

## Review of financial activity for 2nd quarter of 2015

### Balance sheet for the 2nd quarter of 2015

Item	EUR'000			
	Reporting period 30.06.2015 Group Unaudited	Reporting period 30.06.2015 Bank Unaudited	Respective period of the preceding reporting year 31.12.2014 Group Audited	Respective period of the preceding reporting year 31.12.2014 Bank Audited
Cash and balance with central banks	64 911	64 911	74 641	74 641
Demand deposits with credit institutions	128 546	128 546	178 578	178 578
Financial assets held for trading	20	20	189	189
Financial instruments at fair value through profit or loss	-	-	-	-
Available for sale financial assets	15 498	15 498	133	133
Loans and receivables	235 021	278 191	170 492	217 150
Held to maturity investments	218 821	218 821	196 673	196 673
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred expense and accrued income	1 193	1 014	1 159	1 093
Fixed assets	11 108	10 971	11 247	11 077
Investment Property	2 877	2 877	2 884	2 884
Intangible assets	472	439	515	477
Investments in subsidiaries and associates	-	418	-	418
Deferred tax asset	144	143	26	-
Other assets	40 782	3 530	42 687	4 677
<b>Total assets</b>	<b>719 393</b>	<b>725 379</b>	<b>679 224</b>	<b>687 990</b>
Due to central banks	-	-	-	-
Due on demand to credit institutions	2 760	2 760	3 599	3 599
Financial liabilities held for trading	8	8	665	665
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities carried at amortized cost	649 632	649 699	609 022	611 960
Financial assets resulting from transfer of financial liabilities	-	-	-	-
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred income and accrued expenses	4 598	4 323	7 728	7 678
Provisions	1 968	1 885	1 270	1 258
Tax liabilities	-	-	-	-
Other liabilities	3 793	3 773	4 627	4 494
<b>Total liabilities</b>	<b>662 759</b>	<b>662 448</b>	<b>626 911</b>	<b>629 654</b>
Equity	56 634	62 931	52 313	58 336
<b>Total liabilities and equity</b>	<b>719 393</b>	<b>725 379</b>	<b>679 224</b>	<b>687 990</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	1 429	1 429	1 478	1 478
Commitments to customers	3 109	3 113	3 052	3 052
Assets under management	678 102	678 102	506 394	506 394

## Review of financial activity for 2nd quarter of 2015

### Income statement for the 2nd quarter of 2015

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	30.06.2015 Group Unaudited	30.06.2015 Bank Unaudited	30.06.2014 Group Unaudited	30.06.2014 Bank Unaudited
EUR'000				
Interest income	7 582	7 699	5 350	5 527
Interest expenses	(2 976)	(2 976)	(4 038)	(4 038)
Dividend income	-	-	-	-
Commission income	6 670	6 648	7 455	7 433
Commission expenses	(1 232)	(1 223)	(1 260)	(1 257)
Net realized profit/loss from financial assets held at amortized value	-	-	-	-
Net realized profit/loss from available-for-sale investments	-	-	-	-
Net realized profit/loss from held-for-trading investments	-	-	-	-
Net income from financial instruments carried at fair value	182	182	(27)	(27)
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	1 496	1 415	1 716	1 715
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	1 920	525	2 171	1 495
Other expenses	(1 764)	(495)	(914)	(839)
Administrative expenses	(4 978)	(4 795)	(5 277)	(4 912)
Amortisation	(607)	(570)	(700)	(664)
Allowance for impairment	(998)	(926)	(707)	(618)
Impairment losses	-	-	-	-
Profit/loss before income tax	5 295	5 484	3 769	3 815
Income tax	(148)	(148)	(467)	(467)
<b>Profit for the period</b>	<b>5 147</b>	<b>5 336</b>	<b>3 302</b>	<b>3 348</b>

## Review of financial activity for 2nd quarter of 2015

### Group Consolidation for the 2nd quarter of 2015

Subsidiaries	Registration Number	Address	Business profile	Share, (%)	Voting rights, (%)	Status
SIA "PrivatLizings"	LV40003683902	Latvia, Rīga, Muita st.1	LIZ	100	100	MS
SIA "PrivatConsulting"	LV40003586749	Latvia, Rīga, Muietas st. 1	PLS	100	100	MS
SIA "Amber Real"	LV40003903721	Latvia, Rīga, Muietas st. 1	PLS	100	100	MS
SIA "PrivatInvestment"	LV40103316587	Latvia, Rīga, Muietas st. 1	PLS	100	100	MS
SIA "PrivatBrokers"	LV40103757220	Latvia, Rīga, Muietas st. 1	PLS	100	100	MMS

### Key ratios for the 2nd quarter of 2015

Item	Reporting period 30.06.2015		Respective period of the preceding reporting year 30.06.2014	
	Group	Bank	Group	Bank
Return of equity (ROE) (%)	18.54	17.52	13.88	12.60
Return of assets (ROA) (%)	1.46	1.45	0.97	0.92

### Leverage ratio for the 2nd quarter of 2015

Leverage ratio calculated as the simple arithmetic mean of the monthly leverage ratio over a quarter

	Group	Bank
Leverage Ratio -using a fully phased-in definition of Tier 1	7%	7%
Leverage Ratio -using a transitional definition of Tier 1	7%	7%

