



# **AS DNB banka public report for the 3<sup>rd</sup> 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	9 months 2015 Group unaudited EUR '000	9 months 2015 Bank unaudited EUR '000	9 months 2014 Group unaudited EUR '000	9 months 2014 Bank unaudited EUR '000
Interest income	35 853	32 916	42 906	39 897
Interest expenses	(5 610)	(4 958)	(8 954)	(7 736)
Dividend income	20	270	6	6
Fees and commissions income	12 864	11 484	13 445	11 703
Fees and commissions expenses	(4 287)	(4 119)	(4 279)	(4 084)
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	(343)	(343)	(600)	(600)
Net profit/(loss) from the financial assets and financial liabilities classified at fair value through profit and loss	(761)	(761)	(170)	(170)
Fair value changes in hedge accounting	-	-	-	-
Foreign currency trade and revaluation profit/(loss)	1 707	1 698	1 661	1 637
Profit/(loss) from derecognition of assets, equipment and devices, investment property and intangible assets	166	39	931	345
Other operating income	4 272	4 751	1 791	2 339
Other operating expenses	(672)	(587)	(576)	(511)
Administrative expenses	(26 028)	(24 126)	(27 954)	(26 178)
Depreciation	(3 077)	(2 431)	(2 744)	(2 111)
Provisions	-	-	-	-
Net allowances for impairment losses	(360)	(196)	(318)	(73)
Profit/(loss) before income tax	<b>13 744</b>	<b>13 637</b>	<b>15 145</b>	<b>14 464</b>
Corporate income tax	(366)	-	(347)	-
<b>Net profit/(loss) for the year</b>	<b>13 378</b>	<b>13 637</b>	<b>14 798</b>	<b>14 464</b>

## Balance Sheet

Position	30.09.2015 Group unaudited EUR`000	30.09.2015 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	43 987	43 987	52 606	52 606
Claims on demand on credit institutions	527 802	527 430	40 358	39 806
Financial assets held for trading	37 854	37 854	19 168	19 168
Financial assets at fair value through profit and loss	62 155	62 155	35 337	35 337
Financial assets available-for-sale	252	252	267	267
Loans and debtors	1 606 695	1 557 343	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	2 960	2 575	1 603	1 269
Fixed assets	30 444	5 382	32 330	6 733
Investment property	57 107	7 805	62 148	10 245
Intangible assets	2 466	2 086	3 001	2 589
Investments in the share capital of related and associated companies	-	8 841	-	8 841
Foreclosed assets	-	-	-	-
Tax assets	8 900	8 701	9 075	8 701
Other assets	11 172	6 225	12 960	3 767
<b>Total assets</b>	<b>2 391 794</b>	<b>2 270 636</b>	<b>2 362 475</b>	<b>2 238 629</b>
Liabilities to central bank	60 573	60 573	60 500	60 500
Liabilities on demand to credit institutions	2 950	2 950	6 903	6 903
Financial liabilities held for trading	37 806	37 806	14 751	14 751
Financial liabilities at fair value through profit and loss	-	-	-	-
Financial liabilities at amortised cost	2 007 993	1 866 551	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	6 488	4 966	4 574	4 393
Provisions	1 652	25 143	2 446	26 880
Tax liabilities	67	-	175	-
Other liabilities	6 578	2 475	6 607	1 764
<b>Total liabilities</b>	<b>2 124 107</b>	<b>2 000 464</b>	<b>2 108 114</b>	<b>1 982 040</b>
Capital and reserves	267 687	270 172	254 361	256 589
<b>Total capital and reserves and liabilities</b>	<b>2 391 794</b>	<b>2 270 636</b>	<b>2 362 475</b>	<b>2 238 629</b>
<b>Off-balance sheet items</b>				
Contingent liabilities	43 939	89 080	43 017	43 017
Due to customers	104 778	140 020	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	30.09.2015 Group EUR '000	30.09.2015 Bank EUR '000
<b>1.</b>	<b>Own funds (1.1.+1.2.)</b>	<b>232 880</b>	<b>238 805</b>
<b>1.1.</b>	<b>Tier 1 capital (1.1.1.+1.1.2.)</b>	<b>232 880</b>	<b>238 805</b>
1.1.1.	Common equity tier 1 capital	232 880	238 805
1.1.2.	Additional tier 1 capital	-	-
<b>1.2.</b>	<b>Tier 2 capital</b>	<b>-</b>	<b>-</b>
<b>2.</b>	<b>Total risk exposure amount (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.+2.7.)</b>	<b>1 506 763</b>	<b>1 473 169</b>
2.1.	Risk weighted exposure amounts for credit, counterparty credit and dilution risks and free deliveries	1 360 122	1 331 690
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	18 905	18 905
2.6.	Total risk exposure amount related to large exposures in the trading book	-	-
2.7.	Other risk exposure amounts	-	-
<b>3.</b>	<b>Capital ratios and capital levels</b>		
3.1.	CET 1 Capital ratio (1.1.1./2.*100)	15.46%	16.21%
3.2.	Surplus(+)/Deficit(-) of CET 1 capital (1.1.1.-2.*4.5%)	165 076	172 512
3.3.	Tier 1 Capital ratio (1.1./2.*100)	15.46%	16.21%
3.4.	Surplus(+)/Deficit(-) of Tier 1 capital (1.1.-2.*6%)	142 474	150 415
3.5.	<b>Total capital ratio (1./2.*100)</b>	<b>15.46%</b>	<b>16.21%</b>
3.6.	Surplus(+)/ Deficit(-) of total capital (1.-2.*8%)	112 339	120 951
<b>4.</b>	<b>Combined buffer requirement</b>	<b>2.5</b>	<b>2.5</b>
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	9 moths 2015 Group	9 moths 2015 Bank	9 moths 2014 Group	9 moths 2014 Bank
Return on equity (ROE) (%)	6.81%	6.89%	8.12%	7.83%
Return on assets (ROA) (%)	0.70%	0.76%	0.77%	0.79%

