



AS DNB banka public report for the 2nd quarter 2015

The report is prepared according to the Latvian FSA requirements about quarterly reporting of financial institutions

Name: AS DNB banka
Address: Skanstes iela 12, Rīga, LV-1013
Registration No.: 40003024725

Income statement

Position	6 months 2015 Group unaudited EUR`000	6 months 2015 Bank unaudited EUR`000	6 months 2014 Group unaudited EUR`000	6 months 2014 Bank unaudited EUR`000
Interest income	24 417	22 435	29 042	27 047
Interest expenses	(3 517)	(3 084)	(6 293)	(5 478)
Dividend income	12	262	4	4
Fees and commissions income	8 598	7 713	8 800	7 718
Fees and commissions expenses	(2 843)	(2 731)	(2 780)	(2 660)
Net realised profit/(loss) from the financial assets and financial liabilities valued at amortised cost	-	-	-	-
Net realised profit/(loss) from the financial assets available for sale	-	-	-	-
Net profit/(loss) from the financial assets and financial liabilities held for trading	(260)	(260)	(344)	(344)
Net profit/(loss) from the financial assets and financial liabilities classified at fair value through profit and loss	(555)	(555)	(74)	(74)
Fair value changes in hedge accounting	-	-	-	-
Foreign currency trade and revaluation profit/(loss)	1 175	1 164	1 041	1 041
Profit/(loss) from derecognition of assets, equipment and devices, investment property and intangible assets	438	45	393	194
Other operating income	1 781	2 015	1 166	1 515
Other operating expenses	(425)	(356)	(391)	(353)
Administrative expenses	(17 719)	(16 449)	(19 188)	(17 911)
Depreciation	(2 103)	(1 671)	(1 764)	(1 341)
Net allowances	-	-	-	-
Impairment losses from debtors	(662)	(479)	(443)	(206)
Profit/(loss) before income tax	8 337	8 049	9 169	9 152
Corporate income tax	(240)	-	(214)	-
Net profit/(loss) for the year	8 097	8 049	8 955	9 152

Balance Sheet

Position	30.06.2015 Group unaudited EUR`000	30.06.2015 Bank unaudited EUR`000	31.12.2014 Group audited* EUR`000	31.12.2014 Bank audited* EUR`000
Cash and claims on demand on central banks	49 739	49 739	52 606	52 606
Claims on demand on credit institutions	481 373	480 804	40 358	39 806
Financial assets held for trading	39 253	39 253	19 168	19 168
Financial assets at fair value through profit and loss	49 719	49 719	35 337	35 337
Financial assets available-for-sale	252	252	267	267
Loans and debtors	1 674 096	1 624 587	2 093 622	2 049 300
Held-to-maturity investments	-	-	-	-
Fair value changes for the portion of portfolio hedged against interest rate risk	-	-	-	-
Accrued income and next period expenses	2 435	1 961	1 603	1 269
Fixed assets	31 204	5 968	32 330	6 733
Investment property	61 947	8 969	62 148	10 245
Intangible assets	2 581	2 192	3 001	2 589
Investments in the share capital of related and associated companies	-	8 841	-	8 841
Foreclosed assets	-	-	-	-
Tax assets	8 957	8 700	9 075	8 701
Other assets	11 253	7 279	12 960	3 767
Total assets	2 412 809	2 288 264	2 362 475	2 238 629
Liabilities to central bank	60 549	60 549	60 500	60 500
Liabilities on demand to credit institutions	23 305	23 296	6 903	6 903
Financial liabilities held for trading	36 890	36 890	14 751	14 751
Financial liabilities at fair value through profit and loss	-	-	-	-
Financial liabilities at amortised cost	2 014 960	1 870 225	2 012 158	1 866 849
Financial liabilities arisen from transfer of financial assets	-	-	-	-
Fair value changes for the portion of portfolio hedged against interest rate risk	-	-	-	-
Accrued expenses and next period income	5 410	4 335	4 574	4 393
Provisions	1 652	25 594	2 446	26 880
Tax liabilities	67	-	175	-
Other liabilities	7 539	2 758	6 607	1 764
Total liabilities	2 150 372	2 023 647	2 108 114	1 982 040
Capital and reserves	262 437	264 618	254 361	256 589
Total capital and reserves and liabilities	2 412 809	2 288 265	2 362 475	2 238 629
Off-balance sheet items				
Contingent liabilities	46 311	91 452	43 017	43 017
Due to customers	162 731	170 375	209 335	214 297

*Audit of the financial statement for the year ended 31 December 2014 was performed by Ernst & Young Baltic SIA.

