

## Review of financial activity for 3 th quarter of 2014

### Balance sheet for the 3 th quarter of 2014

Item	EUR'000			
	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	30.09.2014 Group Unaudited	30.09.2014 Bank Unaudited	31.12.2013 Group Audited	31.12.2013 Bank Audited
Cash and balance with central banks	42 936	42 936	289 162	289 162
Demand deposits with credit institutions	235 320	235 320	179 581	179 581
Financial assets held for trading	62	62	0	0
Financial instruments at fair value through profit or loss	0	0	1	1
Available for sale financial assets	102	102	40	40
Loans and receivables	125 936	172 694	78 258	122 388
Held to maturity investments	159 505	159 505	193 807	193 807
Interest risk portfolio of shares in the fair value changes	0	0	0	0
Deferred expense and accrued income	476	371	301	265
Fixed assets	11 621	11 433	12 176	11 993
Investment Property	2 888	2 888	2 918	2 918
Intangible assets	3 209	444	193	183
Investments in subsidiaries and associates	-	418	0	418
Deferred tax asset	74	47	14	14
Other assets	44 615	6 650	42 311	4 230
<b>Total assets</b>	<b>626 744</b>	<b>632 870</b>	<b>798 762</b>	<b>805 000</b>
Due to central banks	0	0	48	48
Due on demand to credit institutions	2 083	2 083	1 563	1 563
Financial liabilities held for trading	0	0	0	0
Financial liabilities at fair value through profit or loss	0	0	151	151
Financial liabilities carried at amortized cost	560 760	560 816	737 832	737 917
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	1 875	1 858	7 024	7 021
Provisions	1 832	1 796	1 081	1 060
Tax liabilities	1	1	1	1
Other liabilities	8 773	8 510	5 370	5 250
<b>Total liabilities</b>	<b>575 324</b>	<b>575 064</b>	<b>753 070</b>	<b>753 011</b>
Equity	51 420	57 806	45 692	51 989
<b>Total liabilities and equity</b>	<b>626 744</b>	<b>632 870</b>	<b>798 762</b>	<b>805 000</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	1 796	1 796	4 175	4 175
Commitments to customers	2 889	2 889	2 807	2 807
Assets under management	493 497	493 497	392 227	392 227

## Review of financial activity for 3 th quarter of 2014

### Income statement for the 3 th quarter of 2014

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	EUR'000 Respective period of the preceding reporting year
	30.09.2014 Group Unaudited	30.09.2014 Bank Unaudited	30.09.2013 Group Unaudited	30.09.2013 Bank Unaudited
Interest income	8 079	8 041	9 375	9 671
Interest expenses	(6 591)	(6 303)	(11 194)	(11 194)
Dividend income	-	-	-	-
Commission income	12 079	12 079	7 970	7 967
Commission expenses	(1 991)	(1 991)	(997)	(997)
Net realized profit/loss from financial assets held at amortized value	0	0	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	(27)	(27)	(29)	(29)
Changes in fair value due to risk minimization accounting	0	0	0	0
Net foreign exchange gains	2 380	2 347	8 087	8 086
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	0	0	0	0
Other income	2 680	1 876	959	279
Other expenses	(753)	(627)	(615)	(366)
Administrative expenses	(7 564)	(7 240)	(8 211)	(7 706)
Amortisation	(997)	(941)	(724)	(655)
Allowance for impairment	(1 099)	(936)	(1 655)	(1 779)
Impairment losses	0	0	0	0
Profit/loss before income tax	6 196	6 278	2 966	3 277
Income tax	(492)	(492)	(517)	(517)
<b>Profit for the period</b>	<b>5 704</b>	<b>5 786</b>	<b>2 449</b>	<b>2 760</b>