## Liquidity ratio

No	Position	30.09.2015 Bank EUR '000
<b>1.</b>	<b>Liquid assets</b>	
1.1.	Cash	20 619
1.2.	Deposits with central banks	23 368
1.3.	Deposits with solvent credit institutions	527 640
1.4.	Liquid securities	61 293
1.5.	Total (1.1.+1.2.+1.3.+1.4.)	632 920
<b>2.</b>	<b>Current liabilities (with remaining maturity up to 30 days)</b>	
2.1.	Deposits from credit institutions	30 096
2.2.	Deposits	900 595
2.3.	Issued debt securities	-
2.4.	Cash in transit	7 462
2.5.	Other current liabilities	4 304
2.6.	Off-balance liabilities	118 147
2.7.	Total (2.1.+2.2.+2.3.+2.4.+2.5.+2.6.)	1 060 604
<b>3.</b>	<b>Liquidity ratio (1.5./2.7.) (%)</b>	<b>59.68</b>
<b>4.</b>	<b>Minimum liquidity ratio</b>	<b>30%</b>

## Composition of the Consolidated group

30 September 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 September 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 September 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
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
Anita Berzina	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](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	30.09.2015 Group EUR'000	30.09.2015 Bank EUR'000	31.12.2014 Group EUR'000	31.12.2014 Bank EUR'000
<b>Debt securities</b>				
Latvian government securities	31 632	31 632	34 790	34 790
OECD financial institutions securities	29 975	29 975	-	-
<b>Total debt securities</b>	<b>61 607</b>	<b>61 607</b>	<b>34 790</b>	<b>34 790</b>
<b>Investment funds</b>				
DNB Reserves Fonds	548	548	547	547
<b>Total investment funds</b>	<b>548</b>	<b>548</b>	<b>547</b>	<b>547</b>
<b>Total</b>	<b>62 155</b>	<b>62 155</b>	<b>35 337</b>	<b>35 337</b>

Moody's equivalent grades		30.09.2015		31.12.2014	
		EUR'000	%	EUR'000	%
Risk rating class 1	<b>Aaa</b>	-	0%	-	0%
Risk rating class 2	<b>Aa1-A3</b>	61 607*	99%	-	0%
Risk rating class 3	<b>Baa1-Baa2</b>	-	0%	34 790*	98%
Risk rating class 4	<b>Baa3</b>	-	0%	-	0%
Not rated		548	1%	547	2%
<b>Total</b>		<b>62 155</b>	<b>100%</b>	<b>35 337</b>	<b>100%</b>

\*Latvian government securities are classified according to the credit rating of Latvia, OECD financial institutions securities are classified according to the rating of guaranteed securities