

**Quarterly Financial Statements
for the period ended March 31, 2018**

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

Balance Sheet
as of March 31, 2018
(Last date of the reporting period)

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Name of the Item	Bank; Reported period	Group; Reported period	Bank; Previous financial year*	Group; Previous financial year*
Cash and demand deposits with central banks	128,948	128,948	103,839	103,839
Demand deposits with credit Institutions	16,472	16,473	21,135	21,137
Financial assets designated at fair value through profit or loss	2	2	3	3
Financial assets at fair value through other comprehensive income	818	818	32,477	32,477
Financial assets at amortised cost	97,113	79,695	105,307	87,921
Derivatives - hedge accounting	-	-	-	-
Changes in fair value of portfolio part hedged against interest rate risk	-	-	-	-
Investments in subsidiaries, joint ventures and associates	-	-	-	-
Tangible assets	918	926	974	982
Intangible assets	23	23	28	28
Tax receivables	-	99	-	97
Other Assets	8,538	27,731	9,316	28,466
Non-current assets and disposal groups classified as held for sale	-	-	-	-
Total assets	252,832	254,715	273,079	274,950
Liabilities to central banks	-	-	-	-
Demand deposits from credit institutions	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial liabilities at amortised cost	242,765	242,763	258,345	258,343
Derivatives - hedge accounting	-	-	-	-
Changes in fair value of portfolio part hedged against interest rate risk	-	-	-	-
Provisions	390	393	168	171
Tax liabilities	63	65	70	72
Other liabilities	3	263	893	1,136
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total liabilities	243,221	243,484	259,476	259,722
Shareholders' equity	9,611	11,231	13,603	15,228
Total liabilities and shareholders' equity	252,832	254,715	273,079	274,950
Off-Balance-Sheet Items	-	-	-	-
Contingent Liabilities	739	739	756	756
Off-Balance-Sheet Commitments to Customers	3,742	3,742	4,354	4,354

*) audited

Income Statement
 as of March 31, 2018
 (Last date of the reporting period)

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Name of the Item	Bank; Reported period	Group; Reported period	Bank; Previous financial year appropriate period*	Group; Previous financial year appropriate period*
Interest income	703	697	1,164	1,153
Interest expense	(333)	(333)	(310)	(310)
Dividend income	-	-	-	-
Fee and commission income	1,912	1,912	1,471	1,471
Fee and commission expense	(693)	(693)	(362)	(362)
Gains or losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	-	-	-	-
Gains or losses from financial assets and liabilities measured at fair value through net profit or loss, net	1,381	1,381	384	384
Gains or losses from hedge accounting, net	-	-	-	-
Gains or losses from foreign exchange difference, net	(524)	(553)	(33)	(32)
Gains or losses from derecognition of non-financial assets, net	-	-	-	-
Other income	11	133	11	111
Other expense	(20)	(86)	(23)	(86)
Administrative expense	(2,039)	(2,064)	(1,989)	(2,021)
Depreciation	(85)	(85)	(70)	(152)
Modification gains or losses, net	-	-	-	-
Provisions or reversal of provisions	(135)	(135)	301	301
Impairment or reversal of impairment	-	-	-	-
Negative goodwill recognised in profit or loss	-	-	-	-
Gains or loss from investments in subsidiaries, joint ventures and associates measured using the equity method	-	-	-	-
Profit or loss from long-term assets and disposal groups classified as held for sale	-	-	-	-
Profit before corporate income tax	178	174	544	457
Corporate income tax	-	-	-	-
Net profit for the period	178	174	544	457
Other comprehensive income for the period	-	-	-	-

*) audited

Bank's profitability ratios
as of March 31, 2018
(Last date of the reporting period)

Name of the Item	Bank; Reported period	Group; Reported period	Bank; Previous financial year appropriate period*	Group; Previous financial year appropriate period*
Return on equity (ROE) (%)	5.17%	4.93%	9.52%	8.35%
Return on assets (ROA) (%)	0.25%	0.24%	0.69%	0.58%

*) audited

Consolidated group
as of March 31, 2018
(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.

