

2022

Public quarterly report
1st Quarter 2022



RIETUMU
BANK

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Mission

The Bank offers high-quality and professional financial services for dynamically growing enterprises and high net worth individuals from Latvia, the Baltic states, the EU countries and from other countries worldwide.

The Bank aims at providing premium quality service and its 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 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 Bank is a socially responsible Latvian bank providing support and assistance to those in need through operations of a specially created 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.

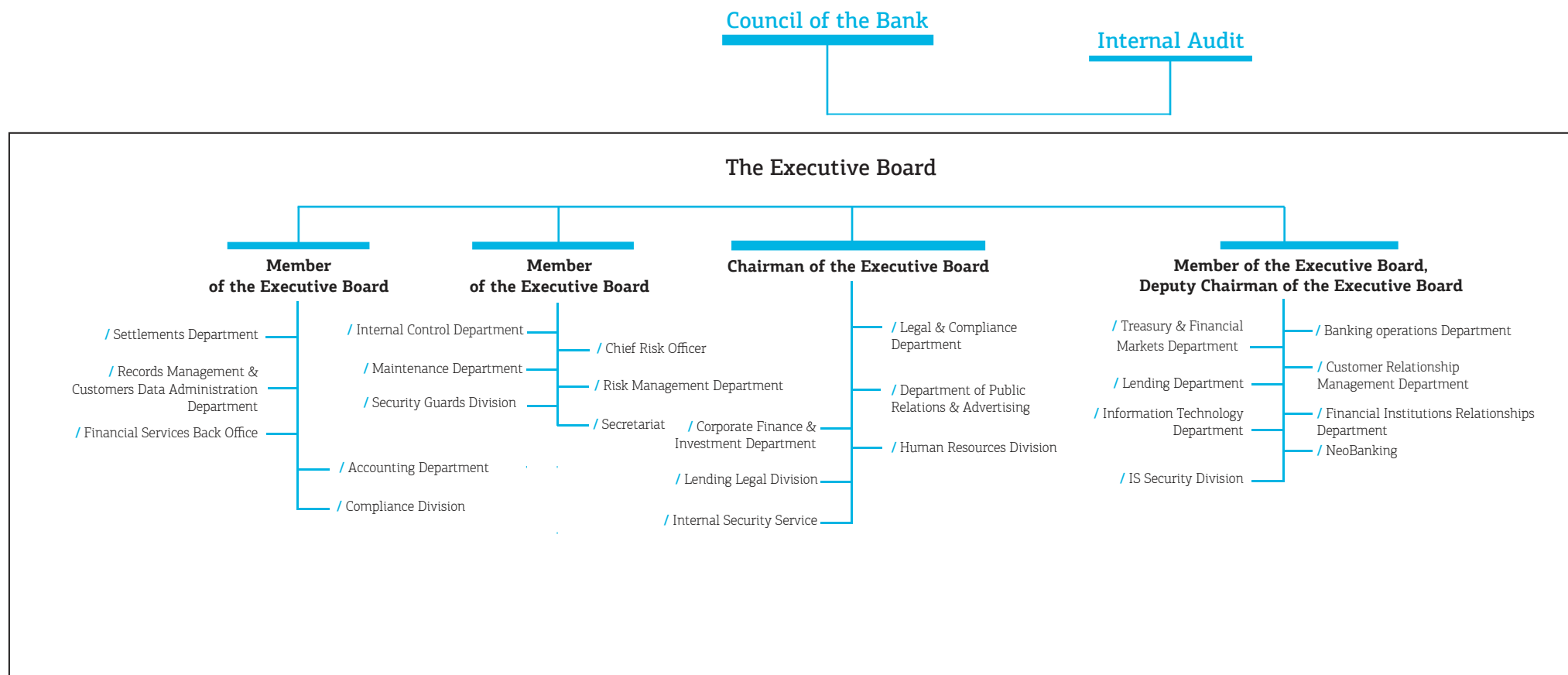
Bank offices

The information about Rietumu Bank Worldwide offices can be found:

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



The structure of JSC "Rietumu Banka"



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%
Total 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	06/04/2021 - 06/04/2024
Arkadijs Suharenko	Deputy Chairman of the Council	06/04/2021 - 06/04/2024
Brendan Thomas Murphy	Deputy Chairman of the Council	06/04/2021 - 06/04/2024
Dermot Fachtna Desmond	Member of the Council	06/04/2021 - 06/04/2024
Valentins Blugers	Member of the Council	06/04/2021 - 06/04/2024
Iļja Suharenko	Member of the Council	06/04/2021 - 06/04/2024

The Executive Board of the Bank

Name	Position	Date of appointment
Jelena Buraja	Chairman of the Executive Board	19/08/2021 - 19/08/2024
Ruslan Stecyuk	Member of the Executive Board, Deputy Chairman	13/11/2019 - 13/11/2022
Mihails Bīrzgals	Member of the Executive Board	19/08/2021 - 19/08/2024
Vladlens Topčijans	Member of the Executive Board	02/09/2020 - 02/09/2023



