

Interim report

January-September 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:

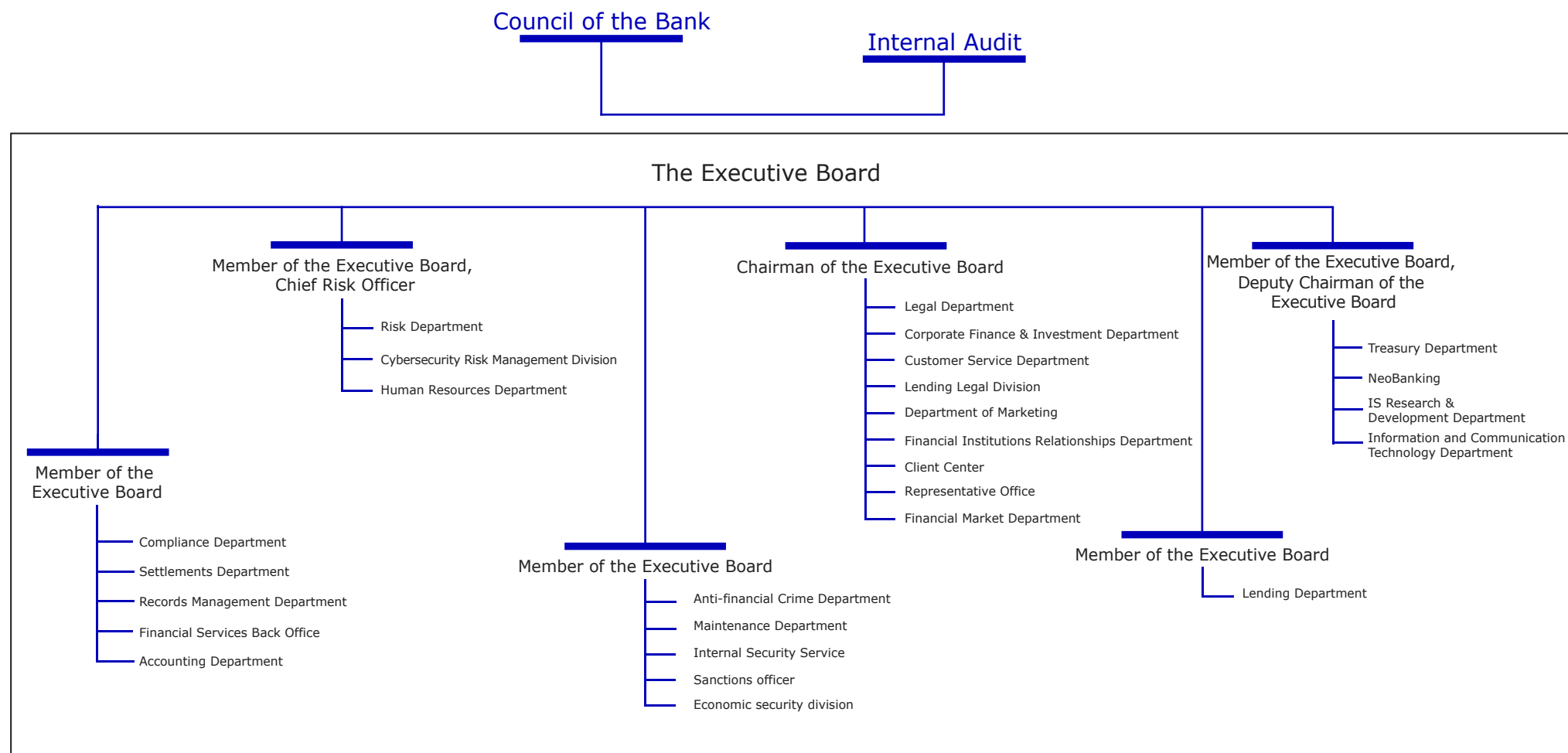
- Cooperation with customers working on international scale, customers who own production companies, distribution networks, retail chains, transportation and real estate enterprises, import and export oriented companies, as well as customers with cross-border business requirements, etc.
- Assets and 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 Fachtna Desmond	Deputy Chairman of the Council	13/06/2024 - 12/06/2029
Valentins Blugers	Member of the Council	13/06/2024 - 12/06/2029
Ilja 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
Ruslans Stecjuks	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	Ulmara Limited	021577V	IM	Isle of Man, Castletown IM9 1LG, The Red House One The Parade	PLS	100	100	MMS
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.

