

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

Appendix 1  
of the Financial and Capital Market Commission Regulation Nr. 145 of 15.09.2006.

**Balance Sheet**

as of September 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	4410	52443
Demand Claims on Credit Institutions	90170	114003
Trading securities	2	21
Securities designated at fair value through profit or loss	0	0
Investment securities available-for-sale	0	0
Loans and advances to customers	107403	112767
for reference: impairment allowance	8150	7564
Held-to-maturity investments	17096	46864
incl. USA Treasury Bonds	2823	29311
incl. Latvian Government Bonds	5982	5492
incl. Lithuanian Government Bonds	2727	2319
incl. Russian Federation corporate entities' Eurobonds	4689	4821
Changes in fair value of portfolio part hedged against percentage risk	0	0
Prepayments and Accrued Income	0	0
Property and equipment	1314	1256
Investment properties	8653	7877
Intangible assets	0	0
Investments in subsidiaries	0	0
Tax receivables	207	58
Other Assets	3905	5022
<b>Total assets</b>	<b>233160</b>	<b>340311</b>
Liabilities to Central Banks	717	23
Demand Liabilities to Credit Institutions	0	17
Held-for-trading financial liabilities	0	0
Financial liabilities at fair value with changes in fair value in net profit or loss	0	0
Financial liabilities at amortised cost	205453	298493
Financial liabilities after transferring of financial assets	0	0
Changes in fair value of portfolio part hedged against percentage risk	0	0
Deferred Income and Accrued Expenses	0	0
Provisions for Liabilities and Charges	159	153
Deferred tax liabilities	51	52
Other liabilities	5276	20964
Total liabilities	211656	319702
Shareholders' equity	21504	20609
<b>Total liabilities and shareholders' equity</b>	<b>233160</b>	<b>340311</b>
Off-Balance-Sheet Items		
Contingent Liabilities	2764	5688
Off-Balance-Sheet Commitments to Customers	3461	4791

\*) audited

### Income Statement

as of September 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	3 621	3 006
Interest expense	(1 083)	(838)
Dividend income	-	-
Fee and commission income	3 048	2 847
Fee and commission expense	(721)	(588)
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	1 172	1 414
Profit/ (loss) from derecognising of property, plant and equipment, investment properties and intangible assets	-	-
Other income	359	160
Other expense	(119)	(76)
Administrative expense	(5 195)	(3 336)
Depreciation	(385)	(262)
Allowances for credit losses	(636)	(192)
Value impairment losses	-	-
<b>Profit before corporate income tax</b>	<b>61</b>	<b>2 135</b>
Corporate income tax	-	(136)
<b>Net profit for the period</b>	<b>61</b>	<b>1 999</b>

\*) audited

**Bank activity indices**  
as of September 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) (%)	-0.03	19.58
Return on assets (ROA) (%)	0.00	1.25

\*) audited

**Consolidated group**  
as of September 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	100	100	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 September 30, 2014

(Last date of the reporting period)

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№	Название позиции	Group; Reported period
1	<b>OWN FUNDS (1.1.+1.2.)</b>	26232
1.1.	TIER 1 CAPITAL (1.1.1.+1.1.2.)	21443
1.1.1.	COMMON EQUITY TIER 1 CAPITAL	21443
1.1.2.	ADDITIONAL TIER 1 CAPITAL	0
1.2.	TIER 2 CAPITAL	4789
2	<b>TOTAL RISK EXPOSURE AMOUNT (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	167095
2.1.	RISK WEIGHTED EXPOSURE AMOUNTS FOR CREDIT, COUNTERPARTY CREDIT AND DILUTION RISKS AND FREE DELIVERIES	148528
2.2.	TOTAL RISK EXPOSURE AMOUNT FOR SETTLEMENT/DELIVERY	0
2.3.	TOTAL RISK EXPOSURE AMOUNT FOR POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS	705
2.4.	TOTAL RISK EXPOSURE AMOUNT FOR OPERATIONAL RISK (OpR )	17862
2.5.	TOTAL RISK EXPOSURE AMOUNT FOR CREDIT VALUATION ADJUSTMENT	0
2.6.	TOTAL RISK EXPOSURE AMOUNT RELATED TO LARGE EXPOSURES IN THE TRADING BOOK	0
2.7.	OTHER RISK EXPOSURE AMOUNTS	0
3	<b>Capital ratios and capital levels</b>	
3.1.	CET1 Capital ratio (1.1.1./2.*100)	13
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	13924
3.3.	T1 Capital ratio(1.1./2.*100)	13
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	11417
3.5.	Total capital ratio (1./2.*100)	16
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	12864
4	<b>Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	2.5
4.1.	Combined buffer requirement (%)	2.5
4.2.	Institution specific countercyclical capital buffer (%)	0
4.3.	Systemic risk buffer (%)	0
4.4.	Systemical important institution buffer (%)	0
4.5.	Other Systemically Important Institution buffer (%)	0
5	<b>Capital ratios due to Pillar II adjustments</b>	
5.1.	Own funds requirements related to Pillar II adjustments	3011
5.2.	CET1 capital ratio including Pillar II adjustments	12
5.3.	T1 capital ratio including Pillar II adjustments	12
5.4.	Total capital ratio including Pillar II adjustments	14

### Liquidity ratio calculation

as of September 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>	108538
1.1.	Cash	4410
1.2.	Deposits with the Bank of Latvia	2616
1.3.	Claims on Credit Institutions	86036
1.4.	Liquid securities	15476
2	<b>Current Liabilities (with term before 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)</b>	155549
2.1.	Liabilities to Credit Institutions	7
2.2.	Deposits	146684
2.3.	Issued Debt Securities	0
2.4.	Items in Transit	782
2.5.	Other Current Liabilities	4622
2.6.	Off-Balance Sheet Items	3454
3	<b>Liquidity Ratio (1.:2.) (%)</b>	69.78
4	<b>Minimum Liquidity Ratio</b>	50%

#### 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. In the reporting period the shareholders structure has been changed. As at 30.09.2014 only individuals and legal entities - residents of the EU, none of whom holds majority stake in the Bank, are the Bank's shareholders. 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 not been changed in the reporting period. 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. Customer service centre "Centro" in Vilnius, Lithuania has been closed during the third quarter of the year 2014.
6. The information on strategy of the Bank'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 /