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, 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.	SIA "ESP European Steel Production"	40103266905	LV	Latvia, Olaine, Rupnicu str. 4	PLS	100	100	MMS
9.	SIA "Ekoagro"	40003741971	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MMS
10.	AS Rietumu Asset Management IPS	40103753360	LV	Latvia, Riga, Vesetas str. 7	IPS	100	100	MS
11.	SIA "Overseas Estates"	40003943207	LV	Latvia, Ventspils, Dzintaru str. 3A	PLS	100	100	MS
12.	KI Invest OOO	1157746168007	RU	Russia, Moscow, 117246. Nauchnij pr. 19	PLS	100	100	MMS
13.	SIA "Euro Textile Group"	40003660929	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
14.	SIA "KI FUND"	40203088127	LV	Latvia, Riga, Vesetas str. 7	PLS	100	100	MS
15.	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 31.03.2022 Non-audited	Group 31.03.2022 Non-audited	Bank 31.03.2021 Non-audited	Group 31.03.2021 Non-audited
Interest income	9 296	11 507	9 127	13 495
Interest expenses	-2 876	-2 999	-3 503	-3 845
Dividend income	28	28	43	43
Commission and fee income	2 444	2 536	3 742	3 831
Commission and fee expense	-678	-765	-609	-784
Net gain/(loss) on derecognition of financial assets and financial liabilities not measured at fair value through profit or loss	1 218	1 218	1 202	1 202
Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss	-142	-142	25	25
Net result from foreign exchange trading and revaluation	728	-827	1 737	1 997
Net gain/(loss) from derecognition of non-financial assets	96	836	-21	-
Other income	145	1 798	129	2 231
Other expense	-4	-6	-3	-41
Administrative expense	-5 703	-8 670	-6 063	-9 966
Depreciation	-438	-450	-470	-519
Provisions or reversal of provisions	-122	-118	45	53
Impairment losses	-3 400	-3 676	374	1 062
PROFIT BEFORE CORPORATE INCOME TAX	592	270	5 755	8 784
Corporate income tax	-75	166	-151	-262
NET PROFIT	517	436	5 604	8 522
Other comprehensive income for the reporting period	-12 427	-13 353	-573	-1 429



Condensed Balance Sheet

	000'EUR			
	Bank 31.03.2022 Non-audited	Group 31.03.2022 Non-audited	Bank 31.12.2021 Audited*	Group 31.12.2021 Non-audited
ASSETS				
Cash and demand deposits with central banks	330 654	330 682	320 562	320 601
Demand deposits from credit institutions	21 556	21 975	32 906	33 400
Financial assets at fair value through profit or loss	9 344	9 768	8 264	8 663
Financial assets at fair value through other comprehensive income	359 913	359 913	380 800	380 800
Financial assets at amortised costs	690 026	645 589	705 669	662 375
Loans, net	623 098	578 661	638 482	595 188
incl.				
loans, gross	647 987	604 411	660 088	617 411
expected credit losses	-24 889	-25 750	-21 606	-22 223
stage 1	-2 336	-1 706	-3 107	-2 396
stage 2	-3 435	-2 742	-3 297	-2 668
stage 3	-19 118	-21 302	-15 202	-17 159
Debt securities, net	66 928	66 928	67 187	67 187
incl.				
debt securities, gross	68 127	68 127	68 319	68 319
expected credit losses	-1 199	-1 199	-1 132	-1 132
stage 1	-594	-594	-601	-601
stage 2	-541	-541	-467	-467
stage 3	-64	-64	-64	-64
Tangible assets	62 515	115 308	60 661	114 312
incl.				
fixed assets	26 031	36 409	25 935	36 435
investment property	36 484	78 899	34 726	77 877
Intangible assets	1 370	1 380	1 422	1 436
Investments in subsidiaries and associates	40 316	18 612	40 316	18 612
Tax assets	5	912	5	610
Other assets	17 802	22 043	11 173	14 288
Long-term assets and disposal groups classified as held for sale	-	109	3 404	4 414
Total assets	1 533 501	1 526 291	1 565 182	1 559 511
LIABILITIES AND SHAREHOLDERS'S EQUITY				
Due to Bank of Latvia	49 931	49 931	49 993	49 993
Demand deposits due to credit institutions	520	520	5 291	5 291
Financial instruments at fair value through profit or loss	43	43	149	149
Financial liabilities at amortised value	1 114 880	1 093 505	1 128 885	1 108 341
incl.				
Deposits	1 086 651	1 083 597	1 100 818	1 098 638
Tax liabilities	-	107	-	30
Provisions	33 190	33 162	33 067	33 040
Other liabilities	5 348	8 521	6 297	9 255
Total liabilities	1 203 912	1 185 789	1 223 682	1 206 099
Shareholders' equity	329 589	340 502	341 500	353 412
incl.				
paid-in share capital	168 916	168 916	168 916	168 916
share premium	52 543	52 543	52 543	52 543
reserve capital	23	23	23	23
retained earnings of previous years	122 335	131 786	100 835	105 106
profit for the period	517	83	21 500	26 673
fixed asset revaluation reserve	-	1 801	-	1 840
revaluation reserve for financial assets at fair value	-14 745	-14 745	-2 317	-2 317
currency translation reserve	-	-4 483	-	-3 597
non-controlling interest	-	4 578	-	4 225
Total liabilities and shareholder's equity	1 533 501	1 526 291	1 565 182	1 559 511
Commitments and guarantees, net	145 567	88 512	139 905	88 203
incl.				
Commitments and guarantees, gross	145 829	88 746	140 045	88 316
expected credit losses	-262	-234	-140	-113
stage 1	-247	-227	-126	-99
stage 2	-15	-7	-14	-14

*Information has been prepared based on data from the audited annual report for the year ended 31 December 2021.



