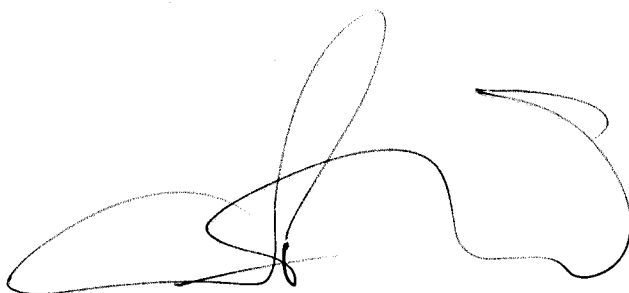


Statement regarding the corporate governance in 2014

Rietumu Bank AS statement regarding the corporate governance in 2014 is prepared according to the requirements of the Financial Instruments Market Law part 3 of article 56.² and on the basis of NASDAQ OMX Riga AS *Principles of corporate governance and recommendations on their implementation*, parts 11 and 12 and is available to the public in Rietumu Bank AS office Riga Vesetas Street 7 and electronically on the Bank's web page www.rietumu.lv



Chairman of the Board
Alexander Pankov

25 March 2015

INTERNAL CONTROL AND RISK MANAGEMENT

The purpose of internal control and risk management is to ensure efficient and successful work of the Issuer, the truthfulness of the information disclosed and conformity thereof to the relevant regulatory acts and business principles. Internal control helps the board to identify the shortcomings and risks in the management of the Issuer as well as facilitates that the council's task - to supervise the work of the board - is fulfilled efficiently.

11. Principles of the Issuer's internal and external control

To ensure successful work of the Issuer, it shall be necessary to plan regular its controls and to determine the procedure of internal and external (audit) control.

- 11.1 To ensure successful operation, the Issuer shall control its work on a regular basis and define the procedure of internal control.

Rietumu Bank AS operates in compliance with this principle.

- 11.2 The objective of risk management is to ensure that the risks connected with the commercial activity of the Issuer are identified and supervised. To ensure an efficient risk management, it shall be necessary to define the basic principles of risk management. It is recommended to characterize the most essential potential and existing risks in relation to the business of the Issuer.

Rietumu Bank AS (the Bank) operates in compliance with this principle.

More detailed information about the Bank's risk management is provided in the Bank's annual report 2014, which is available to the public in the Bank's office Riga Vesetas Street 7 and electronically on the Bank's web page www.rietumu.lv

- 11.3 Auditors shall be granted access to the information required for the fulfillment of the auditor's tasks and the possibility to attend council and board meetings at which financial and other matters are dealt with.

Rietumu Bank AS operates in compliance with this principle.

- 11.4 Auditors shall be independent in their work and their task shall be to provide the Issuer with independent and objective auditing and consultation services in order to facilitate the efficiency of the Issuer's business and to provide support in achieving the objectives set for the Issuer's management by offering a systematic approach for the assessment and improvement of risk management and control processes.

Rietumu Bank AS operates in compliance with this principle.

- 11.5 It shall be recommended to carry out an independent internal control at least annually in order to assess the work of the Issuer, including its conformity to the procedures approved by the Issuer.

Rietumu Bank AS operates in compliance with this principle.

- 11.6 When approving an auditor, it is recommended that the term of office of one auditor is not the same as the term of office of the board.

Rietumu Bank AS operates in compliance with this principle.

12. Audit Committee

- 12.1 The functions and responsibility of the Audit Committee should be specified in the regulation of the committee or a comparable document.

Rietumu Bank AS operates in compliance with this principle.

- 12.2 To assure an efficient functioning of the Audit Committee, it is recommended that at least free of its members have adequate knowledge in accounting and financial reporting, because issues related to the Issuer's financial reports and control are in the focus of the Audit Committee's operations.

Rietumu Bank AS operates in compliance with this principle.

- 12.3 All the Audit Committee members shall have access to the information about the accounting principles practiced by the Issuer. Board shall advise the audit Committee as to the approaches to significant and unusual transactions, where alternative evaluations are possible, and shall ensure that the Audit Committee has access to all information that has been specified in the legislation.

Rietumu Bank AS operates in compliance with this principle.

- 12.4 The Issuer shall ensure that its officials, board members and staff release the information to the Audit Committee that is necessary for its operations. The Audit Committee should also be entitled to carry out an independent investigation in order to identify, within its scope, any violations in the Issuer's activities.

Rietumu Bank AS operates in compliance with this principle.

- 12.5 Within its scope, the Audit Committee shall adopt resolutions, and is accountable to the shareholders' meeting for its operations.

Rietumu Bank AS operates in compliance with this principle.