

## Review of financial activity for 4th quarter of 2015

### Balance sheet for the 4th quarter of 2015

Item	EUR'000			
	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	31.12.2015 Group Unaudited	31.12.2015 Bank Unaudited	31.12.2014 Group Audited	31.12.2014 Bank Audited
Cash and balance with central banks	184 520	184 520	74 641	74 641
Demand deposits with credit institutions	66 990	66 990	178 578	178 578
Financial assets held for trading	180	180	189	189
Financial instruments at fair value through profit or loss	-	-	-	-
Available for sale financial assets	21 502	21 502	133	133
Loans and receivables	239 734	282 706	170 492	217 150
Held to maturity investments	41 930	41 930	196 673	196 673
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred expense and accrued income	749	719	1 159	1 093
Fixed assets	35 627	35 514	11 247	11 077
Investment Property	2 846	2 846	2 884	2 884
Intangible assets	588	564	515	477
Investments in subsidiaries and associates	-	418	-	418
Deferred tax asset	93	92	26	-
Other assets	41 023	3 879	42 687	4 677
<b>Total assets</b>	<b>635 782</b>	<b>641 860</b>	<b>679 224</b>	<b>687 990</b>
Due to central banks	-	-	-	-
Due on demand to credit institutions	7 275	7 275	3 599	3 599
Financial liabilities held for trading	25	25	665	665
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities carried at amortized cost	546 387	546 462	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	7 483	7 492	7 728	7 678
Provisions	1 605	1 530	1 270	1 258
Tax liabilities	-	-	-	-
Other liabilities	12 214	12 073	4 627	4 494
<b>Total liabilities</b>	<b>574 989</b>	<b>574 857</b>	<b>626 911</b>	<b>629 654</b>
Equity	60 793	67 003	52 313	58 336
<b>Total liabilities and equity</b>	<b>635 782</b>	<b>641 860</b>	<b>679 224</b>	<b>687 990</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	1 364	1 364	1 478	1 478
Commitments to customers	3 363	3 363	3 052	3 052
Assets under management	651 022	651 022	506 394	506 394

## Review of financial activity for 4th quarter of 2015

### Income statement for the 4th quarter of 2015

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	EUR'000 Respective period of the preceding reporting year
	31.12.2015 Group Unaudited	31.12.2015 Bank Unaudited	31.12.2014 Group Audited	31.12.2014 Bank Audited
Interest income	16 193	16 415	10 720	11 035
Interest expenses	(6 247)	(6 247)	(8 283)	(8 265)
Dividend income	1	1	1	1
Commission income	13 432	13 391	15 808	15 778
Commission expenses	(2 568)	(2 556)	(2 524)	(2 524)
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	461	461	17	17
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	2 826	2 781	3 296	3 259
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	4 140	1 424	4 564	868
Other expenses	(2 921)	(675)	(2 732)	(695)
Administrative expenses	(12 659)	(12 344)	(10 329)	(9 734)
Amortisation	(1 399)	(1 329)	(1 571)	(1 261)
Allowance for impairment	(7 365)	(7 237)	(2 406)	(2 200)
Impairment losses	-	-	-	-
Profit/loss before income tax	3 894	4 085	6 561	6 279
Income tax	(284)	(284)	(571)	(571)
<b>Profit for the period</b>	<b>3 610</b>	<b>3 801</b>	<b>5 990</b>	<b>5 708</b>

## Review of financial activity for 4th quarter of 2015

### Group Consolidation for the 4th 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

### Key ratios for the 4th quarter of 2015

Item	Reporting period 31.12.2015		Respective period of the preceding reporting year 31.12.2014	
	Group	Bank	Group	Bank
Return of equity (ROE) (%)	6.24	5.99	12.08	10.31
Return of assets (ROA) (%)	0.53	0.54	0.91	0.82