Profitability ratios

	Bank 31.03.2022 Non-audited	Group 31.03.2022 Non-audited	Bank 31.12.2021 Audited*	Group 31.12.2021 Non-audited
ROE ¹	0.62%	0.10%	6.37%	7.72%
ROA ²	0.13%	0.02%	1.39%	1.72%

Regulatory requirements and ratios

	Bank 31.03.2022 Non-audited	Group 31.03.2022 Non-audited	Bank 31.12.2021 Audited*	Group 31.12.2021 Non-audited
Capital adequacy ratio	24.23%	24.30%	25.38%	25.43%

Financial ratios

	Bank 31.03.2022 Non-audited	Group 31.03.2022 Non-audited	Bank 31.12.2021 Audited*	Group 31.12.2021 Non-audited
Equity to loan portfolio ratio	52.90%	58.84%	53.49%	59.38%
Loan portfolio to total assets ratio	40.63%	37.91%	40.79%	38.17%
Equity to total assets ratio	21.49%	22.31%	21.82%	22.66%
Deposits to loans ratio	169.00%	182.27%	172.41%	184.59%

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 2021.



Report of equity and minimum capital requirements

Code	Position description	Bank	Group
		000'EUR 31.03.2022	000'EUR 31.03.2022
1	Own funds (1.1.+1.2.)	300 877	300 083
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	282 197	281 403
1.1.1.	Common equity tier 1 capital	282 197	281 403
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	18 680	18 680
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 241 721	1 234 767
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 115 121	1 085 726
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	12 704	9 509
2.4.	Total risk exposure amount for operational risk	113 592	139 228
2.5.	Total risk exposure amount or credit valuation adjustment	304	304
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)	22.73	22.79
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	226 320	225 838
3.3.	Tier 1 Capital ratio (%) (1.1./2.*100)	22.73	22.79
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital(-) (1.1.-2.*6%)	207 694	207 317
3.5.	Total capital ratio (%) (1./2.*100)	24.23	24.30
3.6.	Surplus(+)/Deficit(-) of total capital (-) (1.-2.*8%)	201 539	201 302
4	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	44 050	43 830
4.1.	Capital conservation buffer	31 043	30 869
4.2.	Conservation buffer connected with at country level detected macroprudential or systemic risk	-	-
4.3.	Institution specific countercyclical capital buffer	590	613
4.4.	Systemic risk buffer	-	-
4.5.	Other Systemically Important Institution buffer	12 417	12 348
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	22.73%	22.79%
5.3.	Tier 1 capital ratio including Pillar II adjustments	22.73%	22.79%
5.4.	Total capital ratio including Pillar II adjustments	24.23%	24.30%



Information on equity and capital adequacy ratios if a credit institution applies a transitional period to mitigate the effect of IFRS 9 on equity

Code	Position description	Bank 000'EUR 31.03.2022	Group 000'EUR 31.03.2022
1.A	Own funds if the transitional period of IFRS 9 would not apply	299 002	298 425
1.1.A	Tier 1 capital if the transitional period of IFRS 9 would not apply	280 322	279 745
1.1.1.A	Tier 1 core capital if the transitional period of IFRS 9 would not apply	280 322	279 745
2.A	Total exposure value if the transitional period of IFRS 9 would not apply	1 239 609	1 232 856
3.1.A	Tier 1 core capital ratio if the transitional period of IFRS 9 would not apply	22.61%	22.69%
3.3.A	Tier 1 capital ratio if the transitional period of IFRS 9 would not apply	22.61%	22.69%
3.5.A	Total capital ratio if the transitional period of IFRS 9 would not apply	24.12%	24.21%

AS 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

Code	Position description	Bank 000'EUR 31.03.2022	Group 000'EUR 31.03.2022
1	Liquidity buffer	415 066	415 093
2	Net liquidity outflow	123 908	124 178
3	Liquidity coverage ratio (%)	334.98%	334.27%



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.

31.03.2022 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	000'EUR % of shareholders' equity*
Issuer					
Luxembourg					
Other financial corporations	-	2 022	25 317	27 339	
Non-financial corporations	-	9 180	1 431	10 611	
Total:	-	11 202	26 748	37 950	11.51%
USA					
Credit institutions	-	1 694	-	1 694	
Other financial corporations	5 975	19 199	-	25 174	
Non-financial corporations	3	49 038	4 263	53 304	
Total:	5 978	69 931	4 263	80 172	24.32%
Securities of other countries:	1 647	278 780	35 917	316 344	
Total securities portfolio:	7 625	359 913	66 928	434 466	

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

