

Review of financial activity for 3rd quarter of 2015

Balance sheet for the 3rd quarter of 2015

Item	EUR'000			
	Reporting period 30.09.2015 Group Unaudited	Reporting period 30.09.2015 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	141 663	141 663	74 641	74 641
Demand deposits with credit institutions	60 766	60 766	178 578	178 578
Financial assets held for trading	25	25	189	189
Financial instruments at fair value through profit or loss	-	-	-	-
Available for sale financial assets	15 631	15 632	133	133
Loans and receivables	281 410	324 428	170 492	217 150
Held to maturity investments	102 698	102 698	196 673	196 673
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred expense and accrued income	1 143	1 042	1 159	1 093
Fixed assets	11 057	10 934	11 247	11 077
Investment Property	2 862	2 862	2 884	2 884
Intangible assets	496	468	515	477
Investments in subsidiaries and associates	-	418	-	418
Deferred tax asset	145	143	26	-
Other assets	40 928	3 697	42 687	4 677
Total assets	658 824	664 776	679 224	687 990
Due to central banks	-	-	-	-
Due on demand to credit institutions	1 025	1 025	3 599	3 599
Financial liabilities held for trading	127	127	665	665
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities carried at amortized cost	587 980	588 072	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	2 178	2 126	7 728	7 678
Provisions	1 954	1 878	1 270	1 258
Tax liabilities	-	-	-	-
Other liabilities	5 996	5 862	4 627	4 494
Total liabilities	599 260	599 090	626 911	629 654
Equity	59 564	65 686	52 313	58 336
Total liabilities and equity	658 824	664 776	679 224	687 990
Off-balance sheet items				
Contingent liabilities	1 458	1 458	1 478	1 478
Commitments to customers	3 433	3 437	3 052	3 052
Assets under management	548 404	548 404	506 394	506 394

Review of financial activity for 3rd quarter of 2015

Income statement for the 3rd quarter of 2015

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	EUR'000 Respective period of the preceding reporting year
	30.09.2015 Group Unaudited	30.09.2015 Bank Unaudited	30.09.2014 Group Unaudited	30.09.2014 Bank Unaudited
Interest income	11 861	12 027	8 079	8 041
Interest expenses	(4 582)	(4 582)	(6 591)	(6 303)
Dividend income	-	-	-	-
Commission income	9 857	9 830	12 079	12 079
Commission expenses	(1 844)	(1 835)	(1 991)	(1 991)
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	321	321	(27)	(27)
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	2 171	2 126	2 380	2 347
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	2 800	667	2 680	1 876
Other expenses	(2 295)	(513)	(753)	(627)
Administrative expenses	(7 317)	(7 122)	(7 564)	(7 240)
Amortisation	(913)	(857)	(997)	(941)
Allowance for impairment	(1 878)	(1 780)	(1 099)	(936)
Impairment losses	-	-	-	-
Profit/loss before income tax	8 181	8 282	6 196	6 278
Income tax	(223)	(223)	(492)	(492)
Profit for the period	7 958	8 059	5 704	5 786

Review of financial activity for 3rd quarter of 2015

Group Consolidation for the 3rd 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 3rd quarter of 2015

Item	Reporting period 30.09.2015		Respective period of the preceding reporting year 30.09.2014	
	Group	Bank	Group	Bank
Return of equity (ROE) (%)	18.66	17.28	15.57	14.17
Return of assets (ROA) (%)	1.54	1.49	1.21	1.09

Leverage ratio for the 3rd 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 3rd quarter of 2015

Capital base and minimum capital requirement summary for the 3rd quarter of 2015

‘EUR

No.	Item	Reporting period 30.09.2015 Unaudited Group	Reporting period 30.09.2015 Unaudited Bank
1	Own funds (1.1.+1.2.)	66,463,627	68,718,296
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	50,696,969	54,850,040
1.1.1.	Common equity Tier 1 capital	50,696,969	54,850,040
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	15,766,658	13,868,256
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	366,264,636	368,864,813
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	328,271,589	334,149,393
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	-	-
3	Capital ratios and capital levels		
3.1.	Tier I capital index (1.1.1./2.*100)	13.84	14.87
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	34,215,061	38,251,123
3.3.	Tier I capital index (1.1./2.*100)	13.84	14.87
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	28,721,091	32,718,151
3.5.	Total capital index (1./2.*100)	18.15	18.63
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	37,162,457	39,209,111
4	Combined buffer requirement (4.1.+4.2.+4.3.+4.4.+4.5.)	2.5	2.5
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 (%)	-	-
5	Capital ratios due to adjustments		
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	13.84	14.87
5.3.	Tier I capital index with the correction value stated in line	13.84	14.87
5.4.	Total capital index with the correction value stated in line	18.15	18.63

Review of financial activity for 3rd quarter of 2015

Liquidity ratio calculation for the 3rd quarter of 2015

No.	Item	‘EUR Reporting period 30.09.2015 Unaudited Bank
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	271,232,749
1.1.	Cash	1,781,030
1.2.	Balances with Latvian Central Bank up to 30 days	139,739,476
1.3.	Loans to credit institutions up to 30 days	89,246,720
1.4.	Liquid securities	40,465,523
2	Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	440,621,811
2.1.	Deposits from credit institutions	1,011,748
2.2.	Deposits	423,503,404
2.3.	Issued debt securities	-
2.4.	Money in transit	3,160,276
2.5.	Other current liabilities	9,093,063
2.6.	Off-balance sheet liabilities	3,853,320
3	Liquidity ratio (1.:2.) (%)	61.56%
4	Minimum liquidity ratio (%)	50 %

Review of financial activity for 3rd 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 3rd 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%	
Total	80 349 556	80 349 556	100%	

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 3rd 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

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

Review of financial activity for 3rd quarter of 2015

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”:

<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/>