

Annex – Issue Specific Summary

A. Introduction and warnings

This summary (the “**Summary**”) should be read as an introduction to the Base Prospectus and any decision to invest in the Bonds should be based on a consideration of the Base Prospectus as a whole by the investor. Civil liability in respect of this Summary attaches only to those persons who have tabled the summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Base Prospectus, or where it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Bonds. Investment in the Bonds entails risks and the investor can lose all or part of the invested capital. If the investor brings a claim relating to the information contained in the Base Prospectus before a court, the investor might be required, under national law, to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Name and international securities identification number (ISIN) of the Bonds	EUR 5.00 CITADELE BANKA BOND 20-2030, ISIN: LV0000802403 (the “ Bonds ”)
Identity and contact details of the issuer, including its legal entity identifier (LEI):	Citadele is a limited company/joint stock company (in Latvian – akciju sabiedrība or AS) registered with the Commercial Register of Latvia under the registration number: 40103303559, its legal address is Republikas laukums 2A, Riga, LV-1010, Latvia, telephone: +371 67010000, fax: +371 67010001, e-mail: info@citadele.lv, website: www.citadele.lv . LEI of Citadele is 2138009Y59EAR7H1UO97.
Identity and contact details of the competent authority approving the Base Prospectus:	Financial and Capital Market Commission of Latvia (In Latvian - <i>Finanšu un kapitāla tirgus komisija</i>) (the “ FCMC ”), Kungu iela 1, Riga, LV-1050, Latvia, telephone: +371 2 6515221, fax: +371 67225755, e-mail: ftk@ftk.lv
The date of approval of the Base prospectus by the Management Board of Citadele:	2 March 2020
The date of approval of the Base prospectus by FCMC:	3 March 2020

B. Key information on the issuer

Who is the issuer of the securities?

Citadele is a limited company/joint stock company (in Latvian – akciju sabiedrība or AS) 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 (date of registration: 30 June, 2010), its legal address is Republikas laukums 2A, Riga, LV-1010, Latvia. LEI of Citadele is 2138009Y59EAR7H1UO97.

Business Overview. Citadele Group offers a wide range of banking products to its private, SME and corporate customer base. It also provides wealth management, asset management, life insurance, pension and leasing and factoring products. As of 30 September 2019, Citadele has the third highest number of customers (above 371,000), the third highest number of internet banking customers (c. 182,000 active users) and the third largest network of branch offices in Latvia, according to the Finance Latvia association (FLA). Furthermore, as of the same date, Citadele had a total market share in Latvia of 12% in total loans, 17.0% in deposits and 15% in total assets. AS Citadele banka is the parent company of the Group, which has subsidiary bank in Switzerland and several subsidiaries which include financial services companies. The Group’s main market is Baltics (Latvia, Lithuania and Estonia). The Group has online and mobile banking platform, which is available in Latvia, Lithuania and Estonia. Its distribution network comprised 28 branches and client service centres in Latvia, 1 branch in Estonia and 1 with 7 customer service units in Lithuania.

Major Shareholders

Shareholder	Number of shares held	Ownership (%) ⁷
EBRD	39,138,948	25.00 minus one share
RA Citadele Holdings, LLC ¹	35,082,302	22.41 plus one share
Delan S.A.R.L. ²	15,597,160	9.96
EMS LB LLC ³	13,864,142	8.86
NNS Luxembourg Investments S.a.r.l. ⁴	13,864,142	8.86
Amolino Holdings Inc. ⁵	13,863,987	8.86
Shuco LLC ⁶	10,998,979	7.03
Other co-investors	14,146,136	9.02

(1) RA Citadele Holdings, LLC is a wholly owned subsidiary of Ripplewood Advisors LLC and is beneficially owned by Mr Timothy 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) NNS Luxembourg Investments S.a.r.l. is beneficially owned by Mr Nassef O. Sawiris

(5) Amolino Holdings Inc. is beneficially owned by Mr James L. Balsilie

- (6) Shuco LLC is beneficially owned by Mr Stanley S. Shuman
(7) Calculated by reference to voting interests in Citadele

As of the date of this Base Prospectus, Citadele has implemented LTIP for the members of the Management Board along with 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 years 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.

