

Interim report

January-March 2025



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General information

Mission

The economic aspect of the Bank's mission is to create value for the clients, employees, and shareholders of the Bank as well as for society and economy of Latvia by means of high-quality financial solutions.

For more than 30 years, the Bank has been an active member of Latvian society. The social aspect of the Bank's mission is to support Latvian society in developing traditional and new cultural currents, preserving historical heritage, and improving the quality of life.

Vision

The Bank is in the leading position in the area of corporate client service and wealth management in Latvia and at regional level.

The Bank plans to consolidate its market position with an aim to ensure stable profit and improve efficiency ratios. Continuation of stable growth, improvement of the technological base and supporting of rational administrative infrastructure are among the Bank's priorities.

The Bank plans to continue to improve the control and risk management systems, personnel training and professional development of all employees.

Rietumu Group has zero-tolerance towards bribery, corruption, and money laundering. We are proud to have one of the most numerous and skilled teams in the region that stands ready to fight unfair business practices.

We at Rietumu Banka understand the importance of doing business in a way that for having profit today one does not have to take from tomorrow. Each business has to make its own contribution towards achieving long-term sustainability and banks as the ones controlling the flows of funds have even greater responsibility for this mission to be successful.

Rietumu Banka considers important sharing and promoting social responsibility by providing support and assistance to those in need through operations Nākotnes Atbalsta fonds (Fund for support of future).

Strategy

For achieving the set goals, the Bank has worked out and has been effectively implementing its corporate strategy focusing on the following areas:

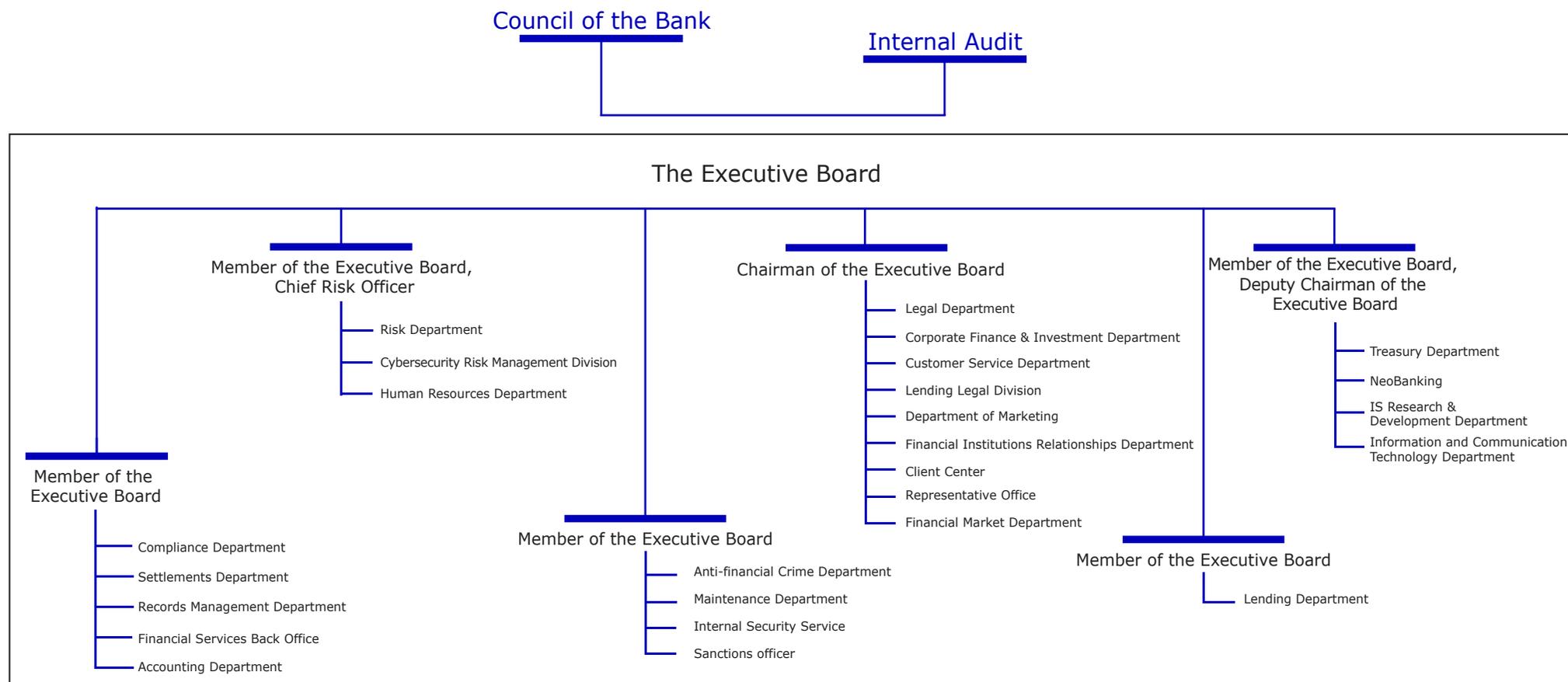
- Cooperation with customers working on international scale, customers who own production companies, distribution networks, retail chains, transportation and real estate enterprises, import and export oriented companies, as well as customers with cross-border business requirements, etc.
- Assets and wealth management, brokerage services for stock exchange, investment and corporate finance, provision of loans to corporate entities, interbank lending and investment in securities, attraction of interbank loans, corporate and private deposits attraction.
- Constantly raising customer service quality by improving and expanding the existing product range according to the current market situation and the Bank's technological capabilities.
- Continually improving the internal processes and information technologies.