Capital base and minimum capital requirement summary

No	Position	30.06.2015 Group EUR '000	30.06.2015 Bank EUR '000
1.	Own funds (1.1.+1.2.)	231 548	237 922
1.1.	Tier 1 capital (1.1.1.+1.1.2.)	231 548	237 922
1.1.1.	Common equity tier 1 capital	231 548	237 922
1.1.2.	Additional tier 1 capital	-	-
1.2.	Tier 2 capital	-	-
2.	Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)	1 575 869	1 535 913
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 429 208	1 394 414
2.2.	Settlement/delivery risk exposure amount	-	-
2.3.	Total risk exposure amount for position, foreign exchange and commodities risks	-	-
2.4.	Total risk exposure amount for operational risk	127 736	122 574
2.5.	Total risk exposure amount or credit valuation adjustment	18 925	18 925
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.	CET 1 Capital ratio (1.1.1./2.*100)	14.69%	15.49%
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	160 634	168 806
3.3.	Tier 1 Capital ratio (1.1./2.*100)	14.69%	15.49%
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital (1.1.-2.*6%)	136 996	145 767
3.5.	Total capital ratio (1./2.*100)	14.69%	15.49%
3.6.	Surplus(+)/ Deficit(-) of total capital (1.-2.*8%)	105 478	115 049
4.	Combined buffer requirement	2.5	2.5
4.1.	Capital conservation buffer (%)	2.5	2.5
4.2.	Institution-specific countercyclical capital buffer (%)	-	-
4.3.	Systemic risk buffer (%)	-	-
4.4.	G-SII buffer (%)	-	-
4.5.	O-SII buffer (%)	-	-

The Bank's Performance Ratios

Position	6 moths 2015 Group	6 moths 2015 Bank	6 moths 2014 Group	6 moths 2014 Bank
Return on equity (ROE) (%)	6.24%	6.15%	7.46%	7.51%
Return on assets (ROA) (%)	0.64%	0.67%	0.69%	0.74%

Liquidity ratio

No	Position	30.06.2015 Bank EUR '000
1.	Liquid assets	
1.1.	Cash	22 449
1.2.	Deposits with central banks	27 290
1.3.	Deposits with solvent credit institutions	535 804
1.4.	Liquid securities	48 687
1.5.	Total (1.1.+1.2.+1.3.+1.4.)	634 230
2.	Current liabilities (with remaining maturity up to 30 days)	
2.1.	Deposits from credit institutions	50 614
2.2.	Deposits	901 105
2.3.	Issued debt securities	-
2.4.	Cash in transit	6 712
2.5.	Other current liabilities	6 985
2.6.	Off-balance liabilities	147 059
2.7.	Total (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	1 112 475
3.	Liquidity ratio (1.5./2.7.) (%)	57.01
4.	Minimum liquidity ratio	30%

Composition of the Consolidated group

30 June 2015

No	Name of the company	Registration number	Country of domicile, registration address	Company type*	Portion of a holding in share capital (%)	Portion of voting rights in the company (%)	Motivation for inclusion in the group**
1	SIA DNB Iizings	40003659898	LV, Riga, Skanstes street 12	LIZ	100	100	MS
2	IPAS DNB Asset Management	40003699053	LV, Riga, Skanstes street 12	IPS	100	100	MS
3	SIA Skanstes 12	40003975842	LV, Riga, Skanstes street 12	PLS	100	100	MS
4	SIA Salvus	40103223713	LV, Riga, Skanstes street 12	PLS	100	100	MS
5	SIA Salvus 2	50103254931	LV, Riga, Skanstes street 12	PLS	100	100	MS
6	SIA Salvus 3	40103261113	LV, Riga, Skanstes street 12	PLS	100	100	MS
7	SIA Salvus 4	40103588074	LV, Riga, Skanstes street 12	PLS	100	100	MS
8	SIA Salvus 5	40103673347	LV, Riga, Skanstes street 12	PLS	100	100	MS
9	SIA Salvus 6	40103826344	LV, Riga, Skanstes street 12	PLS	100	100	MS

