



Interim report

January-March 2024



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Mission

The mission of Rietumu Banka is to support and promote the development of Latvian and Baltic economy in a sustainable way by giving a hand to small, medium and large companies in terms of lending and operational infrastructure, while providing investment and asset management services to owners of these companies.

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

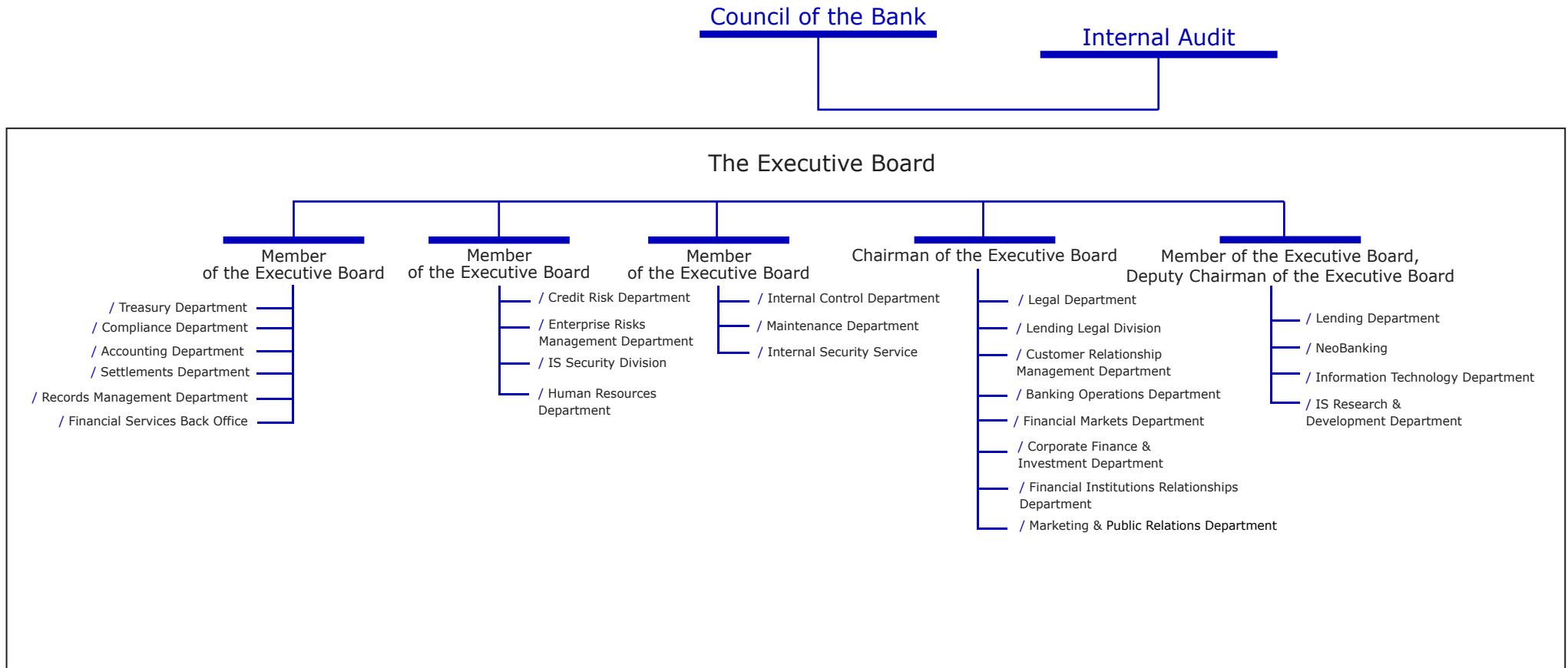
For achieving the set goals, the Bank has worked out and has been effectively implementing its corporate strategy focusing on the following areas:

- 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	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	03/05/2023 - 02/05/2026
Arkadijs Suharenko	Deputy Chairman of the Council	03/05/2023 - 02/05/2026
Dermot Fachtna Desmond	Deputy Chairman of the Council	03/05/2023 - 02/05/2026
Valentins Blugers	Member of the Council	03/05/2023 - 02/05/2026
Iļja Suharenko	Member of the Council	03/05/2023 - 02/05/2026

The Executive Board of the Bank

Name	Position	Date of appointment
Jelena Buraja	Chairman of the Executive Board	14/10/2022 - 13/10/2025
Ruslan Stecyuk	Member of the Executive Board, Deputy Chairman	14/10/2022 - 13/10/2025
Mihails Birzgars	Member of the Executive Board	19/08/2021 - 19/08/2024
Vladlens Topcijans	Member of the Executive Board	29/08/2023 - 28/09/2026
Sandris Straume	Member of the Executive Board, Chief Risk Officer	21/10/2022 - 20/10/2025

The information disclosed in the report is prepared in accordance with the principles of the Regulations No 231 on Preparation of Public quarterly reports of Credit Institutions approved by the Financial and Capital Market Commission.

