



ABLV

BANKING / INVESTMENTS \ ADVISORY

ABLV Bank, AS

public quarterly report
January – September 2013

Bank Management Report

Dear shareholders of ABLV Bank, AS,

Q3 2013 was successful for ABLV Bank, AS and the group. The business volume and all major performance indicators continued to grow. The bank's profit amounted to LVL 25.5 million (EUR 36.3 million).

Positive trends were also observed in the global economy in Q3 2013. Economies of the eurozone countries and other large economies continued recovery. Latvian economic indicators still were considerably better than average in the European Union. In Q3 2013, compared with Q3 in the previous year, Latvian gross domestic product (GDP), according to data without seasonal adjustment, grew by 4.2%.

In Q3, we continued gradually substituting long-term deposits with investments in bonds by performing more issues of ABLV Bank, AS bonds. Till present, we have already performed 18 public bond issues in total, and currently the investors own ABLV Bank, AS bonds worth EUR 380 million.

In September, our subsidiary bank in Luxembourg, ABLV Bank Luxembourg, S.A., started active operations, offering fiduciary deposits, advisory investment management, and other services to customers.

In July 2013, network of ABLV Group representative offices was expanded by one more – that in Vladivostok. This is already the fourth ABLV Group representative office in Russia (the other three are located in Moscow, St. Petersburg, and Yekaterinburg) and eleventh in total.

The bank's growth and achievements were also recognized internationally: one of the most influential publications in the field of global capital and financial markets, Euromoney, named ABLV Bank, AS the best bank in Latvia. The appraisal was given to our bank under Euromoney Awards for Excellence 2013.

Bank

Over 9 months of 2013, the group's profit amounted to LVL 27.7 million (EUR 39.4 million), whereas profit of ABLV Bank, AS reached LVL 25.5 million (EUR 36.3 million).

On the 30th of September, extraordinary general meeting of ABLV Bank, AS shareholders was held, at which the full amount of bank's profit for the first half of 2013 was decided to be retained and included in the bank's Tier 1 equity capital. The bank's profit in H1 this year amounted to LVL 15.2 million (EUR 21.6 million).

ABLV Group maintained growth in all lines of its business.

- The bank's operating income for 9 months of 2013 before allowances for credit losses amounted to LVL 61.0 million (EUR 86.8 million).
- During 9 months of 2013, the amount of deposits with the bank has grown by 4.2%, reaching LVL 1.95 billion (EUR 2.77 billion).
- As at 30 September 2013, the amount of the bank's assets equalled LVL 2.35 billion (EUR 3.35 billion).
- The bank's loan portfolio amounts to LVL 515.0 million (EUR 732.8 million), and the amount of commercial loans has increased to reach LVL 196.8 million (EUR 280.0 million)
- The bank's capital and reserves amounted to LVL 126.3 million (EUR 179.7 million) (as at 31 December 2012 – LVL 106.8 million (EUR 152.0 million)).
- As at 30 September 2013, the bank's capital adequacy ratio was 13.77%, whereas liquidity equalled 79.07%.
- ROE reached 29.67%, and ROA –1.50%.

The bank continued investing available funds in securities. The total amount of the securities portfolio was equal to LVL 997.6 million (EUR 1.42 billion), as at 30 September 2013. The bank's securities portfolio is mostly composed of fixed-income debt securities. Securities having credit rating AA- and higher constitute 72.0% of the total securities portfolio. In terms of the countries, investments are allocated as follows: USA – 30.3%, Russia – 14.5%, Germany – 11.5%, Canada – 11.2%, Sweden – 6.4%, Latvia – 6.3%, Netherlands – 4.0%, and Norway – 2.0%. Whereas 5.7% is constituted by securities issued by international institutions – the European Commission, EBRD, etc. In the reporting period, annual yield of the securities portfolio amounted to 1.8%.

Due to constant expansion of ABLV Bank and affiliate companies' business, as well as respective staff increase, the decision on moving part of the bank's structural units to new business centre Jupiter Centre, at 7 Skanstes Street, was taken. Now the bank has two administrative buildings in Riga – at 23 Elizabetes Street and 7 Skanstes Street.

Under improvement of customer service, extensive work was performed in Q3 2013 to introduce new technologies and procedures related to increasing security of our Internetbank.

Investments

Our open-end mutual funds continue demonstrating good results, and their yield is one of the highest on the market. Total asset value of eight open-end mutual funds managed by ABLV Asset Management, IPAS exceeded EUR 88 million as at the end of September.

