

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

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

Balance Sheet
as of December 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 | 83,413 | 83,413 | 103,839 | 103,839 |
| Demand deposits with credit Institutions | 6,699 | 6,699 | 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 | 342 | 342 | 32,478 | 32,478 |
| Financial assets at amortised cost | 86,807 | 69,629 | 102,235 | 85,521 |
| Derivatives - hedge accounting | - | - | - | - |
| Changes in fair value of portfolio part hedged against interest rate risk | - | - | - | - |
| Investments in subsidiaries, joint ventures and associates | - | - | - | - |
| Tangible assets | 758 | 764 | 974 | 982 |
| Intangible assets | 9 | 9 | 28 | 28 |
| Tax receivables | - | 99 | - | 97 |
| Other Assets | 6,473 | 24,160 | 9,314 | 26,772 |
| Non-current assets and disposal groups classified as held for sale | - | - | - | - |
| Total assets | 184,503 | 185,117 | 270,006 | 270,857 |
| Liabilities to central banks | - | - | - | - |
| Demand deposits from credit institutions | - | - | - | - |
| Financial liabilities designated at fair value through profit or loss | - | - | - | - |
| Financial liabilities at amortised cost | 173,937 | 173,934 | 258,344 | 258,343 |
| Derivatives - hedge accounting | - | - | - | - |
| Changes in fair value of portfolio part hedged against interest rate risk | - | - | - | - |
| Provisions | 221 | 223 | 168 | 171 |
| Tax liabilities | 57 | 57 | 70 | 72 |
| Other liabilities | 6 | 209 | 893 | 1,135 |
| Liabilities included in disposal groups classified as held for sale | - | - | - | - |
| Total liabilities | 174,221 | 174,423 | 259,475 | 259,721 |
| Shareholders' equity | 10,282 | 10,694 | 10,531 | 11,136 |
| Total liabilities and shareholders' equity | 184,503 | 185,117 | 270,006 | 270,857 |
| Off-Balance-Sheet Items | - | - | - | - |
| Contingent Liabilities | 1,590 | 1,590 | 756 | 756 |
| Off-Balance-Sheet Commitments to Customers | 1,300 | 1,300 | 4,354 | 4,354 |

*) audited

Income Statement
 as of December 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 | 2,483 | 2,532 | 4,020 | 3,922 |
| Interest expense | (1,542) | (1,542) | (1,587) | (1,587) |
| Dividend income | - | - | - | - |
| Fee and commission income | 10,074 | 10,077 | 6,651 | 6,653 |
| Fee and commission expense | (2,263) | (2,263) | (2,066) | (2,066) |
| 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 | 2,793 | 2,793 | 25 | 25 |
| Gains or losses from hedge accounting, net | - | - | - | - |
| Gains or losses from foreign exchange difference, net | (317) | (499) | 2,620 | 2,628 |
| Gains or losses from derecognition of non-financial assets, net | - | - | - | - |
| Other income | 156 | 764 | 38 | 1,210 |
| Other expense | (140) | (473) | (125) | (1,642) |
| Administrative expense | (8,358) | (8,694) | (8,896) | (9,069) |
| Depreciation | (327) | (329) | (307) | (311) |
| Modification gains or losses, net | - | - | - | - |
| Provisions or reversal of provisions | (1,022) | (1,022) | (7,585) | (5,440) |
| 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 | 1,537 | 1,344 | (7,212) | (5,677) |
| Corporate income tax | - | - | - | - |
| Net profit for the period | 1,537 | 1,344 | (7,212) | (5,677) |
| Other comprehensive income for the period | - | - | - | - |

*) audited

Bank's profitability ratios
as of December 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) (%) | 14.84% | 12.41% | -37.95% | -31.09% |
| Return on assets (ROA) (%) | 0.65% | 0.56% | -2.39% | -1.89% |

*) audited

Consolidated group
as of December 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 December 31, 2018
(Last date of the reporting period)