## Review of financial activity for 2nd quarter of 2015

### Capital base and minimum capital requirement summary for the 2nd quarter of 2015

‘EUR

No.	Item	Reporting period 30.06.2015 Unaudited Group	Reporting period 30.06.2015 Unaudited Bank
<b>1</b>	<b>Own funds (1.1.+1.2.)</b>	<b>66,213,489</b>	<b>68,464,987</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	50,545,022	54,694,922
1.1.1.	Common equity Tier 1 capital	50,545,022	54,694,922
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	15,668,467	13,770,065
<b>2</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>390,414,215</b>	<b>392,967,101</b>
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	352,421,168	358,251,681
2.2.	Total value of risk transactions for settlements/deliveries	-	-
2.3.	Total value of risk transactions for position risk, foreign currency risk, and commodity risk	-	-
2.4.	Total value of risk transactions for operating risk	37,993,047	34,715,420
2.5.	Total value of risk transactions for credit value correction	-	-
2.6.	Total value of risk transactions related to risk transactions in the investment portfolio	-	-
2.7.	Other risk transaction values	-	-
<b>3</b>	<b>Capital ratios and capital levels</b>		
3.1.	Tier I capital index (1.1.1./2.*100)	12.95	13.92
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	32,976,383	37,011,402
3.3.	Tier I capital index (1.1./2.*100)	12.95	13.92
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	27,120,169	31,116,896
3.5.	Total capital index (1./2.*100)	16.96	17.42
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	34,980,352	37,027,619
<b>4</b>	<b>Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>2.5</b>	<b>2.5</b>
4.1.	Capital maintenance reserve (%)	2.5	2.5
4.2.	Institution-specific countercyclical capital reserve (%)	-	-
4.3.	Systemic risk capital reserve (%)	-	-
4.4.	Capital reserve of a systemic institution (%)	-	-
4.5.	Capital reserve of another systemic institution (%)	-	-
<b>5</b>	<b>Capital ratios due to adjustments</b>		
5.1.	Provisions or assets value correction amount through applying a special policy for equity capital calculation purposes	-	-
5.2.	Tier I equity capital index with the correction value stated in line 5.1	12.95	13.92
5.3.	Tier I capital index with the correction value stated in line	12.95	13.92
5.4.	Total capital index with the correction value stated in line	16.96	17.42

## Review of financial activity for 2nd quarter of 2015

### Liquidity ratio calculation for the 2nd quarter of 2015

No.	Item	‘EUR Reporting period 30.06.2015 Unaudited Bank
<b>1</b>	<b>Liquid assets (1.1.+1.2.+1.3.+1.4.)</b>	<b>378,850,833</b>
1.1.	Cash	1,809,334
1.2.	Balances with Latvian Central Bank up to 30 days	62,884,285
1.3.	Loans to credit institutions up to 30 days	271,294,288
1.4.	Liquid securities	42,862,926
<b>2</b>	<b>Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)</b>	<b>501,723,098</b>
2.1.	Deposits from credit institutions	2,734,876
2.2.	Deposits	485,019,942
2.3.	Issued debt securities	-
2.4.	Money in transit	3,762,814
2.5.	Other current liabilities	6,810,191
2.6.	Off-balance sheet liabilities	3,395,275
<b>3</b>	<b>Liquidity ratio (1.:2.) (%)</b>	<b>75.51 %</b>
<b>4</b>	<b>Minimum liquidity ratio (%)</b>	<b>50 %</b>

## Review of financial activity for 2nd quarter of 2015

### Risk analyses

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 2014 with Independent Auditors' Report on pages 6 to 7: <http://www.privatbank.lv/about/finansovaja-otchetnost/>

### Shareholders as of 1st quarter of 2015

Shareholders	Number of shares	Paid equity	Equity investments, (%)	‘EUR
PAS "PRIVATBANK" (Ukraine)	40 190 855	40 190 855	50.02%	
UNIMAIN HOLDINGS LIMITED (Cyprus)	4 566 475	4 566 475	5.68%	
WADLESS HOLDINGS LIMITED (Cyprus)	3 902 659	3 902 659	4.86%	
Concorde (Bermuda) Limited (Bermuda)	6 829 657	6 829 657	8.50%	
Chastely Investments Limited (Belize)	2 036 058	2 036 058	2.53%	
Private persons	22 823 852	22 823 852	28.41%	
<b>Total</b>	<b>80 349 556</b>	<b>80 349 556</b>	<b>100%</b>	

*In accordance with the statutes of AS PrivatBank, the nominal value of a share is EUR 1.00; each share provides one voting right at meetings of shareholders.*

### Council and Management Board as of 1st quarter of 2015

#### Members of the Supervisory Council of the Bank

Pikush Yuriy	Chairperson of the Council
Samarin Viktor	Deputy Chairperson of the Council
Novikov Timur	Member of the Council
Kandaurov Yuriy	Member of the Council

#### Members of the Management Board of the Bank

Trubakov Oleksandr	Chairman of the Board
Mekekechko Olexandr	Member of the Board
Ķerpe Iveta	Member of the Board
Rolands Pētersons	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/>

## Review of financial activity for 2nd quarter of 2015

### **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”:

<http://www.privatbank.lv/lv/about/strategy/>

AS "PrivatBank" Separate and Consolidated Financial Statements for the year ended 31 December 2014 with Independent Auditors' Report on page 6 (six):

<http://www.privatbank.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/>