Whereas due to contribution of private investment fund ABLV Private Equity Fund 2010, KS, Orto clinic was opened in Riga on 9 August 2013; this is the first newly built private traumatology and orthopedics centre in Latvia. The total project costs were about LVL 3.5 million (EUR 4.98 million), where LVL 2.7 million (EUR 3.84 million) were spent on the building construction, and LVL 0.8 million (EUR 1.14 million) – on acquiring medical and other necessary equipment. The project financing was ensured by ABLV Private Equity Fund 2010, KS investments in SIA Orto klīnika share capital and by bank loan.

Other companies of ABLV Group also continued to grow. Alongside the upswing in real estate market, the sales of real estate development and trading group Pillar significantly increased as well. The company sold properties for the total amount of EUR 24.8 million over nine months of this year. Whereas during the whole 2012, Pillar sold properties for EUR 15.7 million. Currently, Pillar supervises more than 1400 properties worth about EUR 84.9 million.

Outside work

On 17 September 2013, the bank celebrated 20-year anniversary of starting its operations. Celebrating this, there was bronze bull sculpture placed in the territory of future financial and business centre New Hanza City in Riga. The sculpture motto is Labor Omnia Vincit (Work conquers all), and it stands for the power of work, determination, self-belief, and confidence about the chosen path. The sculpture was created by famous artist Gļebs Pantejejevs.

On the 20th of September, there was exhibition in Riga Art Space opened, at which collection composed by ABLV Bank for future Contemporary Art Museum was presented. Currently, the collection includes 204 works by 31 artists. At the exhibition "...for an occurrence to become an adventure..." works of all those artists were presented. The exhibition aroused great public interest, and there were more than 5600 visitors in total. We have also issued art album "No Walls", in which works acquired so far are included, and made interactive educational game for schoolchildren.

At the end of August, the bank's traditional golf tournament, ABLV Invitation Golf Tournament 2013, took place in Ozo Golf Club. There were 93 golfers participating in the tournament – they were our customers from Latvia and abroad, cooperation partners, bank's officers, and also prospective customers of the bank.

In July, we supported fifth exhibition of dress collection brought by fashion historian Alexandre Vassiliev, which took place in the Museum of Decorative Arts and Design. This time the exhibition name was "From war to peace. Fashion of 1940s and 1950s". Our customers had an opportunity to view the exhibition accompanied by Alexandre Vassiliev.

We express our gratitude to our shareholders and customers for their loyalty and to all officers of ABLV Group for their important contribution in achievement of the company's targets!

General information

ABLV Bank, AS (hereinafter – the bank) was registered in Aizkraukle, Republic of Latvia, on 17 September 1993, as a joint stock company, under unified registration number 50003149401. At present, the legal address of the bank is Elizabetes Street 23, Riga.

The bank operates in accordance with the legislation of the Republic of Latvia and the license issued by the Bank of Latvia that allows the bank to render all the financial services specified in the Law on Credit Institutions.

As at 30 September 2013 the group and the bank operate the central office and one lending center in Riga, as well as foreign representation offices in Azerbaijan – Baku, in Belarus - Minsk, in Kazakhstan - Almaty, in Russia – Moscow, St.Petersburg, Vladivostok and Yekaterinburg, in Ukraine – Kyiv with its branch in Odessa, in Uzbekistan - Tashkent and Tajikistan – Dushanbe. Organizational structure of ABLV Bank, AS is shown on page 8 at this public quarterly report.

This quarterly report is prepared in accordance with the Regulations on Preparation of Public Quarterly Reports of Banks approved by the Financial and Capital Market Commission for the purpose to providing information on the financial standing and performance indicators of the bank for the period started 1 January 2013 till 30 September 2013.

Financial statements are reported in thousands of lats (LVL '000) and in thousands of euro (EUR '000), unless otherwise stated.

