supports deposits, loans, securities and other financial instruments, payments and cash operations, and credit, interest rate, currency and liquidity risk management processes.

Citadele Group's customer service architecture rests on three independently operating systems: Temenos Transact, the digital channels platform and the Cortex payment card system provided by FIS. The digital channels platform, comprising the internet banking and mobile banking solutions, is developed in-house and provides digital onboarding and remote account opening, payments, account and product information, card controls, credit scoring and loan applications, deposits and investment, insurance and pension products, with authentication supported by Citadele Group's MobileScan application, hardware authentication devices and national electronic identification tools. The Cortex system supports the issuing and processing of Visa and Mastercard cards. The digital channels platform and the card system each maintain their own data stores, replicated from the core banking system, so that if any one of the three becomes unavailable, the remaining two continue to serve customers.

Citadele Group operates two further customer-facing platforms hosted in the Microsoft Azure cloud, separately from the on-premises digital channels platform. Secure Web is the origination platform for mortgage, consumer and SME lending. Klix, Citadele Group's e-commerce solution, offers merchants a single API for card, PSD2 account-to-account and deferred payment methods, together with a loan and BNPL aggregation service.

Leasing operations run on a separate system landscape operated by SIA Citadele Leasing: Lease Manager as the core origination and portfolio system, Basikon for full-service leasing products, and the Leasing Portal and Dealer CRM as customer- and dealer-facing channels supporting automated credit decisioning and digital contract signing.

Citadele Group maintains a data warehouse named "Golden Source" on the Sybase IQ platform, established to support compliance with BCBS 239 requirements, together with Oracle for data storage and reporting and Microsoft Azure Databricks for analytics and risk modelling. Customer engagement is supported by Pega as a digital engagement and decisioning platform, cRewards as a loyalty platform and Genesys as a contact centre platform. Corporate lending is supported by nCino for loan origination and Lendscape for factoring.

Citadele Group applies AI in a number of areas. Machine learning capabilities are embedded in third-party systems used for fraud detection and transaction monitoring. Separately, generative AI tools are made available to employees within a controlled environment. Citadele Group maintains internal governance covering the approval, registration and monitoring of AI use cases, restrictions on data processed and human review of outputs affecting customers, and does not rely on AI to make automated decisions producing legal effects for customers without human involvement.

Information security is managed through a layered control environment covering perimeter and network security, endpoint security, application and data security, and identity and access management, with centralised security monitoring provided by Elastic Security and continuous vulnerability identification and remediation tracking supported by the Qualys platform. As a financial entity subject to Regulation (EU) 2022/2554 of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (the Digital Operational Resilience Act), Citadele Group maintains an ICT risk management framework, a register of information on ICT third-party arrangements, incident classification and reporting processes, and a programme of digital operational resilience testing, including regular penetration testing.

Citadele Group operates two separately located data centres in Riga, together with services hosted in the Microsoft Azure cloud. Main systems are duplicated across both sites in active-active or hot-standby configuration, with data continuously replicated and backed up, and disaster recovery and business continuity arrangements tested periodically.

Employees

As of 30 June 2026, Citadele Group had 1,314 full-time employees, comprised of 939 full-time employees in Latvia (including nine employees attributable to the Supervisory Board), 262 full-time employees in Lithuania, 113 full-time employees in Estonia. The following table presents Citadele Group's full-time employees for the specified periods.

		As of 31 December				
	H1 2026	2025	2024	2023	2022	2021
Latvia	939	916	969	967	978	979
Lithuania	262	254	248	242	261	250
Estonia	113	111	99	92	90	81
Switzerland	0	0	26	28	26	25
Total	1,314	1,281	1,342	1,329	1,355	1,335

Citadele Group's remuneration policy includes:

- Fixed Remuneration (salary): Represents professional experience and level of responsibility of the employee which are established in the employee's job description and work agreement. Fixed part of remuneration is salary and special payments to employees not related to performance.
- Variable Remuneration (performance): Represents performance of the employee, which exceeds duties defined in the job description, their persistence and the related and probable risk evaluation. Variable part of remuneration is sales incentives, bonuses for achievement of qualitative and quantitative indicators and targets (monetary and in a form of financial instruments), specific bonuses for extraordinary achievements, long-term incentive plans and other monetary benefits.

For more information on Citadele Group's remuneration policy, see section entitled "*Corporate Governance — Remuneration Information*" below.

Citadele Group continuously invests resources in its employer branding, training and development, talent attraction and retention, as well as implements internal programs aimed at improvement of loyalty and motivation of its employees. An employee engagement survey is organised on a quarterly basis for all of Citadele

Group’s functional units, and focus groups are being organised to improve upon the survey results. Recent surveys have included employee reports of high motivation and satisfaction with Citadele Group as an employer. Citadele Group’s employees have an average tenure of eight years. Citadele Group monitors the market trends to offer a competitive remuneration to its employees. Citadele Group aims to be the employer of choice for talented people, based on a set of values reflecting the performance-based nature of the organisation and the focus on strong profitability.

Intellectual property

Citadele Group has registered several trademarks containing "Citadele" in Latvia. Citadele Group has also registered the mark "CBL Bank" (in graphic form) across the EU and continues the registration of the marks "CBL" and "CBL Bank" in the EU and other selected countries. Additionally, the Citadele Group has registered trademarks related to its products, such as “X”, “Relax”, “X Rewards”, “cPay”, “Klix” and various trademarks derived from “C” (*e.g.*, “C Investments”, “C Capital”, “C Family” and others). Citadele Group has also registered multiple domain names, including “Citadele”, in combination with the top-level domains specific to Lithuania and Estonia. Other than trademarks and logos in relation to the “Citadele” name, “CBL”, “Klix” or any derivative thereof, Citadele Group does not consider that any of its registered intellectual property is material to its business. Citadele Group has also entered into a co-existence agreement with a third party in relation to its use of the "Citadele" name. Pursuant to such agreement, the Citadele Group is able to use the Citadele name in the Baltic States subject to certain limitations and is restricted from using the Citadele name anywhere beyond the Baltic States. For further information on the terms of this co-existence agreement, please see the section entitled "*Shareholder and Other Information —Material Contracts —IP Coexistence Agreement*".

Principal investments since 2020

Since the year ended 31 December 2020, Citadele Group has made the following material investments beyond the scope of its everyday economic activities.

In December 2019, Citadele announced that it had entered into a binding agreement with UniCredit S.p.A. pursuant to which Citadele acquired UniCredit's Baltic leasing operations through the acquisition of 100% of the shares in SIA “UniCredit Leasing” (including its Estonian and Lithuanian branches), along with its 100% owned subsidiary SIA “UniCredit Insurance Broker” (including its Estonian branch). The completion of the acquisition took place on 4 January 2021. After the acquisition, Citadele Group refinanced existing borrowings of the acquired entity and committed lending of up to EUR 880 million in total. The acquired leasing subsidiary is one of the leaders in the Baltic States, with more than 20 years of experience in the area of leasing and a demonstrated ability to deliver sustainable business growth. As of 31 December 2023, Citadele Group’s net loans to public leasing portfolio stood at EUR 1.0 billion in Citadele Group’s net loans to public book, creating a stronger Baltic Leasing offering allowing for economies of scale, synergies and shareholder value.

In March 2021, Citadele announced the acquisition of the majority of the mortgage portfolio of AS “ABLV Bank” in connection with such entity’s liquidation at a 4.3% discount. The acquired portfolio consisted of several thousand mortgage loans with a total exposure of above EUR 170.0 million. On 2 July 2021, the first phase of the transaction was completed and Citadele acquired mortgage loans with net exposure amounting to EUR 114.0 million. In December 2021, the second phase of the transaction was completed and Citadele acquired mortgage loans with an exposure amount to EUR 43.1 million.

Environmental, Social and Governance

Citadele's ESG strategy integrates sustainability into its core business practices, aligning with international frameworks such as the UN Sustainable Development Goals and the Paris Agreement. Citadele aims to contribute to the green transition in the Baltic region by embedding sustainability into financial products, governance, and workplace culture, fostering long-term resilience, mitigating risks, and capturing opportunities across its operations and value chains. Sustainability for Citadele means aligning its business with environmental, social, and economic goals, including respect for the natural environment and ethical practices in decision-making, products, and services.

Citadele Group prepares its sustainability reporting in accordance with applicable regulatory requirements and relevant sustainability reporting standards. Citadele Group's sustainability reporting covers material environmental, social and governance impacts, risks and opportunities, including climate-related risks, financed emissions and EU Taxonomy disclosures.

Environmental

Citadele's environmental strategy focuses on contributing to the transition toward a low-carbon economy through sustainable financing, climate-risk integration, and emission reduction. The Bank aims to achieve net-zero financed emissions by 2050, guided by its 2025 Transition Plan (Version 1), which focuses on financed emissions from the lending portfolio and establishes a framework for monitoring its alignment with climate objectives. Climate-related risks are integrated into the Bank's risk management framework. Green lending products for individuals and businesses, including financing for renewable energy projects, energy-efficient housing and low-emission vehicles, support the green transition. Citadele also aims to achieve meaningful emission reductions within its own operations.

Social

Citadele promotes an inclusive, fair, and safe workplace, prioritising employee well-being, equal opportunities, and skills development. The Bank also promotes responsible business conduct and ethical labour standards across its supply chain and integrates sustainability principles into procurement and partner relationships.

Governance

Citadele emphasizes transparency, integrity and accountability, supported by a strong ethical and risk culture, anti-corruption measures and compliance with applicable regulatory requirements. The Management Board is responsible for sustainability performance and implementation, while the Supervisory Board provides oversight of the ESG strategy and its integration into Citadele Group's overall business strategy and risk management framework. Citadele Group applies three lines of defence model and integrates ESG risks into its governance and risk management framework. Ethical principles are embedded in the Code of Ethics, supported by conflict-of-interest and whistle-blower protection arrangements.

Further information on Citadele Group's sustainability strategy, policies, targets, performance and management of ESG-related impacts and risks is available in Citadele Group's Sustainability Statement, available on Citadele Group's website (available at: https://www.cblgroup.com/en/about/social-responsibility/).

Insurance Coverage

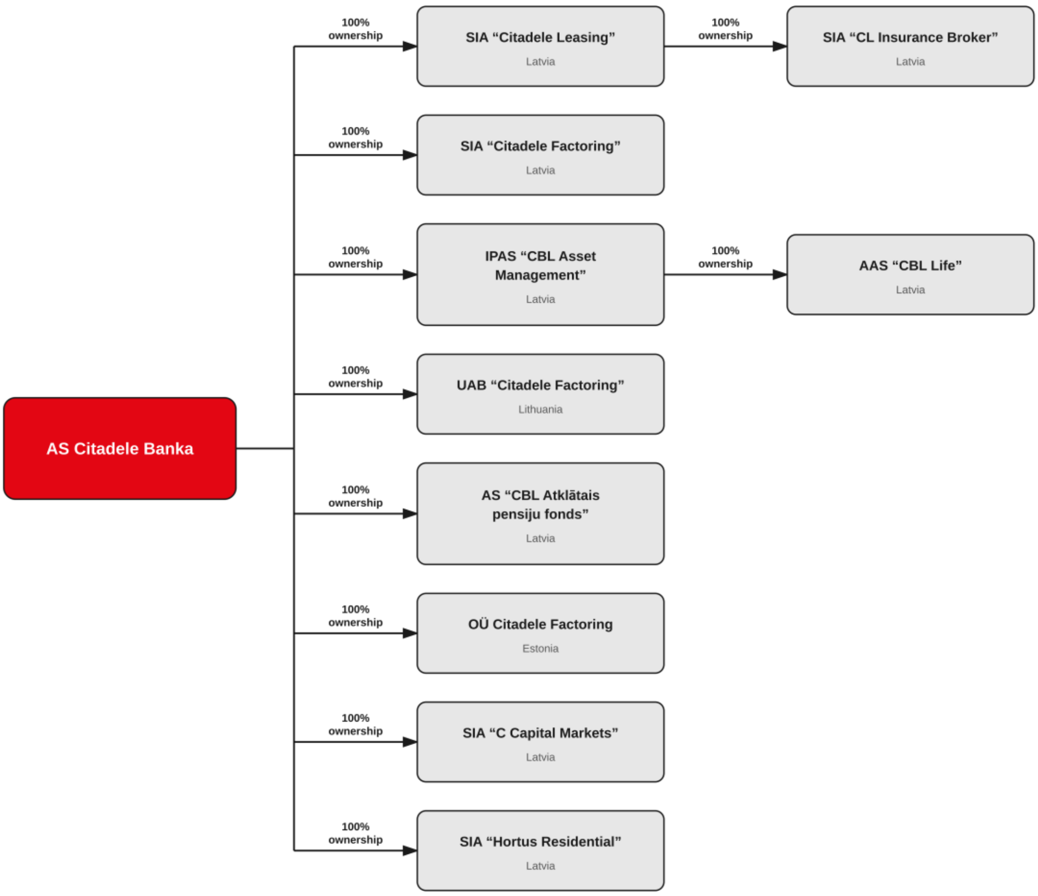
Citadele Group maintains the following insurance policies:

- Directors and Officers Liability Policy;
- Crime and Professional Indemnity Policy;
- Cyber Enterprise Risk Management Policy;
- Health, Life and Incident Policy for Employees;
- Vehicles 3rd Party Liability and Casco (MOD) insurance Policies;
- Property Policy;
- Civil Liability Policy (real estate);
- Cards Policy;
- Factoring Policy;

- ATM Policy; and
- Cash and Gold Policy.

Citadele Group has taken out the insurance policies that it believes are customary and adequate in its industry. Citadele Group's insurance policies contain market-standard exclusions and deductibles. Citadele Group regularly reviews the adequacy of its insurance coverage and considers its insurance coverage to be in line with market-standard coverage customary in its industry. There is, however, no guarantee that Citadele Group will not suffer any losses for which no insurance coverage is available, or that the losses will not exceed the amount of insurance coverage under existing insurance policies.

9.3. Structure of Citadele Group



Subsidiaries

Citadele is the parent company of Citadele Group. The following table contains a list of subsidiaries (some of which are direct and others of which are indirect), branches and representative offices of Citadele Group as of the date of this Base Prospectus. The voting interests held, directly or indirectly, by Citadele in each of these subsidiaries corresponds directly to its ownership interest.

Subsidiary	Country of incorporation	Ownership	Industry
SIA "Citadele Leasing"	Latvia	100%	Leasing and factoring
SIA "Citadele Factoring"	Latvia	100%	Leasing and factoring

Subsidiary	Country of incorporation	Ownership	Industry
IPAS “CBL Asset Management”	Latvia	100%	Asset management
UAB “Citadele Factoring”	Lithuania	100%	Leasing and factoring
AS “CBL Atklātais pensiju fonds”	Latvia	100%	Pension fund management
OÜ Citadele Factoring	Estonia	100%	Leasing and factoring
SIA “C Capital Markets”	Latvia	100%	Other financial institution
AAS “CBL Life” (indirectly owned subsidiary)	Latvia	100%	Life insurance
SIA “CL Insurance Broker” (indirectly owned subsidiary)	Latvia	100%	Insurance
SIA “Hortus Residential”	Latvia	100%	Real estate management

Branches

Name	Branch location
AS Citadele banka Eesti filiaal	Estonia
Akciju sabiedriba “Citadele banka” Lietuvos filialas	Lithuania
SIA Citadele Leasing Eesti filiaal	Estonia
SIA “Citadele Leasing” Lietuvos filialas	Lithuania
SIA CL Insurance Broker Eesti filiaal	Estonia

Citadele’s holdings in the following subsidiaries are likely to impact the assessment of its own assets and liabilities, financial position or profits and losses: (i) IPAS "CBL Asset Management"; (ii) SIA "Citadele Leasing"; and (iii) SIA "Citadele Factoring" and UAB "Citadele Factoring".

9.4. Trend Information

Since 31 December 2025 there has been no material adverse change in the prospects of Citadele or Citadele Group. At the date of this Base Prospectus there is no information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of Citadele or the Citadele Group and the industries in which Citadele or the Citadele Group operate in the current financial year.

9.5. Future Outlook

Citadele has not made any profit forecast or profit estimate in this Base Prospectus.

9.6. Macro-Economic Overview of the Baltic States

The Baltic economies entered the second half of 2026 in better shape than we expected in the spring. Growth is firm and broadening: Lithuania accelerated to 3.8% year-on-year in Q2 — its fastest pace since late 2024 — Latvia is growing steadily at around 2.5% after climbing out of its 2023–2024 stagnation, and Estonia has now posted five consecutive quarters of expansion following three lost years, with Q1 growth of 2.4% the strongest since early 2022. Business sentiment confirms the picture in Lithuania and Latvia, where economic sentiment indicators stand above their long-term averages and services and construction are the clear bright spots. Estonian macro data — GDP, retail volumes — all point to a gradual, quiet improvement.

Manufacturing is where the three countries diverge most. Latvian and Lithuanian factory output reached all-time highs (data since 2007) in June, growing 4.0% and 5.3% year-on-year respectively on the 6-month trend, helped by the first genuine recovery signals from German industry in three years and a strong Finnish upswing. Estonian manufacturing, by contrast, fell to its lowest level in 1.5 years, with output down about 2% year-on-year — although the sharp improvement in Finland, Estonia's main export market, points to better quarters ahead.

The war in Iran remains the key inflation story. Its impact is clearly visible in fuel prices (up 10–31% year-on-year across the region in recent months), energy and transport costs, and it is now feeding into household energy bills. Crucially, there is still no convincing evidence of spill-over into core goods such as furniture and household equipment, where inflation remains near zero in all three countries. Reflecting the milder-than-feared price pass-through, the June forecast iteration cuts 2026 inflation in all three countries — most sharply in Estonia (5.9% → 4.0%) and Latvia (5.1% → 4.0%) — while upgrading 2026 GDP growth everywhere and trimming unemployment.

Latvia

GDP and economic sentiment

Latvian GDP grew 2.5% year-on-year in Q1 2026, essentially maintaining the pace of late 2025 (2.6% in Q4, the fastest since mid-2022). The turnaround is complete: after contracting through most of 2023 and early 2024, the economy has delivered seven consecutive quarters of expansion at a gently rising pace (Q2 2026 data has not yet been published). The economic sentiment indicator (ESI) jumped to 100.3 in July from 96.5 — its highest reading in four months, back above the symbolic 100 mark and clearly above the long-term average of about 95. The improvement was broad-based: industry, services, retail and, above all, consumers all improved on the month; only construction is cooling from very strong levels.

Manufacturing

Industrial confidence rose to −3.4 in July 2026, its best reading in four months and well above the long-term average of −6.6. The standout is the assessment of recent production: at +9.4, the strongest in 7.5 years; export order books are the best in four years and hiring intentions firmly above their long-term norm. Total order books remain negative, so the recovery is still demand-constrained, and selling-price expectations have come down sharply to their long-term average - the Iran-war cost shock is being absorbed rather than passed on aggressively. The hard data is even stronger: manufacturing output hit an all-time high in June 2026 (data since 2007), with the 6-month trend up 4.0% year-on-year - the fastest on record - led by chemicals (+20%), fabricated metals (+19%), electronics (+15%) and food (+6%); beverages and the flat wood sector are the main drags. Germany, the key indirect export market, is stabilising rather than booming: recent production turned positive for the first time in four years, but order books deteriorated again in July 2026 — the export tailwind is real but modest.

Retail, the consumer and services

Retail confidence improved to +2.3 in July 2026 — still slightly below its long-term average, but moving in the right direction: retailers judge recent business positively (+5.0, the best in four months), yet expectations remain far below the norm, and price expectations fell to the lowest in almost two years. Actual volumes justify the optimism: the retail index (excluding fuel) reached a record high in June 2026 (data since 2013), up 4.3% year-on-year — the fastest in four years — with non-food sales the engine (+5.6%) as wages rising around 6.5% against inflation of 2.5% deliver genuine purchasing-power gains. Consumer confidence jumped to −7.5 in July 2026 from −19.0 — the best in eight months and clearly above average — with unemployment fears the lowest in about a year and inflation expectations the lowest in about two years. Services confidence rose to +3.5, a four-month high and above the long-term average, anchored in realised demand (the best in roughly two years); with wages still growing above 6%, labour-intensive services face margin pressure, visible in services inflation staying sticky above 5%.

Construction

Construction is Latvia's late-cycle sector: still healthy by historical standards, but past its peak. Confidence (−10.4) remains far above the long-term average of −21, yet it is the weakest reading in 15 months, with order books the softest in about a year and employment expectations the weakest in 20 months. Recent activity is still expanding and only 31% of firms cite insufficient demand, while price expectations remain elevated on Iran-war-related energy and materials costs. The picture fits an economy where the EU-funds-driven pipeline is gradually thinning while private demand has not fully taken over.