Bank offices

The information about Rietumu Bank Worldwide offices can be found:

<https://www.rietumu.com/en/about-bank/bank-details>

The structure of JSC "Rietumu Banka"



Shareholders of the Bank

Shareholders of the Bank	Number of shares	EUR The nominal value of shares	EUR Paid-in share capital	% of share capital with voting rights
Companies non-residents, total	33 650 918		47 111 285	33.11%
Boswell (International) Consulting Limited (Malta)	33 650 918	1.4	47 111 285	33.11%
Companies residents, total	51 278 829		71 790 361	50.46%
SIA "Esterkin Family Investments"	33 660 627	1.4	47 124 878	33.12%
SIA "Suharenko Family Investments"	17 618 202	1.4	24 665 483	17.34%
Others	16 703 953	1.4	23 385 534	16.43%
Shares with voting rights	101 633 700		142 287 180	100.00%
Shares without voting rights	19 020 308	1.4	26 628 431	
Paid-in share capital total	120 654 008		168 915 611	

The Council of the Bank

Name	Position	Date of appointment
Leonids Esterkins	Chairman of the Council	13/06/2024 - 12/06/2029
Arkadijs Suharenko	Deputy Chairman of the Council	13/06/2024 - 12/06/2029
Dermot Fachtina Desmond	Deputy Chairman of the Council	13/06/2024 - 12/06/2029
Valentins Blugers	Member of the Council	13/06/2024 - 12/06/2029
Iļja Suharenko	Member of the Council	13/06/2024 - 12/06/2029
Charles William Larson Jr.	Member of the Council	13/06/2024 - 12/06/2029

The Executive Board of the Bank

Name	Position	Date of appointment
Jelena Buraja	Chairman of the Executive Board	21/08/2024 - 20/08/2029
Ruslan Stecyuk	Member of the Executive Board, Deputy Chairman	21/08/2024 - 20/08/2029
Mihails Birzgals	Member of the Executive Board	21/08/2024 - 20/08/2029
Vladlens Topcijans	Member of the Executive Board	21/08/2024 - 20/08/2029
Sandris Straume	Member of the Executive Board, Chief Risk Officer	21/08/2024 - 20/08/2029
Arturs Jukss	Member of the Executive Board	27/01/2025 - 18/01/2030

Consolidation group

JSC "Rietumu Banka" is the parent entity of the group.

No.	Name of company	Registration number	Registration location code	Registration address	Type of activities*	Interest in share capital (%)	Voting shares (%)	Basis for inclusion in the group**
1	AS "Rietumu Banka"	40003074497	LV	Latvia, Riga, Vesetas str. 7	BNK	100	100	MT
2	SIA "RB Investments"	40003669082	LV	Latvia, Riga, Vesetas str. 7	CFI	100	100	MS
3	SIA "KI Zeme"	40103161381	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MMS
4	SIA "KI Nekustamie īpašumi"	40103182129	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MMS
5	SIA "Vesetas 7"	40103182735	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
6	Rietumu leasing OOO	100188077	BY	Belarus, Minsk, Odoevskogo str. 117, 6th floor, office 9	LIZ	100	100	MS
7	SIA "InCREDIT GROUP"	40103307404	LV	Latvia, Riga, Kr.Barona str. 130	CFI	51	51	MS
8	KI Invest OOO	1157746168007	RU	Russia, Moscow, 117246. Nauchnij pr. 19	PLS	100	100	MMS
9	SIA "Euro Textile Group"	40003660929	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
10	SIA "KI FUND"	40203088127	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
11	SIA "Second Sky Management"	40203293952	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS

* BNK - bank; ENI - e-commerce company; IBS - investment brokerage company; IPS - investment management company; PFO - pension fund; LIZ - leasing company; CFI - other financial institution; PLS - company providing various support services.

