

Review of financial activity for 2nd quartet of 2013.

Consolidated Balance Statement

for the 2nd quarter of 2013

LVL'000

Item	Reporting period	Reporting period	Preceding reporting year	Preceding reporting year
	Group	Bank	Group	Bank
	Unaudited	Unaudited	Audited	Audited
Cash and balance with central banks	258 287	258 287	99 929	99 929
Demand deposits with credit institutions	150 266	150 266	264 915	264 915
Financial assets held for trading	0	0	0	0
Financial instruments at fair value through profit or loss	4	4	0	0
Available for sale financial assets	28	28	28	28
Loans and receivables	65 258	94 538	47 579	74 910
Held to maturity investments	207 013	207 013	88 297	88 297
Interest risk portfolio of shares in the fair value changes	0	0	0	0
Deferred expense and accrued income	252	229	380	351
Fixed assets	7 953	7 791	8 245	8 037
Investment Property	2 072	2 072	2 093	2 093
Intangible assets	132	125	70	58
Investments in subsidiaries and associates	0	424	0	424
Deferred tax asset	27	9	29	7
Other assets	27 476	2 301	25 393	1 865
Total assets	718 768	723 087	536 958	540 914
Due to central banks	0	0	0	0
Due on demand to credit institutions	4 138	4 138	25 969	25 969
Financial liabilities held for trading	0	0	0	0
Financial liabilities at fair value through profit or loss	36	36	75	75
Financial liabilities carried at amortized cost	678 515	678 645	475 906	476 019
Financial assets resulting from transfer of financial liabilities	0	0	0	0
Interest risk portfolio of shares in the fair value changes	0	0	0	0
Deferred income and accrued expenses	166	165	563	563
Provisions	1 228	1 201	726	707
Tax liabilities	0	0	0	0
Other liabilities	3 864	3 681	3 664	3 589
Total liabilities	687 947	687 866	506 903	506 922
Capital and reserves	30 821	35 221	30 055	33 992
Total liabilities and capital and	718 768	723 087	536 958	540 914

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reserves				
Off-balance-sheet items				
Contingent liabilities	2 569	2 569	3 253	3 253
Commitments to customers	2 622	2 622	1 647	1 647
Assets under management	49 763	49 763	75 165	75 165

Consolidated Statement of Income

for the 2nd quarter of 2013

LVL'000

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	Group	Bank	Group	Bank
	Unaudited	Unaudited	Unaudited	Unaudited
Interest income	4 095	4 244	2 437	2 754
Interest expense	(5 067)	(5 067)	(3 012)	(3 013)
Dividend income	0	0	0	0
Commission and fee income	3 057	3 056	2 721	2 721
Commission and fee expense	(453)	(453)	(377)	(379)
Net realized profit/loss from financial assets held at amortized value	2	2	0	0
Net realized profit/loss from available-for-sale investments	0	0	0	0
Net realized profit/loss from held-for-trading investments	0	0	0	0
Net income from financial instruments carried at fair value	15	15	(1)	(1)
Changes in fair value due to risk minimization accounting	0	0	0	0
Net foreign exchange gains	4 394	4 394	2 978	2 978
Profit/loss from derecognition of property, plant and equipment, investment property and intangible assets	0	0	0	0
Other operating income	253	36	1 489	762
Other expenses	(271)	(191)	(1 230)	(888)
Administrative expenses	(3 784)	(3 569)	(3 727)	(3 459)
Depreciation	(337)	(304)	(172)	(133)
Allowance for impairment	(925)	(714)	(772)	(674)
Impairment losses	0	0	0	0
Profit/loss before income tax	979	1 449	334	668
Income tax	(165)	(165)	(83)	(83)