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| Nr. | Name of the Item | Bank; | Group; |
|--------|---|-----------------|-----------------|
| | | Reported period | Reported period |
| 1 | Own funds (1.1.+1.2.) | 11,476 | 12,081 |
| 1.1. | Tier 1 capital (1.1.1.+1.1.2.) | 9,974 | 10,579 |
| 1.1.1. | Common equity Tier 1 capital | 9,974 | 10,579 |
| 1.1.2. | Additional Tier 1 capital | - | - |
| 1.2. | Tier 2 capital | 1,502 | 1,502 |
| 2 | Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.) | 118,024 | 119,354 |
| 2.1. | Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries | 100,554 | 101,415 |
| 2.2. | Total risk exposure amount for settlement/delivery | - | - |
| 2.3. | Total risk exposure amount for position, foreign exchange and commodities risks | 362 | 752 |
| 2.4. | Total risk exposure amount for operational risk (OpR) | 17,055 | 17,134 |
| 2.5. | Total risk exposure amount for credit valuation adjustment | 53 | 53 |
| 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) | 8.45% | 8.86% |
| 3.2. | Surplus(+)/Deficit(-) of CET1 capital (1.1.1.-2.*4,5%) | 4,663 | 5,208 |
| 3.3. | T1 Capital ratio(1.1./2.*100) | 8.45% | 8.86% |
| 3.4. | Surplus(+)/Deficit(-) of T1 capital (1.1.-2.*6%) | 2,893 | 3,418 |
| 3.5. | Total capital ratio (1./2.*100) | 9.72% | 10.12% |
| 3.6. | Surplus(+)/Deficit(-) of total capital(1./2.*100) | 2,034 | 2,533 |
| 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 | 8.45% | 8.86% |
| 5.3. | T1 capital ratio including Pillar II adjustments | 8.45% | 8.86% |
| 5.4. | Total capital ratio including Pillar II adjustments | 9.72% | 10.12% |

*) 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 December 31, 2018
(Last date of the reporting period)

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| № | Name of the Item | Bank; | Group; |
|---------|--|-----------------|-----------------|
| | | Reported period | Reported period |
| 1.A | Own funds, if IFRS 9 transitional period would not be applied | 9,511 | 10,115 |
| 1.1.A | Tier 1 capital, if IFRS 9 transitional period would not be applied | 8,008 | 8,613 |
| 1.1.1.A | Common equity Tier 1 capital, if IFRS 9 transitional period would not be applied | 8,008 | 8,613 |
| 2.A | Total risk exposure amount, if IFRS 9 transitional period would not be applied | 115,832 | 117,317 |
| 3.1.A | Common equity Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied | 6.91% | 7.34% |
| 3.3.A | Tier 1 Capital ratio, if IFRS 9 transitional period would not be applied | 6.91% | 7.34% |
| 3.5.A | Total Capital ratio, if IFRS 9 would not be applied | 8.21% | 8.62% |

*) audited

Liquidity coverage ratio
as of December 31, 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 | 86,110 | 86,110 |
| 1.1.A | Net liquidity outflow | 13,489 | 13,476 |
| 1.1.1.A | Liquidity coverage ratio (%) | 638.00% | 639.00% |

*) audited

Additional information:

1. As at 31 December 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 | 1,629 | 14% | 1,629 | 14% | - |
| LT | 2,371 | 21% | 2,371 | 21% | - |
| Total securities portfolio | 4,000 | X | 4,000 | X | - |

During the 4th quarter of the year 2018 provisions for financial assets at amortized cost have not been made.

As at 31 December 2018 the market value of the financial assets at amortized cost amounted EUR 4 105 thousand.

During the 4th quarter of the year 2018 has not been recognized an impairment for available for sale financial assets.

2. In the reporting period the Bank received the independent Auditors' Report on the audit of the Separate and Consolidated Financial Statements for the year ended 31 december 2017.

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 26-86 (https://www.mtbank.eu/static/uploaded_files/documents/latvija/finansu_raditaji/signed%20final%20ENG.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) 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" -https://www.mtbank.eu/en_LV/about/management/).

5. Council of the Bank has 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" -https://www.mtbank.eu/en_LV/about/management/).

6. In the reporting period Bank's customer service offices structure has not been changed. Information on organizational structure of the Bank is published on the Bank's home page in the section "About bank" (subsection "Structure" - "https://www.mtbank.eu/static/uploaded_files/documents/latvija/Struktura_ENG.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" - https://www.mtbank.eu/en_LV/about/history/) and in the Annual report for the year 2017 on page 3, 77-79 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.