### Leverage ratio for the 4th 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 4th quarter of 2015

### Capital base and minimum capital requirement summary for the 4th quarter of 2015

‘EUR

No.	Item	Reporting period 31.12.2015 Unaudited Group	Reporting period 31.12.2015 Unaudited Bank
<b>1</b>	<b>Own funds (1.1.+1.2.)</b>	<b>66,519,414</b>	<b>68,770,155</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	50,704,534	54,853,677
1.1.1.	Common equity Tier 1 capital	50,704,534	54,853,677
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	15,814,880	13,916,478
<b>2</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>314,321,733</b>	<b>327,095,339</b>
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	276,328,686	292,379,919
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)	16.13	16.77
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	36,560,056	40,134,386
3.3.	Tier I capital index (1.1./2.*100)	16.13	16.77
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	31,845,230	35,227,956
3.5.	Total capital index (1./2.*100)	21.16	21.02
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	41,373,675	42,602,528
<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	16.13	16.77
5.3.	Tier I capital index with the correction value stated in line	16.13	16.77
5.4.	Total capital index with the correction value stated in line	21.16	21.02

## Review of financial activity for 4th quarter of 2015

### Liquidity ratio calculation for the 4th quarter of 2015

No.	Item	‘EUR Reporting period 31.12.2015 Unaudited Bank
<b>1</b>	<b>Liquid assets (1.1.+1.2.+1.3.+1.4.)</b>	<b>285,059,183</b>
1.1.	Cash	1,593,925
1.2.	Balances with Latvian Central Bank up to 30 days	182,783,687
1.3.	Loans to credit institutions up to 30 days	67,502,653
1.4.	Liquid securities	33,178,918
<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>429,093,695</b>
2.1.	Deposits from credit institutions	7,205,907
2.2.	Deposits	400,373,665
2.3.	Issued debt securities	-
2.4.	Money in transit	173,540
2.5.	Other current liabilities	17,742,807
2.6.	Off-balance sheet liabilities	3,597,776
<b>3</b>	<b>Liquidity ratio (1.:2.) (%)</b>	<b>66.43 %</b>
<b>4</b>	<b>Minimum liquidity ratio (%)</b>	<b>50 %</b>

## Review of financial activity for 4th quarter of 2015

### Disclosure on asset encumbrance

for the 4th quarter of 2015

‘EUR

№	Item	Reporting period 31.12.2015 Unaudited Bank			
Template A - Assets		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		10	40	60	90
10	Total assets	2,615,138	X	690,176,222	X
30	Including equity instruments	-	-	-	-
40	Including debt securities	-	-	64,251,299	61,622,222
120	Including other assets	2,615,138	X	56,796,405	X
Template B – Collateral received		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
		10		40	
130	Total collateral received	-		411,467,587	
150	Including equity instruments	-		-	
160	Including debt securities	-		-	
230	Including other collateral received	-		-	
240	Own debt securities issued other than own covered bonds or ABSs	-		-	
Template C – Encumbered assets/collateral received and associated liabilities		Matching liabilities, contingent liabilities or securities lent		Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	
		10		30	
10	Carrying amount of selected financial liabilities	-		-	

*The encumbered assets of the Bank result from the following transactions:*

- *depositing of funds to the clearing systems as a service collateral, which includes both initial margins, and instalments to secure the performance of obligations;*
- *collateral agreements for derivatives transactions.*

*As of the reporting date, the level of the Bank's asset encumbrance was below 15%.*

*Information is disclosed according to the provisions of clause 9 of Financial and Capital Market Commission (FCMC) Normative Regulation No. 24 Regulations for the Disclosure of Encumbered and Unencumbered Assets.*

## Review of financial activity for 4th quarter of 2015

### Disclosure on asset encumbrance

for the 4th quarter of 2015

‘EUR

№	Item	Reporting period 31.12.2015 Unaudited Group			
Template A - Assets		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		10	40	60	90
10	Total assets	2,615,138	X	671,867,340	X
30	Including equity instruments	-	-	-	-
40	Including debt securities	-	-	64,997,298	64,034,694
120	Including other assets	2,615,138	X	81,872,715	X
Template B – Collateral received		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
		10	40		
130	Total collateral received	-	-	-	243,208,479
150	Including equity instruments	-	-	-	-
160	Including debt securities	-	-	-	-
230	Including other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or ABSs	-	-	-	-
Template C – Encumbered assets/collateral received and associated liabilities		Matching liabilities, contingent liabilities or securities lent		Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	
		10	40	60	90
10	Carrying amount of selected financial liabilities	-	-	-	-

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## Review of financial activity for 4th 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 4th 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 4th 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

Rumba Inga	Member of the Board
Daļeckā Sņežana	Member of the Board
Filipsone Vaira	Member of the Board



## Review of financial activity for 4th 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/>