Shareholders and groups of related shareholders of the bank

| | 30.09.2013. | | | 31.12.2012. | | |
|--|-------------------------|----------------------------------|--|-------------------------|----------------------------------|--|
| | Amount of voting shares | Paid-in the Bank's share capital | % of the total paid-in the Bank's share capital with voting rights | Amount of voting shares | Paid-in the Bank's share capital | % of the total paid-in the Bank's share capital with voting rights |
| Shareholders | amount | LVL'000 | (%) | amount | LVL'000 | (%) |
| Ernests Bernis and Nika Berne (direct and indirect interest) | 54,683 | 8,203 | 43.00 | 51,862 | 7,779 | 43.01 |
| Oļegs Fiļs (indirect interest) | 54,686 | 8,203 | 43.00 | 51,861 | 7,779 | 43.00 |
| Other shareholders total | 17,801 | 2,670 | 14.00 | 16,877 | 2,532 | 13.99 |
| Total shares with voting rights | 127,170 | 19,076 | 100.00 | 120,600 | 18,090 | 100.00 |
| Shares without voting rights | 13,400 | 2,010 | | 11,000 | 1,650 | |
| Paid-in share capital total | 140,570 | 21,086 | | 131,600 | 19,740 | |

| | 30.09.2013. | | | 31.12.2012. | | |
|--|-------------------------|----------------------------------|--|-------------------------|----------------------------------|--|
| | Amount of voting shares | Paid-in the Bank's share capital | % of the total paid-in the Bank's share capital with voting rights | Amount of voting shares | Paid-in the Bank's share capital | % of the total paid-in the Bank's share capital with voting rights |
| Shareholders | amount | EUR'000 | (%) | amount | EUR'000 | (%) |
| Ernests Bernis and Nika Berne (direct and indirect interest) | 54,683 | 11,672 | 43.00 | 51,862 | 11,069 | 43.01 |
| Oļegs Fiļs (indirect interest) | 54,686 | 11,672 | 43.00 | 51,861 | 11,069 | 43.00 |
| Other shareholders total | 17,801 | 3,799 | 14.00 | 16,877 | 3,602 | 13.99 |
| Total shares with voting rights | 127,170 | 27,143 | 100.00 | 120,600 | 25,740 | 100.00 |
| Shares without voting rights | 13,400 | 2,860 | | 11,000 | 2,348 | |
| Paid-in share capital total | 140,570 | 30,003 | | 131,600 | 28,088 | |

Each share's par value is LVL150 (EUR 213).

Performance indicators

| Title of entry | 01.01.2013. - 30.09.2013. (non-audited) | 01.01.2012. - 30.09.2012. (non-audited) |
|----------------------------|--|--|
| Return on equity (ROE) (%) | 29.67 | 15.01 |
| Return on assets (ROA) (%) | 1.50 | 0.73 |

Indicators are calculated according to principles of the Regulations on Preparation of Public Quarterly Reports of Banks approved by the Financial and Capital Market Commission.

Risk management

The information about Risk management is available in 2012 Annual Report from Note 31 till Note 34 on ABLV Bank, AS web page <http://www.ablv.com/en/about/financial-reports>. Since 31 December 2012 there are no any essential changes in Risk management.

The council and the board

The council of the bank:

| | |
|--|------------------------------------|
| Chairman of the Council: Oļegs Fiļs | Date of re-election: 01/04/2013 |
| Deputy Chairman of the Council: Jānis Krīgers | Date of re-election: 01/04/2013 |
| Council Member: Igoris Rapoport | Date of re-election: 01/04/2013 |

The board of the bank:

| | |
|--|--|
| Chairman of the Board: Ernests Bernis - Chief Executive Officer (CEO) | Date of re-election: 17/10/2011 |
| Deputy Chairman of the Board: Vadims Reinfelds – Deputy Chief Executive Officer (dCEO) | Date of re-election: 17/10/2011 |
| Board Members: Aleksandrs Pāže – Chief Compliance Officer (CCO) Edgars Pavlovičs – Chief Risk Officer (CRO) Māris Kanneņieks – Chief Financial Officer (CFO) Rolands Citajevs – Chief IT Officer (CIO) | Date of re-election: 17/10/2011 17/10/2011 17/10/2011 17/10/2011 |
| Romans Surnačovs – Chief Operating Officer (COO) | Date of election: 17/10/2011 |

There were no changes in the board of the bank during the reporting period.

Strategy and aim of the bank's activities

The group's and bank's main scope of activity are investment services, settlement products, asset management, financial consultations, and real estate management. The business model aimed at supplying individual services to wealthy individuals and their businesses.

Bank' vision

The bank offer the most highly valued private banking experience, based on a unique understanding of our clients.

Bank's mission

The bank mission is to preserve and increase your capital, providing financial and advisory services necessary for achieving this aim.

Bank's values

Collaborative

We listen attentively and respond intelligently. We are always ready for a change. We don't rest, we act.