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, Odоеvskogo 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	SIA "OVERSEAS Estates"	40003943207	LV	Latvia, Ventspils, Dzintaru str. 3A	PLS	100	100	MS
9	KI Invest OOO	1157746168007	RU	Russia, Moscow, 117246. Nauchnij pr. 19	PLS	100	100	MMS
10	SIA "Euro Textile Group"	40003660929	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
11	SIA "KI FUND"	40203088127	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
12	SIA "COCHERA DEVELOPMENT GROUP"	40003968198	LV	Latvia, Riga, Brivibas str. 109	PLS	100	100	MMS

* 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
	01.01.2024-	01.01.2024-	01.01.2023-	01.01.2023-
	31.03.2024	31.03.2024	31.03.2023	31.03.2023
	Non-audited	Non-audited	Non-audited	Non-audited
Interest income	17 050	18 580	11 664	13 235
Interest expenses	-6 953	-6 908	-2 546	-2 591
Dividend income	223	223	11	11
Commission and fee income	2 421	2 419	2 317	2 362
Commission and fee expense	-409	-506	-370	-441
Net gain/(loss) on derecognition of financial assets and financial liabilities not measured at fair value through profit or loss	-415	-415	-	-
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	-218	-218	11	11
Net result from foreign exchange trading and revaluation	117	67	65	-1 999
Net gain/(loss) from derecognition of non-financial assets	1	6	162	165
Other income	123	1 212	130	1 238
Other expense	-5	-7	-4	-310
Administrative expense	-7 362	-9 533	-6 870	-9 130
Depreciation	-547	-399	-435	-356
Provisions or reversal of provisions	21	24	8	6
Impairment losses	17	-351	-416	-276
PROFIT BEFORE CORPORATE INCOME TAX	4 064	4 194	3 727	1 925
Corporate income tax	-639	-655	-70	361
NET PROFIT	3 425	3 539	3 657	2 286
Other comprehensive income for the reporting period	2 644	2 804	4 505	6 501

Financial performance

Condensed Balance Sheet

000'EUR

	Bank 31.03.2024 Non-audited	Group 31.03.2024 Non-audited	Bank 31.12.2023 Audited*	Group 31.12.2023 Non-audited
ASSETS				
Cash and demand deposits with central banks	341 135	341 146	350 330	350 366
Demand deposits from credit institutions	17 212	17 711	13 528	14 060
Financial assets at fair value through profit or loss	4 577	5 071	6 225	6 718
Financial assets at fair value through other comprehensive income	252 562	252 562	268 399	268 399
Financial assets at amortised cost	702 519	667 721	713 977	679 825
Loans, net	648 353	613 555	656 367	622 215
<i>incl.</i>				
<i>loans, gross</i>	684 390	643 704	692 155	651 761
<i>expected credit losses</i>	-36 037	-30 149	-35 788	-29 546
<i>stage 1</i>	-4 838	-4 271	-4 738	-4 133
<i>stage 2</i>	-2 921	-3 083	-3 001	-3 005
<i>stage 3</i>	-28 278	-22 795	-28 049	-22 408
Debt securities, net	54 166	54 166	57 610	57 610
<i>incl.</i>				
<i>debt securities, gross</i>	57 935	57 935	61 390	61 390
<i>expected credit losses</i>	-3 769	-3 769	-3 780	-3 780
<i>stage 1</i>	-917	-917	-921	-921
<i>stage 2</i>	-100	-100	-107	-107
<i>stage 3</i>	-2 752	-2 752	-2 752	-2 752
Tangible assets	70 338	131 969	71 017	131 563
<i>incl.</i>				
<i>fixed assets</i>	28 432	33 906	28 900	33 810
<i>investment property</i>	41 906	98 063	42 117	97 753
Intangible assets	1 634	1 640	1 557	1 564
Investments in subsidiaries and associates	69 567	48 352	69 567	48 352
Tax assets	-	91	-	104
Other assets	15 256	13 931	13 704	11 897
Long-term assets and disposal groups classified as held for sale	300	300	300	303
Total assets	1 475 100	1 480 494	1 508 604	1 513 151
LIABILITIES AND SHAREHOLDERS' EQUITY				
Due to Bank of Latvia	41 588	41 588	51 479	51 479
Demand deposits due to credit institutions	14 461	14 461	4 828	4 828
Financial instruments at fair value through profit or loss	3 108	3 108	2 024	2 024
Financial liabilities at amortised cost	1 033 817	1 018 389	1 047 145	1 031 283
<i>incl.</i>				
<i>deposits</i>	969 886	968 846	1 011 146	1 010 008
Tax liabilities	3 643	4 393	3 048	3 806
Provisions	33 397	33 392	33 418	33 408
Other liabilities	8 550	9 934	6 195	7 744
Total liabilities	1 138 564	1 125 265	1 148 137	1 134 572
Shareholders' equity	336 536	355 229	360 467	378 579
<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>	123 981	134 825	141 446	149 455
<i>profit for the period</i>	3 425	3 306	12 534	15 064
<i>fixed asset revaluation reserve</i>	-	6 761	-	6 670
<i>revaluation reserve for financial assets at fair value</i>	-12 352	-12 352	-14 995	-14 995
<i>currency translation reserve</i>	-	-3 249	-	-3 319
<i>non-controlling interest</i>	-	4 456	-	4 222
Total liabilities and shareholder's equity	1 475 100	1 480 494	1 508 604	1 513 151
Commitments and guarantees, net	161 936	141 086	144 554	114 174
<i>incl.</i>				
<i>commitments and guarantees, gross</i>	162 406	141 551	145 044	114 655
<i>expected credit losses</i>	-470	-465	-490	-481
<i>stage 1</i>	-457	-452	-358	-349
<i>stage 2</i>	-13	-13	-132	-132