Financial performance

Income Statement

	000'EUR			
	Bank 01.01.2025- 30.09.2025 Non-audited	Group 01.01.2025- 30.09.2025 Non-audited	Bank 01.01.2024- 30.09.2024 Non-audited	Group 01.01.2024- 30.09.2024 Non-audited
Interest income	41 577	48 699	49 124	54 918
Interest expenses	-14 138	-14 606	-19 560	-19 390
Dividend income	2 376	115	2 412	311
Commission and fee income	8 586	8 584	7 252	7 250
Commission and fee expense	-1 628	-2 007	-1 322	-1 664
Net gain/(loss) on derecognition of financial assets and financial liabilities not measured at fair value through profit or loss	-68	-68	-610	-610
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	2 045	2 045	1 845	1 845
Net result from foreign exchange trading and revaluation	4 550	6 242	554	-361
Net gain/(loss) from derecognition of non-financial assets	468	6 969	-1 809	-1 952
Other income	1 108	6 382	334	4 746
Other expense	-25	-25	-58	-67
Administrative expense	-24 647	-30 638	-23 152	-31 251
Depreciation	-1 357	-1 919	-1 578	-1 145
Provisions or reversal of provisions	-710	-643	-116	-116
Impairment losses	-6 136	-5 510	-2 816	-2 425
Profit or loss arising from investments in subsidiaries, joint ventures and associates recognised using the equity method	5 666	5 693	555	555
PROFIT BEFORE CORPORATE INCOME TAX	17 667	29 313	11 055	10 644
Corporate income tax	-3 624	-3 987	-2 786	-3 689
NET PROFIT	14 043	25 326	8 269	6 955
Other comprehensive income for the reporting period	2 695	-2 693	8 500	9 425

Financial performance

Condensed Balance Sheet

000'EUR

	Bank 30.09.2025 Non-audited	Group 30.09.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
ASSETS				
Cash and demand deposits with central banks	319 537	319 553	248 143	248 161
Demand deposits due from/with credit institutions	27 882	29 635	15 711	17 246
Financial assets at fair value through profit or loss	8 955	9 448	8 022	8 515
Financial assets at fair value through other comprehensive income	179 181	179 181	213 324	213 324
Financial assets at amortised cost	729 477	694 188	733 556	702 176
Loans, net	685 915	650 627	688 778	657 398
<i>incl.</i>				
<i>loans, gross</i>	728 815	686 070	726 079	687 888
<i>expected credit losses</i>	-42 900	-35 443	-37 301	-30 490
<i>stage 1</i>	-6 220	-6 717	-5 413	-5 937
<i>stage 2</i>	-4 354	-4 654	-4 371	-3 476
<i>stage 3</i>	-32 326	-24 072	-27 517	-21 077
Debt securities, net	43 562	43 562	44 778	44 778
<i>incl.</i>				
<i>debt securities, gross</i>	47 642	47 642	49 751	49 751
<i>expected credit losses</i>	-4 080	-4 080	-4 973	-4 973
<i>stage 1</i>	-438	-438	-479	-479
<i>stage 2</i>	-28	-28	-47	-47
<i>stage 3</i>	-3 614	-3 614	-4 447	-4 447
Tangible assets	70 407	153 891	61 302	123 965
<i>fixed assets</i>	32 403	75 760	27 882	43 926
<i>investment property</i>	38 004	78 131	33 420	80 039
Intangible assets	2 264	2 268	1 802	1 811
Investments in subsidiaries and associates	34 562	621	74 781	37 577
Tax assets	369	389	1 036	1 066
Other assets	11 926	20 023	13 131	15 324
Long-term assets and disposal groups classified as held for sale	-	-	1 126	5 991
Total assets	1 384 560	1 409 198	1 371 934	1 375 156
LIABILITIES AND SHAREHOLDERS' EQUITY				
Demand deposits due to credit institutions	12 088	12 088	10 543	10 543
Financial instruments at fair value through profit or loss	9	9	2 534	2 534
Financial liabilities at amortised cost	972 441	971 754	965 104	948 178
<i>incl.</i>				
<i>deposits</i>	955 788	951 765	930 078	923 617
Tax liabilities	3 174	3 924	2 793	3 602
Provisions	31 418	31 277	30 709	30 634
Other liabilities	6 948	8 259	6 049	7 031
Total liabilities	1 026 078	1 027 311	1 017 732	1 002 522
Shareholders' equity	358 482	381 887	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>	124 404	134 007	123 981	134 880
<i>profit for the period</i>	14 043	23 979	12 882	11 234
<i>fixed asset revaluation reserve</i>	-	4 210	-	7 506
<i>revaluation reserve for financial assets at fair value</i>	-1 447	-1 447	-4 143	-4 143
<i>currency translation reserve</i>	-	-5 076	-	-2 985
<i>non-controlling interest</i>	-	4 732	-	4 660
Total liabilities and shareholders' equity	1 384 560	1 409 198	1 371 934	1 375 156
Commitments and guarantees, net	136 728	126 707	129 044	108 109
<i>incl.</i>				
<i>commitments and guarantees, gross</i>	138 147	127 984	129 753	108 743
<i>expected credit losses</i>	-1 419	-1 277	-709	-634
<i>stage 1</i>	-1 331	-1 225	-423	-349
<i>stage 2</i>	-26	-25	-286	-285
<i>stage 3</i>	-62	-27	-	-