Intuitive

We know what's important to our customers. We understand peculiarities of their business, law and culture of their countries, and offer tailored solutions.

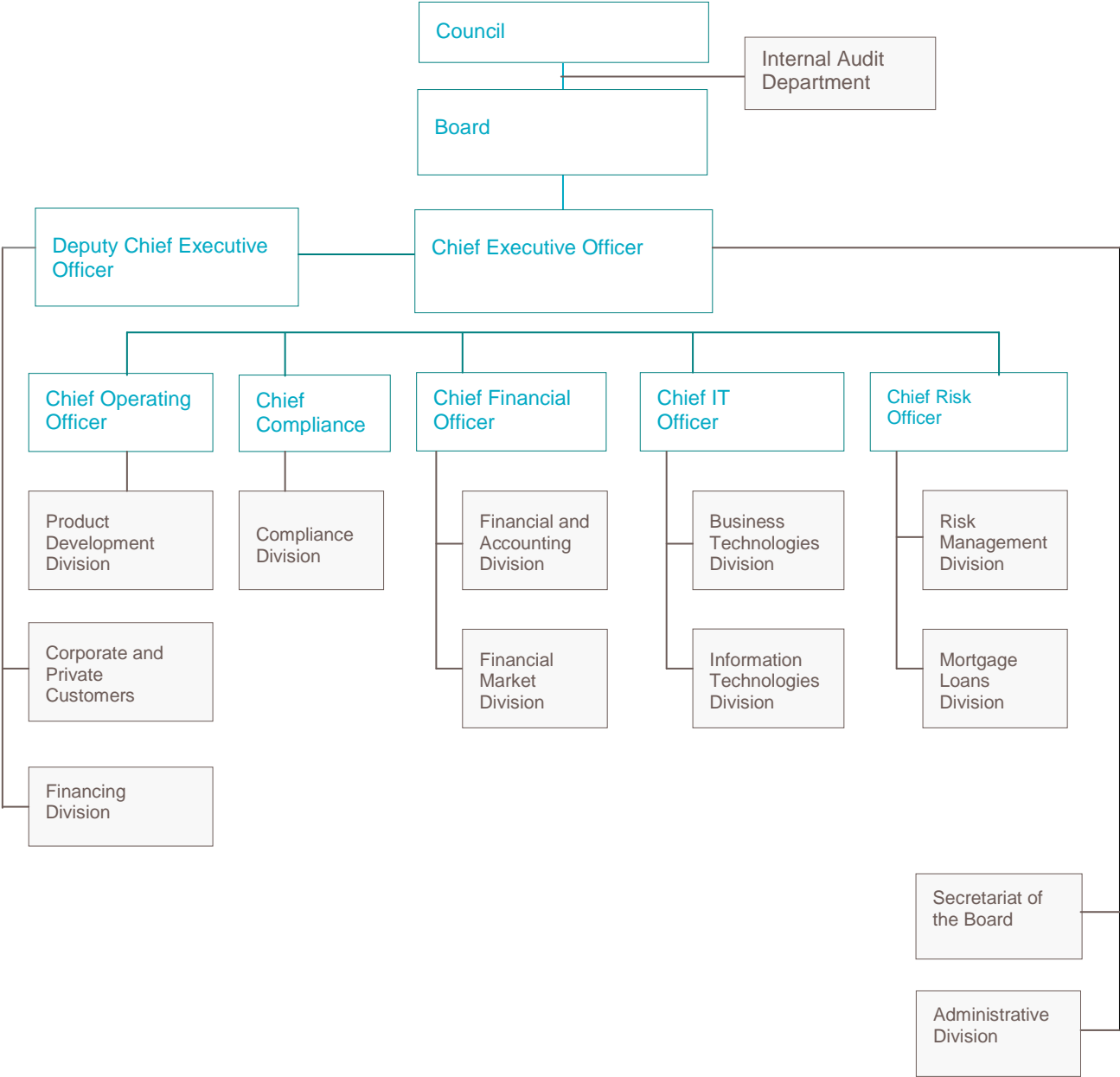
Valued

We work to bring success to our customers. Our key target is to be useful for our customers.

Bank's aim

According to the strategy approved in 2008, ABLV Bank, AS aim is to become a leader in rendering banking services, private wealth management, and financial advisory in Eastern Europe.

Bank's structure*



* More detailed information about the customer's service offices are available on the bank's website <http://www.ablv.com/lv/about/offices>.

