

Quarterly Financial Statements  
for the period ended December 31, 2015

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

Balance Sheet  
as of December 31, 2015  
(Last date of the reporting period)

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Name of the Item	Bank: Reported period	Bank: Previous financial year *
Cash in Hand and Demand Claims on Central Banks	7,210	17,069
Demand Claims on Credit Institutions	99,939	72,928
Trading securities	2	3
Securities designated at fair value through profit or loss	-	-
Investment securities available-for-sale	64,520	15,857
Loans and advances to customers	114,134	118,469
for reference: impairment allowance	7,574	8,064
Held-to-maturity investments	33,395	19,950
Changes in fair value of portfolio part hedged against percentage risk	-	-
Prepayments and Accrued Income	100	-
Property and equipment	1,074	1,205
Investment properties	-	-
Intangible assets	-	-
Investments in subsidiaries	-	-
Tax receivables	57	225
Other Assets	4,237	4,289
<b>Total assets</b>	<b>324,668</b>	<b>249,995</b>
Liabilities to Central Banks	716	2,897
Demand Liabilities to Credit Institutions	-	-
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	279,986	217,916
Financial liabilities after transferring of financial assets	-	-
Changes in fair value of portfolio part hedged against percentage risk	-	-
Deferred Income and Accrued Expenses	115	-
Provisions for Liabilities and Charges	152	158
Deferred tax liabilities	64	51
Other liabilities	19,217	4,710
<b>Total liabilities</b>	<b>300,250</b>	<b>225,732</b>
<b>Shareholders' equity</b>	<b>24,418</b>	<b>24,263</b>
<b>Total liabilities and shareholders' equity</b>	<b>324,668</b>	<b>249,995</b>
Off-Balance-Sheet Items		
Contingent Liabilities	1,138	2,370
Off-Balance-Sheet Commitments to Customers	7,107	2,841

\*) audited

Income Statement  
as of December 31, 2015  
(Last date of the reporting period)

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Name of the Item	Bank: Reported period	Bank: Previous financial year appropriate period*
Interest income	5,344	4,612
Interest expense	(1,300)	(1,529)
Dividend income	-	-
Fee and commission income	3,851	3,890
Fee and commission expense	(1,128)	(984)
Net profit/(loss) from financial assets and financial liabilities at amortised cost	-	-
Net profit/(loss) 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	911	1,457
Profit/ (loss) from derecognising of property, plant and equipment, investment properties and intangible assets	-	-
Other income	55	119
Other expense	(94)	(72)
Administrative expense	(7,202)	(6,900)
Depreciation	(294)	(336)
Allowances for credit losses	389	(556)
Value impairment losses	-	-
Profit before corporate income tax	532	(299)
Corporate income tax	-	-
Net profit for the period	532	(299)

\*) audited

Bank activity indices  
as of December 31, 2015  
(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) (%)	2.20	-1.36
Return on assets (ROA) (%)	0.19	-0.11

\*) audited

Consolidated group  
as of December 31, 2015  
(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, Riga, 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 December 31, 2015  
(Last date of the reporting period)

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Nr.	Name of the Item	Bank: Reported period
1	Own funds (1.1.+1.2.)	25,757
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	23,257
1.1.1.	Common equity Tier 1 capital	23,257
1.1.2.	Additional Tier 1 capital	-
1.2.	Tier 2 capital	2,500
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	204,353
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	186,382
2.2.	Total risk exposure amount for settlement/delivery	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	454
2.4.	Total risk exposure amount for operational risk (OpR)	17,517
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	-
3	Capital ratios and capital levels	-
3.1.	CET1 Capital ratio (1.1.1./2.*100)	11.38
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	14,061
3.3.	T1 Capital ratio(1.1./2.*100)	11.38
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	10,996
3.5.	Total capital ratio (1./2.*100)	12.60
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	9,409
4	Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)	2.50
4.1.	Combined buffer requirement (%)	2.50
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 (%)	-
5	Capital ratios due to Pillar II adjustments	-
5.1.	Own funds requirements related to Pillar II adjustments	-
5.2.	CET1 capital ratio including Pillar II adjustments	11.38
5.3.	T1 capital ratio including Pillar II adjustments	11.38
5.4.	Total capital ratio including Pillar II adjustments	12.60

Liquidity ratio calculation  
as of December 31, 2015  
(Last date of the reporting period)

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Nº	Name of the Item	Bank: Reported period
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	188,115
1.1.	Cash	5,172
1.2.	Deposits with the Bank of Latvia	1,900
1.3.	Claims on Credit Institutions	96,682
1.4.	Liquid securities	84,361
2	Current Liabilities (maturity within 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	241,937
2.1.	Liabilities to Credit Institutions	5
2.2.	Deposits	215,422
2.3.	Issued Debt Securities	-
2.4.	Items in Transit	555
2.5.	Other Current Liabilities	18,853
2.6.	Off-Balance Sheet Items	7,102
3	Liquidity Ratio (1.:2.) (%)	77.75
4	Mimumum Liquidity Ratio	50%

Additional information:

1. As at 31 December 2015 breakdown of the securities portfolio of the Bank by countries, where the total book value of the securities exceeds 10% of the Bank's Own Funds.

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Issuer state	Total	% of the Bank's Own Funds	incl. Central Government	% of the Bank's Own Funds	Other issuers
US	38,810	151%	37,275	145%	1,535
LV	10,467	41%	10,467	41%	-
LT	9,062	35%	9,062	35%	-
HU	5,349	21%	2,607	10%	2,742
EE	4,260	17%	-	-	4,260
RU	3,893	15%	-	-	3,893
RO	3,689	14%	3,689	14%	-
SL	3,219	12%	3,219	12%	-
Other countries	6,326	25%	482	2%	5,844
<b>Total securities portfolio</b>	<b>85,075</b>	<b>X</b>	<b>66,801</b>	<b>X</b>	<b>18,274</b>

During the year 2015 provisions for financial assets at amortized cost have not been made.

As at 31 December 2015 the market value of the financial assets at amortized cost amounted EUR 21 021 thousand.

During the year 2015 has not been recognized an impairment for available for sale financial assets.

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

3. 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 2014 on pages 22-70 ([http://www.mtbank.eu/static/uploaded\\_files/documents/latvija/reports/2014/meridian\\_trade\\_bank\\_fin.stat\\_2014.pdf](http://www.mtbank.eu/static/uploaded_files/documents/latvija/reports/2014/meridian_trade_bank_fin.stat_2014.pdf)) and in the Information Disclosure Statement for the year 2014 on pages 1-9 ([http://www.mtbank.eu/static/uploaded\\_files/documents/latvija/reports/2014/informacijas\\_atklasanas\\_ataskaite\\_31122014\\_ru.pdf](http://www.mtbank.eu/static/uploaded_files/documents/latvija/reports/2014/informacijas_atklasanas_ataskaite_31122014_ru.pdf)) and has not changed since publishing.

4. In the reporting period the shareholders structure has been changed. 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/)).

5. Management of the Bank has not been changed in the reporting period. The 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/))

6. Information on organizational structure of the Bank is published in the Annual report for the year ended 31 December 2014 on p.14. 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 2015: Krāslava ( Krāslava, Rīgas ielā 34) and "Kengarags" (Rīga, Maskavas 264). Customer service centre "Šauļi" of the Lithuanian branch of the Bank has been closed during the third quarter of the year 2015.

7. 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" (subsection "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 2014 on page 4, and has not been changed since publishing.

8. The information about Remuneration policies and practices of the Bank is published in the Information Disclosure Statement for the year 2014 on pages 5 - 7, and has not been changed since publishing.

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