** MS - subsidiary company; MMS - subsidiary of the subsidiary company; MT - parent company; CT - other company.

Income Statement

	000'EUR			
	Bank	Group	Bank	Group
	01.01.2025-	01.01.2025-	01.01.2024-	01.01.2024-
	31.03.2025	31.03.2025	31.03.2024	31.03.2024
	Non-audited	Non-audited	Non-audited	Non-audited
Interest income	13 835	16 051	17 050	18 580
Interest expenses	-5 162	-5 062	-6 953	-6 908
Dividend income	15	15	223	223
Commission and fee income	2 660	2 659	2 421	2 419
Commission and fee expense	-464	-575	-409	-506
Net gain/(loss) on derecognition of financial assets and financial liabilities not measured at fair value through profit or loss	-26	-26	-415	-415
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	-37	-37	-218	-218
Net result from foreign exchange trading and revaluation	1 189	4 532	117	67
Net gain/(loss) from derecognition of non-financial assets	4	16	1	6
Other income	343	1 468	123	1 212
Other expense	-12	-12	-5	-7
Administrative expense	-7 812	-11 693	-7 362	-9 533
Depreciation	-546	-541	-547	-399
Provisions or reversal of provisions	-21	-	21	24
Impairment losses	-2 018	-2 337	17	-351
PROFIT BEFORE CORPORATE INCOME TAX	1 948	4 458	4 064	4 194
Corporate income tax	-748	-760	-639	-655
NET PROFIT	1 200	3 698	3 425	3 539
Other comprehensive income for the reporting period	-28	-4 393	2 655	2 804

Financial performance

Condensed Balance Sheet

000'EUR

	Bank 31.03.2025 Non-audited	Group 31.03.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
ASSETS				
Cash and demand deposits with central banks	220 179	220 203	248 143	248 161
Demand deposits from credit institutions	27 185	29 157	15 711	17 246
Financial assets at fair value through profit or loss	7 738	8 231	8 022	8 515
Financial assets at fair value through other comprehensive income	208 835	208 835	213 324	213 324
Financial assets at amortised cost	697 910	688 349	733 556	702 176
Loans, net	654 092	644 531	688 778	657 398
<i>incl.</i>				
<i>loans, gross</i>	693 592	677 544	726 079	687 888
<i>expected credit losses</i>	-39 500	-33 013	-37 301	-30 490
<i>stage 1</i>	-5 122	-5 564	-5 413	-5 937
<i>stage 2</i>	-3 909	-4 141	-4 371	-3 476
<i>stage 3</i>	-30 469	-23 308	-27 517	-21 077
Debt securities, net	43 818	43 818	44 778	44 778
<i>incl.</i>				
<i>debt securities, gross</i>	48 630	48 630	49 751	49 751
<i>expected credit losses</i>	-4 812	-4 812	-4 973	-4 973
<i>stage 1</i>	-476	-476	-479	-479
<i>stage 2</i>	-46	-46	-47	-47
<i>stage 3</i>	-4 290	-4 290	-4 447	-4 447
Tangible assets	61 249	125 437	61 302	123 965
<i>fixed assets</i>	27 836	44 335	27 882	43 926
<i>investment property</i>	33 413	81 102	33 420	80 039
Intangible assets	1 936	1 946	1 802	1 811
Investments in subsidiaries and associates	97 219	37 577	74 781	37 577
Tax assets	1 008	1 028	1 036	1 066
Other assets	13 677	12 793	13 131	15 324
Long-term assets and disposal groups classified as held for sale	-	29	1 126	5 991
Total assets	1 336 936	1 333 585	1 371 934	1 375 156
LIABILITIES AND SHAREHOLDERS'S EQUITY				
Demand deposits due to credit institutions	20 428	20 428	10 543	10 543
Financial instruments at fair value through profit or loss	2 539	2 539	2 534	2 534
Financial liabilities at amortised cost	918 814	898 670	965 104	948 178
<i>incl.</i>				
<i>deposits</i>	892 924	879 739	930 078	923 617
Tax liabilities	3 530	4 280	2 793	3 602
Provisions	30 730	30 634	30 709	30 634
Other liabilities	5 520	5 063	6 049	7 031
Total liabilities	981 561	961 614	1 017 732	1 002 522
Shareholders' equity	355 375	371 971	354 202	372 634
<i>incl.</i>				
<i>paid-in share capital</i>	168 916	168 916	168 916	168 916
<i>share premium</i>	52 543	52 543	52 543	52 543
<i>reserve capital</i>	23	23	23	23
<i>retained earnings of previous years</i>	136 863	146 144	123 981	134 880
<i>profit for the period</i>	1 200	3 200	12 882	11 234
<i>fixed asset revaluation reserve</i>	-	7 637	-	7 506
<i>revaluation reserve for financial assets at fair value</i>	-4 170	-4 170	-4 143	-4 143
<i>currency translation reserve</i>	-	-7 480	-	-2 985
<i>non-controlling interest</i>	-	5 158	-	4 660
Total liabilities and shareholder's equity	1 336 936	1 333 585	1 371 934	1 375 156
Commitments and guarantees, net	139 976	127 898	129 044	108 109
<i>incl.</i>				
<i>commitments and guarantees, gross</i>	140 705	128 531	129 753	108 743
<i>expected credit losses</i>	-729	-633	-709	-634
<i>stage 1</i>	-534	-438	-423	-349
<i>stage 2</i>	-176	-176	-286	-285
<i>stage 3</i>	-19	-19	-	-

*Information has been prepared based on data from the audited annual report for the year ended 31 December 2024.