Inflation update

Headline inflation rose from 2.9% in January 2026 to a peak of 3.5% in May 2026 before easing to 2.5% in July 2026 — the energy shock passed through quickly but is already fading. Core inflation is the sticky part (3.6% in July 2026), driven almost entirely by services (5.3–5.4%), which in turn reflect wage growth above 6%. Food prices have been falling outright since April 2026. Transport fuels surged as much as 28% year-on-year in May 2026 before easing, and housing-related costs accelerated to 7.2% in June 2026 as the shock reached regulated and contract prices; furnishings inflation of about 1% shows no spill-over into core goods. Relative to April 2026, the June 2026 baseline is more optimistic on growth and clearly more benign on inflation: 2026 GDP was raised to 1.8% (from 1.5%), inflation cut by a full 1.1 pp to 4.0% as the energy pass-through has proven milder than feared, unemployment trimmed to 6.5%, and wage (6.4%) and house price (5.4%) growth nudged up.

Lithuania

GDP and economic sentiment

Lithuania is the region's growth leader. GDP rose 2.8% year-on-year in Q1 2026 and accelerated to 3.8% in Q2 2026 — the fastest pace since Q4 2024. Just as telling is the consistency: Lithuania has now grown for thirteen consecutive quarters and averaged around 3% for the past two years, powered by rising real incomes, record manufacturing output and a resilient services sector. The ESI rose to 103.3 in July 2026 — the highest in six months, well above both the 100 line and the long-term average of about 97, and the strongest reading among the Baltic surveys available this round. Services and consumers are driving the improvement, industry is roughly stable, and construction sentiment sits dramatically above its historical norm — consistent with growth holding around 3% into the autumn.

Manufacturing

Industrial confidence stood at −7.7 in July 2026, marginally above its long-term average — the sector took a sentiment hit when the Iran war broke out and has not fully regained it. The detail is more encouraging: order books are the best in four years, employment expectations far above the norm, and selling-price expectations have eased for three consecutive months; export orders remain the soft spot. The hard data is unambiguous: manufacturing output (excluding refined petroleum) reached an all-time high in June 2026 (data since 2007), up 5.3% year-on-year on the 6-month trend — the fastest in a year — with food & tobacco, plastics, basic metals, electronics and machinery repair all at record highs simultaneously, and even wood and furniture, tied to the European construction cycle, at 3.5-year highs. The weak spots are narrow and structural (textiles, leather, pharmaceuticals). Germany, the largest single export market, is stabilising rather than surging — enough to support Lithuanian intermediate-goods exports, not yet enough for a boom.

Retail, the consumer and services

Retail confidence held at +3.9 in July 2026, above the long-term average, with both recent business and expectations above historical norms and price expectations the lowest in nine months. Actual retail is booming: total volumes (excluding motor vehicles) hit a record high in June 2026 (data since 2013), up 6.6% year-on-year — the strongest in the Baltics — with non-food sales up 11.3% and at record levels. This is textbook real-income-driven consumption, however latest retail growth is also supported by the reform of the second pillar pension system, as additional money flowed into the retail sector. Consumer confidence turned positive (+0.9) in July 2026 — a six-month high and the only positive consumer reading among the available Baltic surveys; expectations for the general economy remain below the norm, a gap we attribute to geopolitical headlines rather than domestic fundamentals. Services confidence rose to +12.9 — the highest in more than 4.5 years and far above the long-term average, with the business-situation assessment the best in about 6.5 years and realised demand the best in 3.5 years, amplified by business-services exports. The flip side: services price expectations are triple their long-term average, and services inflation of 6.9% is the highest in the region.

Construction

Construction sentiment (−5.8) is dramatically above its long-term average of −28 and near multi-year highs. Order books are the best on record (survey data since 1994), only 16% of firms cite insufficient demand — versus a historical average of 37% — and 38% report no limiting factors, the highest in over six years. The constraint story has flipped from demand to costs: price expectations are far above the norm on energy- and materials-cost pass-through from the Iran shock, and labour shortages are again the binding constraint. Macro drivers: defence-related and infrastructure investment, EU funds, and a housing market supported by 7%+ price growth and recovering credit demand.

Inflation update

Lithuania has the region's highest and still-rising inflation: the headline rate climbed from 2.8% in January 2026 to 5.6% in July 2026 — the highest since August 2023 — and unlike in Latvia and Estonia it has not yet turned. Energy prices were up 23.7% year-on-year in July 2026, motor fuels up 24% in June 2026, and housing-related energy accelerated every single month this year to 11.6% in June 2026 — the steepest in the Baltics. Services inflation of 6.9% is the highest since 2023 and still trending up, propelled by wage growth, lifting core inflation to about 3.9%. The offsets are food, which decelerated dramatically to just 0.2%, and furnishings (about 1.7%), where we see no meaningful Iran-war spill-over yet. The June 2026 iteration raises 2026 GDP growth forecast to 2.9% (from 2.6%) and trims 2026 inflation forecast slightly to 5.8% — a smaller cut than elsewhere because Lithuania's inflation is driven more by domestic wages and housing energy, where pressures have yet to peak. Unemployment forecast was lowered to 6.8%, wage growth raised to 7.5%, the house price forecast kept at 7.1%, and 2027 inflation cut to 3.4% — we expect the current energy pass-through to be transitory.

Estonia

GDP

Estonia's recovery is real, and the longer history shows how significant it is. GDP grew 2.4% year-on-year in Q1 2026 — the fastest since early 2022, i.e. in four years — and 2.1% in Q2 2026. This follows what were effectively three lost years: the economy contracted or stagnated almost continuously from mid-2022 through Q1 2025, one of the longest downturns in the EU. Estonia has now posted five consecutive quarters of expansion; the mild Q2 deceleration keeps it on a solid 2%+ trajectory.

Manufacturing

Estonian industrial data is the weak spot of the Baltic region. Manufacturing output fell in June 2026 to its lowest level in 1.5 years, down about 2% year-on-year on the 6-month trend — strikingly, the mirror image of record-high output in Latvia and Lithuania. Weakness is broad — food, textiles, paper, furniture, machinery repair and the big wood sector — reflecting high energy costs (Estonia's energy-intensive industrial structure was hit harder by the Iran-war shock than its neighbours), the loss of cost competitiveness after years of rapid wage growth, and weak construction-linked exports to Scandinavia. The forward-looking case rests on export markets, and here the news is genuinely good: Finland — Estonia's main export market — is enjoying a broad upswing, with the Finnish ESI the highest in more than four years, industrial confidence the best in four years and production expectations the strongest in almost five; Germany is also stabilising. If these two markets deliver, Estonian manufacturing should find a floor and begin recovering through H2 2026.

Retail and the consumer

Total retail index (including fuel) reached its highest level in 3.3 years in June 2026, up about 3.5% year-on-year on the 6-month trend — although monthly momentum softened in May–June 2026. Non-food sales are up about 4% on the trend (computer stores +15%, at record levels), while food volumes remain slightly negative — households still trade down on groceries but have resumed durable purchases. The fundamentals are improving faster than the volumes yet show: with inflation collapsing to 2.0% in June–July 2026 while wages grow near 6%, Estonian real incomes continue to rise, and food prices are falling outright. Provided the labour market holds (we expect unemployment to decline to 7.0% this year), this real-income tailwind is the core argument for a firmer consumer recovery in H2 — Estonia is, in our view, the region's most likely candidate for a positive demand surprise.

Inflation update

Estonia is the region's disinflation story — and the June–July 2026 data was remarkable. Headline inflation fell from 3.8% in January 2026 to just 2.0% in both June and July 2026; core inflation collapsed to 0.9% in June 2026 — the lowest since early 2021 — and services inflation fell from 5.3% to 1.6–2.2%. A large part is arithmetic: the mid-2025 tax increases are dropping out of the annual comparison, amplified by genuinely weak domestic demand; food prices are falling outright (−1.5% in June 2026, the deepest in the Baltics). The Iran-war energy shock is visible but smaller than elsewhere (motor fuels peaked at about +20% versus +30% in Lithuania; housing energy 7.3% in June 2026), and falling furnishings prices (−0.5%) are the clearest sign of no spill-over into core goods. Estonia received the largest revisions of the June 2026 round, in both directions of good news: 2026 GDP raised to 2.2% (from 1.8%, the biggest growth upgrade in the region), inflation cut by a striking 1.9 pp to 4.0%, unemployment lowered to 7.0%, wage growth raised to 5.8%, and house price growth revised up a full percentage point to 6.6% on recovering real incomes and lower-than-feared rates.

10. Corporate Governance

10.1. General

In general, the corporate governance legislation in Latvia is aligned with EU standards. Corporate governance in Latvia is principally governed by the Latvian Commercial Law which implements *inter alia* the requirements of Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law, as well as Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (the Restructuring and Insolvency Directive), Directive (EU) 2019/1151 of the European Parliament and of the Council of 20 June 2019 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law (the Digitalisation Directive) and Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions (the Mobility Directive). This law outlines the general requirements applicable to all Latvian companies including stock companies with limited liability such as Citadele. The Latvian Commercial Law requires stock companies to have a two-tier management system consisting of a supervisory board (council) and a management board, which, together with the GMS, are the principal management institutions.

Citadele's corporate governing bodies are the GMS, the Supervisory Board and the Management Board, each having its own responsibilities and authorities in accordance with Latvian law and the Articles of Association. The GMS elects the members of the Supervisory Board and the Supervisory Board is responsible for the supervision of, and appointment of members to, the Management Board. The Management Board, which is an executive body, is responsible for the management of Citadele's day-to-day operations. GMS is responsible for matters including the approval of the annual accounts, deciding on how profits are used, amending constitutional documents, changing the share capital, issuing and converting securities, appointment and removal of the members of the Supervisory Board, auditors, controllers and liquidators, as well as other matters.

10.2. Supervisory Board

The Supervisory Board is an institution that represents the interests of Citadele, supervises the Management Board and Citadele's overall development. In particular, this role includes: (i) electing and recalling members of the Management Board; (ii) monitoring Citadele's business activities and ensuring compliance with the law, the Articles of Association and the decisions of its shareholders; (iii) examining Citadele's accounts together with the Management Board's proposals for the use of profits, and drawing up Citadele's annual report; (iv) representing Citadele in all legal proceedings brought by Citadele against members of the Management Board or vice versa; (v) approving transactions between Citadele and members of the Management Board, Citadele's auditors or related persons; (vi) examining in advance all issues to be raised at the GMS and providing opinions on such issues; (vii) approving Citadele's general operational principles (strategy) and financial development objectives (budget), as well as monitoring their implementation; and (viii) monitoring risk management and international control systems, as well as other matters.

The Supervisory Board is also responsible for supervising the management of Citadele Group's risks, including credit and liquidity risk, as well as approving and monitoring the implementation of Citadele's policies, including its remuneration policies. In addition to the above, the Supervisory Board shall supervise how the Management Board ensures the establishment and effective functioning of Citadele's internal control system. When carrying out the supervision of the internal control system, the Supervisory Board shall:

- determine the distribution of duties among the Supervisory Board members and committees, where established, and procedure for information exchange among the Supervisory Board and the Management Board, *inter alia*, critically assess the content of information submitted by the Management Board;

- ensure that the agenda and the most relevant issues and conclusions of the Supervisory Board level committee, where established, are documented;
- set the duties and remuneration of the Management Board members and procedure for the assessment of individual and collective performance results of the Management Board;
- set Citadele's development strategy, including objectives of the activities, risk strategy and capital adequacy maintenance strategy, as well as supervise the implementation of those strategies;
- supervise the establishment of the organisational structure and the compliance thereof with the internal and external legal framework, as well as the compliance thereof with the specifics of Citadele's activities and risk strategy;
- approve the outsourcing, as well as, at least on an annual basis, review it in accordance with the changes in Citadele's activities and Citadele's external circumstances policy and oversee the implementation thereof;
- set the corporate values and standards of professional conduct and ethics of Citadele, approve the policy on the governance of conflicts of interest situations and the policy of ensuring diversity in the composition of the Supervisory Board and Management Board;
- monitor establishment of the risk culture within Citadele;
- supervise risk management in Citadele, *inter alia*, approve policies on the identification and management of risks, request and receive information about the size and management of material risks inherent to the activities of Citadele (including risks related to macroeconomic factors and the economic cycle), ensure that Citadele allocates sufficient resources for risk management, as well as annually assess the effectiveness of risk management;
- supervise the valuation of assets related to the material risks inherent to the activities of Citadele, application of ratings granted by the credit rating agencies and use of internal models;
- set guidelines for the capital adequacy assessment process, including, methods to be applied and objectives, and approve the policy on the capital adequacy assessment process;
- supervise compliance risk management, *inter alia*, approve the policy on compliance risk management, and assess the effectiveness of compliance risk management at least annually;
- supervise the functioning of an effective management information system, information disclosure and communication;
- supervise, whether the risk control function, compliance control function and internal audit control function is clearly defined, whether these functions have an appropriate position in the organisational structure of Citadele and a particular role in the governance of Citadele, whether qualified staff is provided thereto and whether they operate effectively;
- supervise the periodic enhancement of the internal control system in accordance with the changes in the activities of Citadele and external factors affecting the activities of Citadele;
- review the opinions and recommendations of the internal audit function and certified auditors, as well as of the BL and other authorities for enhancement of the activities of Citadele and control the prevention of the detected weaknesses;
- approve the policy on introducing new financial services;
- determine the content, volume, format and frequency of reports it receives, as well as critically assess and, if necessary, dispute the truthfulness of such information;
- ensure that, on a regular basis, by means of internal or external resources, the assessment of the performance of the Supervisory Board is performed, assessing the collective effectiveness of the Supervisory Board and individual effectiveness of its members, the established committees and internal rules of procedure and procedures of the Supervisory Board and Management Board;

- ensure that, based on the results of assessment of the performance of the Supervisory Board, deficiencies in the work of the Supervisory Board are identified and appropriate preventive measures are taken;
- at least on an annual basis, determine and approve the action plan of the internal audit functions, ensuring that the risk committee and audit committee are involved in the development of such plan.

The Supervisory Board is required to act in the interests of the whole company, and as a result, must consider the interests of a broad range of stakeholders, including, but not limited to, Citadele's shareholders, employees and suppliers.

The Supervisory Board has the right to request reports on Citadele's operational and financial condition from the Management Board at any time and is further entitled to inspect Citadele's registers and documents as it sees fit. Members of Citadele's Management Board, Citadele's auditor, procurist, or commercial representative, or members of the management board of any dependent company may not become Supervisory Board members.

The Latvian Corporate Governance Code requires the Supervisory Board to meet at least once per year to discuss Citadele's strategy and its implementation and evaluate Citadele's need for committees. The Supervisory Board meets at least quarterly. When passing resolutions, the Supervisory Board members must act on a fully informed basis and must assess the risks, short-term and long-term impact on Citadele's value, sustainability and responsible development.

Citadele's Articles of Association provide that the Supervisory Board is to consist of ten members who are each elected by the GMS for a term of five years. On 18 December 2025, a new Supervisory Board was elected. The ECB approved this Supervisory Board on 28 January 2026. The members of the Supervisory Board elect the chairperson and deputy chairperson from among their number. The business address of each of the members of the Supervisory Board is Citadele's head office, Republikas laukums 2A, Riga LV-1010, Latvia. As of the date of this Base Prospectus, the Supervisory Board comprises the following nine members:

Name	Position	Date of Birth	Date of the Last Appointment	Date of Original Appointment
Timothy C. Collins	Chairman	8 October 1956	18 December 2025	20 April 2015
Paul Louis Jean de Leusse*	Deputy Chairman	6 May 1972	18 December 2025	18 December 2025
Elizabeth Critchley	Member	8 May 1976	18 December 2025	20 April 2015
Nicholas Haag*	Member	24 May 1958	18 December 2025	19 December 2016
Stephen Young*	Member	31 July 1958	18 December 2025	1 November 2023
Daiga Auziņa-Melalksne*	Member	22 July 1968	18 December 2025	1 November 2023
Bingyang Zhu	Member	22 December 1983	18 December 2025	27 March 2025
Thomas Isaac	Member	9 January 1963	18 December 2025	27 March 2025
Eric Hazan*	Member	9 March 1969	18 December 2025	27 March 2025

* Independent member of the Supervisory Board

Timothy C. Collins, Chairman of the Supervisory Board

Mr. Collins is the Chief Executive Officer of Ripplewood Advisors LLC. Before founding Ripplewood in 1995, Mr. Collins worked for Cummins Engine Company, Booz, Allen & Hamilton, Lazard Freres & Company, and Onex Corporation. Mr. Collins is involved in several not-for-profit and public sector activities, including the Trilateral Commission, the Council on Foreign Relations, and Yale Divinity School Advisory Board. He was formerly the Chairman of the Advisory Board for the Yale School of Management and is currently a member of the Investment

Advisory Committee to the New York State Common Retirement Fund. Mr. Collins currently sits on the board of Younited Financial S.A. and has previously served on a number of public company boards including Banque Saudi Fransi (KSA), EFG Hermes (Egypt), Asbury Automotive, Shinsei (Japan), Advanced Auto, Rental Services Corp., CIB (Egypt), Gogo and Citigroup (after it accepted public funds). Mr. Collins also served as an independent director at Weather Holdings, a large private emerging markets telecom operator. Mr. Collins has a BA in Philosophy from DePauw University and an MBA in Public and Private Management from Yale University's School of Management. Mr. Collins received an honorary Doctorate of Humane Letters from DePauw University in 2004, and he has served as a Visiting Lecturer at the Yale Law School and the Senior Becton Fellow at the Yale School of Management. In 2023 he was awarded the Yale Medal for his service to the university.

Paul Louis Jean de Leusse, Deputy Chairman of the Supervisory Board

Mr. Paul Louis Jean de Leusse is the Chief Executive Officer of a Luxembourg based traditional and alternative asset manager, since 2022. Prior to that, he held several key executive roles within major European financial institutions, including serving as CEO of Orange Bank and CA Indosuez, and as Deputy CEO of Crédit Agricole CIB. Paul Louis Jean de Leusse also holds substantial board and audit committee experience across multiple financial institutions. Since 2022, he has additionally contributed as an Ambassador of microfinance NGO Entrepreneurs du Monde. Mr. Paul Louis Jean de Leusse holds master's degrees from École Polytechnique and École Nationale des Ponts et Chaussées with studies in quantitative sciences.

Elizabeth Critchley, Member of the of the Supervisory Board

Ms. Critchley serves as Chair of the Board of Younited Financial S.A. and sits on the Supervisory Board of Younited S.A. Previously Ms. Critchley led Ripplewood's investment efforts, including into Eastern Europe and the Middle East. Between 2009 and 2013, Ms. Critchley was a Founding Partner of Resolution Operations, which raised GBP 660 million through a listed vehicle at the end of 2008, and went on to make three acquisitions in financial services (Friends Provident plc for USD 2.7 billion, most of Axa's UK life businesses for USD 4 billion and Bupa for USD 0.3 billion). This consolidation strategy was financed through a combination of debt and equity raisings, as well as structured vendor financing. Until forming Resolution Operations, Ms. Critchley was a Managing Director at Goldman Sachs International where she ran the European FIG Financing business. Ms. Critchley has structured, advised, or invested in transactions with more than fifty global financials and corporates. Ms. Critchley holds a First Class Honours Degree in Mathematics from University College London.

Nicholas Haag, Member (Independent) of the Supervisory Board

Until June 2021, Mr. Haag was a senior independent non-executive director (INED) and chairman of the audit committee of TBC Bank Group PLC, the largest Georgian bank and the premium listed FTSE 250 company. He is chairman of the Board, an INED and chairs the audit, risk and compliance committee of Bayport Management Ltd., the holding company for a leading African and Latin American financial solutions provider. Prior to that, he was a member of the Supervisory Board of Credit Bank of Moscow PJSC. Mr. Haag has a 30-year banking career, half at Managing Director level, with various financial institutions including Barclays, Banque Paribas, ABN AMRO and Royal Bank of Scotland, specialising in technology finance and equity capital markets. Mr. Haag holds a First Class Honours Degree from the University of Oxford.

Stephen Young, Member (Independent) of the Supervisory Board

Mr. Stephen Young was the International Chief Executive Officer of Mission Without Borders until 31 December 2025, a group of "not for profit" organizations working among the poor and marginalized in several countries in Eastern Europe, ranging from Albania to Ukraine. He has been a member of the Audit and Governance Committee of Citadele since 2017, joining the Supervisory Board in 2023. Prior to this, Mr. Young was a senior partner of KPMG in the Baltics and Belarus from 2004 until his retirement in 2015. He worked with KPMG in Central and Eastern Europe from 1992 to 2015 and was a member of the KPMG CEE Board. With KPMG, Mr. Young served a number of clients in the banking and finance sectors across the Baltics and other CEE countries, providing audit, transaction and forensic services. Mr. Young also sits on a board of a school group in the UK, and from April 2026 will be the Chair. Mr. Young holds a BA Honors degree in Economics from the University of Durham in the United Kingdom and is a Fellow of the Institute of Chartered Accountants in England and Wales and also a Fellow of the Chartered Accountants of Australia and New Zealand.

Daiga Auziņa-Melalksne, Member (Independent) of the Supervisory Board

Ms. Daiga Auziņa-Melalksne is an experienced board member with 20 years of leadership and management experience in financial services sector. She was the Chairperson of the Management Board of Nasdaq Riga (2005–2023) and a Member of the Management Board of Nasdaq Tallinn (2012–2023). She was responsible for Nasdaq Baltic Exchanges strategy and operations from 2012 through 2023. Ms. Auziņa-Melalksne currently serves as an Elected Member of Board of the Baltic Institute of Corporate Governance (2016–present) and as Head of Latvian Corporate Governance Board under the auspices of the Latvian Ministry of Justice (2020–present) and is an advisory Board Member of Riga Business School (2021 - present). Ms. Auziņa-Melalksne holds Master of Business Administration degree in Management from the University of Latvia, an Executive Master of Business Administration degree from the Riga Business School and a Professional Board members Certificate from the Baltic Institute of Corporate Governance.

