

**Quarterly Financial Statements
for the period ended December 31, 2016**

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

Balance Sheet
as of December 31, 2016
(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	71 626	7 210
Demand Claims on Credit Institutions	33 140	99 939
Trading securities	2	2
Securities designated at fair value through profit or loss	-	-
Investment securities available-for-sale	53 283	64 520
Loans and advances to customers	121 725	113 662
for reference: impairment allowance	9 017	8 046
Held-to-maturity investments	26 357	33 395
Changes in fair value of portfolio part hedged against percentage risk	-	-
Prepayments and Accrued Income	457	100
Property and equipment	1 109	1 074
Investment properties	-	-
Intangible assets	-	-
Investments in subsidiaries	-	-
Tax receivables	-	57
Other Assets	3 980	4 237
Total assets	311 679	324 196
Liabilities to Central Banks	5	716
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	276 733	279 986
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	152	152
Deffered tax liabilities	71	64
Other liabilities	9 551	19 332
Total liabilities	286 512	300 250
Shareholders' equity	25 167	23 946
Total liabilities and shareholders' equity	311 679	324 196
Off-Balance-Sheet Items		
Contingent Liabilities	937	1 138
Off-Balance-Sheet Commitments to Customers	2 092	7 107

*) audited

Income Statement
 as of December 31, 2016
 (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	5 759	5 344
Interest expense	(1 428)	(1 300)
Dividend income	-	-
Fee and commission income	5 288	3 851
Fee and commission expense	(1 750)	(1 128)
Net profit/(loss) from financial assets and financial liabilities at amortised cost	-	-
Net profit/(loss) from available-for-sale investments	1 049	-
Net profit/(loss) from held-for-trading investments	1	-
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	1 199	911
Profit/ (loss) from derecognising of property, plant and equipment, investment properties and intangible assets	-	-
Other income	36	55
Other expense	(81)	(94)
Administrative expense	(7 935)	(7 202)
Depreciation	(248)	(294)
Allowances for credit losses	(1 003)	(83)
Value impairment losses	-	-
Profit before corporate income tax	887	60
Corporate income tax	-	-
Net profit for the period	887	60

*) audited

Bank's profitability ratios
as of December 31, 2016
(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) (%)	3.58	0.25
Return on assets (ROA) (%)	0.29	0.02

*) audited

Consolidated group
as of December 31, 2016
(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 December 31, 2016
(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.)	23 908
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	23 045
1.1.1.	Common equity Tier 1 capital	23 045
1.1.2.	Additional Tier 1 capital	-
1.2.	Tier 2 capital	863
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	163 935
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	147 471
2.2.	Total risk exposure amount for settlement/delivery	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	317
2.4.	Total risk exposure amount for operational risk (OpR)	16 147
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)	14.06
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	15 668
3.3.	T1 Capital ratio(1.1./2.*100)	14.06
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	13 209
3.5.	Total capital ratio (1./2.*100)	14.58
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	10 793
4	Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)	2.50
4.1.	Capital conservation buffer (%)	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	14.06
5.3.	T1 capital ratio including Pillar II adjustments	14.06
5.4.	Total capital ratio including Pillar II adjustments	14.58

Liquidity ratio calculation

as of December 31, 2016
(Last date of the reporting period)

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№	Name of the Item	Bank; Reported period
1	Liquid assets (1.1.+1.2.+1.3.+1.4.)	179 726
1.1.	Cash	4 110
1.2.	Deposits with the Bank of Latvia	67 516
1.3.	Claims on Credit Institutions	38 074
1.4.	Liquid securities	70 026
2	Current Liabilities (maturity within 30 days) (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	230 225
2.1.	Liabilities to Credit Institutions	5
2.2.	Deposits	217 884
2.3.	Issued Debt Securities	-
2.4.	Items in Transit	3 021
2.5.	Other Current Liabilities	7 229
2.6.	Off-Balance Sheet Items	2 086
3	Liquidity Ratio (1.:2.) (%)	78.07
4	Minimum Liquidity Ratio	50%

Additional information:

1. As at 31 December 2016 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	37 709	158%	37 709	158%	-
LV	10 906	46%	10 906	46%	-
LT	6 352	27%	6 352	27%	-
SL	4 985	21%	4 985	21%	-
PL	4 728	20%	4 728	20%	-
RO	3 401	14%	3 401	14%	-
Other countries	1 945	8%	0	0%	1 945
Total securities portfolio	70 026	X	68 081	X	1 945

During the 4th quarter of the year 2016 provisions for financial assets at amortized cost have not been made.

As at 31 December 2016 the market value of the financial assets at amortized cost amounted EUR 17 344 thousand.

During the 4th quarter of the year 2016 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 2015 on pages 24-72 (https://www.mtbank.eu/static/uploaded_files/meridian_trade_bank_as_ifrs_fs_2015_eng.pdf) and in the Information Disclosure Statement for the year 2015 on pages 1-15 (https://www.mtbank.eu/static/uploaded_files/informacijas_atklanas_ataskaite_31122015_en.pdf) and has not changed since publishing.

4. In the reporting period the shareholders structure hasn't 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/).

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/).

6. In the reporting period Bank's structure hasn't been changed. Information on organizational structure of the Bank is published in the Annual report for the year ended 31 December 2015 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). By optimizing the customer service center network in Latvia, was closed Client Service Center "Jaunbūve" in Daugavpils, during the third quarter of the year 2016.

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/) and in the Information Disclosure Statement for the year 2015 on page 4, and has not been changed significantly since publishing.

8. The information about Remuneration policies and practices of the Bank is published in the Information Disclosure Statement for the year 2015 on pages 5 - 7, and has not been changed significantly since publishing.

Chairman of the Board _____ / S.Dzene /