Corporate governance. Citadele's corporate governing bodies are the general meeting of shareholders (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 Management Board is responsible for the day-to-day management of Citadele Group. The Supervisory Board is responsible for the strategic decisions and for supervising the activities of the Management Board. The highest governing body of the Company is GMS.

As of the date of this Base Prospectus, the Supervisory Board consists of: Chairman of the Supervisory Board - Timothy Collins, Deputy Chairman of the Supervisory Board - Elizabeth Critchley, and following seven members of the Supervisory Board: James L. Balsillie, Dhananjaya Dvivedi, Lawrence Lavine, Klāvs Vasks, Nicholas Haag, Karina Saroukhanian, Sylvia Gansser-Potts. As of the date of this Base Prospectus, the Management Board consists of the following seven members: Johan Åkerblom, Chief Executive Officer and Chief Financial Officer, Valters Ābele, Chief Risk Officer, Vladislavs Mironovs, Chief Commercial Officer Retail, Uldis Upenieks, Chief Compliance Officer, Slavomir Mizak, Chief Technology Officer, Kaspars Jansons, Chief Operations Officer, Vaidas Žagunis, Chief Corporate Commercial Officer.

Independent Auditors. The 2017 and 2018 Audited Consolidated Financial Statements, as well as Interim Report for the six months ended 30 June 2019 were audited by KPMG Baltics SIA (registration number: 40003235171, legal address: Vesetas Street 7, Riga LV 1013, Latvia). KPMG Baltics SIA is included in the register of companies of certified auditors maintained by the Latvian Association of Certified Auditors.

What is the key financial information regarding the issuer?

The following table summarizes the key consolidated financial data of Citadele Group for each of the years ended, 31 December 2017, 2018 and 2019, 30 June 2019 and 30 June 2018. The information corresponds to that presented in 2017, 2018, H1 2019 Audited Consolidated Financial Statements, and unaudited Consolidated Financial Statements for year 2019, which are included in this Prospectus section *Index of Schedules*. The information has been presented in accordance with Annex III of European Commission Delegated Regulation (EU) 2019/979 as deemed most appropriate in relation to the Bonds by Citadele Group.

Citadele Group Income statement

EUR millions	2017 <i>audited</i>	H1 2018 <i>unaudited</i>	2018 <i>audited</i>	H1 2019 <i>audited</i>	2019 <i>unaudited</i>
Net interest income	75.4	39.9	82.6	41.9	84.6
Net fee and commission income	35.2	15.8	33.4	14.4	30.9
Operating income	129.3	64.0	127.2	60.9	123.9
Net credit losses and impairments	-4.5	-2.1	-7.0	-2.6	-3.7
Net profit	16.0	18.0	34.8	16.2	36.5

Jan-Dec 2017 is adjusted for one-time EUR 23.2 million write-off of deferred tax assets in Latvia due to change in the country's corporate income tax regime and EUR 7.7 million reversal of impairment on property and equipment. 2017 Net profit: EUR 34.8m

Citadele Group Balance sheet

EUR millions	2017 <i>audited</i>	H1 2018 <i>unaudited</i>	2018 <i>audited</i>	H1 2019 <i>audited</i>	2019 <i>unaudited</i>
Total assets	3,312	3,043	3,052	3,266	3,745
Loans to customers	1,331	1,360	1,396	1,488	1,573
Deposits from customers	2,917	2,649	2,645	2,836	3,290
Shareholders' equity	269	279	297	319	341
Subordinated debt	60	60	60	60	60
Loan-to-deposit ratio	46%	51%	53%	52%	48%
Non-performing loans	8.3%	8.7%	9.1%	6.3%	4.8%
CET 1	15.0%	14.6%	16.7%	16.6%	18.8%
Total capital ratio	18.4%	18.0%	20.1%	19.7%	22.2%
Leverage ratio, transitional	7.8%	8.1%	9.5%	9.3%	8.9%

There are no qualifications in the audit report pertaining to the Audited Financial Statements.

What are the key risks that are specific to the issuer?