Bingyang Zhu, Member of the of the Supervisory Board

Mr. Bingyang Zhu is a Managing Director at Ripplewood Advisors LLC. Mr. Zhu is responsible for evaluating and executing investments in the banking, financial services, and other sectors across Europe and the Middle East since joining the firm in 2008. Before joining Ripplewood, Mr. Zhu was an investment banking analyst in the General Industrials Group at Morgan Stanley, covering the IT outsourcing/processing, conglomerates, and aerospace & defence sectors. Mr. Zhu earned a Bachelor of Science in Applied Economics and Management, magna cum laude, from Cornell University.

Thomas Isaac, Member of the of the Supervisory Board

Mr. Thomas Isaac is an experienced manager having spent over 30 years working in the banking industry. He was a senior advisor at Ripplewood Advisors Limited from 2021 to 2025 and prior to this he spent 27 years at Citi (1993 to 2020), where his roles included being: Head of the Corporate Bank in Europe, the Middle East and Africa (EMEA) (2016 to 2020) and Co-Head of the Financial Institutions Group for EMEA (2013 to 2016). Mr. Isaac is Chairman of the Euroclear Advisory Council and has served as a Board Member of: Younited Financial S.A. (2025 to date), Iris Financial SHA (2022 to 2025), Euroclear SA (2015 to 2018) and the Association of Foreign Banks (2016 to 2020). Mr. Isaac has an engineering degree from Cambridge University and a Master of Business Administration from the Open Business School (UK).

Eric Hazan, Member (Independent) of the of the Supervisory Board

Mr. Eric Hazan has extensive experience in technology and digital transformation with initiatives that integrate AI, machine learning, and advanced analytics into business processes. For nearly 20 years, Mr. Hazan has worked at McKinsey & Company as Senior Partner. His work spans various industries, driving business growth through technological advancements. In addition, Mr. Hazan is a professor at HEC Paris and Sciences Po.

For information regarding the shares of Citadele held by certain members of the Supervisory Board, see section entitled *"Shareholder and Other Information —Conflicts of interest —Interests in Citadele"* below.

Supervisory Board Committees

Audit and Governance Committee

The Audit and Governance Committee is responsible for providing support to Citadele's shareholders and the Supervisory Board in its supervision of activities of the Management Board and Citadele and Citadele Group with respect to audit and governance matters, as well as providing support for ensuring the control over economic and financial activities of Citadele and Citadele Group. This includes reviewing the terms of reference and policies and procedures of the Internal Audit Division and providing recommendations thereon to the Supervisory Board, reviewing the annual audit plan prepared by the Internal Audit Division, reviewing the most significant findings of the Internal Audit Division on a quarterly basis, and reviewing the Internal Audit Division's annual assessment of its performance according to the audit plan. In addition, the Audit and Governance Committee supervises Citadele Group's relations with external auditors and makes recommendations in relation to their appointment, re-appointment or removal, provides recommendations regarding any issues identified by the BL and ECB, and provides annual assessments to the Supervisory Board. The Audit and Governance Committee also advises and makes recommendations to the Supervisory Board on corporate governance matters generally, reviews and monitors rules, practices and processes by which Citadele is supervised to ensure that international best practice corporate governance principles are maintained, examines related party transactions, in order to ensure independent validation of such transactions, and provides annual assessments to the Supervisory Board on those matters.

According to the decision of the GMS, the Audit and Governance Committee fulfils the duties of Audit Committee as prescribed by Latvian Financial Instruments Market Law, thus ensuring a supervision of Citadele's audit processes, audit and non-audit services, etc.

The Audit and Governance Committee is composed of at least three members (five members as of the date of this Base Prospectus), and is chaired by an independent Supervisory Board member, Stephen Young. The Audit and Governance Committee meets four times per year, or more frequently if required. As of the date of this Base Prospectus, the Audit and Governance Committee comprises the following members:

Name	Position
Stephen Young*	Chair of the committee
Paul Louis Jean de Leusse*	Deputy chair of the committee
Daiga Auziņa-Melalksne* ...	Member of the committee
Nicholas Haag*..................	Member of the committee
Bingyang Zhu......................	Member of the committee

* Independent member of the Supervisory Board

Risk Committee

The Risk Committee is responsible for providing support to the Supervisory Board by monitoring the levels of risk to which Citadele Group is exposed and the compliance of its operations with permitted levels of risk, as well as ensuring that remuneration schemes take into account liquidity, capital and operational risk. It also checks that risk is sufficiently priced in Citadele Group's products and services and provides recommendations regarding any areas identified by the BL and ECB for improvement. In May 2024 the Supervisory Board decided to dissolve the Technology Committee and transfer its functions and responsibilities concerning the IT, cyber security, AI related risks management and data governance to the Risk Committee.

The Risk Committee is composed of at least three primary members (five members as of the date of this Base Prospectus) and is chaired by a member of the Supervisory Board (at the date of this Base Prospectus, Nicholas Haag). The Risk Committee meets four times per year, or more frequently if required. As of the date of this Base Prospectus, the Risk Committee comprises the following members:

Name	Position
Nicholas Haag*..................	Chair of the committee
Thomas Isaac.....................	Deputy chair of the committee
Timothy C. Collins	Member of the committee
Stephen Young*	Member of the committee
Paul Louis Jean de Leusse*	Member of the committee

* Independent member of the Supervisory Board

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for providing support to the Supervisory Board in the process of selecting prospective members of the Supervisory and Management Boards as well as the Head of Internal Audit. In particular, the committee assists in: (i) ensuring sufficient diversity in the composition of the boards and the Head of Internal Audit position; (ii) reviewing the remuneration policies for Citadele Group; and (iii) assessing the suitability of prospective members of the Supervisory Board or Management Board, or Head of Internal Audit, as applicable. At least once per year it performs an assessment of the organisational structure of the Supervisory and Management Boards, including their size, composition and efficiency, as well periodic assessment of the individual and collective knowledge, skills and expertise of the members of the Supervisory and Management Boards.

The Remuneration and Nomination Committee meets four times per year, or more frequently if required, and is composed of at least three members (five members as of the date of this Base Prospectus) and is chaired by a member of the Supervisory Board (at the date of this Base Prospectus, Daiga Auziņa-Melalksne). As of the date of this Base Prospectus, the Remuneration and Nomination Committee comprises the following members:

Name	Position
Daiga Auziņa-Melalksne*...	Chair of the committee
Elizabeth Critchley	Deputy chair of the committee
Paul Louis Jean de Leusse*	Member of the committee
Eric Hazan*	Member of the committee
Bingyang Zhu.....................	Member of the committee

* Independent member of the Supervisory Board

10.3. Management Board

The Management Board is responsible for Citadele's day-to-day management (except functions reserved to the GMS and the Supervisory Board). According to Citadele's Articles of Association and applicable Latvian law, the members of the Management Board are appointed for a five-year period by the Supervisory Board and are also dismissed by the Supervisory Board. The number of members of the Management Board is determined by the Articles of Association and stands at eight members as of the date of this Base Prospectus. The scope of authority of each member of the Management Board is defined by the terms of reference of the Management Board and is reflected in the contract entered into with the board member upon their appointment. The Supervisory Board elects a chairperson of the Management Board from among its numbers.

According to the Articles of Association, the Management Board requires the prior approval of the Supervisory Board for any decisions concerning: (i) approval or amendment of Citadele's business plan or dividend policy, approval or amendment of any other business plan for the next financial year or other planning period or budget for the next budget period, or approval of dividends; (ii) deciding on the appointment of the Chief Executive Officer or Chief Financial Officer in the event that such persons are not members of the Management Board; (iii) approval of any decision on capital expenditure (expenditure on fixed assets and intangible assets) of Citadele in excess of EUR 250,000 in one or more related transactions, except where such capital expenditure is provided for in Citadele's business plan; (iv) approval of a draft resolution on any merger, demerger, reconstruction or liquidation of Citadele, or transformation of Citadele into another corporate form or acquisition of another structure or transfer of Citadele's business or part thereof, to be submitted to the GMS; (v) the approval of a draft resolution for the purchase, reacquisition, transfer or any other acquisition of shares in Citadele or the grant of any option, right to acquire shares or similar instrument to any person (including management and independent members of the Supervisory Board) in respect of shares in Citadele; (vi) approval of a draft decision to enter into any contract with the members of the Supervisory Board, members of the Management Board or any other person related to Citadele, except in the ordinary course of Citadele's business, on terms which fully comply with the law and are not more favourable to such related person than other such transactions of Citadele.

The business address of each of the members of the Management Board is Citadele's head office, Republikas laukums 2a, Riga, LV-1010, Latvia. The Management Board meets at least bi-weekly, or as frequently as otherwise required. At the date of this Base Prospectus, the Management Board consists of the following five members (as at the date of this Base Prospectus three Management Board member seats remain vacant):

Name	Position	Date of Birth	Date of the Last Appointment	Date of Original Appointment
Rūta Ežerskienė	Chair of the Management Board & Chief Executive Officer	6 March 1976	20 January 2026	27 January 2021
Valters Ābele	Chief Financial Officer	15 January 1975	17 June 2025	30 June 2010
Vaidas Žagūnis	Chief Corporate Commercial Officer	29 July 1977	2 April 2025	21 February 2020
Edward Rebane	Chief Retail Commercial Officer	2 March 1989	10 December 2024	10 December 2024
Liene Grūtupa	Chief Compliance and Legal Officer	24 January 1972	24 June 2025	24 June 2025

Rūta Ežerskienė, Chair of the Management Board, Chief Executive Officer

Ms. Ežerskienė has been the Chief Executive Officer and Chair of Citadele's Management Board since 2024. She is responsible for the day-to-day management of Citadele's operations. Previously she was responsible for services to retail clients, as well as organisation and supervision of the operations of Citadele's branches, client service centres and settlement groups. She joined Citadele in January 2021. Before joining Citadele she was Head of Baltic Retail for AON insurance broker since 2018. Before that she held different management positions in SEB group, both on the Baltic level and in Lithuania, including Head of Sales Department and Business Transformation (years 2017-2018), deputy CEO and Board member of SEB Life Insurance (years 2015-2017). She has 20 years of banking experience. Rūta Ežerskienė holds Master of Business Management degree from Kaunas University of Technology. She has graduated Board Member Education in Baltic Institute of Corporate Governance and has completed executive education at Harvard Business School in the United States.

Valters Ābele, Member of the Management Board, Chief Financial Officer

Mr. Ābele holds an MBA from the University of Latvia. He spent part of his studies at Western Michigan University on a U.S. Government sponsored scholarship programme. He has extensive audit experience, he became an ACCA member and Latvian Certified Auditor in 2004 and worked at both Ernst & Young (2002-2008) and Arthur Andersen (1998- 2002) before moving into the banking sector. He now has 18 years of experience in the banking industry, having joined AS "Parex Banka" in 2008 and Citadele's Management Board in 2010. His current position is a member of the Management Board and Chief Financial Officer and his responsibilities include day-to-day management of Citadele Group's Finance, Treasury and Loan Restructuring functions. Until January 2021 he was Chief Risk Officer, in charge of risk management, compliance and AML functions. Before moving to banking industry he has acquired 10 years of experience in auditing and financial consulting at international audit companies Ernst & Young and Arthur Andersen. He is a member of Latvian Association of Sworn Auditors and previously a member of Association of Chartered Certified Accountants

Vaidas Žagūnis, Member of the Management Board, Chief Corporate Commercial Officer

Mr. Vaidas Žagūnis is responsible for the development and management of the corporate business in the Baltics. Before joining Citadele, he worked from 2001 for SEB Lithuania as Head of Retail Banking, Member of the Management Board and Executive Vice President. Prior to that, Vaidas Žagūnis held different managerial positions mainly in SME business area. In 2016, Mr. Žagūnis was appointed to the management board and executive vice president of SEB Bank in Lithuania, responsible for Retail banking. He has 25 years of banking experience. Vaidas Žagūnis holds a Master's Degree in Business Administration from Kaunas University of Technology and has also studied at the Massachusetts Institute of Technology (MIT) and Harvard Business School in the United States.

Edward Rebane, Member of the Management Board, Chief Retail Commercial Officer

Mr. Edward Rebane has been a board member of Citadele since December 2024 and is responsible for retail banking. He started his career in the banking sector at SEB Bank in 2010, holding various leadership positions in Estonia and the Baltic region, and gained in-depth understanding of the banking sector by developing digital solutions to improve customer experience and by building different distribution strategies. Mr. Rebane has pursued advanced studies at five universities: University of Oxford (Executive Program), Birmingham City University (MBA), Estonian Business School (BBA), LIUC – Universita Cattaneo (EXC) and Universita LUMSA (EXC).

Liene Grūtupa, Member of the Management Board, Chief Compliance and Legal Officer

Ms. Liene Grūtupa has been a board member of Citadele since June 2025. She has more than 25-year experience in executive legal and personnel management positions. She joined Citadele banka in 2011 as Head of the Legal Division and, since January 2022, has additionally taken on the role of Head of HR. Her experience combined with significant achievements in strategic planning and process optimisation, demonstrates a strong capability to ensure compliance, and drive organisational success. Ms. Grūtupa has a law degree from University of Latvia and an MBA from Riga International School of Economics and Business Administration.

For information regarding the shares of Citadele held by certain members of the Management Board, see section entitled *"Shareholder and Other Information —Conflicts of interest —Interests in Citadele"* below.

10.4. Remuneration Information

Citadele's remuneration policy is designed to attract, retain, motivate and develop professional and talented employees and to promote accomplishment of short-term and long-term goals. Citadele aims to ensure that: (i) remuneration is matched to employees' performance; (ii) there is coordination and consistent application of the remuneration policy across Citadele Group; (iii) remuneration levels are competitive in the labour market; (iv) the remuneration policy does not encourage the assumption of risk above defined levels; (v) the remuneration policy does not limit Citadele's ability to strengthen its equity capital; (vi) Citadele's values and long-term interests are protected in setting remuneration levels; (vii) the remuneration policy does not conflict with the protection of customers' or investors' interests; and (viii) there are no guaranteed amounts of the variable element of remuneration except in the first year of an individual's employment.

Remuneration for employees performing internal control functions such as risk control, compliance control and internal audit is based on the achievement of defined goals and is not linked to the performance of the sector monitored by those internal control functions. The fixed and variable elements of remuneration are both set as an amount gross of tax. While Citadele's internal regulations prescribe severance pay that exceeds the amount prescribed in the Labour Law of the Republic of Latvia of 2001, as amended, the Management Board takes into account errors and shortcomings in the employee's service as well as the performance of the employee in making such decisions.

In relation to Citadele as a standalone entity, the fixed element of the remuneration paid to the Chief Executive Officer and Management Board members, together with the Head of Internal Audit Division and employees whose remuneration is equal to or exceeds the remuneration of any of the above, is set by the Supervisory Board. For other employees, the decision is taken by designated employees according to authorisations issued by Citadele's Management Board. In relation to Citadele's subsidiaries, the fixed element of the remuneration paid to members of the subsidiary's supervisory board (if any) is set by the Management Board as a representative of the (direct or indirect) shareholder of the subsidiary. The fixed element paid to the members of the subsidiary's management board is set by the subsidiary's supervisory board if any, and if none, by the Management Board. For other employees of subsidiary companies, the fixed element of remuneration is set by designated employees according to authorisations issued by the relevant subsidiary.

The Management Board defines and regularly reviews employees' salaries and total remuneration level in line with market analysis and results of compensation surveys of financial institutions, which are conducted by external organisations.

The variable part of remuneration paid by Citadele is set by the Supervisory Board for Management Board members, by the Management Board for staff whose role has an impact on Citadele's risk profile, and by designated employees according to authorisations issued by Citadele - for other employees. In relation to Citadele's subsidiaries, the Management Board sets the variable element for the subsidiary's supervisory board and management board members and the subsidiary's management board sets the variable element for the subsidiary's staff whose role has an impact on its risk profile.

Employee performance is assessed during the annual performance management cycle, where individual performance is evaluated against goals established at the beginning of the year. Annual goals are set up as a combination of financial targets, qualitative metrics and individual soft skill metrics.

The remuneration policy is reviewed annually by the Supervisory Board, based on the proposals of the Management Board. The Internal Audit Division monitors implementation of the policy.

The table below sets out the total remuneration for the members of the Management Board. These costs include remuneration for work, related social security contributions, bonuses and costs of other benefits, including accruals for the period.

	2023	**2024**	**2025**
(*Thousands of Euros*)			
Management remuneration	5,134	3,392	4,806
Management social security and solidarity tax contributions	788	721	435

Citadele's Supervisory Board and shareholders have adopted a long-term incentive plan ("**LTIP**") for the members of the Management Board along with a long-term retention programme ("**LTRP**") which is offered to the key employees of Citadele Group. The members of the Management Board receive personnel options awards under the LTIP and such awards are subject to the satisfaction of predetermined performance targets and may have a vesting period of up to five years. The total variable pay (comprised of cash bonuses and awards under the LTIP) paid to the Management Board in any year may not exceed 200% of their fixed remuneration. Key employees receive personnel options awards under the LTRP and such awards are subject to the satisfaction of predetermined performance targets and have a vesting period of up to three years. The total variable pay (comprised of cash bonuses and awards under the LTRP) paid to the key employees in any year may not exceed 100% of their fixed remuneration. All such personnel options give rights to obtain shares of Citadele upon their exercise according to their terms and conditions.

As of the date of this Base Prospectus, the total amount of outstanding personnel options under both programs — LTIP and LTRP — is 2,081,652. According to the rules adopted by Citadele that are applicable to both the LTIP and LTRP, and respective grant decisions, the exercise price for issued personnel options is 0. The grant amount is determined as a percent of the annual base pay of the relevant participant. Personnel options are exercisable within 30 days after the vesting date set by the relevant grant decision. Personnel options expire upon their exchange for the respective number of Citadele's ordinary shares. In order to ensure satisfaction of the personnel options awards under the LTIP and LTRP, the GMS has approved conditional share capital of Citadele, the total amount of which at the date of this Base Prospectus is EUR 3,776,456.

According to the Latvian Commercial Law, Citadele may buy back shares owned by members of the Management Board and key employees of Citadele Group pursuant to the LTIP and LTRP, thereby providing a means of liquidity to the eligible persons and increasing the effectiveness of the LTIP as a hiring and retention tool. The Supervisory Board has adopted and the GMS has approved the "Principles of buy-back of the Bank's shares owned by the Management Board members and employees", pursuant to which Citadele may offer to buy back from the above mentioned persons their shares.

Save for any mandatory benefits arising from applicable laws, under the terms of their service contract with Citadele Group, no member of the Supervisory Board is entitled to any additional benefits upon termination of their services with Citadele Group. In addition to any mandatory benefits arising from applicable laws and the LTIP, under the terms of their service contracts with Citadele Group, members of the Management Board are entitled to receive compensation upon termination of their services with Citadele Group within the range of three to seven monthly base salaries, so long as no negligence or wrongful acts have been committed.

10.5. Corporate Governance Rules

Companies in Latvia typically adopt their own corporate governance practices in addition to those prescribed by law, and these are reflected in the internal bylaws of the company. Citadele is subject to, and complies with, the corporate governance rules imposed by the EBA, EC and other legislative bodies, and Latvian legislation. In addition to this, Citadele has implemented a rigorous set of procedures and committees to mitigate risk and adhere to a high standard of corporate governance.

According to the Latvian Financial Instruments Market Law, a stock company with its bonds traded on the regulated market has an obligation to prepare a corporate governance report on an annual basis. The Advisory Board for Corporate Governance established under the auspices of the Ministry of Justice of Republic of Latvia has issued the Corporate Governance Code, containing good corporate governance recommendations for companies in Latvia. The Corporate Governance Code adopted in 2025 replaces the initial version approved in 2020, which itself had replaced the corporate governance recommendations previously set out in the Principles of Corporate Governance and Recommendations on their Implementation approved by Nasdaq Riga in 2010. The Corporate Governance Code adopted in 2025 comprises 18 principles aimed at strengthening long-term value creation, effective governance, and transparency. Grouped into 11 sections, these principles cover both overarching governance matters - such as strategy, sustainability, culture, and ethics - and more specific issues, including Supervisory Board elections, board composition, and group governance. The Code is applied according to the "comply or explain" principle and reflects governance standards commonly used across European jurisdictions.

10.6. Risk Management

Citadele Group considers risk management as an integral part of its governance and business operations. The Supervisory and Management Boards have focused upon incrementally improving the risk management structure and intend to continue to do so in the future to ensure that Citadele Group's operations remain sustainable and comply with all legal, regulatory and best practice governance requirements.

In order to assess and monitor complex risk exposures, Citadele Group applies a wide range of risk management tools in conjunction with risk committees, which include as its members a variety of employees across Citadele Group's various operations, in order to balance business and risk orientation across Citadele Group.