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Profit/loss of the reporting year	814	1 284	251	585
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Content of Consolidation Group

for the 2nd quarter of 2013

Name	Code of the place of registration	Type of commercial company	Share of equity capital (%)	Share of voting rights (%) in the commercial company
SIA "PrivatLizings"	LV40003683902, Latvia, Riga, Muitas street 1	CFI	100	100
SIA "PrivatConsulting"	LV40003586749, Latvia, Riga, Muitas street 1	CKS	100	100
SIA "AMBER REAL"	LV40003903721, Latvia, Riga, Muitas street 1	PLS	100	100
SIA "Privat Investment"	LV40103316587, Latvia, Riga, Muitas street 1	PLS	100	100

Performance Indicators of the Bank

for the 2nd quarter of 2013

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	Group	Bank	Group	Bank
Return on equity (ROE) (%)	5.32%	7.41%	1.86%	3.46%
Return on assets (ROA) (%)	0.24%	0.39%	0.08%	0.19%

Capital adequacy

As of 30 June 2013, the Bank's capital adequacy adjustment was 5 003 588 LVL. The Bank's capital adequacy ratio after the adjustment was 14,95%.

Capital Adequacy Calculation	
Tier 1 capital	33,811,259
Tier 2 capital	4,018,242
Tier 1 and Tier 2 capital reduction	-5,003,588
Total Tier 1 capital in view of reduction	31,309,465
Total Tier 2 capital in view of reduction	1,516,448
Tier 3 capital reduction	0
Total capital requirements for credit risk, business partner risk, dilution risk and settlement risk	16,122,693
Capital requirement for settlement/dilution risks	0
Total capital requirements for open foreign exchange positions, currency risk and commodity risk	13,665
Capital requirement for operational risk	1,428,042
Total other requirements and transition period requirements	0

Risk analysis

Information on the risk analysis is available in the Financial Reports section on the website of AS "PrivatBank".

- AS "PrivatBank" Separate and Consolidated Financial Statements for the year ended 31 December 2012 with Independent Auditors' Report on pages 27-37:

<http://www.privatbank.lv/lv/about/finansovaja-otchetnost/>

Shareholding structure and equity interest

Shareholder	Number of shares	Paid equity (LVL'000)	Equity investments %
PUBLIC JOINT-STOCK COMPANY "PRIVATBANK" (Ukraine)	28 246 294	28 246 294	50.02%
UNIMAIN HOLDINGS LIMITED (Cyprus)	3 209 339	3 209 339	5.683264%
WADLESS HOLDINGS LIMITED	2 742 806	2 742 806	4.857103%
Concorde (Bermuda) Limited (Bermuda)	4 799 910	4 799 910	8.499929%
Chastely Investments Limited (Beliza)	1 430 949	1 430 949	2.533999%
Private individuals	16 040 702	16 040 702	28.405705 %

Management

Members of the Council of the Bank

Name, surname

Position

Pikush Yuriy
Samarin Viktor
Novikov Timur
Kandaurov Yuriy

Chairman of the Council
Deputy Chairman of the Council
Member of the Council
Member of the Council

Members of the Board of the Bank

Name, surname	Position
Trubakov Oleksandr	Chairman of the Board
Lokhnikov Igor	Member of the Board
Mekekechko Olexandr	Member of the Board
Ķerpe Iveta	Member of the Board

Organisational structure

Information on AS "PrivatBank" structure can be found here:

<http://www.privatbank.lv/lv/about/management/ownership/>

Information on AS „PrivatBank” branches and cash offices can be found here:

<http://www.privatbank.lv/lv/otdeleniya-i-filiali/>

Business strategy and goals

Information on the business areas and goals of AS "PrivatBank" is available in the Financial Reports section on the website of AS "PrivatBank".

- AS "PrivatBank" Separate and Consolidated Financial Statements for the year ended 31 December 2012 with Independent Auditors' Report on page 3 (three):

<http://www.privatbank.lv/lv/about/finansovaja-otchetnost/>

Ratings assigned by rating agencies

18 October 2012 Moody's Investors Service withdrawn all ratings of PrivatBank AS by bank's request.

For more detailed information visit Moody's agency's website <http://www.moodys.com/>