



Final Terms dated 4 March, 2020

AS Citadele banka

**Issue of up to € 30,000,000 Bonds due 2030 under
the € 30,000,000 Third Unsecured Subordinated Bonds Programme**

Terms used herein have the meaning given to them in the Base Prospectus of € 30,000,000 Third Unsecured Subordinated Bonds Programme of AS Citadele banka dated 2 March, 2020 (the “**Base Prospectus**”), which constitutes a base prospectus for the purposes of Regulation (EU) 2017/1129 (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(s) 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.citadele.lv.

- | | |
|--------------------------------|---|
| 1. Issuer: | AS Citadele banka |
| 2. Series Number: | 1 |
| 3. Tranche Number: | 1 (this Series will consist of only one Tranche) |
| 4. ISIN Code: | LV0000802403 |
| 5. Currency of the issue: | Euros (EUR) |
| 6. Aggregate principal amount: | from € 10, 000, 000 up to € 30, 000, 000 ¹ |
| 7. Nominal value of the Bond: | € 10,000 |
| 8. Issue Date: | 24 March 2020 ² |
| 9. Annual Interest Rate: | 5% ³ |

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 € 30,000,000. 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 “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 Annual Interest Rate once or several times until the end of the applicable Offer Period and announce the updated Annual Interest Rate (the “**Updated Annual Interest Rate**”). The Updated Annual Interest Rate will be published on Citadele’s website www.citadele.lv. Investors should follow the information on the aforementioned website and have a right to modify or cancel their Purchase Orders if the Annual 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 (as defined below) Citadele amends the Annual Interest Rate, the final Annual 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 Annual

10. Interest Payment Dates: 24 March and 24 September each year⁴
11. Maturity Date: 24 March, 2030⁵
12. Issue Price: 100% of the Nominal Value of the Bond⁶
13. Minimum Investment Amount: 10 Bonds
14. Yield to Maturity: [●]⁷
15. Offer Period: from 14:00 (Latvian time) on 9 March 2020 until 16:00 (Latvian time) on 18 March 2020⁸
16. Procedure for submission of the Purchase Orders: 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 confirms that the investor has acquainted himself/herself with the text of the Base Prospectus, the Final Terms and other documents related to this Bonds issue. The investor has carefully studied and fully understood their content and terms and conditions of the Bonds and accepts them as binding;
 - 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 investor who submits the Purchase Order through credit institutions (other than Citadele), investment brokerage firms or other financial intermediaries (altogether "intermediary") consents and authorises such intermediary to disclose investor's identity and investment amount to Citadele. Any intermediary offering, selling or recommending the Bonds should take into consideration the Citadele's as manufacturer target market assessment; however, the intermediary subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by

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 The Offer Period may be extended by Citadele according to the section entitled "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.

⁵ The Offer Period may be extended by Citadele according to the section entitled "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.

⁶ 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 (as defined below) and announce the updated Issue Price (the "**Updated Issue Price**"). The Updated Issue Price will be published on Citadele's website www.citadele.lv. Investors should follow the information on the aforementioned website and 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 (as defined below) 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.

⁷ An expected yield to maturity for the Bonds, based on the final Issue Price 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.

⁸ The Offer Period may be extended by Citadele according to the section entitled "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.

either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

- 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).

17. Agent of Citadele: Not applicable
18. Credit rating: the Bonds to be issued under this Tranche are not and will not be rated at the initiative of Citadele during the term they remain outstanding.
19. Use of Proceeds: 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.
20. Underwriting: The Bonds to be issued under this Tranche will not be subject to underwriting
21. Information about the bonds of Citadele that are already admitted to trading on regulated markets: As at the date of these Final Terms:
(i) 2000 unsecured subordinated bonds having nominal value of € 10,000 each and coupon 5,50% due 24 November, 2027 (ISIN: LV0000880011) issued by Citadele within its € 25,000,000 Second Unsecured Subordinated Bonds Programme are admitted to trading on the regulated market: Nasdaq Riga AS (Baltic Bond List).
(ii) 4000 unsecured subordinated bonds having nominal value of € 10,000 each and coupon 6,25% due 6 December, 2026 (ISIN: LV0000802221) issued by Citadele within its € 40,000,000 First Unsecured Subordinated Bonds Programme are admitted to trading on the regulated market: Nasdaq Riga AS (Baltic Bond List).
22. Countries where the offer to the public takes place: Latvia, Lithuania, Estonia
23. Countries where admission to trading on the regulated market(s) is being sought: Latvia
24. Countries where the Base Prospectus has been notified: Lithuania, Estonia

These Final Terms have been approved by the Citadele's Management Board at its meeting on 4 March, 2020 and will be updated after allotment of the Bonds to the investors, as well as published on the Citadele's website www.citadele.lv and submitted to the FCMC.

Riga, Latvia

4 March, 2020

AS "Citadele banka"