Citadele Group's risk management principles are set out in its Risk Management Policies covering all material risk categories. Within the risk management framework, Citadele Group considers the following material risks:

- credit risk stemming from lending operations including but not limited to: credit risk/default risk, concentration risk, securitisation risk, collateralisation risk;
- market risk and counterparty credit risk: market risk, counterparty credit risk, currency risk, country risk, interest rate risk, credit spread risk;
- operational risk stemming from overall operations covering also the following risks: operational risk, reputational risk, fraud risk, model risk, compliance risk, AML/CTF/CPF risk, sanctions risk, corruption risk, data privacy risk, cybersecurity risk, data management risk;
- risks specific for banking sector: liquidity risk, funding risk, solvency risk, resolution risk; and
- other enterprise risks: business model risk, strategic risk, profitability risk, ESG risk (including climate-related and environmental risks).

Citadele Group's risk appetite is stipulated in the Risk Appetite Framework and Citadele Group's Risk strategy, which sets the perimeter for Citadele Group for risk taking, stipulates risk management principles and quantitative limits which are further cascaded into operational procedures. Citadele Group believes that it has a prudent and conservative risk approach across its organisation and aims to ensure that it maintains a low overall risk exposure, a diversified asset portfolio, limited risks in financial markets, strong capital ratios, sound liquidity buffers and low levels of operational risk. Citadele Group adheres to the following key risk management principles:

- Citadele Group aims to ensure that it maintains low overall risk exposure, diversified asset portfolio, limited risks in financial markets, strong capital ratios, sound liquidity buffers and low levels of operational risk;
- Citadele 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 sought to be avoided, limited or hedged;
- Citadele 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; and
- 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.

Oversight of risk management is exercised by the Supervisory Board, supported by the Risk Committee. The Management Board is responsible for implementation of the risk management framework, while the Risk director or Chief Risk Officer provides independent oversight of all material risks across Citadele Group. The Risk Director has the ability to veto all decisions taken by members of the Management Board (but not the decisions of the GMS or the Supervisory Board), and these decisions are then referred to the Supervisory Board for final determination. As at the date of this Base Prospectus, and pending the appointment of a new Chief Risk Officer, the functions of the Chief Risk Officer are performed by Citadele Group's Senior Risk Management function.

Citadele Group applies the three-lines-of-defence model. Business units constitute the first line of defence and are responsible for managing risks arising from their activities. Independent risk management and compliance functions together with the AML/CTF/CPF and sanctions compliance functions, form the second line of defence, while Internal Audit provides independent assurance as the third line of defence.

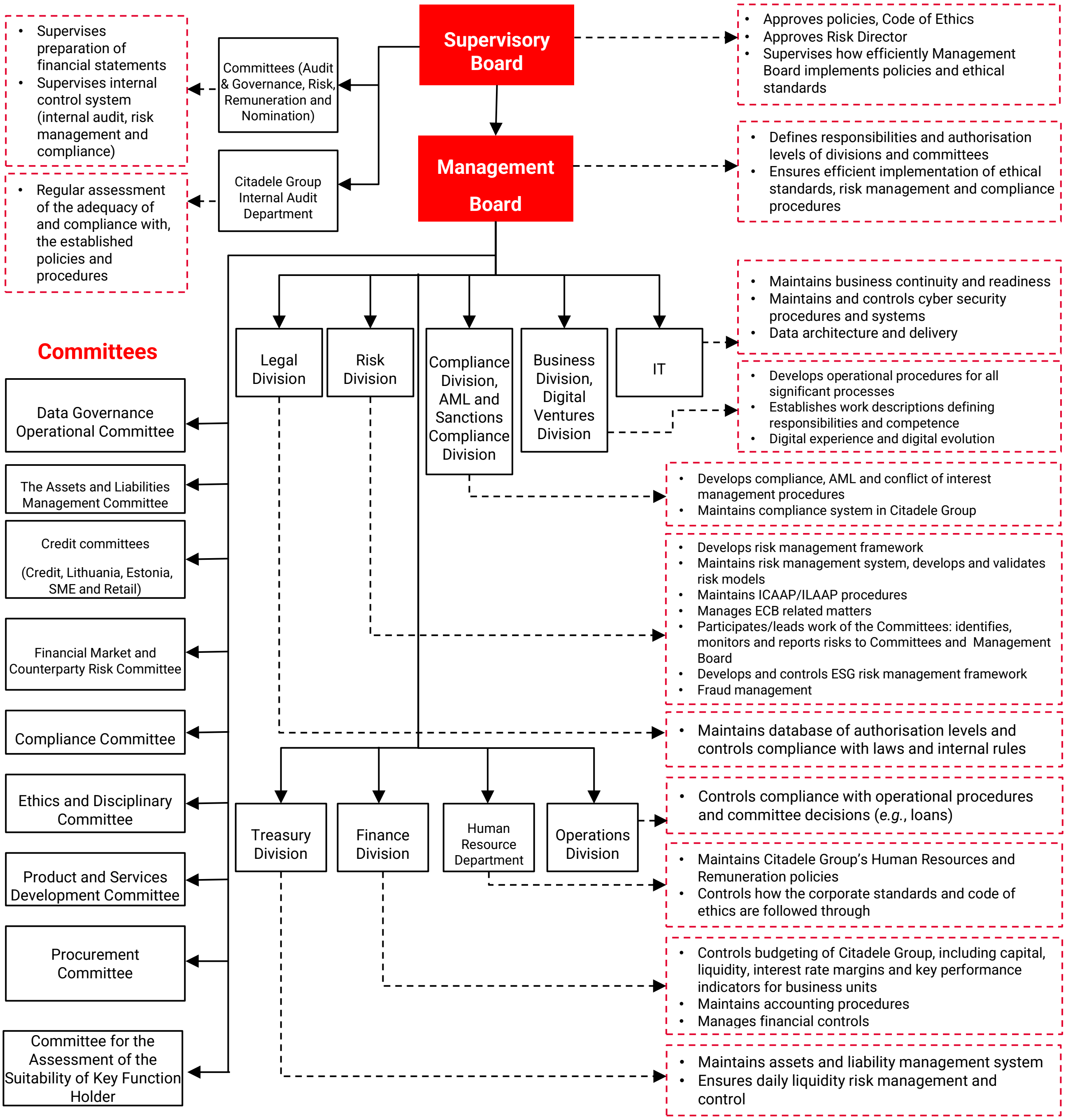
In order to assess and monitor material and complex risk exposures, the Management Board establishes committees with a dedicated set of responsibilities. Members of the committees represent various units of Citadele Group in order to ensure the balance between the units responsible for risk monitoring and control and the units which primarily originate and manage risk.

Citadele Group continuously assesses and controls risks on an individual basis by type of risk, including their comprehensive assessment within the ICAAP and ILAAP, as well as through performing monitoring and control of risk appetite limits, Risk and Control Self-Assessment, as well as risk assessments for the purpose of the New Product Approval Process. Each member of Citadele Group is responsible for risk control and management. Each employee of Citadele Group is responsible for the compliance with the principles set out in Citadele Group's internal regulations.

The risk management process includes the following elements: risk identification; risk assessment; decision-making on the acceptance, rejection or mitigation of risk; risk monitoring and control; and escalation of breaches. Citadele Group regularly assesses the material risks arising from its activities, taking into account both quantitative and qualitative factors, and evaluates their potential impact on its business objectives, financial performance and capital position. Based on this assessment, risk appetite is established for each material risk category and appropriate risk management policies, limits, controls and reporting arrangements are implemented. Citadele Group applies documented methodologies to assess and measure risks and to support risk-related decision-making. Risks are regularly evaluated to determine whether they may be accepted within the approved risk appetite, require mitigation measures, or should be avoided. Citadele Group does not assume risks that exceed its approved risk appetite, regardless of the potential economic benefits.

Risk exposures are continuously monitored against approved risk appetite metrics and limits. Regular reporting on risk levels, trends and emerging risks is provided to relevant management bodies, including the Management Board and the Supervisory Board, enabling informed decision-making and effective oversight. Stress testing forms an integral part of Citadele Group's risk management framework. Through regular stress testing exercises, Citadele Group assesses the potential impact of adverse economic and financial scenarios on its business, capital, liquidity and risk profile. The results support strategic planning, risk appetite calibration, capital and liquidity management, and other key management decisions. The Internal Audit Division independently reviews the effectiveness of the risk management and internal control framework and provides recommendations for its ongoing enhancement.

Risk management structure



Credit Risk Management

Credit risk is the risk that Citadele Group will incur a loss from debtors' non-performance or default. Citadele Group is exposed to credit risk in its lending, investing and transaction activities, as well as in respect of the guarantees issued to or received from third parties and other off-balance sheet commitments to third parties. Credit risk management is performed pursuant to the Credit Risk Management Framework which aims to ensure sound credit quality and adequate oversight of lending activities. The goal of credit risk management is to ensure sound, sustainable and diversified loan and securities portfolios, which generates returns that correspond to the assumed level of risk and are characterised by high resilience against external shocks.

The credit risk management framework covers Group's Risk strategy and Risk appetite, credit underwriting and approval processes, internal rating and scoring systems, collateral valuation and management, risk-based pricing, portfolio monitoring, early warning indicators, forbearance and restructuring processes, impairment assessment, concentration risk management, stress testing, regulatory and management reporting. The framework is supported by established policies, procedures, limits and controls and is applied across all relevant business segments and products

Prior the credit risk is assumed, the credit risk analysis is performed. The credit risk analysis consists of risk identification, estimation of the probability of default, evaluation of the customer's creditworthiness and liquidity of collateral. For legal entities, the creditworthiness assessment includes risk identification and an assessment of the ownership structure, management quality, industry dynamics and peer positioning, business model and project financed as well as an analysis of its credit history and current and forecasted financial situation and its sensitivity to key risk drivers and analysis of ESG factors. The assessment of a private individual's creditworthiness consists of the credit history and affordability analysis. For significant exposures, the decision on loan origination is taken by the Credit Committee and approved by the Management Board and, in certain cases, also the Supervisory Board's Risk and Governance Committee.

Citadele Group's decision process for extending new financing and material changes to existing financing is evaluated in accordance with the following principles:

- Customer's group exposures after financing more than EUR 5 million: Decisions of this size are made by Citadele Group's central Credit Committee; approval by the Management Board is required in case of new financing or material changes; Involvement of the Supervisory Board's Risk Committee is required if Customer's group exposures after financing are more than EUR 15 million or transaction deviates from Citadele Group's Risk strategy and exposure to connected clients exceeds EUR 5 million.
- Ticket size EUR 3-5 million: Decisions of this size made by the central Credit Committee; approvals by the Management Board are required if forbearance measures are applied; For repeated forbearance measures Management board approval is required for exposures from EUR 1 million.
- Ticket size EUR 1-3 million (high risk): Escalation of EUR 1-3 million ticket sized higher risk commitments to the central Credit Committee; For exposures exceeding EUR 1 million, any repeated application of forbearance measures requires prior approval by the Management Board.
- Ticket size EUR 1-3 million: Approved by locally based credit committees in each Baltic State based on common rules for all segments;
- Ticket size less than EUR 1 million: Local (including automated) decisions.

In relation to the acquisition of corporate bonds, Citadele Group always analyses the business profile and financial performance of the issuer, taking into consideration the credit ratings assigned to it by international rating agencies, or performs internal counterparty financial analysis if an external rating is not assigned, as well as market-based indicators. Sovereign bonds are assessed similarly, but with an emphasis on different fundamental factors, including the country's economic strength, institutional strength, financial strength of the government, political risks and other relevant factors.

Citadele Group follows the EBA guidelines on loan origination and monitoring, including requirements relating to credit assessment, credit pricing, credit decision and origination, monitoring, early warning system, forbearance and recovery and provisioning. Citadele Group has also introduced automated lending channels (including automated underwriting) available for SME, unsecured consumers, small ticket leasing and residential real estate loans.

After a loan is issued, the customer's financial position, early warning indicators, payment discipline and customer's ability to meet contractual obligations are being regularly evaluated and monitored to timely identify credit quality deterioration and apply appropriate classification. Citadele Group has developed procedures for delinquent and non-performing loan management, including related to consumer loans, mortgage loans, legal entities (both secured and unsecured) and leasing.

Citadele Group monitors its loan portfolio and securities portfolio and regularly assesses its structure, quality, concentration levels, portfolio performance trends and overall risk level. Citadele Group takes measures for limiting credit risk concentration by diversifying the portfolio and setting credit risk concentration limits. To limit its credit risk, Citadele Group has set the following concentration limits: individual counterparty and issuer limits, maximum exposure limit linked to a particular risk class of counterparty/issuer, limit for internally risk weighted exposures in a particular country/sector combination, limit for groups of mutually related customers, limit for large risk exposures, limit for transactions with Citadele Group's related parties, industry limit, limit by customer type, loan product type, control of compliance with credit risk concentration limits.

Independent oversight of credit risk is provided by the Credit Control department and Credit risk department, while regular reporting is submitted to the Credit committee, Management Board, the Supervisory Board and its Risk committee to support effective governance and decision-making.

In addition to the credit risk, which is inherent in Citadele Group's loan portfolio and fixed income securities portfolio, Citadele Group is also exposed to credit risk as a result of its banking relationships with multiple credit institutions which it maintains in order to process customer transactions in a prompt and efficient manner. Citadele Group manages its exposure to commercial banks and brokerage companies by monitoring on a regular basis the credit ratings of such institutions, conducting due diligence of their credit profiles and monitoring the individual exposure limits applicable to counterparties set by the FMCRC. Citadele Group's exposures to derivative counterparties arise from its activities in managing foreign exchange risk. Risk appetite for the open foreign exchange position is low, and Citadele Group executes counterparty risk assessment and accepts only counterparties which are within its risk appetite limits.

Market Risk Management

Market risk is the risk that Citadele Group will incur a loss as a result of the mark-to-market revaluation of balance sheet and off-balance sheet items caused by changes in market values of financial instruments due to changes in foreign exchange rates, interest rates and other factors. The position risk of financial instruments is managed through diversification by country, sector, industry and elaborate limit control. Issuers have external ratings (as of 30 June 2026, approximately 97% of bonds are rated single A or higher, all exposures Stage1.) and are internally risk graded. The exposure level limits, after in depth analysis, are set by the FMCRC, observing concentration risk levels set in Citadele Group's Risk Strategy and other rules and specified in it. The decisions of the FMCRC are approved by the Management Board.

To assess position risk, Citadele Group uses sensitivity and scenario analysis, which identifies and quantifies the negative impact of adverse events on the portfolio of Citadele Group taking into consideration regional, sector profiles of the portfolio and credit rating risk profiles of issuers.

Interest Rate Risk Management

Interest rate risk is related to the possible negative impact of interest rate changes on Citadele Group's income and economic value. Citadele Group is exposed to interest rate risk in its borrowing, lending and deposit taking activities, as well as management of its securities portfolio. Interest rate risk is assessed, and decisions are taken by the Assets and Liabilities Management Committee ("**ALCO**"). The decisions of the ALCO are approved by the Management Board. Acceptable interest rate risk level accompanied with the relevant limits is defined in Citadele

Group's Risk Appetite Framework and Citadele Group's Risk Strategy, ALCO monitors the compliance with the approved limits and use of the instruments for the management of interest rate risk. Interest rate risk measurement, management and reporting are responsibilities of the Treasury Division, whilst the Risk Management Division as second line of defence ensures proper oversight and prepares analytical reports to the ALCO and the Management Board.

Currency Risk Management

Currency risk is a risk of loss arising from fluctuations in currency exchange rates. Currency risk management in Citadele Group is carried out in accordance with Currency Risk Management Policy and limits are set in Citadele Group's Risk Appetite Framework and in Citadele Group's Risk Strategy. The FMCRC oversees and assesses currency risk level within Citadele Group, monitors compliance and the fulfilment of the limits, and sets limits for individual dealing desks within the overall risk limits. The decisions of the FMCRC are approved by the Management Board.

Day-to-day currency risk management is the responsibility of the Treasury Division, whilst risk monitoring and reporting is the responsibility of the Risk Management Division.

Citadele Group has a low risk appetite for foreign exchange risk. Citadele Group aims to keep exposures at levels that would produce a small net impact even in periods of high volatility. Several well-known methodologies are used to measure and manage foreign exchange risk including a conservative limit for a daily value-at-risk exposure. Citadele Group is in full compliance with the currency position requirements of Latvian legislation and sets its internal limits more prudently than the regulatory limits.

Liquidity Risk Management

Liquidity risk is the risk that Citadele Group will be unable to meet its legal payment obligations. The purpose of liquidity risk management is to ensure the availability of liquid assets to cover any possible gaps between cash inflows and outflows as well as to secure sufficient funding for lending and investment activities.

Citadele Group manages its liquidity risk in accordance with its Liquidity Risk Management Policy. The management and reporting of liquidity risk is coordinated by the Treasury Division, and the risk is assessed and decisions are taken by ALCO. The Risk Management Division on a monthly basis provides information to the ALCO and the Management Board and Supervisory Board's Risk Committee about the level of the assumed risk as part of the reporting and supervision process.

Liquidity risk for Citadele Group is assessed in each currency in which Citadele Group has performed a significant amount of transactions. Liquidity risk limits are reviewed at least once a year and also when there are major changes to Citadele Group's operations or external factors affecting its operations. Liquidity crisis management plan is updated on a regular basis.

One of the crucial tools used to evaluate liquidity risk is scenario analysis. Several scenarios of different severity and duration are employed by Citadele Group with risk tolerances defined for the outcomes of those scenarios. Furthermore, Citadele Group has developed a system of liquidity risk limits and early warning indicators and systematically prepares cash flow forecasts which incorporate assumptions about the most likely flow of funds over the period of one year. For general assessment of existing gaps between contractual maturities of assets and liabilities without any assumptions on customer behaviour, Citadele Group regularly analyses liquidity term structure and sets corresponding risk tolerances.

The general principles of the liquidity coverage ratio (LCR) as measurements of Citadele's and Citadele Group's liquidity position are defined in the CRR. The Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions 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. Citadele and Citadele Group is compliant with LCR requirements.

The following table sets out Citadele Group's liquidity coverage ratio (LCR) as of the dates indicated.

		As of 31 December		
	As of 30/06/2026	**2025**	**2024**	**2023**
Liquidity Coverage Ratio (LCR)	163%	181%%	181%	206%

The net stable funding ratio (NSFR) is defined in the CRR. 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 following table sets out Citadele Group's net stable funding ratio (NSFR) as of the dates indicated.

		As of 31 December		
	As of 30/06/2026	**2025**	**2024**	**2023**
Net Stable Funding Ratio	**138%%**	141%	143%	147%

Solvency Risk Management

Solvency risk is the risk that Citadele Group will be unable to meet its financial obligations as they come due. In particular, Citadele Group's capital adequacy is a measure of sufficiency of Citadele 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 Citadele Group. For more information regarding Citadele Group's capital management, see the section "*Corporate Governance —Capital Adequacy Management*".

Operational Risk Management

Citadele Group has adopted the Basel Committee on Banking Supervision's definition of operational risk: the probability of incurring losses due to failure or partial failure of internal processes to comply with the requirements of the laws and binding external regulations, as well as the requirements of internal regulations, due to the acts of Citadele Group's employees and operation of systems, irregularities in internal processes, as well as due to the acts of third parties or other external conditions. Operational risk is divided into the following categories: personnel risk, process risk, IT and system risk, external risk.

Operational risk is managed using an integrated and comprehensive framework of policies, methodologies, procedures and regulations for identification, analysis, mitigation, control, and reporting of operational risk. Citadele Group's operational risk management processes are integral to all business activities and are applicable to all employees and members of Citadele Group. Citadele Group's aim is to ensure that each of its employees knows not just how to perform specific transactions, but also understands the key areas where risk can arise and the processes and steps required to prevent, or otherwise mitigate such risk.

The goal of Citadele Group's operational risk management framework is to maintain low level of risk whilst ensuring that any residual risk is economically justified in light of the need to sustain Citadele Group's performance and profit in the long term.

Citadele Group aims to avoid operational risks with a potentially significant impact or risks with unquantifiable impact which are unmanageable, irrespective of the financial gains taking such risks could bring. Citadele Group's Risk appetite for the total 12-month actual operational risk loss and the 12-month prospective estimate of operational risk loss limits is set at EUR 0.55 million. Citadele Group aims to avoid information security breaches or other disruptions in its technologies that may impact customers and aims to maintain its business continuity readiness above 100% at all times. Each risk accepted by Citadele Group must be economically justified and, in cases where the assessment of operational risk in monetary terms is possible, the costs of the control measures required must be commensurate with the eventual loss that could be prevented by the existence of the control system. Citadele Group applies the following approaches for operational risk management:

- Assessing operational risk in development projects: new and updated services and products are introduced only after a thorough risk assessment has been carried out;
- Conducting regular operational risk-control self-assessment: Citadele Group identifies and assesses potential operational risk events, assesses control systems which are in place, and analyses the necessary risk reduction measures;
- Measuring operational risk indicators: Citadele Group uses statistical, financial, and other indicators which represent the levels of operational risk in its various activities;
- Measuring, analysing, monitoring, reporting and escalating operational risk: Citadele Group registers and analyses operational risk events, including their severity, causes and other important information in an operational risk loss and incident database;
- Conducting scenario and sensitivity analysis and stress-testing;
- Performing business continuity planning: Citadele Group performs regular business impact analysis and has implemented a Disaster Recovery Plan;
- Assigning responsibilities: the operational risk management system includes assignment of responsibilities to certain individuals; and
- Documenting decisions: Citadele Group maintains records in relation to the process undertaken to reach a particular decision or to prevent or mitigate a particular risk.

