

Review of financial activity for 1st quarter of 2016

Balance sheet for the 1st quarter of 2016

Item	Reporting period		Respective period of the preceding reporting year	
	31.03.2016 Group Unaudited	31.03.2016 Bank Unaudited	31.12.2015 Group Audited	31.12.2015 Bank Audited
	EUR'000			
Cash and balance with central banks	161,874	161,874	184,520	184,520
Demand deposits with credit institutions	69,776	69,776	66,990	66,990
Financial assets held for trading	8	8	180	180
Financial instruments at fair value through profit or loss	-	-	-	-
Available for sale financial assets	12,519	12,519	21,546	21,546
Loans and receivables	175,786	217,117	239,745	281,206
Held to maturity investments	31,969	31,969	40,541	40,541
Interest risk portfolio of shares in the fair value changes	-	-	-	-
Deferred expense and accrued income	1,396	1,182	747	719
Fixed assets	34,793	34,682	35,257	35,143
Investment Property	2,831	2,831	2,846	2,846
Intangible assets	523	500	589	564
Investments in subsidiaries and associates	-	418	-	418
Deferred tax asset	94	92	94	92
Other assets	37,128	4,099	39,439	3,788
Total assets	528,697	537,067	632,494	638,553
Due to central banks	-	-	-	-
Due on demand to credit institutions	2,347	2,347	7,275	7,275
Financial liabilities held for trading	637	637	25	25
Financial liabilities at fair value through profit or loss	-	-	-	-
Financial liabilities carried at amortized cost	435,649	435,950	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	8,462	8,479	7,486	7,492
Provisions	2,115	1,956	1,608	1,530
Tax liabilities	-	-	-	-
Other liabilities	16,797	16,635	12,215	12,073
Total liabilities	466,007	466,004	574,996	574,857
Equity	62,690	71,063	57,498	63,696
Total liabilities and equity	528,697	537,067	632,494	638,553
Off-balance sheet items				
Contingent liabilities	1,399	1,399	1,364	1,364
Commitments to customers	3,342	3,342	3,363	3,363
Assets under management	670,682	670,682	651,022	651,022

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Income statement for the 1st quarter of 2016

Item	Reporting period	Reporting period	Respective period of the preceding reporting year	Respective period of the preceding reporting year
	31.03.2016 Group Unaudited	31.03.2016 Bank Unaudited	31.03.2015 Group Unaudited	31.03.2015 Bank Unaudited
				EUR'000
Interest income	3 376	3 427	3 617	3 655
Interest expenses	(1 327)	(1 327)	(1 382)	(1 362)
Dividend income	-	-	-	-
Commission income	2 977	2 970	3 362	3 356
Commission expenses	(645)	(644)	(616)	(615)
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	89	89	46	46
Changes in fair value due to risk minimization accounting	-	-	-	-
Net foreign exchange gains	487	487	555	510
Profit/loss from de recognition of property, plant and equipment, investment property and intangible assets	-	-	-	-
Other income	1 377	829	894	347
Other expenses	(449)	(31)	(698)	(264)
Administrative expenses	(2 932)	(2 875)	(2 476)	(2 412)
Amortisation	(565)	(552)	(304)	(285)
Allowance for impairment	(1 032)	(1 055)	(407)	(358)
Impairment losses	-	-	-	-
Profit/loss before income tax	1 356	1 380	2 591	2 618
Income tax	(39)	(39)	(67)	(67)
Profit for the period	1 317	1 341	2 524	2 551

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Group Consolidation for the 1st quarter of 2016

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 1st quarter of 2016

Item	Reporting period 31.03.2016	Reporting period 31.03.2016	Respective period of the preceding reporting year 31.03.2015	Respective period of the preceding reporting year 31.03.2015
	Group	Bank	Group	Bank
Return of equity (ROE) (%)	8.40 %	8.49 %	18.56 %	17.08 %
Return of assets (ROA) (%)	1.00 %	0.90 %	1.47 %	1.39 %

Leverage ratio for the 1st 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	9 %	9 %
Leverage Ratio -using a transitional definition of Tier 1	9 %	9 %

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Capital base and minimum capital requirement summary for the 1st quarter of 2016

‘EUR

No.	Item	Reporting period 31.03.2016 Unaudited Group	Reporting period 31.03.2016 Unaudited Bank
1	Own funds (1.1.+1.2.)	69,628,824	74,203,653
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	56,271,888	62,745,118
1.1.1.	Common equity Tier 1 capital	56,271,888	62,745,118
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	13,356,936	11,458,535
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	281,070,278	287,068,512
2.1.	Weighted value of risk transactions for credit risk, business partner credit risk, recoverable value depreciation risk, and unpaid delivery risk	237,275,824	247,376,563
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)	20.02	21.86
3.2.	Tier I equity capital excess (+)/ deficit (-) (1.1.1.-2.*4.5%)	43,623,726	49,827,035
3.3.	Tier I capital index (1.1./2.*100)	20.02	21.86
3.4.	Tier I capital excess (+)/ deficit (-) (1.1.-2.*6%)	39,407,671	45,521,007
3.5.	Total capital index (1./2.*100)	24.77	25.85
3.6.	Total Tier I capital excess (+)/ deficit (-) (1.-2.*8%)	47,143,202	51,238,172
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	20.02	21.86
5.3.	Tier I capital index with the correction value stated in line	20.02	21.86
5.4.	Total capital index with the correction value stated in line	24.77	25.85

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Liquidity ratio calculation for the 1st quarter of 2016

No.	Item	‘EUR Reporting period 31.03.2016 Unaudited Bank
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	228,830,227
1.1.	Cash	1,666,711
1.2.	Balances with Latvian Central Bank up to 30 days	159,965,148
1.3.	Loans to credit institutions up to 30 days	41,005,381
1.4.	Liquid securities	26,192,987
2	Current liabilities (with remaining maturity up to 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	329,373,070
2.1.	Deposits from credit institutions	7,731,183
2.2.	Deposits	280,464,663
2.3.	Issued debt securities	-
2.4.	Money in transit	16,550,419
2.5.	Other current liabilities	20,801,475
2.6.	Off-balance sheet liabilities	3,825,330
3	Liquidity ratio (1.:2.) (%)	69.47 %
4	Minimum liquidity ratio (%)	50 %

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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 1st 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 1st 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

Kucic Aleksandar	Chairman of the Board
Rumba Inga	Member of the Board
Daļeckā Sņežana	Member of the Board
Filipsone Vaira	Member of the Board
Jansone Una	Member of the Board

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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/>