

**AS "Meridian Trade Bank"  
Quarterly Financial Statements  
for the period ended June 30, 2014**

Appendix I  
of the Financial and Capital Market Commission Regulation Nr. 145 of 15.09.2006.

**Balance Sheet**  
as of June 30, 2014  
(Last date of the reporting period)

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Name of the Item	Group; Reported period	Group; Previous financial year *
Cash in Hand and Demand Claims on Central Banks	42 245	52 443
Demand Claims on Credit Institutions	53 632	114 003
Trading securities	2	21
Securities designated at fair value through profit or loss	-	-
Investment securities available-for-sale	-	-
Loans and advances to customers	105 642	112 767
for reference: impairment allowance	8 095	7 564
Held-to-maturity investments	17 041	46 864
incl. USA Treasury Bonds	-	29 311
incl. Latvian Government Bonds	5 840	5 492
incl. Lithuanian Government Bonds	2 723	2 319
incl. Russian Federation corporate entities' Eurobonds	4 727	4 821
Changes in fair value of portfolio part hedged against percentage risk	-	-
Prepayments and Accrued Income	-	-
Property and equipment	1 387	1 256
Investment properties	7 919	7 877
Intangible assets	-	-
Investments in subsidiaries	-	-
Tax receivables	6	58
Other Assets	3 722	5 022
<b>Total assets</b>	<b>231 596</b>	<b>340 311</b>
Liabilities to Central Banks	7	23
Demand Liabilities to Credit Institutions	-	17
Held-for-trading financial liabilities	-	-
Financial liabilities at fair value with changes in fair value in net profit or loss	-	-
Financial liabilities at amortised cost	206 702	298 493
Financial liabilities after transferring of financial assets	-	-
Changes in fair value of portfolio part hedged against percentage risk	-	-
Deferred Income and Accrued Expenses	-	-
Provisions for Liabilities and Charges	158	153
Deferred tax liabilities	56	52
Other liabilities	3 855	20 964
Total liabilities	210 778	319 702
Shareholders' equity	20 818	20 609
<b>Total liabilities and shareholders' equity</b>	<b>231 596</b>	<b>340 311</b>
Off-Balance-Sheet Items		
Contingent Liabilities	4 647	5 688
Off-Balance-Sheet Commitments to Customers	4 129	4 791

\*) audited

**Income Statement**  
as of June 30, 2014  
(Last date of the reporting period)

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Name of the Item	Group; Reported period	Group; Previous financial year appropriate period
Interest income	2 463	2 843
Interest expense	(687)	(821)
Dividend income	-	-
Fee and commission income	2 197	2 684
Fee and commission expense	(499)	(477)
Net profit/(loss) from financial assets and financial liabilities at amortised cost	-	-
Net profit/(loss) from from available-for-sale investments	-	-
Net profit/(loss) from held-for-trading investments	-	-
Net profit/(loss) from financial liabilities at fair value with changes in fair value in net profit or loss	-	-
Changes in fair value in hedge accounting	-	-
Profit/loss on foreign exchange trading and on foreign exchange revaluation	790	1 319
Profit/ (loss) from derecognising of property, plant and equipment, investment properties and intangible assets	-	-
Other income	293	233
Other expense	(84)	(67)
Administrative expense	(3 424)	(3 140)
Depreciation	(259)	(246)
Allowances for credit losses	(581)	(273)
Value impairment losses	-	-
<b>Profit before corporate income tax</b>	<b>209</b>	<b>2 055</b>
Corporate income tax	-	(112)
<b>Net profit for the period</b>	<b>209</b>	<b>1 943</b>

\*) audited

**Bank activity indices**  
as of June 30, 2014  
(Last date of the reporting period)

Name of the Item	Previous financial year appropriate period (audited)	Previous financial year appropriate period
Return on equity (ROE) (%)	0,37	19,43
Return on assets (ROA) (%)	0,03	1,23

\*) audited

**Consolidated group**  
as of June 30, 2014  
(Last date of the reporting period)

Nr.	The name of the commercial company	Registration place code, address	Company type *	Portion of a holding in share capital (%)	Portion of voting rights in the company (%)	Motivation for inclusion in the group**
1	AS "MTB Finance"	LV, Rīga, Elizabetes 57	CFI	49	49	MS

\*BNK – bank, APS – insurance company, PAP – reinsurance company,  
APP – insurance management company, IBS – investment brokerage company,  
IPS – investment management company, PFO – pension fund, CFI – other financial institution,  
FPS – financial management company, CKS – other commercial company.  
\*\* MS – subsidiary; KS – joint venture; MAS – parent company.