Operational risk management in Citadele Group is carried out in accordance with the Operational and Reputational Risk Management Policy.

Cybersecurity Risk Management

Citadele Group's information assets are vital to maintaining its sustainable business practices. As a result, the Citadele Group has a very low tolerance for risks related to the Cybersecurity and availability of its IT systems and information assets, which both support its critical business functions. To address such risks, Citadele Group maintains a cybersecurity awareness program for employees and customers, ensures timely remediation of identified cybersecurity weaknesses and engages in consistent third-party risk management and continuous improvement of technology controls.

Citadele Group has set the following key objectives to manage IT and cybersecurity risks:

- further strengthening of IT resilience and business continuity; and
- removal of remaining gaps in the security and cybersecurity risk awareness.

Citadele Group has adopted the following IT and cybersecurity risk management principles:

- management and mitigation of IT and cybersecurity risks is supported by an independent, objective and competent IT and cybersecurity risk internal control function;
- such IT and cybersecurity risk management function reviews the IT strategy, manages and mitigates IT and cybersecurity risks through an independent and objective control function, performs gap analyses of internal processes and controls with external regulatory requirements and facilitates annual risk assessments of IT and cybersecurity risks; and
- IT and cybersecurity risk assessment is carried out and documented for critical IT assets no less frequently than annually, as well as following any major change in IT systems, services, processes or procedures, and/ or after any significant operational or security incident.

AML/CTF/CPF Risk Management

Citadele Group has adopted the ML/TF/PF Risk Management Strategy and AML/CTF/CPF Policy to have an effective and comprehensive AML/CTF/CPF internal control system. Citadele Group's ML/TF/PF Risk Management Strategy is based on following key pillars to prevent Citadele Group from ML/TF/PF, which includes: (1) ML/TF/PF and Sanctions risk assessment, (2) ML/TF/PF Risk Management Strategy, where admissible levels of ML/TF/PF and Sanctions risks are determined through the definition of quantitative risk indicators, (3) the designated Member of the Management Board responsible for AML/CTF/CPF and Sanctions Compliance, the Money Laundering Reporting Officer, the designated Sanctions Officer, (4) an ongoing employee training program, (5) policies and procedures, as well as internal controls and (6) independent testing of internal control system.

Citadele Group's ML/TF/PF risk management is based on determination of qualitative and quantitative risk exposure indicators, risk appetite and admissible level decisions, assessment of business strategies and ability to manage associated risks, monitoring of risk exposure indicators, and management reporting. Citadele Group's AML/CTF/CPF compliance and strategy provides a strategic focus on retail customers and SMEs in all Baltic States.

Citadele Group's AML/CTF/CPF programme also includes tailored risk-based policies and procedures, appropriate staffing and training, management information and internal reporting, self-testing and quality assurance, as well as internal audit function. Citadele Group regularly reviews its AML/CTF/CPF policies and procedures with the aim of strengthening them and to update in line with changes in regulatory requirements and considering international best practice. The internal control system of AML/CTF/CPF of Citadele Group is regularly reviewed by independent external and internal experts to ensure that Citadele Group complies with applicable AML/CTF/CPF requirements. The experts provide, where appropriate, recommendations on how to strengthen and improve AML/CTF/CPF internal control system. The recommendations are diligently evaluated and implemented by Citadele Group.

Citadele Group applies a holistic AML/CTF/CPF approach covering the entire lifecycle of customer relationship. Citadele Group's AML/CTF/CPF programme is based on risk assessment, and includes customer onboarding and risk scoring, data input, enhanced due diligence, customer activity and transaction monitoring, suspicious activity report investigation and reporting to the competent Financial Intelligence Unit ("**FIU**"), as well as account closure when necessary.

Know-Your-Customer standards, including customer risk scoring, customer due diligence and enhanced due diligence practices, on-going customer transactions monitoring, effective international and national sanctions screening is the priority of Citadele Group. Citadele Group has a limited risk appetite towards international legal entities, international private individuals, legal entities owned by the citizens of foreign countries, financial intermediaries, payment services providers, payday lenders and gambling services providers. Citadele Group has a primary focus on servicing customers from the Baltic States and has a limited number of account relationships with foreign individuals (only for individuals having physical presence or economic ties with the Baltic States). This approach has ensured that the ongoing war between Russia-Ukraine and related sanctions has not had a material impact on Citadele Group's operations, balance sheet and profitability.

Citadele Group exercises detailed scrutiny before entering into customer relationships with international legal entities, international private individuals, legal entities owned by citizens of foreign countries and financial intermediaries, payment providers, payday lenders or gambling-related entities. As of 30 June 2026, of Citadele Group's private customers, 1.0% were considered "high risk", 24% were considered "standard risk" and 75% were considered "low risk"; of Citadele Group's legal entities' customers, 4% were considered "high risk", 66% were considered "standard risk" and 30% were considered "low risk". As of 30 June 2026, of Citadele Group's total customer portfolio, 1% were considered "high risk", 28% were considered "standard risk" and 70% were considered "low risk".

A sound risk culture across Citadele Group, risk-aware employees and implementation of industry best-practice processes and systems, is the backbone of ML/TF/PF risk management. Employees of Citadele Group have a good knowledge of customers and their counterparties and a full understanding of the substance of transactions and thus can timely detect suspicious customer activity.

Citadele Group has established AML/CTF/CPF compliance training program for all its employees. The training program consists of three main parts: initial, regular and extraordinary employee training and is tailored to the necessary knowledge level of each function. For employees directly responsible for AML/CTF/CPF compliance, special advanced trainings, workshops and conferences are arranged to enhance their knowledge and skills necessary for execution of their tasks. Citadele Group supports and requires international certification in the AML/CTF/CPF compliance fields for at least the leading specialists involved in the ML/TF/PF risk management function.

In the first half of 2023, Citadele Group underwent an on-site audit by the BL, where the BL positively assessed continuous improvements to Citadele Group's compliance program, as well as informed Citadele on further improvements that are expected in certain elements of Citadele's compliance program for management of ML/TF/PF and sanctions risks inherent in its operations. The final decision upon completion of the on-site audit was delivered by the BL in October 2023 without initiating an administrative case against Citadele regarding any regulatory non-compliance. Citadele has agreed with the BL to a remediation plan to implement the necessary improvements to its compliance program. All necessary improvements have been implemented. Also, in 2023 an on-site audit by the BL was completed in respect to IPAS "CBL Asset Management" without initiating an administrative case against IPAS "CBL Asset Management" regarding any regulatory non-compliance. IPAS "CBL Asset Management" has agreed with the BL to a remediation plan to implement the necessary improvements to its compliance program. All necessary improvements have been implemented.

In 2022, the Lithuanian branch of Citadele was subject to both a sanctions screening system and an AML compliance audit conducted by the Bank of Lithuania. In September 2023, the Bank of Lithuania issued a remediation plan without monetary penalty to the Lithuanian branch of Citadele. The remediation plan was completed by 31 January 2024 and in early February 2024 the Bank of Lithuania was informed of the completion of all aforementioned improvements.

Sanctions Risk Management

Citadele Group has adopted a Sanctions Compliance Policy to ensure compliance with sanctions imposed by international organisations and national authorities. Citadele Group regularly reviews its Sanctions Compliance policies and procedures with the aim of strengthening them and to update in line with changes in regulatory requirements and considering international best practice. The Sanctions Compliance of Citadele Group is regularly reviewed by independent external and internal experts to ensure that Citadele Group complies with applicable Sanctions Compliance requirements. The experts provide, where appropriate, recommendations on how to strengthen and improve Sanctions Compliance internal control system. The recommendations are diligently evaluated and implemented by Citadele Group.

Citadele Group performs an enterprise-wide ML/TF/PF and Sanctions risks assessments on a regular basis to evaluate ML/TF/PF and Sanctions risks of Citadele Group. The risk assessment includes identification and assessment of inherent ML/TF/PF and Sanctions risks and effectiveness assessment of the existing AML/CTF/CPF and Sanctions compliance controls.

Know-Your-Customer standards, including customer risk scoring, customer due diligence and enhanced due diligence practices, on-going customer transactions monitoring, effective international and national sanctions screening is the priority of Citadele Group. A sound risk culture across Citadele Group, risk-aware employees and implementation of best-practice processes and systems is the backbone of Sanctions compliance risk management. Employees of Citadele Group have a good knowledge of customers and their counterparties and a full understanding of the substance of transactions and thus can timely detect suspicious customer activity. Under the Sanctions Compliance Policy, knowingly and intentionally participating in activities whose purpose or effect is to evade the restrictions imposed by the international and national sanctions is strictly forbidden, thus preventing Citadele Group from being used to circumvent the sanctions. Citadele Group enforces sanctions established by the UN Security Council, the EU against specific countries and persons, national sanctions of Latvia, Lithuania and Estonia and the OFAC. Citadele Group complies with OFAC sanctions in USD and all other currencies. Citadele Group implements OFAC sanctions in all currencies and payments. Daily customer and real time payment screening is ensured with Bridger Insight XG system by LexisNexis. Citadele Group also ensures horizon screening on potential sanction threats and update of internal watch list.

Citadele Group has established the Sanctions compliance training program for all its employees. The training program consists of three main parts: initial, regular and extraordinary employee training and is tailored to the necessary knowledge level of each function. For employees directly responsible for Sanctions compliance, special advanced trainings, workshops and conferences are arranged to enhance their knowledge and skills necessary for execution of their tasks. Citadele Group supports and requires international certification in the Sanctions compliance fields for at least the leading specialists involved in the Sanctions risk management function.

10.7. Capital Adequacy Management

Capital adequacy is calculated in accordance with the current global standards of the bank capital adequacy as implemented by the EU via CRR and CRD Directive, rules and recommendations issued by supervisory authorities and other relevant regulations and amendments. Capital adequacy is a measure of sufficiency of Citadele 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 Citadele 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 (CET 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 supervisory review and evaluation process capital requirement (TSCR) requires capital to cover risks in addition to these covered by the CRR. TSCR is established in supervisory review and evaluation process 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 (CET 1) capital and 75% of Tier 1 capital.

On top of the minimum capital adequacy ratios and the Pillar 2 additional capital requirements (TSCR), Citadele Group and Citadele must comply with the capital buffer requirements. The buffer requirements must be met with Common Equity Tier 1 capital. For Citadele Group and Citadele, the capital conservation buffer applies. Citadele is identified as "other systemically important institution" (O-SII), thus Citadele Group and Citadele must also comply with the O-SII capital buffer requirement set by the supervisory authority. Besides those Countercyclical capital buffer requirements for Citadele and Citadele 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.

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

As of 30 June 2026, Citadele and Citadele Group have sufficient capital to comply with the regulatory capital adequacy requirements.

Regulatory capital requirements of Citadele Group as of 30 June 2026

	Common equity Tier 1 (CET 1) capital ratio	Tier 1 capital ratio	Total capital adequacy ratio
Common equity Tier 1 (CET 1) ratio	**4.50%**	**4.50%**	**4.50%**
Additional Tier 1 ratio	**-**	**1.50%**	**1.50%**
Additional total capital ratio	**-**	**-**	**2.00%**
Pillar 2 additional own funds requirement (individually determined by the supervisory authority in the supervisory review and evaluation process, P2R)	**1.35%**	**1.80%**	**2.40%**
Capital buffer requirements:			
Capital conservation buffer	**2.50%**	**2.50%**	**2.50%**
O-SII capital buffer	**1.25%**	**1.25%**	**1.25%**
Systemic risk buffer	**0.07%**	**0.07%**	**0.07%**
Countercyclical capital buffer	**1.08%**	**1.08%**	**1.08%**
Capital requirement	**10.75%**	**12.70%**	**15.30%**
Pillar 2 Guidance (P2G)	**1.50%**	**1.50%**	**1.50%**
Non-legally binding capital Capital requirement with P2G	**12.25%**	**14.20%**	**16.80%**

For Citadele 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 Citadele as of the 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.

Citadele Group's capital adequacy calculation is in accordance with applicable regulations.

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

EUR millions	**30/06/2026 Citadele Group**	**31/12/2025 Citadele Group**	**31/12/2024 Citadele Group**
Common equity Tier 1 capital			
Paid up capital instruments and share premium	144.1	143.1	161.0
Retained earnings	412.3	398.5	394.0
Proposed or estimated dividends	-35.0	-40.7	-44.8
Regulatory deductions	-10.9	-10.6	-9.9
Other capital components, net	3.3	4.3	5.8
Additional Tier 1 capital			
Eligible additional Tier 1 instruments	50.0	50.0	-
Tier 2 capital			
Eligible part of subordinated liabilities	60.0	60.0	60.0

Total own funds	**623.8**	**604.7**	**566.1**
Risk weighted exposure amounts for credit risk, counterparty credit risk and dilution risk	2,569.5	2,398.6	2,249.3
Total exposure amounts for position, foreign currency open position and commodities risk	3.0	2.7	4.4
Total exposure amounts for operational risk	312.4	312.0	377.6
Total exposure amounts for credit valuation adjustment	3.9	3.2	10.4
Total risk exposure amount	**2,888.8**	**2,716.4**	**2,641.7**
Common equity Tier 1 capital ratio	**17.8%**	**18.2%**	**19.2%**
Tier 1 capital ratio	**19.5%**	**20.0%**	**19.2%**
Total capital adequacy ratio	**21.6%**	**22.3%**	**21.4%**

In January 2026 a part of Citadele's share capital was repurchased for a total amount of EUR 50 million. As of 31 December 2025 for capital adequacy ratio purposes Paid up capital instruments and share premium and Retained earnings have been decreased by as of the year end planned share capital repurchased.

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

Leverage ratio of Citadele Group (including 50% of the net result for the period, i.e. decreased by the expected dividends)

Leverage ratio is calculated as Tier 1 capital versus the total exposure measure. As of period end Citadel is not applying transitional provisions. The minimum requirement is 3%. The exposure measure includes both non-risk based on-balance sheet and off-balance sheet items calculated in accordance with the capital requirements regulation. The leverage ratio and the risk-based capital adequacy ratio requirements are complementary, with the leverage ratio defining the minimum capital to total exposure requirement and the risk-based capital adequacy ratios limiting bank risk-taking.

	30/06/2026 Citadele Group	**31/12/2025 Citadele Group**	**31/12/2024 Citadele Group**
Leverage Ratio – fully phased-in definition of Tier 1 capital	10.3%	10.0%	9.8%

Minimum requirement for own funds and eligible liabilities (MREL)

The EC has adopted the regulatory technical standards on the criteria for determining 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 CRD 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.

As of the 30 June 2026, the SRB has determined the consolidated MREL target for Citadele Group at the level of 23.15% of Total Risk Exposure Amount (TREA), plus a combined buffer requirement, or 5.91% leverage ratio, whichever is higher (2025: 23.15% and 5.91% respectively). Citadele Group must comply with MREL at all times on the basis of evolving amounts of TREA/LRE. As of the period end, Citadele Group is in compliance with TREA and Leverage Ratio Exposure (LRE) based MREL requirements and Citadele Group's MREL (including net result for the period, which is decreased in line with the dividend policy) is 32.0% based on TREA criteria and 16.9% based on leverage ratio criteria. If eligible part of the interim profits were excluded from the calculation, the ratios would be 31.3% and 16.5% respectively.

Starting from 16 July 2027, a proportion of the overall MREL requirement would have to be met by Citadele Group with subordinated instruments, namely 13.50% of TREA, plus a combined buffer requirement, as well as a higher 6.59% leverage ratio.

11. Financial Information

11.1. Historical Financial Information

Parts of 2024 Audited Consolidated Financial Statements, 2025 Audited Consolidated Financial Statements and 2026 Reviewed Consolidated Interim Financial Report for the six months (prepared according to IFRS) are incorporated in, and to form part of, this Base Prospectus by reference. Please refer to section entitled "*Information About This Base Prospectus —Information Incorporated by Reference*" above.

11.2. Selected Financial Information

The following tables summarise the selected historical consolidated financial information of Citadele Group for each of the years ended, 31 December 2024 and 31 December 2025, as well as for the six-month period ended 30 June 2026 and 30 June 2025. Citadele Group's selected historical consolidated financial information provided in the tables below is derived from the 2024 Audited Consolidated Financial Statements, 2025 Audited Consolidated Financial Statements, Citadele's audited consolidated interim financial report as of and for the six months ended 30 June 2025 and 2026 Reviewed Consolidated Interim Financial Report for the six months.

Citadele Group Income statement

EUR millions	**2025** *audited*	**2024** *audited*	**6m 2026** *reviewed*	**6m 2025** *audited*
Net interest income	177.2	192.5	89.5	89.2
Net fee and commission income	37.0	36.3	18.6	18.4
Net trading income	-	-	-	-
Operating income(1)	221.5	234.8	109.4	111.5
Net credit losses and impairments	(4.5)	0.6	(5.2)	(4.5)
Net profit	81.5	89.8	39.8	39.8

Citadele Group Balance sheet

EUR millions	**2025** *audited*	**2024** *audited*	**6m 2026** *reviewed*	**6m 2025** *audited*
Total assets	5 425	5 137	5 425	5 092
Loans to public	3 764	3 275	3 947	3 539
Deposits and borrowings from customers	4 304	4 023	4 325	3 987
Shareholders' equity	597	563	562	561
Senior debt	299	235	305	237
Subordinated debt	60	80	60	60
Loan-to-deposit ratio(2)	87%	81%	91%	89%
Stage 3 loans to public ratio, gross	1.7%	2.3%	1.9%	2.1%
Common equity Tier 1 (CET 1) capital ratio - including net result for the period, which is decreased in line with the dividend policy	18.2%	19.2%	17.8%	20.3%
Total capital adequacy ratio (CAR) including net result for the period, which is decreased in line with the dividend policy	22.3%	21.4%	21.6%	22.6%
Leverage ratio - fully phased-in definition of Tier 1 capital	10.0%	9.8%	10.3%	10.3%

Table below “Ratios” includes certain data which Citadele considers to constitute alternative performance measures (APMs) as defined in the “ESMA Guidelines on Alternative Performance Measures” issued by the ESMA on 5 October 2015. These APMs are not audited nor defined by, or presented in accordance with, IFRS and should not be considered as alternatives to any measures of performance under IFRS or as measures of Citadele Group’s liquidity.

Alternative performance measures included in the “Ratios” table below are commonly used in the banking sector. These provide comparable holistic view of Citadele Group, highlight key value drivers and aggregate financial information in possibly more relevant measures. Citadele Groups’ use and method of calculation of APMs may vary from other companies’ use and calculation of such measures.

Ratios – as reported, continuous operations

	2025	**2024**	**6m 2026**	**6m 2025**
Return on average assets (ROA)[(3)]	1.6%	1.9%	1.5%	1.7%
Return on average equity (ROE)[(4)]	14.6%	17.5%	13.7%	15.4%
Cost to income ratio (CIR)[(5)]	49.2%	48.4%	50.3%	47.1%
Cost of risk ratio (COR)[(6)]	(0.1%)	(0.0%)	(0.3%)	(0.3%)

[(1)] Operating income consists of the following income statement items: net interest income, net commission and fee income, net gain on transactions with financial instruments and other income. Operating income is a useful measure as it aggregates several operating income components and thus presents a less volatile measure of the total operating income generation capability of Citadele Group. All else held equal, generally the higher the operating income, the better.

[(2)] *Loan-to-Deposit Ratio (continuous operations)* Loan-to-Deposit Ratio (continuous operations) is calculated as the carrying value of loans to public for continuous operations divided by deposits and borrowings from customers for continuous operations at the end of the relevant period.

[(3)] *Return on average assets (ROA)* 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 assets. It is a measure of efficiency of asset usage in profit generation of Citadele Group. In the absence of other considerations, the higher the ROA of Citadele Group, the better the financial performance of Citadele Group.

[(4)] *Return on average equity (ROE)* is calculated as annualised net profit for the relevant period divided by the average of total equity at the beginning and the end of such period. ROE is a measure of profitability of the equity. It is a measure of the efficiency of equity usage in the profit generation of Citadele Group. In the absence of other considerations, the higher the ROE of Citadele Group, the better the financial performance of Citadele Group.

[(5)] *Cost to income ratio (CIR)* is calculated as administrative expense plus amortization and depreciation plus other expense divided by operating income. CIR is a measurement of operating efficiency. CIR represents the proportion of administrative overheads incurred by Citadele Group (expressed in percentage) to generate the income. The more efficient Citadele Group is in generating income, the lower the CIR ratio. A lower CIR represents higher income generate with lower administrative expenses.

[(6)] *Cost of risk ratio (COR)* is calculated as 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 net loan impairment charges recognised during the period as a proportion of the loan portfolio The lower the cost of risk, the less risk there is the loan portfolio originated.