Consolidation group

Information disclosed in the report is prepared in accordance with the principles of the Regulations on Preparation of Public Quarterly Reports of Banks approved by the Financial and Capital Market Commission. The bank is the parent entity of the group.

Members of the consolidation group as at 30 September 2013:

| No | Name of the company | Registration number | Code of registration state and address | Type of activities ¹ | Interest in share capital (%) | Share of voting rights (%) | Motivation for inclusion in the group ² |
|----|-------------------------------------|---------------------|---|---------------------------------|-------------------------------|----------------------------|--|
| 1 | ABLV Bank, AS | 50003149401 | LV, Elizabetes iela 23, Rīga, LV-1010 | BNK | 100 | 100 | MAS |
| 2 | ABLV Asset Management, IPAS | 40003814724 | LV, Elizabetes iela 23, Rīga, LV-1010 | IPS | 100 | 100 | MS |
| 3 | ABLV Capital Markets, IBAS | 40003814705 | LV, Elizabetes iela 23, Rīga, LV-1010 | IBS | 90 | 100 | MS |
| 4 | ABLV Consulting Services, AS | 40003540368 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 5 | ABLV Corporate Services, SIA | 40103283479 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 6 | ABLV Corporate Services, LTD | HE273600 | CY, 1 Apriliou, 52, P.C.7600, Larnaca, Athienou | CKS | 100 | 100 | MS |
| 7 | ABLV Bank Luxembourg, S.A. | B 162048 | LU, Boulevard Royal, 26a, L-2449, Luxembourg | CKS | 100 | 100 | MS |
| 8 | Pillar Holding Company, KS | 40103260921 | LV, Elizabetes iela 23, Rīga, LV-1010 | CFI | 99.9997 | 99.9997 | KS |
| 9 | Pillar, SIA | 40103554468 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 10 | Pillar Management, SIA | 40103193211 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 11 | Pillar 2, SIA | 40103193033 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 12 | Pillar 3, SIA | 40103193067 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 13 | Pillar 4, SIA | 40103210494 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 14 | Pillar 6, SIA | 40103237323 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 15 | Pillar 7, SIA | 40103237304 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 16 | Pine Breeze, SIA | 40103240484 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 17 | Pillar 9, SIA | 40103241210 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 18 | Pillar 10, SIA | 50103247681 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 19 | Pillar 11, SIA | 40103258310 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 20 | Pillar 12, SIA | 40103290273 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 21 | Lielezeres Apartment House, SIA | 50103313991 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 22 | Pillar 18, SIA | 40103492079 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 23 | Elizabetes Park House, SIA | 50003831571 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 91.6 | 91.6 | MS |
| 24 | New Hanza City, SIA | 40103222826 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 25 | ABLV Private Equity Management, SIA | 40103286757 | LV, Elizabetes iela 23, Rīga, LV-1010 | CKS | 100 | 100 | MS |
| 26 | ABLV Private Equity Fund 2010, KS | 40103307758 | LV, Elizabetes iela 23, Rīga, LV-1010 | CFI | 100 | 100 | KS |

¹ - BNK – bank, IBS – investment brokerage company, IPS – asset management company, CFI – other financial institution, CKS – other corporate company.

² - MS – subsidiary; KS – joint venture company; MAS – parent company.

At September 2013 was liquidate Pillar 13, SIA, which was the subsidiary company of Pillar Holding Company, KS.