Strategic Risk. If Citadele Group fails to implement its strategy in full or in part, it may be unable to further grow its business. 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.

Credit risk. Credit risk is the risk that the Group will incur a loss from debtor's non-performance or default. The 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. Any failure by Citadele Group to make adequate assessment of a credit risk and lack of a proper decision-making in relation to such risk, may have a material adverse effect on Citadele's business, prospects, financial condition, results of operations or cash flows.

Liquidity Risk and Dependence on Access to Funding resources. Liquidity risk is the risk that the Group will be unable to meet its legal payment obligations. Any reduction in available liquidity for Citadele's customers, failure by Citadele Group to attract and retain sufficient customer deposits or to access additional sources of funding at favourable interest rates may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows.

Operational Risk. Citadele Group is exposed to the risk of fraud committed by its customers, as well as fraud or misconduct committed by employees. Operational risk is divided into personnel risk, process risk, IT and system risk, external risk. Fraud or misconduct may arise or persist as a result of the failure or inadequacy of Citadele Group's framework of policies, methodologies, procedures and regulations for identification, analysis, mitigation, control, and reporting of operational risk, and may have a material adverse effect on Citadele Group's business, reputation, prospects, financial condition, results of operations or cash flows.

Maintaining minimum capital requirements and requirement for own funds and eligible liabilities (MREL). Citadele Group has to comply with strict capital adequacy requirements, which are subject to changes in regulatory environment. In case regulations related to capital requirements are amended by the FCMC at any point of time in the future, the Citadele Group may need to revise its business strategy, capital plan or both in order to ensure compliance with the aforementioned regulations. Any such revisions may have adverse implications on 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 FCMC. Any failure by Citadele Group to meet its minimum regulatory capital requirements may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows

The MREL target has to be reached by 31 March 2022. Citadele will need additional eligible liabilities to comply with MREL requirements and Citadele may have to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframes, which may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. Any failure by the Citadele to comply with MREL requirements also may have a material adverse effect on the Citadele 's business, financial conditions and results of operations.

Measures to comply with AML, CFT, CPF anti-bribery and sanctions regulations may not be effective in all material respects. Any failure by Citadele Group to fully implement functional AML procedures or to comply with all of the relevant Latvian, EU or other laws or regulations on AML, CFT, CPF anti-bribery and sanctions could subject Citadele Group to significant fines, sanctions and/or can result in harm to Citadele Group's reputation and even business disruption. It cannot be excluded that Citadele Group or its employees may have breached such laws or regulations in the past or that Citadele or its employees may breach such laws or regulations in the future, any of which may have a material adverse effect on Citadele Group's business, prospects, financial condition, results of operations or cash flows. As of the date of this prospectus, Citadele Group and FCMC are in a regulatory dialog on results of the on-site AML audit performed by FCMC in 2018 regarding certain shortcomings identified by the FCMC, certain legacy customers as well as certain aspects on cross-border application of Latvian AML law.

Exposure to Regulatory Actions and Investigations. Citadele Group may be the subject of future investigations by regulators or governmental authorities in all jurisdictions where it conducts business. The outcome of any such investigation is uncertain, and even if Citadele Group is not adjudged to be in breach of any applicable law or regulation, Citadele Group may be required to spend substantial amounts of time and money in the course of such investigation. Citadele banka is also subject to number of regular audits by the respective Baltic banking regulators as well as number of external auditors. Although findings, if any, by external auditors are kept within the organization, findings as well as fines (if any) by banking regulator may negatively impact Citadele's reputation and valuation as well as smooth co-operations with foreign correspondent banks.

Reputational Risk. The measures taken by Citadele to manage reputational risks may prove to be ineffective or insufficient or beyond the control of Citadele Group. Any deterioration of Citadele Group's reputation in the eyes of customers, business partners, owners, employees, investors or supervisory authorities may have material adverse effect on Citadele Group's operations, financial condition and results of operations.

C. Key information on the securities

What are the main features of the securities?