11.3. Significant Changes in Financial Position of Citadele

As of the date of this Base Prospectus, there has been no significant change in the financial performance and financial position of Citadele or Citadele Group since 31 December 2025.

12. Shareholder and Other Information

12.1. Share Capital

At the date of this Base Prospectus Citadele has 159,224,758 ordinary shares in issue (no separate classes of shares) with a nominal value of EUR 1 each and carrying one voting right each, such that the total share capital of Citadele equals EUR 159,224,758. At the date of this Base Prospectus 18,625,978 of such shares are held by Citadele itself therefore according to the Latvian Commercial Law such shares, while they are held by Citadele, do not give any voting rights or rights to dividends and they are not taken into account when determining the quorum of the GMS. All shares are of the same class and they are fully paid up. All shares in Citadele are dematerialised shares.

Citadele's Articles of Association provide that any change in Citadele's share capital requires the approval of at least 75% of the votes represented by shareholders present at a GMS and entitled to vote at such GMS. Furthermore, the Articles of Association provide that the Supervisory Board may only resolve to consider and/or render an opinion on any draft resolution to be submitted to the GMS in relation to an increase in Citadele's share capital or a change to the type, rights or form of Citadele's shares if such Supervisory Board resolution is approved by all members of the Supervisory Board present at a Supervisory Board meeting. This description does not purport to be complete and is qualified in its entirety by reference to the Articles of Association and the relevant laws.

The Latvian Commercial Law provides that a shareholder is free to transfer (alienate) its shares, save for where there is a restriction on transfer (alienation) contained in the company's constitutional document. Citadele's Articles of Association do not contain any such restriction.

12.2. Major Shareholders

Following the one-time special buyback of Citadele's shares which was completed in January 2026, RA Citadele Holdings, LLC, the shareholders in the table below (with the exception of the EBRD) and certain other shareholders of Citadele belonging to a consortium of investors led by Ripplewood Advisors LLC (the "**Co-investors**") own approximately 70% of Citadele's voting share capital. Each of RA Citadele Holdings, LLC and the Co-investors are party to the Co-investment agreement under the terms of which the Co-investors have agreed that RA Citadele Holdings, LLC is able to exert control of Citadele on behalf of all other Co-investors. Each of RA Citadele Holdings, LLC, the Co-investors and the EBRD are party to a shareholders' agreement in relation to Citadele and further detail on the provisions of this shareholders' agreement can be found in the section entitled "*Shareholder and Other Information —Material Contracts*" below.

The following table sets out certain information with respect to the ownership of Citadele's outstanding ordinary shares, as of the date of this Base Prospectus.

Shareholder	Number of shares held	Ownership (%) of registered share capital
RA Citadele Holdings, LLC[1]	51,549,212	Approx. 32.4
EBRD	39,138,948	Approx. 24.6
Delan S.A.R.L.[2]	12,477,728	Approx. 7.8
EMS LB LLC[3]	10,404,591	Approx. 6.5
Amolino Holdings Inc.[4]	7,959,336	Approx. 5.0
Shuco LLC[5]	5,804,437	Approx. 3.6
Other shareholders[6]	13,264,528	Approx. 8.3
Citadele (treasury shares)[7]	18,625,978	Approx. 11.7

(1) RA Citadele Holdings, LLC is a wholly owned subsidiary of Ripplewood Advisors LLC and is beneficially owned by Mr Timothy C. Collins
(2) Delan S.A.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. Balsilie
(5) Shuco LLC is beneficially owned by Mr Stanley S. Shuman
(6) Including members of the Management Board who hold 737,378 shares
(7) According to the Latvian Commercial Law such shares, while they are held by Citadele, do not give any voting rights or rights to dividends and they are not taken into account when determining the quorum of the GMS.

As of the date of this Base Prospectus, Citadele has implemented the LTIP for the members of the Management Board along with the LTRP for key employees and the level of dilution to existing shareholders under its terms may be up to 10% of Citadele's issued share capital in a rolling ten-year period. Furthermore, in the future, Citadele may issue any type of classes of securities with rights, preferences or privileges that are more or less favourable than those attached to the existing shares.

12.3. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which Citadele is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of Citadele and Citadele Group.

12.4. Conflicts of Interest

There are no conflicts of interest or potential conflicts of interest between any duties owed by members of the Supervisory Board or the Management Board to Citadele and their private interests and/or other duties other than as described in the "*Interests in Citadele*" and "*Management Loans*" paragraphs below.

Interests in Citadele

The table below sets out the number of shares in Citadele held directly or indirectly by members of the Management Board and the Supervisory Board as of the date of this Base Prospectus (no Supervisory Board member holds any personnel options in Citadele):

Supervisory Board member	Number of ordinary shares held	Ownership (%) of registered share capital	Entity through which shares are held
Timothy C. Collins	51,549,212	Approx. 32.4	RA Citadele Holdings, LLC

As of the date of this Base Prospectus, certain members of the Management Board directly or otherwise beneficially hold shares (approx. 0.52% of Citadele's voting share capital in total) and personnel options giving rights to obtain shares of Citadele according to the terms and conditions of such options that have been allocated to them under the LTIP, as described in the section entitled *"Corporate Governance —Remuneration Information"* above.

Management Loans

As of 30 June 2026, there was less than EUR 700 thousand in loans and less than EUR 500 thousand in other financial commitments and guarantees in place between Citadele Group and members of the Management Board and Supervisory Board, their close relatives and companies in which they have a controlling interest.

Related Party Transactions

Latvian law requires that related-party transactions comply with the "arm's length" principle. This dictates that the conditions agreed between two associated persons in their commercial or financial relations must not differ from those that would be agreed between independent persons engaging in similar transactions under similar circumstances.

Latvian Commercial Law sets out restrictions applicable to transactions between stock companies and their shareholders having direct decisive influence over the company, members of the management or supervisory boards and other related persons and companies. In most cases, the prior approval of such transactions by a supervisory board or general meeting of shareholders is necessary. There are a number of exceptions provided in the Groups of Companies Law of the Republic of Latvia of 2000, as amended, regarding transactions between companies in the same group which allow transactions between a parent company and its subsidiary to be exempted from the "arm's length" principle in order to allow unimpeded transfers of assets within a group, provided that certain legal requirements are met. As Citadele has not entered into a group of companies agreement, these exemptions do not apply as of the date of this Base Prospectus.

In the ordinary course of its business, Citadele may, from time to time, enter into transactions with related parties. Parties are generally considered to be related if the parties are under common control or one party has the ability to control the other party or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Other related parties include entities in which shareholders have significant influence.

Transactions between Citadele and related parties (as defined by applicable banking regulations) are subject to the laws and regulations promulgated by the Latvian Parliament, the Cabinet of Ministers and the BL, which set certain limits for both single transaction related party exposure and aggregate transaction related party exposure.

In connection with the Offer, any affiliate of Citadele acting as an investor for its own account, may take up the Bonds offered in the Offer and in that capacity may retain, purchase or sell the Bonds for its own account and may offer or sell such Bonds otherwise than in connection with the Offer. None of Citadele's affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Citadele conducts all transactions with related parties on an arm's length basis and on market terms, including in the case of the advisory services provided by Ripplewood. On 1 July 2020, Citadele initially entered into an advisory services agreement (as amended and prolonged) with Ripplewood in connection with the provision of certain advisory services to Citadele's management. See section entitled "*Shareholder and Other Information — Material Contracts —Advisory services agreement*" below. For information regarding loans and other financial commitments and guarantees in place between Citadele and members of the Management Board, see section entitled "*Shareholder and Other Information —Conflicts of Interest —Management Loans*" above.

12.5. Material Contracts

The following is a summary of each agreement (not being an agreement entered into in the ordinary course of business) which has been entered into by any member of Citadele Group which contains any provision under which any member of Citadele Group has any obligation or entitlement which is material to Citadele as of the date hereof.

Co-Investment Agreement

RA Citadele Holdings LLC, the Co-Investors and Citadele are party to the Co-Investment Agreement dated 17 April 2015, pursuant to which, among other things, the Co-Investors have agreed that RA Citadele Holdings LLC is able to exert voting control of Citadele on behalf of all other Co-Investors. Together, RA Citadele Holdings LLC and the Co-Investors currently own approximately 70% of Citadele's voting share capital.

Shareholders' Agreement

RA Citadele Holdings LLC, the Co-Investors, EBRD and Citadele are party to the First Deed of Amendment to the Shareholders' Agreement and the Amended and Restated Shareholders' Agreement dated 16 April 2015. The

Shareholders' Agreement provides for certain enhanced rights enjoyed by RA Citadele Holdings LLC, the Co-Investors and EBRD, including specific rights to, among other things, (i) nominate or participate in the nomination of members of the Supervisory Board, (ii) participate in decisions of the Supervisory Board and (iii) receive key information from Citadele about its financial condition, performance and business plan.

Advisory services agreement

On 24 March 2025, Citadele entered into an advisory services agreement with Ripplewood Advisors LLC in connection with the provision of certain advisory services to Citadele's management. The agreement stipulates that such advice shall include, but not be limited to: business plan development, risk management, capital allocation, funding and capital structure, operating efficiency, strategic fit of business lines, customer relationship management, product and service development and enhancement, distribution channel strategy and performance, human resource management and compensation, management information systems and tools, methods to increase the performance culture of Citadele, identification, evaluation and execution of acquisition and combination opportunities and internal and external reporting marketing and communications, as well as such other advisory services as may be reasonably requested and agreed from time to time.

In return for the performance of the advisory services, Citadele is required to pay an annual total fee of EUR 2,000,000 plus value added tax ("**VAT**") on a quarterly basis in arrears, commencing from 1 January 2025. Citadele is also required to indemnify Ripplewood Advisors LLC in connection with investigations or disputes resulting from the provision of services under the advisory services agreement. The agreement shall have a term of two years, provided, however, that Citadele shall have a one-time right, exercisable in its sole discretion on the first anniversary of the Agreement to unilaterally terminate the advisory services agreement without cause. Either Citadele or Ripplewood Advisors LLC may by notice to the other party terminate the advisory services agreement with immediate effect in case of winding-up of the other party, insolvency or bankruptcy in relation to the other party, it is or becomes unlawful for either party to perform any of its obligations under the advisory services agreement, the ECB or any other regulatory body having supervisory authority over Citadele recommends termination of the advisory services agreement, sale, transfer or other disposition by Ripplewood Advisors LLC (other than to an affiliate) of all of its shares in Citadele occurs during the term of the advisory services agreement; or the other party commits a material breach of any term of the advisory services agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after receipt of notice requiring such remedy. The agreement may be amended with the prior approval of the Supervisory Board and Ripplewood Advisors LLC. Citadele conducts all transactions with related parties on an arm's length basis and on market terms, including in the case of the advisory services provided by Ripplewood Advisors LLC pursuant to the advisory services agreement.

IP Coexistence Agreement

Citadele has entered into an IP co-existence agreement with a third party in relation to the use of the "Citadele" name. This agreement is intended to manage the conflict between Citadele's registration of the "Citadele" mark in Latvia and the third party's registration of the "CITADEL" name across the EU and throughout the world for various financial services. Under the terms of the agreement, Citadele Group's ability to use and expand the "Citadele" brand beyond the Baltic States is limited.

Financial instruments

As the date of this Base Prospectus, Citadele has four bond issues outstanding:

- EUR 40,000,000 Unsecured Subordinated Bonds (ISIN LV0000880102) under Citadele's € 40,000,000 Fourth Unsecured Subordinated Bonds Programme (recognised as Tier 2 instruments within the meaning of the CRR and/or any other applicable rules) listed on Nasdaq Riga (Baltic Bond List) and subject to the following: (i) number of securities: 4,000, (ii) nominal value: EUR 10,000, (iii) aggregate principal amount: EUR 40,000,000, (iv) annual interest rate: 5.00 %), (v) interest payment dates: 13 June and 13 December each year, (vi) issue date: 13 December 2021, (vii) maturity date: 13 December 2031, (viii) listing date: 14 December 2021 on Nasdaq Riga (Baltic Bond List) and (ix) rating: not rated.
- EUR 20,000,000 Unsecured Subordinated Bonds (ISIN LV0000803054) under Citadele's € 60,000,000 Fifth Unsecured Subordinated Bonds Programme (recognised as Tier 2 instruments within the meaning

of the CRR and/or any other applicable rules) listed on Nasdaq Riga (Baltic Bond List) and subject to the following: (i) number of securities: 2,000, (ii) nominal value: EUR 10,000, (iii) aggregate principal amount: EUR 20,000,000, (iv) annual interest rate: 8.00%), (v) interest payment dates: 5 April and 5 October each year, (vi) issue date: 5 April 2024, (vii) maturity date: 5 April 2034, (viii) listing date: 8 April 2024 on Nasdaq Riga (Baltic Bond List) and (ix) rating: not rated.

- Senior Unsecured Preferred EUR 300,000,000 Fixed/Floating Rate Notes due 2029 (ISIN XS3148256913) listed on Euronext Dublin and subject to the following: (i) number of securities: 300,000, (ii) nominal value: EUR 100,000 + EUR 1,000, (iii) aggregate principal amount: EUR 300,000,000, (iv) annual interest rate: 3.875% until the reset date, (v) interest payment date: 23 December each year, (vi) issue date: 23 September 2025, (viii) maturity date: 23 December 2029, (viii) listing date: 23 September 2025 on Euronext Dublin and (ix) rating: Baa2 (Moody's).
- Fixed Rate Reset Perpetual Additional Tier 1 Temporary Write Down Notes (ISIN: XS3060301168) listed on Euronext Dublin and subject to the following: (i) number of securities: 25,000, (ii) nominal value: EUR 200,000 + EUR 1,000, (iii) aggregate principal amount: EUR 50,000,000, (iv) annual interest rate: 7.125% until the first reset date, (v) interest payment dates: 9 January and 9 July each year, (vi) issue date: 9 October 2025, (viii) maturity date: n/a, (viii) listing date: 9 October 2025 on Euronext Dublin and (ix) rating: Ba3 (Moody's).

13. Form of the Final Terms

Final Terms dated [date] [month] [year]

AS Citadele banka

Issue of up to € [•] Bonds due [•] under

the € 50,000,000 Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme

Terms used herein have the meaning given to them in the Base Prospectus of € 50,000,000 Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme of AS Citadele banka dated [•] [as supplemented by supplement(s) to it dated [•] [and [•]] (the "**Base Prospectus**"), which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). References herein to „the Base Prospectus" shall, where applicable, be deemed to be references to the Base Prospectus as supplemented or amended from time to time.

This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus and any supplement thereto. Full information on Citadele and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus. However, a summary of the issue of the Bonds is annexed to these Final Terms.

The Base Prospectus is available for viewing at Citadele's website www.cblgroup.com.

The Offer is directed to the qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in Latvia, Lithuania and Estonia, as well as to qualified investors located in the Member State of the EEA (other than Latvia, Lithuania and Estonia) pursuant to an exemption under Article 1(4) of the Prospectus Regulation.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (the "**EEA**"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II, or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended, ("**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UNITED KINGDOM RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no key disclosure document required by the FCA Product Disclosure Sourcebook for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the FCA Product Disclosure Sourcebook and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II product governance / Professional investors and eligible counterparties only target market: Solely for the purposes of each manufacturers' product approval process, the target market assessment in respect of the Bonds described in the Base Prospectus, taking into account the five (5) categories referred to in item 19 of the Guidelines published by the European Securities and Markets Authority on 3 August 2023, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and eligible counterparties only target market: Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 as it forms part of UK domestic law by virtue of EUWA; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

1.	Issuer:	AS Citadele banka
2.	Series Number:	[●]
3.	Tranche Number:	[●] (indication as to whether the respective Series will consist of only one Tranche)
4.	ISIN Code:	[●]
5.	Currency of the issue:	Euros (EUR)

6.	Aggregate principal amount:[1]	[from € [●] up to [●]]
7.	Nominal value of the Bond:	€ [●]
8.	Issue Date:[2]	[●]
9.	Applicable Interest Rate:[3]	
	- Fixed Interest Rate:	[●]% per annum [/ to be determined by Citadele as [●]%, [●]% … or [●]% per annum[4]]
	- Indicators for determining the Floating Interest Rate:	- Margin: [●]% per annum - Screen Rate: [●] which appears on [●] (or such replacement page or pages on that service which displays the information)
10.	Interest Payment Dates:[5]	
	- Before the Reset Date:	[●] and [●]
	- After the Reset Date:	[●], [●],[●] and [●]
11.	Reset Date:[6]	[●]
12.	Calculation Agent:	[●]

[1] *Citadele has a right to increase or decrease the aggregate principal amount of the Tranche, provided that the maximum aggregate nominal amount of all Bonds outstanding issued under the Programme shall not at any time exceed € 50,000,000. The final aggregate principal amount of the Tranche will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

[2] *The Offer Period may be extended by Citadele according to the section entitled "General Terms and Conditions of the Offer —Offer Period" of the Base Prospectus. If the Offer Period is extended, the final Issue Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

[3] *Citadele has a right at its sole discretion to amend the Applicable Interest Rate, in particular, the Fixed Interest Rate or the range of possible Fixed Interest Rate levels, as applicable, and/or the indicators for determining the Floating Interest Rate, once or several times until the end of the applicable Offer Period and announce the updated Applicable Interest Rate, in particular, the Fixed Interest Rate or the range of possible Fixed Interest Rate levels, as applicable, and/or the indicators for determining the Floating Interest Rate (the "**Updated Applicable Interest Rate**"). The Updated Applicable Interest Rate will be published on Citadele's website www.cblgroup.com. Investors should follow the information on the aforementioned website and they shall have a right to modify or cancel their Purchase Orders if the Applicable Interest Rate has been updated, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the applicable Offer Period. If during the Offer Period Citadele amends the Applicable Interest Rate, the final Applicable Interest Rate will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. A number of factors may be considered in determining the Updated Applicable Interest Rate, inter alia, the level and nature of the demand for the Bonds of the respective Tranche by the investors and prevailing market conditions.*

[4] *[To be determined at Citadele's sole discretion on the next Business Day following the Offer Period, in accordance with the section entitled "General Terms and Conditions of the Offer —Allotment". The Fixed Interest Rate and the final Applicable Interest Rate will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. Investors may submit multiple Purchase Orders at different Fixed Interest Rate levels, provided that each Purchase Order complies with the Minimum Investment Amount requirement. Investors shall have the right to modify their Purchase Orders solely with respect to the Fixed Interest Rate level on which such Purchase Orders were based, provided that Citadele receives the modification before the end of the Offer Period.]*

[5] *The Offer Period may be extended by Citadele according to the section entitled "General Terms and Conditions of the Offer —Offer Period" of the Base Prospectus. If the Offer Period is extended, the final Interest Payment Dates will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

[6] *The Offer Period may be extended by Citadele according to the section entitled "General Terms and Conditions of the Offer —Offer Period" of the Base Prospectus. If the Offer Period is extended, the final Reset Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

13.	Maturity Date:[7]	[●]
14.	Issue Price:[8]	[●]% of the Nominal Value of the Bond
15.	Minimum Investment Amount:	[●]
16.	Yield:[9]	[●]
17.	Offer Period:[10]	from [●] to [●]
18.	Procedure for submission of the Purchase Orders:	[●]
19.	Credit rating:	the Bonds to be issued under this Tranche [are not/have been/are expected to be] rated [by:[●]]
20.	Use of Proceeds:	[The net proceeds of the issue of each Tranche will be used by Citadele for its general corporate purposes] / [The net proceeds of the issue of each Tranche will be used by Citadele for [●]].Total expenses of the issue are expected to amount to € [●].
21.	Underwriting:	[●]
22.	Information about the bonds of Citadele that are already admitted to trading on regulated markets:	[●]
23.	Countries where the offer to the public takes place:	[●]

[7] *The Offer Period may be extended by Citadele according to the section entitled "General Terms and Conditions of the Offer —Offer Period" of the Base Prospectus. If the Offer Period is extended, the final Maturity Date will be rescheduled by Citadele proportionally to the length of extension of the Offer Period and specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

[8] *Citadele has a right at its sole discretion to amend the Issue Price once or several times until the end of the applicable Offer Period and announce the updated Issue Price (the "**Updated Issue Price**"). The Updated Issue Price will be published on Citadele's website www.cblgroup.com. Investors should follow the information on the aforementioned website and they shall have a right to modify or cancel their Purchase Orders if the Issue Price has been updated, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the applicable Offer Period. If during the Offer Period Citadele amends the Issue Price, the final Issue Price will be reflected in the Final Terms which will be published after allotment of the Bonds to the investors. A number of factors may be considered in determining the Updated Issue Price, inter alia, the level and nature of the demand for the Bonds of the respective Tranche by the investors and prevailing market conditions.*

[9] *An expected yield on the Bonds, based on the final Issue Price and the final Applicable Interest Rate, will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

[10] *The Offer Period may be extended by Citadele according to the section entitled "General Terms and Conditions of the Offer —Offer Period" of the Base Prospectus. If the Offer Period is extended, the final Offer Period will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.*

24.	Countries where admission to trading on the regulated market(s) is being sought:	[●]
25.	Countries where the Base Prospectus has been notified:	[●]

These Final Terms have been approved by Citadele's Management Board at its meeting on [date] [month] [year] [and will be updated after allotment of the Bonds to the investors, as well as published on Citadele's website www.cblgroup.com and submitted to the BL] / [and have been updated on [date] [month] [year] after allotment of the Bonds to the investors].

