

**Quarterly Financial Statements  
for the period ended June 30, 2018**

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

**Balance Sheet**  
as of June 30, 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	99,449	99,449	103,839	103,839
Demand deposits with credit Institutions	12,234	12,234	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	338	338	32,477	32,477
Financial assets at amortised cost	93,388	76,027	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	884	891	974	982
Intangible assets	18	18	28	28
Tax receivables	-	97	-	97
Other Assets	7,093	26,164	9,316	28,466
Non-current assets and disposal groups classified as held for sale	-	-	-	-
<b>Total assets</b>	<b>213,406</b>	<b>215,220</b>	<b>273,079</b>	<b>274,950</b>
Liabilities to central banks	-	-	-	-
Demand deposits from credit institutions	-	-	-	-
Financial liabilities designated at fair value through profit or loss	-	-	-	-
Financial liabilities at amortised cost	202,363	202,357	258,345	258,343
Derivatives - hedge accounting	-	-	-	-
Changes in fair value of portfolio part hedged against interest rate risk	-	-	-	-
Provisions	277	283	168	171
Tax liabilities	69	71	70	72
Other liabilities	3	288	893	1,136
Liabilities included in disposal groups classified as held for sale	-	-	-	-
Total liabilities	<b>202,712</b>	<b>202,999</b>	<b>259,476</b>	<b>259,722</b>
Shareholders' equity	10,694	12,221	13,603	15,228
<b>Total liabilities and shareholders' equity</b>	<b>213,406</b>	<b>215,220</b>	<b>273,079</b>	<b>274,950</b>
Off-Balance-Sheet Items	-	-	-	-
Contingent Liabilities	140	140	756	756
Off-Balance-Sheet Commitments to Customers	2,820	2,820	4,354	4,354

\*) audited

**Income Statement**  
 as of June 30, 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	1,336	1,318	2,194	2,172
Interest expense	(743)	(743)	(718)	(719)
Dividend income	-	-	-	-
Fee and commission income	5,455	5,456	2,939	2,939
Fee and commission expense	(1,265)	(1,265)	(762)	(762)
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	1,772	1,772	(1)	(1)
Gains or losses from hedge accounting, net	-	-	-	-
Gains or losses from foreign exchange difference, net	(77)	(193)	1,019	1,023
Gains or losses from derecognition of non-financial assets, net	-	-	-	-
Other income	24	235	19	207
Other expense	(64)	(175)	(70)	(151)
Administrative expense	(4,524)	(4,588)	(4,005)	(4,096)
Depreciation	(163)	(164)	(145)	(147)
Modification gains or losses, net	-	-	-	-
Provisions or reversal of provisions	(528)	(528)	312	312
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	-	-	-	-
<b>Profit before corporate income tax</b>	<b>1,223</b>	<b>1,125</b>	<b>782</b>	<b>777</b>
Corporate income tax	-	-	-	-
<b>Net profit for the period</b>	<b>1,223</b>	<b>1,125</b>	<b>782</b>	<b>777</b>
Other comprehensive income for the period	-	-	-	-

\*) audited

**Bank's profitability ratios**  
as of June 30, 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) (%)	20.12%	17.20%	7.59%	7.91%
Return on assets (ROA) (%)	0.91%	0.87%	0.51%	0.51%

\*) audited

**Consolidated group**  
as of June 30, 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 June 30, 2018

(Last date of the reporting period)

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Nr.	Name of the Item	Bank;	Group;
		Reported period	Reported period
1	<b>Own funds (1.1.+1.2.)</b>	14,008	15,633
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	12,361	13,986
1.1.1.	Common equity Tier 1 capital	12,361	13,986
1.1.2.	Additional Tier 1 capital	-	-
1.2.	Tier 2 capital	1,647	1,647
2	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	119,495	121,934
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	101,796	103,742
2.2.	Total risk exposure amount for settlement/delivery	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	538	952
2.4.	Total risk exposure amount for operational risk (OpR )	17,055	17,134
2.5.	Total risk exposure amount for credit valuation adjustment	106	106
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
3	<b>Capital ratios and capital levels</b>	-	-
3.1.	CET1 Capital ratio (1.1.1./2.*100)	10.34%	11.47%
3.2.	Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4.5%)	6,984	8,499
3.3.	T1 Capital ratio(1.1./2.*100)	10.34%	11.47%
3.4.	Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%)	5,191	6,670
3.5.	Total capital ratio (1./2.*100)	11.72%	12.82%
3.6.	Surplus(+)/Deficit(-) of total capital(1./2.*100)	4,448	5,878
4	<b>Capital buffers (4.1.+4.2.+4.3.+4.4.+4.5.)</b>	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	<b>Capital ratios due to Pillar II adjustments</b>	-	-
5.1.	Asset value adjustments for prudential purposes	-	-
5.2.	CET1 capital ratio including Pillar II adjustments	10.34%	11.47%
5.3.	T1 capital ratio including Pillar II adjustments	10.34%	11.47%
5.4.	Total capital ratio including Pillar II adjustments	11.72%	12.82%

\*) 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 June 30, 2018

(Last date of the reporting period)

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№	Name of the Item	Bank;	Group;
		Reported period	Reported period
1.A	<b>Own funds, if IFRS 9 transitional period would not be applied</b>	<b>9,983</b>	<b>11,608</b>
1.1.A	Tier 1 capital, if IFRS 9 transitional period would not be applied	8,335	9,960
1.1.1.A	Common equity Tier 1 capital, if IFRS 9 transitional period would not be applied	8,335	9,960
2.A	Total risk exposure amount, if IFRS 9 transitional period would not be applied	115,403	118,072
3.1.A	Common equity Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied	7.22%	8.44%
3.3.A	Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied	7.22%	8.44%
3.5.A	<b>Total Capital ratio, if IFRS 9 would not be applied</b>	<b>8.65%</b>	<b>9.83%</b>

\*) audited

**Liquidity coverage ratio**

as of June 30, 2018

(Last date of the reporting period)

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№	Name of the Item	Bank;	Group;
		Reported period	Reported period
1.A	Liquidity buffer	101,722	101,722
1.1.A	Net liquidity outflow	24,208	24,184
1.1.1.A	Liquidity coverage ratio (%)	420.00%	421.00%

\*) audited

**Additional information:**

1. As at 30 June 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	1,590	11%	1,590	11%	-
LT	2,375	17%	2,375	17%	-
<b>Total securities portfolio</b>	<b>3,965</b>	X	<b>3,965</b>	X	-

During the 2nd quarter of the year 2018 provisions for financial assets at amortized cost have not been made.

As at 30 June 2018 the market value of the financial assets at amortized cost amounted EUR 4 105 thousand.

During the 2nd 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](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%20atklasanas%20atskaite%2031122017%20LV.pdf](https://www.mtbank.eu/static/uploaded_files/documents/latvija/finansu_raditaji/lv/Informacijas%20atklasanas%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/](http://www.mtbank.eu/en_LV/about/management/)).

5. Management of the Bank has been changed in the reporting period. Dmitrijs Kozlovs was elected as the member of the Board. 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. 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](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](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/](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.