Income statements of the bank

| Title of entry | 01.01.2013. - 30.09.2013. (non-audited) | 01.01.2012. - 30.09.2012. (non-audited) | 01.01.2013. - 30.09.2013. (non-audited) | 01.01.2012. - 30.09.2012. (non-audited) |
|---|---|---|---|---|
| | LVL'000 | LVL'000 | EUR'000 | EUR'000 |
| Interest income | 31,722 | 28,435 | 45,136 | 40,459 |
| Interest expense | (8,690) | (11,860) | (12,365) | (16,875) |
| Dividends received | 1,454 | 1,402 | 2,069 | 1,995 |
| Commission and fee income | 26,193 | 21,290 | 37,269 | 30,293 |
| Commission and fee expense | (2,824) | (2,528) | (4,018) | (3,597) |
| Net realised gain/ (loss) from financial assets and liabilities at amortised cost | - | - | - | - |
| Net realised gain/ (loss) from available-for-sale financial assets | 48 | 54 | 68 | 77 |
| Net realised gain/ (loss) from financial assets and liabilities held for trading | - | - | - | - |
| Net gain/ (loss) from financial assets and liabilities at fair value through profit or loss | 541 | 132 | 770 | 188 |
| Changes in fair value hedge accounting | - | - | - | - |
| Net result from foreign exchange trading and revaluation | 10,985 | 10,827 | 15,630 | 15,405 |
| Gain/ (loss) from sale of tangible and intangible fixed assets | 40 | 14 | 57 | 20 |
| Other income | 1,586 | 967 | 2,257 | 1,376 |
| Other expense | (5,078) | (3,538) | (7,225) | (5,034) |
| Administrative expense | (20,818) | (17,445) | (29,622) | (24,823) |
| Depreciation | (1,543) | (1,079) | (2,195) | (1,535) |
| Impairment allowance | (3,799) | (12,664) | (5,405) | (18,019) |
| Impairment of financial instruments and non-financial assets | (34) | (563) | (48) | (801) |
| Profit/ (loss) before corporate income tax | 29,783 | 13,444 | 42,378 | 19,129 |
| Corporate income tax | (4,242) | (2,594) | (6,036) | (3,691) |
| Net profit/ (loss) for the period | 25,541 | 10,850 | 36,342 | 15,438 |

Balance sheet of the bank

| | Notes | 30.09.2013. | 31.12.2012. | 30.09.2013. | 31.12.2012. |
|---|-------|------------------|------------------|------------------|------------------|
| | | (non-audited) | (audited)* | (non-audited) | (audited)* |
| Assets | | LVL'000 | LVL'000 | EUR'000 | EUR'000 |
| Cash and demand deposits with central banks | | 245,352 | 216,074 | 349,104 | 307,446 |
| Demand deposits from credit institutions | | 376,704 | 249,995 | 536,002 | 355,712 |
| Financial assets held for trading | | 78 | 81 | 111 | 115 |
| Financial assets at fair value through profit or loss | | 14,191 | 3,333 | 20,192 | 4,742 |
| Available-for-sale financial assets | | 559,571 | 547,757 | 796,198 | 779,388 |
| Loans and receivables | 1 | 598,409 | 642,281 | 851,459 | 913,882 |
| Held to maturity investments | | 423,841 | 351,832 | 603,071 | 500,612 |
| Change of fair value of hedge portfolio | | - | - | - | - |
| Prepaid expense and accrued income | | 611 | 480 | 869 | 683 |
| Tangible fixed assets | | 6,269 | 4,906 | 8,920 | 6,981 |
| Investment properties | | 17,305 | 17,303 | 24,623 | 24,620 |
| Intangible fixed assets | | 3,139 | 3,384 | 4,466 | 4,815 |
| Investments in subsidiaries | | 91,102 | 89,577 | 129,626 | 127,457 |
| Tax assets | | 45 | 74 | 64 | 105 |
| Other assets | | 17,074 | 12,139 | 24,294 | 17,272 |
| Total assets | | 2,353,691 | 2,139,216 | 3,348,999 | 3,043,830 |
| Liabilities | | | | | |
| Liabilities due to central banks | | - | - | - | - |
| Demand deposits from credit institutions | | 6,717 | 2,406 | 9,557 | 3,423 |
| Financial liabilities held for trading | | 2,591 | 4,579 | 3,687 | 6,515 |
| Financial liabilities at fair value through profit or loss | | - | - | - | - |
| Financial liabilities at amortised cost | 2 | 2,173,302 | 2,015,026 | 3,092,330 | 2,867,124 |
| Financial liabilities arising from financial asset transfer | | - | - | - | - |
| Change of fair value of hedge portfolio | | - | - | - | - |
| Deferred income and accrued expense | | 5,737 | 5,537 | 8,163 | 7,878 |
| Provisions | | 310 | 338 | 441 | 481 |
| Tax liabilities | | 2,586 | 1,057 | 3,680 | 1,504 |
| Other liabilities | | 36,170 | 3,470 | 51,464 | 4,939 |
| Total liabilities | | 2,227,413 | 2,032,413 | 3,169,322 | 2,891,864 |
| Total shareholders' equity | | 126,278 | 106,803 | 179,677 | 151,966 |
| Total liabilities and shareholders' equity | | 2,353,691 | 2,139,216 | 3,348,999 | 3,043,830 |
| Memorandum items | | | | | |
| Contingent liabilities | | 5,611 | 7,052 | 7,984 | 10,034 |
| Financial commitments | | 29,835 | 30,276 | 42,451 | 43,079 |

*- Information has been prepared based on data from the financial statements for the year ended 31 December 2012 audited by SIA Ernst & Young Baltic (No 40003593454).