Riga, Latvia [date] [month] [year]

Management Board of AS "Citadele banka":

[●]

Annex – Issue Specific Summary

(Citadele to annex an issue specific summary and its translations to the Final Terms)

14. Documents Available

Copies of the following documents during validity of this Base Prospectus, unless applicable laws and regulations require otherwise, will be available for inspection free of charge on Citadele's website: www.cblgroup.com and at the registered office of Citadele during normal business hours on any weekday:

- this Base Prospectus; and
- the Final Terms, when issued; and
- Citadele's Articles of Association; and
- Citadele's audited consolidated financial statements as of and for the year ended 31 December 2024 (prepared according to IFRS); and
- Citadele's audited consolidated financial statements as of and for the year ended 31 December 2025 (prepared according to IFRS); and
- Citadele's reviewed consolidated interim financial report for the six months ended 30 June 2026; and
- Certain other additional documents and information related to this Base Prospectus, if any.

The registered office of Citadele is at Republikas laukums 2A, Riga, LV-1010, Latvia. The delivery of the printed version of the aforementioned documents is limited to jurisdictions in which the offer of the Bonds to the public is made.

15. Taxation

The following is a general summary of certain key principles of Latvian, Lithuanian and Estonian tax regimes which may be relevant to the acquisition, holding, disposal and/or redemption of the Bonds held by the Bondholders, based upon domestic Latvian, Lithuanian and Estonian tax law in effect as of the date of this Base Prospectus and the provisions of double taxation treaties currently in force between Latvia, Lithuanian and/or Estonia and other countries. Legislative, judicial or administrative changes or reinterpretations may, however, be forthcoming. Any such changes or reinterpretations could affect the tax consequences to holders of the Bonds, possibly on a retroactive basis, and could alter or modify the statements and conclusions set forth herein. This summary does not purport to be a legal opinion or to present a comprehensive or exhaustive description of all aspects of Latvian, Lithuanian and Estonian tax laws that may be of relevance to the Bondholders. Also this summary does not take into account or discuss the tax implications of any country other than Latvia, Lithuanian and Estonia. The description contained in this summary does not substitute the need for individual Bondholders to seek professional tax advice. It is therefore recommended that the Bondholders consult their own tax advisors regarding the tax implications of acquiring, holding, disposing and/or redeeming the Bonds and the required procedures to secure Latvian, Lithuanian and/or Estonian tax payments, if applicable. Only qualified tax advisors are in the position to adequately assess and advise with respect to the particular tax situation of each individual Bondholder. The information provided in this section shall not be treated as legal or tax advice.

15.1. Latvian Tax Considerations

General

The Bondholders could be taxed with respect to income arising from the holding of the Bonds (taxation of interest income) and disposal or redemption of the Bonds (taxation of capital gains).

For the purposes of this summary, the Bondholders are classified as follows:

• *Resident individuals* - physical individuals who are deemed Latvian residents for personal income tax purposes under Latvian tax law and any applicable double taxation treaty. As a general rule, an individual would be considered Latvian resident for personal income tax purposes if the individual: (i) has a declared place of residence in Latvia; or (ii) has been present in Latvia for 183 days or longer during any twelve-month period beginning or ending in a taxable year, or (iii) is a Latvian citizen employed by the Latvian Government abroad, unless the individual is treated as a resident of another country in accordance with the double taxation treaty entered into between Latvia and that country, as explained below.

According to the provisions of double taxation treaties, whenever an individual qualifies as tax resident under the domestic tax rules of both countries, the individual's tax residence is determined by applying the following criteria: (i) the individual shall be deemed to be a resident of the country in which he/she has a permanent home available to him; if the individual maintains permanent homes in both countries, he/she shall be deemed to be a resident only of the country with which his/her personal and economic relations are closer (centre of vital interests); (ii) if the country in which the individual has his/her centre of vital interests cannot be determined, or if the individual has no permanent home available to him/her in either country, he/she shall be deemed to be a resident only of the country in which he/she has a habitual abode; (iii) if the individual has a habitual abode in both countries or in neither of them, he/she shall be deemed to be a resident only of the country of which he/she is a national; (iv) if the individual is a national of both countries or neither of them, the competent authorities of both countries shall settle the question by mutual agreement.

• *Non-resident individual* - an individual who is not deemed to be a resident individual as explained above.

• *Resident entity* - a person, other than an individual, which is established and registered or which was required to be established and registered in Latvia in accordance with the Latvian law.

- *Non-resident entity* - a person, other than an individual, which is not deemed to be a resident entity as explained above.

Taxation of resident individuals

According to the Law on Personal Income Tax of the Republic of Latvia of 1993, as amended, interest from the Bonds paid by Citadele to resident individuals is subject to a deduction at source ("withholding tax") at a rate of 25.5%. The tax shall be withheld, reported and paid to the Latvian State budget by Citadele. A capital gain (the difference between the disposal price and acquisition value) earned by the resident individual from the sale or redemption of the Bonds would be subject to personal income tax at the rate of 25.5%. The tax should be paid and reported on quarterly and/or annual basis by the respective individual him/herself.

In addition to the rates set out above, an additional personal income tax rate of 3% applies, as from 1 January 2025 to the part of an individual's total annual taxable income which exceeds EUR 200,000. Both interest income and capital gains derived from the Bonds are included in the base to which the additional rate is applied. The additional rate is assessed by the individual him/herself on the basis of the annual income tax return and is not withheld by Citadele. Accordingly, the aggregate Latvian personal income tax burden on income from the Bonds may reach 28.5% for such individuals.

There is one exception to these rules. If interest from the Bonds is paid by Citadele to qualifying investment account of resident individual, no withholding tax shall be deducted at source. Instead, taxation of this income is postponed to a later stage when resident individual withdraws profit from qualifying investment account being subject to 25.5% personal income tax. Similarly, if capital gains are generated within qualifying investment account by selling bonds, any taxation will be postponed until profit is withdrawn from qualifying investment account being subject to 25.5% personal income tax rate. The use of a qualifying investment account defers the moment of taxation but does not exclude the income concerned from the base of the additional 3% rate described above. Qualifying investment accounts can be opened in credit institutions or with licensed investment service providers located in the EU, EEA or in other country, with which Latvia has effective double taxation treaty. Qualifying investment account should be registered with the tax authorities and there are limitations on type of transactions which are allowed to be executed within this type of account.

Taxation of resident entities

As from 2018 resident entities are subject to corporate income tax at a rate of 20% only upon distribution of profit (via dividends or deemed profit distributions), the taxable base being divided by a coefficient of 0.8 before the rate is applied, which results in an effective rate of 25% of the amount distributed. Income from the Bonds is not exempted from corporate income tax, however, taxation occurs only when entity distributes profit. If no profit is distributed, no taxation will occur.

Taxation of non-resident Individuals

i) Interest income

Interest paid by Citadele to non-resident individuals would not be subject to taxation in Latvia, provided that:

- the Bonds, at the time of the payment of interest, remained listed on the regulated market of a Member State of the EU or EEA; and
- non-resident individual was not located in a jurisdiction or territory treated as "tax haven".

If the Bonds at the time of payment of interest were not listed on a regulated market in the EU or EEA, interest payments would be subject to withholding tax at a rate of either 25.5% or reduced 5% rate. The reduced 5% rate applies if the following criteria are met:

- the payment has been made through an investment service provider, including a central securities depository, for a financial instrument whose issue organizer and investment service provider are supervised by a derivative public entity that regulates and supervises financial markets and their participants;
- individual is a resident of EU or EEA and is not registered as a sole trader;

- the relevant financial instrument is not included in public circulation.

The above stated withholding tax rates could be reduced in accordance with provisions of effective double taxation treaties concluded with Latvia. To apply lower withholding tax rate or exemption, a non-resident individual should submit to Citadele a valid residence certificate confirmed by the foreign tax authority, which thereafter should be confirmed by the SRS. If withholding tax at lower rate is applicable, it shall be withheld, reported and paid to the Latvian State budget by Citadele.

ii) Capital gains

Proceeds received by a non-resident individual from the redemption of the Bonds would not be subject to taxation in Latvia. If the Bonds were sold before the redemption such sale would also not be subject to taxation in Latvia provided that:

- the Bonds, at the time of sale, remained listed on the regulated market of a Member State of the EU or EEA; and
- non-resident individual was not located in a jurisdiction or territory treated as “tax haven”.

If the Bonds not listed on a regulated market in the EU or EEA are sold, such sale will be subject to taxation in Latvia as follows:

- if purchaser is a Latvian entity or Latvian individual registered for business purposes, it will deduct Latvian withholding tax at 3% rate applied on sales proceeds. Thereafter a non-resident individual will have an option to declare and pay tax on capital gain (the difference between the disposal price and acquisition value) at 25.5% rate and request refund of overpaid tax.
- if purchaser is a Latvian individual not registered for business purposes, no Latvian income tax will be withheld upon sale. Instead, non-resident individual will be obliged to declare and pay tax on capital gain (the difference between the disposal price and acquisition value) at 25.5% rate.

The above stated withholding tax of 3% and/or capital gains tax of 25.5% could be reduced in accordance with provisions of effective double taxation treaties concluded with Latvia. To apply lower withholding tax rate or exemption, a non-resident individual should submit to purchaser a valid residence certificate confirmed by the foreign tax authority, which thereafter should be confirmed by the SRS. If the purchaser is a non-resident or Latvian individual not registered for business purposes which has not applied Latvian withholding tax, then such certificate should be submitted by a non-resident individual directly to the SRS.

Taxation of non-resident entities

According to the Latvian Law on Corporate Income Tax of 2017, as amended, income earned from the Bonds (interest income and capital gains from sale or redemption) by the non-resident entities would not be subject to taxation in Latvia regardless of the status of the Bonds (listed or non-listed), provided that non-resident entity was not located in a jurisdiction or territory treated as “tax haven”.

Taxation of Non-Resident individuals and entities located in “tax haven” countries/territories

The list of "tax-haven" countries and territories is determined in accordance with the regulations of the Cabinet of Ministers of the Republic of Latvia, which mirror the EU list of non-cooperative jurisdictions for tax purposes, and is published in official newspaper "Latvijas Vēstnesis" thus ensuring that it can be quickly amended. The list currently includes Russia. Payments to individuals or entities located in “tax haven” countries are subject to tax special rules as explained bellow.

i) Interest income

If interest is paid to a non-resident individual or entity located in a jurisdiction or territory treated as “tax haven”, such payments shall be subject to a withholding tax at a rate of 25.5% where the recipient is an individual, and at a rate of 20% under the Latvian Law on Corporate Income Tax of 2017, as amended, where the recipient is an entity.

The tax shall be withheld, reported and paid to the Latvian State budget by Citadele.

ii) Capital gains

If the Bonds listed on the regulated market in a Member State of the EU or EEA are sold by a “tax haven” individual or entity, such sale would be exempt from taxation in Latvia unless purchaser is a Latvian or non-resident individual being required to submit annual personal income tax declaration (e.g. sole traders). In the latter case, purchaser is required to withheld 25.5% Latvian withholding tax. 25.5% withholding tax may be avoided, if a special permission is obtained from the SRS by the purchaser prior to the sale.

If the Bonds not listed on the regulated market in a Member State of the EU or EEA are sold by a “tax haven” individual or entity taxation in Latvia as follows:

- if a purchaser is a Latvian or non-resident individual being required to submit annual personal income tax declaration, it will deduct 25.5% withholding tax. 25.5% withholding tax can be reduced to 3%, if a special permission is obtained from the SRS by the purchaser prior to the sale.
- if a purchaser is a Latvian entity, it will deduct 20% withholding tax. 20% withholding tax can be reduced to 0%, if a special permission is obtained from the SRS by the purchaser prior to the sale.
- if purchaser is any individual not being required to submit annual personal income tax declaration in Latvia or non-resident entity, no Latvian income tax will be withheld upon sale. However, if the Bonds are sold by a “tax haven” individual, instead it will be obliged to declare and pay tax on capital gain (the difference between the disposal price and acquisition value) at 25.5% rate.

15.2. Lithuanian Tax Considerations

General

The Bondholders could be taxed with respect to income arising from the holding of the Bonds (taxation of interest income) and disposal or redemption of the Bonds (taxation of capital gains).

For the purposes of this summary, the Bondholders are classified as follows:

- *Resident individuals* - physical individuals who are deemed Lithuanian residents for personal income tax purposes.
- Non-resident individuals - physical persons who are not deemed to be Lithuanian residents for personal income tax purposes.
- *Resident entity* - an entity, which is established and registered in Lithuania, including permanent establishments of foreign entities in Lithuania.
- *Non-resident entity* - an entity which is not deemed to be a resident entity as explained above.

Taxation of resident individuals

As a general rule, an individual is considered a Lithuanian resident for personal income tax purposes if at least one of the following applies: (i) the individual’s permanent place of residence is in Lithuania; (ii) the individual’s personal, social or economic interests are in Lithuania; (iii) the individual is present in Lithuania for 183 days or more during a calendar year; (iv) the individual is present in Lithuania for 280 days or more during successive calendar years and for 90 days or more in any such year; or (v) the individual is a Lithuanian citizen who does not meet the criteria in (iii) or (iv), but receives remuneration under an employment contract (or an equivalent contract) or whose living costs in another country are covered from the Lithuanian state or municipal budgets. An applicable international tax treaty may provide different rules.

i) Interest income

Interest from the Bonds payable by Citadele to Lithuanian resident individuals is subject to personal income tax at the following progressive rates:

- 15% on annual taxable income up to 12 VDU (taxable annual income thresholds are determined by reference to the average national salary (VDU) established by the State for the preceding financial year - for year 2026, 1 VDU equals to EUR 2,312.15);
- 20% on the portion exceeding 12 VDU, but not exceeding 36 VDU;
- 25% on the portion exceeding 36 VDU but not exceeding 60 VDU; and
- 32% on the portion exceeding 60 VDU.

Interest (combined with certain other interest income) not exceeding EUR 500 during a tax period is non-taxable. The resident individual must file an annual income tax return and pay the tax to the Lithuanian State budget by May 1 of the following year.

ii) Capital gains

A capital gain (the difference between the disposal price and acquisition value) earned by a Lithuanian resident individual from the sale or redemption of the Bonds is subject to personal income tax at the same progressive rates as mentioned above. Gains (combined with certain other securities gains) not exceeding EUR 500 during a tax period are non-taxable. The resident individual must file an annual income tax return and pay the tax to the Lithuanian State budget by May 1 of the following year.

iii) Investment Account

Lithuanian tax law provides for an investment account regime allowing Lithuanian resident individuals to defer personal income tax on income from financial instruments (including bonds) held in an investment account until funds are withdrawn. An investment account is an account opened in the name of a Lithuanian resident individual with a financial brokerage firm or credit institution in the EEA state and registered with the Lithuanian State Tax Inspectorate.

If the Bonds are held in an investment account, interest and capital gains from the Bonds are not subject to personal income tax for as long as the funds remain in the investment account. Tax liability arises only when the aggregate amount withdrawn from the investment account during a tax period exceeds the aggregate amount deposited into the investment account during the same period. In such case, the taxable amount is subject to 15 % personal income tax rate or if annual income exceeds 120 VDU, the taxable amount will be a subject to 20 % personal income tax rate.

Bondholders who opt for the investment account regime are not entitled to the EUR 500 non-taxable interest exemption or the EUR 500 non-taxable capital gains exemption otherwise available to resident individuals.

Taxation of resident entities

A resident entity is an entity established and registered in Lithuania. This includes permanent establishments of foreign entities in Lithuania. Income from the Bonds, including interest and capital gains from the sale or redemption of the Bonds, is included in taxable income and subject to corporate income tax at 17%.

A reduced rate of 0% applies to the first and second tax periods, and a 7% rate applies to subsequent tax periods, for entities whose revenue does not exceed EUR 300,000 per tax period, provided that the entity's shareholders are exclusively natural persons and the entity is not suspended, liquidated, reorganised, or its shares transferred to new shareholders during three consecutive tax periods.

A loss from the sale or redemption of the Bonds is tax-deductible for corporate income tax purposes, but may be used only against profit from the sale or redemption of securities and may be carried forward for five years.

Taxation of non-resident Individuals

Since Citadele is a non-resident entity for Lithuanian tax purposes, income of non-resident individuals from the Bonds, including interest and income from the transfer of the Bonds, is not subject to personal income tax in Lithuania.

Taxation of non-resident entities

Since Citadele is a non-resident entity for Lithuanian tax purposes, income of non-resident entities from the Bonds, including interest and income from the transfer of the Bonds, is not subject to corporate income tax in Lithuania.

15.3. Estonian Tax Considerations

General

The Bondholders can be taxed in respect of the income arising from the holding of the Bonds (taxation of interest income) and disposal or redemption of the Bonds (taxation of capital gains).

For the purposes of this summary, the Bondholders are classified as follows:

• *Resident individuals* – physical persons who are considered Estonian tax residents for personal income tax purposes under the Estonian tax laws and any applicable double taxation treaty. As a general rule, an individual is considered Estonian resident for personal income tax purposes: if (i) his or her place of permanent residence is in Estonia; or (ii) he or she stays in Estonia for at least 183 days over the course of a period of 12 consecutive calendar months, or (iii) he or she is an Estonian public servant posted abroad on a diplomatic or other official assignment, together with his or her spouse and minor child accompanying him or her abroad. An individual is regarded as a resident as of the date of his or her arrival in Estonia. Nevertheless, double taxation treaties may provide for a different definition of resident individuals.

According to the provisions of double taxation treaties, whenever an individual qualifies as tax resident under the domestic tax rules of both countries, the individual's tax residence is determined by applying the following criteria: (i) the individual shall be deemed to be a resident of the country in which he/she has a permanent home available to him/her; if the individual maintains permanent homes in both countries, he/she shall be deemed to be a resident only of the country with which his/her personal and economic relations are closer (centre of vital interests); (ii) if the country in which the individual has his/her centre of vital interests cannot be determined, or if the individual has no permanent home available to him/her in either country, he/she shall be deemed to be a resident only of the country in which he/she has a habitual abode; (iii) if the individual has a habitual abode in both countries or in neither of them, he/she shall be deemed to be a resident only of the country of which he/she is a national; (iv) if the individual is a national of both countries or neither of them, the competent authorities of both countries shall settle the question by mutual agreement.

• *Non-resident individual* - a physical person who is not deemed to be a resident individual as explained above.

• *Resident entity* - a legal entity, excluding limited partnership fund, if it is established pursuant to Estonian law. European public limited companies (SE) and European associations (SCE) whose registered office is registered in Estonia are also resident entities.

• *Non-resident entity* - a legal entity, which is not deemed to be a resident entity as explained above. The provisions concerning non-residents apply also to a foreign association of persons or pool of assets (excluding common investment fund) without the status of a legal person, which pursuant to the law of the state of the incorporation or establishment thereof is regarded as a legal person for income tax purposes.

Taxation of resident individuals

According to the Estonian Income Tax Act, a resident individual must pay Estonian income tax on worldwide income, meaning income derived from all sources, both in Estonia and outside Estonia. The general income tax rate is 22%. The period of taxation is a calendar year. A resident individual must submit to the Estonian Tax and Customs Board an income tax return regarding taxable income derived during the period of taxation by the 30th of

April of the year following the period of taxation. Due income tax must be paid to the Estonian Tax and Customs Board by 1st of October of the year following the period of taxation.

An Estonian resident individual may use an investment account for qualifying financial assets, including the Bonds if the statutory conditions are satisfied. An investment account is a cash account opened with a credit institution in a Member State of the EEA or the Organisation for Economic Co-operation and Development ("**OECD**"), with a payment institution or e-money institution in a Member State of the EEA, or with an investment firm, through which the income tax liability arising from trading in certain financial instruments, such as capital gains and similar income, may be deferred. Under the investment-account regime, taxation of income or gains arising from the Bonds is deferred until withdrawals from the investment account exceed the amounts contributed to it, subject to the applicable rules on qualifying assets, contributions, withdrawals and reporting.

i) Interest

Interest from the Bonds payable by Citadele to Estonian resident individuals is considered taxable interest for the purposes of the Estonian Income Tax Act. Therefore, a resident individual is obliged to pay Estonian income tax at a rate of 22% on the amount of interest from the Bonds. Payment of income tax and submission of an income tax return take place as described above.

As noted in the Latvian tax considerations above, interest from the Bonds payable by Citadele to Estonian tax residents is generally exempt from Latvian income tax where the conditions described above are met. If Latvian income tax on interest from the Bonds payable by Citadele to Estonian tax residents is nevertheless imposed, Article 11 (2) of the Estonian - Latvian double taxation treaty restricts the Latvian income tax on interest from the Bonds to 10% of the gross amount of the interest. However, in order to take advantage of the lower withholding tax rate of exemption, Estonian resident individuals must submit Citadele a valid residence certificate issued and confirmed by the Estonian Tax and Customs Board which must thereafter be confirmed by the Latvian tax authorities.