## Review of financial activity for 3 th quarter of 2014

### Group Consolidation for the 3 th quarter of 2014

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 3 th quarter of 2014

Item	Reporting period 30.09.2014 Unaudited Group	Reporting period 30.09.2014 Unaudited Bank	Respective period of the preceding reporting year 30.09.2013 Unaudited Group	Respective period of the preceding reporting year 30.09.2013 Unaudited Bank
Return of equity (ROE) (%)	15.57	14.17	5.32	7.41
Return of assets (ROA) (%)	1.21	1.09	0.23	0.39

## Review of financial activity for 3 th quarter of 2014

### Capital base and minimum capital requirement summary for the 3 th quarter of 2014

‘EUR

No.	Item	Reporting period 30.09.2014 Unaudited Group	Reporting period 30.09.2014 Unaudited Bank
<b>1</b>	<b>Own funds (1.1.+1.2.)</b>	<b>57,616,884</b>	<b>66,686,047</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	42,468,106	51,537,269
1.1.1.	Common equity Tier 1 capital	42,468,106	51,537,269
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	15,148,778	15,148,778
<b>2</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>301,316,953</b>	<b>308,955,158</b>
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	268,728,751	277,749,960
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	159,174	159,174
2.4.	Total value of risk transactions for operating risk	32,429,027	31,046,024
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)	14.09	16.68
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	28,908,843	37,634,287
3.3.	Tier I capital index (1.1./2.*100)	14.09	16.68
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	24,389,089	32,999,960
3.5.	Total capital index (1./2.*100)	19.12	21.58
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	33,511,528	41,969,634
<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	1,365,178	5,161,982
5.2.	Tier I equity capital index with the correction value stated in line 5.1	13.87	15.85
5.3.	Tier I capital index with the correction value stated in line	13.87	15.85
5.4.	Total capital index with the correction value stated in line	18.67	19.91

## Review of financial activity for 3 th quarter of 2014

### Liquidity ratio calculation for the 3 th quarter of 2014

No.	Item	‘EUR Reporting period 30.09.2014 Unaudited Bank
<b>1</b>	<b>Liquid assets (1.1.+1.2.+1.3.+1.4.)</b>	<b>421,617,930</b>
1.1.	Cash	1,641,378
1.2.	Balances with Latvian Central Bank up to 30 days	40,693,224
1.3.	Loans to credit institutions up to 30 days	335,669,504
1.4.	Liquid securities	43,613,824
<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>378,451,391</b>
2.1.	Deposits from credit institutions	2,029,466
2.2.	Deposits	356,277,622
2.3.	Issued debt securities	-
2.4.	Money in transit	5,455,101
2.5.	Other current liabilities	11,628,396
2.6.	Off-balance sheet liabilities	3,060,806
<b>3</b>	<b>Liquidity ratio (1.:2.) (%)</b>	<b>111%</b>
<b>4</b>	<b>Minimum liquidity ratio (%)</b>	<b>50%</b>

## Review of financial activity for 3 th quarter of 2014

### 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 2013 with Independent Auditors' Report on pages 27 to 34: <http://www.privatbank.lv/about/finansovaja-otchetnost/>

### Shareholders as of 3 th quarter of 2014

Shareholders	Number of shares	Paid equity	Equity investments, (%)	'EUR
PAS "PRIVATBANK" (Ukraina)	40 190 855	40 190 855	50.02%	
UNIMAIN HOLDINGS LIMITED (Kipra)	4 566 475	4 566 475	5.68%	
WADLESS HOLDINGS LIMITED	3 902 659	3 902 659	4.86%	
Concorde (Bermuda) Limited (Bermuda)	6 829 657	6 829 657	8.50%	
Chastely Investments Limited (Beliza)	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>	

### Council and Management Board as of 3 th quarter of 2014

#### 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 ( <i>Register of Enterprises decision No. 6-12/73034 dated 16.05.2014</i> )
Lokhnikov Igor*	Member of the Board

(\*The membership of the Bank Board has changed.

(Igor Lokhnikov, member of the Board, has been discharged from the position – Register of Enterprises decision No. 6-12/117919 dated 01.08.2014).

### 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 3 th quarter of 2014

### **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 2013 with Independent Auditors' Report on page 3 (three):

<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/>