The Bonds are freely transferable non-convertible unsecured and unguaranteed subordinated bonds denominated in EUR, having maturity of 10 years and with fixed interest rate of 5% (the "**Annual Interest Rate**"), which contain unsecured, unguaranteed and subordinated payment obligations of Citadele towards the holders of the Bonds (the "**Bondholders**"). The nominal value (face value) of each Bond is EUR 10,000. The issue price of the Bond is 100% of the nominal value of the Bond (the "**Issue Price**"). 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 of the Bonds and announce the updated issue price.

Bonds are dematerialized debt securities in bearer form and registered with the securities settlement system governed by Latvian law of Nasdaq CSD SE, registration number: 40003242879, (the "**Nasdaq CSD**") in the book-entry form.

Interest rate. The Bonds shall carry interest at a fixed Annual Interest Rate, which shall be the same for each and every year until the – 24 March 2030 (the "**Maturity Date**") or the early redemption date. Citadele has a right at its sole discretion

to amend the Annual Interest Rate once or several times until the end of the applicable offer period of the Bonds and announce the updated annual interest rate. The interest on the Bonds will be paid semi-annually on the following interest payment dates 24 March and 24 September and will be calculated on the aggregate outstanding principal amount of the Bonds of the respective series from the Bond's issue date until the Maturity Date or the early redemption date, whichever occurs first. Interest in respect of the Bonds will 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.

An expected yield to maturity for the Bonds being offered, based on the final Issue Price of the Bonds and the final Annual Interest Rate, will be specified in the Final Terms which will be published after allotment of the Bonds to the investors.

Maturity and Redemption. The Bonds shall be repaid in full at their nominal value on the Maturity Date. If the offer period of the Bonds is extended by Citadele, the final Maturity Date will be rescheduled by Citadele proportionally to the length of extension of the offer period of the Bonds and specified in the Final Terms which will be published after allotment of the Bonds to the investors.

Citadele has a right to redeem the Bonds prematurely prior to the Maturity Date before or after the lapse of the 5 year period as from the Bond's issue date, provided that all applicable laws and rules permit such redemption (e.g. Article 78 of the CRR¹, if applicable at the moment of early redemption of the Bonds), and the competent authority, if required (such as FCMC or the European Banking Authority, if they are in the competence thereof) has granted its consent thereto.

If Citadele decides to exercise the right to redeem the Bonds prematurely prior to the Maturity Date, provided that all applicable laws and rules permit such redemption, Citadele shall specify the date on which the Bonds will be redeemed (the "Early Redemption Date"), and announce it through the Official System for Central Storage of Regulated Information (www.oricgs.lv), on the Citadele's website and also on the news service of the Nasdaq Riga Stock Exchange website (if Bonds are admitted to trading on Nasdaq Riga Stock Exchange) or otherwise as prescribed by applicable Latvian law.

The Bondholders are not entitled to claim premature redemption of the Bonds under any circumstances.

Rights Attached to the Bonds. The only rights of the Bondholders arising from the Bonds are the right to the redemption of the Bonds on the Maturity Date and to receive interest in accordance with General Terms and Conditions of the Bonds. The Bondholders are not entitled to a delay interest or any 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 applicable Latvian law. The Bonds do not contain any provisions designed to protect the Bondholders from a reduction in the creditworthiness of Citadele.

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

Ranking and Subordination. The Bonds constitute direct, unsecured and unguaranteed obligations of Citadele ranking pari passu without any preference among themselves and other existing and future unsecured and unguaranteed subordinated obligations of Citadele. The Bonds are subordinated to all unsubordinated claims against Citadele at all times (for clarity, the Bonds are not subordinated to claims that are subordinated to the Bonds or have the same ranking as the Bonds). Citadele's obligations under the Bonds constitute subordinated liabilities within the meaning of the Latvian Credit Institutions Law. The net proceeds from the Bonds will be used by Citadele for the purposes specified below and as its subordinated capital and thus the Bonds will be recognized as Tier 2 instruments within the meaning of CRR or any other applicable rules.