I Summary report of equity and capital adequacy ratio
as of March 31, 2018
(Last date of the reporting period)

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Nr.	Name of the Item	Bank; Reported period	Group; Reported period
1	Own funds (1.1.+1.2.)	14,209	15,833
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	12,321	13,945
1.1.1.	Common equity Tier 1 capital	12,321	13,945
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	1,888	1,888
2	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	128,233	130,950
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	110,761	112,814
2.2.	Total risk exposure amount for settlement/delivery	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	417	1,002
2.4.	Total risk exposure amount for operational risk (OpR)	17,055	17,134
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)	9.61%	10.65%
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	6,551	8,052
3.3.	T1 Capital ratio(1.1./2.*100)	9.61%	10.65%
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	4,627	6,088
3.5.	Total capital ratio (1./2.*100)	11.08%	12.09%
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	3,950	5,357
4	Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)	2.50%	2.50%
4.1.	Capital conservation buffer (%)	2.50%	2.50%
4.2.	Institution specific countercyclical capital buffer (%)	-	-
4.3.	Systemic risk buffer (%)	-	-
4.4.	Systemically important institution buffer (%)	-	-
4.5.	Other Systemically Important Institution buffer (%)	-	-
5	Capital ratios due to Pillar II adjustments	-	-
5.1.	Asset value adjustments for prudential purposes	-	-
5.2.	CET1 capital ratio including Pillar II adjustments	9.61%	10.65%
5.3.	T1 capital ratio including Pillar II adjustments	9.61%	10.65%
5.4.	Total capital ratio including Pillar II adjustments	11.08%	12.09%

*) audited

II. Information about equity and capital adequacy ratio, if credit institution applies the transitional period for mitigation the impact of the introduction of IFRS 9 on own funds

as of March 31, 2018
(Last date of the reporting period)

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Nr	Name of the Item	Bank; Reported period	Group; Reported period
1.A	Own funds, if IFRS 9 transitional period would not be applied	10,183	11,808
1.1.A	Tier 1 capital, if IFRS 9 transitional period would not be applied	8,295	9,919
1.1.1.A	Common equity Tier 1 capital, if IFRS 9 transitional period would not be applied	8,295	9,919
2.A	Total risk exposure amount, if IFRS 9 transitional period would not be applied	124,075	127,022
3.1.A	Common equity Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied	6.69%	7.81%
3.3.A	Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied	6.69%	7.81%
3.5.A	Total Capital ratio, if IFRS 9 would not be applied	8.21%	9.30%

*) audited

Liquidity coverage ratio
as of March 31, 2018
(Last date of the reporting period)

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Nr	Name of the Item	Bank; Reported period	Group; Reported period
1.A	Liquidity buffer	131,254	131,254
1.1.A	Net liquidity outflow	25,529	25,522
1.1.1.A	Liquidity coverage ratio (%)	514.13%	514.29%

*) audited

Additional information:

1. As at 31 March 2018 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
LV	1,543	11%	1,543	11%	-
LT	2,232	16%	2,232	16%	-
Other countries	529	4%	529	4%	-
Total securities portfolio	4,304	X	4,304	X	-

During the 1st quarter of the year 2018 provisions for financial assets at amortized cost have not been made.

As at 31 March 2018 the market value of the financial assets at amortized cost amounted EUR 3 940 thousand.

During the 1st quarter of the year 2018 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 2017 on pages 25-78 (https://www.mtbank.eu/static/uploaded_files/documents/latvija/finansu_raditaji/lv/IFRS_2017_LV.pdf) and in the Information Disclosure Statement for the year 2017 on pages 1-22 (https://www.mtbank.eu/static/uploaded_files/documents/latvija/finansu_raditaji/lv/Informacijas%20atklasan%20atskaite%2031122017%20LV.pdf) and has not changed since publishing.

4. In the reporting period the shareholders structure has not 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 been changed in the reporting period. Ivars Lapiņš, Sergejs Golubčikovs and Dmitrijs Kozlovs resigned from the Board due to the termination of mandate. In the reporting period new Council was elected: Goča Tutberidze – Chairman of the Council, Natalija Prohorova - Deputy Chairman of the Council and Valerijs Haļiņš – member of the Council. 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 has not been changed. Information on organizational structure of the Bank is published in the Annual report for the year ended 31 December 2017 (https://www.mtbank.eu/static/uploaded_files/documents/latvija/finansu_raditaji/lv/IFRS_2017_LV.pdf) on p.12. and on the Bank home page in the section "About bank" (subsection "Structure" - https://www.mtbank.eu/static/uploaded_files/documents/latvija/struktura_ENG_2017.pdf).

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 Annual report for the year 2017 on page 3, 77, 78 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 2017 on pages 10 - 14, and has not been changed significantly since publishing.