*Information has been prepared based on data from the audited annual report for the year ended 31 December 2023.

After the audit of the annual financial statements there were significant changes in several positions.

The reason for the changes in the positions Investments in subsidiaries and associates and Financial instruments at fair value through profit or loss - disclosure of investment in equity in the newly obtained associated company at fair value.

The reason for the changes in the position Other assets - reclassification of overtaken assets to Investment property and disclosure of deposit platform commissions netted.

Deferred tax asset was derecognized for one of the Group's subsidiaries.

Profitability ratios

	Bank 31.03.2024 Non-audited	Group 31.03.2024 Non-audited	Bank 31.12.2023 Audited*	Group 31.12.2023 Non-audited
ROE ¹	3.86%	3.43%	3.61%	4.07%
ROA ²	0.91%	0.89%	0.86%	1.07%

Regulatory requirements and ratios

	Bank 31.03.2024 Non-audited	Group 31.03.2024 Non-audited	Bank 31.12.2023 Audited*	Group 31.12.2023 Non-audited
Capital adequacy ratio	23.59%	23.91%	25.65%	23.54%

Financial ratios

	Bank 31.03.2024 Non-audited	Group 31.03.2024 Non-audited	Bank 31.12.2023 Audited*	Group 31.12.2023 Non-audited
Equity to loan portfolio ratio	51.91%	57.90%	54.92%	60.84%
Loan portfolio to total assets ratio	43.95%	41.44%	43.51%	41.12%
Equity to total assets ratio	22.81%	23.99%	23.89%	25.02%
Deposits to loans ratio	149.59%	157.91%	154.05%	162.32%

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 2023.

Report of equity and minimum capital requirements

No.	Position	Bank 000'EUR 31.03.2024	Group 000'EUR 31.03.2024
1	Own funds (1.1.+1.2.)	284 008	290 197
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	269 559	275 748
1.1.1.	Common equity tier 1 capital	269 559	275 748
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	14 449	14 449
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 203 949	1 213 477
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 080 293	1 066 924
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	7 951	6 565
2.4.	Total risk exposure amount for operational risk	115 562	139 845
2.5.	Total risk exposure amount or credit valuation adjustment	143	143
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)	22.39	22.72
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	215 381	221 142
3.3.	Tier 1 Capital ratio (%) (1.1./2.*100)	22.39	22.72
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital(-) (1.1.-2.*6%)	197 322	202 939
3.5.	Total capital ratio (%) (1./2.*100)	23.59	23.91
3.6.	Surplus(+)/Deficit(-) of total capital (-) (1.-2.*8%)	187 692	193 119
4	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	42 130	42 504
4.1.	Capital conservation buffer	30 099	30 337
4.2.	Conservation buffer connected with at country level detected macroprudential or systemic risk	-	-
4.3.	Institution specific countercyclical capital buffer	3 001	3 066
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	9 030	9 101
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	22.39%	22.72%
5.3.	Tier 1 capital ratio including Pillar II adjustments	22.39%	22.72%
5.4.	Total capital ratio including Pillar II adjustments	23.59%	23.91%

JSC Rietumu Banka does not apply a temporary treatment set out in Article 468 of the Regulation (EC) No. 575/2013 regarding unrealised gains from financial assets measured at fair value through other comprehensive income usage in equity and capital adequacy ratios calculation.

Liquidity coverage ratio calculation

No.	Position	Bank 000'EUR 31.03.2024	Group 000'EUR 31.03.2024
1	Liquidity buffer	388 573	388 584
2	Net liquidity outflow	97 678	98 243
3	Liquidity coverage ratio (%)	397.81%	395.53%

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

31.03.2024 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	-	1 935	24 948	26 883	
Non-financial corporations	83	6 556	433	7 072	
Total:	83	8 491	25 381	33 955	10.09%
USA					
Credit institutions	-	1 698	-	1 698	
Other financial corporations	3 927	14 034	501	18 462	
Non-financial corporations	-	32 867	1 341	34 208	
Total:	3 927	48 599	1 842	54 368	16.16%
Securities of other countries:	326	195 472	26 943	222 741	
Total securities portfolio:	4 336	252 562	54 166	311 064	

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