The subordination of the Bonds means that in the event of liquidation or insolvency of Citadele, all the claims arising from the Bonds shall become collectible and shall be satisfied only after full satisfaction of all unsubordinated recognised claims against Citadele, but before satisfaction of the claims of Citadele's shareholders in their capacity as Citadele's shareholders in accordance with the applicable law. Upon liquidation or insolvency of Citadele, the Bondholders will not be entitled to any payments due under the Bonds until full and due satisfaction of all the unsubordinated claims against Citadele, except the claims of Citadele's shareholders in their capacity as Citadele's shareholders. By subscribing to the Bonds, all investors unconditionally and irreversibly agree to such subordination of claims arising from the Bonds.

As long as there are no liquidation or insolvency proceedings initiated against Citadele, all claims arising from the Bonds shall be satisfied by Citadele in accordance with the General Terms and Conditions of the Bonds, the applicable Final Terms and the applicable law. Please be advised that no funds may be left to satisfy the claims of the Bondholders after all or part of unsubordinated claims have been satisfied.

Transferability. The Bonds are freely transferrable securities 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.

Where will the securities be traded?

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012

Application will be made to the Nasdaq Riga AS, registration number: 40003167049, (“**Nasdaq Riga**”) for admitting each tranche of Bonds to listing and trading on the Baltic Bond List of Nasdaq Riga according to the requirements of Nasdaq Riga not later than within three months after the Bond’s 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 one month after the above-mentioned application has been made.

What are the key risks that are specific to the securities?

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability and appropriateness of that investment in light of his or her own circumstances. A potential investor should not invest in the Bonds unless the 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 the Citadele may fail to meet its obligations arising from the Bonds in a duly and timely manner.

Subordination Risk. The Bonds are subordinated to all unsubordinated claims against the Citadele; however, not to the claims, which are subordinated to Bonds or which rank pari passu with the Bonds. The subordination of Bonds means that upon the liquidation or bankruptcy of Citadele, all the claims arising from the Bonds shall fall due in accordance with the Terms of the Bonds and shall be satisfied only after the full satisfaction of all unsubordinated recognised claims against Citadele in accordance with the applicable law.

Cancellation of the Offering and early redemption Risk. 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. The Bonds may be redeemed prematurely on the initiative of Citadele in certain circumstances. If this early redemption right is exercised by Citadele, the rate of return from an investment in the Bonds may be lower than initially anticipated and the market value of the Bonds may be higher than the early redemption amount at the moment of redemption.

Bail-in Risk. In the event of exercise by the FCMC, the relevant Latvian resolution authority, of its bail-in power in accordance with applicable laws and regulations, the Bonds may become subject to compulsory write-down or conversion over which neither Citadele nor the Bondholders will have any control. As a result of exercise by the FCMC of its authority to write-down or convert the Bonds, any of the following effects can ensue: (i) the principal amount of or amount payable on maturity of the Bonds may reduce, including a possible reduction to zero; (ii) the Bonds may be converted into ordinary shares of Citadele or other securities of Citadele; (iii) the Bonds may be cancelled, fully or partially; or (iv) all or some of the terms relevant to repayment, redemption, or payment of interest on the Bonds may be amended (including with respect to extension of the term of maturity of the Bonds and/or rescheduling of interest payments). The exercise of any bail-in power or any proposal of such exercise could materially adversely affect the value of the Bonds and cause the value of investments into the Bonds to deteriorate.

Tax Regime Risks. 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.

Bond Price and Limited Liquidity of Bonds. Although every effort will be made by Citadele to ensure that the admission of Bonds to trading on the Baltic Bond List of the Nasdaq Riga will occur, no assurance can be provided in that respect. Furthermore, the Nasdaq Riga is substantially less liquid and more volatile than established markets, and the bondholders may not be able to sell their Bonds at the desired price, or at all. The value of the Bonds can fluctuate on the securities market due to events and the materialisation of risks related to Citadele, as well also because of events outside Citadele’s control, such as economic, financial or political events.

