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General Information

Mission

The Bank offers qualitative and professional financial services for the dynamically growing enterprises and high-net-worth individuals from Latvia, the CIS, Europe and other world regions.

The Bank aims at providing premium quality service, our personalised and customer-oriented approach allows to devise and offer tailored financial solutions for every customer meeting his/her business needs and personal requirements.

Vision

The Bank endeavors to strengthen its leading positions in wealth management and corporate client service in Latvia and beyond.

The Bank aspires to increase its efficiency ratios and strengthen its market position aiming at ensuring stable profitability. The Bank seeks the stable development achieved by means of effective internal technology and administrative infrastructure.

The Bank is also planning to foster the improvement of risks and control management systems, staff training and professional growth of all its employees.

Rietumu is a socially responsible Latvian bank rendering support for those in need through our Rietumu Bank Charity Fund.

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.

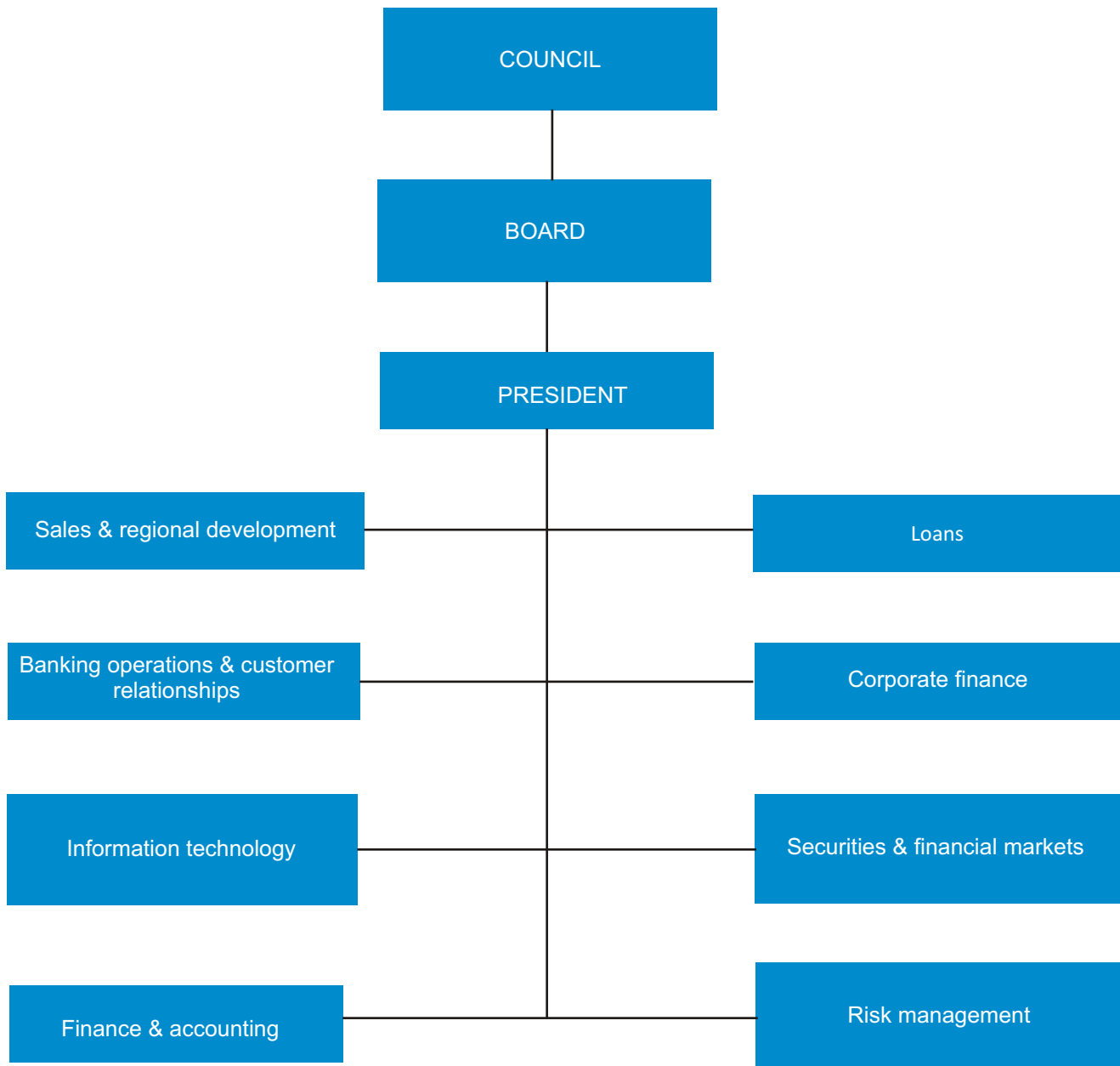
- Constantly raising customer service quality by improving and expanding the existing product range according to the current market situation and the Bank's technological capabilities.

