

Review of financial activity for 3rd quarter of 2016

Balance sheet for the 3rd quarter of 2016

Item	EUR'000			
	Reporting period 30.09.2016 Group Unaudited	Reporting period 30.09.2016 Bank Unaudited	Respective period of the preceding reporting year 31.12.2015 Group Audited	Respective period of the preceding reporting year 31.12.2015 Bank Audited
Cash and balance with central banks	169,466	169,466	184,520	184,520
Demand deposits with credit institutions	22,229	22,229	66,990	66,990
Financial assets held for trading	234	234	180	180
Financial instruments at fair value through profit or loss	-	-	-	-
Available for sale financial assets	7,898	7,898	21,546	21,546
Loans and receivables	84,909	125,051	239,745	281,206
Held to maturity investments	30,627	30,627	40,541	40,541
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred expense and accrued income	946	858	747	719
Fixed assets	33,976	33,923	35,257	35,143
Investment Property	2,800	2,800	2,846	2,846
Intangible assets	402	394	589	564
Investments in subsidiaries and associates	-	418	-	418
Deferred tax asset	232	230	94	92
Other assets	37,561	5,709	39,439	3,788
Total assets	391,280	399,837	632,494	638,553
Due to central banks	-	-	-	-
Due on demand to credit institutions	5,520	5,520	7,275	7,275
Financial liabilities held for trading	-	-	25	25
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities carried at amortized cost	305,881	306,493	546,387	546,462
Financial assets resulting from transfer of financial liabilities	-	-	-	-
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred income and accrued expenses	4,831	4,900	7,486	7,492
Provisions	1,914	1,822	1,608	1,530
Tax liabilities	-	-	-	-
Other liabilities	8,785	8,553	12,215	12,073
Total liabilities	326,931	327,288	574,996	574,857
Equity	64,349	72,549	57,498	63,696
Total liabilities and equity	391,280	399,837	632,494	638,553
Off-balance sheet items				
Contingent liabilities	721	721	1,364	1,364
Commitments to customers	3,337	3,339	3,363	3,363
Assets under management	509,333	509,333	651,022	651,022

Review of financial activity for 3rd quarter of 2016

Income statement for the 3rd quarter of 2016

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	30.09.2016 Group Unaudited	30.09.2016 Bank Unaudited	30.09.2015 Group Unaudited	30.09.2015 Bank Unaudited
Interest income	7,785	7,941	11 861	12 027
Interest expenses	(3,616)	(3,616)	(4 582)	(4 582)
Dividend income	-	-	-	-
Commission income	8,872	8,853	9 857	9 830
Commission expenses	(1,384)	(1,362)	(1 844)	(1 835)
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	7,618	7,618	321	321
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	1,813	1,813	2 171	2 126
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	5,636	2,968	2 800	667
Other expenses	(2,838)	(662)	(2 295)	(513)
Administrative expenses	(10,789)	(10,560)	(7 317)	(7 122)
Amortisation	(1,705)	(1,670)	(913)	(857)
Allowance for impairment	(2,694)	(2,781)	(1 878)	(1 780)
Impairment losses	-	-	-	-
Profit/loss before income tax	8,698	8,542	8 181	8 282
Income tax	(133)	(133)	(223)	(223)
Profit for the period	8,565	8,409	7 958	8 059

Review of financial activity for 3rd quarter of 2016

Group Consolidation for the 3rd quarter of 2016

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

Key ratios for the 3rd quarter of 2016

Item	Reporting period 30.09.2016	Reporting period 30.09.2016	Respective period of the preceding reporting year 30.09.2015	Respective period of the preceding reporting year 30.09.2015
	Group	Bank	Group	Bank
Return of equity (ROE) (%)	18.12	15.41	18.66	17.28
Return of assets (ROA) (%)	2.41	2.03	1.54	1.49

Leverage ratio for the 3rd quarter of 2016

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	12 %	13 %
Leverage Ratio -using a transitional definition of Tier 1	12 %	13 %

Review of financial activity for 3rd quarter of 2016

Capital base and minimum capital requirement summary for the 3rd quarter of 2016

‘EUR

No.	Item	Reporting period 30.09.2016 Unaudited Group	Reporting period 30.09.2016 Unaudited Bank
1	Own funds (1.1.+1.2.)	66,770,155	71,338,720
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	54,070,592	60,537,558
1.1.1.	Common equity Tier 1 capital	54,070,592	60,537,558
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	12,699,563	10,801,162
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	231,437,037	237,885,844
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	187,642,583	198,193,895
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	43,794,454	39,691,949
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)	23.36	25.45
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	43,655,925	49,832,695
3.3.	Tier I capital index (1.1./2.*100)	23.36	25.45
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	40,184,370	46,264,408
3.5.	Total capital index (1./2.*100)	28.85	29.99
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	48,255,192	52,307,852
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	23.36	25.45
5.3.	Tier I capital index with the correction value stated in line	23.36	25.45
5.4.	Total capital index with the correction value stated in line	28.85	29.99

Review of financial activity for 3rd quarter of 2016

Liquidity ratio calculation for the 3rd quarter of 2016

No.	Item	‘EUR Reporting period 30.09.2016 Unaudited Bank
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	215,566,662
1.1.	Cash	1,813,792
1.2.	Balances with Latvian Central Bank up to 30 days	167,511,410
1.3.	Loans to credit institutions up to 30 days	20,699,576
1.4.	Liquid securities	25,541,884
2	Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	207,912,962
2.1.	Deposits from credit institutions	5,548,115
2.2.	Deposits	183,922,498
2.3.	Issued debt securities	-
2.4.	Money in transit	2,731,267
2.5.	Other current liabilities	12,196,043
2.6.	Off-balance sheet liabilities	3,515,039
3	Liquidity ratio (1.:2.) (%)	103.68 %
4	Minimum liquidity ratio (%)	50 %

Review of financial activity for 3rd quarter of 2016

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 2015 with Independent Auditors' Report on pages 8 to 9: <http://www.privatbank.lv/about/finansovaja-otchetnost/>

Shareholders as of 3rd quarter of 2016

Shareholders	Number of shares	Paid equity	Equity investments, (%)	‘EUR
PAS "PRIVATBANK" (Ukraine)	40 190 855	40 190 855	46.54 %	
UNIMAIN HOLDINGS LIMITED (Cyprus)	4 566 475	4 566 475	5.29 %	
WADLESS HOLDINGS LIMITED (Cyprus)	4 894 085	4 894 085	5.67 %	
Concorde (Bermuda) Limited (Bermuda)	7 967 355	7 967 355	9.23 %	
Chastely Investments Limited (Belize)	2 338 098	2 338 098	2.71 %	
Danig Limited (Bermuda)	3 000 000	3 000 000	3.47 %	
Private persons	23 392 688	23 392 688	27.09 %	
Total	86 349 556	86 349 556	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 2016

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

Kukic Aleksandar	Chairman of the Board
Schoepf Robert Christian	Member of the Board
Vectēvs Sandijs	Member of the Board
Jansone Una	Member of the Board
Rumba Inga	Member of the Board

Review of financial activity for 3rd quarter of 2016

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 2015 with Independent Auditors' Report on page 8 (eight):

<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/>