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

Financial performance

Profitability ratios

	Bank 30.09.2025 Non-audited	Group 30.09.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
ROE ¹	5.33%	8.58%	3.61%	3.13%
ROA ²	1.35%	2.30%	0.89%	0.82%

Regulatory requirements and ratios

	Bank 30.09.2025 Non-audited	Group 30.09.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
Capital adequacy ratio	22.28%	22.28%	24.71%	25.38%

Financial ratios

	Bank 30.09.2025 Non-audited	Group 30.09.2025 Non-audited	Bank 31.12.2024 Audited*	Group 31.12.2024 Non-audited
Equity to loan portfolio ratio	52.26%	58.70%	51.42%	56.68%
Loan portfolio to total assets ratio	49.54%	46.17%	50.20%	47.81%
Equity to total assets ratio	25.89%	27.10%	25.82%	27.10%
Deposits to loans ratio	139.34%	146.28%	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 30.09.2025	Group 000'EUR 30.09.2025
1	Own funds (1.1.+1.2.)	262 448	266 314
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	254 492	258 358
1.1.1.	Common equity tier 1 capital	254 492	258 358
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	7 956	7 956
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 177 957	1 195 531
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 091 670	1 097 451
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	2 067	14 241
2.4.	Total risk exposure amount for operational risk	83 000	82 619
2.5.	Total risk exposure amount or credit valuation adjustment	1 220	1 220
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)	21.60	21.61
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	201 484	204 559
3.3.	Tier 1 Capital ratio (%) (1.1./2.*100)	21.60	21.61
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital(-) (1.1.-2.*6%)	183 815	186 626
3.5.	Total capital ratio (%) (1./2.*100)	22.28	22.28
3.6.	Surplus(+)/Deficit(-) of total capital (-) (1.-2.*8%)	168 211	170 672
4	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	46 411	46 925
4.1.	Capital conservation buffer	29 449	29 888
4.2.	Conservation buffer connected with at country level detected macroprudential or systemic risk	-	-
4.3.	Institution specific countercyclical capital buffer	11 072	11 059
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	5 890	5 978
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	21.60%	21.61%
5.3.	Tier 1 capital ratio including Pillar II adjustments	21.60%	21.61%
5.4.	Total capital ratio including Pillar II adjustments	22.28%	22.28%

Liquidity coverage ratio calculation

No.	Position	Bank 000'EUR 30.09.2025	Group 000'EUR 30.09.2025
1	Liquidity buffer	390 900	390 915
2	Net liquidity outflow	141 722	141 215
3	Liquidity coverage ratio (%)	275.82%	276.82%

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

30.09.2025 Non-audited		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*
Issuer						
Luxembourg		-	996	25 383	26 379	
Other financial corporations		116	4 789	39	4 944	
Non-financial corporations		116	5 785	25 422	31 323	8.74%
Total:						
USA						
Credit institutions		-	6 799	-	6 799	
Other financial corporations		8 377	8 232	-	16 609	
Non-financial corporations		-	16 920	311	17 231	
Total:		8 377	31 951	311	40 639	11.34%
Securities of other countries:		340	141 445	17 829	159 614	
Total securities portfolio:		8 833	179 181	43 562	231 576	

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