- Continually improving the internal processes and information technologies.

Bank offices

The information about Rietumu Bank Worldwide offices can be found: www.rietumu.com/bank-offices

The structure of JSC “Rietumu Banka”



Shareholders of the Bank

Shareholders of the Bank	Number of voting shares	Par value of Shares in lats	Paid-in share capital	% of total share capital
Companies non-residents, total	33 110 000		33 110 000	33.11%
Boswell (International) Consulting Limited	33 110 000	1	33 110 000	33.11%
Private persons, total	66 890 000		66 890 000	66.89%
Leonid Esterkin	33 119 553	1	33 119 553	33.12%
Arkady Suharenko	17 335 000	1	17 335 000	17.34%
Others	16 435 447	1	16 435 447	16.44%
Total	100 000 000		100 000 000	100.00%

The Council of Rietumu Bank

Name	Position	Date of appointment
Leonid Esterkin	Chairman of the Council	25/09/97(25/03/11-25/03/14)
Arkady Suharenko	Deputy Council Chairman	25/09/97(25/03/11-25/03/14)
Brendan Thomas Murphy	Deputy Council Chairman	07/09/05(25/03/11-25/03/14)
Dermot Fachtna Desmond	Member of the Council	07/09/05(25/03/11-25/03/14)
Alexander Gafin	Member of the Council	25/03/10(25/03/11-25/03/14)
Alexander Kalinovsky	Member of the Council	05/11/10(25/03/11-25/03/14)
Valentin Bluger	Member of the Council	25/03/11(25/03/11-25/03/14)

The Board of Directors

Name	Position	Date of appointment
Alexander Pankov	Chairman of the Board, President	18/10/10(18/10/10-18/10/13)
Ruslans Stecjuks	Member of the Board, First Vice President	18/10/10(18/10/10-18/10/13)
Dmitry Pyshkin	Member of the Board, Senior Vice President	02/07/01(18/10/10-18/10/13)
Jevgenijs Djugajevs	Member of the Board, Senior Vice President	18/10/10(18/10/10-18/10/13)
Iļja Suharenko	Member of the Board, Senior Vice President	18/10/10(18/10/10-18/10/13)
Rolf Paul Fuls	Member of the Board, Senior Vice President	26/11/10(26/11/10-26/11/13)