Profitability ratios

	Bank 31.03.2025 Non-audited	Group 31.03.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
ROE ¹	3.32%	3.44%	3.61%	3.13%
ROA ²	0.85%	0.96%	0.89%	0.82%

Regulatory requirements and ratios

	Bank 31.03.2025 Non-audited	Group 31.03.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
Capital adequacy ratio	24.40%	24.81%	24.71%	25.38%

Financial ratios

	Bank 31.03.2025 Non-audited	Group 31.03.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
Equity to loan portfolio ratio	54.33%	57.71%	51.42%	56.68%
Loan portfolio to total assets ratio	48.92%	48.33%	50.20%	47.81%
Equity to total assets ratio	26.58%	27.89%	25.82%	27.10%
Deposits to loans ratio	136.51%	136.49%	135.03%	140.50%

¹Annualised profit/loss for the reporting period over average equity

²Annualised profit/loss for the reporting period over average assets

*Information has been prepared based on data from the audited annual report for the year ended 31 December 2024.

Financial performance

Report of equity and minimum capital requirements*

No.	Position	Bank 000'EUR 31.03.2025	Group 000'EUR 31.03.2025
1	Own funds (1.1.+1.2.)	289 052	293 847
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	278 756	283 551
1.1.1.	Common equity tier 1 capital	278 756	283 551
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	10 296	10 296
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 184 596	1 184 596
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 068 582	1 068 582
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	4 876	4 876
2.4.	Total risk exposure amount for operational risk	111 031	111 031
2.5.	Total risk exposure amount or credit valuation adjustment	107	107
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
3	Capital ratios and capital levels		
3.1.	CET 1 Capital ratio (%) (1.1.1./2.*100)	23.53	23.94
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	225 449	230 244
3.3.	Tier 1 Capital ratio (%) (1.1./2.*100)	23.53	23.94
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital(-) (1.1.-2.*6%)	207 680	212 475
3.5.	Total capital ratio (%) (1./2.*100)	24.40	24.81
3.6.	Surplus(+)/Deficit(-) of total capital (-) (1.-2.*8%)	194 284	199 079
4	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	42 505	42 505
4.1.	Capital conservation buffer	29 615	29 615
4.2.	Conservation buffer connected with at country level detected macroprudential or systemic risk	-	-
4.3.	Institution specific countercyclical capital buffer	6 967	6 967
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	5 923	5 923
5	Capital ratios due to Pillar II adjustments		
5.1.	Amount of asset value adjustment appropriate for prudential purposes	-	-
5.2.	CET1 capital ratio including Pillar II adjustments	23.53%	23.94%
5.3.	Tier 1 capital ratio including Pillar II adjustments	23.53%	23.94%
5.4.	Total capital ratio including Pillar II adjustments	24.40%	24.81%

*The information has been prepared according to the methodology that was in effect until December 31, 2024.

Liquidity coverage ratio calculation

No.	Position	Bank 000'EUR 31.03.2025	Group 000'EUR 31.03.2025
1	Liquidity buffer	365 179	365 198
2	Net liquidity outflow	123 316	123 286
3	Liquidity coverage ratio (%)	296.13%	296.22%

Information on risk management can be found in the last annual report:

<https://www.rietumu.com/en/about-bank/bank-finance/bank-finance-audited>

Analysis of the Bank's and Group's securities portfolio distribution

Bank's and Group's securities portfolio breakdown by country in which the total book value of the securities issued exceeds 10% of the Bank's shareholders equity.

000'EUR

31.03.2025 Non-audited Issuer	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Financial instruments at amortised costs	TOTAL	% of shareholders' equity*
Luxembourg					
Other financial corporations	-	978	25 354	26 332	
Non-financial corporations	95	6 289	44	6 428	
Total:	95	7 267	25 398	32 760	9.22%
USA					
Credit institutions	-	7 930	-	7 930	
Other financial corporations	7 112	6 349	-	13 461	
Non-financial corporations	-	25 137	344	25 481	
Total:	7 112	39 416	344	46 872	13.19%
Securities of other countries:	381	162 152	18 076	180 609	
Total securities portfolio:	7 588	208 835	43 818	260 241	

* - Each country's issuers' total exposure in percentages from the Bank's shareholders equity.