

Review of financial activity for 4 th quarter of 2014

Balance sheet for the 4 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
	31.12.2014 Group Unaudited	31.12.2014 Bank Unaudited	31.12.2013 Group Audited	31.12.2013 Bank Audited
Cash and balance with central banks	74 641	74 641	289 162	289 162
Demand deposits with credit institutions	178 578	178 578	179 581	179 581
Financial assets held for trading	189	189	0	0
Financial instruments at fair value through profit or loss	-	-	1	1
Available for sale financial assets	133	133	40	40
Loans and receivables	170 492	217 150	78 258	122 388
Held to maturity investments	196 673	196 673	193 807	193 807
Interest risk portfolio of shares in the fair value changes	-	-	0	0
Deferred expense and accrued income	1 159	1 093	301	265
Fixed assets	11 247	11 077	12 176	11 993
Investment Property	2 884	2 884	2 918	2 918
Intangible assets	515	477	193	183
Investments in subsidiaries and associates	-	418	0	418
Deferred tax asset	26	-	14	14
Other assets	42 687	4 677	42 311	4 230
Total assets	679 224	687 990	798 762	805 000
Due to central banks	-	-	48	48
Due on demand to credit institutions	3 599	3 599	1 563	1 563
Financial liabilities held for trading	665	665	0	0
Financial liabilities at fair value through profit or loss	-	-	151	151
Financial liabilities carried at amortized cost	609 022	611 960	737 832	737 917
Financial assets resulting from transfer of financial liabilities	-	-	0	0
Interest risk portfolio of shares in the fair value changes	-	-	0	0
Deferred income and accrued expenses	7 728	7 678	7 024	7 021
Provisions	1 270	1 258	1 081	1 060
Tax liabilities	-	-	1	1
Other liabilities	4 627	4 494	5 370	5 250
Total liabilities	626 911	629 654	753 070	753 011
Equity	52 313	58 336	45 692	51 989
Total liabilities and equity	679 224	687 990	798 762	805 000
Off-balance sheet items				
Contingent liabilities	1 478	1 478	4 175	4 175
Commitments to customers	3 052	3 052	2 807	2 807
Assets under management	506 394	506 394	392 227	392 227

Review of financial activity for 4 th quarter of 2014

Income statement for the 4 th quarter of 2014

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	31.12.2014 Group Unaudited	31.12.2014 Bank Unaudited	31.12.2013 Group Audited	31.12.2013 Bank Audited
				EUR'000
Interest income	10 720	11 035	12 873	13 265
Interest expenses	(8 283)	(8 265)	(14 799)	(14 799)
Dividend income	1	1	-	-
Commission income	15 808	15 778	11 736	11 732
Commission expenses	(2 524)	(2 524)	(1 628)	(1 628)
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	-	-	3	3
Net income from financial instruments carried at fair value	(27)	(27)	(1)	(1)
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	3 296	3 259	9 464	9 466
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	4 564	868	1 783	630
Other expenses	(2 732)	(695)	(1 228)	(535)
Administrative expenses	(10 329)	(9 734)	(11 219)	(10 757)
Amortisation	(1 571)	(1 261)	(1 061)	(970)
Allowance for impairment	(1 839)	(1 633)	(2 096)	(1 865)
Impairment losses	-	-	-	-
Profit/loss before income tax	7 084	6 802	3 825	4 540
Income tax	(571)	(571)	(837)	(837)
Profit for the period	6 513	6 231	2 988	3 704

Review of financial activity for 4 th quarter of 2014

Group Consolidation for the 4 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 4 th quarter of 2014

Item	Reporting period 31.12.2014 Unaudited Group	Reporting period 31.12.2014 Unaudited Bank	Respective period of the preceding reporting year 31.12.2013 Audited Group	Respective period of the preceding reporting year 31.12.2013 Audited Bank
Return of equity (ROE) (%)	13.10	11.50	6.73	7.40
Return of assets (ROA) (%)	0.99	0.91	0.32	0.39

Review of financial activity for 4 th quarter of 2014

Capital base and minimum capital requirement summary for the 4 th quarter of 2014

‘EUR

No.	Item	Reporting period 31.12.2014 Unaudited Group	Reporting period 31.12.2014 Unaudited Bank
1	Own funds (1.1.+1.2.)	60,422,230	66,764,501
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	45,162,083	51,504,354
1.1.1.	Common equity Tier 1 capital	45,162,083	51,504,354
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	15,260,147	15,260,147
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	346,974,760	351,111,602
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	311,625,981	320,065,578
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	2,919,752	-
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	-	-
3	Capital ratios and capital levels		
3.1.	Tier I capital index (1.1.1./2.*100)	13.02	14.67
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	29,548,219	35,704,332
3.3.	Tier I capital index (1.1./2.*100)	13.02	14.67
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	24,343,597	30,437,658
3.5.	Total capital index (1./2.*100)	17.41	19.02
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	32,664,249	38,675,573
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	1,264,387	5,061,190
5.2.	Tier I equity capital index with the correction value stated in line 5.1	12.83	13.95
5.3.	Tier I capital index with the correction value stated in line	12.83	13.95
5.4.	Total capital index with the correction value stated in line	17.05	17.57

Review of financial activity for 4 th quarter of 2014

Liquidity ratio calculation for the 4 th quarter of 2014

No.	Item	‘EUR Reporting period 31.12.2014 Unaudited Bank
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	410,890,758
1.1.	Cash	1,434,829
1.2.	Balances with Latvian Central Bank up to 30 days	72,921,302
1.3.	Loans to credit institutions up to 30 days	292,302,397
1.4.	Liquid securities	44,232,230
2	Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	447,404,386
2.1.	Deposits from credit institutions	3,566,634
2.2.	Deposits	432,074,824
2.3.	Issued debt securities	-
2.4.	Money in transit	107,313
2.5.	Other current liabilities	8,339,564
2.6.	Off-balance sheet liabilities	3,316,051
3	Liquidity ratio (1.:2.) (%)	91.84 %
4	Minimum liquidity ratio (%)	50 %

Review of financial activity for 4 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 4 th quarter of 2014

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%	

Council and Management Board as of 4 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

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 4 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/>