Members of the consolidation group

No	Company name	Registration number	Registration location code and address	Commercial activity *	Share capital (%)	Voiting shares (%)	Justification for inclusion in the group**
1	RB Securities Limited	HE 78731	CY, 1 Stasinou Street, 1 Mitsi Building, 2nd Floor, Office 5, Plateia Eleftherias, P.C. 1060, Nicosia, Cyprus	CFI	99.99	100	MS
2	AS "RB Securities" IBS	40003344762	LV, 7 Vesetas Street, 11th floor, Riga, Latvia, LV-1013	IBS	100	100	MS
3	SIA "RB Investments"	40003669082	LV, 7 Vesetas Street, 10th floor, Riga, Latvia, LV-1013	CFI	100	100	MS
4	SIA "RB Vidzeme"	40003682292	LV, 7 Vesetas Street, 10th floor, Riga, Latvia, LV-1013	CFI	100	100	MS
5	AS "RB Asset Management"	40003764029	LV, 7 Vesetas Street, 11th floor, Riga, Latvia, LV-1013	IPS	100	100	MS
6	SIA "RB Drošība"	40003780752	LV, 7 Vesetas Street, Riga, Latvia, LV-1013	CKS	100	100	MS
7	SIA "Westtransinvest"	100188077	BY, 8 Fabricius Street, 4th floor, room No 18, Minsk, Belarus, 220007	CFI	50	51	MS
8	SIA "Westleasing"	190510668	BY, 8 Fabricius Street, 4th floor, room No 42, Minsk, Belarus, 220007	CFI	50	51	MS
9	SIA "Westleasing-M"	1047796934206	RU, 10 Kostjakova Street, Moscow, Russia, 127422	CFI	50	51	MS
10	SIA "RB Namu serviss"	40103169629	LV, 7 Vesetas Street, 10th floor, Riga, Latvia, LV-1013	CKS	100	100	MS
11	SIA "Parex leasing"	190567618	BY, 23 Libavoromenskaja Street, room No 7, Minsk, Belarus, 220028	CFI	100	100	MS
12	SIA "InCREDIT GROUP"	40103307404	LV, 130 Krišjāņa Barona Street, Riga, Latvia, LV-1012	CFI	51	51	MS
13	SIA "OVERSEAS Estates"	40003943207	LV, 7 Vesetas Street, 3th floor, Riga, Latvia, LV-1013	CKS	100	100	MS

* BNK - bank, ISP - the insurance company, offer - the reinsurer, APP - the insurance company, IBC - an investment firm, IPS - an investment management firm, PFO - pension fund, CFI - other financial institution, FPS - financial company, CKS - other company.

** MS - subsidiary; KS - joint-venture company, MAS - parent company.

Financial performance

Income

	March 2011 Non-audited	March 2010 Non-audited	000'LVL
Interest income	7 388	7 547	
Interest expenses	-3 146	-3 110	
Net interest income	4 243	4 437	
Commission and fee income	3 806	3 091	
Commission and fee expense	-648	-563	
Net commission and fee income	3 157	2 528	
Profit from trading with fin.instruments	2 360	2 249	
Dividend income	-	457	
Other operating income	225	780	
Operating income	9 986	10 450	
Administrative expenses	-5 456	-3 483	
Depreciation of fixed assets	-533	-523	
Other operating expenses	-6	-10	
Impairment profit/losses	-1 987	-6 047	
Profit/loss from disposal of assets	18	827	
Profit from sale and revaluation of property	100	0	
PROFIT BEFORE TAXATION	2 122	1 214	
Taxes	-587	-249	
NET PROFIT	1 535	965	

Profitability ratios

	March 2011	March 2010
ROE	4.43%	2.12%
ROA	0.55%	0.26%
Net interest margin	1.80%	2.12%
Cost/income ratio	60.03%	62.30%

Regulatory requirements and ratios

	March 2011	March 2010
Liquidity ratio	62.65%	58.92%
<i>note: mimum allowed by FCMC</i>	30.00%	30.00%
Capital adequacy ratio	18.56%	16.16%
<i>note: mimum allowed by FCMC</i>	8.00%	8.00%

Financial ratios

	March 2011	March 2010
Equity to loan portfolio ratio	23.38%	26.38%
Loan portfolio to total assets ratio	50.86%	50.26%
Equity to total assets ratio	11.89%	13.26%
Deposits to loans ratio	162.09%	153.36%

Risk management

Risk management can be found in the last annual report:

www.rietumu.com/bank-finance-audited