D. Key information on the offer of securities to the public and the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Citadele has established the € 30,000,000 Third Unsecured Subordinated Bonds Programme (the “**Programme**”) described in the Base Prospectus under which Citadele, subject to compliance with all relevant laws and regulations, may issue and offer publicly in Latvia, Lithuania and Estonia from time to time in one or several series (the “**Series**”) non-convertible unsecured and unguaranteed subordinated Bonds. The Bonds will be book-entered within the securities settlement system governed by Latvian law of Nasdaq CSD. The aggregate principal amount of the particular tranche is from € 10, 000, 000 up to € 30, 000, 000 (the “**Aggregate Principal Amount**”). Citadele has a right to increase or decrease the Aggregate Principal Amount, provided that the maximum aggregate nominal amount of all Bonds outstanding issued under the Programme shall not at any time exceed € 30,000,000.

The Offer is directed to all natural and legal persons (institutional and retail investors) in Latvia, Lithuania and Estonia, irrespective of whether they qualify as qualified investors within the meaning of Article 2(e) of the Prospectus Regulation², as well as to persons (institutional investors) located in the Member State of the EEA (other than Latvia, Lithuania and Estonia) who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation in each case pursuant

² 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

to an exemption under Article 1(4) of the Prospectus Regulation. The Bonds will be offered for subscription for the minimum investment amount of at least ten Bonds for any and all investors ("the **Minimum Investment Amount**").

Expected timetable of the Offer

Start of the Offer Period / Publication of the initial Final Terms of Bonds	09 March, 2020
End of the Offer Period	18 March, 2020
Issue date/ Settlement of the Issued Bonds	24 March, 2020
Announcement of the results of the Offer / Publication of the Final Terms of Bonds	25 March, 2020
First day of listing of Bonds on Nasdaq Riga Stock Exchange	On or about 27 March, 2020

Offer Period

Offer period is from 14:00 (Latvian time) on 9 March, 2020 until 16:00 (Latvian time) on 18 March 2020 inclusive (the "**Offer Period**"). 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 Business Days.

Investors have a right to modify or cancel their Purchase Orders, if the Offer Period has been extended and/or the Issue Price and/or Annual Interest Rate has been updated by Citadele, provided that such modification or cancellation of the Purchase Order is received by Citadele before the end of the applicable Offer Period.

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. Purchase Orders shall be submitted at any time during the Offer Period. An investor must ensure that all data provided in the Purchase Order are correct and complete. An uncompleted, incorrect or unclear Purchase Order may be rejected by Citadele. By submitting the Purchase Order:

- the investor who is a client of Citadele or its Lithuanian branch and submits the Purchase Order to Citadele or its Lithuanian branch shall ensure necessary funds for the purchase of the Bonds in the investor's account opened with Citadele or its Lithuanian branch respectively and consents that Citadele or its Lithuanian branch respectively is entitled to block these funds as a precondition for submission of the respective Purchase Order.
- the institutional investor consents to the obligation to ensure the required funds on the day of final settlement on the DVP (Delivery versus payment) terms pursuant to the Nasdaq CSD rules and shall have a settlement agent that is Nasdaq CSD participant.

Latvian investors. Investors, who are investment services clients of Citadele and have a securities account with Citadele, shall submit their Purchase Orders to Citadele in accordance with the investment services agreement concluded with Citadele (including submitting Purchase Orders at the office of Citadele at Republikas laukums 2A, Riga, Latvia), subject to applicable rules and procedures of Citadele. Latvian institutional investors, who are treated by Citadele as eligible counterparties, shall submit their Purchase Orders to Citadele through Bloomberg trading system. Other investors willing to purchase the Bonds may become investment services clients of Citadele and purchase the Bonds through Citadele or purchase the Bonds through other credit institutions, investment brokerage firms or other financial intermediaries from which the investors receive investment services and provided that such financial intermediaries are treated by Citadele as an eligible counterparties. Credit institutions, investment brokerage firms or other financial intermediaries should aggregate the Purchase Orders received from the investors into one Purchase Order if all order parameters (except the purchase amount) are the same and submit the Purchase Order to Citadele through Bloomberg trading system.