Bank's summary report of equity and minimum capital requirements

| Title of entry | 30.09.2013. | 31.12.2012. | 30.09.2013. | 31.12.2012. |
|--|---------------|-------------|---------------|-------------|
| | (non-audited) | (audited)* | (non-audited) | (audited)* |
| | LVL'000 | LVL'000 | EUR'000 | EUR'000 |
| Total equity | 145,127 | 153,052 | 206,497 | 217,773 |
| Tier 1 | 96,925 | 101,564 | 137,912 | 144,513 |
| Tier 2 | 48,462 | 51,516 | 68,955 | 73,300 |
| Decrease in Tier 1 and Tier 2 | (260) | (28) | (370) | (40) |
| Tier 1 total applying decrease | 96,795 | 101,550 | 137,727 | 144,493 |
| Tier 2 total applying decrease | 48,332 | 51,502 | 68,770 | 73,280 |
| Used Tier 3 | - | - | - | - |
| Total capital charge | 84,294 | 76,337 | 119,940 | 108,618 |
| Total of capital requirements for credit risk, counterparty credit risk, dilution risk and free deliveries risk | 70,594 | 66,831 | 100,447 | 95,092 |
| Capital charge for settlement/ deliveries risk | - | - | - | - |
| Capital charge for position risk, foreign currency risk and commodity risk | 5,119 | 2,242 | 7,283 | 3,190 |
| Capital charge for operational risk | 8,581 | 7,264 | 12,210 | 10,336 |
| Capital charge for other risk and transition period | - | - | - | - |
| Additional information | | | | |
| Capital requirements covered by own funds (surplus/ (shortfall)) excluding capital charge for other risk and transition period | 60,832 | 76,715 | 86,557 | 109,155 |
| Capital adequacy ratio (%) excluding capital charge for other risk and transition period | 13.77% | 16.04% | 13.77% | 16.04% |
| Capital requirements covered by own funds (surplus/ (shortfall)) | 60,832 | 76,715 | 86,557 | 109,155 |
| Capital adequacy ratio (%) | 13.77% | 16.04% | 13.77% | 16.04% |

*- Information has been prepared based on data from the financial statements for the year ended 31 December 2012 audited by SIA Ernst & Young Baltic (No 40003593454).

Note 1

Loans and receivables

| Title of entry | 30.09.2013. | 31.12.2012. | 30.09.2013. | 31.12.2012. |
|------------------------------|----------------|----------------|----------------|----------------|
| | (non-audited) | (audited)* | (non-audited) | (audited)* |
| | LVL'000 | LVL'000 | EUR'000 | EUR'000 |
| Loans | 515,048 | 503,611 | 732,847 | 716,573 |
| Loans to credit institutions | 83,361 | 138,670 | 118,612 | 197,309 |
| Total | 598,409 | 642,281 | 851,459 | 913,882 |

Note 2

Financial liabilities at amortized cost

| Title of entry | 30.09.2013. | 31.12.2012. | 30.09.2013. | 31.12.2012. |
|--|------------------|------------------|------------------|------------------|
| | (non-audited) | (audited)* | (non-audited) | (audited)* |
| | LVL'000 | LVL'000 | EUR'000 | EUR'000 |
| Deposits | 1,947,414 | 1,868,890 | 2,770,920 | 2,659,192 |
| Issued securities | 215,876 | 124,819 | 307,164 | 177,601 |
| Subordinated deposits | 6,763 | 12,912 | 9,623 | 18,372 |
| Term deposits from credit institutions | 3,249 | 8,405 | 4,623 | 11,959 |
| Total | 2,173,302 | 2,015,026 | 3,092,330 | 2,867,124 |

*- Information has been prepared based on data from the financial statements for the year ended 31 December 2012 audited by SIA Ernst & Young Baltic (No 40003593454).