**Summary report of equity and minimum capital requirements**  
as of June 30, 2014  
(Last date of the reporting period)

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№	Name of the Item	Group; Reported period
<b>1</b>	<b>Own funds (1.1.+1.2.)</b>	<b>25 730</b>
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	20 609
1.1.1.	Common equity tier 1 capital	20 609
1.1.2.	Additional tier 1 capital	-
1.2.	Tier 2 capital	5 121
<b>2</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>175 447</b>
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	156 956
2.2.	Total risk exposure amount for settlement/delivery	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	629
2.4.	Total risk exposure amount for operational risk	17 862
2.5.	Total risk exposure amount for credit valuation adjustment	-
2.6.	Total risk exposure amount related to large exposures in the trading book	-
2.7.	Other risk exposure amounts	-
<b>3</b>	<b>Capital ratios and capital levels</b>	
3.1.	CET1 Capital ratio (1.1.1./2.*100)	12
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	12 714
3.3.	T1 Capital ratio(1.1./2.*100)	12
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	10 082
3.5.	Total capital ratio (1./2.*100)	15
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	11 694
<b>4</b>	<b>Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	<b>2,5</b>
4.1.	Combined buffer requirement (%)	2,5
4.2.	Institution specific countercyclical capital buffer (%)	-
4.3.	Systemic risk buffer (%)	-
4.4.	Systemical important institution buffer (%)	-
4.5.	Other Systemically Important Institution buffer (%)	-
<b>5</b>	<b>Capital ratios due to Pillar II adjustments</b>	
5.1.	Own funds requirements related to Pillar II adjustments	3 163
5.2.	CET1 capital ratio including Pillar II adjustments	10,85
5.3.	T1 capital ratio including Pillar II adjustments	10,85
5.4.	Total capital ratio including Pillar II adjustments	12,86

**Liquidity ratio calculation**  
as of June 30, 2014  
(Last date of the reporting period)

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№	Name of the Item	Bank; Reported period
1	<b>Liquid assets (1.1.+1.2.+1.3.+1.4.)</b>	<b>106 876</b>
1.1.	Cash	4 794
1.2.	Deposits with the Bank of Latvia	37 451
1.3.	Claims on Credit Institutions	51 341
1.4.	Liquid securities	13 290
2	<b>Current Liabilities (with term before 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)</b>	<b>141 317</b>
2.1.	Liabilities to Credit Institutions	3 241
2.2.	Deposits	130 578
2.3.	Issued Debt Securities	-
2.4.	Items in Transit	1 231
2.5.	Other Current Liabilities	2 750
2.6.	Off-Balance Sheet Items	3 517
3	<b>Liquidity Ratio (1.:2.) (%)</b>	<b>75,63</b>
4	<b>Mimimum Liquidity Ratio</b>	<b>30%</b>

**Additional information:**

1. In the reporting period auditors have not audited AS "Meridian Trade Bank" Bank Financial Statements.

2.The Information on risks, associated with the activities of AS „Meridian Trade Bank” (hereinafter referred to as the Bank) was published in the Annual report for the year ended 31 December 2013 on pages 22-63 and in the Information Disclosure Statement for the year 2013 on pages 1-8 and has not changed since publishing.

3. As of May 07th, 2014, the name of the Bank has been changed to AS "Meridian Trade Bank". As of June 16th, 2014, the name of the Bank's subsidiary AS "SMP Finance" has been changed to AS "MTB Finance". As of May 10th, 2014, the shareholders structure has been changed substantially, as the result of which, only individuals and legal entities - residents of the EU, none of whom holds majority stake in the Bank, are the Bank's shareholders of the Bank. Latest information about shareholders of the Bank is published on the Bank's home page in the section "About bank" (subsections "Management" - [http://www.mtbank.eu/en\\_LV/about/management/](http://www.mtbank.eu/en_LV/about/management/)).

4. Management of the Bank has been changed substantially. Latest information about management of the Bank is published on the Bank's home page in the section "About bank" (subsections "Management" - [http://www.mtbank.eu/en\\_LV/about/management/](http://www.mtbank.eu/en_LV/about/management/)).

5. Information on organizational structure of the Bank is published in the Annual report for the year ended 31 December 2013 on p.13. and on the Bank home page in the section "About bank" (subsection "Structure" - [http://www.mtbank.eu/static/uploaded\\_files/documents/latvija/struktura\\_eng.pdf](http://www.mtbank.eu/static/uploaded_files/documents/latvija/struktura_eng.pdf)). New customer service centre has been opened during the first quarter of the year 2014: "Pērses" (Rīga, Pērses ielā 2). 3 customer service centres have been closed during the second quarter of the year 2014: "Lielvārde" (Lielvārdē, Lāčplēša ielā 14), "Dzelzavas" (Rīga, Dzelzavas iela 62), "Deglava" (Rīga, A. Deglava iela 160a). Official representative office in Kiev, Ukraine has been closed during the second quarter of the year 2014.

6.The information on strategy of the Bannk's business activities and goals is published on the Bank's home page in the section "About bank" (subsections "History and Mission" -[http://www.mtbank.eu/en\\_LV/about/history/](http://www.mtbank.eu/en_LV/about/history/)) and in the Information Disclosure Statement for the year 2013 on page 5, and has not been changed since publishing.

7.The information about Remuneration policies and practices of the Bank is published in the Information Disclosure Statement for the year 2013 on pages 6 - 7, and has not been changed since publishing.

Chairperson of the Board \_\_\_\_\_ / S.Dzene /