Lithuanian investors. Investors, who are investment services clients of Lithuanian branch of Citadele (the "Lithuanian branch") and have a securities account with Lithuanian branch, shall submit their Purchase Orders to Lithuanian branch in accordance with the investment services agreement concluded with Lithuanian branch (including submitting Purchase Orders at the office of Lithuanian branch at K. Kalinausko str. 13, Vilnius, Lithuania), subject to applicable rules and procedures of Lithuanian branch. Lithuanian institutional investors, who are treated by Citadele as eligible counterparties, willing to purchase the Bonds shall submit their Purchase Orders to Citadele through Bloomberg trading system. Other investors willing to purchase the Bonds may become investment services clients of Lithuanian branch and purchase the Bonds through Lithuanian branch or purchase the Bonds through other credit institutions, investment brokerage firms or other financial intermediaries from which the investors receive investment services and provided that such financial intermediaries are treated by Citadele as an eligible counterparties. Credit institutions, investment brokerage firms or other financial intermediaries should aggregate the Purchase Orders received from the investors into one Purchase Order if all order parameters (except the purchase amount) are the same and submit the Purchase Order to Citadele through Bloomberg trading system. All Lithuanian investors that are not investment services clients of Lithuanian branch shall have a settlement agent that is Nasdaq CSD participant.

Estonian investors. Estonian institutional investors, who are treated by Citadele as eligible counterparties, willing to purchase the Bonds shall submit their Purchase Orders to Citadele through Bloomberg trading system. All other investors may purchase the Bonds through other credit institutions, investment brokerage firms or other financial intermediaries from which the investors receive investment services and provided that such financial intermediaries are treated by Citadele as an eligible counterparties. Credit institutions, investment brokerage firms or other financial intermediaries should aggregate the Purchase Orders received from the investors into one Purchase Order if all order parameters (except the purchase amount) are the same and submit the Purchase Order to Citadele through Bloomberg trading system. All Estonian investors that are not investment services clients of Citadele shall have a settlement agent that is Nasdaq CSD participant.

Other investors in the European Economic Area (in respect of private placement of the Bonds) Other investors willing to purchase the Bonds should contact Citadele (tel: +371 67010555; e-mail: broker@citadele.lv (Attn: Mr. Jurijs Mihailovs)).

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 Annual Interest Rate at the time of making of the Purchase Order, which shall be at least equal to the Minimum Investment Amount. All Purchase Orders constitute a binding and irrevocable commitment to acquire the allotted Bonds, with the exceptions stated below.

The Purchase Order shall not be considered valid 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 Annual Interest Rate based on which the Purchase Order was made is higher than the final Annual Interest Rate applicable at the end of the Offer Period. Citadele does not have any obligation to inform investors about the fact that their Purchase Orders are invalid.

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 announce it on web-site www.citadele.lv and submit it to the FCMC. 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.

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) Citadele shall at its sole discretion determine which Purchase Orders can be treated as qualifying Purchase Orders, and the extent of their satisfaction.
- b) 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.
- c) 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.
- d) The Final Terms containing the information about the final Offer Period, Annual 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.citadele.lv, as well as submitted to the FCMC.
- e) After completion of the allotment with respect to each qualifying Purchase Order Citadele shall submit an allotment 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 Annual Interest Rate, Issue Price and the purchase price payable for the Bonds.

Settlement and Delivery

The settlement for the Bonds will be carried out in accordance with the delivery-versus-payment (DvP) principle pursuant to 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.

Information About the Results of the Offer

Information about the results of the Offer of each Tranche shall be published on the Citadele's web-site www.citadele.lv, within 3 (three) Business Days after the Issue Date.

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 expenses related to the opening of securities accounts, holding of the Bonds as well as commissions related to the execution of the investor's purchase/selling orders or any other operations with the Bonds and which are charged by the credit institutions or investment brokerage firms.

Why is this prospectus being produced?

Citadele expects to receive net proceeds of up to EUR 30,000,000 from this Offer. The net proceeds from the Offer are to be used by Citadele for its general business development and to strengthen further the regulatory capital structure of Citadele, including use as Citadele's subordinated capital in accordance with the requirements of the CRR and any other applicable rules for Tier 2 capital.

The Bonds to be issued under this tranche will not be subject to underwriting agreement on a firm commitment basis. In so far as Citadele is aware, no person involved in the offer of Bonds has an interest material to this offer of Bonds, nor any conflicting interests.