Note 3

The bank's investments in financial assets, except derivatives

The bank's investments in financial assets break downs by countries of issuers as at 30 September 2013, except derivatives:

LVL'000

| Issuer state | Securities of central governments | Other issuers securities | Total | % of sareholders' equity |
|---|-----------------------------------|--------------------------|----------------|--------------------------|
| United States of America | 299,115 | 3,132 | 302,247 | 208.3 |
| Russia | 28,203 | 116,269 | 144,472 | 99.5 |
| Germany | 7,063 | 107,235 | 114,298 | 78.8 |
| Canada | 50,537 | 61,517 | 112,054 | 77.2 |
| Sweden | 45,435 | 18,728 | 64,163 | 44.2 |
| Latvia | 47,306 | 15,405 | 62,711 | 43.2 |
| Netherlands | - | 39,678 | 39,678 | 27.3 |
| Norway | 14,170 | 5,322 | 19,492 | 13.4 |
| Securities of other countries* | 32,820 | 49,239 | 82,059 | 56.5 |
| Securities of international organizations | - | 56,429 | 56,429 | 38.9 |
| Total securities, net | 524,649 | 472,954 | 997,603 | |

* Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

EUR'000

| Issuer state | Securities of central governments | Other issuers securities | Total | % of sareholders' equity |
|---|-----------------------------------|--------------------------|------------------|--------------------------|
| United States of America | 425,602 | 4,456 | 430,058 | 208.3 |
| Russia | 40,129 | 165,436 | 205,565 | 99.5 |
| Germany | 10,050 | 152,582 | 162,632 | 78.8 |
| Canada | 71,908 | 87,531 | 159,439 | 77.2 |
| Sweden | 64,648 | 26,648 | 91,296 | 44.2 |
| Latvia | 67,310 | 21,919 | 89,229 | 43.2 |
| Netherlands | - | 56,457 | 56,457 | 27.3 |
| Norway | 20,162 | 7,573 | 27,735 | 13.4 |
| Securities of other countries* | 46,699 | 70,060 | 116,759 | 56.5 |
| Securities of international organizations | - | 80,291 | 80,291 | 38.9 |
| Total securities, net | 746,508 | 672,953 | 1,419,461 | |

* Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

The bank's investments in financial assets break downs by countries of issuers as at 31 December 2012, except derivatives:

LVL'000

| Issuer state | Securities of central governments | Other issuers securities | Total | % of sareholders' equity |
|---|-----------------------------------|--------------------------|----------------|--------------------------|
| United States of America | 213,232 | 2,985 | 216,217 | 158.8 |
| Russia | 25,656 | 113,236 | 138,892 | 102.0 |
| Canada | 55,011 | 68,890 | 123,901 | 91.0 |
| Germany | 7,131 | 101,454 | 108,585 | 79.7 |
| Sweden | 38,964 | 21,175 | 60,139 | 44.2 |
| Netherlands | - | 31,583 | 31,583 | 23.2 |
| Latvia | 26,860 | 2,646 | 29,506 | 21.7 |
| United Kingdom | 8,089 | 14,301 | 22,390 | 16.4 |
| Norway | 9,880 | 5,388 | 15,268 | 11.2 |
| Securities of other countries * | 38,755 | 28,286 | 67,041 | 49.2 |
| Securities of international organizations | - | 89,400 | 89,400 | 65.6 |
| Total securities, net | 423,578 | 479,344 | 902,922 | |

* Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

EUR'000

| Issuer state | Securities of central governments | Other issuers securities | Total | % of sareholders' equity |
|---|-----------------------------------|--------------------------|------------------|--------------------------|
| United States of America | 303,402 | 4,247 | 307,649 | 158.8 |
| Russia | 36,505 | 161,121 | 197,626 | 102.0 |
| Canada | 78,274 | 98,022 | 176,296 | 91.0 |
| Germany | 10,146 | 144,356 | 154,502 | 79.7 |
| Sweden | 55,441 | 30,129 | 85,570 | 44.2 |
| Netherlands | - | 44,939 | 44,939 | 23.2 |
| Latvia | 38,218 | 3,765 | 41,983 | 21.7 |
| United Kingdom | 11,510 | 20,348 | 31,858 | 16.4 |
| Norway | 14,058 | 7,666 | 21,724 | 11.2 |
| Securities of other countries * | 55,143 | 40,247 | 95,390 | 49.2 |
| Securities of international organizations | - | 127,205 | 127,205 | 65.6 |
| Total securities, net | 602,697 | 682,045 | 1,284,742 | |

* Each country's issuers' total exposure is less than 10% from the eligible capital used for capital adequacy ratio calculation purposes.

In the reporting period, impairment by LVL 34 thousand (EUR 48 thousand) was recognized for the securities of the available-for-sale portfolio.

At the end of reporting period has not been made provisions for financial assets at amortized cost.