Further, if Latvia establishes income tax on interest from the Bonds payable by Citadele to Estonian resident individuals and the Latvian income tax payable on the interest is less than the income tax payable under the Estonian Income Tax Act, an Estonian resident individual must pay Estonian income tax on the difference between the Latvian income tax and Estonian income tax.

ii) Capital gains

A capital gain (the difference between the sale or redemption proceeds and the acquisition value) earned by an Estonian resident individual from the sale or redemption of the Bonds is subject to Estonian income tax at the rate of 22%. Payment and deferral of income tax and submission of an income tax return take place as described above.

Taxation of non-residents (both Individuals and entities)

Estonia levies same rules of income tax on interest income and capital gains received by a non-resident individual and a non-resident entity. In other words: taxation of a non-resident individual and that of a non-resident entity takes place pursuant to the same rules. Therefore, the below overview applies to both non-resident individuals and non-resident entities.

i) Interest income

Interest from the Bonds payable by Citadele to non-resident individuals is generally exempted from Estonian income tax.

The exception from the tax exemption is the case where a non-resident receives interest in connection with holding in a contractual investment fund or other pool of assets of whose property, at the time of the payment of interest or during a period within two years prior to that, more than 50% was directly or indirectly made up of immovables or structures as movables located in Estonia and in which the non-resident had a holding of at least 10% at the time of the receipt of interest. Citadele is a Latvian stock company with limited liability, which cannot be regarded as a contractual investment fund or other pool of assets. Consequently, the exception from the general tax exemption does not apply.

Therefore, interest from the Bonds payable by Citadele to non-residents is not subject to Estonian income tax.

ii) Capital gains

A capital gain earned by a non-resident from the sale or redemption of the Bonds is generally exempted from Estonian income tax.

The exception from the tax exemption is the case where a non-resident individual transfers or returns a holding in a company, contractual investment fund or other pool of assets of whose property, at the time of the transfer or return or during a period within two years prior to that, more than 50% was directly or indirectly made up of immovables or structures as movables located in Estonia and in which the non-resident had a holding of at least 10% at the time of conclusion of the specified transaction. According to our best knowledge (i) immovables or structures as movables located in Estonia do not form more than 50% of Citadele's assets and (ii) the amount of the Bonds does not constitute a holding of at least 10% of Citadele's share capital.

Thus, capital gain earned by a non-resident from the sale or redemption of the Bonds is not subject to Estonian income tax.

Taxation of resident entities

Estonian resident entities are required to pay Estonian income tax only upon public profit distribution (e.g. dividends) or hidden profit distribution (e.g. fringe benefits, gifts and donations, transactions with associated entities whereas the value of the transaction does not correspond to market value, expenses and payments not associated with the entity's business activities). Corporate income tax is calculated at a rate of 22/78 of the net amount of the distribution (corresponding to 22% of the gross distributed amount). If profits are not distributed, there is no tax obligation.

Therefore, resident entities are not obliged to pay Estonian income tax upon receipt of interest from the Bonds payable by Citadele or upon capital gain earned from the sale or redemption of the Bonds.

15.4. FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as the Foreign Account Tax Compliance Act (FATCA), a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. Citadele may be a foreign financial institution for these purposes. A number of jurisdictions (including the jurisdiction of Citadele) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (IGAs), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment". Bondholders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds.

16. Glossary of Terms

2024 Audited Consolidated Financial Statements	Citadele's audited consolidated financial statements as of and for the year ended 31 December 2024
2025 Audited Consolidated Financial Statements	Citadele's audited consolidated financial statements as of and for the year ended 31 December 2025
2026 Reviewed Consolidated Interim Financial Report for the six months	Citadele's reviewed consolidated interim financial report for the six months ended 30 June 2026
Accrual Date	shall have the meaning assigned to in the section entitled *"General Terms and Conditions of the Bonds —Interest"*
Adjustment Spread	either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which: (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (ii) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or (iii) (if no such recommendation has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (iv) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to the Bondholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be)
AI	artificial intelligence
ALCO	Assets and Liabilities Management Committee
Alternative Rate	an alternative benchmark or screen rate which the Independent Adviser determines in accordance with the section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*" and which is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in euros

AML	anti-money laundering
AML/CTF/CPF	the anti-money laundering and counter terrorism and proliferation financing
Applicable Banking Regulations	at any time the laws, regulations, delegated or implementing acts, regulatory or implementing technical standards, rules, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liabilities and/or loss absorbing capacity then in effect in Latvia including, without limitation to the generality of the foregoing, CRD, the SRM Regulation, BRRD, the Creditor Hierarchy Directive and those regulations, requirements, guidelines and policies relating to capital adequacy and/or minimum requirement for own funds and eligible liability and/or loss absorbing capacity and/or the implementation of the Creditor Hierarchy Directive adopted by the Competent Authority, the Relevant Resolution Authority or any other national or European authority from time to time, and then in effect (whether or not such regulations, requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to Citadele)
Applicable Interest Rate	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest*"
Articles of Association	Citadele's constitutional document – articles of association, as in force from time to time
Bail-in and Loss Absorption Powers	any loss absorption, write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, the SRM Regulation, or any laws, regulations, rules or requirements in effect in the Republic of Latvia, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, as applicable, pursuant to which any obligation of Citadele or any member of Citadele Group (or any affiliate of Citadele or any member of Citadele Group) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of Citadele or any other person (or suspended for a temporary period)
Baltic States or Baltics	Latvia, Lithuania and Estonia
Bank of Lithuania	the Bank of Lithuania (in Lithuanian - *Lietuvos Bankas*), the central bank of Lithuania
Base Prospectus	this Base Prospectus
Benchmark Amendments	shall have the meaning assigned to in the section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement*"
Benchmark Event	(i) the Original Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or (ii) a public statement by the administrator of the Original Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate) it has ceased publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date; or (iii)

	a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified future date, be permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that means that the Original Reference Rate will, by a specified future date, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Bonds; or (v) a public statement by the supervisor of the administrator of the Original Reference Rate (as applicable) that, in the view of such supervisor, the Original Reference Rate is or will, by a specified future date, be no longer representative of an underlying market or the methodology to calculate the Original Reference Rate has materially changed; or (vi) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to the Bondholders using the Original Reference Rate (including, without limitation, under the EU Benchmark Regulation, if applicable). Notwithstanding the sub-paragraphs above, where the Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed occur until the date falling six months prior to such specified future date.
BL	The Bank of Latvia (in Latvian – *Latvijas Banka*), the central bank of Latvia
Bonds	non-convertible senior unsecured and unguaranteed preferred bonds denominated in EUR, having maturity of up to 4 years and with fixed/floating interest rate to be issued under the Programme
Bondholder	the holder of the Bonds
Bondholders	the holders of the Bonds
Bondholders' Meeting	the meeting of the Bondholders or meeting of the Bondholders of the relevant Series as described in the section entitled „*General Terms and Conditions of the Bonds —Rights Attached to the Bonds and Limitations —Meetings of the Bondholders*"
BRRD	Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, as the same may be amended or replaced from time to time
BRRD II	Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time

Business Day	a day on which banks in Riga, Latvia, as well as Nasdaq CSD are open for general business or, for the purposes of the General Terms and Conditions of the Bonds, a day on which Nasdaq CSD system is open and operational
Calculation Agent	Citadele or a third party acting as Citadele's agent and specified in the Final Terms
Change in Tax Law	any: (i) amendment to, change in or clarification of, the laws or regulations of any Taxing Jurisdiction; or (ii) governmental action in the Taxing Jurisdiction; or (iii) amendment to, change in or clarification of, the official position or the interpretation of such law, treaty (or regulations thereunder) or governmental action or any interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body in the Taxing Jurisdiction, irrespective of the manner in which such amendment, change, clarification, action, pronouncement, interpretation or decision is made known
Citadele or Issuer	AS "Citadele banka", a stock company with limited liability incorporated and registered in, and operating under the laws of, the Republic of Latvia, with registration number: 40103303559, legal address: Republikas laukums 2A, Riga, LV-1010, Latvia, telephone: +371 67010000, e-mail: info@citadele.lv, website: www.citadele.lv
Citadele Group	Citadele and its Subsidiaries as listed in the section entitled "*Corporate Information, Strategy, Performance and Business Environment —Structure of Citadele Group*"
Co-investors	certain shareholders of Citadele belonging to a consortium of investors led by Ripplewood Advisors LLC
Competent Authority	any authority having primary responsibility for the prudential supervision of Citadele at the relevant time
CPF	countering proliferation financing
CRA Regulation	Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended
CRD	the legislative package consisting of the CRD Directive, the CRR and any CRD Implementing Measures
CRD Directive	Directive No 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive No 2002/87/EC and repealing Directives No 2006/48/EC and No 2006/49/EC, as the same may be amended or replaced from time to time
CRD Implementing Measures	any regulatory capital rules or regulations, or other requirements, which are applicable to Citadele and which prescribe (alone or in conjunction with any other rules or regulations) the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of

	Citadele (on a solo or consolidated basis, as the case may be) to the extent required by the CRD Directive or the CRR, including for the avoidance of doubt any regulatory technical standards released by the EBA (or any successor or replacement thereof)
Creditor Hierarchy Directive	Directive (EU) 2017/2399 of the European Parliament and of the Council of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy, as the same may be amended or replaced from time to time
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as the same may be amended or replaced from time to time, or similar laws in Latvia
CTF	counter terrorism financing
Delegated Regulation	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended
Early Redemption Date	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase*"
EBA	European Banking Authority
EBRD	European Bank for Reconstruction and Development
EC	European Commission
ECB	European Central Bank
EEA	The European Economic Area
EFSA	Estonian Financial Supervision and Resolution Authority (in Estonian - *Finantsinspektsioon*)
ESG	environmental, social and governance
ESMA	The European Securities and Markets Authority
EU	The European Union
EU Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as the same may be amended or replaced from time to time
EUR, euro or €	the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant, and as defined in

	Article 2 of the Council Regulation (EC) No.974/98 of 3 May 1998 on the introduction of the euro, as amended
EURIBOR	the Euro Interbank Offered Rate which is administered by the European Money Markets Institute (or any other person which takes over such administration). As at the date of this Base Prospectus, the European Money Markets Institute appears on the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 of the EU Benchmark Regulation.
EUWA	the UK's European Union (Withdrawal) Act 2018, as amended
Final Terms	the final terms of the relevant Tranche composed according to the form described in the section entitled *„Form of the Final Terms"*
FIU	Financial Intelligence Unit
Fixed Interest Rate	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest"*
Floating Interest Rate	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest"*
FMCRC	The Financial Market and Counterparty Risk Committee
GDP	the gross domestic product
General Terms and Conditions of the Bonds	The general terms and conditions of the Bonds as described in the section entitled *„General Terms and Conditions of the Bonds*".
GMS	General meeting of shareholders of Citadele, unless the context requires otherwise
ICAAP	internal capital adequacy assessment process
IFRS	International Financial Reporting Standards, as adopted by the EU
ILAAP	internal liquidity adequacy assessment process
Independent Adviser	an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by Citadele at its own expense under the section entitled "*General Terms and Conditions of the Bonds —Interest —Benchmark replacement"*
Interest Amount	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest"*
Interest Determination Date	the 4th (fourth) TARGET Settlement Day which is also a day on which Nasdaq CSD system is open and operational before the commencement of the Interest Period for which the Floating Interest Rate will apply
Interest Payment Date	one of the Interest Payment Dates
Interest Payment Dates	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest"*

Interest Period	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Interest*"
ISIN	International Security Identification Number
Issue Date	the issue date of each Tranche of the Bonds as described in the section entitled "*General Terms and Conditions of the Bonds —Issue Date and Issue Price*"
Issue Price	the issue price of the Bonds as described in the section entitled "*General Terms and Conditions of the Bonds —Issue Date and Issue Price*"
IT	information technology
Latvian Commercial Law	Commercial Law of the Republic of Latvia of 2000, as amended
Latvian Credit Institutions Law	Credit Institutions Law of the Republic of Latvia of 1995, as amended
Latvian Financial Instruments Market Law	Financial Instruments Market Law of the Republic of Latvia of 2003, as amended
Latvian Privatisation Agency	Publisko aktīvu pārvaldītājs Possessor, SIA (previously - Privatizācijas aģentūra), a limited liability company incorporated and registered in, and operating under the laws of, the Republic of Latvia, with registration number: 40003192154, legal address: Krišjāņa Valdemāra iela 31, Riga, LV-1010, Latvia, telephone: +371 67021358, e-mail: pasts@possessor.gov.lv, website: https://www.possessor.gov.lv
Latvian Resolution Law	The Latvian Credit Institutions and Investment Firms Recovery and Resolution Law of 2015, as amended
Latvian SSS	the securities settlement system of Nasdaq CSD governed by Latvian law
LTIP	Citadele's long-term incentive plan
LTRP	Citadele's long-term retention programme for key employees
Management Board	Management board of Citadele, unless the context requires otherwise
Margin	part of the Floating Interest Rate specified in the relevant Final Terms
Maturity Date	shall have the meaning assigned to it in the section entitled "*General Terms and Conditions of the Bonds —Maturity, Redemption and Purchase*"
Member State	each Member State of the European Union or the European Economic Area, as applicable
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending

	Directive 2002/92/EC and Directive 2011/61/EU, as the same may be amended or replaced from time to time
Minimum Investment Amount	shall have the meaning assigned to in the section entitled „*General Terms and Conditions of the Offer —Minimum Investment Amount*"
ML/TF/PF	money laundering, terrorism and proliferation financing
Moody's	Moody's Investors Service Ltd and related entities
MREL	minimum requirement for own funds and eligible liabilities
MREL Disqualification Event	shall occur when the whole or any part of the outstanding aggregate principal amount of the Bonds of a particular Tranche at any time is not fully or partially included in, ceases or (in the opinion of Citadele) will cease to count towards Citadele's or Citadele Group's eligible liabilities and/or loss absorbing capacity (in each case for the purposes of, and in accordance with, the relevant Applicable Banking Regulations); *provided that* an MREL Disqualification Event shall not occur if such whole or part of the outstanding aggregate principal amount of the Bonds of a particular Tranche is not included in, ceases or (in the opinion of Citadele) will cease to count towards such eligible liabilities and/or loss absorbing capacity due to the remaining maturity of such Bonds being less than the minimum period prescribed by the relevant Applicable Banking Regulations
MREL Eligible Liabilities	"eligible liabilities" (or any equivalent or successor term) which are available to count towards Citadele's and/or Citadele Group's eligible liabilities and/or loss absorbing capacity
MREL Requirements	MREL applicable to Citadele and/or Citadele Group under the Applicable Banking Regulations
Nasdaq CSD	Nasdaq CSD SE, registration number: 40003242879, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia
Nasdaq Riga	Nasdaq Riga AS, registration number: 40003167049, legal address: Vaļņu iela 1, Riga, LV-1050, Latvia
Notification	shall have the meaning assigned to in the section entitled „*General Terms and Conditions of the Offer —Allotment"*
OECD	Organisation for Economic Co-operation and Development
OFAC	The Office of Foreign Assets Control of the U.S. Department of the Treasury
Offer	offering of the Bonds under the Programme pursuant to the Base Prospectus and the applicable Final Terms
Offer Period	the offer period for each Tranche as specified in the section entitled „*General Terms and Conditions of the Offer —Offer Period*" and the Final Terms, including any and all extensions of the applicable Offer Period

Original Reference Rate	the Screen Rate (provided that if, following one or more Benchmark Events, the Screen Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate)
PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended
Programme	the € 50,000,000 Second Senior Unsecured Preferred Fixed/Floating Rate Bonds Programme comprising a set of activities intended for the issue of the Bonds within the period of this Base Prospectus being effective
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Purchase Orders	orders of the investors to purchase the Bonds as specified in the section entitled „*General Terms and Conditions of the Offer —Submission of Purchase Orders*”
Qualifying Purchase Orders	shall have the meaning assigned to in the section entitled „*General Terms and Conditions of the Offer —Purchase Orders and Invalid Purchase Orders”*
Qualifying Securities	securities issued directly or indirectly by Citadele that other than in respect of the effectiveness and enforceability of the provisions of section entitled “*General Terms and Conditions of the Bonds — Acknowledgement of Bail-in and Loss Absorption Powers*”, including, without limitation, changing its governing law, have terms not materially less favourable to the Bondholders as a class (within the meaning of the section entitled “*General Terms and Conditions of the Bonds — Substitution and Variation*”, as reasonably determined by Citadele) than the terms of the relevant Bonds and they shall also: (i) contain terms which will result in such securities being eligible to count towards fulfilment of Citadele's and/or Citadele Group's (as applicable) eligible liabilities under the relevant Applicable Banking Regulations; (ii) have a ranking at least equal to that of the relevant Bonds; (iii) have at least the same interest rate and the same Interest Payment Dates as those from time to time applying to the relevant Bonds; (iv) have the same redemption rights and obligations as the relevant Bonds; (v) preserve any existing rights under the relevant Bonds to accrued interest; (vi) not contain terms which provide for interest cancellation or deferral; (vii) not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares (but without prejudice to any acknowledgement of statutory resolution powers substantially similar to those explained in section entitled “*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*”; (viii) in the event the relevant Bonds had a published rating solicited by Citadele from one or more rating agencies immediately prior to their substitution or variation, benefit from (or will, as announced by each

	such rating agency, benefit from) an equal or higher published rating from each such rating agency as that which applied to the relevant Bonds, unless any downgrade is solely attributable to a change to the governing law of the provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*" in order to ensure the effectiveness and enforceability of the provisions of section entitled "*General Terms and Conditions of the Bonds —Acknowledgement of Bail-in and Loss Absorption Powers*"; and (ix) be listed on a recognised stock exchange, if the relevant Bonds were listed on a recognised stock exchange immediately prior to such variation or substitution
Reference Banks	the principal Euro-zone office of each of four major banks engaged in the Euro-zone interbank market selected by Citadele on the advice of an investment bank of international repute
Relevant Amounts	the outstanding principal amount of the Bonds, together with any accrued but unpaid interest and additional amounts due on the Bonds (references to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in and Loss Absorption Powers by the Relevant Resolution Authority)
Relevant Date	the date on which the payment in question first becomes due
Relevant Jurisdiction	the jurisdiction in which Citadele is incorporated at the relevant time
Relevant Nominating Body	in respect of a benchmark or screen rate (as applicable): (i) the ECB or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of the ECB, any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), a group of the aforementioned central banks or other supervisory authorities, or the Financial Stability Board or any part thereof.
Relevant Resolution Authority	the resolution authority under the BRRD and SRM Regulation and/or entitled to exercise or participate in the exercise of any Bail-in and Loss Absorption Powers in relation to Citadele and/or Citadele Group
Representative Amount	in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time
Reset Date	the date specified in the relevant Final Terms
Screen Rate	the rate specified in the relevant Final Terms
Series	shall mean any series of Bonds issued under the Programme
SME	small and medium sized enterprises, being entities with annual turnover of up to EUR 15 million (including micro SME entities)
SRB	Single Resolution Board

SRM Regulation	Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as the same may be amended or replaced from time to time
SRS	The State Revenue Service of the Republic of Latvia (in Latvian – *Latvijas Republikas Valsts ieņēmumu dienests*)
Subsidiary	Company in which Citadele holds direct or indirect interests of not less than 50% or more of the shares and which is part of Citadele Group as described in the section entitled *"Corporate Information, Strategy, Performance and Business Environment —Structure of Citadele Group"*
Successor Rate	a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body
Supervisory Board	Supervisory board of Citadele, unless the context requires otherwise
T2	the Trans-European Automated Real-Time Gross Settlement Express Transfer System operated by the Eurosystem or any successor or replacement for that system
TARGET Settlement Day	any day on which T2 is open for the settlement of payments in euro
Tax Event	shall occur if Citadele has or will become subject to additional taxes, duties or other governmental charges with respect to the Bonds or Citadele has not or will not become entitled to claim a deduction in respect of any payments in respect of the Bonds in computing its tax liabilities (or the value of such deduction would be materially reduced), as a result of any Change in Tax Law, which becomes effective or is announced on or after the Issue Date of the first Tranche, and such adverse consequences cannot be avoided by Citadele taking reasonable measures available to it
Taxing Jurisdiction	the Relevant Jurisdiction or any political subdivision thereof or any authority or agency therein or thereof having power to tax or any other jurisdiction or any political subdivision thereof or any authority or agency therein or thereof, having power to tax in which Citadele is treated as having a permanent establishment, under the income tax laws of such jurisdiction
Tranche	tranche of Bonds of the respective Series
UK	The United Kingdom
UN	The United Nations
United States or U.S.	The United States of America
Updated Applicable Interest Rate	shall have the meaning assigned to in the section entitled *"General Terms and Conditions of the Bonds —Interest"*

Updated Issue Price	shall have the meaning assigned to in the section entitled "*General Terms and Conditions of the Bonds —Issue Date and Issue Price"*
VAT	Value added tax
Withholding Tax Event	shall occur if Citadele has or will become obliged to pay additional amounts as provided or referred to in the section entitled "*General Terms and Conditions of the Bonds —Taxation*" of this Base Prospectus, as a result of any Change in Tax Law, which becomes effective or is announced on or after the Issue Date of the first Tranche, and such obligation cannot be avoided by Citadele taking reasonable measures available to it
€STR	The Euro short-term rate