* IPS – investment management company, LIZ – leasing company, PLS – supporting company.

** MS - subsidiary company.

Shareholders and participation in paid-in share capital

30 June 2015

Shareholder	Paid-in share capital EUR'000	% of total paid-in share capital	Number of shares
DNB Bank ASA	191 178	100%	191 178 337

Management of DNB banka

30 June 2015

The Supervisory Council

Name	Position
Mats Wermelin	Chairman of the Supervisory Council
Tony Samuelsen	Member of the Supervisory Council
Leif Rene Hansen	Member of the Supervisory Council
Eline Skramstad	Member of the Supervisory Council

The Management Board

Name	Position
Atle Knai	Chairman of the Management Board, president
Ivars Kapitovics	Member of the Management Board, vice-president
Lauris Macijevskis	Member of the Management Board, vice-president
Dace Kaulina	Member of the Management Board, vice-president
Intars Sloka	Member of the Management Board, vice-president
Janis Teteris	Member of the Management Board, vice-president
Arne Vilhelmsen	Member of the Management Board, vice-president

Till the day of preparing this report there have been the following changes in the composition of the Management Board:

As of July 1st 2015 Ivars Kapitovics resigned from the position of Member of the Management Board / vice-president. AS of July 1st 2015 Anita Berzina was appointed as the Member of the Management Board / vice-president.

Risk analysis

Information on risk analysis can be found in AS DNB banka financial report for the year ended 31 December 2014 from page 22 to 27 and since the publication of the report it has not been significantly changed:

https://www.dnb.lv/sites/default/files/about/documents/annual_report_2014_final.pdf

Bank's organisational structure and branches

Information on organisation structure of AS DNB banka can be found in the Bank's Internet home page chapter "Organizācijas struktūra" (available in Latvian):

<https://www.dnb.lv/lv/par-mums/organizacijas-struktura>

Information on list of branches of AS DNB banka can be found in the Bank's Internet home page chapter "Branches":

<https://www.dnb.lv/en/branches>

Vision, Mission, Strategy

Information on Vision, Mission and Strategy of AS DNB Banka can be found in the Bank's Internet home page chapter "Vīzija, vērtības un stratēģija" (available in Latvian):
<https://www.dnb.lv/lv/par-mums/vizija-vertibas-un-strategija>

Ratings

AS DNB banka does not have separate ratings. Information on DNB bank ASA ratings can be found on web site:
<https://www.dnb.no/en/about-us/investor-relations/ratings.html>

Financial assets designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss	30.06.2015 Group EUR'000	30.06.2015 Bank EUR'000	31.12.2014 Group EUR'000	31.12.2014 Bank EUR'000
Debt securities				
Latvian government securities	49 172	49 172	34 790	34 790
Total debt securities	49 172	49 172	34 790	34 790
Investment funds				
DNB Rezerves Fonds	547	547	547	547
Total investment funds	547	547	547	547
Total	49 719	49 719	35 337	35 337

Moody's equivalent grades	30.06.2015		31.12.2014	
	EUR'000	%	EUR'000	%
Risk rating class 1 Aaa	-	0%	-	0%
Risk rating class 2 Aa1-A3	49 172*	99%	-	0%
Risk rating class 3 Baa1-Baa2	-	0%	34 790*	98%
Risk rating class 4 Baa3	-	0%	-	0%
Not rated	547	1%	547	2%
Total	49 719	100%	35 337	100%

*Latvian government securities are classified according to the credit rating of Latvia